DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

THIRD SESSION—TWENTIETH PARLIAMENT

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OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1947

HOUSE OF COMMONS

DEBATES

OFFICIAL REPORT

DOMINION OF CANADA

CANADA

House of Commons Debates

OFFICIAL REPORT

Monday, April 14, 1947

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

HOUSING—VETERANS LAND ACT—WELCOME, ONT.

Mr. STEPHENSON:

1. What date was land purchased at Welcome, Ontario, to build houses under the V.L.A.?

2. When were these houses started?

3. When will these houses be completed?

4. Were any night watchmen or guards employed on this project?

5. If so, for what length of time and what has been the remuneration paid up to date or expected to be paid by the time houses are completed?

Mr. MACKENZIE:

1. June 20, 1945.

2. November 12, 1945.

3. During the week commencing March 30.

4. Yes.

5. November 12, 1945 to March 31, 1947; $2,637.39. Watchman service is employed at prevailing rates; in this locality, $36 per week. Prolonged delays in well drilling at this project contributed to the relatively high cost.

HOUSING—VETERANS LAND ACT—BOWMANVILLE AREA

Mr. STEPHENSON:

1. How much land was bought in connection with building veterans' houses under V.L.A. east of Bowmanville on No. 2 highway?

2. How many are under construction?

3. How many have been completed?

4. If any have been completed, are they occupied as yet? If so, on what terms were they sold or rented?

5. What will be the cost to the government of each house when completed?

6. What will be the cost of the whole project, land and houses, when completed?

Mr. MACKENZIE:

1. 12 acres.

2. None.

3. Four.

4. Two occupied. One applied for. Sale terms: $600 down; balance less conditional grant of $1,400 amortized over a period of not more than 25 years, with interest at 3½ per cent.

5. Cost to the government for house construction only: Humphrys 1, $5,550; Humphrys 2, $5,432; Humphrys 3, $5,290; Humphrys 4, $5,144.

6. Total cost of project including houses, land, water, roads, driveways, landscaping, and a contingency of $100 per house: $27,685.75.

CANDIDATES FOR PUBLIC SERVICE—INTERDEPARTMENTAL COMMITTEE TESTING LOYALTY

Mr. STEWART (Winnipeg North):

1. Is there an interdepartmental government committee studying methods for the testing of national loyalty of prospective candidates for dominion public service?

2. If not, is there a committee which has as its objective or part of an objective a purpose similar to the above?

3. Who are the members of this committee?

4. What are the criteria for testing loyalty?

5. Has this committee made any report or reports?

Mr. ST. LAURENT: As was indicated to the House of Commons by the Prime Minister on February 10 last, in reply to a question by the hon. member for Wellington North (*Hansard*, page 247), interdepartmental committees are established by the government from time to time as a means of facilitating the despatch of public business. The reports which they make to the government from time to time are confidential and the government itself accepts full responsibility for whatever action may be taken as a result of advice received from such committees.

Among these, at the present time, is a standing interdepartmental panel on security, composed of officials from the departments and agencies of government from time to time concerned. The function of this panel is to advise on the coordination of the planning, organization and execution of security meas-

ures generally which affect government departments. These measures necessarily include the devising of the best methods of carrying out investigations of applicants for government employment to determine their suitability from a security point of view, but the committee does not deal with individual cases.

Under the terms of the Civil Service Act (sections 4 (a) and 26 (3)) and regulations (Sec. 7) the civil service commission is required to satisfy itself as to the character and habits of persons appointed by it to government employment. These provisions do not however apply to all employees of government departments or agencies nor do they relieve departments of their responsibility for satisfying themselves as to the suitability of individual employees from the security standpoint. "National loyalty" is an aspect of security and it is not considered possible or desirable to establish any rigid criteria for testing loyalty in this sense. As indicated above, ultimate responsibility in this respect rests with the department concerned in each case.

ARMED FORCES—CIVILIAN HOCKEY TEAMS

Mr. ISNOR:

1. Was request made by Halifax parties for permission for certain members of the armed forces to take part, as players, in civilian hockey teams during the season of 1946-47?

2. Was permission granted? If not, what reason was given for refusal?

3. Has permission been granted for members of the armed forces to play with Shawinigan Falls or Quebec Aces?

Mr. LAPOINTE:

1. Yes.

2. No. The members of the forces concerned could not be spared from their official duties for the time required to train and play with civilian hockey teams.

3. Yes. One member of the forces was granted permission to play with the Quebec Aces on condition that any time required from duty would be deducted from his annual leave.

Note: Final decision in these cases, based on the exigencies of the service, rested with the G.O.C. command concerned.

WAR ASSETS—SALE OF TRUCKS TO FOREIGN COUNTRIES

Mr. CASE:

1. Since the cessation of hostilities, have any new or used trucks that were in Canada at the time of sale been sold to individuals, corporations or governments of foreign countries?

2. If so, in what months and years were these sales made?

3. What was the name of the manufacturer of the trucks and tonnage?

4. At the time of these sales were there any demands from any individuals or corporations to purchase equipment of a like type or near the type on hand in any government department?

Mr. McILRAITH:

1. Yes.

2 and 3. The following is a list of surplus trucks that were located in Canada and sold direct to foreign governments and to exporters for export to countries as declared by the exporter showing the months and years in which the sales were made, together with the type of truck and tonnage thereof:

(A) Sold to foreign governments:

Country	Quantity	Date sold	Manufacturer	Tonnage
China	409	Feb. 1946	Ford	3 ton
China	533	Feb. 1946	G.M.	3 ton
China	14	May 1946	Ford	3 ton
France	1,517	Feb. 1946	Dodge	3 ton
Greece	22	April 1946	Ford	3 ton
Greece	8	May 1946	Ford	3 ton
Hungary	6	May 1946	Ford	3 ton
Korea	66	Nov. 1946	G.M.	3 ton
Netherlands	948	May 1946	Ford	30 cwt.
Netherlands	61	Nov. 1946	G.M.	15 cwt.
Netherlands	57	Dec. 1946	G.M.	15 cwt.
Netherlands	150	Jan. 1947	G.M.	15 cwt.
Poland	25	May 1946	Ford	3 ton
Venezuela	1,500	Dec. 1946	Dodge	3 ton
Venezuela	100	June 1946	Dodge	3 ton
Yugoslavia	65	May 1946	Ford	3 ton
Total	5,481			

(B) Sold to Exporters for export to countries as declared by exporter:

Country	Quantity	Date Sold	Manufacturer	Tonnage
Arabia	6	Aug., 1946	Ford	3 ton
Argentina	1	May, 1946	Ford	3 ton
Argentina	4	July, 1946	Ford	3 ton
Argentina	1	Aug., 1946	G.M. Forklift	
Argentina	5	Aug., 1946	G.M.	3 ton
Argentina	30	Sept., 1946	G.M.	3 ton
Argentina	12	Oct., 1946	G.M.	3 ton
Argentina	630	Nov., 1946	G.M.	3 ton
Argentina	121	Nov., 1946	Ford	3 ton
Argentina	1	Nov., 1946	G.M. Forklift	
Argentina	46	Dec., 1946	G.M.	3 ton
Argentina	110	Jan., 1947	F.W.D.	5 ton
Argentina	361	Jan., 1947	Ford	3 ton
Argentina	72	Jan., 1947	G.M.	3 ton
Argentina	1	Feb., 1947	G.M. Forklift	
Argentina	123	Not invoiced	G.M. Forklift	
Bulgaria	1	Aug., 1946	Ford	3 ton
China	12	Aug., 1946	G.M.	8 cwt.
Colombia	7	May, 1946	Ford	3 ton
Colombia	35	Aug., 1946	Ford	3 ton
Colombia	105	Sept., 1946	Ford	3 ton
Colombia	77	Nov., 1946	Ford	3 ton
Europe	60	July, 1946	Ford	3 ton
France	504	May, 1946	G.M.	3 ton
Greece	26	Feb., 1946	Ford	3 ton
Greece	5	Mar., 1946	G.M.	8 cwt.
Greece	24	Sept., 1946	Ford	3 ton
Palestine	25	Nov., 1946	Ford	3 ton
Poland	10	Feb., 1946	Ford	3 ton
Russia	12	Oct., 1946	G.M.	15 cwt.
Russia	12	Oct., 1946	G.M.	3 ton
Russia	5	Nov., 1946	G.M.	3 ton
Russia	3	Nov., 1946	G.M.	15 cwt.
South America	200	July, 1946	Ford	3 ton
South America	480	Aug., 1946	Ford	3 ton
South America	60	Oct., 1946	G.M.	8 cwt.
South America	312	Oct., 1946	Ford	3 ton
South America	311	Nov., 1946	Ford	3 ton
South America	521	Dec., 1946	Ford	3 ton
South America	1,056	Dec., 1946	Ford	15 cwt.
South America	731	Dec., 1946	G.M.	15 cwt.
South America	156	Dec., 1946	G.M.	3 ton
South America	119	Dec., 1946	G.M.	8 cwt.
South America	144	Jan., 1947	G.M.	3 ton
South America	265	Feb., 1947	Ford	3 ton
South America	221	Feb., 1947	G.M.	3 ton
South America	5	Feb., 1947	G.M.	15 cwt.
South America	24	Not invoiced	Ford	3 ton
South America	156	Not invoiced	G.M.	3 ton
South America	240	Not invoiced	G.M.	8 cwt.
South America	336	Not invoiced	G.M.	15 cwt.
Turkey	192	Sept., 1946	Ford	3 ton
Venezuela	13	Aug., 1946	Ford	3 ton
Yugoslavia	20	Feb., 1946	Ford	3 ton
Total	8,009			

4. Yes.

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FEDERAL GRANTS TO MANITOBA AGRICULTURAL SOCIETIES

Mr. ZAPLITNY:

1. How many agricultural societies in the province of Manitoba received federal government grants during the years 1945 to 1946?
2. What are the names of such societies?
3. What amount did each society receive in each of the years mentioned above?

Mr. GARDINER:

1. None.

2 and 3. Answered by No. 1.

DAUPHIN, MAN., AIRPORT

Mr. ZAPLITNY:

1. Has the franchise been granted to any firm or individual to operate an air service which includes either airport at Dauphin, Manitoba?
2. If so, what is the name of such firm or individual?
3. On what date and for what period of time was such franchise granted?
4. What other firms or individuals, if any, made application for such franchise?

Mr. McILRAITH:

1. No.

2 and 3. Answered by No. 1.

4. Frank M. Hurley

Applied for licence to operate a scheduled commercial air service between the following points: Winnipeg—Dauphin—The Pas—Flin Flon.

Application was rejected because the applicant failed to complete all necessary documentation.

Prairie Cities Airlines Limited

Applied for licence to operate a scheduled commercial air service between the following points: Winnipeg — Portage la Prairie — Brandon — Dauphin — Yorkton — Regina — Weyburn—Estevan.

Application withdrawn by applicant.

Canadian Pacific Airlines Limited

Applied for licence to operate a scheduled commercial air service between the following points: Winnipeg—Dauphin—The Pas—Flin Flon.

Air transport board decision pending.

DOMINION COUNCIL OF HEALTH

Mr. BRUNELLE:

1. To what extent are the recommendations of the dominion council of health carried out?
2. In what manner are the recommendations of the said council carried out?
3. Apart from dealing with specific problems relating to public health, has the said council performed other useful functions?

Mr. MARTIN:

1. Aside from making recommendations and proposals and furnishing advice, the council has no authority conferred upon it, and there is nothing obligatory upon the Minister of National Health and Welfare or any other authority to accept its advice or recommendations. However, in the years since its inception, the council has been recognized for the important part it has played in fostering and initiating much useful and progressive health legislation, and its advice and recommendations have come to be regarded as worthy of careful consideration by all concerned.

2. The Department of National Health and Welfare employs a full-time secretary to the council, who is responsible, under direction of the chairman, for bringing recommendations of the council to the attention of the appropriate authorities, and to report back to the council any action taken in respect thereto.

3. Yes. The extent to which uniformity has been attained in the provision of public health services by the various provinces is credited largely to the exchange of information and ideas made possible through the getting together of the senior health officials at meetings of the council.

HOUSING—VETERANS LAND ACT—BRITISH COLUMBIA

Mr. CRUICKSHANK:

1. What was the amount paid the contractor for each house constructed under the Veterans' Land Act, and what allowance was made for cost plus or management fee at (a) Chilliwack; (b) Mission; (c) Haney?
2. Was temporary heating used during the construction of these houses at Chilliwack, Mission and Haney? If so, for what reason; what was the cost of same to each house and to whom was the money paid?
3. How many feet of drains were constructed at the Chilliwack housing project and (a) what was the size of each drain; (b) number of feet of tile purchased; (c) size and price of same; (d) name of firm receiving payment for this work?
4. What months were the houses under construction in each project and who were the inspectors in charge?

Mr. MACKENZIE:

1. House costs not yet finally determined by cost inspection and audit division of treasury. Management fee per unit: $180 plus $65 for plant rental.

2. Yes, to dry out plaster etc. so that work could proceed without undue delay. The average cost per unit was $7.61 at Chilliwack; $6.56 at Mission; and $28.05 at Haney. Payment was made to the contractors Bennett & White.

3. 5,000 feet of tile used for drainage purposes plus effluent lines for septic tanks. (a)

Four inches in diameter; (b) 7036; (c) Four inches in diameter costing approximately 6½ cents per foot; (d) Bennett & White.

4. Project—Under Construction—Inspectors

Chilliwack, July 26, 1945 to Aug. 15, 1946, John W. Lewis approximately first six months and E. A. Heaton from then on until completion of work.

Mission, July 30, 1945 to July 15, 1946, E. A. Bennett.

Haney, June 12, 1945 to Aug. 15, 1946, A. R. Johnson.

PASSPORTS

Mr. POULIOT:

Is an application for passport a public or a confidential document?

Mr. ST. LAURENT: An application for passport is a confidential document.

*AIRCRAFT "NORTH STAR"

Mr. CASE:

1. By whom was the aircraft North Star designed?
2. What, to date, has the government spent on building this aircraft?
3. Has the government ceased to construct these aeroplanes? If so, for what reason?

Mr. McILRAITH: In answer to the first part of this question, I may say that the *North Star* is a Douglas type of aircraft designed by Douglas Aircraft Company Incorporated, and modified for Rolls Royce Merlin engines by Douglas Aircraft Company Incorporated, Rolls Royce and Canadair in collaboration with Trans-Canada Air Lines and the R.C.A.F.

As to parts 2 and 3 of the question, a statement was made by the Minister of Reconstruction and Supply on March 20 last, which will be found at pages 1540 to 1544 of *Hansard;* and in addition to that, a parliamentary return was tabled earlier this afternoon giving additional information in answer to the question.

EXPORTS OF BUTTER

Mr. DENIS:

1. Did Canada export any butter during 1944, 1945 and 1946?
2. If so, what quantity was exported and to what countries?

Mr. MacKINNON:

1. Yes.
2. Canadian exports by countries of butter during the calendar years 1944, 1945 and 1946:

Country	1944 Lb.	1945 Lb.	1946 Lb.
United Kingdom	200	....	....
Aden	....	1,400	....
Gambia	4,800	9,400	....
Gold Coast	6,400	169,000	....
Bermuda	289,500	407,800	512,300
British Guiana	623,600	563,100	614,900
British Honduras	93,700	147,800	39,400
Barbados	266,100	589,800	530,400
Jamaica	290,800	229,000	373,800
Trinidad	1,739,100	1,960,600	1,351,600
British West Indies, other	463,200	573,400	676,400
Newfoundland	861,800	825,500	316,200
Greenland	....	11,800	....
Colombia	....	....	300
Ecuador	....	200	....
Egypt	8,100	....	....
French West Indies	....	12,500	....
St. Pierre & Miquelon	78,400	90,800	93,100
Greece	100	....	....
Iraq	700	....	....
Nicaragua	100	....	....
Norway	....	6,200	....
Alaska	100	....	100
United States	....	....	900
Totals	4,726,700	5,598,300	4,509,400

SUGAR QUOTAS

Mr. POULIOT:

1. Are the persons who served overseas the only ones being granted new sugar quotas by the wartime prices and trade board, for confectionery?
2. Is such privilege denied those who have not served overseas?
3. If so, for what reason?

Mr. MAYHEW:

1. No. Limited sugar quotas are granted to any ex-serviceman for the manufacture of confectionery who, whether he served overseas or not, has received or is entitled to a gratuity under the War Service Grants Act 1944.

2 and 3. Answered by No. 1.

TIMBER INSPECTORS

Mr. HODGSON:

1. How many lumber and/or timber inspectors are employed by the wartime prices and trade board?
2. Of these, how many are (a) full-time inspectors; (b) part-time inspectors?
3. What remuneration do the (a) full-time inspectors; (b) part-time inspectors receive?
4. Have the part-time inspectors any other employment?
5. If so, by what other firms are each of them employed?

Mr. MAYHEW:

1. 12.

2. (a) 12; (b) none.

3. (a) 1 at $3,600; 2 at $2,880; 2 at $2,580; 1 at $2,400; 4 at $2,280; 2 at $2,124; (b) answered by 2 (b).

4 and 5. Answered by 2 (b).

LINDSAY ARSENAL

Mr. LENNARD:

1. What is the personnel in charge of the arsenal at Lindsay, Ontario?
2. How many of this personnel have had overseas service?

Mr. McILRAITH:

1. One hundred and ninety four, all employees of Canadian Arsenals Limited. The special work on which most of these employees are engaged will be completed within two months. At that time the staff will be reduced to approximately 60.

2. Forty-six.

PERMITS FOR EXPORT OF LEAD

Mr. CASE:

How many permits were issued in 1946 for export of lead and to whom were these permits issued and for what reason?

Mr. MacKINNON: One hundred and seventeen export permits were issued during 1946 covering the export of lead in bars, lead sheets, lead concentrates, antimonial lead, virgin pig lead, corrosive lead, refined lead, caulking lead, re-run lead, barium lead, and silver lead crude ore.

The name of firms applying for export permits is confidential information.

Canada normally produces more lead and lead products than we can consume in this country. Export controls are continued to assure adequate and reasonable supplies on the domestic market.

QUESTIONS PASSED AS ORDERS FOR RETURNS

AIR MAIL CONTRACTS

Mr. PROBE:

With respect to air mail carrying contracts with T.C.A. and/or other air carriers for carrying mail matter (1) what is the rate of carriage charged by each company carrying mail; (2) what total air mail poundage was carried over each authorized route by each air carrier in the year 1946; (3) what total carriage charges was paid on each of these routes by or on behalf of the Post Office Department; (4) what was the estimated or actual net loss by the department on each of the above routes in 1946?

CENSORSHIP OF PUBLICATIONS

Mr. KNIGHT:

1. What department of government has to do with the censorship of publications?
2. Under what authority is such censorship exercised, and what is the procedure?
3. Who is the official having the final decision as to the banning of (a) a book domestically produced; (b) a book whose publishers wish to introduce it into Canada?
4. What is the background and training of such individual with reference to the task of such censorship?

Mr. GIBSON (Hamilton West): Return tabled.

FERNAND CHOQUETTE, K.C.

Mr. CAOUETTE:

What amounts, if any, were paid to Fernand Choquette, K.C., Quebec barrister, as agent of the various departments of the government for each of the years 1939 to 1947, inclusive?

CONTAINER ASSEMBLY PLANT BUILDING, RIDEAU RIVER FALLS

Mr. FRASER:

1. Under what department has the container assembly plant building at Rideau river falls operated during the years 1945 and 1946?
2. How many thousand feet of ten-test sheeting and dressed lumber was bought for use during the years 1945 and 1946?
3. What was the total quantity of builders' hardware, paint, glass, etc., bought for use in this building during the years of 1945 and 1946?
4. What quantity of the above-mentioned materials were used in this building?

5. What quantities, if any, were shipped from this building in army trucks?
6. What quantity is at present on hand, and stored in this building?
7. Who operated this plant for the two years prior to March 31, 1947?
8. Is there an investigation being conducted at the present time regarding material taken from this building?

INCOME TAX—MARRIED WOMEN

Mr. TIMMINS:

How many married women in the Ottawa taxation area paid income tax in 1945 in respect to salaries alone (as contrasted from those who paid income tax on investments), and what was the aggregate of the income tax so paid?

UNITED NATIONS

SPECIAL SESSION OF GENERAL ASSEMBLY TO CONSIDER PALESTINE QUESTION

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): I wish to direct a question to the Secretary of State for External Affairs. It is based on a press dispatch issued from the united nations headquarters at Lake Success yesterday. According to this dispatch a special session of the general assembly of the united nations is to be called for April 28 next to take up the Palestine problem. My questions are two in number: (1) Has Canada been invited to attend this meeting? (2) Will the minister now advise the house of the government's plans with respect to this special united nations meeting, and, so far as it can do so, indicate its policy with respect to the Palestine question?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): To the first question the answer is in the affirmative. The department this morning received a dispatch from Lake Success dated yesterday notifying us that a majority of the members had yesterday concurred in the request of the United Kingdom to summon a special session of the general assembly, and that in accordance with rules 3 and 8 of the provisional rules of procedure of the general assembly the secretary general was notifying us that this special session will open on Monday, April 28, 1947, at eleven a.m. in the general asembly hall, Flushing Meadows, New York City. The provisional agenda of the special session is to be as follows:

1. Opening of the session by the chairman of the Belgian delegation.
2. Election and report of credentials committee.
3. Election of president for the duration of the special session.
4. Organization of session.
5. Adoption of agenda.

All these are, of course, just preliminaries. Then the only real item on the agenda is the following: Constituting and instructing special committee to prepare for consideration of the question of Palestine at second regular session. The Canadian government had previously expressed its acquiescence in the application of the United Kingdom for a special session of the assembly for the limited purpose mentioned in this article of the agenda.

As to the second part of the question asked by the leader of the opposition, the government feel that this special session will not require a delegation comprising cabinet representation, but that it will suffice to have a delegation of officials of the Department of External Affairs. The present plans are to have that small official delegation headed by the Under-Secretary of State for External Affairs.

As to the remainder of the question, asking for an indication of the government's policy with respect to the Palestine question, the government's policy at present is to concur in this application that there be set up a committee to prepare for consideration the question of Palestine at the next general session of the assembly.

Mr. BRACKEN: Would it be correct to say that this meeting which is called for April 28 is more in the nature of a preliminary meeting for the study of this question, the same to be eventually decided at a fuller and larger regular meeting of the general assembly?

Mr. ST. LAURENT: Our understanding is that it is to constitute a committee which will gather information which will be available for the purpose of dealing intelligently with the problem at the next regular session of the assembly.

INTERNATIONAL TRADE

BRITISH PREFERENTIAL TARIFF—GENEVA CONFERENCE

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): I have another question which I should like to direct to the Secretary of State for External Affairs. It is with respect to the trade discussions now taking place at Geneva. I am raising this question simply because of the conflicting reports which have gone out from Britain, from here and from the headquarters of the united nations at New York. For instance, Sir Stafford Cripps is

reported to the effect that the British are standing by empire preferences. Our own representative, Mr. Wilgress, is reported to the effect that Canada is giving its whole-hearted backing to freer multilateral trade; and there was a press dispatch yesterday of another character. My question is this: Will the government now inform us what decision was arrived at by the preliminary conference in London; and, secondly, what instruction has our delegation received from the government with respect to the attitude it should take on trade matters at Geneva?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I do not think that these reports must necessarily be regarded as conflicting. The statement that Canada is giving its whole-hearted backing to freer multilateral trade is a correct statement, but it is not the whole statement in itself. Canada does not intend to give up what it holds for anything less than something better that it would hold after the arrangement is made. My understanding of the attitude of Sir Stafford Cripps is that it is quite in accord with that general policy. The whole attitude would not be correctly summarized in stating that the United Kingdom was standing by the empire preferences. I think we all regard the empire preferences as something quite precious which we do not intend to give up unless we get something which together we consider to be better than what we already have.

As to whether it will be possible for me to make or table a report on the discussions of the preliminary conference in London, that is something I would have to consider, because, being only one of the members of the conference, we shall have to see to it that we do not publicize anything which it might not be agreeable to the other conferees to have publicized before the line of conduct decided upon at that conference has been implemented in the negotiations at Geneva. I shall endeavour to give to the house as complete information as possible in that regard.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Some days ago the hon. member for Danforth (Mr. Harris) asked me a question along this line. I was preparing an answer, but I believe the answer just given by my colleague pretty well covers the question. If so I should be glad if the hon. member would accept that statement as an answer to his inquiry.

Mr. J. H. HARRIS (Danforth): Will the Minister of Trade and Commerce stick to his guns in regard to the speech he made in the Ottawa valley, and not pay too much attention to what has been said by the Secretary of State for External Affairs?

Mr. MacKINNON: I think the statement to which my hon. friend refers, made by me, is exactly in line with the statement made by the Secretary of State for External Affairs.

CATTLE

INQUIRY AS TO RAIL GRADING BY PACKERS

On the orders of the day:

Mr. LEWIS MENARY (Wellington North): Through you, Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Is there any truth in the report that all cattle sold at stock yards across Canada will be rail graded by the packers and that the farmer will have to accept these returns as he does for hogs? If this is done the sale of cattle will be controlled by the packers, since, when the grading is done, the animals will be beyond the control of the farmers, the legitimate owners.

Some hon. MEMBERS: Order.

Right Hon. J. G. GARDINER (Minister of Agriculture): No arrangements have been made by the federal Department of Agriculture to rail grade cattle. I have no information as to what is being done provincially.

INDIAN ACT

CONVICTION OF BRITISH WAR BRIDE UNDER LIQUOR REGULATIONS

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I do not know to whom I should direct this question, whether to the Minister of Mines and Resources, the Secretary of State or the Minister of Justice. It has to do with the conviction a few days ago of a British war bride for an offence contrary to the Indian Act, in the matter of an infraction of the liquor regulations. The question I wish to ask is this. In view of this anomaly having arisen and this woman having been declared to have the nationality of her husband by reason of marriage, is consideration being given to the amendment of the Citizenship Act to remove this anomaly, or in any event to grant this woman a free pardon?

Hon. J. A. GLEN (Minister of Mines and Resources): I do not know whether the question is addressed to me, but I believe it should be placed on the order paper. At all events I shall take this as notice, and perhaps the proper minister will give an answer later.

HOUSE OF COMMONS

INQUIRY AS TO CHANGE IN SITTING HOURS

Mr. GORDON GRAYDON (Peel): I should like to direct a question to the acting leader of the government having to do with matters closer to home. Has the government given consideration to the point raised before the Easter recess in regard to changing the sitting hours of the house?

Right Hon. L. S. ST. LAURENT (Acting Prime Minister): The government has given the matter some consideration and has decided to postpone further consideration until the dean of the house has returned to his duties here.

HOUSING

CURTAILMENT OF UNESSENTIAL CONSTRUCTION TO PERMIT COMPLETION OF VETERANS' HOUSES

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): I should like to ask the parliamentary assistant to the Minister of Reconstruction and Supply whether consideration has been given to curtailing unessential building so that hundreds of partly completed veterans' houses across Canada may be finished without further delay in regard to such materials as nails, lath and lumber.

Mr. SPEAKER: Order. I would ask hon. members to be brief and to the point when putting questions on the orders of the day.

Mr. FRASER: May I have an answer? I am referring to the hundreds of houses partly constructed.

Mr. G. J. McILRAITH (Parliamentary Assistant to the Minister of Reconstruction and Supply): I can easily answer part of the question, but it is difficult to find just what portion of the hon. member's fairly lengthy statement forms the question. It has to do with the shortage of building materials which does exist at present. Continuous consideration has been given this problem, and to enable veterans to complete their houses a system of priorities has been worked out for housing materials for veterans, which has been announced regularly from time to time. That system is in operation at present. I do not know what more I can say at this time by way of answer to the question. It would require a long statement to cover the matter fully.

Mr. FRASER: My question is whether consideration is being given to the curtailment of unessential building.

SUPPLY

FLOOD CONTROL—FEED GRAIN SUBSIDIES—VACANCY IN HALIFAX CONSTITUENCY—STATEMENT OF MR. BRACKEN

Hon. DOUGLAS ABBOTT (Minister of Finance) moved that the house go into committee of supply.

Mr. JOHN BRACKEN (Leader of the Opposition): A few days ago the acting leader of the government (Mr. St. Laurent) indicated that each Monday, by a motion to go into committee of supply, hon. members would be given an opportunity to raise questions they might consider to be important and which had not been dealt with or finally decided. I am aware that a number of hon. gentlemen propose to bring up different matters. I want to mention only three, and I shall deal with them very briefly.

The first matter I wish to bring up is one which has been presented to us every day recently from different parts of Canada. I refer to the damage arising from floods in various sections of the country. It is the question of flood control and conservation. As hon. members know, we have on the statute book the Prairie Farm Rehabilitation Act, a measure which has gone a very long way toward the rehabilitation of some of the drier sections of western Canada. I believe it is generally accepted throughout the nation that this is a wise and constructive policy. Events of the last few days in different parts of Canada indicate that legislation of this kind should be extended, and that this sort of policy should be provided for other places. Today one reads that almost in the centre of the dry belt of the prairies floods are doing serious damage not only to farms but also to farm buildings and to urban centres. I am referring particularly to the valley of the Saskatchewan near the city of Saskatoon. The newspapers are full of reports of the flood damage in western Ontario. For two or three days last week I had the opportunity to see something of the damage done by floods along the Grand river, the Thames, the Sydenham, and other rivers in that district. As I witnessed that damage it occurred to me that one of the greatest opportunities to do a permanent job of reconstruction is before the province of Ontario and the Dominion of Canada, in the immediate initiation of a well-rounded out policy of conservation for that area.

Within a mile of this building we can see some of the damage that has been done in the valley of the Rideau, right in the suburbs of this city. It will be said that a problem of this kind falls primarily upon the provinces. By a

measure that is correct. But in respect of a problem of this magnitude I say we cannot rest on our oars by taking any such attitude. The problem of the conservation and development of the natural resources of the nation is a major responsibility of the central government as well as of the provinces.

Canada has been profligate in respect of her resources, with the result that in many instances our forests have been overcut. Our soils have been wasted—not only on the plains of western Canada but on the slopes throughout the east. Our streams have become sedimented and the flow of our rivers altered to the point where in the spring we suffer from floods in the same areas where in midsummer the rivers are dry or relatively so.

The dominion government has not been without plans in respect of this particular kind of problem. Its plans were set out in the proposals of the dominion as they were presented to the dominion-provincial conference in August 1945. They looked toward meeting conditions such as these which this year have caused so much waste and damage throughout the nation.

At pages 24 and 25 of this document the approach of the dominion government is indicated as follows:

Activities for which the provincial governments are responsible, and which the dominion is prepared to consider assisting, provided specific agreement can be reached—

And it goes on in these words:

Assistance to raise provincial standards, in the general national interest, in respect to the conservation, protection and development of provincial natural resources.

And then, under the heading "Agriculture"—

Extension of conservation activities to all provinces. For example, water conservation, land drainage, marsh lands rehabilitation, land clearing, soil erosion control.

Here we have a problem right on our doorstep. The need of action is emphasized by the tremendous loss we see on all sides. In this outline by the government there is an indication that it has given some thought to the matter. But nothing is being done—for the reason, I take it, that the dominion and the provinces have not been called together to discuss this very kind of thing.

What I wish to do today is to point out the problem, and to indicate that in large measure it is the responsibility of the central government—a matter to which it has already given some thought, but about which nothing is being done because the dominion and the provinces have not been called together. With all respect I suggest this is an added argument for their being called at once to meet in another conference.

The second question I wish to raise has to do with agricultural subsidies, or a certain phase of that subject. On March 17 last the Minister of Agriculture (Mr. Gardiner) announced a policy of feed grain drawbacks amounting to 25 cents a bushel on barley and 10 cents on oats. This announcement was made while parliament was in session, and it is reported in detail at page 1408 of *Hansard*. At the moment I shall not take time to read it, but I have no doubt hon. members will recall the announcement made on that occasion. The effect of that policy was to reduce the cost of feed grain to certain users of those products. Two weeks later, on April 2, when the house was not in session, a report appeared in the press indicating that another statement had been made by the minister.

Mr. GARDINER: The same statement.

Mr. BRACKEN: I shall read from the *Free Press* of April 2, which contains a report of a speech made by the Minister of Agriculture at a banquet held in the Prince Edward hotel at Brandon, Manitoba. The report states:

He also announced that the refund of 25 cents per bushel on barley and 10 cents on oats offered to purchasers of feed grain for live stock will be discontinued on August 1, 1947.

On March 17 it was announced that the subsidy would be continued; and then, according to this report, on April 2 it was announced it would be taken off on August 1. I believe the house is entitled to know what the situation is, so that there may be no confusion or misunderstanding. We should be told whether this second statement is a statement of government policy; and if so, whether the minister or someone else in the government will elaborate upon it. A bald statement of that kind, with no announcement of modified policy in related matters, leads to misunderstanding and confusion in the minds of those who are directly interested in such change of policy.

For example, when the policy was announced on March 17 there can be no doubt that feeders throughout the country planned their work having in mind that the policy first announced would be carried out. Two weeks later they read in the press—whether it is correct or not—that on August 1 the policy is to be discontinued. If it is not continued it will mean that those who are in or are going into that business—the feeding business—will at that time find their costs of production increased, with the result that either the prices

of their products must be increased or their production must drop. I am asking that the government's policy in this respect be made clear, and I do so chiefly because there is a great deal of confusion and considerable misunderstanding with respect to it.

The other point I wish to raise at this time is one which affects all hon. members. It has to do with the vacancy in the constituency of Halifax. This vacancy has continued now much longer than vacancies in other constituencies which have occurred in the last few months. For instance, the constituency of Pontiac remained vacant only 137 days from the time of the death of the late member, Mr. McDonald, to the time of the election. The constituency of Parkdale was vacant 203 days from the time of the resignation of Doctor Bruce to the election on October 21, 1946. The vacancy in Portage la Prairie existed for 172 days from the death of Mr. Harry Leader to the election on that same date. In Richelieu-Vercheres the vacancy existed only 63 days from the time of the death of Hon. Mr. Cardin to the time of the election on December 23 of last year.

The Cartier vacancy existed for only 60 days from the time of the unseating of Fred Rose to the election on March 31 of this year.

If an election were called tomorrow in Halifax the lapse of time between the vacancy occurring and the election would be 206 days, longer than the vacancy in any of these other seats. In this connection I am going to quote the opinion given—I was going to say of another authority, but I will say, of an authority. It was given when the present Prime Minister sat where I am now sitting. He had this to say about a similar situation that existed at that time. I am quoting from *Hansard* of January 29, 1934, page 18, where the present Prime Minister (Mr. Mackenzie King) is reported as having said:

> However, if still further evidence is required to show not only the manner in which the public has lost confidence in this administration but the manner in which the government has lost confidence in itself, it will be found in the fact that at the present time, and since May last, there has been a vacancy in the representation in the constituency of South Oxford. I ask the administration this question: When the writs were issued for the constituencies of Yamaska, Restigouche-Madawaska and Mackenize, why was not a writ issued for the constituency of South Oxford?

I ask the same question, substituting only the names of the other constituencies I have mentioned. When the writs were issued for the constituencies of Cartier, Richelieu-Vercheres, Portage la Prairie, Parkdale and others, why was not a writ issued for the constituency of Halifax?

I submit, sir, that on these three matters the government should have something to say at this time, particularly with respect to the first two. One is a matter of national importance, and one a matter which needs to be cleared up in the interests of the producers. The other concerns us all, but chiefly the electors of Halifax. I submit that the government should make a statement now as to when it intends to see that that constituency is represented in this house.

COST OF LIVING—AMENDMENT, MR. COLDWELL, TO MOTION FOR COMMITTEE OF SUPPLY

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I find myself in substantial agreement with what the leader of the opposition (Mr. Bracken) has just said. Like the leader of the opposition, last week I had an opportunity of seeing the flood conditions in the Chatham-Windsor-London area. I saw many thousands of acres of good land under several feet of water. I agree with him that this is a serious matter from the point of view of the economy of Canada because of the soil erosion which occurs under such conditions. The washing away of the top soil in this part of the province of Ontario, one of its most productive parts, is analogous to the wind-blown soil of western Canada during the drought period; in Saskatchewan during that drought period the government was compelled to consider what could be done to prevent erosion and to bring about better conditions. So we got the Prairie Farm Rehabilitation Act, which, may I say, I think has done in a limited way an exceedingly good job.

I agree also with what the leader of the opposition has said with regard to the prices of barley and oats. The producers should be in a position to know definitely what the government intends to do. I must say that my impression was not that apparently conveyed by the article from the Winnipeg *Free Press* to which the leader of the opposition referred.

With regard to the Halifax by-election, we are anxious to see the various constituencies properly represented in this house.

But I did not rise particularly to speak about these matters. We have all come back fresh from the country. Some hon. members have been to their constituencies, and others have moved around in different parts of Canada. What we have found over the last several weeks should cause this house a good

deal of concern. The people of Canada are worried as perhaps they have not been worried for a very long time. I met a good many who were worried about how they are going to make ends meet during the next few months or the next year. I am not dealing specifically with the question of controls; I am dealing with the cost of living. The sharp increases in the cost of living to the people of Canada are causing misgivings in the minds of those who are responsible for the family budgets.

Unfortunately, from the point of view of the government and those who have not given sufficient attention to meeting this increased cost of living, there are the articles which are to be found in the *Financial Post* or on the financial pages of the *Globe and Mail* and other papers showing the profits which have been made during the past year or so by various industries. Various items which enter largely into the cost of living have gone up sharply since the beginning of the year. For example, shortening has gone up ten cents per pound. Soap has gone up one cent per bar. Biscuits have increased by ten per cent. Soap flakes have gone up from one to five cents a package. Shirts and underwear have gone up twenty-five per cent. Leather gloves and mitts, which the workers have to buy and which are so necessary in our climate, have gone up from eleven to sixteen per cent since January 31.

As I said a few moments ago, the people read these articles and see what the industries are making. I have before me an extract from the *Financial Post* which shows that the Monarch Knitting Company, for example, shows an increase of profits for 1946 over 1945 of 309 per cent. The Acme Glove Works shows an increase of 289 per cent. Bruck Silk Mills Limited shows an increase of 255 per cent. York Knitting Mills show an increase of 70 per cent, while Riverside Silk Mills show an increase of 69·2 per cent. Wool Combing Corporation show an increase of 57 per cent. I am just giving round figures, omitting the decimal points. Robinson Cotton Mills shows an increase of 39 per cent. Biltmore Hats Limited show an increase of 23 per cent, and Belding Corticelli 12 per cent. The average increase in profits in 1946 over 1945 was 107 per cent.

Mr. CASTLEDEN: After taxes.

Mr. COLDWELL: That is after taxes, as one of my hon. friends reminds me. When the people see these profits, when they see the policy that has been put into effect, they are not only filled with misgiving and concern; they are filled with a good deal of indignation, and rightly so. The same thing applies to other major articles of household necessity for which the people of this country have been waiting for a long time. I refer to things such as washing machines. In this connection we find that Beatty Brothers show an increase of 23 per cent in profits over the previous year, and the same thing applies to the Easy Washing Machine Company. The same with mattresses. One could enumerate a whole list of commodities, some little irritating things. We know how the prices of soft drinks and chocolate bars have increased over the years. The price of soft drinks has not gone up very recently, but we are deluged with letters from various organizations in our constituencies asking, and I think quite properly, that the price of soft drinks should be restored to a nickel so that the youngsters can buy them; and I am all in sympathy with that. But the inference is that price increases are entirely due to the taxation policies of the government. Orange Crush showed an increase in net profits last year of 448·3 per cent over the previous year. You can hardly square that with the requests for tax reduction that are coming to us.

An hon. MEMBER: Don't drink it.

Mr. COLDWELL: It is probably better to take soft drinks than hard ones, which sometimes have disastrous results.

Look at the increase that has taken place in the rentals of hotel rooms. Permission was given to hotels to increase their room rents at the same time that the ten per cent rent increase was announced. The Windsor hotel in Montreal showed an increase in profits last year of 70·3 per cent over 1945.

The hon. member for Peterborough West (Mr. Fraser) a few moments ago spoke of the difficulty of getting materials for the building of veterans' houses. That of course involves the question of controls, but at the moment I am not particularly looking at it from that point of view. I am thinking of several good reasons why houses, veterans' and others, are costing more. Again I go to the *Financial Post* for my data. In its issue of February 22, it shows that the net profits of Building Products, after taxes, jumped from $335,000 odd in 1945 to $1,295,000 in 1946. If hon. gentlemen will do a little figuring they will see that this works out at an increase of 286 per cent in profits last year over the previous year.

Mr. ABBOTT: How did their sales compare?

Mr. COLDWELL: I am speaking of their profits at the moment.

Mr. ISNOR: Which profits?

Mr. COLDWELL: Net profits after taxes, and the figures I am using I am taking not from some socialist paper, or some publication which is ultra-radical or believes in what the hon. member for Vancouver Centre (Mr. Mackenzie) now calls a compensated economy, whatever that may mean—

Mr. MACKENZIE: It is a good name for you to learn about.

Mr. COLDWELL: I am going to ask the hon. member to define it one of these days. It has puzzled me to know what he really means.

An hon. MEMBER: Perhaps he is starting a new party.

Mr. COLDWELL: An hon. member suggests that the member for Vancouver Centre may be starting a new party. He has started a discussion at least. I could cite other examples of increased profits: Canadian Western Lumber Company, up 121 per cent; Canada Cement, up 101·6 per cent; and so it goes. Take the increase that was recently put into effect in the price of one of the few remaining luxuries our children enjoy, chocolate bars, which for so long sold at a nickel. I was in Windsor a few days ago—

Mr. MARTIN: A good city.

Mr. COLDWELL: A very good city, yes. The children there are better situated for buying chocolate bars, as the hon. member who interjected perhaps knows, because when a youngster on the street was asked how he liked to pay eight cents for a chocolate bar he gave some good advice. He said, "I did not pay eight cents; I bought mine in Detroit." Perhaps that is why my hon. friend says Windsor is a very good city.

Mr. MARTIN: No; because of the people there.

Mr. COLDWELL: The price of chocolate bars went up to eight cents on the same day in Toronto, Montreal and Ottawa. That looks as if there was not much competition in that branch of the industry. It seems to have such a closely knit organization as to be able to put into effect almost immediately an increase in price in all three cities.

Look at the profits of these companies. Moir's, I suppose, is one of the largest chocolate manufacturing companies. Its profits last year were up 153 per cent.

Mr. MITCHELL: Over what?

Mr. COLDWELL: Over 1945.

Mr. GARDINER: What were the figures for those years?

Mr. COLDWELL: The figures were $81,543 in 1945 and $206,067 in 1946. That is a pretty big increase.

Mr. ABBOTT: What were their total sales?

Mr. COLDWELL: After all, their capitalization is the same, and if their capitalization remains about the same and their total sales increase, they should be able to bring down their price.

Mr. ABBOTT: My only reason for asking the question is this. After you had the figure of the total sales you could see what the extra $150,000 would have meant in a reduction of price. That is relevant. It might have amounted to only a fraction of a cent.

Mr. COLDWELL: One company in Canada, International Nickel, had increased profits last year on lower sales.

An hon. MEMBER: Good management.

Mr. COLDWELL: Good management, yes. But may I say to my hon. friend that I agree with the hon. member for Muskoka-Ontario (Mr. Macdonnell) who in a speech before the Canadian Importers and Traders Association in Toronto last Friday gave that organization some pretty good advice. He said:

> It is not always easy to be as confident about the benefits of private enterprise as we would like to be.

He added:

> And if we should run into a minor recession, who is going to benefit by it? The Progressive Conservatives? No. The C.C.F.

Mr. MACDONNELL (Muskoka-Ontario): What is the hon. gentleman quoting from?

Mr. COLDWELL: Does my hon. friend deny it?

Mr. MACDONNELL: No, not a word; but I might say that anything of mine that is printed by the Toronto *Star* is always carefully hand-picked to prove their point, and leaves out the rest.

Mr. COLDWELL: That is not unusual with all kinds of newspapers, as I myself have discovered.

Mr. MACDONNELL (Muskoka-Ontario): But the *Star* is easily first.

Mr. COLDWELL: I am leaving out some of the things my hon. friend said, but I am giving the exact idea he had in mind, and I do not think he will say that the statement I have put before the house does not convey the idea he expressed at that meeting. He went on to say:

> There are price agreements to-day. There are a lot of people trying to charge what the traffic will bear. If the business men really believed in freedom, they would not do that.

That is my whole point today. He went on:

This whole free system of ours is on trial. Socialists say prices are going up.

Well, Mr. Speaker, if all the people who say that prices are going up are socialists, there will be no one but socialists in this House of Commons after the next election.

An hon. MEMBER: What a hope!

Mr. COLDWELL: I did not say it was a hope. I said that would happen if the assumption was correct. The hon. member for Muskoka-Ontario went on to say:

Socialists say prices are going up. I say we are going to cure that by production. If we don't, then it is going to be too bad.

That is true. Cure it by production, but remember that if we are to cure it by production we must see that consumption is able to take what production can produce, and if we allow the present trend to go on and prices to keep rising, as they have been rising lately, there will be plenty of production but the purchasing power of the people will be drained off and they will not be able to buy the goods that are available.

I thought there was a very neat comment in the Ottawa *Citizen* upon the little matter of chocolate bars, and I should like to quote it, if I may. It appears in the issue of April 11:

Chocolate bars are up to eight cents. But some of the bars are shorter than when they sold for a nickel, necessitating the use of more cardboard to make them look longer. So considering the increased cost of paper, maybe the new price is about right.

I thought that was quite a neat comment by the Ottawa *Citizen*. I would like to ask my hon. friends to my right exactly where they stand on this matter. I am not going into the question of controls, but it is involved to some extent in this connection. I read, not in the Toronto *Star* but in the *Globe and Mail* of March 28, this little story about their recent national meeting.

A resolution on government controls, for instance, is said to have engendered a wide difference of opinion. The old line Conservatives want a resolution which would put the party on record as demanding that all controls be dropped forthwith. The Progressive element favoured a resolution favouring controls on rent, foreign exchange and essential goods.

I looked carefully through the resolutions that were passed by my hon. friends at the meeting over that week-end, and I could not find any resolution dealing with controls. I came to the conclusion therefore that they could not have agreed very well. But may I say to the government that this business of an increased price level is something that we cannot laugh off. The people are looking to this House of Commons to do something and, through the house, to bring pressure to bear upon the government to do something to reverse the trend. If we do not, we shall be faced with serious difficulties.

We supported the wheat agreement, for example; we supported it both in the house and in the country. When we supported it we thought that the price level would remain about where it was, but the cost of production has gone up, and at the time the Minister of Agriculture referred to the fund of $200 million, the inference was that it might be used to compensate for increases in production costs, though it cannot be used for that purpose. But there is the principle we have to keep in mind, that if the cost of living is going up and the cost of production is also rising, then of necessity the Minister of Finance will have to find ways and means, in the words of the hon. member for Vancouver Centre, of producing a compensating economy in wheat at least, and that is a matter which this house will not be permitted to overlook, if it would.

Higher wages in industry will be demanded, and we shall find ourselves in a difficult position indeed. I shall not go into a long discussion of that question this afternoon, but I do want to raise the whole question of increasing prices because I think this house has to face it. It is all very well to say that we have to increase production. I agree with that. But we have to bear in mind that if the money in the pockets of the people buys less, then of course the products of industry will begin to pile up and we shall reach that stage of recession which has been talked about particularly on the other side of the line.

As I believe I said on another occasion in this house, the productivity of the worker during the war years increased tremendously. I notice that lately in a report the acting commissioner of labour for the United States government, A. F. Hinrichs, said:

We anticipated an extraordinarily rapid increase in the output per man-hour in most industries, and did experience a similar rapid increase in productivity in the years immediately following the first world war. It seems to us that an increase of as much as 30 per cent by 1950 may reasonably be expected.

That is, all across American industry.

I saw a report by another writer in one of the United States papers to the effect that already in some industries productivity per man hour has increased by 40 per cent. That will be reflected, of course, in consumption; if we fail to consume the products of industry,

then it will be reflected in unemployment; and one of the ways of preventing consumption of goods is to keep prices too high, thus reducing the amount of goods which the dollar of the consumer will buy.

Just to confirm my point, according to Doctor Julius Hirsch, *Barron's Weekly*, November 19, 1945:

> The United States in 1945 needed only thirty-six million people to produce the quantity of goods produced by forty-five million in 1939; thus, to employ the same numbers of people as in 1939, output would have to be 25 per cent higher, and 25 per cent more effective purchasing power would be needed to assure a market for the additional goods.

The tragedy is that in the hands of the people of Canada at the present time there is a good deal of purchasing power, accumulated during the war, which is being drained off by the high prices to which I have referred. The Minister of Finance the other day took a good deal of credit, and I give the minister and the department credit, for the enormous savings that had been made during the war by the institution of wartime controls. He said that the annual savings amounted to $2,500 million, and he gave the annual cost of making these savings—expenses of wartime prices and trade board subsidies and so on—as $200 million. If it was true for the whole five years—probably it was not—the total saving would be $12,500 million, at a cost of $1 billion, and that would be a little less than $1,000 per head saved for every man, woman and child in Canada. This is a remarkable confirmation of the effectiveness of what was done in that field to prevent undue profits and undue prices during the war.

It should be interesting, may I say, to the members of the government to note how some of the financial newspapers are changing their tune. Take the *Financial Post*. I shall not quote at length, but if hon. members will read the editorial in that journal of July 13, 1946, at page 1, they will find that they demand that we do pretty much what the United States did—remove controls. Then you find that a little later, on November 9, 1946—also at page 1—they were complaining that we had not done what the United States had done, that we were shilly-shallying and not acting rapidly enough. Take the most recent one, April 12, 1947, and what do we find? This appears in the same newspaper:

> Caught between high taxes and sharply-rising prices, consumers are not going to be any more complacent when they learn that company profits have been mounting. A survey on page 5—

That is where some of my figures came from.

> —of the combined results of sixty Canadian companies, shows 1946 earnings almost 30 per cent higher than for 1945.
>
> The same trend is abundantly apparent in the United States, where President Earl Bunting, of the National Association of Manufacturers, bluntly warns: "If the constant upward winding of the spiral continues, you will see one of the most terrible busts this country ever had."
>
> If that does happen, few indeed can plead lack of warning.
>
> Exactly the same thing happened two years after the first world war. Prices went up, quality went down, and finally buyers rebelled. Already there are signs that there is a limit as to what the consumer will pay. The first scramble for high priced luxuries and durable goods has slackened. Instead of waiting until organized buyers resistance compels drastic price cutting, business would be far smarter, and in the end more prosperous, if it voluntarily lowered prices now.

That is the advice that the *Financial Post* gives now.

Mr. MACDONNELL (Muskoka-Ontario): See what wise advisers we have.

Mr. COLDWELL: Yes, it was a very wise speech which my hon. friend for Muskoka-Ontario made. I only wish that all his speeches were equally wise. But if we look away from these goods again to other lines, we have the pulp and paper industry, a big industry in Canada. It is true that output has gone up, but look at the increase in the company's profits—and the increase, incidentally, in the price of newsprint. The price of newsprint rose by $29 a ton on January 21, 1946, an increase of fifty-one per cent in that period up to April 1, 1947. The source of that statement is the Montreal *Gazette* of April 3.

Mr. JACKMAN: Where did they sell the newsprint?

Mr. COLDWELL: That does not matter. It is profits that I am talking about. It does not matter whether they hold up Canadians or whether they hold up somebody else. Let us take it that they send it to Britain and that they hold up Britain. What are they doing?

Mr. JACKMAN: Who held them down in the thirties?

Mr. SPEAKER: Order.

Mr. COLDWELL: What are they doing as far as Britain is concerned? Britain obtained a loan from this country. If the price increase is great on any commodity that we sell to Britain, we restrict the amount of goods we can send to assist in her recovery, upon which our own recovery largely depends. That is one of the arguments we have used in con-

nection with foodstuffs going to Britain. Let us try to give as much food as we can for the dollars which Britain got from us. If it applies to wheat, my hon. friends should remember that it applies equally to newsprint. But that is beside the point.

The profits of International Paper are up 265 per cent over the previous year.

Mr. JACKMAN: A United States concern.

Mr. COLDWELL: Well, take Abitibi.

Mr. KNOWLES: Shipping out Canadian paper which our people cannot get.

Mr. COLDWELL: Their profits are up 205 per cent; St. Lawrence up 107 per cent.

Mr. JACKMAN: How much did they lose in 1932?

Mr. COLDWELL: I am talking about 1947, not 1932.

Mr. JACKMAN: They did not pay any dividends in the depression years.

Mr. COLDWELL: Maybe they did not. But many of the people of Canada, when my hon. friends were in power, were compelled to live on two cents a meal or were given twenty cents a day in unemployment camps. Let us remember that I am talking about consumers and profits in 1947 and we will not go back to 1932 unless my hon. friends desire it. If they wish it, I shall be glad to put a large number of figures on the record showing what they did to the country in 1932.

Mr. JACKMAN: You cannot have producers without consumers.

Mr. COLDWELL: My hon. friend never objects unless it is some big business whose toes are being trodden upon. If somebody happens to tread on the toes of big business, my hon. friend from Rosedale (Mr. Jackman) is on his feet immediately.

Mr. JACKMAN: They could build some more houses in Rosedale. Perhaps you should listen to me there too.

Mr. COLDWELL: Yes. Rosedale is a very desirable section of Toronto. My hon. friend spends some time there and I imagine the rest is spent in Bay street. Probably that is why we get these interruptions.

Mr. JACKMAN: Come down and I will show you Rosedale.

Mr. SPEAKER: Order.

Mr. COLDWELL: The interesting thing about these interruptions is that while I am complaining of the government's neglect in allowing these increased prices, the government is defended most vociferously by some hon. members to my right. That is one of the amazing things we find in the House of Commons at the present time.

I do not wish to prolong the discussion, but I would refer my hon. friends to a press conference of the President of the United States held in Washington about a month ago, at which President Truman pleaded with business for lower prices in order to avoid recession. He gave some of the history of the last period, and he urged that business pay some attention to it. Again on April 11, last week, he said in a press conference, if I may quote from a report of it:

> He bluntly reprimanded business for running prices higher and higher and reminded it of its responsibility to bring them down . . . Business men asked for free enterprise. They got it. Now it is up to them to make good, to manage it for the best welfare of the nation . . .
>
> There was the distinct impression of inner conflict, resentment boiling up from disappointment over the attitude of business and, over all, a spirit of futility as he discovered that he had lost most of the implements by which the economy might be managed more effectively. Plainly he was discouraged . . .

He went on to indicate that his administration had been kind to business, had abolished controls, had repealed excess profits tax, and the result was that there were fine profits for the business interests of the country.

I wish to express the point of view we hold by moving the following amendment to the motion, seconded by the hon. member for Vancouver East (Mr. MacInnis):

> That all the words after the word "that" to the end of the question be struck out and the following substituted therefor:
>
> This house desires to record its opinion that the government should give consideration to the immediate restoration of price control on and lower prices for the necessaries of life, particularly articles of food and clothing, shelter, household appliances, and supplies and machinery needed by the farmers in connection with their work;
>
> Further, this house is of the opinion that the harmful and dangerous effects of the rising cost of living demand immediate and effective action.

Right Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, the leader of the opposition (Mr. Bracken) raised a certain question which I think should be dealt with immediately. His remarks were agreed with by the leader of the C.C.F. group (Mr. Coldwell). I am sorry that hon. members do not read very carefully the statements which I make to the house, as is evident when they contend that no announcement was made to the effect that the 10 and 15 cent payments—10 cents on oats and 15 cents on barley—had

been done away with. The very first sentence in paragraph 1 of that statement of policy was:

> Effective tomorrow, March 18, the system of advance equalization payments will be discontinued . . .

The advance equalization payments were 10 cents on oats and 15 cents on barley, and they were made for a certain reason, to accomplish a certain purpose. Back in 1942 the grain growing provinces of Canada, the provinces that grow the surpluses which are distributed to the other provinces to be fed —the provinces of Saskatchewan and Alberta —had the lowest gross cash returns to agriculture on an index basis, taking 1926-29 as 100, of any of the provinces. Saskatchewan, for example, had an index figure of 81 whereas all the provinces other than the prairie provinces had index figures running from 135 to 180, if I remember correctly. So in 1943 it was decided to give equalization payments to the farmers who grew the grain. Ten cents was the equalization payment on oats and 15 cents on barley. The very first statement in the announcement made on March 17 was that these equalization payments would no longer be made. I know that in press reports which have appeared here and there across Canada the phrase "feeder subsidy" has appeared continually. There has been no feeder subsidy paid on oats and barley in Canada at any time from 1943 down to March 18, 1947. There have been equalization payments to the grain growers of the western provinces, and on March 17 we announced that those equalization payments would be no longer made. Further we announced that we wanted more barley, and that in order to get it we were not going to pay a producer subsidy but were going to increase the return to the producer. So we raised the floor price from 56 cents a bushel for No. 1 feed at Fort William, which I think is the figure appearing in the statement, to 90 cents a bushel. The only inducement now to a farmer in western Canada to produce barley is the provision of a price which will be based on a floor of 90 cents a bushel for No. 1 feed from August 1, 1947, to July 31, 1948. Then in the announcement we went on to state the relationship between those prices and the prices at present in force. The relationship is 90 cents as against 56 cents on barley and 61½ cents as against 40 cents on oats. We said that was the floor, that we guaranteed it as such. That conforms to the policy of the government, as announced in 1944, that during the transitional period we would establish floor prices below which the prices of farm products would not be allowed to fall. So we have established a floor price of 90 cents on No. 1 feed barley and 61½ cents on No. 1 feed oats, and the prices can run up from that level on the higher grades. Then we went on to say:

> At the same time, price ceilings for all grades will be raised, in the case of barley to 93 cents and in the case of oats to 65 cents . . .

That was in order to cover the point I have just made. Then in section 3 we went on to say:

> In order to avoid discrimination against producers who have already delivered barley during present crop year, an adjustment payment will be made of 10 cents per bushel in respect of deliveries between August 1, 1946, and March 17, 1947, inclusive, thus raising overall returns to about 90 cents per bushel. As there is a loss in the barley equalization account for the 1946-47 crop year, no further payments are to be expected in respect of barley delivered during the present crop year. The oats equalization account for the crop year 1946-47 will, however, remain open, and net profits in that account, if any, will be distributed later to producers who delivered oats during the period August 1, 1946, to July 31, 1947.

In other words we announced that this whole policy of making equalization payments was to come to an end, and that the final payments in connection with oats would be made on oats delivered up to July 31, 1947. Because there is no profit on the barley that has been delivered up to date, and no possibility of any profits being made from now on because the wheat board is taking over the barley, therefore any money paid out to cover the total amount will have to be taken from the treasury, and there will be no participation paid as far as barley is concerned. In other words the whole announcement is to the effect that a policy was announced, prior to the opening of the 1946-47 season, of making equalization payments, and that the payments to be made between August 1, 1946, and July 31, 1947, are to wind up the policy followed from 1943 to the latter date. Then section 5 of the announcement had this to say:

> For the time being, because of the continuation of price ceilings on animal products, payments of 10 cents per bushel for oats and 25 cents per bushel for barley will be made within the same conditions as the 25 cent payment on wheat purchased for feeding purposes.

In other words a payment or drawback of 25 cents was made in connection with wheat, which to all intents and purposes could be termed a feeder subsidy, and it is stated that during this period there will be a temporary feeder subsidy on these particular grains in the same way there had been a subsidy on wheat, again in order to bring the producers of live stock products who use feed grain into the position where all will be treated

fairly and in accordance with the previously announced policy down to August 1, 1947. The only reference made to any period beyond August 1, 1947, is the fact that the ceilings may not be off all agricultural products that are affected by grain. Up to the moment we have taken the ceiling off eggs, and there have been suggestions that the ceilings will come off other farm products, but no one will know exactly what the relationship between live stock and feed grain prices will be until we get close to August 1. As far as equalization payments on oats and barley are concerned, however, these with their implications are discontinued as of August 1, 1947. I think everyone in western Canada who is concerned with these matters understands the situation fully. I quite agree that statements were made in the press some time ago which did not bear out the facts contained in the announcement itself.

I have just returned from having spent two weeks in western Canada. I believe I saw representatives of most newspapers, and also had occasion to address farm meetings while I was there. I am sure that the farmers of western Canada understand the position as it was announced on March 17. I suggest that if the leader of the opposition would read my statements a little more carefully, analyse them, and then explain them to the public, they probably would be better informed.

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, perhaps I had better say a word in answer to some of the points raised by the hon. member for Rosetown-Biggar (Mr. Coldwell), in respect of increases in prices. I do not know of any way of popularizing increases in prices, and I have no intention of trying to do so.

I am sure the government shares the concern of everyone in Canada in increasing prices. Nevertheless the fact remains that prices have not remained constant throughout the war and since. There has been a gradual but controlled increase in prices. It was never contemplated that a rigid price control could be maintained for long after the cessation of hostilities; and the government has always contemplated a policy whereby, when it was felt that supply was in reasonable conformity with demand, the proper thing to do was to allow the law of supply and demand to operate and to remove price ceilings.

The specific instances of increases in prices which have been cited by my hon. friend were, in particular, shortening, soap and textiles. Those were the principal ones, although he did refer also to household necessities such as washing machines and the like. But, to speak first about shortening and soaps, one of the greatest shortages in the world today is that of oils and fats; that is one of the most acute. The greater part of our supplies comes from outside Canada. For some considerable time past they have been bulk purchased by the government through the Commodity Prices Stabilization Corporation. And that, in effect, in so far as those products were sold under a ceiling which represented less than cost, involved a trading loss to the corporation; or, in other words, a subsidy.

As has been clearly stated on a number of occasions, it was never the policy of the government to continue subsidies indefinitely in the post-war period. Once conditions of supply were reasonably stabilized, and once prices abroad were established at levels from which there was no immediate possibility of early reduction, it was felt that subsidies should be discontinued, and the added cost reflected in the price of the goods.

That is exactly what has happened in respect of such increases as there have been in shortening and soap. The same applies with respect to cotton textiles; and I assume that is what the hon. member was referring to, and in particular to shirts and underwear. For some time past we have been paying a fairly substantial subsidy on raw cotton. It was felt that the time had now come when we must discontinue paying that subsidy, and a policy has been initiated of gradually working out of it. So far as one can see, while the price of raw cotton may not be stabilized, it shows no indication of any early reduction. Consequently the government felt that in matters of that kind we must face up to post-war realities, and the added cost of the raw cotton would have to be reflected in the cost of the finished product.

As hon. members know, a considerable number of items have been removed from price control. There remains also a considerable number under price control, and, may I say, those include the greater part of foodstuffs and the greater part of the necessities of life. Of those which have been removed from price control, I think it is fairly significant that there has not been any appreciable increase in price. In some instances there have been no increases, while in some others there have even been decreases. There have been increases where subsidies entered into the cost of the goods, either by way of direct subsidies or by way of bulk purchasing through the Commodity Prices Stabilization Corporation.

For instance, motor cars were removed from the ceiling recently. There has been no increase in price, nor do I anticipate that there will be any. Again, in respect of foot-

wear there has been no increase. I have talked to a number of people in that line of business, and they tell me they do not contemplate there will be any important increase in the price of that particular commodity, one which, of course, constitutes an important item in the cost of living.

I think, if hon. members will look over the list of goods which have been removed from control, they will find that in the vast majority of cases prices have not increased. Undoubtedly they have in other cases. We knew they would; we expected they would. We could see no alternative to allowing them to rise.

My hon. friend referred to chocolate bars. Well, I hold no brief for the manufacturers of chocolate bars; but when he points out that children in Detroit can buy them cheaper than they can be bought by children in Canada, let me say to him that, while that may apply to chocolate bars, if he had spent any time in the United States in recent months he would appreciate the fact that that does not apply generally; and I know he would readily agree with that.

Mr. COLDWELL: Yes.

Mr. ABBOTT: Nevertheless I think hon. members must appreciate that we cannot entirely escape the effect of increased price levels in the United States, because we import tremendous quantities of goods from that country, whether in a partly finished state or as raw materials. We simply cannot escape it.

As I said a minute ago, we must face up to the realities of post-war conditions. I am satisfied that some increase in prices is inevitable. We have been attempting to follow a policy of orderly decontrol, and I believe we have achieved a reasonable measure of success in that policy. Like my hon. friend from Rosetown-Biggar, I have been interested in the changed tone indicated in some of the newspapers in this country, which not long ago were urging us—yes, not as long ago as July, 1946—to throw off controls, pretty much as they did in the United States, and in the last two or three weeks I have been interested to note how the tone of those newspapers has changed, and that they are now urging greater caution upon businessmen, merchants and industrialists to restrain themselves in increasing prices. I think that is desirable. In my view it is important that businessmen and others who are merchandising products should exercise restraint, and I am glad that business in this country is taking that line.

In the matter of profits, I would be the last one to rise in my place and attempt to justify excessive profits on the part of anyone in Canada. My hon. friend has cited a number of examples. I have seen him use before the method of selecting special companies and giving illustrations of striking percentage increases.

Mr. COLDWELL: I could have given many more.

Mr. ABBOTT: He gave one figure which I believe he said he had taken from the *Financial Post*, where it was indicated, if I remember correctly, that the average profits of the companies the *Financial Post* had listed were some thirty per cent up.

Mr. COLDWELL: Sixty companies.

Mr. ABBOTT: Yes, in some sixty companies. That is an appreciable increase. But I should not think that would be considered an increase too much out of line if, as I believe to be the case, there was a substantial increase in the volume of sales during that period. I put to him the question as to whether he had any figures showing sales of those various companies, rather than the percentage increase in profits. He did not have those figures, and of course I would not have expected him to. But the sales figures would be significant, particularly if he is using the argument with respect to higher profits being the reason for higher prices. I do not believe that is the case. It would, perhaps, have some effect, but I am certain that if you took all the added profits over 1945 and added them to the volume it would not account for any appreciable percentage of increase in the price of goods.

Mr. COLDWELL: I did not attempt to restrict that to newsprint.

Mr. ABBOTT: You can restrict it to newsprint if you want to.

Mr. COLDWELL: Does the minister not think it would be in the interests of our economy generally if, as production and distribution increased, if, as the volume increased, prices were reduced?

Mr. ABBOTT: I agree 100 per cent with that. I think the wise industrialist of this country, as his volume increases and presumably as he is able to increase his efficiency, should reduce his prices rather than increase them. I am the last one who believes that it is either proper or, to put it on its lowest level, good business to try to charge all that the traffic will bear. I agree with the hon. member on that.

While the balance sheets of a good many concerns have shown striking increases in profits over those of the past year. I believe that the greater portion of that is due to increased volume. I have no doubt that in

some cases it is due perhaps to a particular concern attempting to take advantage of a demand which is so great that it will pay any price. I am not prepared to adopt the method adopted by the hon. member and select a few companies with large percentages of increase and say that that is the general picture, and I am certainly not prepared to agree with him that that is one of the main reasons why there has been some increase in the cost of living.

Mr. COLDWELL: I did not say that.

Mr. ABBOTT: I do not know whether there are any other points that I wish to make. As the hon. member knows, in the legislation that is still before the house there is the power to reimpose ceilings in cases where it is considered to be in the public interest to do so. I would hope that that will not be necessary; I would hope that the common sense of the people of this country and the operation of the law of supply and demand, which has never been proved to be wrong, will show that it is not necessary to do that. In the case of some abnormal situation where the government felt that the public were being exploited, speaking for myself at any rate, I can say, as the minister responsible for the administration of the act, that we would not have any hesitation in asking for powers which I feel sure the house would give us.

I have nothing more to add to what I have said, but I wish to repeat what I said at the outset. Most of the cases in which there has been an increase in price have been due to an inevitable increase in cost, particularly in those cases where previously controlled prices included subsidies.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I am assuming that the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell) is in order and will eventually be voted upon by this house. I make that statement because I think, if hon. members read the amendment, they will see that it places the entire matter of controls squarely before hon. members to be voted upon at this time. When that vote is taken it will largely determine the final disposition of the omnibus bill now before this house, because it happens that hon. members are being asked to vote upon the principles contained in that bill.

Mr. ILSLEY: If that is the case, it is out of order.

Mr. GILLIS: I am just asking the Speaker if this question is before the house for that purpose. I am going to read the amendment again in order to refresh the memories of those who are listening. You cannot discuss controls piecemeal; you cannot take up only one phase because they are all inclusive. The Minister of Finance (Mr. Abbott) cannot get up and say airily, "We know for a fact that prices are rising, but we are not responsible; the law of supply and demand is going to regulate things in the future because it has always done so in the past". I am not accepting that statement as being correct. The law of supply and demand has not regulated anything in the past and it is not going to do so in the future.

Then the minister makes the statement, "We are removing subsidies and price ceilings". When you take that action you give the green light to anyone in this country who wants to exploit the people; you give them the opportunity of doing so without any regulation by the government. Apparently that is the government policy as indicated by the statement of the Minister of Finance. I am assuming that, when the amendment is voted upon, the members of this house are going to record their individual opinions as to whether price ceilings should be reimposed in this country as they were during the war and if as far as possible the standard of living established during the war for the Canadian worker should be reset. Some people have suggested that prices should be rolled back to June, 1946, in order to reestablish the standards that existed at that time.

If you make an analysis of how things are today as compared with how they were in June, 1946, you will find that the average wage-earner and salaried worker in this country has lost a large percentage of his income in increased prices, particularly on the essentials of life.

As I said a moment ago, I am going to read this amendment again. The members of this group do not think that when they place an amendment before this house it is done for political shadow-boxing. When the hon. member for Rosetown-Biggar moved this amendment he did so deliberately for the purpose of giving each and every member of this house an opportunity to rise in his place and record his opinion. The amendment reads:

That all the words after the word "that" to the end of the question be struck out and the following substituted therefor:

"This house desires to record its opinion that the government should give consideration to the immediate restoration of price control on and lower prices for the necessaries of life, particularly articles of food and clothing, shelter, household appliances, and supplies and machinery needed by the farmers in connection with their work;

Further, this house is of the opinion that the harmful and dangerous effects of the rising cost of living demand immediate and effective action."

Mr. SPEAKER: Will the hon. member permit me to interrupt him since he is speaking on the amendment? I would call the attention of the hon. member for Rosetown-Biggar (Mr. Coldwell) to citation 488 of "Beauchesne's second edition," which reads:

Whenever an order of the day has been read for the house to resolve itself into the committee of supply or the committee of ways and means, the motion "That the Speaker do now leave the Chair" must be proposed, except in cases provided by standing order 28. When such motion is proposed, it shall be permissible to discuss any public matter within the power of the federal parliament or to ask for the redress of any grievance, and it is not necessary to move an amendment for that purpose; provided that the discussion and the amendment, if one is moved, shall not relate to any decision of the house during the current session, nor to any item of the estimates, nor to any resolution to be proposed to the committee of ways and means, not to any matter placed on or whereof notice has been given in the order paper.

If the hon. member will look at page 12 of today's order paper, item No. 12, he will find that it reads:

Resuming the adjourned debate on the motion of the Minister of Justice for the second reading of Bill No. 104, an act to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war, and on the proposed amendment thereto of Mr. Fleming.

The amendment of the hon. member reads as follows:

This house desires to record its opinion that the government should give consideration to the immediate restoration of price control on and lower prices for the necessaries of life, particularly articles of food and clothing, shelter, household appliances, and supplies and machinery needed by the farmers in connection with their work.

We have on the order paper, as the house knows, Bill No. 104, which, if hon. gentlemen will look at page 3 of the bill, they will see contains the schedule of orders and regulations of the governor in council, and in that schedule order in council 8528 appears, dealing with the wartime prices and trade board and its regulations as amended by orders in council. The hon. member knows that the object of the wartime prices and trade board is to regulate prices, and when this bill comes before the house the hon. member will have an opportunity to make any representations he cares to make to the house that prices should be increased or decreased or maintained. So, in accordance with the citation I have just given, 488, I am of the opinion that the amendment is out of order.

Mr. COLDWELL: Mr. Speaker, may I say one word before you give your ruling. I did consider most of the matters which you have raised in discussing the ruling you propose to make but, if Your Honour will look at citation 345, page 137, of "Beauchesne's Parliamentary Rules and Forms, third edition," you will find this:

The ancient doctrine that the redress of grievances should be considered before the grant of supplies is maintained in the House of Commons of Canada by the provision of standing order 49 that the motion for the Speaker to leave the Chair can be amended; and the amendments need not be relevant but may relate to every question connected with public administration.

To be perfectly fair, I will read the concluding sentences as well because I do not think it would be fair for me to stop there. The part I have read says that the amendments may relate to every question connected with public administration, and I suggest that the amendment which I have moved does not fall within the category to which Your Honour has referred in quoting this citation, nor is it covered by the concluding words of citation 345, which goes on to say:

Only one amendment and one subamendment may be made to this motion, but if the amendment is negatived, a discussion on other questions may be raised but no other amendment can be proposed. If, however, it is withdrawn, another can be at once submitted to the House. Matters of detail which should be discussed in committee cannot be debated on these occasions—

Matters of detail.

—nor can debate be permitted relating to grants already agreed to, or to resolutions which will be proposed in the committee—

That is the committee of supply.

—or to items in the estimates.

Again, that would be in committee of supply. It goes on:

Members may discuss various matters on the motion for the Speaker to leave the Chair without any amendment being proposed; but once debate is stopped on one matter and another matter intervenes, members cannot again discuss the former.

My amendment, I submit, deals with a matter of principle, not a matter of detail. I would further submit that Bill No. 104, to which Your Honour has referred, dealing with powers which it is proposed to extend beyond May 15 for a limited period, does not cover nearly all the matters included in my amendment. It may be that by inference some of them are covered, but the amendment as a whole deals with matters that are not dealt with in the bill before the house. Therefore, Mr. Speaker, I submit that on these grounds the amendment is in order.

Mr. ST. LAURENT: Mr. Speaker, I know that the hon. member for Rosetown-Biggar (Mr. Coldwell) is more concerned with the proper application of the rules of the house than with any temporary advantage to be gained by motions which he puts before the house, and it is in that spirit that I venture to offer a few remarks in answer to the argument he has submitted to Your Honour.

There is this citation which the hon. member has read, but it is qualified by the general rule that matters are not to be dealt with twice in the same session, and that is the reason for the citation which Your Honour brought to the attention of members of the house. There is no doubt that the matter of what commodities should remain under control, what commodities should perhaps again be placed under control and what commodities should be taken out of control will be fully discussed on Bill No. 104. That is the substantive measure which is before the house and upon which parliament will make its decision. Parliament will be required to make a decision with respect to the classification of commodities in these three groups: (1) those to come out of control; (2) those to stay under control, and (3) those, if any, to be replaced under control. Parliament will not merely be asking the government to give consideration to something. Parliament will be making a positive decision that is to be effective upon the population of Canada. I submit that that is the place where consideration should be given to the matters which are raised by the amendment to the motion to go into committee of supply.

There is another objection to which Your Honour did not call the attention of the house, and that arises out of the terms of the amendment to the motion for an address to His Excellency at the beginning of the session on February 3. The hon. member then moved that there be censure on His Excellency's advisers because their conduct indicated a tendency to move into headlong decontrol. That matter was debated in its general aspect on the address. It was voted on, and the amendment was defeated. So that the occasion for a general debate on the general principles was taken advantage of on that occasion and the matter was disposed of. There will be another opportunity for the specific determination of articles to which the hon. member and perhaps some other hon. members will refer when dealing with Bill No. 104, as being those where controls should be restored. But my point is that the general matter has been disposed of by a vote of the house. The specific instances where there should be a restoration of control will be disposed of, not in the form of pious hopes, but in the form of binding decisions by this house when we come to Bill No. 104. I think the hon. member will agree that that will be a more propitious occasion to take action that will be effective when dealing with specific commodities than at this time when there is just merely language very similar to that used in the amendment of February 3.

Mr. KNOWLES: Mr. Speaker, may I say just a word on the point of order. I would ask Your Honour to consider, despite what the leader of the government has just said, that there is a distinct difference between the amendment moved by the hon. member for Rosetown-Biggar and Bill No. 104 on the one hand, and the amendment of February 3 on the other. With respect to the amendment of February 3, I would point out that it expressed regret at what the government was doing. It was not a positive motion asking for specific action such as the amendment now moved calls for. On the other hand, with respect to Bill No. 104, I would point out that it is a bill giving the government power, amongst other things, to retain price control if they wish. This amendment is much stronger than that.

Mr. HOMUTH: No. It just asks for consideration.

Mr. KNOWLES: This amendment asks that consideration be given to the restoration of price control and that immediate effective action be taken in connection with these matters.

Mr. HOMUTH: There is nothing specific about it.

Mr. KNOWLES: The bill would simply give permission. This asks that it be definitely and positively done.

Mr. SPEAKER: I have considered the amendment carefully and have noted the observations made by hon. members on both sides of the house, and I am obliged to rule that the amendment is out of order. As has been pointed out by the Secretary of State for External Affairs, the hon. member will have an opportunity to discuss the matter or to propose an amendment to the house on the second reading of Bill No. 104. I therefore declare the amendment out of order.

Mr. J. R. MacNICOL (Davenport): The amendment having been disposed of, I would like to speak briefly on one of the references made by the leader of the opposition (Mr. Bracken), namely, the question of flood control. I am impelled to do this at the moment because I have a very fair knowledge of the

disasters that are overtaking western Ontario and some parts of the province of Quebec through the overflowing of rivers in these two central provinces. Other provinces have experienced similar conditions on former occasions.

In the province of Quebec two rivers, Portneuf and Chaudiere, frequently overflow their banks. Two years ago I made a fairly substantial investigation into the possibility of flood-proofing the Chaudiere river, but it is a problem which will call for the work of eminent engineers to find out the best and easiest methods of preventing the overflowing of the Chaudiere in Quebec. On the other hand, I am convinced that it can be done. It should be done, and it can be done, but not by ordinary methods. The same applies to the Portneuf. Both rivers, down through the years, have frequently overflowed their banks, bringing disaster in their wake.

In Ontario, however, there are other rivers with which I am more familiar and I will speak of them for a moment or two. Yesterday I took note of the flow in the Moira river at Belleville. There was no possibility of disaster there this year, the water escaping freely. Going west, one comes to two or three small rivers, one of which is in the town of my hon. friend the member for Peel (Mr. Graydon). I refer to the Etobicoke river. That is a small watershed, but in flood times it can cause a considerable amount of damage. It can bring disaster to my hon. friend's fine and beautiful town of Brampton.

Mr. GRAYDON: It has on previous occasions.

Mr. MacNICOL: The river flows through the middle of the town and there is no present means of taking care of any large rush of water. I endorse what the leader of the opposition said in submitting his suggestion to the government, and I am sure that every member of the government is equally seized of the importance of doing something.

What can we do? It has been suggested that we use the Prairie Farm Rehabilitation Act in connection with a problem of this kind, but I do not know that the P.F.R.A. lends itself to flood control in those rivers in the old settled parts of Canada. I suggest that the time has come when an over-all federal authority should be set up charged with the responsibility of carrying out flood prevention and directing the work of flood prevention on rivers generally throughout the country.

Reference has been made to a river flowing through the constituency of Your Honour, Mr. Deputy Speaker, the constituency of Brantford. I refer here to the river Grand. I believe it was just prior to or after the federal election of 1935, I have forgotten which year, that the matter came before this house. I brought it up myself. At that time I had made an exhaustive survey into what had been done in the Ohio valley, the Muskingum valley, Ohio, and in the Miami valley, Ohio, and I suggested to the government of the day that they adopt the same plans that had been followed in the United States. I suggested that the federal government put up 37½ per cent of the cost of flood-proofing rivers, the provincial government to contribute 37½ per cent and the municipalities 25 per cent. I believe that was the ratio adopted in your own area, Your Honour. In due course the present Shand dam on the Grand, three miles north of the town of Fergus, was erected. I had recommended that two dams be built, one on the Grand itself, north of Fergus, and one on the Conestogo, which flows into the Grand river south of the town of Fergus. At that time the engineers seemed to think one dam would be sufficient, and that dam has already saved its cost several times over in preventing the flooding of Grand river communities during the last few years.

As you know, Your Honour, two or three years ago your own city was threatened, but the flood did not occur because of the existence of the Shand dam, north of which water was stored. The Shand dam has a water conservation volume equivalent to 46,800 acre-feet of water. That is a vast body of water, when one considers that in each acre there are 43,560 square feet. When that is multiplied by the total area of the lake, it means that the present Shand dam north of Fergus conserves approximately two billion cubic feet of water. If the dam had not been there and that two billion feet had all run down the river we would have had real flood conditions recently. A few days ago the engineers found it necessary to open the Shand dam sufficiently to allow 12,500 cubic feet of water per second to go out of the reservoir into the river. Had that not been done, the dam would have overflowed. I do not believe there is any danger from overflowing, as some people apparently think, and I make that statement because of the existence of the overflow in the centre of the dam, which is of concrete and is perfectly designed to control the overflow of water.

I suggest, therefore, that the question which the leader of the opposition has brought up is an important one, and I rise to endorse what he said to the government and, through the government, to that department, whichever it may be, which has the controlling of

floods under its supervision. I suggest that the government consider setting up an over-all authority to deal with the question of assisting in preventing floods on all the rivers in Canada, such as the Portneuf, the Chaudiere and other rivers in Quebec and the many rivers in Ontario which are known to overflow. Even in Manitoba, in very early years, the Red river has overflowed to such an extent that the land for many miles around Winnipeg was flooded. There is no telling when that might happen again. It all depends on the amount of water that falls in a given length of time. For instance, if three inches fell on the 1,360 square miles of the Grand river watershed above Galt, that would be a fall of approximately nine billion cubic feet of water, and would be enough to wipe the whole valley out, unless there were some control over it. I believe it was only last year that there was a disastrous flood around Edmonton. So I would suggest to the leader of the government that, as the occasion presents itself, he bring before his ministers the question of establishing an over-all authority throughout Canada to cooperate with all the provinces on the same basis as the United States government cooperated with the state of Ohio in the matter of conservation and flood prevention. It will save the country millions and perhaps billions of dollars and thousands of lives. There is no reason why it should not be done. I merely rise to endorse what the leader of the opposition said, and make that suggestion to the government.

Hon. PAUL MARTIN (Minister of National Health and Welfare): Mr. Speaker, no one can take issue with the objective remarks just made by the hon. member for Davenport (Mr. MacNicol). Of course, as he is aware, in the proposals made by the federal government to the provinces the kind of arrangement which he suggests is envisaged. What I have risen to deal with particularly is another phase of the problem. As one would gather from what the leader of the opposition (Mr. Bracken) said with regard to this unfortunate situation at the moment in western Ontario, the responsibility for dealing with the matter resides in this parliament and on this government. Because he has left that impression, I think one should make a reference or two to the problem. The situation in western Ontario is one which is now causing a great deal of concern to the people in the whole of the western Ontario peninsula. This is not the first time these flood conditions have occurred, but they have occurred again and the loss to that particular area is tremendous. What are the facts in so far as responsibility is concerned?

[Mr. MacNicol.]

On April 9, the mayor of London is reported as having said:

> All the money the Ontario government has spent on surveys and enabling legislation in connection with flood control has been "wasted money."

I do not subscribe to that view, but I do state that the mayor of London quite properly looks upon this matter as one that comes within the authority of the government of Ontario.

Mr. GRAYDON: May I ask my hon. friend what paper he is quoting from?

Mr. MARTIN: From the Toronto *Star*. My hon. friend will find the same observations made in his own paper, the Toronto *Telegram*.

Mr. GRAYDON: Have you it there?

Mr. MARTIN: Yes, I have it in my desk.

Mr. GRAYDON: Perhaps you might quote from it.

Mr. MARTIN: I will in a few minutes.

Mr. ST. LAURENT: He prefers to use the best.

Mr. MARTIN: On the same date the mayor of London made it known—and the hon. member for London (Mr. Manross) will, I am sure, corroborate this—that the city of London and the town of St. Mary's had applied to the Ontario minister of public works to have a meeting at which all municipalities concerned would decide if they wanted a conservation authority set up for the Thames. We find the minister of planning, Hon. Dana Porter, quite properly, as indeed several members on this side of the house, including myself did, visiting those areas. The minister of planning, who visited those areas, is reported as having said as follows—

Mr. GRAYDON: What paper is this?

Mr. MARTIN: This is from the Toronto *Star*. He is reported to have said that he was shocked by what he had seen and the damage which had occurred. The minister goes on to say:

> The disaster will have a profound effect in moving municipalities to some decision on a thorough flood control programme under the Conservation Authorities Act of 1946.

But apparently that is not the situation in the eyes of the mayor of Chatham. The mayor of Chatham, Mayor Ralph Steele, president of the West Kent Progressive Conservative Association, is quoted as having said as follows:

> Thousands of acres of valuable agricultural lands have been inundated. Chatham has suffered only slight damage in comparison. Yet

nothing is being done about the seventy-five miles of the Thames between London and Lake St. Clair . . . I am glad that Mr. Porter was down through here yesterday, said Reeve C. V. Skinner of Thamesville. The provincial government has been absolutely too slow in handling this flood problem. They have not been paying any attention to Chatham and Thamesville.

One could go on quoting the heads of municipalities throughout that area. I do not rise to say whether or not their observations are true, but I do rise to point them out to the leader of the opposition.

Mr. GRAYDON: May I ask my hon. friend if he would mind sending over the copy of the last paper he quoted from?

Mr. MARTIN: As soon as *Hansard* has had it, I shall be glad to.

Mr. GRAYDON: I want to see that everything is on the record.

Some hon. MEMBERS: Oh, oh!

Mr. C. C. I. MERRITT (Vancouver-Burrard): Mr. Speaker, we have successfully distributed the blame for flood conditions but have not followed my leader's suggestion that steps be taken now to benefit by the lesson and have these various authorities get together for the future. May we now turn to the other grievances, the redress of which my leader asked, and see if we can hear something from the government with regard to the grievance of the people of Halifax, namely the fact that five months have already passed since the vacancy in a seat there but no writ of election yet issued. I was about to say that I was surprised that no attention was paid by any member of the government to this grievance. I waited until Your Honour stood up to put the motion to the house before I rose to call any further attention to it, because I would have thought that somebody in the government would make a reference to it and give us some idea when we might expect a by-election in Halifax.

Mr. GRAYDON: They have not got things fixed up down there yet.

Mr. MERRITT: They might not have things fixed up.

Mr. GRAYDON: How is the weather down there?

Mr. McCANN: Smith is down getting the weather fixed.

Mr. GRAYDON: Who is Smith?

Mr. McCANN: The hon. member for Calgary West.

Mr. GRAYDON: Do you follow him carefully?

Mr. McCANN: Well, we watch him.

Mr. GRAYDON: That is good business.

Mr. McCANN: The papers report it.

Mr. MacINNIS: What paper?

Mr. MERRITT: Perhaps now, Mr. Speaker, I can continue. I am not a bit surprised because I have been here for a little over two sessions, and this is the third time that I, myself, can remember getting to my feet in these circumstances, when something that needs an answer has been mentioned from the opposition benches and the government just try to pass it off, not even saying anything about it, or giving us any idea of what their intentions are. This is a matter that cannot be passed off any longer. It is a matter as to which I do not ask when a writ of election is to be issued. I demand that it be issued and issued at once. I am going to give my reasons for that demand. Already we have had five months in which the opportunity was there to issue the writ. The writ has not been issued, and the people of the dual constituency of Halifax have been half disfranchised.

Mr. ISNOR: Which half?

An hon. MEMBER: The better half.

Mr. MERRITT: As some hon. member says, the better half. Think what that means, Mr. Speaker. That is the capital city of the province in which responsible government first appeared on this continent, the cradle of responsible government in Canada. We on this side of the house have asked in a kindly way all during this session that some statement be made and that a writ be issued, but we have had no word from the government as to why they have not taken the step which they took so quickly in connection with by-elections they thought they could win, but which they held off taking in connection with by-elections they knew they were going to lose, a course which did them no good at all in the end. I have here the issue of the Halifax *Chronicle* of December 10, 1946, in which the surviving member for the dual member constituency is quoted as follows:

Mr. Isnor made this statement after he held a long distance telephone conversation with party officials in Ottawa. He said that winter conditions in Nova Scotia were not suitable for holding an election.

Mr. ISNOR: Is that not right? What would you say to that?

Mr. MERRITT: That is just the point I am coming to; I do not know anything about it, and I do not suppose officials of the Liberal party in Ottawa would know anything more about it than I do, because they are no closer to

Halifax than I am. So I do not see why the hon. member for Halifax (Mr. Isnor) has to defer to the opinions of his party officials in Ottawa as to whether weather conditions in his own home town are suitable for a by-election.

Mr. GRAYDON: Have you people over there ever been in Grey North?

Mr. MACKENZIE: We used to win it before you ever did.

Mr. GRAYDON: But we won it the last two times; that is the important point.

Mr. MACKENZIE: Where were you in Cartier?

Mr. DEPUTY SPEAKER: Order. The hon. member for Vancouver-Burrard has the floor.

Mr. MERRITT: The hon. member for Halifax went on to give two other reasons why it was not necessary for the people of Halifax to be properly represented in this house. For instance, he said:

> As for the riding itself, it was one of the two dual member constituencies in Canada and was therefore represented at Ottawa. Mr. Isnor was willing to shoulder the added responsibility for an interim period.

I wonder if he realized that the interim period would be a minimum of seven months, and I wonder when the new constitutional procedure was introduced under which the surviving member for a dual member constituency could appoint himself to the vacant seat and consider that constituency properly represented in this house. Then the hon. member went on to give the people of Halifax this reassurance:

> In the meantime, he said, his party still had a majority and was not afraid of a snap vote in the Commons turning out the government.

That is not a very good reason for not holding a by-election. Once more, as we have done so often from this side of the house, I should like to repeat something the cabinet seems to have forgotten. This parliament is not run for the benefit of the cabinet. We do not elect members here only to ensure that the government retains a slim majority; in fact the people of Canada sometimes elect members to reduce still further a slim majority, and there is every reason for us to suspect that this would be the result if the government decided to hold this by-election. Those are the only three reasons given by any responsible person in the government party, officials or otherwise, as to why we should not hold the Halifax by-election now. Sixty days from now it is hardly likely there will be winter conditions in Halifax. I know that even though I have been there only once in my life, so that reason will not help the government any longer.

I should like to refer also to what was said by the Prime Minister (Mr. Mackenzie King) when he was leader of the opposition, in 1920 and 1934. As reported at pages 29 and 30 of *Hansard* for March 1, 1920, speaking of the East Elgin by-election, he said:

> So I say, Mr. Speaker, that having regard for parliamentary government in the matter of representation, if you look at the laws under which this parliament has been returned, for if you look at the way in which those laws have been administered, you will find that there has been a complete demoralization of the whole business of parliamentary representation as contrasted with what it should have been were we anxious to preserve intact our political institutions.

I agree with every word the right hon. gentleman said on that occasion. I have just quoted what was said by the hon. member for Halifax, which shows that he is committing the very sin against which his leader warned so long ago, namely, advocating a course which does not enhance our parliamentary institutions but rather tends to destroy them. My leader made reference to the actual time lags in connection with the by-elections we have had during the last six months. I do not think anyone in the house could have failed to notice that where the government thought they had a chance they jumped in very quickly, but where they thought they were likely to fail and where in fact they did fail they waited as long as possible before bringing on the by-election. In most cases, in the constituencies in which they failed, four to six months elapsed between the time the vacancy occurred and the time the election was held, while in the constituencies where they succeeded the time was never more than two months. That speaks for itself, and I should have thought the government would realize that this delay in itself is an admission that they are unlikely to hold the seat, so that the longer the delay, the worse it will be for them. Of course that is entirely up to the government, but here again I should like to quote what was said by the Prime Minister on January 29, 1934, as reported at page 18 of *Hansard* for that year:

> The Prime Minister has power to say that representation should be given, but up to this time, the constituency of South Oxford has been denied that representation. So the evidence from every side goes to prove that not only has the government lost the confidence of the country but it has lost confidence in itself.

I would not be at all surprised if it turned out that the Prime Minister was a good prophet, and that in the case of Halifax he is

practising what he preached on that occasion, that the considerations now in his mind and the mind of the government are those to which he referred in his remarks in 1934. I ask the house, on what grounds could a government candidate in Halifax claim the confidence of the electors today? I ask, in the two years since the end of the war what have the government accomplished upon which they could base any claim to the confidence of the people of Halifax?

Mr. BRUNELLE: What about the by-election in Cartier?

Mr. KNOWLES: They have taken off more controls since then.

Mr. MERRITT: I wish to refer only to a few points. For instance, could any government candidate, or any member of the government supporting him, go to Halifax tomorrow and promise houses at $13.82 a month, as they did in 1945. Could they go to that province, knowing conditions down there, and say that, while they had the power to do so, they made any notable contribution to the betterment of labour-management relations, so that management and labour might come to agreements without these crippling strikes? Could they go there in the hope that their taxation policy in the past two years would lead the people of Halifax to place confidence in them; or are they waiting until this new budget comes in, under which we may not have deferred taxation relief of the nature we had last year?

The most important reason, I suggest, for their failure to place the confidence of the people of Halifax to the test, is this, that they will not be able to go to Halifax in the coming by-election and offer to the people of that constituency any constructive policy for the future, a policy which would lead the people of Canada to have any confidence in the Liberal party, or any hope of the people's chances of getting through the next few years in a condition of stability. That, I believe, is the real reason why the government need not expect any success at the next election. Now that they are taking off controls, they do not seem to be able to produce any alternative for the future, which would give us a good run at the fence.

However that may be, I would not have risen at all if we had heard one word from any member of the government as to when the by-election is to take place, or some good excuse setting out why it can be longer deferred. I do not believe they can give a good excuse; and certainly I am not going to sit silent in the House of Commons, and not bring to Your Honour's attention as forcibly as I can not only the government's neglect to issue a writ, but also their apparent inability any longer to account for the delay.

I shall now take my seat, not with a request but with a demand that the writ be issued at once, because there is no longer any reason why it should be withheld. I see one of the ministers laughing when I use the word "demand." I am not a bit surprised to see a smile on the faces of some hon. members opposite when I use that word, because it is not more than three weeks ago that I heard the hon. member from Middlesex-West (Mr. McCubbin) say, "We must trust this government." Then, hon. members in the C.C.F., sitting to my left, rise in their places and say, "We plead with this government." Well, I don't trust this government, and I don't plead with it. I say again: I demand an answer to this question.

Mr. GORDON B. ISNOR (Halifax): Mr. Speaker, when the leader of the opposition (Mr. Bracken) referred to the three points I was wondering which of those he considered most important from a political point of view. Was he speaking chiefly to the first and second, which were really worth bringing before the government, or was he directing his attention chiefly to the third point, one which seemed to give him some satisfaction? After listening to the last hon. member, I am satisfied that perhaps it was the third point the leader of the opposition had in mind, when he opened the discussion this afternoon.

May I say that I still believe definitely and sincerely that the winter is no time to hold an election in the city and county of Halifax.

An hon. MEMBER: Is this not spring?

Mr. GRAYDON: What about 1940?

Mr. ISNOR: I had a handsome majority in 1940, and also in 1945.

Mr. GRAYDON: It was in the winter, too.

Mr. ISNOR: I sat here quietly and listened to the political speeches of at least two hon. members, with interjections from time to time undoubtedly by the hon. member for Peel (Mr. Graydon). I want to say to the hon. member who comes from the extreme west of Canada, and who saw Halifax only once in his life—

Mr. MERRITT: To my regret.

Mr. ISNOR: —it is unfortunate that he did not happen to see our province to a greater extent. If he had, perhaps he would

have appreciated it. He would have appreciated what we have down there, what we fight for, and what we in that part of the country endeavour to represent.

In regard to the hon. member's observations I can only say that I know a great deal more than he does about the views of the people of Halifax. I am satisfied that the very great majority are satisfied with the course I suggested, and that they believe it was the proper course to pursue. I do not hesitate to say that, and I shall repeat it when the time comes.

I am glad to note that the Progressive Conservatives have finally found a man whom they will nominate this evening. He is a big man, I might say—so far as size goes—and, I believe, a very good man. He will be nominated tonight to contest the election when it is called. But after their long search they stand in exactly the same position as they did two months ago. And when the election is called, when election day rolls past, they will remain as they were in the past.

Mr. MERRITT: You have not a candidate yet.

Mr. ISNOR: You worry about your own; don't worry about ours.

Mr. GRAYDON: That is what Angus L. says about him.

Mr. ISNOR: We will look after ourselves down there, so far as the Liberal party is concerned.

Mr. GRAYDON: And Angus L.

Mr. ISNOR: Oh, we have done very well since 1935. Apparently this is developing into a political discussion. May I remind my Conservative friends sitting opposite that in 1935 I was returned by a comfortable majority, and again in 1940.

In order to refresh the memories of hon. members opposite I would refer to the election of 1945. In that election let me say that they had two exceptionally fine candidates, in the persons of Major—now Colonel—MacKeen, who was recently appointed director of one of the trust companies. But he does not feel that he can re-offer himself, although he is a very fine type. Then there was Major Dwyer, also a fine man. Perhaps under ordinary circumstances he should have been available at this time. With all due respect to the president of the dominion Progressive Conservative association, let me say that he went there, but he could not get Major Dwyer—and a great many others—to stand up. I hope they will get a man this evening at their convention.

Mr. MACDONNELL (Muskoka-Ontario): We will; don't you worry.

Mr. ISNOR: He was selected. Why? Because he said something like this, "We must not allow this by-election to go by default. Even if I must be sacrificed, I am willing."

Let us look over the vote in the 1945 election.

Mr. MERRITT: Would the hon. member permit a question?

Some hon. MEMBERS: Sit down.

Mr. MERRITT: I am most apprehensive about this. Is the hon. member going to tell us, before he finishes, when the writ will be issued?

Mr. ISNOR: If that is a question which another hon. member has passed to my hon. friend to ask, then I do not think it amounts to much.

I was about to mention the vote in the 1945 election. In that campaign there were two fine candidates supporting the C.C.F. party; both were good types of citizens. One of them was one of our brightest young men, and it was not to his discredit that he did not poll a bigger vote. It was the policies he was advocating. Those were the policies he was standing for. He was a fine type of young fellow. He had as his running mate the assistant solicitor for the city of Halifax, Mr. Rooney.

Mr. MACDONNELL (Muskoka-Ontario): I am enjoying the hon. member's speech, but I want to ask him if it has any relation to the question which has been asked?

Mr. ISNOR: It has a definite connection. Mr. Shaw polled 8,941 votes, and Mr. MacKeen, who was the leading Conservative vote getter, polled 18,182 votes. I hate to mention myself, but I polled 26,407 votes, or a majority of 8,225 over the leading Conservative, and 17,466 over the leading C.C.F. candidate.

Mr. MACDONNELL (Muskoka-Ontario): You cannot run again; you cannot be both members.

Mr. ISNOR: That is the situation as it is at the present time. May I say to my Conservative friends that I have every reason to believe that a great majority of their supporters are quite satisfied with the way I am representing them. I do not want to appear conceited or anything, but that is the case.

Mr. KNOWLES: You are just as good a Tory as they are.

Mr. ISNOR: I really do not understand the observation made by the hon. member for Winnipeg North Centre about my being a Tory. I think for myself, and that is more than can be said for members of some other groups. The hon. member who has just taken his seat referred to the promises that we would make, the promises we would not be able to make, and so on. I have contested five elections and have won them all. I have yet to make a promise that I did not carry out. More than that, I do not think it is necessary in the city and county of Halifax to make promises in order to win this election. It is on the record of the government that we shall return a representative from Halifax city and county who will help to carry on the work I am endeavouring to do.

The hon. member referred to strikes in Nova Scotia just in a casual way, but I would remind him that there are strikes elsewhere. At the present time strikes are occurring in Vancouver.

Mr. MERRITT: There is no by-election there.

Mr. ISNOR: That does not matter; it is not because of by-elections that strikes have taken place. May I tell hon. members how we are going to win this election? May I remind the house of the size of this constituency. It is not like many of the constituencies in Ontario or elsewhere which you can almost hold in the palm of your hand.

Mr. GRAYDON: You are doing that with Halifax.

Mr. ISNOR: The record speaks for itself. The constituency of Halifax runs for 147 miles east and west. There is considerable rural mileage to cover in the winter time and many fishing villages have to be visited. These things may not be important to hon. members who sit in easy urban comfortable seats.

Mr. ABBOTT: Like Vancouver-Burrard.

Mr. ISNOR: I do not want to refer to any particular constituency. I have been complimented time and time again upon holding off this election and not having it held in the winter. I told the leader of the C.C.F. a short time ago that he should thank me for not having forced this election in the winter time. He did not say a word; he just looked at me and I said, "You know, your transportation is not quite as good as that of the Liberals or Conservatives and we would have you at a disadvantage". I want to be just as fair as I can about this matter. My hon. friends have never been particularly strong on organization. While they have done a fairly good job in trying to get organized at the present time they can thank me for having held off this by-election, if I were the one responsible. Our own organization is ready to go and we certainly will go.

Mr. MACDONNELL (Muskoka-Ontario): When?

Mr. ISNOR: The people of Halifax will certainly send a good type of representative here when the time comes. I would remind the house that the government is still within its rights because the time limit of six months has not elapsed. The leader of the opposition said that if an election were called tomorrow it would be 206 days, but that is just three days more than the previous by-election he mentioned when there was a period of 203 days. What difference does it make whether it is three or six months?

I still think I am doing a good job for the people of Halifax. I want a colleague who will work with me instead of one who will be bucking us at every turn. If we are going to row tandem I want a man who will keep stroke with me instead of one who will be pulling against me and upsetting the boat.

Mr. MACDONNELL (Muskoka-Ontario): That is what they wanted in Portage la Prairie.

Mr. ISNOR: We are going to have that in Halifax the same as we got it in Cartier. There is no reason why an election should be held in the winter. I trust the people of Halifax city and county, and I know they will send back a Liberal to help me in the good work which I am endeavouring to do.

Mr. PARK MANROSS (London): Mr. Speaker, I feel that I should rise in my place for a minute because London and the Thames river and floods have been mentioned this afternoon by people who are not from London. They read the Toronto *Telegram* and the Toronto *Star,* but they fail to read the London *Free Press* where they would really get the right story. I imagine they buy their papers on the outside when they are a day old and they can get them cheaper. There are two or three matters I should like to bring up at this particular time.

Great alarm was expressed by the trades and labour congress in London over the closing of CMD-1. The Minister of National Defence (Mr. Claxton) and the Minister of Reconstruction and Supply (Mr. Howe) were there recently, and after their visit they said that

there was no likelihood of the place being closed. During the last week 300 men have been laid off and the people are quite concerned whether or not these ministers have decided to close up this establishment since their visit. I just wanted to bring this matter to their attention so that it will be on record. We shall probably hear something about it in the near future.

Another thing I ran into in London this week was a matter that concerns veterans. Trade schools for veterans have been set up and the men receive gratuities and allowances from the government to pay for their courses. When they finish their courses they want to get sets of mechanics' tools with which to carry on the trade they have learned. These men find that they cannot purchase these tools out of their gratuities until the accounting department has had time to figure out how much of their gratuity has been used up in the course. It takes from three to six weeks to do this accounting and these men graduate and are walking around for that length of time without any tools. This is merely a matter of mechanical detail which could be hustled along, and I have no further criticism to make.

Another matter in London that was brought forcibly to our attention this week had to do with veterans who have purchased homes since July 1, 1945, and who find they cannot get possession. It is quite true that some of those who purchased through trust companies or real estate dealers were advised that they would have to abide by the terms of the order regarding evictions; they bought homes subject to the present tenancy, but other veterans —I have several cases which I shall not go into—apparently purchased homes without knowing anything about these orders. For instance, the first man on my list was in Holland when the order was published. The department wrote him and said, "We cannot understand how you do not know about this order because it was widely publicized." But at that time this man was serving in Holland and he did not hear much about it. There are quite a few of these cases, and I trust that when the minister brings in any relaxation of the rental controls one of the first things to which he will give consideration will be to make it possible for veterans who have purchased homes in good faith to get possession of them. I know that an order to that effect might be abused if safeguards were not taken, because a lot of people would be urging veterans to buy homes so that they could purchase them from the veterans. But a deadline could be set to prevent that. These veterans are at a great disadvantage. They cannot get into their own homes and are living in single rooms with their families. The tenants will not get out of the veterans' homes because they say they do not have to get out and are not going to get out. The government should indicate to such tenants of veterans' homes that they should be looking for another spot, because it is likely that the controls will be released.

Another matter I want to bring up is consideration with respect to the Veterans Land Act homes in London. That matter has already been discussed in the house and I shall not go into it in detail today. The veterans held a meeting with a view to having the construction defects remedied, but they could not pin the contractors down to responsibility. In the first place, the contractors are not from London but moved in there from a distance, because the scope of the work was thought by the government to be beyond some of the local contractors, there being twenty-eight houses erected in one district and seventy-two in another. The veterans held a meeting of protest, and the Veterans Land Act officials were criticized—of course all officials are criticized—for having a take-it-or-leave-it attitude; if you do not like this, you can do that. A contractor would be ordered to paint a door and he would paint one side and not another. So the veterans called a meeting to protest. Two men attended that meeting, and I want to bring this to the attention of the government. They explained that they represented the London Liberal association to hear what the veterans had to say. They said this:

> I don't know what the answer may be but if the Liberal association can give you an answer would you be willing to meet again to hear it?

I do not think any political association, mine, yours or anybody else's, should try to make political capital out of getting for the veterans the help to which they are really entitled. These veterans are entitled to good homes and to having construction defects remedied. I do not think it was proper for two officials of the Liberal association to go there and speak as they did. Of course I know the government can dismiss that by saying that the government cannot be responsible for irresponsible people. But these are not irresponsible people. They are responsible people; they are leading citizens of the town and officials of the Liberal association, and they went there as its representatives. At the same time they are circulating membership slips requesting anyone to join the Liberal association for the year 1947 for one dollar or more. Naturally they did not take these slips and pass them out at the veterans' meeting. But these canvassers are

going around, and many veterans get the idea, "Perhaps I had better join the Liberal association if I want any attention paid to my complaint". The officials of the Department of Veterans Affairs are the ones to see that the necessary repairs are made to these homes. I bring this matter up now, because a lot of Liberal ministers and members from western Ontario are coming to London on April 19.

Mr. MARTIN: I hope you will come to the meeting.

Mr. MANROSS: I might be there but I will not join the association. I hope that those who come to London that day will come early so that they can see these homes for themselves and get first-hand information —because it is something that we shall have to discuss some day—and also see the flood stricken areas.

PRIVILEGE, MR. POULIOT—REFERENCE TO PRESS REPORT IN OTTAWA "CITIZEN", APRIL 14

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, on a question of privilege, in an otherwise excellent report of a meeting that was held yesterday of the Ottawa Holy Name Societies in St. Brigid's Church, I am reported as having said:

Communism is union and thus, in my opinion, not harmful.

I said that the name of communism is not harmful but that its doctrine is. A line must have been dropped.

EXTERNAL AFFAIRS—CANADIAN AMBASSADOR TO RUSSIA—RUSSIAN AMBASSADOR TO CANADA

Mr. GORDON GRAYDON (Peel): Mr. Speaker, might I ask a question of the Secretary of State for External Affairs? I had intended to do so earlier today, but I thought this would perhaps give him a better opportunity to reply. Apparently the senior diplomatic representatives of Canada and the Soviet Republic are no longer functioning as ambassadors. Russia's ambassador to Canada left this country I think a year ago last December and has not been replaced. Our own ambassador to Russia has recently been withdrawn from Moscow for other service. It is important from the public point of view that the people of Canada should be fully informed of the exact position at the present time with respect to the two embassies.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, the exact position is as the hon. member has outlined it. There was an ambassador who was accredited to the Canadian government from the Soviet Republic. His letters have not been withdrawn, but he himself has not been here for several months. There was a Canadian ambassador accredited to the Russian government. His letters have not been withdrawn, but within the last two weeks he left Moscow and proceeded to Geneva. Before he left he had a satisfactory interview with the minister of foreign affairs of the Soviet Republic, and there the question of the intentions of the Soviet government was raised and was discussed. I am not in a position to give a report of the discussion. It was a friendly interview, and the result was communicated to the Canadian government, confidentially of course, by the ambassador. The whole tone of the discussion was on a cordial basis. I will not say that the tone of discussions on a cordial basis means very much. It is very much like the situation we have in the meetings of the assembly of the united nations. Unfortunately there is still mistrust between the western democracies and those who control the destinies of the Soviet Republic, and the thing we are patiently, industriously striving to accomplish is to break down that mistrust and to have them realize that we only wish them well and that we only desire to have them wish us well. The hon. member has attended some of these meetings. He knows we are making some slow progress in accomplishing that result. I would be delighted to see it make more rapid progress. But, just as it takes two to make a bargain, it takes two to determine the exact atmosphere of diplomatic negotiations. The present situation is not discouraging, though it is disappointing.

Mr. KNOWLES: Will my hon. friend permit a question for information? He said that the letters of the Canadian ambassador to Moscow had not been withdrawn. Do I understand that technically Mr. Wilgress is now ambassador to both the U.S.S.R. and Switzerland?

Mr. ST. LAURENT: I should not like to say he is technically ambassador to both the U.S.S.R. and Switzerland. The diplomatic practice is that the letters of one ambassador are not withdrawn until those of his successor are presented, unless one wishes to break off diplomatic relations. Since there is no desire on our part or on the part of the Russians to break off diplomatic relations there has been no tendering of letters of recall by either government to the other. So that the technical situation is that there is still a Russian embassy accredited to Canada and a Canadian embassy accredited to Moscow, but that

the principal officer in charge in both places at the present time is a chargé d'affaires and not an ambassador.

Mr. GRAYDON: Is there a possibility that shortly that will be remedied?

Mr. ST. LAURENT: All I can say is that we were told that the matter was under consideration by the foreign minister of the Soviet republic. We have his assurance that the matter is under consideration.

Motion (Mr. Abbott) agreed to, and the house went into committee of supply, Mr. Macdonald (Brantford City) in the chair.

Mr. MACKENZIE: As announced by the Prime Minister about two weeks ago, it is the intention to call two departments just for the purpose of getting them into supply, not for the purpose of discussion. I suggest that we call the Department of Agriculture, item 1, departmental administration, and that the vote stand; and External Affairs, item 41, departmental administration, and that the vote stand. If that meets with the consent of committee, I would then move that the committee rise, report progress and ask leave to sit again.

DEPARTMENT OF AGRICULTURE

1. Departmental administration, $163,190.

Item stands.

DEPARTMENT OF EXTERNAL AFFAIRS

41. Departmental administration, $767,480.

Item stands.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

MILITIA ACT

AMENDMENTS TO FACILITATE CANADIAN ARMY REORGANIZATION—CONCURRENCE IN SENATE AMENDMENTS

The house resumed, from March 25, consideration of the motion of Mr. Mackenzie for the second reading of and concurrence in amendments made by the senate to Bill No. 14, to amend the Militia Act.

Motion agreed to, amendments read the second time and concurred in.

[Mr. St. Laurent.]

INSPECTION AND SALE ACT

INSPECTION AND GRADING OF FLAX FIBRES

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs, for Mr. Gardiner) moved the second reading of and concurrence in amendments made by the senate to Bill No. 8, to amend the Inspection and Sale Act, 1938.

Motion agreed to, amendments read the second time and concurred in.

TRADING WITH THE ENEMY

EMERGENCY POWERS—DISPOSITION OF PROPERTY, ETC.

Hon. COLIN GIBSON (Secretary of State) moved the second reading of Bill No. 22, to continue the revised regulations respecting trading with the enemy (1943).

He said: Mr. Speaker, when the resolution preceding this bill was under consideration we had a considerable amount of discussion on the duties and responsibilities of the office of custodian, and at that time I made a statement as to the need for the proposed legislation. Since the bill was not in the hands of hon. members, it could not be considered at the resolution stage; but, as I pointed out, the bill itself contains regulations which it is considered necessary to continue, and those regulations which were passed during the war but could be dispensed with have been dropped.

During the discussion on the resolution, hon. members felt that they should have a report from the custodian of enemy property. That report has been tabled, together with the reports of the auditors who have examined the custodian's accounts. After the bill has received its second reading, it is proposed to refer it to the public accounts committee for consideration so that the fullest possible information can be supplied to hon. members as to the work that has been carried on in the custodian's office. At one time it was proposed that we should refer the bill to a smaller committee. However it has been felt that the public accounts committee is the one to which it should be referred; and whether it is desired to appoint a smaller subcommittee to deal with the matter is within their discretion.

On the resolution stage I referred to the provisions of the bill and the necessity for it, and I do not think there is any need for me to go into a long discussion on it at this time.

Mr. DONALD M. FLEMING (Eglinton): Mr. Speaker, the indication on the part of the government that the bill, after second reading, is to be referred to the standing committee on

public accounts will, I think, make it possible to curtail one's observations on the bill on second reading. Nevertheless there are some things with respect to it which I think ought to be said at this particular stage. I do not propose to repeat the things that have had to be said in this house concerning other legislation of the government under the general category of legislation arising out of the expiry of the National Emergency Transitional Powers Act. I should like to point out some of the things which this bill contains and some of the things which it does not contain.

In the first place, this bill continues certain orders in council. At a later stage I shall have something to say with reference to the fact that this bill, while its operative sections do not occupy more than a page, nevertheless has this lengthy schedule which is legislative in character, and the bulk of the legislation is in the schedule to the bill. In the second place, the legislation purports to empower the governor in council, under certain circumstances, to amend these regulations which are part of the bill. In the third place, it purports to empower the governor in council to make additional regulations without any reference to this house.

What the bill does not do is, in the first place, to place any time limit on its existence or on the powers conferred on the governor in council by the bill. In the second place, it does not require that any report be tabled in this house. In the third place, it does not require that any additional regulations passed under the powers conferred on the governor in council by this act, be tabled in this house. Those, I think, are important features of the bill well deserving of the attention of the house. If one compares this with another bill which is occupying the attention of the house, Bill No. 104, one is led immediately to ask why it is that there is no limitation in point of time contained in this bill; and, second, why there is this power to make additional orders, and why there is power to extend. In Bill No. 104, power is given to revoke but not to extend. Because there is no time limit provided in this bill for its own existence, I suggest that the house must be more than usually careful in scrutinizing its provisions.

I am sure it is unnecessary to review the history of the office of the custodian of enemy property. The house is aware of the fact that this office was set up in 1920, after the close of the first great war; and the administration of the assets which came into the hands of the custodian of enemy property arising out of the first world war had not been completed at the time of the outbreak of the second world war. In 1939, if I remember correctly, the staff had been reduced to four persons, but there were a few tag ends remaining in the course of administration.

During the recent conflict, over a billion dollars worth of assets came into the hands of the custodian of enemy property, and at December 31, 1946, about $320,000,000 of assets remained in his hands for administration. This might suggest to the house that the task of administration is substantially complete. I do not think that is a fair inference, particularly having regard to the fact that the $320,000,000 of assets represent no less than 53,488 individual accounts, which are contained in 524 ledgers and 121 auxiliary books. This is big business in which the custodian of enemy property has been engaged.

Broadly speaking, three categories of assets came into his hands for administration. First, there were those assets belonging to nationals of enemy countries or countries that had been overrun by the enemy. Second, there were the assets in Canada of organizations declared by the governor in council, under wartime powers, to be illegal. Third, there were the assets of persons of the Japanese race resident in Canada. Where was the supervision by parliament of the administration of this vast amount of money, this great quantity of assets? If we were not already enured to shocks, Mr. Speaker, surely it would seem to us a shocking thing that in this entire period from 1939 up to the present year no report was ever given to parliament of the administration by the custodian of enemy property of these vast amounts of assets. When the resolution preceding the present bill was occupying the attention of hon. members the house was informed for the first time that an annual report was made to the government or the Secretary of State by the custodian of enemy property, or the official in his department charged with the responsibility. The house was then also informed for the first time that the accounts of the custodian of enemy property had been subject to annual audit, and I should like to say a word about the audit.

Actually the audit of accounts of the custodian of enemy property did not begin in 1939, with the outbreak of the recent war. The present firm of auditors, Price, Waterhouse and Company, were actually appointed back in 1930, and during all that period they have made an annual audit. But these annual reports of the auditors were not tabled in this house during the war years, and I think this house is entitled to know why they were not tabled. Here were annual auditors' reports coming into the hands of the Secretary of State. Not one of them was tabled in

this house during all those war years, and those annual reports of the auditors have not as yet been tabled. The Secretary of State mentioned the fact that he tabled the auditors' reports before second reading of this bill was called. Actually those auditors' reports he tabled were only three in number. There was one by P. S. Ross and Sons, dated October 20, 1943, an audit of the accounts of the custodian's office in Vancouver. There was an audit report by Price, Waterhouse and Company covering the period from December 11, 1941, to December 31, 1946, on the enemy section of the Vancouver office. The third report is by Price, Waterhouse and Company on the audit of the accounts at December 31, 1945. The annual reports, however, have not as yet been brought before the house.

During the debate on the resolution preceding the introduction of this bill, the present Secretary of State also mentioned that, since assuming his portfolio, he had arranged for the audit of these accounts by the auditor general. That is another striking fact, that in all these years these accounts, which were of very great importance, involving vast sums of money, have not been submitted for audit by the auditor general, parliament's own auditor. It is only within recent weeks that the auditor general has been asked to conduct an audit of these accounts.

As to the report, it came as news to this house from the Secretary of State that annual reports have been made in his department on the administration of enemy property. I ask why those annual reports were never tabled in this house during the war years. Here is a very important section of the public business which was withheld from parliament during the war, and I ask why. What justification can there be for having withheld from parliament, the elected representatives of the people, these annual reports by the custodian of enemy property on the administration of these assets confided to his custody? I trust that now the house is going to assume the responsibility of seeing that these accounts are properly reviewed in committee; but it should not have been left to 1947, to this present session, to undertake a review of reports and audits that have been proceeding annually all these years. I submit that the government is deserving of censure for having withheld from parliament during all those years any report whatever on this important section of the public business. The government got the power, and immediately they rang down the iron curtain. What has been going on in the office of custodian of enemy property during the past seven and a half years has gone on behind the iron curtain.

Mr. GIBSON (Hamilton West): If my hon. friend will permit a question, would he have advocated the filing of a report making public enemy assets in this country, or assets in this country belonging to aliens who were under the control of the enemy while the war was proceeding?

Mr. FLEMING: No; for it was not necessary at all to put the reports in such form that the accounts of individuals or the property of individuals would have been made public.

Mr. MITCHELL Your iron curtain looks like a lace curtain after that statement.

Mr. FLEMING: Nonsense. There was no occasion whatever for ringing down that iron curtain on any report whatever in connection with these audits, on the administration of this vast section of the public business.

The Secretary of State also mentioned the fact that he had tabled a report. It is true that he tabled a report, and I think the house is obliged to the hon. gentleman for having done so. That report is dated January 15, 1947. This did not comprise the annual reports written by the officials of the department during all those years; it was a single report written in January of this year by an official of the department, Mr. Mathieu, the assistant deputy custodian. This report at least was dated prior to the introduction of the resolution. But it was not tabled until after the bill had been introduced.

I submit that this report is of considerable importance. It ought to occupy the study of the public accounts committee, and I believe there are some sections of the report about which the house should know, even now. When mention is made of the fact that the accounts were audited, the house should know as well that there are limitations as to the extent of the audit that was undertaken. Those limitations will appear from several extracts which I should like to read from the reports of the auditors. These extracts will be brief, because I do not purpose detaining the house at length in the reading of them. There are some, however, which, as I say, I believe the house should know. These will deal with several different aspects of the administration.

From the report of Price, Waterhouse and Company on the enemy section, Vancouver office, for the period of December 11, 1941, to December 31, 1946, I quote these extracts; first, the following, from pages 6 and 7:

Personal effects and chattels of enemy persons, including the balance of fishing boats and gear turned over by the fishing vessel disposal committee, have not generally been recorded on the books of the Vancouver office except in the files of the individuals. We did not examine these files in detail but we are informed that, with a few minor exceptions, all personal effects and chattels have been disposed of and the proceeds accounted for in the financial records of the Vancouver office.

And again, another limitation is pointed out at page 11 of the same report, in connection with controlled companies, where it states:

Fees of the controller and liquidator have been paid out of the funds of the Vancouver office against collections of a corresponding amount received from the controller and liquidator out of the controlled companies' funds. We are informed that there are about thirty companies not yet liquidated, still under the control of Messrs. P. S. Ross & Sons. Our examination did not extend to the accounts of the controlled companies nor did we endeavour to obtain direct confirmation from the controller and liquidator, of amounts remitted to the Vancouver office of the custodian. . . In submitting this report we would point out that our work was mainly concerned with an examination of the books of the enemy section of the Vancouver office of the custodian and a general review of the accounting methods employed. We did not examine all of the numerous files maintained for individuals, and, therefore, we are unable to state definitely that all assets vested in the custodian have been entered on the books.

Then, Mr. Speaker, in the audit of Price, Waterhouse and Company of December 31, 1945, there are also several extracts which indicate the limitations on the extent of the audit undertaken. I am not suggesting that these are unusual limitations, but I point them out in case unwarranted inferences should be drawn from the fact that these accounts were, as we are told, audited. At page 10 of the report we have the following extract:

We would advise you that no attempt was made to verify the securities listed as shareholders' securities. This matter was discussed with the assistant deputy custodian who stated that he was satisfied that reasonable control was being maintained over these securities through close checking at the times that dividends are received. This, of course, does not apply to non-dividend paying stocks, which actually are small in number and value as compared to the whole.

And then at page 19:

We made a physical test of the personal effects which are held in safekeeping in the vault. We would again suggest that these effects be held under joint custody. At present there are two custodians, either one of which has access to the compartment containing the effects, and we feel that for the protection of these individuals, two persons, one of which is from another department altogether, should be present when any of the effects are placed in the vault or removed therefrom, both persons initialling the record for each transaction.

And at page 23, in concluding the report the auditors say this:

In submitting this report we would point out that our work was mainly concerned with an examination of the books of the custodian and a general review of the accounting methods employed. We did not examine all the files (of which we understand there are now approximately forty thousand) and, therefore, we are unable to state definitely that all assets vested in the custodian have been entered on the books.

The matter of the administration of the property of persons of the Japanese race situated in Canada is an important and vexed one. Again there are problems presented by the reports. First, I would quote a short extract from the report of P. S. Ross and Sons, dated October 20, 1943. This is a report on the examination of the Japanese evacuation section of the custodian's office at Vancouver. This is what these auditors say at page 9 concerning the administration of the chattels seized in British Columbia from these persons:

The household and personal effects of evacuees which they could not take with them to their new abode, were in a large number of instances, removed to central storage places or stored by the evacuees themselves, in most cases in some part of the dwelling being vacated. We noticed from some of the files examined by us that the evacuees recorded on the registration form only a general description of the items turned over to the custodian.

An inventory record was made by the clerks charged with the responsibility of taking into custody the chattels stored in one or other of the several buildings used as warehouses, and in the cases where chattels were left in the custody of the tenant of the property vacated by the evacuee, a receipt signed by the tenant for such articles was obtained, except in those cases where the chattels were stored in a room which was locked or by other means made inaccessible to the tenant.

We visited some of the places in Vancouver and Steveston used for storing chattels and we noticed that in numerous instances the evacuees had packed belongings in cartons which were not covered or tied, and also that many other articles were in a damaged and much used condition, consequently the inventory of the articles made by the person taking them into storage is, of necessity, of a very indefinite nature.

We understand that many requests have been received from evacuees to have shipped to them at their present address certain articles which, in some cases, have necessitated the unpacking of a carton or other container in order to locate the particular thing or things requested. We were also informed that the storage places have on a number of occasions been broken into and containers ransacked, and as a result the belongings of one evacuee mixed with those of another, thus destroying means of identification of ownership with the office records.

A number of sales of articles such as refrigerators, washing machines, etc., have been made by the custodian's office with the consent of the owners upon their requests, and with the approval of the British Columbia security commission at the expense of the person making the request.

We were informed that in the near future the chattels then on hand will be sold by public auction. This would appear to be desirable so as to relieve the custodian's office of the responsibility of maintaining safe custody of numerous articles of little value, many of which, it could be seen by inspection, would rapidly deteriorate and probably become worthless if kept for a protracted period of time.

The report of Mr. Mathieu, assistant deputy custodian has a section in it dealing with the custody of property of these persons of the Japanese race which was seized in British Columbia, and held there. At page 39 and following of the report I read these extracts:

It must be remembered that the custodian became responsible for the whole household economy of over 22,000 persons who were moved out of their homes from communities such as Powell street, known as "Little Tokyo" and fishing centres such as Steveston, 20 miles from Vancouver, from farming districts of more than 50 miles in extent in the Fraser valley and also segregated locations throughout the whole coastal and protected area of British Columbia.

It is also true that a certain type of citizen considered the abandoned homes of evacuees an opportunity to engage in theft and vandalism which were in evidence in many cases before our fieldmen or our agents had an opportunity of taking charge.

Even in the better class districts this was in evidence and perhaps an outstanding example may be given in connection with the property owned by the former Japanese consul in the Shaughnessy district of Vancouver. This house was under the control of the protective powers until the capitulation of Japan.

At the time the property was handed over to us in December, 1945, Mr. K. W. Wright, counsel to the custodian, and Mr. F. G. Shears, director of our Vancouver office, inspected these premises with Mr. Baeschlin, representing the Swiss government. Every piece of plumbing had been removed, light fixtures and switches had been disconnected and taken away and even leaded glass doors and windows had been taken from their frames and were missing. This had occurred in one of the best districts of Vancouver, and according to representatives of both the Spanish and Swiss authorities, the house had been broken into time after time even although it was boarded up after each depredation.

Our own experience in regard to buildings which had been used for storage was somewhat similar to that of the Japanese consuls house. Breakings-in were frequent, entrance being made in some cases by the use of fire escapes, through windows which were boarded up or covered with a grill or through basement doors.

It may be of interest to record that a building on East Hastings street, registered in the name of a Japanese association and which certain Japanese had filled with chattels, was left by them in the care of Messrs. Norris and MacLennan. Upon request for the shipment, through the security commission, of some of the contents of the building, we requested Mr. MacLennan to accompany one of our staff to the building for the purpose of selecting the goods required for shipment. Finding it impossible to open the front door, access was made through a rear entrance when it was discovered that thieves had entered by the front door and had then barred it from the inside with planks. The place had been ransacked, lids of boxes torn off and the entire contents scattered over the floor. Both Mr. MacLennan and the representatives of the British Columbia security commission realized the futility of attempting to identify to whom the chattels belonged.

The assistant commissioner of police wrote to the Vancouver office on July 28, 1942, in regard to the Richmond district, stating that it was impossible for their police in that area to do more than keep as eye on Japanese property although he assured us that they would do their utmost to prevent breakings and enterings. He suggested that we might consider employing a watchman in that district. As a result, we asked the commissioner to recommend a suitable person . . .

It then goes on to state that a watchman was appointed after all this extensive damage had been done to the properties of these people. Regardless of whether these people were under suspicion because of their being persons of Japanese origin, I think it should have been expected that, in justice to them as individuals, steps would be taken to safeguard their property so that it would be kept in proper custody. That obviously was not done. After requesting the police for cooperation, the report continues:

The police, however, seemed powerless to deal with the situation and apart from property in which the custodian was interested, the public press at this time contained many reports of a general crime wave of breaking and entering and safe cracking. Frequent reports were made by us to the police and were acknowledged as receiving their attention.

Of the three classes of goods under administration, I think one extract concerning the property of illegal organizations is worth referring to. Again it is not a question of whether these people were guilty or innocent; it is a question of whether adequate steps were taken under the circumstances to safeguard their property. We are told in this report that steps were taken to obtain a proper valuation of property and to make sure that sales were made based upon those valuations. The extract which I intend now to read deals with a striking case. I wonder how many hon. members feel that they can justify the claim made by the government that proper valuations of such property were made at the time of seizure as well as at the time of disposal. I read from page 65 of this report the following extract which appears under the heading, "The Workers' and Farmers' Publishing Association Limited":

At the time this company was declared illegal, an inventory was prepared of all machinery and tools.

The valuators employed by the agents for the custodian appraised these at $9,811. The equipment so valued was advertised for sale by tender, and sold, for $9,696.46.

Let me interject there to say that they realized nearly the amount of the valuation placed on the machinery and tools at the time of seizure. The report continues:

Later, representations were made to the custodian, as a result of which the Honourable Paul Martin, in January, 1946, directed Mr. K. W. Wright to make an investigation, resulting in an additional compensation of $20,000 being allowed.

You have the original valuation of $9,811; you have the sale at $9,696, and then, later on, as the result of an investigation, another $20,000 being handed out by way of additional compensation. If that is a typical case I wonder if the public accounts committee should not go into these cases very carefully. Does not a report of that kind disturb the confidence of the house in the claim made that adequate and proper valuations were made of the property, both at the time of seizure and at the time of sale?

I think we should have had long ago some report concerning the amounts realized and the amounts turned over within the office of the custodian on the administration account itself. The minister told the house, when the resolution was before us, that a flat commission of two per cent was charged on all amounts realized. Does the house realize what that amounts to in terms of dollars and cents where a billion dollars—

Mr. GIBSON (Hamilton West): I did not say that it was charged; I said that it was limited to two per cent, but that rate, of course, was not always charged.

Mr. FLEMING: I do not think I was the only one who got the impression that the two per cent was a flat charge, but I am glad to have the explanation of the Secretary of State on that point. However that does not reflect on the fact that the amounts passing into the hands of the custodian by way of his rake-off on the realizations amounted to millions of dollars. In turn, the custodian was expending amounts totalling millions of dollars without those accounts ever coming before parliament to be reviewed, without any report in relation thereto being laid on the table of this house and without their being reviewed by the auditor general so that he might make his usual salutary comments on the administration.

In conclusion, I wish to submit to the house that this bill is not in proper form. It is all very well to have substantive provisions with a schedule attached thereto where the schedule is a complete document in itself and not of a legislative nature but I submit that this bill has simply two or three substantive sections followed by some twenty pages of straight legislative provisions. That is not in the form in which legislation should be submitted to the house.

We had an example of this in the bill introduced last year by the Minister of Labour (Mr. Mitchell), having to do with the reinstatement of veterans in civil employment. A number of orders in council were simply tagged on to the short provisions of that bill which purported to give statutory effect to the orders in council. The house took the course of referring the bill, even before second reading, to a committee of the house in order that the bill might be properly framed without having a lot of orders in council tagged on to it.

We are going to need legislation with reference to the administration of alien enemy property for some considerable time, and I submit that the house ought not now to be legislating, simply by way of giving effect to whatever is needed out of the existing regulations respecting trading with the enemy. This legislation should be in the form of a bill and not simply tagged on as a schedule to the bill.

I have referred to the fact that the bill has no provision with reference to the extent of its life. There is no provision requiring that new regulations passed under the powers in the bill, or any reports shall be tabled in the house. I submit that the bill is sorely lacking in these respects. Surely, after seven and a half years of this kind of administration, the time has come when the house must insist that complete annual reports should be submitted to it.

This is no time for maintaining the secrecy mentality which dominated this government in time of war. I entirely approve the proposal which the Secretary of State has made that the bill be referred to the public accounts committee, and I hope that committee will see to it, not only that the legislation itself is adequately reviewed, but that the reports, including the auditors' reports and all information to date on the administration by the custodian of enemy alien property, are carefully reviewed.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, since this bill is to be referred to a committee, it is not my intention to take up the time of the house with any extended remarks. I must say, however, that I do not believe that the public accounts committee is the proper body to which to refer a bill of this kind. If I have heard the statements of the member for Eglinton aright there have been no accounts submitted in connection with this matter. What is ordinarily referred to the public accounts com-

mittee is the public accounts arising out of the estimates; but in this case there are no accounts, so how can this bill be referred to the public accounts committee?

Mr. FRASER: Dig up the accounts.

Mr. MacINNIS: But the committee does not have the authority to dig them up. I am satisfied that the public accounts committee is also too large a committee to deal with this matter, which on the statements made by the hon. member for Eglinton certainly needs investigating. I am not taking issue at all with anything he said, because I understand he was reading from documents which are authentic; therefore I am not disputing anything that he has said. But I do not believe that the public accounts committee is the proper committee to which to refer this matter. I have seen various matters referred to the public accounts committee on other occasions, but never in my experience in this house can I remember a complete report coming from that committee to this house on what it investigated.

I understand that it was the intention of the minister at one time to refer the bill to a smaller, special committee, and I am satisfied that that is the proper course to follow. Such a committee could get accountants of its own to investigate the custodian's accounts.

The hon. member for Eglinton mentioned that auditors who had gone over the custodian's accounts had stated that they had not examined each account separately and consequently could not say whether all the accounts were entered in the books of the custodian or not. He mentioned that there were approximately 40,000 separate accounts. Obviously it is impossible for the public accounts committee to examine that number of accounts. Consequently I still suggest that the matter should be referred to a smaller special committee with full power of investigation.

I was glad to hear the hon. member for Eglinton refer to the property of persons of the Japanese race. I think it is regrettable that the government of Canada, composed of men for whom I have great respect should have dealt with the property of these people in the way in which it has dealt with it. These persons of the Japanese race in Canada were not enemy aliens. If there is anything definitely on record in regard to these people, it is that. Indeed from the statements of the Prime Minister (Mr. Mackenzie King) in this house, there was never any question of their loyalty. Yet they have been treated all along as enemy aliens and even worse than enemy aliens. Every effort was, in my opinion, made to despoil them of their property, so that they would never have an opportunity to come back and find any of their property to which they could lay claim. I regret that. It will be a stain on the record of the Canadian government for all time. However, that is not what I rose to say.

I suggest again that this bill be referred to a smaller committee. If it goes to the public accounts committee I am satisfied that it will be made a political football and that we shall never get anywhere with it.

Mr. H. W. HERRIDGE (Kootenay West): Mr. Speaker, I support heartily the hon. member for Vancouver East (Mr. MacInnis) in suggesting that the bill should go to a smaller special committee to be carefully studied.

I enjoyed very much the analysis of the present situation given by the hon. member for Eglinton (Mr. Fleming). I agree with the great majority of his arguments and I am not going to repeat them. I was amazed when first I heard that this huge business carried on by the custodian of enemy alien property was not reported on annually to parliament. I had taken it for granted in years past that that was done.

I do not know very much about the custodian's administration of enemy alien property generally except what I have heard discussed in the house, but I do know something about the administration of the property of the Japanese who were evacuated from British Columbia. Thousands of them came into my constituency, and great numbers of them came to me with statements from the custodian which showed what their property had sold for, the cost, and the balance left. I am sure that when this matter is referred to the committee they will find plenty of evidence as to the sale and disposition of houses, boats, farms, cars and general effects formerly belonging to Japanese evacuees, which will make any honest Britisher and any honest Canadian hang his head in shame. I do hope that when the committee undertakes its task it will do it thoroughly, because I am sure that plenty of evidence can be presented to the committee to establish that, under the exigencies of war and possibly some maladministration, a great injustice was done to people whose supposed disloyalty to this country was never proven.

In conclusion, I am very glad that the Secretary of State (Mr. Gibson) has proposed that this bill be referred to a committee, but again I would support the hon. member for

Vancouver East in suggesting that a smaller select committee be appointed to deal with the matter more effectively.

Hon. COLIN GIBSON (Secretary of State): Mr. Speaker, it has been suggested that this matter should be sent to a small committee, rather than to the public accounts committee, and I may say that that had been my idea in the first place. I realized, however, that there was a certain amount of criticism of that procedure and a feeling amongst the members that it should go to the public accounts committee. If it is felt that that is too large a body the public accounts committee could appoint a subcommittee of itself to go into all the details of the work of the custodian's office. I was very glad to have it go to a committee where it would receive the fullest attention, because I know that the custodian has nothing to hide, although we have heard so much tonight about the iron curtain. Anyone who reflects for a moment will realize that it would have been perfectly absurd during the war to provide the enemy with a list of enemy assets in this country, or assets in this country belonging to residents of occupied countries overseas. It would have put those people in an embarrassing position, when they were prisoners of the Germans, to have the Germans know that they had assets outside the country. Consequently, during war time, no publicity was given, no reports were made as to the activities of the custodian's office or of the assets in his hands. I am very happy to have the public accounts committee go into the business of the custodian's office at the present time. I quite agree that there is no reason why annual reports should not now be filed, and I am quite sure they will be from now on.

The hon. member for Eglinton (Mr. Fleming) suggested that there should be a time limit to the granting of the powers provided by this bill. I may say that the powers will automatically expire when the assets in the hands of the custodian have finally been distributed.

One other point he made was in regard to the amendments provided under section 3 of the act. The only amendments to the regulations that can be made by order in council are those for the purpose of implementing the provisions in any peace treaty executed on behalf of Canada and ratified by parliament. So that the amendments he referred to are not amendments to regulations that would change the character of the act, but amendments that are necessary to comply with any peace treaty approved by this parliament.

Motion (Mr. Gibson, Hamilton West) agreed to, bill read the second time and referred to the committee on public accounts.

PATENT ACT

PROVISIONS FOR EXTENSIONS OF TIME—SECRECY—ADJUSTMENT OF TARIFF FEES

Hon. COLIN GIBSON (Secretary of State) moved that the house go into committee to consider Bill No. 16, to amend the Patent Act, 1935.

Motion agreed to and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

On section 1—Short title.

Mr. BOUCHER: Would the minister give the committee some idea of the surpluses which the patent office has each year out of the fees collected from applicants after administrative costs are deducted? My recollection is that each year the patent office of Canada has had a substantial surplus. This being so, I submit that the committee should be given some information, and we should impress upon the minister that now in this time of expanding research, patents which Canadians may secure in the future should be protected. Patenting of inventions should be encouraged and assisted. The minister might very well urge upon the government to give greater attention to the expansion of patent work, the security of patents, and the question of modernizing the whole system of granting patents. Will he give us some information in that regard so that we may know what the government's policy is?

Mr. GIBSON (Hamilton West): I gave that information to the committee some time ago. The patent office has had a surplus, beginning with the year 1936-37 up to 1945-46, from $233,000 in 1936-37, and always over $125,000. In 1945-46 it was $199,000 odd. It is expected that if we can secure the increase in the fees which are provided for in this bill we shall be able to undertake the printing of patents, which would be of great benefit to those who require to make searches in the patent office.

Mr. BOUCHER: Would the minister not say, in view of the substantial surplus that we have had for a great number of years, and seeing that that surplus has accumulated primarily from the collection of fees on patent applications, that the government at this time particularly will expand the services provided in return for those fees and give much more adequate service to patent holders in connection with the issuance of patents? This could

be done in many ways that have not been attempted in the past. We in Canada are now embarking upon what we hope is an industrial era, and we could afford to extend inducements to inventors who have produced inventions that will be of advantage to the nation. Surely he can provide patent facilities, particularly in view of the fact that the government has made a substantial profit each year out of those who apply for patents and who pay for what is ordinarily regarded as a service but is actually a profit to the Dominion of Canada.

Mr. RICHARD (Ottawa East): Last year, when we discussed the estimates of the Secretary of State's department I suggested that we should have a special committee to deal with the revision of the Patent Act. This suggestion was not adopted. Instead, the Secretary of State has submitted to the house a bill with certain amendments to the Patent Act. That is all very well, but I still think much will have to be done at a future date, because the scope of the committee's work was limited, although, mind you, they did deal with a great number of matters which were not already within the scope of the amendment suggested by the Secretary of State.

Generally speaking, the difficulties in the patent office at present relate to accommodation and staff. I trust that the Secretary of State and the Minister of Public Works will find some way to secure decent accommodation for this highly technical department, which renders such good service to the public.

I had heard that it was the intention to move the patent office out to the experimental farm. That is absolutely absurd. The patent office renders a service which should be within the reach of those who practise before the office, and within the reach of the public who come to this city. To move the patent office such a distance from the city would be a great disadvantage to the public and to the people who are concerned with patents.

Another matter which is of great concern in connection with the administration of the Patent Act is that of securing competent personnel. I have the greatest admiration for the men and women who work in the patent office. I have been dealing with them for the past twenty years, and I should have a fond recollection of that office because my own father was commissioner of patents at one time. But these technical men have been working under circumstances which are not befitting that type of personnel. Down by the Ottawa river similar personnel are to be found in the national research council which is housed in a beautiful, well-lighted edifice, with all the facilities that technicians should have at hand. The personnel of the patent office is, as I said before, competent. There is no blame for any delays or lack of service to be attached to the competency of the officials and officers of the patent office. But if we wish to secure more technicians in the patent office we must also pay them wages which should be paid to technicians. It is hard to believe that we ask engineers to become examiners on the staff of the patent office, with salaries under $3,000, to examine and pass upon inventions of technicians who earn ten times as much. It is also much harder to ask them to remain for a great length of time in the patent office at such salaries. I hope that the Secretary of State will see to it that decent salaries are paid in the future to the examiners and the staff of the patent office. I have particularly in mind now the salary of the assistant commissioner of patents and the principal examiner. These men's salaries range around $4,200, if I remember rightly. You cannot expect in the future to attract the best brains in the engineering class to continue to occupy the post of assistant commissioner, after twenty or twenty-five years of service, at a salary of $4,500.

I wish to make only these remarks at the present time, Mr. Chairman, I will come back to the sections when they are called, but I thought this might be the only opportunity I would have to speak about accommodation, staff and wages, which are really the essentials. I think that once the commissioner of patents, who is an efficient man, is given the tools, he will give the public the service for which we all are asking.

Mr. COLDWELL: Mr. Chairman, I think it is indeed time that we went into this business of patents and I am very glad that something has been done at the present session. I agree with the hon. member who has just taken his seat that if we wish to have efficiency in any of these government departments we must get qualified people, and we must pay them salaries commensurate with the responsibilities which they carry. But there is an aspect of patents which I think has not been gone into sufficiently.

It has always seemed to me that the patent situation in Canada is one which, from time to time, has enabled powerful corporations and interests to exact from the people of Canada dues to which such corporations and interests were not entitled. I am thinking at the moment particularly of the radio business. Why should a Canadian who buys a small radio in the United States, declares it at the point of entry and brings it into Canada,

sometimes receive after having imported it properly a letter cautioning him that he cannot use that radio unless he pays an additional exaction to an organization in the city of Toronto? Shortly before the war, I referred in this house to the case of a local schoolteacher in the city of Ottawa who bought both a small radio and a radio for the automobile and declared them at the port of entry. By some means which I have never been quite able to understand, the radio people who held the Canadian patents wrote this teacher a letter warning him that since these two instruments had been imported and no royalty had been paid in Canada, they could not be used in this country. I may say that subsequently, after some correspondence, permission was given to use one of these radios, and if my memory serves me correctly it was the radio in the automobile. But the point I am making is this. If there were patents on radio tubes or on the parts of the radios that were imported, then a royalty had been collected on them where they were made, in the United States; and for the life of me I cannot see why another exaction should be made in Canada by substantially the same people who have an office, I think, in the city of Toronto. Toronto always seems to be coming in for this sort of thing. Perhaps that is why it is such a well-to-do city, as the hon. member for Rosedale frequently reminds me. But I think this is a matter that should be gone into carefully by the commissioner of patents and by the government. There are powers under the Patents Act which would give the governor general in council authority to deal with situations of that sort, and I think they should be dealt with effectively. Indeed, patents as they are used today, are often used merely to reap a reward from the public to which the corporation which is using the patents is not entitled. I think many hon. members know of cases of quite useful inventions which have been made by workers in industries and for which they have received some small amount from the company and the patents pass over to the corporation. The person whose brains invented the improvement or the new device does not reap the profit. The invention passes from him to someone else, often for a mere trifle.

I have often thought that, after patents are examined and when they are going to be used, they should become the property of the public, that a reward should be given to the actual inventor for patents that are used in industry, and that the patents should then become public property and not be used merely to assist in the formation of a monopoly or the restriction of trade. If we live in a competitive system, then let us have competition. If we live in an economy largely of monopolies, let us not help to build them up any more than we can help by adopting legislation in their interests.

Another thing that has always struck me is this. Under the act the patent runs out in seventeen years; but even a modification at the end of that period of time, or an improvement, will enable the patent to be carried along for a further period of time, and so on; so that you eliminate competition for a very long time.

I do not want to delay consideration of this amending bill clause by clause, but some features of the patent legislation require careful consideration by this house. I have no doubt the committee have given this bill careful consideration, and I know they have encountered difficulties in getting anything better than we have before us. But I believe the whole basis of the Patent Act is wrong when it allows abuses of the kind to which I have referred. I am particularly interested in articles such as radios, because on occasions when I have heard of the exactions that have been made I have felt them to be wrong and grossly unfair. I know, of course, that a person who invents something useful should be rewarded for his invention, but I do not think any group of people should have the right to say we cannot use something upon which a royalty has been paid in another country, when it is legally imported into this country.

Section agreed to.

Sections 2 and 3 agreed to.

On section 4—Secret patents.

Mr. FLEMING: I should like to make one or two observations on this section, in part of a general nature and in part of a specific nature in reference to this provision. First, I should like to say a word by way of commendation of the work done by the banking and commerce committee in connection with this bill. That commendation does not apply only to this section, which is perhaps the most important and most difficult section in the bill; it applies to the bill in general.

In my submission, Mr. Chairman, the bill now before the committee of the whole, containing the amendments proposed by the banking and commerce committee, is a great improvement over the bill which was before the house on second reading. I also think it well to observe that in drafting and adding amendments to this bill the committee was not confined to the sections which were proposed to be amended by the original amend-

ing bill. I think that was a distinct advance, because it gave the committee an opportunity to deal with matters which have been the subject of complaint from time to time by those practising patent law or those having dealings with the patent office.

I should like also to say a word of commendation of certain members of the committee. It seemed to me that in its deliberations on this bill that committee had only one object in view. There were no partisan considerations in the work of that committee. I believe members of all parties worked together with a view to making improvements in the bill. We did not see eye to eye on all sections, but at any rate we worked together to make this a better bill and to draft amendments to the Patent Act which would make it more workable. After all, as far as the act itself is concerned, in the twelve years it has been on the statute books it has shown itself to be pretty satisfactory; not in all respects, but on the whole the statute has proved to be sound. Unfortunately, this could not be said of the administration, because of the fact that the staff was inadequate in numbers and the space was insufficient, as has been pointed out, but I do not intend to go into that question again. I wish to commend the committee for having proposed to the house that it should appoint from its own number a subcommittee to go farther into this question of accommodation and increased staff for the patent office in order that the public may be given a more efficient service. After all, in this case the public pays for a service through fees, and it is entitled to that service. So that I trust the report of that subcommittee will be forthcoming in due course.

I should like also to commend the chairman of the committee for his fairness and the businesslike way in which he conducted the proceedings. While the minister in charge of this bill, the Secretary of State, to judge from his remarks during a speech he made in Toronto last week, likes opposition, nevertheless I wish to say here that I commend him for the willingness with which he accepted amendments to this bill.

That all adds up to this, Mr. Chairman. I have not been in this house so very long, but I have been here long enough to appreciate the fact that some of the best work done by this House of Commons is done in its committees. I should like to see more bills, particularly those dealing with more or less technical matters, go to the standing committees of the house. The work done in amending this bill could not possibly have been done in committee of the whole. In the banking and commerce committee we had before us officials of the department. We were able to question them; we were able to make drafts and redrafts right in the committee, without the formality which so often precludes work of that kind being done when the house is in committee of the whole. These improvements could not have been made if this bill had not gone to a standing committee; and I think that practice has proved to be absolutely sound. Some members of that committee made an outstanding contribution. I do not want to single out any hon. members in particular, but I would pay special tribute to such hon. gentlemen as the hon. member for Montmagny-L'Islet, the hon. member for Kamouraska and others, who obviously devoted much study to this bill and contributed suggestions which were of great value.

Now, Mr. Chairman, to deal particularly with the section now before us, this introduces into the act entirely new provisions which had their antecedents in an order in council passed during time of war. Some of the provisions did not have to be used to any great extent during the war, such as the provision having to do with patents being taken over in the name of the Minister of National Defence, though, of course, the right was used to preserve secrecy in regard to any patents and inventions which had to do with the national security. This kind of legislation we accept, as I am sure all parties in the house accept it, because occasion may arise when in the public interest, and particularly having regard to the relations existing between this country, the United States and Great Britain, it is absolutely necessary that we have legislation of the kind provided in section 4. However I wish to say that the original section brought before the house was open to strong criticism in many respects, and not least in regard to the concluding clause. Section 19A conferred upon the governor in council power to make rules for the purpose of ensuring secrecy with respect to the patents to which the section applied; then in subsection 13 it added these words:

> . . . and such rules may modify any of the provisions of this section in their application to such patents as aforesaid so far as may appear necessary for the purpose aforesaid.

That is the sort of legislation no government should introduce in time of peace. What was proposed in that subsection was that power be reserved to the governor in council to change the terms of the legislation itself by means of rules. In my submission, there can be no excuse for any government asking

for that power in time of peace, and I am happy to say that was one of the sections which went by the board in the committee. Again I say of the Secretary of State that he conceded the point and accepted the amendments proposed in that connection by the committee.

This section gave the committee a great deal of difficulty, and I wish to say further that the Secretary of State did not get very much cooperation in that committee from his colleague the Minister of National Defence. I do not say that in a personal way. I say it by way of urging on the government that before it brings in legislation of this kind, legislation sponsored by one minister for the purpose of conferring power upon another, there should at least be close consultation and cooperation between the ministers before the legislation is introduced.

What happened was this. This section proposes to vest very wide powers in the Minister of National Defence. A strong case for the giving of those powers was made out before the committee by Brigadier Morrison, an official of the Department of National Defence. He made out a very strong case, so much so that, after his evidence was taken, I think the committee felt that broader powers still would be needed, in the light of the information he had given.

But we later on had a visit from the Minister of National Defence. He fell far short of supporting the very strong case made out in committee by Brigadier Morrison. I think it was a matter of great surprise to the committee that the Minister of National Defence, when invited to address the committee, had this to say to it concerning that most important section in the bill which confers upon him in his capacity as Minister of National Defence very broad powers. Concerning this section he said, "It was only after it appeared that my attention was drawn to it." This appears at page 187 of the proceedings of the committee.

That was the reason the Minister of National Defence gave for confining his remarks to generalities, saying he would have to consult officials of his department again in regard to it. Think of that, Mr. Chairman! Here is a bill designed to give very broad powers to the Minister of National Defence. It gets to the stage of second reading and goes before the committee. The Minister of National Defence comes before the committee at a late stage of its sittings, about the fifth of its meetings on this particular bill, and says in effect, "I did not see this until it was printed and put before the house. And while the officials of my department have been here making out the case for the provisions in the bill, before I make comment upon it in detail I shall have to confer with the officials of my department." I submit that more is to be expected of the government than that, in the way of cooperation.

I am not making it a personal matter as between minister and minister. But I submit that in fairness to the house and in fairness to members a situation of that kind should not be permitted to recur.

I submit to the committee that the bill in its present form is a satisfactory legislative provision for dealing with the situation disclosed to the committee.

Section agreed to.

Sections 5 to 18 inclusive agreed to.

On section 19—Tariff of fees.

Mr. FLEMING: I have one comment to make on this section. It proposes to increase the fees charged by the patent office. There is no blanket rate of increase. I think it is fair to say the increase averages about twenty-five per cent. So far as the committee was concerned, it was quite prepared to approve increasing the fees, provided that the public is given better service. It would not be fair for the house now to approve the proposed increase in these fees, and then at a later stage to refuse to devote some of the increase in fees to giving the public better service. If the public is to have that better service it means that there must be an increase in staff, and it means also that there must be an increase in space available. There is not space for the staff to work in at the present time, nor is there adequate space for the storage of records. I think the committee should regard it as a matter of honour, in approving this increase in fees, to see to it at the appropriate later stage, that adequate amounts of these fees are turned back to improve facilities for the service of the public.

Mr. GIBSON (Hamilton West): I should like to reply to what the hon. member has said, and to go farther and express my appreciation to the committee for the work it did, not only in amending this bill but also in taking upon itself the responsibility of looking about for better accommodation, for more extensive accommodation, and for making a thorough investigation so that it can bring in a report to the house with respect to what additional facilities the patent office should be provided with.

I wish also to agree with what the hon. member for Eglinton said about the splendid work done by the banking and commerce

committee, and I should also like to refer to the great help given by Mr. Robinson of the Patent Institute of Canada. He attended many of the meetings of the committee, and was of great assistance in revising the act.

Mr. RICHARD (Ottawa East): I have only one criticism to make. I think the fees have not been raised sufficiently. I am sure we cannot expect the service mentioned by the hon. member for Eglinton with only this increase in fees. These are still the lowest fees in the world. No South American or other country charges such low fees as are mentioned in this tariff.

Section agreed to.

Sections 20 to 23 inclusive agreed to.

Bill reported, read the third time and passed.

EXPORT AND IMPORT PERMITS

PROVISION FOR REGULATIONS, PROCEDURE, ETC.

Hon. J. A. MacKINNON (Minister of Trade and Commerce) moved that the house go into committee to consider Bill No. 11, respecting export and import permits.

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, I was on my feet, but I think you did not see me. However I should like to make a few remarks before the bill goes into committee. I thought, as a matter of fact, that the minister would make a statement on it, or that the chairman of the banking and commerce committee would make a statement, the bill having been reported from the committee with a few amendments. I should like to make a few observations on it.

The committee had the advantage of hearing senior officials of the Department of Trade and Commerce, and also Mr. Donald Gordon of the wartime prices and trade board; and I think the committee was satisfied that for the temporary period proposed it was certainly necessary to have certain export and import controls. And further—speaking for myself, and I think probably the other members of the committee—we thought it was wise to leave a certain flexibility. We thought it was not wise to insist that the full list of commodities be set out, and that they be not allowed to be changed; because we felt that, if that were so, the tendency would be to refrain from decontrolling certain commodities because they would not be able to be brought back in.

We felt that the officials, and particularly—well, I should not say "particularly" Mr. Gordon—we felt that all the officials were working toward the restoration of freedom, to the extent that their judgment carried. And for that reason, subject to the amendment which will be proposed, it seemed to us that this was a reasonable measure.

I should like to make two comments before taking my seat. I think there is no question that the present restrictions are being felt keenly in certain quarters of the business community. I think we must face the fact, those of us who believe in the maximum of freedom, that every time you impose a restriction it leads to other restrictions; and it is almost impossible to tell how the ramifications and effects of one restriction—because, as I say, it will lead to others—may affect the community. The greatest argument of all for freedom is that if you do not have the maximum of freedom, then you have to go in for more and more restriction. And, quite frankly, I do not think there is the capacity to make these over-all decisions which some of our friends want to make.

I think, highly as we regard the officials who came before us, we found the very natural human tendency on their part to believe that they could set out to correct certain inequalities as between one person in the trade and another person in the trade. In certain cases which came to our attention they set out by regulation to control and adjust these inequalities.

We would all like to have equality. We would all like to believe that we have the wisdom to set up equality. But it did become clear; it became clear in the committee, certainly to myself, that these controls which set out to be, and, I think, genuinely purported to be, controls for the purpose of dealing with commodities which were in short supply, almost imperceptibly went beyond that, to a point where these same powers were used for further, and quite ancillary purposes, namely to create what was considered by the officials to be justice as between man and man.

I wish to add just one further word. Something will be said in committee as to the duration of the bill; a minor amendment will be proposed. But, broadly speaking, it will last about a year. There is nothing in the world to prevent the government from coming back at the end of the year and telling us that they need a further extension. But I would submit this, very earnestly, that the members of the government who are responsible should press on with the task of getting rid of these things; because while something may be said for controlled economy and while I believe a great deal may be said for a free economy, I think there is less and less to be said for trying to make the best of both worlds, trying to keep

one foot on each side of the fence. In this way we can easily make the worst of both worlds.

Motion agreed to and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

Sections 1 to 13 inclusive agreed to.

On section 14—Coming into force.

Mr. MACDONNELL (Muskoka-Ontario): It is proposed that this act shall expire sixty days from the commencement of the first session of parliament commencing in the year 1948, or the 31st of March, 1948, whichever shall be the earlier date.

That was before the banking and commerce committee, and I understand that it was negatived by that committee. I should like to move that amendment now, for the judgment of the committee.

Mr. FLEMING: I should like to say a word on the subject.

The CHAIRMAN: Order; could I have the hon. member's amendment in writing?

Mr. MACDONNELL (Muskoka-Ontario): I have not the amendment written out, but the purpose of it is simply to add certain words at the end of the section.

The CHAIRMAN: Then perhaps the hon. member for Muskoka-Ontario would write out his amendment while the hon. member for Eglinton makes his remarks.

Mr. MACDONNELL (Muskoka-Ontario): Very well.

Mr. FLEMING: The banking and commerce committee should be commended for the work it has done on this bill, and I think that at least the members of that committee will agree with my statement.

In connection with the matter to which the hon. member for Muskoka-Ontario has made reference, I think this committee should be aware of the fact that when this bill was introduced it did not provide for reports being tabled in the house. That serious defect was cured by an amendment introduced in the committee. A further amendment was introduced dealing with the timing of the effect of regulations in relation to their tabling, and publication in the *Canada Gazette*. There was also a substantial improvement made by the committee to the bill. But there still remains the question of the effective date of expiry of this bill. Section 14 of the original bill provides:

> This act shall come into force upon the expiration of the National Emergency Transitional Powers Act, 1945, and shall expire sixty days from the commencement of the first session of parliament commencing in the year one thousand nine hundred and forty-eight.

That would suffice if we could be positive that parliament would be called together before the end of January, 1948. The footing upon which this bill was introduced, the footing upon which it was discussed on second reading and sent to the committee was that the bill would not have a life beyond March 31, 1948, under any circumstances unless specifically extended by the house. If parliament should not be called together until late in 1948 the effect of that section as it now stands might be to extend the effective life of this bill beyond March 31, 1948. Suppose parliament were not called together until the middle of March next, as was the case in 1946; it would mean that the effect of this bill might go on until nearly the end of May. It seems to me that that was not intended. The course which ought to be followed now, the course which I urged unsuccessfully in the committee, is that we should have in this section a provision analogous to that which was inserted in the National Emergency Transitional Powers Act in 1946, when the life of that measure was extended either to March 31, 1947 or to a date sixty days after the opening of the session of parliament in 1947, whichever was the earlier date. If that were done now we would be assured that this bill would not have a life beyond the date proposed originally by the government, namely, March 31, 1948.

That is a simple safeguard which I urge, and I would hope the government would readily agree to it. That is the footing upon which they brought the bill before us; the limitation on the life of the bill was emphasized by the government on the introduction of the bill. I think the suggestion now made to curb the life of the measure unless extended by addresses of both houses is a proper suggestion. Bill No. 104 is a kindred bill in the sense that it is designed to extend emergency legislation for a limited period. It will be seen that the expediency followed there by the government in introducing the bill is contained in section 7, which reads:

> Subject as hereinafter provided, this act shall expire on the thirty-first day of December, one thousand nine hundred and forty-seven, if parliament meets during November or December, one thousand nine hundred and forty-seven, but if parliament does not so meet it shall expire on the sixtieth day after parliament first meets during the year one thousand nine hundred and forty-eight or on the thirty-first day of March, one thousand nine hundred and forty-eight, whichever date is the earlier: provided that, if at any time while this act is in force, addresses are presented to the Governor General by the Senate and House of Commons respectively,

praying that this act should be continued in force for a further period, not in any case exceeding one year, from the time at which it would otherwise expire and the governor in council so orders, this act shall contnue in force for that further period.

When the government in its own omnibus measure, Bill No. 104, proposes a limitation on the life of the measure in these terms, surely there should not be any hesitation on the part of the government in accepting the suggestion now offered that the life of this bill should be confined to a date either sixty days after the opening of the 1948 session of the house or March 31, 1948, whichever is the earlier. That is a fair proposal and is in line with what the government has already said, and it is certainly in keeping with the section from Bill No. 104 which I have just read. The amendment now proposed does not even go as far as Bill No. 104 in limiting the life of the measure.

Mr. ILSLEY: Mr. Chairman, the hon. member for Eglinton refers to the provisions of Bill No. 104. There is one difference between the provisions of this bill and Bill No. 104. While Bill No. 104 does expire on the sixtieth day after the opening of parliament or on March 31, 1948, whichever is the earlier date, it may be extended by addresses, one by the House of Commons and one by the Senate. That is a much more expeditious procedure than extension by act of parliament. If extension is to be by act of parliament I think the government ought to have sixty days after the session begins. They should not be so crowded by the insertion of the March 31 date that they would virtually be obliged to open the session in January, though presumably that would be the government's intention. It may very well be that certain export and perhaps import controls would have to be extended beyond the expiration of this bill, in which event another bill would have to be introduced.

Perhaps I should say to the committee that it was our first plan with regard to this bill to make the period longer than a year, because we anticipate that the contracts with Great Britain will run for longer than a year. They will not expire on March 31, 1948, or within sixty days after the opening of the next session. I assume that the government will get power in some way or other to carry out these contracts. They have power to discharge their obligations for one year under the Agricultural Products Act. I assume that parliament will in some way or another enable the government to carry out the contracts they have made with Great Britain. I should think it would be highly probable that some export controls and perhaps some import controls might be required beyond the period of this bill.

Mr. MACDONNELL (Muskoka-Ontario): When the minister says contracts with Great Britain, is he referring in a general way to all contracts or to certain special contracts?

Mr. ILSLEY: I am referring to the ones referred to time after time in this house, such as bacon, beef and cheese and that type of contract. I would anticipate that some export and perhaps import controls would be required beyond the period covered by this bill, but we purposely made the bill for just one year so that we would be obliged to come back to parliament to present the situation as it then existed at the opening of the next session. We thought that was a reasonable thing to do when we would in all probability be requiring an act of parliament, not merely an extension of the present act by addresses of both houses, such as might be possible with regard to some of these other acts. With regard to this act, if there is any extension, it will in all probability be by a new act, and it may be a very much restricted measure, with a very much limited list and so on. If we are to have an act of parliament it is reasonable, I think, to ask for sixty days after the opening of the session.

I rose merely to point out that there is a difference between this bill and the act dealing with the continuation of transitional measures, in that if that act is continued it will be by addresses of both houses, a procedure which requires a very much shorter time. Therefore the effect of putting in March 31, 1948, as a date is much less confining, much less serious so far as the house is concerned in that case than it would be in this measure.

Mr. FLEMING: May I remind the Minister of Justice that when the National Emergency Transitional Powers Act was extended in the 1946 session that was the form of the amendment accepted. The government had originally proposed that the life of that measure should be extended to a date sixty days after the opening of the 1947 session. An amendment was introduced in the house to confine the life of the measure to the earlier of two dates, that date or March 31, 1947, and the amendment was accepted. If that amendment was acceptable I fail to understand why the same amendment to this bill should not be equally acceptable. It will not make any difference in the life of the measure, but it is a safeguard to the house, in being asked to give these extraordinary powers to the government, that they will not be extended indefinitely but will expire on a fixed date.

The minister may say he expects the house to meet in early January, in 1948. He may quite sincerely expect that now. But there is no commitment on that. Even at the time when the National Emergency Transitional Powers Act was under discussion the Prime Minister, while he indicated it was the intention of the government to summon parliament to meet in January, would not give a binding commitment to that effect to the house. The government nevertheless accepted an amendment to the same effect as that now proposed by the hon. member for Muskoka-Ontario. Surely it would be reasonable to accept it.

The minister says that if an extension is to be made by act of parliament the government should have more time. But surely we are not going to have a great volume of emergency measures of this kind facing parliament at the opening of the 1948 session. The whole tenor of the remarks made by the government on that theme is that they are aiming at doing away with many of these measures before that time comes. Surely there will be no difficulty in taking whatever measures are necessary on the part of the government to extend the life of this bill, if parliament thinks it necessary to extend it, if the bill runs until March 31, 1948. It seems so perfectly reasonable.

Mr. ILSLEY: It seems reasonable also to say that sixty days is not required to get legislation through this house, but it must always be borne in mind that many members feel that other legislation has priority and is more important. It is to be remembered also that there is a speech from the throne, and just at this very time there are members who have differing views as to what legislation should be brought forward first. I repeat what I said before, that I think the government ought to have sixty days at the opening of the session within which to get legislation through. The situation might be different if it were a matter of addresses, because legislation has to go through three stages in this house and three in the other, and addresses may be passed in an hour in this house and in an hour in the other, as was the case this year.

I do not see what my hon. friend is so alarmed about. We have always called parliament together early in the year and I expect, and I think that hon. members who were on that committee expect, that probably some export and import controls will be required beyond this period. Certainly some of the contracts with Great Britain run beyond that period. Perhaps some will be required beyond the period, and there will have to be some legislation, and it ought to be legislation. It should not be addresses, because the bill will in all probability be a very different kind of bill, and it seems to me that sixty days is a reasonable time.

What is feared here is that we are going to carry on export and import controls a few weeks longer than we otherwise would, and that we must be cut back rigidly for fear that something terrible will happen. That is not the way we operate at all. It is not the way we have operated in the past or plan to operate in the future. All we ask for is a reasonable time after parliament meets to get legislation through if we need it, and we think we need it.

Mr. FLEMING: The government has control over the date on which parliament is called together, and therefore the government controls the life of the measure.

Mr. ILSLEY: It is far-fetched to think that our worry about this measure will control the period at which we call parliament together.

Amendment (Mr. Macdonnell, Muskoka-Ontario) negatived on division.

Section agreed to.

Bill reported, read the third time and passed.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed, from Wednesday, April 2, consideration of the motion of Mr. Ilsley for the second reading of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war, and the amendment thereto of Mr. Fleming.

Mr. ILSLEY: Before the question is put, Mr. Speaker, I should like to raise a point of order on the amendment. The amendment was moved the day before the house adjourned, and it is found in *Hansard* of April 1, at page 1937. It reads:

That all the words after "that" be deleted and the following substituted therefor:

"While recognizing that the said bill deals with some matters such as old age pensions and veterans in the civil service which do not depend for constitutional validity on the existence of an emergency and some other matters which can only be dealt with by this parliament on the basis of an existing or apprehended emergency; and while willing to support properly drafted legislation dealing with such matters;

This house is unalterably opposed to the enactment of a measure to continue indiscriminately the sweeping powers of the presently existing boards outside the control of parliament."

I find in the third edition of Beauchesne's Parliamentary Rules and Forms, page 229, citation 659, the following:

An amendment purporting to approve the principle of a bill and at the same time enunciating a declaration of policy cannot be moved to the second reading. It must oppose the principle of the bill. When the natural products marketing bill was up for second reading, on the 24th April, 1934, a member moved in amendment, that "this house, while prepared to support legislation for assisting the orderly marketing of natural products, is unalterably opposed to the enactment of any compulsory measures which delegates to unnamed and undetermined individuals, groups or organizations, sweeping powers over the production and trade and commerce of the nation, etc." The Speaker ruled this amendment out of order because it did not challenge the principle of the bill and it anticipated the committee stage. On an appeal, the house sustained this decision by a vote of 103 to 52.

This amendment recognizes, or undertakes to place the house on record as recognizing the necessity of many of the provisions of the bill. It states that the house is unalterably opposed to the enactment of a measure to continue indiscriminately the sweeping powers of the presently existing boards outside the control of parliament. That is, there are some provisions of some of the orders in council to which the amendment takes exception. That, I submit, is a matter for amendment in the committee stage, and the amendment does not enunciate a principle contrary to or at variance with the principle of the bill at all. If anything, it approves the principle of the bill, but simply states that the house is opposed to the enactment of a measure to continue indiscriminately the sweeping powers of the existing boards outside the control of parliament.

If the amendment does not mean what I construe it to mean, if it means that the bill is bad, then it may be merely an expanded negative and bad on that ground. But I think that the first ground I state is the proper ground. I do not think there is any precedent for an amendment such as this. If the debate is to continue tonight I do not care whether the point is decided tonight, but I do not think I should allow the matter to be proceeded with without raising a point of order and having Your Honour's ruling upon it.

Mr. FLEMING: It is interesting to hear the Minister of Justice raise a point of order on this bill two weeks after the amendment was introduced, and certainly on the third day that the house has been in session after the amendment was introduced. After two and a half sessions in this house, I do not profess at all to be an authority on the rules of the house, but I contend that it is a fundamental rule that, if a measure or an amendment is objectionable on the ground of procedure, objection to it must be taken promptly.

Mr. ILSLEY: Where is that rule?

Mr. FLEMING: That principle has been enunciated frequently in this house.

Mr. ILSLEY: The rule is that it must be taken before the question is put.

Mr. FLEMING: And I am making the point that this objection has not been taken promptly and that it should have been.

Mr. ILSLEY: It was not taken promptly, but it was taken before the question is put, and that is the rule.

Mr. FLEMING: I am making the point that the objection should have been taken promptly and that has not been done. That is my first point.

The next point is this. It is interesting to hear the Minister of Justice take objection on the ground that his leader must have been wrong in 1934. If the minister says that the amendment I have introduced is out of order, then he must say that the point on the amendment taken by his leader in 1934, if it is a proper precedent, is not well taken.

Mr. ILSLEY: It was decided that it was out of order.

Mr. FLEMING: It happened to be his leader's point.

Mr. MACKENZIE: It was frequently ruled out of order.

Mr. FLEMING: All right. In my submission this amendment is in order. The rule laid down in Beauchesne, third edition, at page 229, citation 659, is that an amendment on second reading, to be in order must oppose the principle of the bill. In my submission, the amendment that was introduced on April 1 clearly comes within that category. I do not wish to burden you again, Mr. Speaker, with what I had to say at that time about the difficulty of finding a principle in the bill; but the principle of the bill as held forth by the government was that it is a measure to extend or to give the force of statute to certain orders in council which would otherwise come to an end on May 15. The effect of the amendment is to say this: there are some of these fifty-seven measures that may be unobjectionable, but there are others that are objectionable, and the house is not prepared at this stage, in an unprecedented bill, to accept sweeping measures of that kind, covering such a tremendous variety of subjects and to pass over to boards outside parliament these sweeping powers that have been vested

in them by these orders in council. Clearly, Mr. Speaker, the amendment is couched in terms of opposition to the principle of the bill within the terms stated in Beauchesne.

As to the other point taken by the minister, he has drawn attention to some similarity in the amendment introduced by his leader, the present Prime Minister (Mr. Mackenzie King) in 1934, on this other measure. I wish to urge upon you, Mr. Speaker, that the measure on the amendments to which you are being called upon to pass your judgment, is a measure that is without precedent in this house. Hon. members opposite referred to the measure that has come closest to it, in the legislation of 1931 and 1932, resolutions bulking two measures together—just two—unemployment relief and certain forms of agricultural assistance. I submit that is quite a different kind of situation from the bill now before the house, a bill that would give blanket extension, with statutory effect, to no less than fifty-seven orders in council, all dealing with different subject matters. If that argument is correct—and I urge that it is—then the citation given to you now by the Minister of Justice is not a precedent against the amendment which I introduced on April 1. I submit that the amendment is clearly within the rules stated in Beauchesne, third edition.

Mr. MACDONNELL (Muskoka-Ontario): Mr. Speaker, I should like to say a word on this too. I wish to read again what this amendment says, so that the house may have it in mind. It reads:

> That all the words after "that" be deleted and the following substituted therefor:
>
> "While recognizing that the said bill deals with some matters such as old age pensions and veterans in the civil service which do not depend for constitutional validity on the existence of an emergency and some other matters which can only be dealt with by this parliament on the basis of an existing or apprehended emergency; and while willing to support properly drafted legislation dealing with such matters;
>
> This house is unalterably opposed to the enactment of a measure to continue indiscriminately the sweeping powers of the presently existing boards outside the control of parliament."

Following what the hon. member for Eglinton has said, I submit that surely there is a principle at stake here. The whole thing we object to—and I think the objection was made originally in the house by the hon. member for Quebec South (Mr. Power)—is this indiscriminate putting together of fifty-seven varieties, as they have been called, and then forcing us to deal with this whole situation in this omnibus way. We have surely, on this bill, stated what is a firm principle on our part, that we object to this matter being dealt with in this way where we are now asked to take the bitter with the sweet, and where all these things have been jumbled together, as the hon. member for Quebec South pointed out, in this unprecedented manner. I submit to Your Honour that the hon. member for Eglinton is right in saying that there is a principle involved here and that, on the contrary, the citation read by the Minister of Justice, referring to an amendment purporting to approve the principle of a bill, is not applicable. We certainly did not purport to do that. This amendment purports to do exactly the opposite. If it by any chance fell into approving the principle of the bill, it certainly was not what it purported to do. What it purported to do was exactly the opposite. I maintain, therefore, that the hon. member for Eglinton is right, and that this is not approving the principle of the bill and, consequently, is a proper amendment.

Mr. BOUCHER: Referring to what the Minister of Justice has said is a precedent for declaring this amendment out of order, may I point out that in the Natural Products Marketing Act in which the decision was given which he speaks of, there was one clear principle, namely, the orderly marketing of natural products. In this bill, if there is any one principle that we have clear it is the principle of administration of controls and, according to the amendment, it was objected to by virtue of the boards administering that control. The result is that you would have a broad system of control, and if the minister's analogous proposition were presented to this parliament we might just as well be asked whether or not we are in favour of control of anything or of everything. Consequently, when the amendment, worded as it is, refers to some part of the economy of Canada where some controls are necessary but raises objection to the principle of the fifty-seven coupled in one and the principle of administration of them in a certain way, I would say it definitely is against one of the fundamental principles, one of the only principles that this bill before the house could involve. That would not be so with the Natural Products Marketing Act. Consequently, when Your Honour decides the point, will you bear in mind that we must first decide what is the principle of this bill? The principle of the bill does not mean the details of how it is to be carried out, but it does mean the principle of giving a certain power. The power in this bill, covering as broad a field as it does, is an extensive one;

and we can hardly see where limitation can be easily put or where the bill can be divided, and it can be said that because we approve one fifty-seventh of it we must approve the principle, or because we disapprove one fifty-seventh of the bill we disapprove the principle. For that reason, I think if the contention of the Minister of Justice is right we should put ourselves and parliament in the position of saying that we must be 100 per cent in favour of all or we cannot amend it, and we must amend it in the one material point in it or the amendment is not in order.

A short time ago the Minister of Justice himself said this bill embodied so many principles of control, and it is unique in that respect. So I suggest that it is incapable of being interpreted by Your Honour by virtue of any decision given on such a narrow, restricted measure as the Natural Products Marketing Act.

Mr. MACKENZIE: I should like to say a brief word on the point of order raised by the Minister of Justice. I think he explained the situation to Your Honour from the authorities so clearly that there can be no question whatever on two main principles, if any hon. gentleman cares to read citations 658 and 659 of Beauchesne. My memory goes back to my good friend's former leader, now Lord Bennett, who was a brilliant parliamentarian with a thorough knowledge of the rules of procedure, and who always laid down the principle that an amendment cannot approbate and reprobate at the same time. That is exactly what this amendment seeks to do. My hon. friends are approving some of the features of this bill, in regard to protection for civil servants, veterans, and old age pensions. At the same time another definite principle is involved, which was referred to by my right hon. colleague, in regard to the last part of the amendment, which is an expanded negative not dealing with any measure at all, charging discrimination. That is a perfect case of an expanded negative. This is a complete example of approbating and reprobating at the same time, and if my hon. friends will look up the precedents of parliament they will find that no amendment of this kind has ever been approved by this house.

Mr. BRACKEN: The Minister of Justice having raised a point of order in connection with the amendment, I presume Your Honour will have to make a decision. If that decision is to be given tonight I wish to make a brief comment before that is done. The acting leader of the house just said something about approbating some sections of this bill and reprobating others. I want to say there are some sections of this bill that practically every member of this house approbates, and some sections practically every member reprobates. The Minister of Justice has referred to certain precedents. I ask him if there was ever a precedent for a bill such as we have before us tonight.

What has the amendment sought to do? Here is a bill with not one but fifty-seven principles, and this house is asked to support them all or oppose them all. No matter how we vote, we are going to be misinterpreted. There are sections of this bill supported by every member of the house. There are sections I think every hon. member would oppose. How can we express our opinions on a measure such as this unless some amendment such as has been moved can be brought forward?

Mr. MACKENZIE: In committee.

Mr. BRACKEN: If we support the bill we shall be represented as supporting everything in it, which practically no one does. If we oppose it we shall be represented as opposing everything in it, which I am quite sure everyone does not wish to do. Whatever may be the technical answer of Your Honour to the point of order which has been raised, if this amendment is ruled out of order we are denied the opportunity of saying there are some things in this bill we support and some things we do not. I suggest that we ought not to be deprived of that right, because this bill is unlike anything ever before introduced into this parliament. It is fifty-seven bills in one.

I am saying nothing whatever with respect to the narrow, technical point raised by the Minister of Justice. I am only saying that, on the broad question of dealing with this bill as it is, if we are denied the right to vote on the amendment we are denied the right to express what we feel about a measure which contains not one but fifty-seven different principles.

Mr. SPEAKER: On account of the importance of the ruling I have to give, and on account also of the representations—

Mr. HACKETT: I crave the privilege of saying a few words, Mr. Speaker, somewhat along the line of what has just been said; but I shall take my text from the Minister of Justice. He told the house that nothing comparable to the present bill had ever been introduced before, and it was not likely that anything like it would ever be introduced again. That being the case, it seems to me that rules made to apply to cases which ordinarily come before the house should not be applied to a case which has not come before the house previously and is not likely

to come before the house in the future. To submit that because a person may hold certain views on pelagic sealing he is therefore bound to a system of controls dealing with clothing, or food, points clearly to the difficulties which arise in dealing with this matter. Why were these items concerning which there was no dispute and concerning which there was no emergency included in this bill? Was it for the purpose of embarrassing the house? Was it for the purpose of forcing people who had no objection to the provision with respect to pelagic sealing, for example—

Mr. MACKENZIE: I regret that I must rise to another point of order. The hon. gentleman is not arguing the point of order; he is arguing the merits or demerits of the legislation.

Mr. HACKETT: I am not arguing the merits of the bill; I am arguing the point of order.

Some hon. MEMBERS: No.

Mr. HACKETT: I am endeavouring to point out that because so many principles are involved in the bill it is not proper parliamentary procedure to hold or say or suggest that any person or group in the house supports all the bills or all the principles—

Mr. SPEAKER: Order. I would ask the hon. member to resume his discussion of the point of order.

Mr. HACKETT: Mr. Speaker, I may not be deft, but I am endeavouring to direct my remarks to the point of order. The point of order is that, there being not one principle involved in the bill but fifty odd—

Mr. SPEAKER: Order. I understand that the hon. gentleman desires to have the Speaker give a certain ruling. The point he is discussing now was discussed just a few minutes ago by the hon. member for Carleton (Mr. Boucher). If the hon. gentleman has no new representations or suggestions to make to the Speaker, the Speaker will decide whether or not his ruling will be given immediately, and what the ruling will be.

Mr. HACKETT: Possibly Mr. Speaker would be in a better position to determine whether or not my argument is identical to that of the hon. member for Carleton if he heard my argument.

An hon. MEMBER: They are equally confusing.

Mr. HACKETT: There are bright wits on the other side of the house who, I admit, have some difficulty in following anything that is logical, but I know you are not of that number, Mr. Speaker. I invite your attention for a few minutes.

Mr. SPEAKER: May I suggest to the house that, in view of the importance of the different representations which I have received from both sides of the house, I should like to study this situation most carefully before giving a ruling. Therefore I would ask the house to proceed with the debate.

Mr. HACKETT: I shall be grateful if you will consider the things I would have said had an opportunity been afforded.

Mr. H. W. TIMMINS (Parkdale): Mr. Speaker, when this bill was first brought down in the house I had the temerity to ask why it was necessary to include in it sections having to do with veterans preference, and the house was advised at the time that the government proposed to bring down a separate bill having to do with veterans preference. Having regard to the magnitude of this bill and the fact that never before has parliament had before it a similar bill, I would have thought that during the Easter recess the Minister of Justice (Mr. Ilsley) would have laid upon the table such a bill having to do with veterans preference, so that in due course we could have discussed that matter in its proper place. It seems to me to be a waste of time, and I think the people of Canada will feel we are wasting time in parliament if we deal specifically with each of these orders and then, when the specific bill is brought down, which the minister says will be brought down, deal with the matter all over again and probably not achieve any better results.

An hon. member in the party to my left asked a similar question with respect to old age pensions, and he was told by the minister that a bill would be brought down to deal with old age pensions. We are all agreed that old age pensions is a matter that has to be discussed in this parliament. We may not all agree upon the method to be adopted or what is to be achieved in respect to a bill, but I think we are all agreed that we are going to deal with the matter to the best of our judgment and ability. I see no reason why in dealing with Bill No. 104 we should now go through the business of old age pensions. Why should we not save steps? Why should we not deal with the matter specifically when the specific bill is brought down?

Mr. MARTIN: Does the hon. member realize that, if the course suggested were followed, 214,000 old age pensioners will not be receiving the full amount of pension to which they are entitled under the existing law?

Mr. HACKETT: That just is not so.

Mr. TIMMINS: I am suggesting that there is some civility in this house between hon. members. We have the undertaking of the minister that a bill dealing with old age pensions will be brought down this session, and I think we should absolve ourselves from discussion of the matter on Bill No. 104. Let the minister bring down his bill and then we can discuss the matter at the proper time. I am not suggesting for one minute that we obviate the necessity of dealing with this matter at considerable length and in the detail to which it is entitled.

Then we have the labour sections of this bill. There are quite a number of sections dealing with labour legislation which was passed during the days of the war. As a matter of fact, some of the provinces did not pass coordinating labour legislation during the war. Just the other day one of the legislatures passed its own labour law. I am not suggesting that we should in any way obviate the necessity of dealing with a national labour code when it is brought before us, but I do think that some civility should be shown by one party to the other with respect to the magnitude of this bill and that we should take the minister's undertaking in regard to bringing in of a separate bill. I am suggesting that the bill should be brought down as soon as possible so that we may obviate the necessity of discussion at the present time.

One of the items to be dealt with under this bill is leaseholds. This is the first time since October 11, 1941, that we in this parliament have had a chance to deal with these leasehold measures. While we have sat here day after day prepared to deal with these measures, new orders dealing with matters which parliament should be dealing with have been passed. I do not think we have any right to delegate these powers to the minister because they are matters with which we ourselves are concerned. Some people say that the emergency is over, while others say that it is not over, but the fact of the matter is that these wartime leasehold regulations are the responsibility of parliament. No matter what we may be told, I do not think we can swallow all the regulations and orders which have been passed with respect to commercial and residential leaseholds.

Perhaps some hon. members have had some experience with leasehold matters and realize the difficulties that have arisen in respect thereto. Commercial leaseholds are covered by order 315 of the wartime prices and trade board. This order permits a landlord, who finds that his premises are being leased at less than similar premises in the same or a similar district are being leased at, to make application to have his rentals increased to that level. As a matter of fact, in the city of Toronto from which I come, not only has there been a levelling here or there, but what has happened in the last few years is that the whole floor level has been raised. Almost every commercial building in the city has found ways and means of getting a higher rental from one tenant, and then lifting up one by one the rents of all the other tenants in the building. Then that would spread across the street to another building; it would spread down the street and then into the next street until the whole downtown district was affected. That was the case not only with light manufacturing buildings but also with our office buildings.

I do not suppose that there is an office building of any size in the city of Toronto which has not had its rentals increased during the war by ten, fifteen or twenty-five per cent. Then what happened? While we were sitting in parliament, new regulations were passed under date of March 1, 1947, to increase commercial rentals by another twenty-five per cent. It may be all very well, but I do not think there was any necessity for increasing commercial rentals in that city by fifteen per cent and then allowing another increase of twenty-five per cent to be made.

However, even supposing it was proper, what about the other order, No. 294, having to do with residential leases? The fact of the matter is that there is no similar clause in the residential order. As to residential properties there has been no provision for levelling up of rents in accordance with natural justice even in cases of extreme hardship.

Mr. DEPUTY SPEAKER: May I call the hon. member's attention to the fact that on second reading there should be only a discussion of the general principle of the bill, not a discussion of any specific orders in council. The hon. member is discussing certain orders in council. That would be permissible when the house is in committee; but at the present time he should discuss just the principle of the bill.

Mr. TIMMINS: Mr. Speaker, I shall accept your ruling in the matter. But I wish to point out that the leasehold orders before us, comprise nine or ten different amending orders with which we are asked to deal here. I have dealt with these matters in some particularity in order to place before the house difficulties which may arise in connection with the passing of this bill, and I have done it for a purpose.

The purpose is this. I think the passage of the patent bill tonight, and the ease with which the export-import bill passed the house must

indicate to hon. members the fact that these leasehold regulations should be brought to the house in the form of a separate bill, in the same fashion as these other three matters, namely pensions, soldiers preference and labour matters. They should be brought down in separate bills. I suggest in all sincerity that they should be referred, probably to the committee on banking and commerce in order that they might be worked out, and the incongruities in the bill dealt with.

As I said, this is the first time since October 11, 1941, that this matter has really been before the House of Commons, so far as leaseholds are concerned. The people of Canada, whom we all represent, are entitled to know that members of parliament have had some say and have put themselves on record in some way or another in respect of these rental orders and regulations. I do not think we shall be through here until the end of August, if we are to deal with this bill of fifty-seven varieties in any kind of detail, and I say that in all sincerity. If we as business people were dealing with this matter, we would not do it in the way we are doing it here.

That brings me to the matter of regulations in the bill which have to do with building materials. From time to time statements have been made in the house by the Minister of Reconstruction and Supply (Mr. Howe), having to do with building in Canada. We were told by him in the early days of the session that in 1946 some 60,000 housing units were built. When we analyse the minister's figures we find that in that time only 6,812 wartime housing units were built, 566 integrated housing units, 28 units under Housing Enterprises Limited, and about 2,599 veterans houses. In addition, there were a thousand or so emergency housing units; 1,643, to be exact.

I received a return from the minister this afternoon and, although I have not it before me at the present time, it shows that the Department of Reconstruction and Supply had to do with some 11,000 housing units in 1946. I say to the house that those 11,000 housing units with which the government was concerned in 1946 in no sense constitute a housing programme for the Dominion of Canada. When we are going to deal with controls as they are set out in this omnibus bill, No. 104, which have to do with building materials, it seems to me that, having regard for the sanity of the house—and I use the word advisedly—a separate bill should be brought down having to do with building materials. That bill, too, ought to go to the banking and commerce committee in order that it might be dealt with, with some degree of orderliness; for as a matter of fact, if under its system of priorities the government has succeeded in providing only 11,648 housing units in 1946, then I suggest that the priority system we have been working under should be discarded.

Not only have these orders been made in previous years, but on February 1, after the opening of this session, another order was made in respect of building materials. It seems to me that this is a matter to be dealt with by parliament, and not by the minister of any department. We are going to put this whole matter in statute form, and I say that now is the time for all of us here in parliament to take some part in seeing either that an extensive housing programme is worked out, or that this system of priorities is ended.

Many questions have been asked in the house in respect of nails. Indeed this has become a subject of laughter among hon. members. But in the district from which I come it is not the subject of laughter. Rather it is a matter of whether we shall have houses in 1947, or whether we shall not have them.

I take it that the matter of housing is probably the most important one that has come before the house this year, and if we do not make some progress in respect of housing in 1947 we shall hear about it from people all across Canada.

I have before me a series of telegrams, perhaps twenty-five of them, and also some letters from builders in my community, advising me that they are in a desperate dilemma in respect of completing houses started in 1946, and that they cannot continue until they get nails. I also have a return from the Minister of Reconstruction and Supply in respect of the output of nails for 1947. So far as I can make out, the output in this year will not amount to as much as twenty per cent increase over the output in 1946.

I should like to place on record my questions in this connection, and the answers thereto. My question was:

1. How many firms manufactured nails in Canada in 1946, and what was the output of each firm in that period?
2. What is the estimated output for each firm in 1947?

The answer is that there were seven firms which manufactured nails in 1946, and their output was 58,843 net tons. It is indicated that in 1947 the estimate is that 70,170 tons will be produced. I am saying to the house that that is not good enough; it is not half good enough.

If, as a matter of fact, when the minister found that the output of soil pipe was not sufficient to keep the building industry going, he considered it wise to offer an incentive bonus—to ensure that sufficient soil pipe was

produced, then I say to him that in respect of nails we are in the midst of a serious blockade in this year 1947, and I suggest that either he should devise some incentive bonus so that nails will be produced this year in much greater supply, or he should tell the house frankly that the government cannot carry on the building programme it adopted for 1947, and should get out of the business.

As a matter of fact, if only 11,648 homes were built in 1946 under government priorities, out of some 59,000 or 60,000, then I say to the house that the ordinary private builder, building homes over and above the 11,648, units—namely upwards of 48,000 homes—did so, not with the help of the Minister of Reconstruction and Supply, but in spite of him. You say, what has this to do with Bill No. 104?

An hon. MEMBER: I am wondering.

Mr. TIMMINS: And you will be wondering perhaps at the end of August when we are still talking about it. I suggest that these detailed matters we have before us are not the kind of matters we should debate in the house day after day. As a newcomer to the house, I suggest in all sincerity that the Minister of Justice, with his ingenuity, should find some way to help us, help him get this bill through so that we can each take our part, for what we know, in respect of this bill, and let us not debate it here day after day when a number of these matters could be settled quickly in committee. I am suggesting to the minister that the best thing which could be done in respect of this bill would be to dissect it. We have already dissected it into four or five sections. There are at least sixteen measures in this bill which should not be there and which could be taken out. I am suggesting that the minister find ways and means of accepting some of the suggestions which have been made by other members of the house and by myself with respect to the bill.

Mr. GILLIS: Mr. Speaker, since a number of members have been on the train for a few nights and only got into Ottawa this morning, perhaps as I have some extended remarks to make on this measure I might be permitted now to move the adjournment of the debate.

On motion of Mr. Gillis the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT moved the adjournment of the house.

Mr. BRACKEN: Would the minister indicate the programme for tomorrow?

[Mr. Timmins.]

Mr. ST. LAURENT: We shall continue with the debate on the second reading of this bill and then go into committee. I hope that progress can be made. I think all the members will realize that they are not committing themselves to anything by the adoption of the second reading of the bill. There is a schedule upon which their individual opinions can be expressed with respect to each item, and I would hope that we would get to the consideration of these separate items where the divergences of opinion can be fully recorded and each one's position made clear.

Mr. FLEMING: Might I ask the Acting Prime Minister a question as to the method the house might pursue in committee with reference to the schedule? The schedule itself simply refers to these fifty-seven orders by date, number and subject. Are we to be permitted in committee of the whole to use that volume called the consolidation of these measures as the basis not only for discussion but for any amendments hon. members might wish to introduce.

Mr. ILSLEY: The amendments would have to be to the orders in council tabled, but the consolidation could be used as the basis. If any amendment were proposed it could be properly drafted to apply to the orders in council which have been tabled.

Mr. FLEMING: I am thinking of the technical difficulty, reference to page and line. It is going to be difficult with some of these long orders. I am sure that members want to be helpful and that there is no thought of trying to delay progress. We wish to find a way of making progress.

Mr. ILSLEY: It is not going to be difficult. This whole thing was done before in Great Britain and Australia. No provision is made in the bill now for amendments, but if amendments are made to any of these orders in council a section has to be added to the bill giving effect to the amendment and a statement is put in the column of the section and order that is amended. That is the order in council on the table, not the order in the consolidation, but the consolidation had better be used as a basis for the amendment.

Mr. TIMMINS: The orders and regulations of the wartime prices and trade board are voluminous. Will those orders and regulations be tabled, or have we to swallow them holus-bolus? I am thinking of the leasehold orders. As hon. members know, there were two orders, one dealing with commercial property and the other with residential, and they are just as much a part of the law as orders

in council themselves. Are those to be tabled, or are we to be asked to swallow them holus-bolus, or what?

Mr. ILSLEY: If any member wants any particular order I will certainly produce it, but to produce all the orders of the wartime prices and trade board would mean the production of a very large number of orders. I will not hazard a guess as to how many, but there are a great many thousands of them dealing with prices.

Mr. TIMMINS: In all sincerity I say that these orders are going to become the law of the land.

Mr. ST. LAURENT: They are now the law of the land.

Mr. TIMMINS: Are they not to be put into a statute?

Mr. ILSLEY: No; they are the law of the land now. They are changing all the time and being repealed all the time. It is quite impracticable to put them in a statute.

Motion agreed to and the house adjourned at 10.50 p.m.

Tuesday, April 15, 1947

The house met at three o'clock.

NEW MEMBER

Mr. SPEAKER: I have the honour to inform the house that the Clerk of the House has received from the chief electoral officer certificate of the election and return of the following member:

Of Maurice Hartt, Esquire, for the electoral district of Cartier.

(Translation):

NEW MEMBER INTRODUCED

Maurice Hartt, Esquire, member for the electoral district of Cartier, introduced by Right Hon. L. S. St. Laurent and Hon. Ernest Bertrand.

(Text):

COMMITTEES OF THE HOUSE

DOMINION ELECTIONS ACT—RAILWAYS AND SHIPPING—CHANGES IN PERSONNEL

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs) moved:

That the name of Mr. Richard (Ottawa East) be substituted for that of Mr. Ross (Hamilton East) on the special committee on the Dominion Elections Act.

That the name of Mr. Lapointe be substituted for that of Mr. Picard on the sessional committee on railways and shipping.

Motions agreed to.

SOAP

INQUIRY AS TO REPORTED SHORTAGE

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): I wish to direct a question to the Minister of Finance. It is based on a telegram which I received this morning, to the effect that there is such a serious shortage of soap in parts of Canada that it is likely to make necessary the closing of commercial and hospital laundries, particularly in the prairie provinces. Has the government been advised of this situation, and if so, will the minister inform the house what action, if any, has been taken to meet it?

Hon. DOUGLAS ABBOTT (Minister of Finance): I received a similar telegram, as I think every other hon. member of the house has. I believe the telegrams must have been prompted by some fear of a curtailment in the supply of soap. As the house knows, oils and fats are in very short supply. I mentioned this yesterday. The administrator of oils and fats has issued a directive requiring soap manufacturers to maintain their present quotas of soap to industrial users, which would include laundries and hospitals. So in the event of a shortage of soap it will not interfere with those institutions, though it may affect the ability of members of the house to have their usual morning bath.

CATTLE

REPORT AS TO QUOTA ON SLAUGHTERING FOR DOMESTIC DISTRIBUTION

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Minister of Agriculture arising out of a wire which I do not think has been widely distributed.

Some hon. MEMBERS: Louder.

Mr. SPEAKER: Order.

Mr. DIEFENBAKER: I am afraid I cannot give hearing to my hon. friends over there. The telegram states that the placing of quotas by the government on live stock slaughtering for domestic distribution was protested at a mass meeting of wholesalers, processors and retail distributors held in Winnipeg on Sunday, and then it goes on to set out the protest. Is the minister about to introduce a quota system on cattle slaughtered for consumption in Canada, and if so, before this is done will an opportunity be given both producers and consumers to make their protests to the minister?

Right Hon. J. G. GARDINER (Minister of Agriculture): I have heard no discussion any-

where of any such policy being followed. I rather expect this has to do with controls already on, rather than any to be put on.

Mr. DIEFENBAKER: No; it has to do with another control that may be put on.

Mr. GARDINER: I know nothing of any such control.

EMERGENCY POWERS

COTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Monday, April 14, consideration of the motion of Mr. Ilsley for the second reading of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war, and the amendment thereto of Mr. Fleming.

Mr. SPEAKER: I should like to give my ruling on the point of order raised last night by the right hon. Minister of Justice (Mr. Ilsley) on the amendment moved by the hon. member for Eglinton (Mr. Fleming).

There is before the house a motion for the second reading of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war. To this Mr. Fleming, member for Eglinton, moved in amendment:

That all the words after "that" be deleted and the following substituted therefor:

"While recognizing that the said bill deals with some matters such as old age pensions and veterans in the civil service which do not depend for constitutional validity on the existence of an emergency and some other matters which can only be dealt with by this parliament on the basis of an existing or apprehended emergency; and while willing to support properly drafted legislation dealing with such matters;

This house is unalterably opposed to the enactment of a measure to continue indiscriminately the sweeping powers of the presently existing boards outside the control of parliament."

The first paragraph of this amendment is only a recognition in general terms of some matters dealt with in the bill; it purposes to place the house on record as recognizing that the bill deals with some matters and being prepared to support properly drafted legislation respecting such matters. The house can only make such recognition by voting partly for and partly against the bill, which is a meaningless proposition.

As to the house's readiness to support properly drafted legislation dealing with these matters, this is a question which will have to be submitted to the committee on the bill. Questions of drafting provisions are dealt with at that place and not with the Speaker in the chair.

[Mr. Gardiner.]

As to the last paragraph of the amendment which declares that "the house is unalterably opposed to the enactment of a measure to continue indiscriminately the sweeping powers of the presently existing boards outside the control of parliament", it is merely asking that the house either approve or disapprove questions in indefinite terms. There is no doubt in my mind that proposals submitted for approval or disapproval must be set forth in expressed words, which can only be done in committee on the bill.

It happens that there are many orders and regulations included in this measure. There is a principle to each of them. Which of them the house should approve or disapprove is a mater which certainly is not covered by the amendment.

On the 24th of April, 1934, the Speaker of the house rejected an amendment proposed by the then leader of the opposition, which read as follows:

. . . this house, while prepared to support legislation for assisting the orderly marketing of natural products, is unalterably opposed to the enactment of any compulsory measure which delegates to unnamed and undetermined individuals, groups or organizations, sweeping powers over the production and trade and commerce of the nation, and which confers upon a minister of the crown and upon the governor in council unprecedented authority and unusual powers to restrict production, and interprovincial, interimperial and foreign trade as regards both exports and imports, as well as other autocratic powers.

In giving his decision against this amendment the Hon. George Black, then Speaker of the house, made the following statement:

The Right Hon. Mr. Mackenzie King in moving the amendment quoted paragraph 755 of Beauchesne's *Parliamentary Rules and Forms*, which paragraph is published as a quotation from May, 13th edition, at page 390, which is repeated by Bourinot at page 509:

"It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from the principles, policy or provisions of the bill."

This rule is subject to certain limitations. If the right hon. member had continued to quote from May, he would have found the following reference to an amendment to a motion for second reading of a bill:

"Nor may such an amendment deal with the provisions of the bill upon which it is moved, nor anticipate amendments thereto, which may be moved in committee—"

May, 13th edition, page 391. The precedent cited in May in support of this is found in 188 *Parliamentary Debates*, 4th series, column 76, The Education (Scotland) bill.

Mr. Speaker: I have to rule that the amendment standing in the name of the hon. member for Glasgow and Aberdeen universities to the effect that the house while welcoming educa-

tional legislation for Scotland regrets that the present measure does not propose change in the educational areas, which is urgently required in the interests of efficient administration—is not technically in order, because it does not challenge the principle of the bill. The question raised can be decided by an amendment to the bill itself. If the hon. member wants to object to the second reading, he should move that the bill be read this day six months.

An appeal was taken and the decision sustained by a vote of 103 to 52. This is a decision of the house itself which is equivalent to a standing order and must be adhered to. I therefore rule the amendment out of order.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, you have just ruled out of order the amendment moved by the hon. member for Eglinton (Mr. Fleming). I am aware that we cannot debate your ruling, but in view of the unusual character of the measure before us I am forced to say that I must challenge that ruling. I do not ask for an opportunity now to defend that position, although I should be glad to do so if the rules permitted. However in view of the unusual nature of the bill I must protest your ruling.

Mr. SPEAKER put the question as follows:

The question before the house is an appeal from the Speaker's ruling. The Speaker having decided that an amendment to the motion for the second reading of Bill No. 104 was out of order on the ground that it both approved and disapproved the bill, and also that it dealt with matters that should only be considered in committee on the bill, the leader of the official opposition (Mr. Bracken) appealed from that decision.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the chair was sustained on the following division:

YEAS

Messrs:

Abbott
Archibald
Argue
Arsenault
Baker
Beaudoin
Belzile
Benidickson
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Bertrand (Terrebonne)
Black (Chateauguay-Huntingdon)
Black (Yukon)
Blanchette
Boivin
Bonnier
Bourget
Bowerman
Bradette
Breithaupt
Brown
Brunelle
Bryce
Burton
Campbell
Castleden
Chevrier
Claxton
Cloutier
Coldwell
Coté (Verdun)
Cournoyer
Croll
Cruickshank
Dechene
Denis
Dion (Lake St. John-Roberval)
Emmerson
Eudes
Farquhar
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gariépy
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gillis
Gingues
Gladstone
Glen
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Hallé
Harris (Grey-Bruce)
Hartt
Healy
Herridge
Howe
Ilsley
Isnor
Jaenicke
Jean
Jutras
Knight
Knowles
Lacombe
Lafontaine
Lapointe
Laurendeau
Leger
McCann
McCuaig
McCubbin
McCulloch (Pictou)
Macdonald (Brantford City)
McGarry
McIlraith
MacInnis
McIvor
McKay
Mackenzie
MacKinnon
MacLean
Maloney
Marier
Marquis
Martin
Matthews (Brandon)
Matthews (Kootenay East)
Mayhew
Michaud
Mitchell
Mullins
Mutch
Nicholson
Parent
Pinard
Probe
Raymond (Wright)
Reid
Richard (Ottawa East)
Rinfret
Ross (Hamilton East)
St. Laurent
Sinclair (Ontario)
Sinclair (Vancouver North)
Sinnott
Smith (York North)
Stewart (Winnipeg North)
Stuart (Charlotte)
Strum, Mrs.
Thatcher
Townley-Smith
Tremblay
Viau
Warren
Weir
Whitman
Winters
Wright—124.

NAYS

Messrs:

Adamson
Ashby
Blackmore
Blair
Boucher
Bracken
Bradshaw
Caouette
Cardiff
Case
Casselman
Charlton
Daniel
Diefenbaker
Drope
Fair
Ferguson
Fleming
Fraser
Fulton
Hackett
Hamel
Harkness
Harris (Danforth)
Hatfield
Hazen
Henderson
Hodgson
Homuth
Jackman
Kidd
Kuhl
Lennard
Lockhart
Low
Macdonnell (Muskoka-Ontario)
McMaster
MacNicol
Manross
Menary
Merritt
Power
Quelch
Robinson (Bruce)
Stanfield
Stirling
Stokes
Timmins
Tustin
Webb
White (Hastings-Peterborough)
White (Middlesex East)
Wylie—53.

Mr. TUCKER: I was paired with the hon. member for Vegreville (Mr. Hlynka). Had I voted I would have voted to sustain Your Honour's ruling.

Mr. CLEAVER: I was paired with the hon. member for Bow River (Mr. Johnston). Had I voted I would have voted to sustain Your Honour's ruling.

Mr. LITTLE: I was paired. Had I voted I would have voted to sustain Your Honour's ruling.

Mr. RICHARD (Gloucester): I was paired with the hon. member for Royal (Mr. Brooks). Had I voted I would have voted to sustain Your Honour's ruling.

(Translation):

Mr. DORION: I was paired with the hon. member for Labelle (Mr. Lalonde). Had I voted, I would have voted against Your Honour's ruling.

Mr. GAGNON: I was paired with the hon. member for Montmagny-L'Islet (Mr. Lesage). Had I voted, I would have voted against Your Honour's ruling.

(Text):

Mr. CLARENCE GILLIS (Cape Breton South): Last evening when I moved the adjournment of the debate I noticed that there were quite a few on the front benches on the other side who were not desirous of carrying on the debate. They did not take very kindly to adjourning the house fifteen minutes early. Evidently there is a hurry to get—

Mr. MACKENZIE: On a point of order, we consented immediately to the hon. gentleman's suggestion.

An hon. MEMBER: But not with good grace.

An hon. MEMBER: Nonsense.

Mr. ABBOTT: You did it so you could get your speech all in the one *Hansard*.

Mr. GILLIS: I am not concerned with getting it in *Hansard*; I am concerned about checking the memories of hon. members opposite in connection with a lot of the promises they made during the six years this country was at war. I think the time that I will take this afternoon will be well spent because I still believe that some of them have consciences even though they have bad memories.

The matter now before the house is the principle of the bill we are now considering. That question is whether controls should be maintained in this country. I am going to take up some time this afternoon for the purpose of dealing with the principle of this bill; the mechanical details can be discussed when we are in committee, but the broad principles upon which the bill is or should be based cannot be discussed at that time. I consider, Mr. Speaker, that any time spent by this house, no matter how long it may be, in clarifying the subject matter of this bill will be time well spent, because the very principles are involved for which we fought through six years of war and sacrificed a great many of the boys of this country.

Although there are several different groups in this house debate on the bill now before us divides the house into two. The Progressive Conservative party, the Liberal party and the Social Credit party all through this debate have stated in no uncertain terms that they believe in the system of free enterprise. The group to which I belong say that they do not, but rather that they believe in a planned order of society. That places the question squarely before the house. On this subject there are only two opinions.

Let me remind some of my free enterprisers in this house that the system of free enterprise has failed us twice in one lifetime and brought about armed conflict throughout the world.

Some hon. MEMBERS: No.

Mr. GILLIS: I knew I would get under somebody's skin. Throw a stone into a pack of wolves and you will hit one and it will howl. I said that I was going to try to reawaken the conscience of the members of this house, because I still believe that they have a conscience. The fact that interruptions are coming so freely shows that I was not wrong in my surmise that they still have a conscience, and it is beginning to prick them.

I have said that that order of society brought on two wars in our lifetime, and it did. You cannot deny it.

An hon. MEMBER: I certainly do.

Mr. GILLIS: History proves it. I want to remind hon. gentlemen to my left who still believe in the free enterprise system, and who in the province of Alberta at the present time are administering a kind of economy that is evidently quite satisfactory to the Tory party—

Mr. REID: Was there not a planned economy in Germany?

Mr. GILLIS: The Tory party in Alberta decided that they would not contest the province, that they had a government that was satisfactory to them.

The lessons, Mr. Speaker, that we have to learn from the last war are, first, that the system of free enterprise did not measure up. Dictators were born and bred out of selfish-

ness and jungle law. That is the system of free enterprise. We aim to replace that kind of society by planning. There is not a member of this house who does not plan his own life, or at least he should. You plan your home.

An hon. MEMBER: No.

Mr. SPEAKER: I would remind hon. members that they should not interrupt the hon. member who has the floor. A question may be asked with his permission.

Mr. GILLIS: Thank you, Mr. Speaker. I do not mind the interruptions. It shows that I am beginning to hurt someone; I am saying something that is effective. If hon. members were reading their newspapers and paying no attention to me I would think that perhaps I was wasting my time, but I thank you, just the same, Mr. Speaker, for your assistance

I am surprised that prominent lawyers in this house who believe in the rule of law, just as we all do, and emphasize it earnestly at all times, will stand up in this house and oppose a bill which simply aims at bringing the rule of law into our economic life to replace gangsterism—and I use the word advisedly. The hon. member for Rosetown-Biggar (Mr. Coldwell) yesterday placed clearly on the record of this house the fact that large corporations and companies in this country are running rampant in extracting from the people profits which no legal mind in this house could justify under present economic conditions. That is the first point I want to drive home—that we want to replace in our economic life tooth-and-claw law of the jungle with the rule of law as it exists in every other section of our society. We want a regulated order of society in which every person may have the opportunity to protect himself and his means of livelihood against unscrupulous people who want to exploit him and anyone who opposes this bill opposes that very principle.

I would remind my hon. friend who upholds the Social Credit-Tory coalition in Alberta that there were no controls in the thirties. We fought the 1914-18 war on the same slogans as those that were used in the last war. They were written by the same people. They were freedom, democracy, the right to live, homes for everyone. We came back after the 1914-18 war, and what did we find? There were no controls in the thirties except section 98 of the criminal code to control the worker, the fellow who died for you on the battlefields. When his fellow workers came back and asked you to live up to some of the promises you had made at that time, that was the kind of control they got. It was a form of control that was satisfactory to the wrong people. From 1930 to 1939 there was no government regulation of our economic affairs, and in that period we had a million and a half people unemployed and slave camps established in this country. That was a form of control that relegated to slave camps at 20 cents a day, where they were regulated and regimented, hundreds of thousands of people who had offered their lives to maintain democracy. Tear gas and the mounted police were used against them. That was a form of control in the wrong direction. Was there any freedom there? Freedom to go barefoot when you had no shoes; freedom to go hungry when you had nothing to eat; freedom to march from Vancouver to Ottawa to plead with those who sit in these great legislative chambers. No one objected to these controls except a few people like ourselves who were fighting them.

We have finished another war. I have listened in this house to many members who have expressed a fear of communism, but as I have said, the system of free enterprise has failed us twice in one lifetime, and the same seeds are being sown in this country today to defeat the ends for which we fought the last war. Again we promised the boys, the sons of the fathers to whom we made promises from 1914 to 1918, that they would come back to homes, to a new order of society; that the government would see to it that they were protected; that they would not go through the misery and degradation they experienced in the thirties. Twice in a lifetime we have given free enterprise all the rope it wanted, when it hanged and strangled the world, and we have signs enough on the North American continent to induce us to try to avert the conditions that may ensue; otherwise what happened in Europe and elsewhere will happen to us. Do not let us forget for a minute, when the country expresses fears of communism, that Karl Marx said a long time ago that capitalism had within itself the seeds of its own destruction. It will destroy itself if you leave it alone, if you give it enough rope and let it go.

We have done that twice in a lifetime, and capitalism has been destroyed in every part of the world except on the North American continent. Revolution, fascism and all the other isms about which we express fears are not common to any particular people. They are the product of a system, and we shall travel the same road if we allow that system unchanged, to prevail in the same way. Surely we have had enough lessons to take the abuses out of the system, the abuses that have destroyed the system throughout the world. This can be done only by removing fear, insecurity

and all the other factors that contribute to the destruction of confidence in the minds of the people.

We cannot do much about it so far as the United States is concerned. The picture there is not so bright. We can do something about it, however, in Canada. If free enterprise is capable of doing the job, why is it that the system functions and establishes standards of living for the workers of the world only when there is a war on, when most of the young and productive people are in the armed services? Then we can pay them wages and allowances, provide pensions, provide hospitals and the best of medical services and all that kind of thing. We can do that during a war, but when these people come back to the country they come back to a different set of conditions. Notwithstanding that there are plenty of resources, plant and machinery, we relegate them once more to the street.

Why is this? It is because of lack of planning. The Conservative party does not believe in planning, except from Bay street in Toronto and Jesse James street in Montreal. They are on record as being favourable to that, and we know what to expect from it. As soon as the war was over, up went the not-wanted signs again.

I am really ashamed to say in this house what the conditions are in the maritime provinces. Listening to a newscast this morning we heard that there were over 30,000 unemployed in the maritimes. On that little island that I come from there are 2,200 ex-servicemen, most of whom never had a job in their lives before they went into the services. They were unemployed under free enterprise. They donned the uniform and offered their lives for the institutions of the country, and they came back after all these promises that were made them. But, as I say, on that little island alone there are 2,200 of these men who today are unemployed, and they write pathetic letters, as the Minister of Veterans Affairs knows.

There is no work. Everything that was functioning during the war has been closed up. Back to the streets they go. I want to say for the benefit of the Minister of Labour (Mr. Mitchell) and the Minister of Reconstruction and Supply (Mr. Howe) that there is a strike on there at the present time, and I want to put a question to my hon. friends over here, and over there too, because I think there are a lot of Tories over there. I want to ask if they can tell me that the coal industry in the maritime provinces is better off because of the removal of controls.

[Mr. Gillis.]

For thirty years I worked in and around that industry and witnessed the most terrible conditions, socially, underground, and from every other point of view, and the most terrible relations with the employer, because we have the toughest octopus to grapple with in Canada in Dosco—tougher than any other organization in the country. There are no human values whatsoever so far as the management or the directorate of that organization is concerned.

During this war, with the establishment of national control in that industry, there was a different condition. I say without fear of contradiction, that the establishment of a national labour relations board, which took the whole industry and centralized it in Ottawa meant that, for the first time in my life or in my experience in that industry, we got away from Dosco's machine. Demands were made, the national board met with the Minister of Reconstruction, who handled the industry practically all through the war, and there were no strikes, no difficulties; wages were stepped up to some extent; vacations with pay was established, and people in that part of the country were beginning to want to live.

In December, 1946, the federal government removed these controls and passed them back to the provincial government, and when you pass them back to the provincial government you pass complete control back to an agency of that corporation. That is all they are, an agency of the corporation. The executive board of the mine workers' union tried to work out an agreement, but there was no agreement—you cannot come into Ottawa; the controls are off. No more subsidies; we have to get back to free enterprise and give them the right to run the show themselves.

Well, they have run that show for a long time. The price of coal in this province has gone up approximately $3 a ton because of the removal of subsidies. That industry cannot pay wages in Nova Scotia because of the removal of production subsidies and the assistance the corporation was getting. I am not saying they were entitled to all the assistance they extracted from the government, but I say that was because this government lacked the machinery to scrutinize and check reports and balance sheets of the twenty-six subsidiary organizations by which that company can juggle costs around. It is pretty hard to chase them unless you are there all the time. Unless the federal government steps into the picture and takes that strike out of the hands of the provincial and local authorities, and reestablishes some kind of machinery in

Ottawa to settle it, the province of Nova Scotia will be depleted in a very short time. Hundreds of men who were in that industry during this war are leaving Nova Scotia and seeking work in other parts of Canada, because apparently no one is trying to do anything in the way of settling that strike.

I mention this merely because I want to drive home the point of controls. It all adds up to public responsibility. When a member is elected to the House of Commons, or a government is formed, the people who send that member here or delegate power to the government expect that government to give them leadership and to supervise the economy of the country and see that everyone is guaranteed the right to live in the country, that someone does not make a million dollars while another is on relief. That is their job, and when I hear some of our provincial people who believe in retaining provincial autonomy talking, they have been overseers of the poor for thirty years. That is all they are. There has been no government in Nova Scotia, New Brunswick or Prince Edward Island. They want to hang on to something that exalts themselves. It is that vanity of man again, wanting to hang on to a little bit of power for himself.

I would never try to defend our provincial premier about the bickering and squabbling that he goes on with in this matter of provincial rights. This is where the power rests. There must be some central direction, and the people of Nova Scotia under the federal proposals would have been a hundred per cent better off than they could be in dealing with that little ox-cart government down there. I strongly urge what I suggested before to the Minister of Reconstruction—and I have a great deal of respect for him, too. There must be a great many Tories over there who keep him back, because I think that as an engineer and a practical man he knows the problem and wants to get things done, never mind the money. That is the proper attitude. There is something over there holding him back or he would have settled that strike, provided the necessary subsidies or got some kind of machinery in action. I suggest to him that he try to get together with the Minister of Labour and come to some understanding. It looks bad to see this situation: the Minister of Reconstruction makes a statement in the house to the effect—I think this was on April 1—that he was prepared to sit down with the industry and the union and work out some kind of subsidy arrangement by which that matter might be settled.

Mr. HOMUTH: That was April Fool's day.

Mr. KNOWLES: The date of your amendment.

Mr. GILLIS: Regardless of what date it was, the statement was made publicly and officially by a member of the cabinet. Then a few days later there is a statement from the Department of Labour—not from the minister but from some of his officials—to the effect that no subsidies will be provided to clean up that problem in Nova Scotia. I suggest that they get together.

I am not sure that my friends to my right or their coalition on our extreme left can stand up in this house and tell me that the coal industry, the steel industry, the shipping industry, the fishing industry, or the textile industry—all basic industries in this country—are better off today than they were during this war when the government were planning production, allocating materials, and supervising the general income of the country. There is no comparison. If it could be done in time of war, there is no reason why it should not be a hundred per cent easier to do it in time of peace. I cannot understand it. I would advise my Conservative friends over there to do a little checking up. They are venomous on this matter of controls and free enterprise. The hon. member for Lake Centre (Mr. Diefenbaker)—I am sorry he is not here now—is a man for whom I have a great deal of respect. He is a lawyer, a good reasoner, and logical in practically everything except where he sits. On this matter of controls he gave the Conservative party some very good advice back in 1942. Speaking at the business men's club in Toronto, he said this:

> No one can successfully argue that principles of the Victorian era can cope with the conditions in times that produce Sir Stafford Cripps, (a socialist) as deputy prime minister (of Britain), and William Temple as Archbishop of Canterbury.

He goes on to tell about that kind of thing, but the meat of his remarks is farther down, where he says, "Bureaucracy is danger". The article reads:

> Mr. Diefenbaker said the danger exists of government by bureaucracy after the war.
>
> "The Liberal party today stands for reaction, the C.C.F. for complete nationalization, which will destroy private enterprise," he said. "The Conservative party must meet this challenge that comes to it and show the people that our economic system shall continue to be one of free enterprise under stringent control . . ."

The caption of the article was "Advises Tories to Modernize".

Mr. MacINNIS: How could the Tories modernize?

Mr. GILLIS: That was in 1942. They did modernize to this extent: the word "progressive" is a modern term, and they adopted it on that advice.

Mrs. STRUM: Twenty years too late.

Mr. GILLIS: If you listen to the hon. member for Rosetown-Biggar (Mr. Coldwell) or the hon. member for Vancouver East (Mr. MacInnis) or any member of this group, you may say: Those fellows are just propagating for their own cause—the socialist cause. But this advice was not given by a socialist, and it should be seriously taken.

Mr. LOW: Propagation, you mean?

Mr. GILLIS: Certainly. That is the only way you can create things. Let me read a short statement by another person who is not a socialist. I heard the hon. member for Eglinton (Mr. Fleming) one evening quoting the Pope's encyclical. I do not believe in bringing religion into a discussion of this kind, because a man's religion is a matter between himself and his God. But I do say this. For nineteen hundred years we have been preaching Christianity and it is nearly time we began to put it into practice. We certainly have not been practising it, judging by conditions in the world for the last fifty years at least. I am going to quote Monsignor J. A. Ryan, National Catholic Welfare Conference. This is a statement he made in 1943 and I would advise the hon. member for Rosedale (Mr. Jackman) to listen carefully:

> Unless the middle classes—that is, the comfortable farmers, the members of the professions, the small business men, the holders of executive and directive positions in the great corporations, and indeed the majority of the "white collar" classes—cease to get their opinions from the daily papers and strive to acquire a greater amount of realistic economic intelligence, they (the middle classes) may exercise sufficient voting power to place the champions of "free enterprise" in control of economic reconstruction after the war. From such a calamity, may the Good Lord deliver us.

That is not from a socialist. That is from a person who is realistic, and who learned a lesson from the last two wars.

While we know where the Conservatives stand in this matter of controls and the planned economy, we are doubtful about where the present government stands, because since the termination of the war they have paid lip service to controls, have spoken of trying to avoid exploitation, and all that kind of stuff; and I think most of the people who make those statements really mean them at the time. But we have been watching. The cost of living is going up. No public works programme of any kind has been instituted. Practically all the war assets built up by the people during the war have been scrapped without being put to productive use. The ranks of the unemployed are beginning to swell. There are rumblings from the farmer, the industrial worker and the white collar worker, who I think perhaps has suffered a worse squeeze than either the farmer or the worker, from the standpoint of taxes, because he is in between, on a fixed salary, and has had to take the squeeze from both sides. That cannot continue for very long without a smash-up of some kind. I want to say in all sincerity that perhaps in 1939 Hitler saved us from a revolution on this continent. If any serious minded person will look back at the conditions which existed in 1938 and 1939 right across Canada and throughout the United States he will realize that had they lasted for another six months without a bust-up of some kind we would have had serious internal disturbances in this country. We do not want a set-back now which would allow that sort of thing to develop again.

There is only one way to avoid that. We have two alternatives, either to go to war or to create employment. The people of this country do not expect too much. They want jobs; they want houses. They are quite prepared to work for them and produce. They do not want charity; they do not want handouts. They want to live as decent citizens, and they have that right. Those were the promises we made them while we were fighting the war. Personally I am ashamed of the conditions that exist in the part of the country from which I come. They should not exist, and they could have been avoided if the government had accepted its responsibility. Only yesterday the Minister of Finance (Mr. Abbott) definitely stated that all the subsidies were coming off. When you knock off the subsidies under this form of society you destroy price ceilings. You cannot hold down prices without subsidies unless you have in the field an army of policemen checking everything that is sold. But you can hold down prices and redistribute income by means of subsidies. They are not appreciable to every industry; in many cases they are not necessary, but they are necessary in some of the basic industries, and should be continued. When the Minister of Finance, speaking for the government, makes the statement that they have officially decided to discontinue the subsidy arrangements, then he tells us there is no longer any desire on the part of the government to manage the economy of the country, because it can only be done in that way under this form of society.

I am coming to the end of my time, Mr. Speaker. I could inject many matters into this discussion. I hope some member of the cabinet will speak before this debate is concluded, and I should like him to answer two or three questions; I think it is necessary at this time. In its issue of April 12, 1947, the Montreal *Gazette* carried a story from Ottawa that the government is carefully scrutinizing price increases arising out of the recent release from control of thousands of goods and services, and will move without delay to reimpose price ceilings in any case where the increase appears to be unreasonable or exorbitant. I should like some member of the cabinet, if and when he speaks, to tell us if that is really government policy. If so, what checks are they maintaining on the situation? Why has no action been taken so far in connection with such items as newsprint? These are three questions on which I think the Canadian people, and particularly members of this house, want some reassurance.

In conclusion I want to repeat what I said when I started, that as far as I can see there are only two opinions in this house on this question of free enterprise as opposed to a managed economy. As I see it, the attitude in all corners of the house is opposed to the attitude taken by this party. Our policy is clear-cut. There is no equivocation when we say that if we were in power we would establish a managed or planned economy in this country. We would go to the mat with anyone extracting more than his share of the national income, and would see to it that everyone was provided with a means of life. Is it not startling to realize that in a country such as this a large section of the population cannot get enough to eat?

Mr. McCANN: Nonsense.

Mr. GILLIS: The Minister of National Revenue says that is nonsense. It is not. In 1945 I travelled through sections of the province of New Brunswick where soldiers back from this war were existing on parish relief of $6 a week. Can you look after a family on that? I can take you to section after section in any part of Canada today and show you hundreds of unemployed ex-service men whose credits have run out, who cannot get relief of any kind, who cannot get jobs, and who are existing with no income at all.

Mr. MARIER: They refuse jobs.

Mr. GILLIS: No, they do not refuse jobs at all. If the government will pay their transportation I will send 2,200 ex-service men tomorrow to any part of Canada where jobs are available.

Mr. MITCHELL: I will take you up on that.

Mr. GILLIS: All right; you get the jobs for me. If the government will provide transportation and employment—I am not quibbling now—I will send a wire tonight and have a mobilization of these people. They will take the work.

Mr. FOURNIER (Maisonneuve-Rosemont): Maybe you talk too much.

Mr. GILLIS: No, I am not talking too much. According to a newscast this morning selective service officers in that part of the country—that is your own officials of the regional employment service—meeting in Moncton yesterday said there were 30,000 registered unemployed in the maritimes who cannot be placed. If the Minister of Labour has issued any directives as to where there is employment for these men in Canada, and there is any machinery by means of which they can be shipped to those places, the director of employment services in the maritimes does not know anything about it. I heard that statement myself on the nine o'clock news broadcast this morning, arising from a meeting held yesterday to deal with the question of employment in the maritimes.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member, but he has exhausted his time.

Some hon. MEMBERS: Go ahead.

Mr. GILLIS: I shall conclude; I will follow up the matter later with the Minister of Labour.

After listening to this debate for a number of days I am reminded of a story. You see, sometimes the Conservatives want controls and sometimes they do not want them. On the other side over there they are strong for them, but they are taking them all off. The Social Crediters want nothing except the right to print money.

Mr. LOW: And that is more socialistic drivel.

Mr. GILLIS: It reminds me of the story about the chap who was going down the street one day with one foot on the curb and the other in the gutter. He walked some distance that way, until a police officer came along, stopped him, and said, "What is the matter with you? I think you are drunk". "Gosh" he said, "I'm glad to find that out. I thought I was crippled". And that is about the way the house is—one leg up and one leg down. And we suggest it is pretty nearly time they made up their minds where they are going.

Mr. DAVID A. CROLL (Spadina): Mr. Speaker, the Easter vacation and the decontrol measures taken before and during that time gave all of us an unusual opportunity not only to feel the pulse of our constituencies but actually to take stock. The people I met during that time were greatly disturbed about our decontrol measures. I met people in all walks of life, and found the same complaint on every side. Somehow or other they got the impression that we in this house do not realize that laissez-faire is dead and buried. There are still some who believe there are hon. members in the house who feel that the good old days ought to be brought back—the good old days of no government intervention, the good old days of the thirties, when we had the complete freedom of action which brought false booms and real depressions.

Many people have a different understanding of free enterprise and laissez-faire. To me it means that if business is left alone it will work in such a manner as to bring about ideal economic conditions for the average man. Yet it overlooks one important truism, that industry is based upon the profit motive. While I have nothing against the profit motive as such, there are times when there is a clash between the justifiable interests of the business man and those of the consumer. Under those conditions the function of government is to act as a brake, when industry, so to speak, tries to run away with itself. In other words there will be times when controls are not only desirable but essential; and, so far we in this country have no complaint. Controls have not failed us, nor have they been the cause of shortages. During the war the government used successfully the device of controls to divert the tremendous output of industry to the interests of the state—which at that time was the fullest prosecution of the war. Now in these critical and emergent years of peace we must take these same forces and use them, but not, as some political thinkers would suggest, to bring industry back to normal. To my mind that is a label only, and one which hides a multitude of iniquities. As we saw in the thirties, in the titanic struggle of economic forces the small man was crushed.

The outstanding economic factor in our economy today is scarcity. So long as economic scarcity is with us, industry can use it to achieve its own gains. After all, it is not the function of either the landlord or the mill owner to run his business for the benefit of the public. The true function, as they see it, is to produce profits; and it would be naive for us to assume otherwise, or to ask them to run their business in an altruistic manner. The good business man is not operating for the sake of charity; and if scarcity presents him with an opportunity, he takes advantage of it. If for instance, there is greater promise of gain from building glamorous moving picture theatres or elaborate night clubs rather than houses, how many business men would forgo the greater profit for the greater need? But it is only by the will of the people as expressed through parliament that we can force industry to work for the common good as well as for its own good.

As I see it therefore, so long as the element of scarcity prevails—and none of us can predict how long that will be—we dare not decontrol too fast. And that we are doing at the present time. In normal times there was always a check of monopolistic tendencies within a healthy business organism by what economists call the marginal producer, the man who was ready to compete at a small rate of profit. But today, when goods are scarce, there is no incentive for such marginal production. We have on the one hand a great shortage of commodities at home and abroad, and on the other hand a comparative abundance of money, although the situation at the present time is tighter than it was a year ago, as many businessmen will agree. In an uncontrolled economy what is the result? Demand forces prices up. Previous wage scales become obsolete with the rising cost of living, and you have the whole inflationary spiral of skyrocketing prices and costs which can only end in disaster.

There is a remedy; there is an alternative, and that alternative is controls. If the situation is not too far gone—and it is not in this instance—and if business men are prepared to work together for the good of the country and their own good, then we can rely on industry to control itself without any need for government intervention. So far it must be admitted that industry has not done a good job of self-control. I have only to ask the house to refer to the speech delivered yesterday by the leader of the C.C.F. (Mr. Coldwell) in which he quoted figures giving some indication of the abnormal profits of corporations. I picked up the *Globe and Mail* of April 12 and on the financial page I found the following headlines:

Zeller's sales and profits hit a fifteen year peak.
St. Regis Paper sets new record.
Hiram Walker profits up 58·7 per cent
Consolidated Bakeries lifts profit 22 cents share.
Gurney Foundry profit is $6.46 against $2.08.
Atlas Steels earns 96 cents against 61.

And on and on, all in the one day. Then I recall reading a report on the same page

that a movie corporation had had the highest earnings in the history of the company, yet admission prices were raised throughout the length and breadth of this country. Are these indications that the Canadian business man is waking up to his responsibilities? Frankly I do not think he is. Despite what I have said about the profit motive and private enterprise I think the average business man has enough common sense and enough patriotism to impose his own controls once he becomes fully aware of the dangers inherent in a runaway situation. The words uttered yesterday by the Minister of Finance (Mr. Abbott) are reported in the Montreal *Gazette* of this morning, and he is reported as saying that the government would reimpose controls in any case where it was felt that the public was being exploited.

It is well for the house to know that some time ago jute bags were decontrolled. There were none on the market; they were not available, but within forty-eight hours after the order came into effect they were available at double the previous price. The government immediately reimposed the control, and today they can be bought at a reasonable price.

In referring to the business man I am not talking about the fly-by-nighters who come up from nowhere on the strength of a few quick killings. I am thinking of the firms who were here ten and twenty years ago and who will still be here ten and twenty years from now when the quick-profit boys are dead and gone. They are the ones who have everything to gain from a policy of control and self-control until such time as we level out our economy and the normal checks and balances of a free economic society can come into play.

I conceive then of decontrol as neither a quick process of throwing the book out the window and going back to business as usual, nor a long-drawn-out process of hanging on to a horde of irksome regulations until that elusive will-o'-the-wisp called normalcy returns. Precipitous decontrol will start us down the primrose path of higher prices with consequent consumer resistance, wage demands and the inevitable strikes and unemployment with ultimate frustration. By our haste I believe that we will defeat the very purpose we are setting out to achieve. The time has come for the government to stop decontrolling and to reexamine the position of the articles or commodities that have been decontrolled.

During the war years we took away, in whole or in part, some of the most cherished prerogatives of private industry. We told industry what to produce, how much to produce and how much profit to make. If we had not, perhaps industry would have made a great deal more money than it actually did; although I would say in passing that when you recall that last year Canadian corporations realized net profits after taxation of half a billion dollars one is forced to the conclusion that industry has not done badly under controls. By its present conduct capital, which has the most to gain from the free enterprise system, is fouling its own nest by exacting the large and abnormal profits that have been referred to in this house during the last few days.

I view decontrol as a process of letting controls go as quickly as is compatible with the welfare of the little man, to the point where government can hand the whole thing back to private enterprise and say, "You take it from here." A realization by business men of the heavy responsibilities that are theirs today will speed up this reconversion. The sooner they are prepared to exercise self-control, the sooner will we be able to dispense with government control.

In the meantime, for the protection of everyone, a large measure of official control must remain. Our affirmative decision on this point will be met with approval by the little man throughout Canada. As for the comparatively few who will object—they are really a small minority, but they make a noise like a majority—I would say that they are guilty of selfish or illogical thinking. Let us give them the benefit of the doubt by saying that they are only illogical, and let us point out to them that those who oppose controls in principle or in fact are blindly evoking the attitudes of bygone years when planning and controls were linked with the totalitarianism of Germany and Italy.

Many of these people reason that Hitler and Mussolini imposed a controlled economy on their countries and that all kinds of evils followed as a natural result—loss of liberty, persecution, regimentation, mass murder, and war. They are convinced that if we hold on to the few controls that remain we shall be selling the freedom of this country down the river—quite overlooking the fact that Britain, probably the most largely controlled English speaking country in the world today, is also the one in which the flame of freedom burns the brightest. Only persons who have little faith in democracy should live in fear of democratic controls. People have come to take for granted the exercise of economic controls which prior to the war they would have called totalitarian. We must not forget that the little people of this country do not merely accept controls; they actually want them, and they do not want to go back to the days of false booms and real depressions.

Something has been said about planning. Corporations do not grow up like Topsy. They are planned, they are blue-printed. The better the plans, the better the corporation; the better the corporation, usually the better the plans. If it is a good thing for a corporation to plan, why is it not a good thing for the individual to plan? Why should not many individuals plan? Why not have the government plan for individuals? After all, planning is not the exclusive property of socialist or totalitarian countries; it is also a healthy ingredient of the new democracy. The little people are weak; they lack buying resistance. Their needs are immediate—food clothing, rent—and their bargaining capacity is weak. They know this and they look to parliament to plan for them. They remember well how we planned during the war and what a good job we did, and they look to us for a continuation of planning in the post-war period.

I believe that the people have always been in favour of controls and they call for the retention of essential controls. The uncertainty of life in an unbalanced economy makes this a "must" for the little man. The recently announced increase of ten per cent in rentals means an immediate rise in the cost of living, which is placing an unbearable burden on the shoulders of people who cannot take it. The low income group, the people on fixed incomes, the white-collar workers, are finding times in this country hard in the midst of the greatest corporation profits in our history. How do we justify it? How do we explain it? How do we reconcile it?

Labour made certain gains across the board last year in an attempt to bring their earnings into line with the then high cost of living. The gains they achieved did not put them ahead of the game—they only compensated for the years when wages were frozen and the cost of living got ahead of them. Last year's wage gains were not prospective—they were retroactive. They took up some of the slack between wages and prices as they were last summer, but they were not a cushion against rising prices in the future. In other words it was not a question of their gains being wiped out by the increased cost of living in the past year, they have actually lost ground, and once more the prices-wages equation is being tipped dangerously to their disadvantage.

I ask the members of this house to look to the south and take note of what is happening in the United States on the labour front. Let it not happen here. I know that the question uppermost in the minds of the members of this house and the people of Canada is this: How long will our economy need the controlling hand of government? How quickly can that hand be relaxed? I confess, Mr. Speaker, I do not know the answer. I know that we cannot bring about decontrol on a fixed time-table. Conditions and events, not only in Canada but all over the world, have a direct bearing on the problem. If there is a strike in the motor industry in the United States it will be only a matter of three weeks before our factories are closed. If we are unfortunate enough to have a coal strike in the United States it will probably be only a month before our factories will feel it. Any large strike in the United States affects us economically almost as much as it does the state of Texas. And so we have to keep our eyes open. We cannot remove control on a fixed time-table. We must face the issue and see it clearly. The issue is not whether we should have controls or no controls. The problem for Canada is whether we should have more or fewer controls. Apart from the real need there is to hang on to some essential controls until we have levelled off our economy, the fact remains that people have tasted the benefits of a Canadian planned economy and are not going to give it up lightly. They like it.

The last decontrol order has had a disturbing effect. Today decontrol is unrealistic. With savings down from last year, with production and inventories up, with profits never higher in the history of this country, despite the ruin that was to come to us from last year's strikes with prices escalating, but up, and with labour straining but acting restrained, the time has come for a decision.

This debate on controls has been going on for weeks, and while we have been talking the government has been whittling away at the subject matter of our debate. The recent increase in rentals is a case in point. I should have liked to see the ten per cent increase in rentals made conditional on the landlord's renovating and repairing the premises, but there it is. Time is running out and I urge most strongly that we make up our minds now, while there is still something left to make up our minds about.

Mr. R. R. KNIGHT (Saskatoon City): Mr. Speaker, I have been greatly encouraged by the hon. member for Spadina (Mr. Croll) who has just spoken. Someone on this side of the house said that all the Tories were not on this side of the chamber, meaning of course that there were some Tories over there. I am sure that the hon. member for Spadina is not one of them.

I had not intended to take any part in this debate, because I thought that most of the things that could be said had already been said. I rise today not altogether because of of the fact that I am fresh from an Easter vacation but because from the contacts with my own constituents in the city of Saskatoon I have become convinced that if I have any mandate here at all it is a mandate from the housewives, the workers, the pensioners, the civil servants and the salaried people, ninety per cent of the ordinary people of this country, to give voice to their universal demand that this government halt the release of price controls, and that it reimpose those which have been released and have resulted in a rise in the price of the commodities of life.

I was interested to hear the unanimity with which my colleague the hon. member for Cape Breton South (Mr. Gillis) has just now been attacked from all sides of the house. I might tell a little story about my recent trip to Saskatoon. Everyone in the house in the last day or two has been a little political, and I was amused at the shadow-boxing—I will explain my reason for calling it that in a moment—that took place in the house yesterday between the hon. member for Halifax (Mr. Isnor) and the hon. member for Vancouver-Burrard (Mr. Merritt). Out where I come from there is a hurrying and a scurrying to and fro and a wondering about what is to be done about the next provincial election. We have fights in this house between Liberal and Tory, and I characterized them a few moments ago as shadow-boxing. On the surface they look tremendously genuine, and yet I cannot conceive how parties who are at each other's throats almost literally in this house should be such good friends in other parts of the country. I find, for instance, that the Liberal executive in my own constituency met some time ago and decided that one candidate and only one should run in the forthcoming provincial election, although we have a two-candidate constituency so far as provincial matters are concerned. But it was decided on Monday to run only one candidate.

I have another clipping here from the *Star-Phoenix,* which says that Rupert Ramsay, provincial leader of the Progressive Conservative party, said that he would not oppose a plan whereby Conservatives and Liberals cooperate in certain constituencies to fight the C.C.F. in the next election. Then let us come to the supreme authority, the hon. member for Rosthern (Mr. Tucker), provincial Liberal leader. He said:

> If Saskatoon Liberals feel they can elect only one candidate, and decide to put all their weight into that election—

The rest of the clipping is to the effect that they will have his blessing. It is quite apparent that they do not think they can elect more than one candidate, because another prominent Liberal said a day or so later, "We cannot win here with two candidates as I see it." And so the thing goes on. My Social Credit friends may seem a little neglected and they will coalesce with anyone where they think they can get a little support.

Mr. FAIR: In the interests of the common people.

Mr. KNIGHT: If my hon. friend wishes me to answer that question, perhaps he would like me to read this clipping, which comes from Saskatoon—

Mr. DEPUTY SPEAKER: Order. I would remind the hon. member that we are considering Bill No. 104, the second reading, and he must discuss the principle of the bill. He is referring to a debate which took place on a motion yesterday to go into supply. I would ask him to discuss the present bill.

Mr. KNIGHT: Mr. Speaker, I admit some guilt in the matter, but I do feel, since this matter has been introduced, that perhaps I should do something about it. Perhaps I would be permitted to answer the hon. member's question—it practically amounted to a question—and that done, I promise that I shall return to the business before the house. This is a report of a Social Credit convention and it states: "Social Credit convention attracts only three persons". Apparently Doctor Haldeman was there, and there were two others. They did not admit the press, or there would have been four. As regards my hon. friend's question, it says that social crediters may cooperate with other parties. Doctor Haldeman says they can do so if they desire—with, I presume, the qualification which my hon. friend has stated—provided that it is in the interests of the country. And after all, when three good men and true believe that, there must be something in it.

To come back to the question, or rather to initiate the question of controls, I am a believer in controls so long as I think the controls are, as my hon. friend has suggested, for the good of the country at large. There was a protest by certain women in this country not very long ago, a delegation of western women. I followed with some interest the eastern press comments on that delegation. The eastern press was practically unanimous in saying that the movement was communist-inspired. Perhaps it was to some extent, but I know for a fact that they were not all communists. However I would advise

the government, whether there be some truth in the suggestion or not, that they had better not take comfort from that fact or try to get behind it, because I think that, irrespective of what people had given the delegation their blessing, their cause was supported by all the women of the country, if not vocally, at least in their hearts and minds.

The government's idea would seem to be that the release of controls does not necessarily mean an increase in prices. The theory which we have heard expounded time and again by the Minister of Justice (Mr. Ilsley) is that the throwing off of controls will so stimulate production that supply will quickly equate demand and prices will level off. I do not think that assumption has proved to be valid in the experience of the United States, nor do I think it is valid in the light of our experience here. The minister himself, I believe, pointed out what had happened in the United States in the matter of an increase in prices when he was defending the idea of continued control, even if that continued control were only for a short period.

I would ask him whether, in his opinion, the removal of these ceilings has not been to some degree contributory to that result. I think the government's policy is most inconsistent in the matter. The Minister of Justice, when he rose in his place to introduce this legislation in its various stages, knew that he had to defend the policy of controls, a control which, it is true, he was asking only for the period of one year. But it had to be defended, and in defending it he gave some interesting information.

He said that during the war—I believe it was from 1942 to 1946—in each year of that period these controls had saved the consumers of the country a billion and a half dollars. I believe, although I did not check this, that someone said these controls had saved us about fifty-five dollars for each dollar they had cost us for their operation. We were told by the Minister of Justice and by other members on that side of the house that the too hasty abandonment of controls would produce chaos, and the minister warned us—this time the Minister of Justice himself, I believe —about the plight of the salaried worker, the white-collar man, the wage-earner, the pensioned person and so forth. And then, having traced the tremendous benefits that these controls had brought during the war, he said almost in the same breath, "Of course, it is our policy to get rid of the thing as soon as possible." I will admit there was a qualification. I am not quoting him, but he made the qualification, "as quickly as conditions permit". I say that in justice to him.

[Mr. Knight.]

My point is that the conditions do not yet permit, and that is evidenced by the steadily increasing prices of commodities in this country. Members of the cabinet have talked of orderly decontrol. I think it has ceased to be that, and has become decontrol in unholy haste. On the very day that the right hon. gentleman was advancing such eloquent arguments for the maintenance of certain price ceilings, and introducing price legislation which would preserve that maintenance, we find his colleague the Minister of Finance (Mr. Abbott) cutting the ground from under the feet of such legislation by releasing numerous items from under these ceilings.

Going to my home at Easter time, I found that we were paying higher prices for simple little things, the things that aggravate the cost of living. I would bring this to the attention of the government, which is usually politically conscious. I do not see why it should be so freely butting its head against the wall of public opinion. We are paying eight cents for chocolate bars, and an increase of one cent a pound for sugar; we are threatened with a ten per cent increase in rents under certain conditions; there are increases in the price of tea, coffee, soap, fuel, shirts if you can get one, and all the rest of it; jams, shortening and practically everything else.

May I remind this usually astute government that everybody—rich or poor—is taking note of these things, and, in particular, of the cost of the things which I have mentioned, which comprise a great part of the purchases of those in the lower income brackets. The man in the higher salary brackets, who spends a lesser proportion of his income on living, is not much affected by the prices of these simple things, but to a great many other people they mean the difference between decent living and a stringent economy.

The government is, of course, aware of these things. I have here something put out by the government, by a publications bureau of some sort. The series is "Wartime Controls" by the wartime information board of Ottawa, September 12, 1944, in which this statement appears:

> Uncontrolled inflation is a severe and unfair form of taxation. Under conditions of inflation, while some wages and salaries may keep pace with increases in prices, wages and salaries in general can never keep abreast of increases in the cost of living.

I think that is true. Wages are now lagging behind. The logical thing now is for another increase in wages to keep up with increased prices, and there we go in that famous old

merry-go-round to which a lack of planning apparently always leads. I continue the quotation:

> For that section of the population living on pensions, annuities and other forms of small savings bringing in a fixed income, inflation spells disaster, poverty and hardship.

To continue with another clause in the same document:

> Economic stabilization is necessary to protect the savings of the Canadian people. Most Canadians have saved something for the proverbial rainy day. They have put money into savings accounts, purchased insurance policies, annuities and other types of fixed dollar investments (those which bring in the same number of dollars regardless of what they will buy).

Might I say that those dollars do not buy as much now as they did when those people invested them? I know, from experience with my own friends, that they are, little by little, step by step, withdrawing their savings from the bank, withdrawing their bonds and selling them in order to eke out their wages and salaries in an attempt—a temporary and perhaps foolish one—to preserve the standard of living which they had been accustomed to during the war.

I speak here in what I conceive to be the interests of the people of my constituency, and I fancy they are very much like the people in other constituencies. This is a burning question in my own city. It is the thing about which people are talking most. I noticed the other day in the report of the Gallup poll that right up at the top of the list of things about which the people are now concerned—I mean regarding government matters and legislation—is the item of the rising costs of the necessities of life. I found there was practically no disagreement among the people of all shades of opinion whom I represent, with the argument that I am advancing here today. I know that argument would not be advanced by everyone in this country. It would not be advanced by those who ordinarily get their excellent standard of living from selling goods to the Canadian people. I would not fancy, for instance, that the manufacturers would advocate such a policy. They tell us that increased prices are necessary to meet increased wages, expenses and so forth. If we were to examine that statement, aided by certain statistics, we would find what was advanced by my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell) yesterday, and the hon. member for Spadina (Mr. Croll) advanced the same argument today, so I shall not weary the house with a recital of the tremendously increased profits and dividends of these great companies and corporations for the year 1946 as compared with the year 1945. But the figures are reliable. They were quoted, I think yesterday, from the *Financial Post*. I do not think these companies need any particular relief. They are doing quite nicely. And so this government—and I must say it, though reluctantly—by deliberate action, has increased the cost of living in such degree as it has abandoned the price ceiling. The government has, in so doing, ignored the protests of the people of this country, protests which have been expressed in many places and notably in this house, when one remembers the result of the vote at the last session on the question of the milk subsidy. It has flouted the will of the people as expressed by parliament.

The fact is that wages and small salaries, even those which have been increased, cannot be stretched any farther to cover any increased cost of living. Yesterday, when the Minister of Finance made a statement I noticed that he said, "Let the law of supply and demand operate; we are going to get back to the position where the law of supply and demand will operate." Well, the truth is that the law of supply and demand is being more and more interfered with. One has only to read the report on cartels to prove that to his own satisfaction. Control is constantly and generally exercised; and this party would rather that it be exercised by a government composed of representatives of the people of the country than that it be exercised by those interests which are opposed to the interests of the great masses of the people and are interested, first of all—I shall not say altogether, but first of all—in their own gain. The Minister of Finance said that a wise industrialist would moderate his own profits voluntarily. Might I for a moment use the vernacular and say, "What a hope!" The days of benevolent despotism are over. I do not think a modern industrialist has the same ideas of benevolence as had the feudal barons. I think it is too much to hope. In the state of things as they are, is it sensible, since success is so generally measured in terms of money and power, that we can expect that from the modern industrialist? Nowadays the modern industrialist, when a concern does not pay, shuts it down and would like to throw his workers into the lap of a benevolent government. Those things have not been always so.

If I may digress here for a moment, I shall recall the case of a linen manufacturer who lived in the country I came from. That man was benevolent. He was not even a despot. He was the great man in that little country

place, and there were linen mills there. This was in the north of Ireland, and those hon. members who know the history of that country will know what the linen industry meant to that land for many years. Then the day came when the linen business began to go down. Women ceased to wear linen clothes. People ceased to use heavy linen tablecloths and the business began to deteriorate. This man had accumulated a certain amount of money and he had a very fine estate. He looked after two or three villages, and he had one or two mills. Things began to go bad. That man did not dismiss an employee. That was most uneconomic, our modern industrialist would say. Certain industrialists even then said that, but he refused to change his method. This had been his father's business before him. These were his people and he felt a certain responsibility for them. To make a long story short, I shall merely say that he kept that business running until he had mortgaged every stick of his own and until he himself was in the same condition, as far as wealth or the lack of it was concerned, as the people who worked for him. That type of benevolence is not very evident in the industrial world today, nor would I reasonably expect that it should be. We think, of course, there is something that we could substitute for feudalism.

To conclude these few remarks, I would say simply that I am in favour of any scheme or any control which will preserve for the people of this country in time of peace at least the standard of living they attained during the war. While I am on my feet I should like in a word or two to express my ideas about this business of regulation, this business of freedom, this business of individual liberty. No man in his senses in this house would say that I or those around me believe in enslaving anybody, least of all ourselves. I believe men of good will have the same objects in view. I do not know of anyone in this group who does not value his personal liberty and freedom. The hon. member for Muskoka-Ontario (Mr. Macdonnell) rides this subject on almost every occasion, and if I might say so without being rude, rides it to death.

In my opinion a certain amount of regulation is necessary. To me freedom is not licence. To me some regulation is necessary, with the sole object that we may attain that freedom which all men desire. That is how I look at this subject, and I shall leave it at that.

Mr. DEPUTY SPEAKER: Is the house ready for the question?

Mr. JOHN BRACKEN (Leader of the Opposition): I thought perhaps the Minister of Justice (Mr. Ilsley) would be closing the debate. If he is not going to speak I should like to direct a question to him before the motion is put; and before sitting down I should like to outline the position in which the members of this house find themselves because of the unprecedented nature of this bill and the fact that our amendment has been ruled out of order.

The question I wish to direct to the Minister of Justice is this. The measure before us is described as an act to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war. It is popularly known as the omnibus bill. It consists of eight sections, of which I take it the important one is section 2, and it includes a long schedule outlining the names and numbers of some fifty-seven orders in council. Perhaps the minister would say, if not before the vote, then as soon as we go into committee, just what procedure he suggests should be followed in the discussion, most of which I imagine will take place on section 2.

With respect to the measure itself, as I have said it seeks to put into one statute some fifty-seven orders in council which were passed in time of war. The motion now before us is that the bill be given second reading. As hon. members know, an amendment was moved by the hon. member for Eglinton (Mr. Fleming), which amendment was declared by His Honour the Speaker to be out of order, so that we are now dealing with the main motion. In that situation we have no choice but to either vote for all these fifty-seven orders in council or to vote against them all. That is the position in which we on this side of the house object to being placed. We think it is a position in which the members of this house should not have been placed, a position where we have to support all these measures or to oppose them all. As a matter of fact we do not oppose some of them, but we do oppose others. And we oppose certain of the wide powers which, under this legislation, are left with officials. It is clear, therefore that, no matter how members vote, they are likely to be misrepresented with respect to certain sections of the bill.

In order to protest against that procedure and the position in which members are placed by the government including some fifty-seven different subjects in one bill, we moved the amendment to which I have referred and which was ruled out of order. In his decision Mr. Speaker was supported by the members of the government and the C.C.F. party.

I have no doubt this measure will pass, because it is supported by government mem-

bers as well as by some members on this side of the house. Let me repeat; some aspects of the bill we can support; some we must oppose, and some of the wide powers it contains we must also oppose. In the circumstances in which we find ourselves; in view of the fact that the measure will go forward; and since we can support some of it and are opposed to other portions, we in this section of the house will vote against the bill at this stage.

That is all I wish to say at the moment, other than to ask the Minister of Justice to indicate, either now or later, the procedure he intends to follow when the bill reaches the committee stage.

Mr. ILSLEY: Mr. Speaker—

Mr. DEPUTY SPEAKER: If the right hon. Minister of Justice speaks now he will close the debate.

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, the leader of the opposition (Mr. Bracken) has endeavoured to place before the house the position in which the members of his party find themselves with respect to this bill. I should like to say a few words about the position in which we of this group find ourselves. Unlike the leader of the opposition and his followers, it has been our intention right from the start to support the second reading of this bill, and from time to time we have so indicated. However I may say that we support the measure because we would not be satisfied with anything less at this stage in our country, but we are by no means satisfied with the extent to which it goes. In saying that, I have in mind the limitation placed in the bill upon the principle of price control, and also the fact that the bill gives the government power to revoke price control at any time in whole or in part, which is now happening from day to day. I also have in mind the views I have expressed repeatedly with regard to other matters covered in the bill, such as old age pensions. We are by no means satisfied with a bill that simply extends the present $25 for a period of time. We believe that long before this the government should have given us an opportunity to vote on its proposed amendments to the Old Age Pensions Act itself, and boost the pension to some reasonable amount. However though we are not satisfied with the extent to which the bill goes, we state quite clearly that this country could not get along with anything less, could not run the risk of the chaos that would ensue if this bill were not passed, and for that reason we intend to support it.

I want to say further, though, that we do not feel the house has yet had an opportunity to express itself clearly, by means of a vote, on the basic principle that is before us, so far as controls are concerned. There has been a good deal of arguing between hon. members on the government side and those in the official opposition; but in principle there is very little difference between them. Spokesmen for the Progressive Conservative party contend that controls should be brought to an end immediately. The position taken by most speakers on the Liberal side of the house is that controls should be brought to an end, but more slowly, and through what is called a programme of orderly decontrol. The only difference between those two positions is one of timing. Both agree that controls should come to an end, and that we should get back to what is called a free economy.

When we in this group refer sincerely to this talk of getting back to a free economy as a process of returning to what we had in the thirties, we are met with some rude interjections. We are told sometimes that we do not believe it ourselves, and that we are resorting to soap-box oratory, and that sort of thing. But I submit, Mr. Speaker, that that is quite clearly what we are heading for, if we go back to what is called a free economy. To call it free does not make it free.

Freedom is one of the things in which, in principle, members on all sides of the house are united. We all believe in it firmly; we strive for it, and would do anything we could to protect the freedom of our citizens. But it does seem to me there is too little realization in the house of the fact that, if we are going to hold on to our political freedom and to the civil liberties we prize so much, we must move on and achieve a much wider measure of economic freedom—and not just for the few, but for all the people of this country. And that, to use a phrase the hon. member for Lake Centre (Mr. Diefenbaker) so frequently employs, means the rule of law. The contention of those of us in this group is that the rule of law must begin to take effect in the economic sphere. We contend that democracy is control by the people of the things that affect the people. Two or three generations ago economic processes did not greatly affect the individual lives of the people in the country. My grandfather, and his father and grandfather before him, eked out an existence in Shelburne county, Nova Scotia, planting potatoes among the rocks and doing a bit of fishing. Economic processes did not play a large part in their free-

dom. In that day freedom consisted in protection from inroads by the state or the government.

But times have greatly changed. Peoples' lives today, from the cradle to the grave, are affected by the economic processes which surround us. The most immediate evidence of that statement is the effect that the rising cost of living is having on the lives of our people at the present time. And I suggest that if we are to carry out the full meaning of democracy, the people who are elected to represent the interests of about 12,000,000 Canadians must see to it that in the name of the people they have control over the economic processes which affect those 12,000,00 people.

The point at which this is most evident is in the rising cost of living. As members of parliament, members of a democratic representative body, I submit we are negligent in our duty if we sit idly by and let the cost of living sky-rocket, and our people suffer as they will as a consequence.

That is the reason we have been contending, from the time this debate opened, that instead of presenting us with a measure which merely provides for the continuance of controls on a skeleton basis, just long enough to get rid of them, the government should be introducing a system of orderly and democratic controls so as to combat any inflationary tendencies, combat the rising cost of living, and make possible the achieving of greater justice and greater equality among our people.

The very fact that the leader of the opposition has indicated that he and his followers intend to vote against this measure, and that it is known that we intend to vote for it, shows what a confused situation confronts us.

Mr. DIEFENBAKER: You will be consistent in that.

Mr. KNOWLES: The hon. member, coming as he does from Saskatchewan, has perhaps less ground than any other member in the house for talking about cooperation with the government. He knows what is going on back in his own province, where members of his party and the party opposite are certainly climbing into the same bed.

Mr. JACKMAN: The forces of good against evil.

Mr. KNOWLES: I had begun to point out the unreality of the vote now before us. Hon. members to my right want to get rid of controls. The measure before us is one which will have the effect of getting rid of controls in something less than a year. maybe very quickly, but they are going to vote against it.

We in this group want controls. We have before us a measure which will get rid of them, but we are put into the position of having to vote for it, so as to retain some controls for even a little while. That is just how confused and unreal is the issue placed before the house.

Because of this confusion and unreality, from the beginning of the debate we have tried to present at some stage an amendment which would be in order and which would give the house a chance to vote on the real issue. I suggest that the real issue is not as to whether controls should come off today or next week, or even at some time within a year. The real issue is whether or not the parliament and government of this country, in the name of the people, are going to pursue a policy of orderly and democratic controls, in the belief that it is our democratic duty to protect the Canadian people by having something to say in their name about the economic processes which affect their lives.

And so, Mr. Speaker, I rise now to present another amendment. This amendment is one that we have thought out carefully in the light of the experiences that we have had thus far in this debate. I mean, by that, that we have done our best to word it in such a way as to make sure that it will be in order. My hon. friends to my right moved an amendment on April 1, which, I grant, stated the issue as they see it. However, this afternoon that amendment was ruled out of order, in which ruling we of this group concurred. Yesterday the hon. member for Rosetown-Biggar (Mr. Coldwell) moved an amendment to the motion to go into supply, which was ruled out of order on the ground that it anticipated doing things which could be done in committee on Bill No. 104.

We hope that the amendment we now propose to move will avoid that supposed error for it suggests something different that we feel should be done than what is now placed before us. In other words, it will suggest to the house that there should be introduced a system of orderly and democratic controls. I submit that that is quite different from a measure which provides merely for the continuation of certain skeleton powers until such time as they are revoked. Therefore I submit that the amendment which I shall offer in a moment cannot be ruled out of order as was the case with the one proposed yesterday.

Further, on March 20 the hon. member for Rosetown-Biggar moved an amendment to the motion that Your Honour leave the chair for the house to resolve itself into committee of the whole to consider the resolution that preceded this bill. Your Honour ruled that

amendment out of order, not on the basis of its substance, but on the ground that no amendment could be moved at that stage. Your Honour quoted the citation of Beauchesne which had to do with referring matters to a committee, and Your Honour took the position that that particular citation covered that amendment. This is a different stage, and that citation does not now apply.

The amendment which I am about to propose is in exactly the same form as others which have been moved during this session and which have been allowed by Your Honour and voted upon.

Mr. SPEAKER: If the hon. member will permit me to interrupt, he is trying to explain to the house why his amendment is in order, but neither the Speaker nor hon. members know what his amendment is.

Mr. KNOWLES: All right; I shall read the amendment and then afterwards indicate the references in *Hansard* and the citations in Beauchesne which I think provide a basis for the propriety of the amendment. I move, seconded by the hon. member for Yorkton (Mr. Castleden):

> That this bill be not now read a second time but that it be resolved that in the opinion of this house the headlong decontrol policy of the government has depressed the standard of living of the people, threatens the country with economic chaos, and is surrendering the future of Canada to profiteering and monopoly;
>
> And be it further resolved that in the opinion of this house the government should give immediate consideration to the introduction of a system of orderly and democratic controls and the restoration of lower prices for the necessities of life, particularly articles of food and clothing, soap and shortening, shelter, household appliances, and supplies and machinery needed in agriculture, in order to eliminate the injustices which now exist and to arrest the rapidly rising cost of living.

In drafting this amendment, we took into consideration citation 657 to be found on page 228 of Beauchesne, third edition, which says in part:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction, or prosecution . . .

And so on.

Then on page 337 of Beauchesne, third edition, will be found form No. 93, which gives the form for an amendment to the motion for the second reading of a bill. As I was about to indicate a few moments ago when Your Honour asked me to read my amendment, there have been two amendments in exactly this form moved this session. One was moved on February 21 and is recorded on page 697 of *Hansard*. That was an amendment which I made to the motion for the second reading of the redistribution bill; it asked that the bill be not given second reading at that time but that the house resolve a certain proposition. The other occasion was on March 31, as recorded on page 1910 of *Hansard*, when the hon. member for Mackenzie (Mr. Nicholson) moved an amendment to the second reading of the bill providing for the appointment of auditors for the Canadian National Railways. Again the amendment proposed that the bill be not then read a second time but that the house by resolution declare an alternative principle.

I have taken this much time to deal with the technical points in order to make clear how perfectly in order this kind of amendment is. As I indicated earlier, this kind of amendment has been moved twice this session, has been accepted by Your Honour and voted upon by this house. I submit that that is what this house wants, namely, an amendment which states the issue clearly so that we can vote upon it and let the country know where we stand. This amendment does not simply make decontrol a matter of time, which is the issue between the government and the opposition; it calls for a definite policy of orderly and democratic control; it calls for a permanent policy looking toward the exercise by parliament of its democratic responsibility to have something to say about the economic conditions that affect the lives of our people.

I submit that a great deal more is at stake than just the cost of living, important as that is at the present time. Involved in this whole question is the future of democracy itself. Democracy cannot go backward; it cannot stand still. It must move forward. Democracy involves freedom and the control by the people of the country, through their elected representatives, of the things that affect them all. If we are to maintain our political freedom and civil liberties we must move on to economic freedom and economic democracy, and if the house passes this motion it will be taking a step in that very necessary direction.

Mr. MACKENZIE: If I may ask my hon. friend a question, are he and his party in support of this bill or against it?

Mr. KNOWLES: Mr. Speaker, I do not know whether my hon. friend was in when I started.

Mr. MACKENZIE: I was here all the time.

Mr. KNOWLES: I made it clear at the outset that we are supporting this measure on the ground that Canada could not at the present time have anything less than is contained in it, and could not run the risk of the economic chaos that would ensue if the will of my hon. friends to my right prevailed and the measure were thrown out. But the point we are making is that it contains far too little. We are supporting it but we demand a great deal more for the Canadian people.

Mr. MACKENZIE: And you are trying to kill it at the same time.

Mr. SPEAKER: I must say to the house that I will study the amendment and give a ruling on whether it is in order or not after the dinner recess.

Mr. J. H. MATTHEWS (Kootenay East): Mr. Speaker, if I did not rise to express my views on this measure I should feel that I were remiss in my duty and negligent of the welfare of the constituents whom I have the honour to represent.

During the years of the war the government took to itself pride and credit for the initiation of a policy of subsidies and price control, and speeches which have been made in this house quite recently indicate quite clearly that, as a result of this policy, great savings have accrued to the Canadian people. When we compare the results of price control in Canada and the United States we feel that we have great cause for pride, and I for one like to give credit where credit is due, whether it be to this government or to any other. If price control has been good for the Canadian people—and again I say that it has been shown that controls have been good—then why this unseemly haste to abolish them? I know, as every member of the house knows, that great pressure has been brought to bear on the government to remove price controls, but I am very sure that that pressure has not come from the housewives and the families of Canada. They are viewing with alarm the threat to their well-being which is contained in the rising cost of living. Personally I cannot understand the attitude of the government in thus yielding weakly to the pressure of big business to remove controls in the face of the rising resentment on the part of the electorate. It would seem to me, Mr. Speaker, that the time is fast approaching when the government should have its ear to the ground so as to know and understand the temper and attitude of the people preparatory to a general election, but on the contrary the government seems to be riding high and very handsome disregarding entirely the resentment and the expressed wishes of the people. The people today expect of a government that held prices steady during the war that it will hold prices steady during this recurring time of peace.

During the war I heard the Prime Minister (Mr. Mackenzie King), speaking over the radio, make a statement to this effect, that the people of Canada now have more money than they ever had before, presumably because of the high wages received from war work. Personally I think the Prime Minister's statement was unwise, because there were at that time many thousands of Canadian people whose wages had not been increased because of war work and who certainly had no more money in their pockets at that time than they had before. Necessary spending in many families was restricted during the war time by compulsory savings and, by the way, the people today are very anxious to connect again with those compulsory savings which were withheld from them.

But my deepest concern today is for the people in the low income brackets, the men and the women who are feeling very keenly indeed the rising cost of living—the old age pensioners, our sick and infirm people, our unemployed, for we do have them. It may interest hon. members to know that the provincial government of British Columbia has dismissed, in the city of Fernie, which I represent, all its employees over the age of sixty-five. No provision whatsoever is being made for the way in which these people shall live. They are not eligible at the present time for the old age pension, and they are finding that the cost of living is soaring day by day and hurting them considerably. I wonder if this government expects that these dismissed employees will vote at a coming election for the Liberal party, for a party that has failed to hold prices at a time when they need to be held very strictly indeed.

Mr. MARTIN: No other country in the world did as well as Canada in holding prices.

Mr. MATTHEWS (Kootenay East): I am not concerned with what other countries are doing but I am concerned with what Canada is doing. We have prided ourselves—I have taken pride in it and have supported the government for it in my speeches—on what the government did during the war in holding prices. My concern today is why the government has weakly yielded to the high pressure coming from the Canadian Manufacturers' Association and such like bodies to remove price controls.

Only yesterday the member for Vancouver-Burrard (Mr. Merritt), speaking in the debate, used the word "demand". He was demanding that the government set a date in the very near future for the Halifax by-election. I am not much concerned in demanding that the government should do that, but others can use the word "demand" as well as the hon. member for Vancouver-Burrard, and today I demand that the government be very watchful indeed. It is all very well for the papers to say that the government warns business against too rapid increases in the prices of goods. That may sound all right in the press, but let the people sit in this house and see the actions of the government, how they pay lip service to controls and then get rid of them as rapidly as they can, regardless of consequences. My demand is that the government shall watch more carefully the rising cost of living and reestablish controls where necessary before irreparable harm is done to the Canadian economy. Then, when these things have been done, the government can look with a degree of certainty to receiving the support and the votes of the people of the country, but not on the basis of the policies they are following at the present time.

Mr. G. H. CASTLEDEN (Yorkton): I think what the Canadian people will have to face up to in the near future is the fact that, under the modern organization of industrial economy such as we have in Canada today, price controls are an absolute necessity. It sometimes surprises me to hear Social Credit members voice their opposition to any kind of control boards or price control. The very foundation on which their party was built in the early days was a fair price established by boards which would estimate and determine what that fair price was.

Mr. QUELCH: We have never taken a stand against any form of price control.

Mr. CASTLEDEN: But if there must be price control how is it to be established except by means of boards?

Mr. QUELCH: Agriculture has always taken that stand.

Mr. CASTLEDEN: If you have to have price control you must recognize that, if you have it in agriculture, you must have it in other fields for exactly the same reason. The price that will be paid by Canada for relinquishing these controls is one that we might do well to consider. I would ask the house to think over the position in which the wage-earner finds himself at the present time. He is squeezed between two pressures. When he goes to sell his labour he finds his wages set, and that fixes his income. With his set wages and income he is compelled to purchase the necessities of life, and he cannot possibly make both ends meet.

What does he do? As prices go up he has to go without commodities he needs. His children have to go without the milk that is necessary for their health. He faces the necessity of using up his savings. That leads to the mortgaging of his home and ultimately to the position where the wage-earner simply cannot carry on any longer. It lowers his standard of living and leaves his family in the position where he cannot provide for them. It makes it impossible for him to provide for his old age. The position of the pensioner becomes a tragic one. The cost of living goes up, but his pension stays where it is and there is only one end for him. He is the hopeless victim and he is unable to do anything about the matter.

We are not ending controls in Canada by such legislation as this. We are turning the control over to organizations in this country who control commodities and set prices according to what the traffic will bear. The people who have those commodities can make them scarce, and as they become scarcer the market demand will go up and the price keeps on climbing. It is not an economy in which they will supply a large quantity of goods and then see that the people can buy them. The commodity is kept scarce and those who have commodities make large profits on a small turnover.

I would ask the house to consider the position of the farmer. He says to me: Will you kindly tell me what is wrong with our economy, or rather what is right about an economy in which a situation like this exists? I have to go to town to buy the commodities which are necessary if I am to produce. I am then the purchaser. I go to the implement agent. I am the buyer and he is the seller, because he has the goods. I say to him, "How much is this?" And he tells me the price because he has the commodity. That is, he has the control. When he sets the price I have to pay it or go without. Now if that kind of thing works, if that is the way it works, I am willing to abide by it. So I take these commodities home and spend my summer working; my wife and family work at the same time. and we all do this for a certain period. After slaving away, I bring my commodities in to sell them. Now I have the goods to sell. I am the one who is selling and he is the one who is buying. But I find that the whole situation has changed. I have to go to him and say, "Please, mister, how much will you pay me for my goods?" There is

something wrong with an economy which tells me what price I shall pay for the goods I want to buy, while the same economy tells me what prices others will pay me for the commodities I have to sell."

Consequently the farmer is squeezed, as I have said, between two pressures. The economy tells him what others will pay him for the goods he has to sell, while it tells him at the same time what prices he will have to pay for the things he has to buy. The result is that he is soon squeezed out. There will have to be some control if we are to prevent complete chaos.

The farmer saw that in the days prior to the war. Now he sees prices set on farm commodities. He has accepted a set price for farm commodities. He believes it is a good thing. I think the majority of the farmers of the country have supported the wheat agreement with the United Kingdom, because it gives a guarantee of an initial price of $1.35 for a period of years. The farmer has forgone the present world price. He says that is better than the fluctuations we have had. At any rate he knows he is going to get that, and that has been set. But, may I point out, all the advantages that may accrue from that, can be wiped out overnight if there is no control over the prices of the commodities he has to buy. If you turn the implement companies and the monopolies loose and let them put up prices as they wish; if you take the ceilings off gasoline, distillates, binder twine, clothing, sugar, the things he has to buy, then this set price that he has agreed to will mean absolutely nothing to him.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

BRITISH COLUMBIA TELEPHONE COMPANY—INCREASE OF AUTHORIZED CAPITAL

Mr. THOMAS REID (New Westminster) moved the second reading of Bill No. 59, respecting British Columbia Telephone Company.

He said: Mr. Speaker, at this stage on second reading and before the bill is forwarded to the committee on railways and telegraph lines, there are a few remarks I should like to make. Briefly, the purpose of this bill is to obtain parliamentary authority for an increase of capital from $11,000,000 to $25,000,000. The increased capital asked for is necessary for capital expenditures required by the company, to provide facilities adequate for the telephone requirements in British Columbia, and for the purpose of the company carrying out its post-war programme of service expansion and modernization of facilities. Perhaps the purpose of the increased capitalization can be summed up briefly in this way. It is required for extensive additions to replace obsolete equipment for present and future demands and to take care of the large building programme. The increased capitalization from $11,000,000 to $25,000,000 is estimated to be required for the next five years' expenditures.

Perhaps a word or two regarding the development that has taken place in the province and the need for this increased capital might also be appropriate at this time. The 1941 census gave the population as 817,861. According to the ration books issued—and this was only a short time ago—the population of British Columbia is now 1,019,745. I doubt if there is any other part of the country which has increased its population so greatly in such a short space of time. The building permits issued last year totalled $42,717,250 in value. I should like to say just a word or two regarding industrial expansion and give some figures showing a comparison of production in the year before the war with that in 1946:

Production in British Columbia

	1938	1946
Lumber	$67,122,000	$150,000,000
Agriculture	47,782,000	112,000,000
Mining	64,486,000	70,250,000
Fishing	18,673,000	41,500,000

These figures show the rapid growth and expansion of industry and also, as I mentioned a moment ago, the great growth that has taken place in the population of British Columbia. The telephone company have estimated from their books and from the actual records that they have on hand at least twenty thousand applications for telephones. I do not know of any part of Canada which has such an expanding and increasing population and which has greater need for telephones than the districts of British Columbia. I know in the district in which I live—and I am only some eight miles from the city of New Westminster—there is one telephone line, and if you wish to get on it in a hurry, it is just too bad because there happen to be twenty-six parties on the one line. That is just a sample of the inadequacy of the telephone facilities throughout British Columbia; and I think one could find districts where requirements are equally as great as they are in the district I have mentioned.

May I say, Mr. Speaker, that the union of British Columbia municipalities which, in its

membership, comprises all the cities and municipalities of British Columbia, has been notified as to the intentions of the company to ask for the increased capitalization from $11,000,000 to $25,000,000 and it has raised no objection whatsoever. Then the city of Vancouver which, as everyone from British Columbia knows, has almost fifty per cent of the population of the province, if one considers the Greater Vancouver area, was notified by letter —and I think it might be advisable to place it on the record—regarding the application of the company. The letter is from the clerk and it reads as follows:

Application of B.C. Telephone Company to increase its capital stock

Dear Sir:

I wish to notify you of the following recommendation of the harbours, utilities and airport committee, dated February 10, 1947, which was adopted by council on February 17, 1947:

"Recommended that the following report, dated February 3, 1947, from the special committee comprising the chairman (Ald. Thompson), Aldermen Miller and Gervin and the corporation counsel, with regard to the subject matter, be approved and the company be so notified:

The application of this company to increase its capital stock from $11,000,000 to $25,000,000 and to effect the repeal of subsection (3) of section 6 of its Incorporation Act, was referred by council on the 27th ultimo to the undersigned as a special committee with instructions to report to your committee at its next meeting.

We have had an interview with Mr. Gordon Farrell, president, Mr. C. B. Diplock, general manager, and Brigadier Sherwood Lett, counsel for the company.

We are impressed with the fact that the company requires fresh capital in substantial amounts to meet the backlog of deferred instalments during the war as well as the normal expansion of its business. Under its charter the company even if authority of parliament is given to increase its capitalization, cannot make any issue, sale or other disposition of the new capital without first obtaining the approval of the Board of Transport Commissioners for Canada. No question of rates is directly involved in such increased capitalization because rates are specifically under the control of the board of transport commissioners and the company agrees to give to the city notice of any application for a change in rates that might affect its subscribers in Vancouver.

We have also considered the company's application to repeal subsection (3) of section 6 added to the company's charter in 1941. Having regard to modern principles of rate making, we think the section is of little importance either to the city or to the company. As, however, it was apparently added to the act with the intention of serving as a measure of protection to the company's subscribers, we make no recommendation on the application with respect to it.

Our recommendation is that the company be notified that the city has no objection to the amendment by which it seeks to increase its authorized capital from $11,000,000 to $25,000,000, subject always to the approval of the Board of Transport Commissioners for Canada to the issue, sale or other disposition of such stock or any part thereof."

I think that is all I need say at this time. I am asking the house to be good enough to give this bill second reading and let it go to the committee on railways and canals.

Motion agreed to and bill read the second time.

CONFERENCE OF MENNONITES IN CANADA

Mr. W. A. TUCKER (Rosthern) moved the second reading of Bill No. 72, to incorporate Conference of Mennonites in Canada.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

SECOND READINGS

Bill No. 109, for the relief of Lillian May Alsop Mackenzie.—Mr. Maybank.

Bill No. 110, for the relief of Robert Crawford Kirk.—Mr. Maybank.

Bill No. 111, for the relief of Robert Thomas Jackson.—Mr. Maybank.

Bill No. 112, for the relief of Ernest Wright. —Mr. Maybank.

Bill No. 113, for the relief of Theresa Sherpitis Morganti.—Mr. Maybank.

Bill No. 114, for the relief of Omer Montpetit, junior.—Mr. Maybank.

Bill No. 115, for the relief of Harold Robinson.—Mr. Maybank.

Bill No. 116, for the relief of Margaret Cote Traux.—Mr. Maybank.

Bill No. 117, for the relief of Netta Cheyne Lee.—Mr. Maybank.

Bill No. 118, for the relief of Bessie Letovsky Silverman.—Mr. Maybank.

Bill No. 119, for the relief of Percy Coleman Stuart.—Mr. Maybank.

Bill No. 120, for the relief of Pearl Vesta Fields Hollenbeck.—Mr. Maybank.

Bill No. 121, for the relief of Adele Kuznetz Lesser.—Mr. Maybank.

Bill No. 122, for the relief of Joseph Alexander Oswald Mercier.—Mr. Maybank.

Bill No. 123, for the relief of Michael Maturjiw, otherwise known as Michal Matwijow.—Mr. Maybank.

Bill No. 124, for the relief of Eugenie Beatrice Smith Ricketts.—Mr. Maybank.

Bill No. 125, for the relief of Hilda Mary Charlotte Kelly Smith.—Mr. Maybank.

Bill No. 126, for the relief of Eileen Louise Thomas Bleakney.—Mr. Maybank.

Bill No. 127, for the relief of Eugenia Drake Armstrong Newell.—Mr. Boucher.

Bill No. 128, for the relief of Muriel Aileen MacKeage Fewtrell.—Mr. Maybank.

Bill No. 129, for the relief of Evelyn Marie Elliott McGrath.—Mr. Maybank.

Bill No. 130, for the relief of Mary Nellie McGurk Stone.—Mr. Maybank.

Bill No. 131, for the relief of Cipoire Segall Wurmbrand.—Mr. Maybank.

Bill No. 135, for the relief of Violet Olive Magdalene Allchin Clark.—Mr. Maybank.

Bill No. 136, for the relief of Victor Reid Murray.—Mr. Maybank.

Bill No. 137, for the relief of Agnes Jane Irwin Everitt Dixon.—Mr. Maybank.

Bill No. 138, for the relief of Peter Samuel Rosen.—Mr. Maybank.

Bill No. 139, for the relief of Rose Waselevsky Balakirsky.—Mr. Maybank.

Bill No. 140, for the relief of Sophie Wener Finestone.—Mr. Maybank.

Bill No. 141, for the relief of Norma Mary Sharp Chapman.—Mr. Maybank.

Bill No. 142, for the relief of Douglas Wilson Bradshaw.—Mr. Maybank.

Bill No. 143, for the relief of Muriel Amelia Dufty Rochet.—Mr. Maybank.

Bill No. 144, for the relief of Ethel Ornstein Pfeffer.—Mr. Maybank.

Bill No. 145, for the relief of Hilda Katz Delnick.—Mr. Maybank.

Bill No. 146, for the relief of Emilienne Grinsell Daoust.—Mr. Maybank.

Bill No. 147, for the relief of Alice Hamilton Peck Stevenson.—Mr. Maybank.

Bill No. 148, for the relief of Doris Victoria Bellisle Page.—Mr. Maybank.

Bill No. 149, for the relief of Sydney Beaver.—Mr. Maybank.

Bill No. 150, for the relief of Gladys Kathleen Wilkins Todd.—Mr. Maybank.

Bill No. 151, for the relief of Norma Elizabeth Jane Murray Hanko.—Mr. Maybank.

Bill No. 152, for the relief of Bernadette Mayford Roy.—Mr. Maybank.

Bill No. 153, for the relief of Ellen Irene Gertrude Preston Hastie.—Mr. Maybank.

Mr. DORION: On division.

DOMINION ELECTIONS ACT

INMATES OF INSTITUTIONS FOR THE POOR

Mr. ROBERT FAIR (Battle River) moved the second reading of Bill No. 3, to amend the Dominion Elections Act, 1938.

He said: I am glad to have on opportunity tonight to bring up a matter of injustice to our old age pensioners and others who, through circumstances entirely beyond their control, are compelled to seek shelter in institutions maintained by provincial or municipal authorities of certain provinces. When I first brought this matter to the attention of the house I was compelled to name four provinces which treated their poor people in this way. Tonight I am glad to be able to say one of those provinces has removed that disqualification from its statute books. The section to which I take objection is paragraph (k) of section 14 of the Dominion Elections Act, which provides that certain persons are disqualified from voting at an election and are incapable of being registered as electors. Among those disqualified are:

(k) in any province, every person who is an inmate of an institution which is maintained by any government or municipality for the housing and maintenance of the poor. . .

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member, but I should not have called his bill. I understand that the Dominion Elections Act, 1938, which the hon. gentleman is discussing, has been referred to a committee of this house, so that the hon. gentleman is discussing a matter which is actually before a committee.

Mr. FAIR: I have brought up this matter on two different occasions. Last year the then Secretary of State asked me to let the bill stand, because no committee was being set up to deal with it, and I did so on the understanding that I might discuss it on another occasion.

Mr. SPEAKER: I am sorry again to interrupt the hon. gentleman, but I would not have called the bill if I had remembered that a committee had been set up to study this act. Just as the hon. gentleman started to discuss the matter, I realized that it had been referred to a committee, and it is a well known rule that we should not in the house discuss a matter which is before a committee.

Mr. FAIR: I am a member of that committee, and I shall discuss it when the committee meets.

Mr. SPEAKER: Order. The hon. gentleman knows the rulings of the Speaker may not be discussed. The motion stands.

CRIMINAL CODE

ORGANIZATIONS ADVOCATING OVERTHROW OF CONSTITUTED AUTHORITY

Mr. WILFRID LaCROIX (Quebec-Montmorency) moved the second reading of Bill No. 133, to amend the Criminal Code (illegal organizations).

He said: The bill I am submitting this evening for the approval of this house, the object of which is the suppression of any

kind of communistic party in Canada, is self-explanatory and should not require very much debate in order to justify it. As all hon. members know, Mr. Igor Gouzenko recently exposed the Soviet spy rings in Canada. To the following question, "What attitude should Canada adopt towards the Canadian communist party?" Mr. Gouzenko replied:

The communist party in Canada is not just a political party like other major political parties in this country. It is an agency of the Soviet Union, which aims to overthrow our system of government. Canadians must never lose sight of that fact.

The free existence of the communist party here astounds, more than anything else, every soviet person who arrives in a democratic country from the Soviet Union. They know perfectly well whose interests that party is serving. Taught from their experience in the Soviet Union, where the democratic elements were mercilessly destroyed long ago, and where only the communist party has the right to exist, these soviet people expect to see the same picture in the democratic countries. They expect to see the communist party banned, and the leaders of that party in jails, or liquidated.

Their surprise is, therefore, equally great when they see that the communist party functions openly and propagates anti-democratic ideas, the while it takes advantage of a constitution which ensures its right to print and issue its newspapers, to broadcast on the radio, to hold meetings, and all this with the aim of overthrowing the same constitution which gives it this right.

Allow me to say, Mr. Speaker, that I was bewildered to find that in one constituency alone, six thousand Canadians have, during a recent by-election, clearly shown their adherence to the communist party. According to Mr. Gouzenko, the most important factor of the communistic programme is absolute allegiance to Moscow.

I would request that hon. members adopt the second reading of the bill, since it involves its principle. This bill has been in the hands of members of the house since before the Easter recess, and they should by now have found the time to read it in its entirety. Should hon. members wish to suggest amendments, they will be afforded the opportunity to do so in committee when the sections of the bill will be examined in detail.

For instance, section 1 stipulates the following:

The communist party of Canada, the Labour Progressive party of Canada and any association, society, group or organization having similar aims or purposes are declared to be, and shall be deemed to be illegal organizations: Provided that no association, society, group or organization, except the communist party of Canada, and the Labour Progressive party shall be deemed to be an illegal organization unless the governor in council has, by notice published in the *Canada Gazette* declared the said association, society, group or organization to be an illegal association within the meaning of this section.

The reason behind this wording is that no one is in a better position than the government, with the assistance of the Royal Canadian Mounted Police, to have the necessary information which would allow it to make a decision in the matter.

However, should certain members of the house ascribe to this section powers which are too arbitrary to be placed in the hands of a government, nothing should prevent an amendment from being tabled in committee, which would force the government to submit this information, documentation and evidence to the Supreme Court of Canada, which would decide without appeal.

Since no amendment may be made on second reading, it is vital that the principle itself be decided upon by allowing the bill to be passed on second reading. I therefore count on the good will of the members of this house in this matter.

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, I had not anticipated that the bill would be reached tonight, and I should be very much obliged if the hon. member would agree to let it stand. I should like to read in *Hansard* the remarks he has just made to the house, and on another occasion state the attitude of myself or of the government, as the case may be. I therefore beg to move the adjournment of the debate.

Mr. LaCROIX: Following the remarks of the minister, I have no objection to letting the motion for second reading stand.

On motion of Mr. Ilsley the debate was adjourned.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed consideration of the motion of Mr. Ilsley for the second reading of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war, and the amendment thereto of Mr. Knowles.

Mr. SPEAKER: I should like to give a ruling on the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles), which reads as follows:

That this bill be not now read a second time but that it be resolved that in the opinion of this house the headlong decontrol policy of the government has depressed the standard of living

of the people, threatens the country with economic chaos, and is surrendering the future of Canada to profiteering and monopoly;

And be it further resolved that in the opinion of this house the government should give immediate consideration to the introduction of a system of orderly and democratic controls and the restoration of lower prices for the necessities of life, particularly articles of food and clothing, soap and shortening, shelter, household appliances, and supplies and machinery needed in agriculture, in order to eliminate the injustices which now exist and to arrest the rapidly rising cost of living.

I wish to call the attention of the hon. member to citation 357 at page 139 of Beauchesne, third edition, which reads as follows:

Mr. Speaker Sproule on the 13th February, 1913, decided that a proposed amendment which was substantially the same motion as the member had moved on the address in reply to the speech from the throne, was not in order because "a motion must not raise a question substantially identical with one on which the house has given a decision in the same session."

I would also direct attention to the ruling given by the Hon. George Black, Speaker, on March 14, 1934, which is found at page 714 of the same edition, in these words:

A motion dealing with a question moved and rejected as an amendment to the address in reply to the speech from the throne is out of order.

The hon. member will recall that on March 7, during this session, the hon. member for Rosetown-Biggar (Mr. Coldwell) moved the following amendment:

We respectfully submit, however, that in the opinion of this house Your Excellency's advisers have shown a readiness to return to the policies of uncontrolled and unplanned private enterprise which resulted in the depression and unemployment in prewar years . . .

The first part of the amendment moved by the hon. member for Winnipeg North Centre being substantially the same as the amendment moved by the hon. member for Rosetown-Biggar, I have no hesitation in saying that the amendment is out of order. As far as the second part of the amendment moved by the hon. member is concerned, I would call his attention to May, 13th edition, page 391, where he will find the following:

Nor may such an amendment deal with the provisions of the bill upon which it is moved, nor anticipate amendments thereto which may be moved in committee . . .

I therefore rule the amendment out of order.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, I am sorry to hear your ruling with regard to this amendment, but we are going to abide by your decision without challenging it at this time.

Before the dinner recess, in dealing with the principle of this bill I was discussing the various effects of price control and trying to point out to the house that the time has come when in an economy such as we have in Canada it is essential to protect the people against the ravages of monopolistic enterprises and to have some democratic control that will say to these people, "This is a fair price, this is a just price, this is the price to which you are entitled and over and above that there is not to be exploitation; we intend to stop it."

I was pointing out that by the removal of controls over prices by a government body we are not thereby removing controls. The controls are still there. Prices will then be dictated by the people who control the commodities. One monopolistic organization or another has the supplies completely within its hands and it says to those who come to buy them, "You pay this price or you go without." It seems to me that in days such as these, with industry organized as it is in this country today, this country or any other country similarly organized cannot be without some measure of price control to protect its people.

I ask the house to consider the position of the working man, the position of the farmer and the position of the pensioner who are squeezed between the cost of living and the wages that they earn. The farmer is squeezed between the cost of the things he must buy in order to produce and the prices which he receives for the commodities he sells. He finds that the prices of these things are dictated to him. We have little right to say that there is no dictatorship in Canada. Prices are dictated to him when he goes to buy the commodities he needs and when he goes to sell his products he is told the price he will get.

I think we are coming to the dividing of the ways. Are we to remove all control by the government and let private and monopolistic enterprise go unbridled, allow prices to go higher and higher with no redress, no board to appeal to, with reduced production, lower living standards, unemployment; back again to the old routine that we have gone through for the past forty years, depression, war, a period of prosperity, depression again and then war coming on as the only release? We have a continuous procession in which the common man finds himself hopeless and helpless to fight against the tide of those who control.

The common man, the farmer in particular, finds that in order to fight he must organize himself into groups. The cooperative movement is nothing more or less than a sign of

the times on the part of the common people, an effort to protect themselves against the ravages of monopolistic enterprises. They must have some control over the commodities which they are selling in order that they may have some say as to the prices at which those commodities shall be sold. The organization of a trade union is nothing more than a group of people getting together to say, "The wages we are receiving are too low in order to pay rising costs of living; we have nothing to sell but the sweat of our brow, and therefore we must have some say as to what we are going to sell our commodity for."

I noticed that as soon as the government released these controls it turned around and pleaded with big business to be careful and to be sensible. I would point out the fact that a similar appeal was made by the President of the United States and I would refer hon. members to what happened in the United States after the removal last year of controls under the OPA. The financial editor of the *Globe and Mail* on April 12 lists the United States weekly commodity prices. Taking 1926 as 100, he shows that in August, 1939, the index was 63·7; in March, 1946, it was 114·7; on January 3 of this year, 150·2; on March of this year, 166. Those are the index levels as compared with 1926. What is to be the outcome? How far is this to continue? The President is certainly disappointed in the effects of the removal of price controls.

If there is no check on the operations of competition evening things up, but where is these enterprises, what will they do? They will have complete control. We talk about your competition? Monopolistic enterprise does not recognize competition. What it says is this: "We will cut the throat of any small competitor, but we will cooperate with the big boys who compete in the same field." If the Minister of Finance (Mr. Abbott) wants to start taxing cooperators he should start at the top and tax those who are really cooperating in the way of fixing prices.

We all know the hue and cry that is raised as soon as anybody says anything about controlling the prices which big business wants to charge. Many people seem to consider organizations such as International Nickel as being the real essence of democracy; but as soon as any cooperative enterprise, like our great wheat pools in western Canada, get started they are charged with being communistic and socialistic. Some people seem to think that is communism. They consider the operations of a monopoly to exploit the people as they wish as being real democracy. As soon as any one challenges their right to exploit the people there is the cry that we are establishing a dictatorship; that this is socialism. They are ready to tie it up with communism, Russian spies and espionage. They want to start a holy crusade to save our families and homes.

When the common man organizes into a cooperative organization in an endeavour to fight against the forces which he finds are turned loose in this land and when such an organization endorses the maintenance of price control it is contended that they are setting up a dictatorship. What we are fighting is a form of dictatorship which is abroad in this country and which at times makes it impossible for a man to make a living. It is impossible for the common people to establish the kind of homes they should have if we are to make this Canada of ours a great country.

The whole set-up has failed, and failed dismally. Actually the control exercised by monopoly in this country is one of the worst forms of exploitation I can think of. Jesse James was a piker compared with these fellows. He went out with a gun and a blind over his eyes to rob people, but today it is legalized. These fellows go around with the law on their side and with lawyers and the sheriff to protect them.

Mr. FERGUSON: If the hon. member will permit a question, would he prefer to live in this awful country of Canada or in either of the two countries where controls existed prior to the war, in Italy or Germany?

Mr. CASTLEDEN: Of course I would prefer to live in a country where there is democracy and democratic control. I would not want to live under any kind of dictatorship. Here, Mr. Speaker, is a repetition of the cry to which I was referring a few moments ago. But I say that Canada is not yet half the country she might be. Here we are located on the northern half of the North American continent, a country of great natural resources but with only 12,000,000 people where we might well have 20,000,000. Our population drifted across the United States border, and a million of our people were on relief. We are heading into unemployment again. It is to prevent just such a thing that we require controls. Those controls have to be exercised by a democratic government. In a resolution which the Progressive Conservative party introduced on April 1 they declared they were unalterably opposed to the enactment of any measure which would give sweeping powers to boards outside the control of parliament. Of course we would not want powers to be given to boards that are outside the control of

parliament. The government in operating the wartime prices and trade board operates it under a department of this government. The board exercises control over prices and the minister is responsible to parliament for the actions of the board. He can be questioned in the house and called upon by the democratic representatives duly elected by the Canadian people to answer for the policies which the board is carrying out. That is responsible, democratic control. No one believes that we should give powers to boards that are not answerable to anyone. Large corporations have to answer to no one today, but parliament can and does exercise democratic control over boards set up by parliament. Such parliamentary control is the essence of democracy. To assume that because you support a board that is under democratic control by parliament you are in favour of establishing a dictatorship is utter nonsense.

The Canadian people require a shield to protect the masses of our people against the ravages of unbridled private enterprise. It is because of the failure of the system that controls have become necessary. I believe it is an established fact that the development of industry in the direction it has taken necessitates this very thing, and I doubt that any government could continue long in Canada without such controls. When you relax these controls and give free rein to private enterprise you are quickening the downward march of the Canadian people into unemployment, to lower standards of living, higher costs, lack of production, lack of ability to maintain a proper income level to enable the Canadian people to meet the costs of government and the costs of the war. The costs of the war to the Canadian people have not yet been met. The national debt of this country has mounted to over $15 billion, which means that we must maintain a high income level for the masses of the Canadian people, not just those at the top, but the great masses of our people. It means that we must establish an economy under which the masses of our people may have decent homes where they will be free from fear and free from want.

Surveys made recently show that in Canada, the United States, Great Britain and even Sweden the population is not being maintained because people will not raise children to live in poverty and in want. Fathers and mothers will not be responsible for bringing children into a world where they will suffer from want, poverty, hunger, and the fear of war. In Canada we are not maintaining our natural increase in population. Already there are signs of a declining birthrate. To counteract that, we must see that conditions are established where people will not live within the shadow of unemployment but will have some measure of security and a decent standard of living.

We are deciding today what Canada of the future shall be, and I take a chance on prophesying that if controls are completely lifted Canada will be headed into another period of unemployment. Already there are signs of it in the eastern maritime provinces. We find higher costs and a lower standard of living, unemployment, and a demand from the people for redress and that parliament shall exercise some measure of control to protect them from the ravages of monopolistic enterprise. It is those who sit in responsible positions on the benches in this house who will be held responsible by the people if these controls are let go, and the people will repudiate those who say of private enterprise: Leave it free to go all the way and the situation will correct itself. For the sake of the Canada of the future, and of the near future, I plead with the members of this house to think seriously of the consequences of removing controls completely. Think of what kind of Canada we would have under those circumstances! The question before us is more than simply a matter of political necessity at the present time, of giving what people here and there may be clamouring for or what the press may be demanding. The press is finding that it has made its mistakes. Let us learn from the mistakes that have been made by our great neighbour to the south and lay the foundations now for a Canada which can be truly great.

Mr. GORDON B. ISNOR (Halifax): Mr. Speaker, yesterday afternoon I had a friend sitting in the gallery while the hon. member for Rosetown-Biggar (Mr. Coldwell) was speaking, and during the dinner recess my friend said to me, "What a fine speech the leader of the C.C.F. party made." I agree with him. The hon. member spoke of controls and decontrols and discussed the merits and demerits of the bill, indicating why he felt that controls should continue. I was in accord with many of the thoughts he expressed. But today that very fine presentation by the hon. member for Rosetown-Biggar was completely changed by members of his group, and particularly by the hon. member for Yorkton (Mr. Castleden), who spoke in the manner in which he did. As usual the hon. gentleman dragged into the discussion something foreign to the principle of the bill, and once again he spoke on a subject in regard to which I think

he showed to all members his lack of experience, as he has so often done on previous occasions.

I do not wish to refer to the terms he used with reference to free enterprise. I speak this evening as one of those who stand for free enterprise. I am one of those 137,331 retailers doing business in Canada, employing some 300,000 persons whose wages represent $289,379,500 a year.

Mr. CASTLEDEN: You are not the monopoly to which I was referring.

Mr. ISNOR: Thank you. There are always exceptions in all classes, and I made reference a moment ago to the definite difference between the types of representative we find in the C.C.F. group, one very kindly and experienced man who presents his views temperately to the house, while the other, in extravagant language, condemns and creates distrust and fear in the mind of the average person. He does not help the situation in Canada with such speeches as he has just made.

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

Mr. ISNOR: I am pleased to permit a question. The hon. member always interrupts me.

Mr. CASTLEDEN: I assure the hon. member it is only in a kindly way. Will he point to any particular instance in which I differed from my leader?

Mr. ISNOR: The hon. member is so far different from his leader that I would not attempt to span the vast space between them.

Mr. CASTLEDEN: Are there any instances in which I differed from him?

Mr. ISNOR: Dealing with the observations of the hon. member for Yorkton, who has just interrupted me, may I point out to him the situation with regard to farmers, who, he complains, are not enabled to enjoy a proper standard of living. I point out that the farmers are getting prices today which are higher than they received at any other time during the hon. member's lifetime. They are enjoying higher prices for their products than at any other time in the history of Canada.

The hon. member says that those doing business with private enterprise have no redress. Why, the consumer holds the controlling hand in any market. That is recognized both in this country and in the United States. If the merchant, the manufacturer or the wholesaler runs wild the consumer can bring him back to a proper sense of values because of that buying control which the consumer exercises, and because of that control we shall not have the sky-rocketing of prices in Canada which was experienced in the United States for a short time.

With regard to the principle of controls and decontrols, if there is one country in the world whose government should be complimented on the policy it is carrying out in this regard it is Canada, and that government is the government which is in power here. I might differ with my hon. friends of the Conservative party who advocate complete decontrol and I say that it is not a proper time for a complete decontrol policy. I advocate, and right along have stated that controls during war time are absolutely necessary. Further, I do not hesitate to say that controls should continue until Canada has gone through the transition period and properly rearranged production so as to supply the market in a reasonable and safe manner. That, I think, is the policy that has been pursued up to the present time.

Whether the government will in the future decontrol too quickly remains to be seen, but I would point out that this bill is for the purpose of providing proper controls. If we find that the manufacturers are allowing things to get out of hand the government can recontrol certain items of luxuries or other commodities as they see fit There is a reason why Canada should look forward to great expansion, and as a free enterpriser I believe that expansion must be carried on, not alone by the twenty-six firms cited by the hon. member for Rosetown-Biggar. I am thinking of the thousands of small manufacturing concerns throughout the country who throw into their efforts the very best they have. I am thinking of the large number of individual owners who have a small number of employees, not of the twenty-six large firms which are so often referred to by the leader of the C.C.F. and members of that group.

My hon. friends, it seems to me, wish to draw a red herring over the trail in regard to the fine effort being made by the great majority of the smaller manufacturers. and for that reason I do not think they are fair in their criticisms. As I have said on more than one occasion, I always enjoy listening to the hon. member for Rosetown-Biggar. Perhaps some of my hon. friends on this side, the Liberal side, will say, "Why pay so many compliments to the leader of the CCF and build him up?" Well, I like to be honest. At the same time I warn the hon. gentleman that he is doing Canada a discredit by allow-

ing his followers to go from one end of the country to the other creating fear by reminding people of the period from 1930 to 1935.

I do not refer to this period for any political purpose but because I do not think we want to see a return of those conditions. We do not want a depression, and I do not think we shall see a return of those conditions if we follow the policy laid down by this government, which provided such wonderful leadership during the war, and which has made such plans for the post-war period as will bring industry back to a safe and sane way of producing the necessities to supply the need that exists so definitely today.

There is scarcity; we all know that. How will you overcome that scarcity? You can overcome it only by production, and production means employment. My hon. friend has referred to people like myself as Jesse Jameses. Why, Jesse James was a piker alongside the member who has the floor at the present time, he would lead you to believe. Jesse James was a piker alongside those fellows. What fellows does he refer to? The fellows who in the war tried, and in the future will still try, to build a better, brighter and more prosperous Canada. Those are the fellows referred to as Jesse Jameses.

The hon. member refers to certain types of businessmen as cutting the throat of the small fellow. That sounds good from a public platform in certain districts but not on the floor of the house when it is sent broadcast throughout the country. I am not trying to lecture the hon. member; I would not dare to do so; but why should we have a constant repetition of this hackneyed phrase about the common man? I am just a common man myself, and so are we all. I do not think that does a bit of good. The common people are the people I depend upon for a living in my business. It is not being up here. It is my business that gives me a living, and I am going to look after that business. How am I going to look after it? By doing what I consider to be fair to the men who are dealing with me. I think the remarks of the hon. member about ravishes of private enterprise are very much uncalled for.

I think Canada is a wonderful country. No other one has greater supplies of basic materials. Our natural resources fall into five main classes: farm, lands, mineral areas, forests, waterpower and fisheries. These contribute in varying degrees to the whole national income. Not only or even mainly by the sale of raw materials but by the use of the products shall we be successful in building a bigger Canada with a greater opportunity for export business and domestic business. I believe if the people of Canada understood this bill and the purpose of it, which is to control in such a way as to carry on for the period named in the bill until such a time as we resume along natural lines and are able to produce and supply those articles that are scarce at the present time, they would appreciate it; I believe that the sooner the people realize the purposes of this bill, the sooner they will know what a fine job this government is doing in bringing into effect a bill of this type.

I had no thought, Mr. Speaker, of speaking at any length; but, since I am a firm believer that the progress and future development of this country rest to a very large extent on the men known as free enterprisers, I could not sit here and allow such remarks as have been made to go unchallenged. I should like to have dealt with some of the points raised by the hon. member for Cape Breton South (Mr. Gillis) this afternoon. In the main I agree with him, but I question the wisdom—and I am sincere in this—of decontrolling at too rapid a pace. I wish to throw out a suggestion to the Minister of Finance (Mr. Abbott), the Minister of Justice (Mr. Ilsley) and others who have studied this matter of controls and decontrols. I compliment them upon their policy up to the present time and suggest, because of the effect that it might have on the so-called organized labour forces of this country that if decontrol comes too quickly it might possibly force them to continue to make requests to industry for higher wages and thus slow up what we hope will be continued progress in regard to production.

Mr. Speaker, perhaps I spoke a little too warmly on this subject. Free enterprise is, of course, to me a subject to which I am very close. I began life on my own hook, so to speak, and I have competed with these big fellows, these so-called giants that some people think are after the little fellow all the time. I never had very much unfair criticism; in fact, I would criticize the so-called big fellow as quickly as the C.C.F. criticize all the rest of Canada who do not fall in line with them. But on the whole I think the big fellow wants to do what is right. He has his own ideas as to what will be best for Canada. I feel that we are all working in the same way to bring about better times or continuing good times for Canada.

In connection with the decontrols which have already gone into effect, it is only fair that I should point out that a very large number of the retail stores have already advertised through the press and made it known that they did not propose to increase in price

any stock which they have on hand. There are always exceptions to the rule. Yesterday someone cited—I think it was the hon. member for Rosetown-Biggar—the example of chocolate bars, that chocolate bars had been raised from six to eight cents. It is unfortunate that the manufacturers of that particular article saw fit to do that. That is one case. They raised the price of their chocolates. Of course that is the same industry. But when you think of the very large number of wholesalers and retailers who have publicly announced that there will be no change in regard to their price lists, then I say they far outweigh the few who have adopted the other course.

In closing, I just wish to repeat what I have said on more than one occasion, that I believe free enterprise is doing a good job for Canada and that without this unfair criticism it will continue to do a good job and bring Canada back to a normal state and will continue the prosperity we have enjoyed and the high standard of living we have had in this fine country.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, the Social Credit members have been listening with considerable interest to the discussion which has been in progress for a good many days now. It seems that we might be welcome with a contribution to this debate. We believe that the members on the various sides of the house have pretty well talked themselves into a state of mind in which they realize that something must be done different from what has been advocated by any of the three, shall we say, major parties in this house. All hon. members I think have indicated a good sense of the problem facing us. I was particularly pleased with the speech made by the hon. member for Spadina (Mr. Croll) this afternoon. A good many others have given fine speeches, showing the difficulties before the house, but not realizing to any great extent what can be done about the difficulty. May I make a brief contribution on the subject?

Before going forward, I should like to refer to the speech made by the hon. member for Cape Breton South (Mr. Gillis) this afternoon. I think he gave a rather brilliant and witty speech, although he was considerably under par this afternoon because, instead of clarifying the situation, he added confusion. If there is any one thing that the members of this house ought to do when they rise to speak—if hon. members will pardon me for making the suggestion—it is this: Let us clarify the issue. Let us not confuse it. As the hon. member for Winnipeg North Centre (Mr. Knowles) so well said this afternoon in an excellent speech, I thought, every man in this house is trying to find out how to solve the difficulties; and, make no mistake about it, every member of this house and every group in this house has a distinct contribution to make, and no group in this house can afford to treat slightingly the contribution of any other group. To make remarks such as the hon. member for Cape Breton South made to the effect that social crediters do not believe in anything except just printing a lot of money, is simply to show either profound misinformation concerning the matter or a levity which is hardly to be excused.

Mr. GILLIS: Except for the information I got here in the house.

Mr. BLACKMORE: I thank the hon. member for making that remark. There is no time for the members in this house to make a detailed exposition of what they stand for, but if the hon. member for Cape Breton South had listened to my speeches alone since he came here, and had read them through carefully, he never would have made the unwise remark which he made this afternoon, because the statements are clear to anyone who desires to understand.

Mr. GILLIS: But then somebody else behind you gets up and confuses me.

Mr. BLACKMORE: We will grant that, but we must allow people time to mature. You cannot expect people to come full-fledged into this house and speak freely without making little blunders occasionally. They will get their feet on the ground after a while, and you will not find any confusion at all. Recently we have had a number of people speaking from among our party who have not spoken to any great extent during the ten or eleven years we have been here; but there have been certain members of this group who have spoken for the group, and those people have never wavered or deviated one jot or tittle since the first day they came into this house. They have preached a straightforward doctrine, logical and consistent all the time, and are still preaching it.

That having been said, may I now turn to some other matters? As I have just said, the Social Credit group has always spoken consistently in favour of certain principles. The first of those is that they have favoured inducement controls. When we first came into the house a number of hon. members were alarmed. They said that we believed in regimentation, that we would simply build up a dictatorship, and all that sort of thing. The only kind of thing we were advocating was controls by inducement. That goes right to

the heart of the problem today. What we need in this country is controls by inducement. In the discussion recently a number of our C.C.F. friends have shown that they desire controls by inducement. They talk about desiring freedom, and of their wish to increase their freedom. They will increase their freedom by introducing controls by inducement rather than controls by regulation or coercion. I shall say a few words about that later on, but I wish to emphasize that particular point because it goes right to the heart of the problem confronting Canada and the world today: controls by inducement rather than controls by coercion. Just as soon as you begin to pass laws demanding that people do such and such, fixing prices, fixing wages and so on, then you begin to build up dictatorial concepts which are likely to result in a totalitarian state. On the other hand, if you can bring in measures which will induce people to do the right thing, then you are on the way to a greater measure of democracy and freedom. The social credit movement has consistently advocated controls by inducement right from the very beginning. As the hon. member for Yorkton (Mr. Castleden) well said, and I should like to give him credit for it, ever since he has known the social crediters they have spoken of fair prices. That is quite right. It is impossible to have fair prices without inducement controls; and the mere fact that social credit advocates have consistently spoken in favour of fair prices and just prices has implied as clearly as possibly could be implied that they favour inducement controls. And we still favour inducement controls. I would challenge any member of the C.C.F. group or any other member of the house to point to a single occasion, in *Hansard* or anywhere else, when responsible members of this group, speaking for the group, have said anything to the contrary.

An hon. MEMBER: Who are the responsible members?

Mr. BLACKMORE: If you do not know I will tell you off the record. Of course you are a new member.

An hon. MEMBER: You are too kind.

Mr. BLACKMORE: Oh, I know you can say a lot of smart things. I can say them too, if I have to. I challenge any member of the C.C.F. or any other party to show where responsible members of this group, speaking for the group throughout the years, have advocated anything but controls by inducement to bring about fair prices, fair wages and a regular, ordered economy.

The Social Credit group has always favoured private enterprise, responsible private enterprise. There have been members who have tried to convey—and the hon. member for Cape Breton South was one of them this time—the idea that social crediters are in favour of unlimited free enterprise, that they agree with the Conservatives and Liberals in this respect. No one who knows anything about social credit will make that blunder, unless he just wants to play politics. We have always, as a group, favoured private enterprise because we believe, when business is conducted by private people who are concerned about the success of their own business, they will produce more efficiently both as to quantity and as to quality than will government-owned enterprise. We point to the simple fact that the free enterprise of the private enterprise nations has simply overwhelmed and swamped the nations that depended on government ownership whenever they have come into conflict with those nations. The last war was the finest possible illustration of that, when the United States utterly overwhelmed all opposition with the production from private enterprise, and Canada did simply marvellously in production, because she was following the private enterprise system.

No one can say that private enterprise has failed. As I pointed out in my speech in this house on March 7, why be foolish enough to say private enterprise has failed in the light of the marvellous achievements which can be chalked up to the credit of private enterprise? It is not private enterprise that has failed. We do not need to change from private enterprise to public enterprise. What we need to do is introduce some device whereby we can allow private enterprise to produce to the fullest desirable degree under the circumstances, and then enable the people to purchase and consume the goods private enterprise is able to produce, thereby raising the standard of living, the standard of employment, the standard of prosperity and everything else that is good in the nation. That is the thing we want.

Let us see the line we must follow in order to find that thing we wish to secure. I believe I have made it quite clear that social credit is not in favour of free enterprise that results in monopolies or cartels. It is in favour of private enterprise regulated in such a way as to avoid the abuses and monstrosities which result from unrestricted, unregulated free enterprise. Now may I submit to the house in all seriousness that the time has come right now for the members of the government and the members of this house to consider with the most earnest care the introduction of social credit. This means that the time has come to change the

Canadian financial system in one or two important respects, to enable that system to distribute goods as it now so magnificently produces goods. The cost of living simply must not be permitted to rise; I think every hon. member has advocated this idea. There is not a member anywhere in this house who wants to see the cost of living continue to rise. The trouble is they do not know how to stop it. What can we do about finding out how to stop it? Prices simply must be controlled. Just prices for both primary and secondary producers and for consumers must be maintained. That is a problem the solution of which requires much care and much skill. Just wages must be maintained. I was quite well pleased with the arguments advanced by the hon. member for Cape Breton South this afternoon with respect to the Nova Scotia coal workers. Those workers in Nova Scotia and the other maritime provinces absolutely must receive the means of a higher standard of living. If they do not this nation is going to rue the day. As long as those people are kept in poverty or semi-poverty, that fact stands as a disgrace to every person in public life in this dominion; and the nearer he is to the Prime Minister of this country, the greater the disgrace. The problem simply must be solved, and it must not be solved by being turned over blithely to the provincial administration. It is a coward's trick to turn the problem over to provincial administration: after we have allowed it to grow to such dimensions that even the dominion is unable to deal with it, then to have the dominion government go down and hide behind the skirts of the provinces! Yet we have to listen to that sort of thing from the Minister of Labour (Mr. Mitchell) and from other people in the house from time to time.

Now that problem must be solved How? That is the question. It can be solved. Two methods of control have been employed by the government in power during this war. I am astonished that they have not learned the lesson which was so obviously taught during the war. First of all, they used the method of coercion, or prohibition by law. If any person sold an article above the celing price, and the offence was discovered, that person paid a penalty, and it was a pretty severe one. That was the law. It was control by law, or coercion. It worked fairly well during the war, while the people were under the stress of many different kinds of emotions. But it does not work very well in peace time. It is not the device which is desirable, because it leads to totalitarianism.

The other method the government used was that of control by inducement—by subsidy, or bonus. I do not suppose any government in the British commonwealth, or perhaps in the whole world, went farther than our government did in the matter of subsidizing prices in one way or another, by direct and indirect means, so as to keep prices down. Hon. members will recall how the price of oranges was kept down and how the price of milk was kept down, and the prices of a great many other commodities.

At this point I wish to commend the then Minister of Finance, the present Minister of Justice (Mr. Ilsley), who was in charge during those years, for the superb success which attended his efforts. The important thing I would suggest is that the present Minister of Finance (Mr. Abbott), who has succeeded the Minister of Justice, shall go forward with that device in peace time, and that he shall not imagine that the principle of subsidies is unsound. The principle of subsidies was a completely sound principle. It was used in Great Britain, the United States and Canada, with signal success. Then why should anyone suppose that it is not a sound principle? It is a principle of control by inducement.

I have mentioned the two methods of control which have been used with success in this country, and which we can examine at the present time as possibilities for greater use in the future. Social crediters favour the deep and broad application of the principle of control of prices, through subsidies, the control of wages through bonuses, it having been agreed upon, after careful study by representatives of all groups concerned just what ought to be accepted as a fair price for any given commodity, allowing for a fair profit and just what ought to be accepted as a fair wage for any given service.

To illustrate: Let us keep in mind, so far as wages are concerned, the wage scale schedule which prevailed, say, in the railroad systems. Wage rates have been determined by careful study and agreement. The various relations of all people who are working throughout the whole system are all set down and agreed upon as being fair. That sort of thing should prevail throughout the whole nation, in respect of the wages of the nation; and once that has been agreed upon, then the next problem is to take steps to see that the financial support which is necessary is provided to maintain that wage structure.

A similar thing can be done with respect to prices. We have already gone a long way in determining what ought to be the price of wheat, for example, and various other commodities. To my mind, it is not beyond the

ability of the brilliant minds which are so numerous in Canada to get together and to agree on what ought to be the fair prices for wheat, oats, barley, meat, eggs and all those various other things we produce in a primary way, for all the various commodities we produce in a secondary way such as shoes, hats, furniture and all those other things we produce. We ought to be able to determine what is a fair price. Having determined that price, let us find the financial means of supporting that price, and maintaining it throughout the country .

Such having been done, such agreement having been attained, and the price structure and wage structure ascertained, it ought to be supported, sustained and maintained by means of subsidies and bonuses. Under such circumstances there would be no fixing of prices, no fixing of wages by any arbitrary body. This is where I believe the tendency of social crediters is to go off at a tangent from the C.C.F. Whether our good C.C.F. friends really mean to set up an arbitrary body which will fix prices and wages, I am not sure. But a great many of the things they say lead me to believe that they envisage having the representatives of the various elements concerned in the production of a commodity meeting together to agree on the price and the wage. That is a perfectly democratic way of doing it. It is a process of arriving at a price and agreeing on a wage without fixing it by an arbitrary body.

Social crediters are opposed to the idea of fixing. They are all in favour of the idea of agreeing or arriving at it by compromise and study. There are people who have gone off at a tangent, I think, in respect of social credit. I am speaking particularly for social crediters across the country, and for those who wish to know what the great social credit authorities favour. In this connection I should like to quote some passages from great social credit authorities. I shall quote so as to show that what I have said here tonight is perfectly sound in respect of the social credit attitude with respect to controls.

I turn first of all to "Social Credit" by Major C. H. Douglas, published in 1937 in revised form, and I quote from the appendix at page 208, which deals with a draft social credit scheme for Scotland. It states:

Simultaneously with the publication of the foregoing notice—

And the foregoing notice refers to the dividend which, although we are not saying very much about it, is still a very living thing.

[Mr. Blackmore.]

—a figure to be published known as the discount rate to replace the existing bank discount rate, a suitable value of this for initial purposes being 25 per cent.

That amounts, I might say, for those who wish to know, to a subsidy. It brings down the price of the goods. Then he continues:

It is important that the figure should not be less than 25 per cent, and it might reasonably be higher.

Simultaneously, an announcement to be published that any or all business undertakings will be accepted for registration under an assisted price scheme.

I interpolate to point out that they are not going to be registered. They are not going to be listed. They will be accepted for registration upon their own volition. I proceed to read:

The conditions of such registration will be that their accounts, as at present required under the Companies Acts, should contain an additional item showing the average profit on turnover, and that their prices shall, as far as practicable, be maintained at a figure to include such average profit, where this is agreed as equitable for the type of business concerned (the suitable profit being of course, largely dependent on the velocity of turnover).

I pause to comment there that it will be noted by those who have followed these words that social credit is not opposed to profit. It favours the profit motive as being perhaps the finest incentive ever discovered by man to encourage people to produce. But it does not agree with allowing the profit to be determined at will, or through the whims of the people who are making the profits. This profit is agreed upon, after study, as being the proper profit, having in mind the possible turnover; and having been agreed upon, it is held to by all concerned.

May I quote from one other authority, this time from the "A.B.C. of Social Credit" by E. S. Holter, published in 1944. Before I commence reading, may I point out that this book is accepted by Major Douglas as being authentic. He has said of it that it is a straightforward, honest and simple outline of social credit; and of course members in this group accept it. There has been no deviation by members of this group from the ideas and opinions, both economic and financial, of the great founder of the movement, Major C. H. Douglas. I read from page 49 as follows:

To put the foregoing proposal into effect would not imply the elimination of competition in industry—there would be no fixing of prices. Taking a fair price level as a basis (not a level conditioned by a period of either inflation or deflation) prices would vary as today according to the variety of commodity being sold. The retailer availing himself of the discount would obviously be able to undersell those who preferred not to make use of it.

May I interpolate there for the sake of those who are following so closely. It is quite obvious that there is no desire to force people to use the discount. We will say a large company selling coal is able, by coming under the scheme, to sell its coal twenty-five per cent lower than it could under ordinary circumstances. If the company does not choose to come under the scheme and accept that privilege of selling under the discount, that is entirely a matter for the company to decide. But that company will soon find itself in competition with other companies which are selling under the discount and will feel the pinch and be induced to fall in line. Our C.C.F. friends and a good many others throughout the house are quite disturbed over monopolies, but they will find no monopoly in the country which cannot be brought under control by inducement. I proceed to quote:

> The question of profits might conceivably ruin all the benefits to be derived from the application of the "just price." What is to prevent producers from raising their prices sky high and then using the discount purely to their own advantage? The answer is simply this—that producers wishing to avail themselves of the right to dispense the discount would have to agree to a fair but fixed profit on turnover. To put it another way, using a hypothetical illustration—a producer will be offered a proposition such as the following: "If you will agree to continue to sell an article at $20 instead of raising the price to $25, by being eligible to dispense the discount you can offer that article to the consumer for $15, the sum of $5 being reimbursed to you through the national credit account." Now though in some instances profits on individual sales would be less than they are today, the fact that the producer is enabled to sell his articles below cost, assures him of a far greater number of sales. In this way his increased turnover would more than compensate for any decrease of profit on individual sales. If he rejects this offer and sells a portion of his goods at whatever price they will fetch, he runs the risk of having a large portion of his goods remaining for they will be in competition with goods benefiting by the discount. Here it must be observed that there is no compulsion involved. The producer makes his own choice.

Just a word or two further and I will close this technical discussion, technical because technicalities are necessary because of the difficulties which confront us. The question will arise, "Where is the money coming from?" This is the question the Liberals will be asking constantly. The Minister of Finance will be asking constantly, "Where is the money to come from?" Let me say once more, even at the risk of having people, as did the hon. member for Cape Breton South this afternoon, superficially sneer at the idea, that the money can be created under certain circumstances by the state, debt free. It will be sound money and just as desirable and as free from every kind of inflationary tendency as the finest money that can be borrowed from the strongest bank on the face of the earth.

The question will be raised now as to how the money can be created. All that it is necessary to remember is that it will simply be a ticket to goods. Where goods are, tickets can be created. Where you have seats in a theatre, tickets to the seats can be created. Where there are seats in a train, tickets to those seats can be created. Where there are goods and services not being purchased by the purchasing power at present in circulation in the country, the government can create tickets representing those goods and services. Those tickets will be sound money and will not cause any rise in price, and consequently they will not cause any kind or degree of inflation.

An hon. MEMBER: Can they be cancelled?

Mr. BLACKMORE: Under certain circumstances they could be cancelled. I do not want to go into details, but that is a very good question that has been asked. I simply ask hon. members to bear in mind that in a talk of this kind it is not desirable to go into too great detail, not because I cannot do it but because, as I pointed out on March 7, in a talk of this kind it would make too long and complicated a speech if I went into too great detail.

In certain circumstances these tickets could be cancelled just as tickets to seats can be cancelled out of circulation. Under certain circumstances the banks lend great quantities of money. Under other circumstances they withdraw their loans and cancel the money out of circulation. The objection to the present system is that the money lent is not always lent upon sound principles nor is the cancellation of money out of existence always sound. That is why in the depression in the United States it was found that that country which had started with $23 billion found itself $8 billion short inside of four years, because $8 billion out of $23 billion of the purchasing power had been cancelled out of circulation. The United States was trying to carry on with too little money, and consequently it suffered just as much as an animal would suffer that had lost one-third of its blood.

Money can be cancelled out of circulation and would be under certain circumstances and in accordance with certain definite rules. I feel that I have said enough on this occasion to put before the house and before those in the country who are interested the social credit attitude on controls. Once more let me sum up. The Social Credit party is absolutely in favour of control by inducement, but it is

unalterably opposed to control by coercion, unless by some chance you had to deal with some pugnacious company and I doubt whether any such company would continue to carry on very long in the country. Social credit is opposed to autocratic and totalitarian control, but it is in favour of control that will control prices and wages by inducement, mainly by subsidies and bonuses.

Mr. ALISTAIR STEWART (Winnipeg North): Mr. Speaker, we have heard a very interesting exposition tonight on the theories of social credit, one which has been a little clearer than others I have heard and yet one which I think is based upon a false premise. I was glad to hear the hon. member for Lethbridge (Mr. Blackmore) state that he and his party agree that the cost of living must not be permitted to rise, but I cannot see how the cost of living can be kept down by inducement. I think it can be kept down only by the sanction of law or by the force of the state.

An hon. MEMBER: How about subsidies?

Mr. STEWART (Winnipeg North): I intended to deal with subsidies. I know in the province from which I come the price of milk was kept down by the provincial authorities, by the state if you like, despite the subsidy which was being paid. What intrigued me was the reference made by the hon. member to the United States, one which has been repeated in other parts of this house. I have heard the hon. member for Stanstead (Mr. Hackett) use it. The United States has been held up to us as an example of private enterprise. I think those who hold up the United States as an example of private enterprise have not delved deeply into the recent economic history of that country.

I would suggest to those who believe that the United States is the last hope of private enterprise that they read the minutes of the temporary national economic committee which was set up by the late President Roosevelt in 1938 and which made its report in 1942. The best statement I have seen about the last island of private enterprise appeared in the Winnipeg *Free Press* of March 31 of this year. That paper said:

> Private enterprise, then, in its most complete form is to be found in a small island upon this continent.

Of course the largest part of that island is the United States. I should like to examine the private enterprise which prevails in that country. All the figures I am using are those which have been submitted to that government committee, T.N.E.C. and all can be verified from the reports of that committee.

We find, for instance, that private enterprise may exist in the United States, but it is a private enterprise which is leading to a still greater concentration of economic power, a private enterprise which is leading increasingly to monopoly, and that, of course, belies the very meaning of private enterprise. Between 1938 and 1942, in 95 per cent of American industries, and those the smallest, employment declined by 23 per cent, whereas in the other five per cent, and those the largest corporations, employment increased by 22 per cent, showing a concentration of employment in the larger companies. From that we can deduce that the relative importance of small business is steadily declining, while domination by big business is becoming much more pronounced. Those figures are pointed by this interesting fact, that 50 per cent, or the smaller half of employers in the United States employed only four per cent of the labour in that country, while nine-tenths of one per cent of the largest employers employed 50 per cent of the wage-earners of the United States. These figures are startling in their implications, but I have checked them and rechecked them to make certain they are correct.

Some twelve years ago, in 1935, there was a study produced by the Brookings institution, one which involved the publication of four volumes, and those who were engaged in that study were not men who were notoriously sympathetic to the left in their outlook. One of the conclusions they came to was that in that land of free private enterprise the distribution of incomes amongst consumers was startlingly unequal and, to add point to that, we find from the T.N.E.C. report that one-tenth of one per cent of the richest families in the United States received as much income as did the lowest 42 per cent of the families in that country; surely another indication of the fact that wealth is becoming more and more concentrated in this last island of free and private enterprise.

Furthermore, those who were responsible for the Brookings study stated, what I hope we already know, that money savings did not automatically become new investments. As a result of that, there was a deficiency of purchasing power on the part of consumers. Those who had the money were unwilling either to spend it all in consumer goods or to risk it in new investment, so that there appeared on the economic scene in the United States an actual deficiency of purchasing power, which, of course, resulted in the depression.

What was the cost of that depression brought on by private enterprise? Between the years 1929 and 1939, 43 million man-years were lost through unemployment. This was private enterprise, perhaps not at its best, but private enterprise as it is expected to function again in the near future in the United States. Along with that loss in labour there was a loss, it has been calculated, of $120 billion in wages and in salaries, and during those eleven years when 43 million man-years were lost through unemployment the federal government had to spend between two and six billion dollars each year to alleviate hunger and suffering.

The hon. member who has just spoken has just told us that private enterprise has not failed. I suggest to you, Mr. Speaker, that private enterprise has failed and for this reason if for none other, that private enterprise has never been able to give full employment to the people except in time of war. That is too expensive a way to provide full employment.

Another fact which that committee pointed out was that during the time it was sitting less than three per cent of United States families received incomes of $5,000 or more, while 54 per cent of the families received incomes of $1,250 or less.

Mr. JAQUES: That is more than they get in Russia.

Mr. STEWART (Winnipeg North): I have no doubt about that. It is also more than many get in Canada.

In 1935, based on reports of 400,000 corporations which filed balance sheets with the bureau of internal revenue, 55 per cent of these corporations held only 1·4 per cent of the total recorded assets, while two-tenths of one per cent, or, in number, 780 corporations, held 52 per cent of the recorded assets; thus showing once again the truth of what we have been saying, that private enterprise leads inevitably to the concentration of economic power and to monopoly. Indeed in 1941 one-half of one per cent of all manufacturing establishments were awarded 75 per cent of all war contracts. Thus, when we hear the United States praised as the home of private enterprise we should be careful how we accept those words, because private enterprise there is becoming more and more monopolistic enterprise. The odd thing is that most defenders of private enterprise assume without much reason, that the existing system is competitive and that competition in itself leads of necessity to efficiency. That was a theory which was held by Liberal economists and Liberal philosophers over a hundred years ago. They believed that if there were many small units manufacturing, producing and distributing, the consumer would inevitably get the benefit. But the small manufacturing concerns found that competition was expensive and extravagant, and so we saw the more powerful ones gobbling up or driving into bankruptcy or absorbing their competitors until we have come to the system of free enterprise as it exists today.

Walter Lippmann, who is becoming more conservative as days go by, has this definition:

> Competition is something of which producers have only as much as they cannot eliminate.

That, I think, is true. We find that same lack of competition in this country. We find that the people are being subjected not to the control of government but to the control of private enterprise. As a result of the price spreads commission, certain facts were brought to light, and we found this situation in Canada. I have here a table which I have taken from "The Control of Competition in Canada" by Lloyd G. Reynolds. The table is headed, "Control of output in selected manufacturing industries," and it shows that 89 per cent of the output of automobiles is controlled by three firms; 100 per cent of the output of ammunition, explosives, ammonia and chlorine is controlled by one firm; 75 per cent of the output of agricultural implements is controlled by four firms; 90 per cent of the output of cement is controlled by one firm; 93 per cent of the output of copper is controlled by four firms; 83 per cent of the output of canning (fruit and vegetable) is controlled by two firms; 79 per cent of the output of cotton yarn and cloth is controlled by three firms; 100 per cent of the output of electrical equipment is controlled by three firms; 91 per cent of the output of lead is controlled by one firm; 85 per cent of the meat packing is controlled by two firms; 100 per cent of the output of artificial silk is controlled by two firms, and so on all down the line. Private enterprise as it exists in the imagination of many members of this house does not exist in fact.

At this stage I should like to read from *Hansard* of 1932-33 certain remarks made by the right hon. gentleman who is now Prime Minister of Canada (Mr. Mackenzie King). At page 2510 he said:

> Price fixing by agreements restrict and hamper trade internally.
>
> The internal trade of our country has become honeycombed and enmeshed by secret understandings and agreements. The protective tariffs, as they obtain in Canada today, have fostered the formation of combines, monopolies

and trusts, and under these combines, monopolies and trusts there are no end of secret agreements by which prices are being held at artificial figures.

The right hon. gentleman who made that statement is now Prime Minister of Canada, but we are still enmeshed and honeycombed with secret understandings and agreements, and many of them have been exposed on the floor of this house. And protective tariffs as they then obtained in Canada obtain in Canada today. The Prime Minister went on to say:

The system of distribution of products needs overhauling. Distribution should be on a service-at-cost basis. The spread in prices is too great, as any comparison of prices paid to producers with prices consumers have to pay will make self-evident.

That was true in 1933 and it is equally true today. The spread in prices today is too great; the spread in profits is too great. But lest I be accused of unfairness in quoting from only one section of the house, I will also quote from a radio address given on January 11, 1935, by one who was then leader of the Conservative party, Mr. Bennett. The title of this part of the address is the "Duty of the State". Here are Mr. Bennett's words, and we realize, after hearing them, why he had to find sanctuary in England:

In some ways, though only in some ways, conditions have improved since early times. Who made them better? Why, the state. In the past, even Liberal governments, now and then, in times of crises, had to swallow their economic principles and come to the rescue of the people. Laissez-faire had worked such frightful hardships in the circumstances that even the apostles of laissez-faire had to take note of that. But what a feeble, halting intervention. Now today, the accumulated inequalities of capitalism demand independent and courageous action by government. Is the party of laissez-faire ready to take it? The tragedy of these times has put that question straight up to it. Why has it not answered? I will tell you. Because it cannot say "Yes." Because it dare not say "No!" That is why it is dumb.

That is why the party of laissez-faire apparently finds itself in the same predicament today when on the subject of controls it cannot say "yes" and it dare not say "no."

The unfortunate thing about decontrol is that every step the government has taken has merely hastened the next step, and what a few months ago was called by this government orderly decontrol has now most obviously become a disorderly rout. We know what the effects of rising prices are. One would think the government especially would know. For their edification, I should like to read some more remarks by one who was then Minister of Labour and who is now Prime Minister of Canada, remarks made as long ago as 1909 about the evils of rising prices:

This increase in the cost of living has not been confined to any one class. Rich and poor alike have had some experience of it, but it has had a very serious effect upon men of limited incomes, upon the wage-earning classes, upon those whose salaries are fixed and those who do not receive much in the way of remuneration.

What was true in 1909 is just as true today. To continue:

To one family after another it has meant curtailment of enjoyment, the forgoing of opportunities of education or recreation, a neglect of future needs, and the claims of others for future support, the giving up of insurance policies; to many it has meant a mode of living less congenial or beneficial to that previously enjoyed to some, downright privation and hardship; to all sacrifices of one kind or another.

These words were uttered thirty-seven years ago. They are equally true today, and I hope the government will pay some attention to the views of its present leader in this respect.

We have pointed out several times the experience of the United States. Last year, in June, OPA was killed. Immediately prices rose. Then there was a temporary recession, only to be followed by what has since turned out to be a constant increase in prices, as those who have been in the United States can well realize. In November of last year Mr. Donald Gordon, a man who has served Canada well and who has been frequently maligned, had this to say:

Canada now had an excellent opportunity to study the effects of general control removal in the United States before following a similar path.

We had an excellent opportunity to see the way, and we could have watched; we could have studied; but we refused to do so. The argument has been made that decontrol will lead eventually to increases in all sorts of goods on the market, but what do we find in the report of the wartime prices and trade board of last year at page 45? I am taking these two statements out of their context, but not unfairly. Dealing with furniture:

During the year, significant price adjustments were authorized on all the main types of furniture.

Later, on the same page:

By the end of the year, the total supply of household furniture had improved substantially. There was, however, a lack of balance in the supply since higher-priced lines were quite plentiful and lower-priced lines were often scarce or unobtainable.

That is what happened when control was taken off there. Naturally the manufacturers

went into more profitable lines, and the people not able to buy furniture are those who need it most.

There has been a general rise in prices all across the board and one which must have as its inevitable effect the lowering of the standard of living of Canadian workers; and, just as obviously, the trade union organizations of Canada are not going to permit that lowered standard of living to continue. Therefore they will demand, and I think rightly so, higher wages to maintain their standard of living, and so once again Canada is faced with the possibility if not the probability of severe labour troubles this year. But the government has continued its course of decontrol, having had some knowledge of what the people of Canada want.

I think we can place a certain amount of faith in the Gallup poll, and the last Gallup poll I saw concerning the maintenance of controls led me to believe, properly, that two-thirds of the Canadian people wish to see these controls maintained. Had the government listened to the people more than to certain other advisers, I think these controls would have been maintained in better order than they have.

It has been argued frequently that by the imposition of controls our freedom in Canada is threatened. It all depends, of course, upon the definition of "freedom". Lincoln said that the sheep and the wolf were not agreed upon the definition of the word "freedom". I am quite sure that the hon. member for Stanstead and I, or the hon. member for Muskoka-Ontario and I are not agreed on the definition of that word. It appears to me that the freedom that they want is freedom for the economically powerful to continue to exploit the people. The freedom I should like to see is the freedom of the people maintained to continue a standard of living which will keep them in some measure of decency. But we are faced with the odd situation where those who are asking for freedom in Canada today are the top dogs and not the under dogs. There are the two conceptions of freedom: that, I think perhaps not unfairly, which is held by the hon. member for Stanstead of "Leave me alone; let me do as I want to do," that concept of freedom which gives all the power in the world to the powerful—

Mr. HACKETT: All subject to the law.

Mr. STEWART (Winnipeg North): Granted it is all subject to the law, but even subject to the law the powerful have been able to wreak their will against the poor. On the other hand, there is the other concept of freedom which is, I think, that of the majority of the people of this country: "Give me a chance; give me a chance to live in decency; give me a chance to live with some security; give me a chance to live so that I shall be able to buy the necessities of life for my family and so that I can feed them properly." That chance is demonstrably not being given to them. If this headlong haste in decontrol continues we in this country shall be faced with economic chaos. There is the distinct possibility that we shall face inflation, and inflation is just another method of taxing the people. Inflation is just another method of taxing the poor, those who can least afford taxation. That is why I say that the government, if it feels any responsibility at all to the people, ought immediately to stop this process of decontrol and to reimpose some of the controls it has taken off.

Mr. D. J. McCUAIG (Maple Creek): Mr. Speaker, the debate which has been going on in this house has brought forth a number of opinions on what controls will do for the country. I should like to be realistic and practical in what I have to say on the subject. I know that controls remedied the very bad conditions that we had between 1930 and 1940 and brought us through one of the tightest crises Canada ever was in during the war days. The motive behind the wartime controls was our united effort to win the war or everything would have been lost; and controls made a good job of it. With the same motivation in the interest of peace and humanity, controls can do an equally good job.

In my lifetime, the capitalist democratic freedom and liberty that I knew about brought two of the worst depressions and two of the most disastrous wars in history. Selfishness and greed, wholly out of control. were the cause. The fact of the matter is that right up to the day we declared war we were supplying the countries that we fought against with thousands of tons of nickel and scrap-iron with which they built up their fighting machines. This was done through the channels of free enterprise, free national enterprise, free international monopolistic enterprise. I think hon. members will agree with that. These are the very same people and institutions who are today hollering for decontrol. The motive and spirit behind this hollering is selfishness, greed for power, domination and money, which is totally devoid of the Christian spirit of humility and service to mankind; and, Mr. Speaker, this is reaching out far beyond American shores today.

There was no quarrel in the world of international finance before the war. St. James street, Wall street, the Bank of England, the

Reichsbank of Germany, the banks of Italy and France, international finance—they were all of the same kit. One hon. member to the right of us spoke about those countries as dictatorships. If I remember aright, we had said nothing about dictatorship in Germany and those other countries before the war. When the Prime Minister (Mr. Mackenzie King) went over to Germany in 1937 Hitler was not such a bad fellow. As a token of our high appreciation when he came back to Canada he sent Hitler a pair of buffaloes for his wild animal park. Mussolini had world recognition. If Hitler had not kicked over the traces after Canada, the United States and England had fed him up and made a big fellow of him, if he had played ball, I do not think there would have been a war with Germany. It was the "master race" idea that we fought against. It was not a quarrel with international finance or monopolies or things of that kind. It was the "master race" idea of Hitler, Mussolini and Tojo and their world domination idea that we fought against. Did we call them nazis and fascists in 1937? No. They were good international capitalists, with world-wide monopoly control, along with the rest of us.

So far as Canada is concerned, we are on the way back to everything we had before the war, with additional billions of debt on which to pay interest. Has there been any fundamental change in the national economy of Canada that will give us anything different from what we had before the war? If there is, the controls have done it and will continue to do it. Any government that has any power today will have to accept the responsibility for the welfare of all the people. The official opposition has made much ado about the constitutional rights of the provinces. I say that the three western provinces are only enlarged municipalities and, under our economic and financial system, they have not the power or the scope to look after themselves. The federal government must have the coordinating power to look after the social welfare of all the people of Canada. There must be one national government for all the people of Canada, not the Tory idea of nine little governments, or nine little Balkan states. In the ten years before the war the population of the three western provinces—Manitoba, Saskatchewan and Alberta—shrank by 104,000. It should have gained twice that much, in the midst of the greatest abundance of food ever accumulated in one place on earth.

Both old parties were equally helpless under the financial and distribution system of that day. The war taught the Liberal party a lesson, because they had a great responsibility.

[Mr. McCuaig.]

The Tories had no responsibility, and they learned nothing. They are still a horse and buggy party. I have a feeling of great sympathy and loyalty for a government which makes a conscientious endeavour to solve the economic and social chaos in which we find ourselves today. We cannot hope to go scot-free from all our sins of the past. We may yet have to atone severely for them.

In addition to the economic conditions facing us at the present time, we have to deal with this situation. From 1930 to 1940, or one might say to 1945, we had a new generation growing up in Canada. In that space of time they did not learn how to do anything. They did not learn any trades; they had no responsibilities, and that is something from which we are suffering today. They could have learned a great many things by way of trades and skills that would have come in very handy today.

I contend that the economic and social chaos of today cannot be solved under the capitalist system, as we learned in pre-war days. The government knows that. This bill, providing for the continuation of controls and other emergency measures, now contained in fifty-seven orders in council, is proof of that. It will depend wholly upon the motivation behind these controls whether or not they fill the bill. If the motivation is to serve humanity all the way, then the new order has taken its first step on the way to a better economy in Canada. I should like to quote from a pamphlet I hold in my hand entitled "God—Man—Work", and I wish to add two more words, "Science—Resources." This is a statement on human relations in industry and commerce by the Montreal council on Christian social order, subscribed to by thirty-nine representatives of the following churches: Anglican, Baptist, Lutheran, Presbyterian, Roman Catholic, Russian Orthodox, Salvation Army and United. I quote:

> Our present economic and industrial order is built largely upon false notions of self-interest and competition, which have resulted in confusion and division; its methods of unbridled competition and self-seeking are causes of friction and warfare, fore-dooming the industrial world where they prevail to anarchy and strife (such as we are now experiencing) . . .

And further:

> It is necessary, for example, that irresponsible ownership be curbed and that the primacy of human rights over property rights be fully recognized in positive law. It is also necessary that labour realize that its gifts and arts are, like property, a trust to be used for the benefit and service of all. Moreover, we declare that the resources of the earth are God's gifts in trust to the whole human race, to be used with due consideration for the needs of future gen-

erations as well as of the present. These resources should be regarded in a spirit of reverence which will be a safeguard against the selfish exploitation of the bounties of nature and the treatment of material things as mere commodities.

In the light of these Christian principles which we have mentioned, and as conducive to the attainment of true democracy and brotherhood in industrial relations, we for the present advocate:

1. The recognition in our laws and in our practice of—

(a) the right of association;

(b) the right of collective negotiation;

(c) the full partnership of labour with capital in industrial management, economic planning and governmental regulations;

(d) the responsibility of both capital and labour to the general public;

(e) the participation of the public in industrial negotiation, planning and regulations, along with capital and labour.

2. A wage that will ensure a decent standard of living for the family; that is to say, an income sufficient to provide adequate food, clothing and shelter, educational opportunities, medical and dental care, and holiday with pay. (An immediate need is better housing at low rent for the strengthening and safeguarding of family life, and in the interests of moral and physical well-being.)

3. A system of social security that will meet the economic needs arising from such contingencies as unemployment, accident, illness, old age, or the death of the breadwinner; and will guarantee freedom from want.

4. That such family income, adequate housing and social security be provided by the cooperative effort of individuals and industrial groups, encouraged and, where necessary, aided by state action.

The Tories are clearly out of this picture, by their own admission. They do not subscribe to this logic. I honestly believe we have seen the last of Tory government in Canada. They have just had a convention; perhaps they have new ideas. I have just read a book called "Ideas Have Legs," and I would recommend it to hon. gentlemen to my right. Perhaps the ideas of the C.C.F. are moving in their direction; I hope so. Purely for information I would ask the leader of the Progressive Conservative party, who opposes these controls and who would have no scruples about taking over the reins of government in Canada: What have the Progressive Conservatives now in 1947 to bring about a better economy in Canada that the Liberal Progressive Conservatives did not have in 1935? What fundamental difference is there between the Bracken policy of 1945 and the Bennett policy of 1935? Further, I should like to know their domestic and international policy. Is it to have a high tariff wall around Canada, like Mr. Bennett had, and to blast our way through the high tariff walls other countries would put up against us? Many times this house and the country at large have been told by hon. gentlemen to my right terrible things about socialism which I, as a socialist, know nothing about.

Mr. FRASER: The socialists are keeping you in the dark.

Mr. McCUAIG: And here is a man who never went to the socialist school telling socialists all about their own system. I can tell my hon. friend that the roots of socialism are deep in the minds of the producers and workers. That is what socialism sprang from, not from the institutions for which hon. members to my right stand. And it is gaining ground in every country in the world. The day is coming when it will be recognized in the brotherhood of man and the fatherhood of God throughout the world.

I do not want to live under a more autocratic dictatorship than that of the Bennett government between 1930 and 1935. It was an economic dictatorship, if there ever was one. It stood solidly behind big business and monopolistic enterprise which controlled our natural resources, industry, transportation and finance.

A government's job is to administer those things in the interests of all the people of the country it governs. In substantiation of this, one need only refer to those 3,000 boys from western Canada who in 1935 formed a delegation to come to Ottawa. But the bureaucrats in Ottawa at that time had them stopped at Regina, by police and machine guns. They were put in five-dollar-a-month camps, and if they left those camps they were treated as criminals. And that happened in a free Canada, under a good Tory government, and at a time when there was another Tory government in Regina.

Mr. MacNICOL: "Good" is right.

Mr. McCUAIG: That was at a time when there was a free exchange of commodities with all the world. Those were the days when prices of foodstuffs reached their lowest point in 400 years. Mr. Bennett's policy at that time was that he was going to blast his way into the markets of the world. Hitler used the same logic, and they both got their just deserts. We won our struggle during the war because our whole motivation was to do it. By the same token we can bring about the same results in peace time, if we use the same endeavours to put man on the pedestal and to serve him with all the resources given us. If we follow that method, it can be done.

Let me say, further, that agriculture in Canada will not continue to elect governments which have repeatedly turned down

their just requests. Labour people and those in the public service will not continue to elect governments under which they have to organize strikes so as to fight for a fair share of the fruits of their labours.

The common people have learned that they can have cooperatives, that they may join collectively in cooperatives and in trade unions or other organizations. But in the final analysis the political economy we have in Canada has control of the national economy. That national economy can listen to the voice of the common people or listen to the voice of their masters and starve the common people into slavery.

Mr. HOMUTH: Who are the common people?

Mr. McCUAIG: The hon. member has lived in Canada, the same as I have, but apparently he does not realize that eighty-five per cent of the people in Canada work for $2,000 or less a year.

Mr. HOMUTH: The fact that they work does not make them common.

Mr. McCUAIG: I have referred to them as the common people. I would close by saying that these controls are at least an experiment in peace time, in the interests of all Canadians, and I am going to support them. I do so because they are a step in the right direction.

Mr. NORMAN JAQUES (Wetaskiwin): Mr. Speaker, I do not wish to become technical. For a few moments I should like to discuss the philosophy of controls as contrasted with freedom of enterprise. First of all, however, I should like to pay tribute to Mr. Donald Gordon. I do this for two reasons. I have heard, and I suppose we have all heard, in our conversations with others, people who have cursed and damned Donald Gordon for all the shortages and inconveniences of the controls. I say that is a mistake, and for two reasons. In the first place, I am quite sure that Donald Gordon does not deserve that treatment. In my personal experiences with him, limited as they were, I always found him a most obliging public servant, and one who was always willing to do what he could to help out.

The other reason is that it leads to confusion in the minds of many people who mistake controls for the controller. They do not like the results of the policy of control; but, instead of blaming the controls, they were apt to blame the controller. I believe that is a mistake, and it is for that reason I have mentioned the matter this evening.

One eminent Liberal member has said that he was fed up with certain Liberal policies. Let me say that I am fed up with certain policies today. I am fed up with any Liberal who is jilting Liberalism for socialism and trading freedom for control. I am fed up with the C.C.F. double-talk about democratic socialism and their promises to control everybody but the farmer. I am fed up with our socialists opposing communism and at the same time consistently supporting Soviet policies and never mentioning the fact that Karl Marx, the socialist prophet and Messiah, was the author of the communist manifesto. I am fed up with the self-appointed defenders of our civil liberties who instead defend disloyal and dishonest public servants, while advocating the surrender of our national control of our national freedom. Finally, I am fed up with the controls and subversive propaganda of the Red networks of the Canadian Broadcasting Corporation, of the national film board and of the wartime information board. At another time I intend to go farther into that subject.

The fact is that socialists are waging a sham fight with communism. England today proves that socialism and free enterprise do not mix, that they are mutually destructive. Socialism means the total destruction of private enterprise and of individual freedom. That was Marx, and that is Marx today. Let me quote from the communist manifesto of Karl Marx of 1848, just 100 years ago.

1. Abolition of property in land.
2. Heavy, increasing, graduated income tax.
3. Abolition of all rights of inheritance.
4. Centralization of credit in state by national bank (and international bank).
5. Centralization of means of transport in hands of state.
6. Extension of ownership of means of production by state.
7. Equal obligation of all to work.
8. All children educated in state schools.

That was and is the Marxian policy. Is that not exactly where we are headed today? I should like to put on record some notes which I have made from time to time of the social credit conception of democracy, its philosophy. I do not intend to speak technically at all, and I want to be just as brief as possible. Democracy is not so much a form or policy as it is an abiding faith in man's individual right to be himself as himself. That faith is natural. It is only the man with self-respect who has any respect for others and so is capable of governing. Lacking this sound human foundation, govern-

ment and controls must become a dictatorship; collective security, a delusion, and internationalism, world tyranny.

Today democracy, so-called, is by code. Our whole way of life, therefore, is no longer a free or living inspiration. To be free, a man's life must flow from within. Democracy must aid and not prevent that flow. We call ourselves a democracy when we are doing our best to kill the truth, the truth that all inspiration has its source within the individual. Socialists and "fellow travellers" have one idea, to smother all such inspiration and to bury all responsibility under government controls.

True democracy must come from within, from the inner man, as our Lord saw it; not the masses, but the living individual soul. This organic living organization can grow only from the independence of the individual. Individual independence means freedom to be true to oneself, and that freedom cannot be enforced or planned by the state. As with certain wild creatures, our inspirations cannot breed in captivity.

Force is useless; force can organize nothing. Nor can science solve the problem. Science has given us the tools, but science cannot guide us in the proper and humane use of those tools. It is only from organic growth and interior individual philosophy and a living religion that our national life can be recreated, that people can attain security with freedom and government can be made and kept tolerable. So much for the philosophy of social credit.

In dealing with the problems of a depression, it may be necessary to be a little more technical. I—and I think most social crediters will agree with me, so that perhaps I can say "we"—believe that controls hamper production. Controls encourage black markets and the evasion of the law. What did the government do to prevent deflation before the war? What did the C.C.F. propose to do about deflation before the war? We hold that profits will encourage production and that increased production will decrease prices. I know that is being denied today, but I would suggest that there are two explanations. One is that production has not yet got into its full stride, and the other is the most determined policy on the part of all governments to export as much as possible of retail goods production.

It is obvious that exports, or foreign trade, were the remedy for deflation during the depression. How then can it be given as a proper remedy in these times when, according to the authorities, we are threatened with inflation? If it was necessary, as it was, to decrease purchasing power in time of war, then certainly it will be necessary after a bit to increase purchasing power in time of peace in order to prevent deflation. If inflation in a country is due to the diversion of production from retail goods to munitions, resulting in an excess of purchasing power, therefore deflation in peace time is due to the diversion of production from munitions to retail goods, which results in a deficiency of purchasing power. To prevent inflation, necessity would control, that is limit, consumption in war time. But how can we successfully control, that is limit, retail production in time of peace?

That leads me to the question whether there can be such a thing as a shortage of purchasing power. I remember that in 1939, I think it was, in the committee on banking and commerce when the present governor of the bank of Canada was a witness before the committee we debated this very question, and I put a hypothetical question to him. I quoted Mills' statement as to the impossibility of there being such a thing as a shortage of purchasing power. I forget the exact words but the statement runs something like this.

It is sometimes asked whether there can be such a thing as a shortage of purchasing power. Those who ask that question cannot understand what constitutes purchasing power. Every seller is, in the end, a buyer. Could we suddenly double the production of goods we should double the supply of goods on every market, but by the same stroke we should double demand. So that there cannot be such a thing as a shortage of purchasing power.

I put that statement to Mr. Towers and asked him if he agreed with it. He said it was a long time since he was at school but he still thought it was sound. I said, "May I put it a little differently?" I said that Mills said that every seller is, in the end, a buyer and could we suddenly double the production of goods in the country we should double the supply of goods on every market. I went on to say that every birth ends in a death. Mr. Towers said, "I beg your pardon?" I repeated, every birth ends in a death. Could we suddenly double the number of births in the country we should double the supply of babies in every nursery, but by the same stroke we should double the deaths. How then does a population increase?

Mr. Towers is most astute. He saw where the question was leading; so he turned it aside by saying, "My modesty forbids me to answer that question." I said, seriously, that

is exactly what Mills said, that if you double the number of births you double the number of babies, but you would also double the number of deaths since we all must die. How then does the population increase? Hon. H. H. Stevens was sitting in the committee, and he said "That is simple. It is obvious. The birthrate is greater than the deathrate." I said, "Thank you; that is the answer." That is the social credit analysis of the shortage of purchasing power in normal times. It is that the birthrate of prices is greater than the deathrate of prices or, if you like, that prices are generated more quickly than purchasing power is distributed with which to meet those prices. That has been denied, I know, but no one has yet denied it successfully, and if anyone would like to try to I should be interested to hear him.

Our socialist friends talk about the freedom and brotherhood of man, but what do they offer for the freedom of man except to put him to work? And what is their quarrel with the leaders of the old-line parties to which they are so much opposed? Their only quarrel is as to who shall do the bossing; that is all.

Social credit has a totally different philosophy. We offer and the very soul of social credit is the national dividend. It is the recognition of the right of all people to live or to at least exist as free men because the good God or nature or science, whichever you like to call it, no longer imposes the necessity of compulsory work on all people in order that we can have at least the means of existence. And so we say right out, not only is there no longer the necessity for full employment, but there is no longer the possibility of it unless work is created for its own sake. There is our challenge to the socialists when they speak of freedom and of the common man or of the submerged tenth. There is our offer, the right to live or at least to exist for every man, woman and child, and not at the price of being compelled to work. That does not mean to say, as we are sometimes told, that we should bonus idleness. We do not believe that it is human nature to be idle if men are healthy and if they have an opportunity of working at a worth-while job. We believe that people will be only too glad to put themselves to work when they are relieved from the drudgery of work for the sake of work.

In conclusion, I should like to quote from a radio address on the Catholic Hour by Right Reverend Monsignor Fulton J. Sheen. I quote it because he puts, in language better than I could hope to use, ideas which I hold and, I think, all other social crediters hold as well. He is speaking of the coming of the anti-Christ, and he says:

> How will he come in this new age to win followers to his religion? He will come disguised as the Great Humanitarian; he will talk peace, prosperity and plenty, not as means to lead us to God, but as ends in themselves. He will write books on the new idea of God to suit the way people live; induce faith in astrology so as to make not the will but the stars responsible for sins; he will explain guilt away psychologically as inhibited eroticism, make men shrink in shame if their fellowmen say they are not broadminded and liberal; he will be so broadminded as to identify tolerance with indifference to right and wrong, truth and error; he will spread the lie that men will never be better until they make society better and thus have selfishness to provide fuel for the next revolution . . .
>
> He will tempt Christians with the same three temptations with which he tempted Christ: The temptation to turn stones into bread as an earthly Messiah will become the temptation to sell freedom for security, as bread became a political weapon, and only those who think his way may eat; the temptation to work a miracle by recklessly throwing Himself from a steeple will become a plea to desert the lofty pinnacles of truth where faith and reason reign, for those lower depths where the masses live on slogans and propaganda. He wants no proclamation of immutable principles from the lofty heights of a church, but mass organization through propaganda where only a common man directs the idiosyncracies of common men. Opinions not truths, commentators not teachers. Gallup polls not principles, nature not grace—and to these golden calves will men toss themselves from their Christ . . .
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> No man, the 19th century claimed, could be a good American, a good Frenchman or a good German if he accepted shepherding, albeit spiritual, from a spiritual head. But in the new era, what the modern lost soul will take particularly about the counter-church, is that it is catholic or international. It breaks down all national boundaries, laughs down patriotism, dispenses men from piety to country which the Christ enjoined, makes men proud that they are not Americans, not French or British, but members of a revolutionary class under the rule of its vicar who rules not from the Vatican, but the Kremlin . . .
>
> . . . millions today are embracing the counter-church for these very reasons; they love its infallibly defined dogmas of dialectical materialism, economic determination and its labour theory of value; they like its hierarchy, or approved party leaders, who, as bishops of the new counter-church who derive authority from the apostles, Marx and Lenin, and who in their role of secret police keep the errant in the party line, even indeed to the consummation of the world.

I could say more, Mr. Speaker, but I see that it is eleven o'clock.

Mr. J. G. DIEFENBAKER (Lake Centre): I wish to make a few remarks in regard to the bill now before the house, particularly by reason of the fact that throughout the day those to our left have devoted themselves, not to a discussion of the bill in question, but

rather to an attack against ourselves in the official opposition in respect of the stand taken by the leader of this party.

May I say this? I think that the Minister of Justice (Mr. Ilsley) ought to have introduced separate bills to cover these various orders in council; for we are placed in the position that, while we accept certain of these orders in council, some of them we cannot accept because we believe the time has come in this country to restore the right of the individual to recourse to the courts. I mention in that connection that there can be no justice for the individual when he is placed in the position in which the individual in this country is placed under various orders in council, whereby he is denied recourse to the courts and is also denied any right of action against those who administer the tremendous powers that are granted under different orders in council.

There is, as I see it, no justification for endeavouring to carry into the days of peace the tyranny of a bureaucracy that is permitted to make discriminatory orders, while the individual is denied the right of appeal to the courts. I cannot understand why, when amendments were being made to these various orders in council, something was not done to repeal the sections that grant to those administering the orders in council absolutely arbitrary power over the individual, denying to the individual the sacred right, which everyone should enjoy, of appeal to the courts against the tyranny of the acts of an administrator.

I have only a few moments at my disposal but I will mention this. Under the wartime prices and trade board regulations, is there any reason why the individual should be in the position of being subject to acts of unfairness on the part of a board, and is denied the right of appeal to the courts? I think we in this parliament should once more return to the principle of trusting the courts, instead of denying to the individual the right to appeal against unfair and tyrannical action. I cannot see why the Minister of Justice did not see fit to remove the powers contained in section 15—

Mr. SPEAKER: Order. The hon. member is discussing a section of the bill on second reading.

Mr. DIEFENBAKER: I am speaking on the principle and referring to the order in council referred to in the bill which we are asked to approve by a blanket vote on second reading. We are asked to approve the principle contained in paragraph 15 of the wartime prices and trade board regulations. We are also asked to approve other regulations at page 23. I have already dealt with page 28. We are asked to place in the hands of boards certain powers—

Mr. SPEAKER: I would call the attention of the hon. gentleman to the fact that we have before us Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war. We have not before us the actual orders in council.

Some hon. MEMBERS: Eleven o'clock.

Mr. DIEFENBAKER: Mr. Speaker, I take a stand against you in that, if I may be permitted, with deference. The order in council to which I refer is appended to this bill that is before the house, and I am referring to the principle contained therein.

Mr. MACKENZIE: That is for discussion in committee.

Mr. DIEFENBAKER: That is the subterfuge the government is operating under.

Mr. SPEAKER: The hon. member is experienced, and he knows that on second reading only the principle of the bill may be discussed.

Mr. DIEFENBAKER: Mr. Speaker—

Some hon. MEMBERS: Eleven o'clock.

Mr. ABBOTT: Continue your speech tomorrow.

On motion of Mr. Diefenbaker the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, April 16, 1947

The house met at three o'clock.

CANADAIR LIMITED

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): On March 26 last, in reply to an inquiry by the hon. member for Peterborough West (Mr. Fraser), as reported at page 1758 of *Hansard*, I indicated that I would table certain documents with regard to the sale of Canadair Limited. I now table those documents. I think everything is here for which my hon. friend asked.

LABOUR CONDITIONS

MOVEMENT OF UNEMPLOYED PERSONS TO EMPLOYMENT OUTSIDE NOVA SCOTIA

On the order for motions:

Hon. HUMPHREY MITCHELL (Minister of Labour): Yesterday the hon. member for Cape Breton South (Mr. Gillis) stated there

were 2,200 unemployed veterans of world war II in Cape Breton, and that these men would be prepared to move to employment found for them in other parts of Canada if transportation were provided. As this point now has been raised perhaps it would be helpful if I gave the house the facts regarding a programme, such as that now suggested, which has been in progress since early this year. That is why I made the statement I did yesterday.

The national employment service of the department initiated a programme some months ago in Cape Breton and other parts of Nova Scotia to encourage the movement of unemployed persons to steady employment outside Nova Scotia. Unemployed persons registered in the employment offices in these areas, with particular emphasis on Cape Breton, were interviewed weeks ago to find out whether they were prepared to take employment offered elsewhere. They were advised that transportation would be provided to the place of employment. Unemployed workers not then registered were invited to do so through wide publicity. The type of work offered was in construction and mining operations in Ontario. It is to be understood that no pressure was placed upon the applicants; they were invited to go voluntarily. Those who refused were not later denied unemployment benefit payments by reason of their refusal.

The interviews were first undertaken at Cape Breton, but as the number in that area who were interested in and capable of taking employment was limited the programme was extended to other parts of the province. Of a total of 2,000 men interviewed in Nova Scotia, including 1,200 in Cape Breton, about 700 were found willing to take employment elsewhere, and were apparently qualified for the work offering. Of those 700 about 500 passed the first medical examination, but only 266 passed the X-ray tests which were necessary for mining employment. As my hon. friend knows, in hard rock mining the medical examination is somewhat severe. Nearly 170 failed to complete their medical examinations. Of those medically examined, between 250 and 300 have been dispatched to other employment in central Canada, the majority of the men coming from the Sydney area. At the present time orders are being secured in other lines for unemployed persons in the Cape Breton area who are unable to qualify for jobs in the hard rock mines but who are willing to take work outside Nova Scotia.

[Mr. Mitchell.]

The employment service advise that there are now 350 steady positions in Ontario available to the unemployed in the area referred to, with additional orders being received daily. The prospect is that there will be a substantial number of employment vacancies in central Canada which cannot be filled locally. The department has been paying transportation expenses in all cases, as well as the cost of medical examinations. I would think that in the circumstances many of the men to whom my hon. friend referred may have been interviewed already, but where men are not registered but are willing to take jobs elsewhere the first requisite is to register with the nearest employment office.

I think it will be recognized that one of the practical difficulties has been a disinclination on the part of many men—perhaps a natural one—to leave their present place of residence. Housing, of course, is a problem in regard to these movements. In consequence of housing difficulties, employment opportunities available at the moment are for single men, or for men willing to take the jobs and to await the removal of their families until accommodation can be found at their new location.

I need only add that in transferring men from Nova Scotia we are not overlooking the interest of workers in the locality where the labour demands to which I have referred exist. These are employment opportunities for which we have not been able to locate men in the vicinity of the work.

Mr. MacINNIS: Can the minister tell the house how many of the persons interviewed in Nova Scotia for movement to central Canada were single, and how many were married or had dependents?

Mr. MITCHELL: I am sure my hon. friend would not expect me to carry in my mind a breakdown like that. My hon. friend is a married man like myself. I do not know the martial status of every individual I meet on Sparks street.

An hon. MEMBER: Martial?

Mr. MITCHELL: I mean what I said, martial status.

Mr. GILLIS: Mr. Speaker, may I ask the Minister of Labour for some information with reference to the statement he has just made? We started this thing and I would like to have it clarified. Am I correct—

An hon. MEMBER: No.

Mr. GILLIS: —in my understanding—

Mr. MACKENZIE: Answered.

Mr. GILLIS: There are too many chipmunks over there.

An hon. MEMBER: Somebody is nuts over there.

Mr. GILLIS: I have lots of time; you fellows should be in a hurry.

An hon. MEMBER: Why?

Mr. GILLIS: You are conducting the business of the country.

An hon. MEMBER: Certainly.

Mr. GILLIS: We are only the policemen.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: I would ask hon. members to permit the hon. member who has the floor to ask his question.

Mr. GILLIS: Thank you, Mr. Speaker. I am sorry there is not more respect for you on that side. Am I correct in my understanding of the statement the minister made a moment ago that in finding a solution for the problem which we started to discuss last night, it is the responsibility of the local employment agencies to conduct a registration, and the responsibility also of the personnel affected, the men out of employment, to make application in the regular way? That has been the effect of the regulations up to March 31 of this year, when the selective service regulations which provided for that machinery went out of commission.

Mr. SPEAKER: Order.

Mr. GILLIS: I am giving the minister some information.

Mr. SPEAKER: Order. If the hon. member has a question to put to the minister he should be brief and to the point and not make a statement.

Mr. GILLIS: I would like an answer to that question.

Mr. MACKENZIE: What is the question?

Mr. GILLIS: I asked the minister if the selective service regulations that provided the machinery he has just described did not go out of date on March 31 of this year?

Mr. MITCHELL: My understanding is that they did not. I would say this to my hon. friend, and it covers a lot of territory: I think we have the finest employment service in any country on God's green earth.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

COAL-DISTILLED GAS

Mr. ISNOR:

1. Has the Department of Mines and Resources experimented in respect to obtaining coal-distilled gas?

2. If so, what is the estimated cost production per gallon on coal mined in Nova Scotia?

3. What is the estimated average cost to produce one ton of Nova Scotia coal?

4. What is the estimated number of gallons of gasoline which could be produced from one ton of Nova Scotia coal?

5. What action has been taken, if any, with respect to the setting up of a pilot-plant or scientific centre of research in Nova Scotia to study the question of producing coal-distilled gas and the use of coal by-products?

Mr. GLEN:

1. The offices of the Department of Mines and Resources have conducted small scale laboratory investigations on the direct hydrogenation of Nova Scotia coals for the production of gasoline. No work has been done to date on the alternative modified Fischer Tropsch process by which the coal is first gasified and the gas synthesized into gasoline and heavier oils.

2. Experimental work has been on a small laboratory scale and sufficient data are not available to make reliable estimates of commercial costs.

3. A comprehensive answer to this question is given in the "Report of the Royal Commission on Coal" 1946, chapter 4, pages 113-170. There are so many variable factors that it is difficult to give an average estimate of the cost, which could be used safely, of producing one ton of Nova Scotia coal.

4. It is estimated that about 60 gallons of gasoline could be produced per ton of coal. (This includes the coal required for power and hydrogen generation.)

5. The Nova Scotia government established recently the Nova Scotia research foundation to study in a general way all problems in research in Nova Scotia. It has not yet undertaken any specific investigation of the production of gasoline from coal or the use of coal by-products. Coal experts of this department are cooperating with that foundation.

NATIONAL HEALTH DEPARTMENT—OTTAWA BUILDINGS

Mr. FRASER:

1. Is the Department of National Health taking over a building on Parkdale avenue in the city of Ottawa?

2. If so, from what firm or individual, is this building being bought, or rented?

3. What is the cost, or rent, of this building?

4. What is the total floor space of this building?

5. Is the Department of Public Works renovating this building?

6. If not, by what firm, or individuals, are the alterations being done?

7. What is the estimated cost of this work?

Mr. FOURNIER (Hull):

1. Yes.

2. Rented from Ontario Hughes Owens Co., Ltd.

3. Rental $18,000 per annum.

4. Gross area 24,933 square feet. Net area 22,000 square feet.

5. It is the intention of the Department of Public Works to have this building fitted up with special plumbing, sinks, partitions, etc., to meet the requirements of the Department of National Health and Welfare.

6. No contract has yet been awarded.

7. Estimated cost cannot be made until definite requirements are known.

FISHERIES

SHIPPING OF CANADIAN CREWS ON FOREIGN VESSELS

On the orders of the day:

Mr. R. H. WINTERS (Queens-Lunenburg): Mr. Speaker, I should like to ask a question of the Minister of Fisheries. In view of the fact that an American halibut schooner now in Lunenburg is most anxious to ship a Canadian crew, will the Minister of Fisheries state whether Canadians can ship on foreign vessels? If not, will the minister state what prevents such action and whether or not steps can and will be taken to permit a limited number of Canadian fishermen to ship on American vessels under these circumstances?

Hon. H. F. G. BRIDGES (Minister of Fisheries): This matter was brought to my attention yesterday by the hon. member for Queens-Lunenburg and the hon. member for Cape Breton South (Mr. Gillis). I would ask that the hon. member allow his question to stand as a notice, and I will make a statement concerning the matter tomorrow.

CANADIAN CITIZENSHIP

IGOR GOUZENKO—GRANTING OF LETTERS PATENT OF DENIZATION

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Mr. Speaker, I am not sure whether I should ask this question of the Secretary of State or the Minister of Justice. Has Mr. Igor Gouzenko been granted Canadian citizenship, and if so what procedure is being taken in connection with the matter?

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, Mr. Igor Gouzenko has not been issued a certificate of Canadian citizenship. He has been made a British subject by grant of letters patent of denization, which are issued under the prerogative powers of the sovereign—that is, in practice, by the governor in council.

Mr. COLDWELL: Did the Canadian government confer British citizenship apart from Canadian citizenship? What is the idea of granting British citizenship but not Canadian citizenship?

Mr. ILSLEY: A British subject may apply for Canadian citizenship if certain residence qualifications are complied with. Those are set out in the citizenship act.

Mr. HACKETT: He is an offshore citizen.

Mr. GRAYDON: Is application now being made by this person for Canadian citizenship?

Mr. ILSLEY: I am not sure whether application has yet been made, because I do not know whether the residence qualifications have been complied with. But I believe it is the intention of Mr. Gouzenko to apply for Canadian citizenship.

Mr. KNIGHT: Can that citizenship be taken away by the same authority as grants it?

Mr. ILSLEY: I do not think so. Is the hon. member referring to Canadian citizenship?

Mr. KNIGHT: No, British citizenship.

Mr. ILSLEY: I cannot answer that question. I know that the right to issue letters patent of denization is an ancient one, and it was by that procedure that Mr. Gouzenko was made a British subject.

BUTTER

REQUEST FOR STATEMENT OF GOVERNMENT POLICY FOLLOWING REMOVAL OF SUBSIDY

On the orders of the day:

Mr. R. E. DROPE (Northumberland): Mr. Speaker, I should like to ask a question of the Minister of Agriculture. The dairy farmers in this country are anxious to know what their position will be with the removal of subsidies at the end of this month. Will the ceiling price of butter be raised to take the place of the subsidy of ten cents per pound on butter fat now being paid?

Right Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, I believe I was asked much the same question before the Easter recess by three or four hon. members, including the hon. member for Fraser Valley (Mr. Cruickshank), the hon. member for New Westminster (Mr. Reid), the hon. member for Kamloops (Mr. Fulton), and the hon. member for Prescott (Mr. Bertrand). I can add nothing to what I said then, namely, that any changes which may be made with regard to prices of dairy products would be announced shortly before the 1st of May. I think I did assure those members at that time that the government had no intention of reducing the return which farmers would be receiving from the 1st of May on, as compared with what they had received just prior to the 1st of May. As to what form the payment will take, I am not in a position to say at the present time.

BUSINESS OF THE HOUSE

EMERGENCY POWERS BILL—OLD AGE PENSIONS

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, I should like to ask a question of the Minister of Justice, based on a promise he made before the recess to consult his cabinet colleagues as to the possibility of placing certain legislation on the order paper at this time. The question had to do with old age pensions, and other legislative matters. Is this legislation now ready?

Mr. MARTIN: Yes, it is ready.

Mr. KNOWLES: And can it be placed on the order paper now so that we shall have it while this debate is in progress?

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, the old age pensions bill must be preceded by a resolution, and it would be impossible to circulate the bill until the resolution is dealt with. So it was our conclusion that the best course to pursue was to finish the legislation we have before the house now. Then the resolution will be put on the order paper.

Mr. KNOWLES: Could not the resolution be put on the order paper now?

Hon. PAUL MARTIN (Minister of National Health and Welfare): Mr. Speaker, may I make a supplementary reply? The legislation has been ready for some time—and the hon. member knows it, because I told him so in private.

Mr. COLDWELL: Surely it does not matter what an hon. member is told privately. It is the answer he gets on the floor of the house that counts.

Mr. KNOWLES: Mr. Speaker, I must rise to a question of privilege. The Minister of National Health and Welfare has made a statement as to information which he claims he gave me privately. I contend that things that are given privately should not be stated publicly, but as a matter of fact what the minister told me privately was that this matter would be proceeded with this session without fail. He did not at any time tell me that the legislation was already prepared.

Mr. MARTIN: I may have been in error in disclosing what I told the hon. member privately; I do not admit I was, but if I was, the fact is that the hon. gentleman knew before he put his question today that the legislation was ready.

Mr. KNOWLES: That is not correct.

Mr. COLDWELL: But the house and the country did not know it, and the house and the country have a right to know it.

Mr. MARTIN: The intentions of the government were made known in the speech from the throne; they were revealed to this house by the Prime Minister (Mr. Mackenzie King) on two occasions, twice by the Minister of Justice (Mr. Ilsley), and to a public audience in this country by myself.

Mr. KNOWLES: In the meantime the old age pensioners are still waiting and suffering. There is nothing but delay.

Mr. MANROSS: I should like to suggest to the minister of health and welfare that in the future if he has any private information he would like to get to the public he should give it to two unofficial scorekeepers so it can be published in the Ottawa *Citizen*.

Mr. MARTIN: I would have thought that the hon. gentleman knew of the London *Free Press* and would suggest that I give it to that very good newspaper.

IMMIGRATION

CARTIER BY-ELECTION—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to ask a question of the Minister of Mines and Resources. When may we expect the major announcement as to the new government immigration policy which was so broadly hinted at in the recent Cartier by-election campaign?

Hon. J. A. GLEN (Minister of Mines and Resources): Mr. Speaker, the government will announce its policy in due course.

UNITED NATIONS

EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION—CANADIAN COMMISSION

On the orders of the day:

Mr. R. R. KNIGHT (Saskatoon City): I should like to direct a question to the Secretary of State for External Affairs. In view of the gerat public interest in UNESCO and the activity in the United States in the national phase of that organization, can the minister inform the house what stage the Canadian government's plans have reached for the setting up of a purely Canadian commission as recommended by the preparatory commission?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I could not do that in the time that it would be appropriate to take at this moment.

Mr. COLDWELL: Will the minister do it later? I think this is a matter of some interest.

Mr. ST. LAURENT: I will have no objection to disclosing everything in that connection at the proper time, but I do not think I could do it in a short answer to a question on the orders of the day.

Mr. COLDWELL: Will the minister take it as a notice of question?

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Tuesday, April 15, consideration of the motion of Mr. Ilsley for the second reading of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, last evening at the time of adjournment I was dealing with some of the powers to be granted to the executive under the orders in council to which reference is made in the appendix. I emphasized particularly the necessity of restoring to the courts the determination of the rights of individuals. Since last evening I have had occasion to look up one of the most important judgments handed down in Britain in the last two years. It deals specifically with the rights of the individual as against executive authority exercised under legislation passed since the end of the war and arising indirectly therefrom.

This matter came before the court of criminal appeal in England, in the case of Leachinsky *v.* Christie. The judgment was reported in the 1946 Law Reports at page 124. The court was dealing with the very question I was endeavouring to place before the house last evening, namely, the necessity of restoring to the individual his right to take action against wrongdoers occupying administrative positions. Lord Justice Scott summed up the rights of the individual, and this was pointed out a little later on by one of the judges. It was stated that the appellant's breach of the clothing rationing regulations did not affect his right to personal liberty, that a transgressor of the law can still rely on the law and assert the law's supremacy.

This man took proceedings against certain police officials. I do not intend to go into the details, but the judgment is most significant. It has particular reference to the suggestion I made to the Minister of Justice (Mr. Ilsley) last night that the untrammelled exercise of absolute power by administrative officials responsible only to the executive ought now to be removed from the orders in council that will continue to be the law if this bill is passed. Lord Justice Scott used these words at page 137:

> Subject only to the sovereignty of parliament, which under our constitution can make any law, English liberty is absolutely dependent on our courts of justice. To keep clear the distinction between the functions of the executive and those of justice is vital. The English nation has been wont in the past to speak of autocracy in any form as the enemy of personal freedom, but it is equally true that the good working of democracy (in the true sense of that much abused word) depends upon the rule of law.

He goes on to say:

> Arrest by the executive, uncontrolled by the courts, has happened in past times in English history, and it needed the intervention of the courts to curb the executive.

He refers to various authorities in that connection, and then goes on:

> The *lettres de chachet of* eighteenth century France afford another illustration; the Gestapo in Germany in recent years affords a third; and finally it is the fear of a repetition of that vast, insidious, and progressive evil of encroachment by the executive on the proper sphere of the judiciary which is paramount in men's minds when they say they fear and therefore hate bureaucracy.

In that judgment the British courts once more made the declaration, so necessary from time to time if liberty is to be preserved, that the individual must have the right of recourse to the courts against the executive or those appointed by the executive.

This bill consists of a skeleton to which is attached a schedule. Under that schedule parliament is asked on the second reading of the bill to approve the principle of the orders in council which are annexed by description. The orders in council reveal a hodge-podge of deletions, expurgations and substitutions. The C.C.F. party support this type of control. They are frank about it; they say it does not go far enough along the road of interfering with the rights of the individual.

Mr. CASTLEDEN: That is not true.

Mr. DIEFENBAKER: The hon. member says that is not their view? That is the impression one would get.

Mr. KNOWLES: It does not go far enough in the direction of democracy.

Mr. ROWE: What is democracy?

Mr. KNOWLES: Control by the people of the things that affect their interests.

Mr. DIEFENBAKER: Now we have the definition. I do not object to interruptions, and that is a very helpful one. There cannot be democracy where there are controls which deny the right of the individual to recourse to the courts. Even in 1946 the high court of justice in Britain defended the individual from the very thing that the hon. member for Winnipeg North Centre (Mr. Knowles) says is in his mind as democracy. Sir, democracy consists first and foremost in the right of the individual to freedom. It extends above all to his right, as the hon. member for Quebec South (Mr. Power) has said on a number of occasions, to go to the foot of the throne, to appear before the king's judges, to be judged according to law and not according to administrative caprice.

What are we asked to do by this bill? After six or seven years of war are honest merchants and business men to be saddled with a continuation of powers which make men guilty unless they prove their innocence? Are we to be asked to give to officials the power to interrogate an individual without his having common law rights of protection? Are we to be asked to give boards power, exclusive, uncontrolled and untrammelled, to say that certain of these regulations shall apply to the masses of the Canadian people, and that some shall be exempt from their application? Is every man's business to be subject to examination, and is he to be denied the right, when found to be innocent, to take proceedings against those who did him wrong? I ask the Minister of Justice when he replies to say whether he will not remove these powers which have no right to exist, outside a period of war, if you will, and which only exist—and they certainly do exist—where there is a police state, something we do not want in this country.

Not only is a person liable to an offence under these regulations and orders, but, sir, if we approve these orders in council we approve the granting of these powers to a board or official not only to have a person incarcerated because of an infraction of the regulations or orders, but also to make him liable for failure to carry out what is known as a requirement directed by an administrative official. What happens if he is convicted—not of an offence against the regulations or against the order, but of an offence against the requirement? He is liable to a penalty of $5,000 or imprisonment not exceeding two years.

Are we to be asked under this blanket bill to approve the principle of these orders in council whereby the courts shall be circumvented, whereby the individual shall be denied his time-honoured rights, whereby investigators shall continue to exercise overwhelming powers of investigation, interrogation and inquisition? Sir, the Minister of Justice should give consideration to removing the unjustifiable immunity of bureaucrats and their staffs from liability to action where they are wrong. Those things, sir, are the stuff upon which a socialist government must depend to carry out its policies of coercion, and we have that situation today in Saskatchewan. Why were these portions of the orders in council not removed? Why were they continued? Why is this absolutism still permitted under order in council?

Speaking the other day in Toronto my right hon. friend said that the time had come to restore the freedom of the people, and that the government were trying to do that very thing. Apparently the government are now concerned over the fact that the freedoms of the people have been interfered with. I ask the minister, then: Is it not a fact that parliament cannot be too scrupulously regardful of the liberties of the people? Is it scrupulously regardful of these liberties by continuing to grant unnecessary and extraordinary powers to government officials to be exercised at their will and without regard to the consequences to the individual? As a matter of fact, if you commit no crime, and if they cannot convict you, under the powers of these orders in council which parliament is asked to make law, they still can cancel the licences of the individual who, standing for his rights, has refused to be coerced. Whether that power is generally used or not, it still remains

in the law which exercises the power of subtle intimidation against every business man in this dominion.

I ask too, sir, that the sections granting those extraordinary powers be removed. These matters have nothing to do with the continuance of controls. They strike at the principle of the orders in council which parliament is being asked to give blanket support. As I see the situation, by voting for this bill as a whole, parliament is asked to approve a principle to which I am opposed—and I think there are members on all sides of the house who are opposed to it—namely, the right of the government by order in council to amend statutes. Two of these orders in council were passed to amend statutes, and parliament is asked to approve the extraordinary procedure which was followed all too often during the war, whereby after parliament passed a law the governor in council by order in council amended, suspended or abrogated it.

I was interested today to hear of the step taken in connection with Mr. Gouzenko. It was a magnificent step for him to take. There is one instance in which I do not raise objection to the government using that extraordinary and ancient remedy to give recognition to services rendered. But, sir, that extraordinary right, vested as I recall it in the crown, one of the prerogatives and rights exercised by the crown beyond parliament and in some cases without the advice of his advisers under the theoretical background and its ancient operation and procedure, was properly exercised in a case such as that of Mr. Gouzenko.

What else are we asked to do? How many hon. members realize that under this bill parliament is asked to approve the power of the wartime prices and trade board to grant to the sugar corporation larger powers than that corporation has under the charter granted by the department of the Secretary of State? In other words a corporation is set up under statute; the government sets up the wartime prices and trade board and grants it power to give to that corporation set up under statute greater powers than those provided for in its charter. This most extraordinary thing we are asked to approve. The reference may be found on page 45 of the summary of the orders in council comprising the appendix of this bill which has been handed to us.

Why were these extraordinary powers not deleted? If the minister says they are not to be used, why have them? If freedom is to be restored in this country—and the minister has said that the government intends to restore it—then start by removing powers which have harassed business men from one end of the country to the other. I hold no brief for the man who has done wrong, but I do hold a brief for the man who in endeavouring to uphold the law has been harassed and coerced by operatives during the last three or four years.

We are asked to approve fifty-seven orders in council. Some are good; some are bad. For the purpose of this bill the government asks the house to accept them holus-bolus, so that an hon. member who votes for the bill will be upholding things that are wrong, whereas if he votes against the bill because his conscience demands that he do so in order that these things shall not continue, that vote will be misrepresented and he will be held up as voting against certain of the orders in council which he would be prepared to support if given the opportunity in separate bills. As for me, I cannot approve the perpetuation of principles in these orders in council which characterize a police state. I realize that it will be said that these are strong words. Where in a police state was the foundation laid that did not first deny the individual the right of recourse to the courts?—and I once more use the words of Lord Justice Scott in Great Britain.

I cannot approve of orders in council which still continue to give the governor in council the right to amend statutes passed by parliament. Finally I cannot approve of a body such as the wartime prices and trade board being granted the extraordinary power to delegate to a corporation set up under dominion charter greater rights than that charter provides.

Freedom is indivisible. Freedom cannot be diminished and still remain freedom. There can be no freedom where the executive appoints administrative officers and says: Whatever you do, right or wrong, it is always right and we shall stand behind you; the courts will not protect those against whom you do wrong.

I shall deal with the other elements in this bill when the matter is before the committee. Today I have dealt with one thing, and it simply amounts to an appeal to the Minister of Justice, who is the custodian of the king's conscience and of justice, to remove these unfairnesses and to restore to the Canadian people their rights, the individual right of every citizen, rich or poor, of recourse to the courts; for only thus can be assured to the people the full meaning of the citizenship which was granted today to Mr. Gouzenko

and which, as indicated by the statements he has made regarding these rights and responsibilities, he so highly prizes.

Mr. KNOWLES: Will the hon. member permit one question before he takes his seat? Does he favour or disapprove the principle of price control?

Mr. DIEFENBAKER: I favour anything that will be good for this dominion, provided the rights of the individual are protected.

Mr. KNOWLES: Yes or no?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I do not think it is necessary to answer specifically many of the statements of the hon. member for Lake Centre (Mr. Diefenbaker) about the tyranny of the bureaucrats, the destruction of the sacred rights of the individual, the disregard of the liberties of the people, the tearing down of the pillars of the constitution, and all those other lofty phrases that we have heard in so many thunderous accents on previous occasions when dealing with the kind of legislation that it was necessary to have to coordinate the efforts of the people of this country towards the result we were all so happy to see achieved about two years ago.

We do not forget, in spite of the impression that these phrases make upon us, that the hon. member is talking about our country, the country we have lived in for the last five years and the country for which these coordinated efforts were put forth during that period. It is the kind of tyranny we have had in this country that he is talking about, and he is talking about that to people who have lived here, not to those who do not know what has been going on but to those who have seen what was the result of the enactment and the operation of those measures, which I will admit are distasteful to any liberal-minded man and which are resorted to only when the circumstances make it necessary to do that for the safety, security and preservation of our institutions.

These measures have been criticized. We ourselves have felt that they were a proper subject of criticism, because they are not the kind of things to which we are accustomed or the kind of things toward which we are moving back at a pace which so many of our hon. friends in the house feel is too rapid. Nevertheless our critics, some of them—not all, but some of them who are concerned more perhaps with historical accuracy than with immediate political advantage—have had to admit, as Professor Lower did in a recent very interesting book, which he has entitled "From Colony to Nation", that these measures have not interfered with the freedom of the people. On page 534 I was amused at the way in which Professor Lower expressed his judgment upon that:

> The kindliest thing the historian can say about the King war administration—

That is after a pretty severe criticism of the machinery that had existed for the coordination of the joint efforts of the people.

> —is that it consisted of men most of whom were too thoroughly saturated in Liberal principles to take advantage of the arbitrary powers they had assumed. Despite defence of Canada regulations, despite neglect of parliament, Canada remained a free country, her press remained free, her citizens substantially retained their freedom of speech, and their representative institutions.

Mr. JACKMAN: What about George Drew?

Mr. ST. LAURENT:

> The men charged with government had not within their breasts—

He was not talking about George Drew when he said this.

> —the men charged with government had not within their breasts the spirit of the despot, and although they erected a machine for war which, along with the other qualities of fine mechanism, had all the powers of the despotic state, they could not bring themselves to harness it to the ways of despotism.

Now what is this bill that is before the house, the principle of which is now being discussed? It is a bill to provide that for a period of twelve months the administration will have time, as the leader of the opposition (Mr. Bracken) suggested before the last general election, to unwind gradually and in a progressive way the coils that had to be tightened for the purpose of coordinating our war effort.

The bill does not ask for the enactment of any new legislation. It refers to a body of wartime regulations, a body of regulations that we want to get rid of just as soon as we can without bringing about chaotic conditions; and we ask that, for a period of twelve months, such portions of it as may be necessary to avoid chaos be retained and be used in the manner described by Professor Lower, without impairment of the freedom of the individual, or without the destruction of the liberties of the people. When I hear hon. gentlemen say that the principle they are asked to approve on second reading is the text, the effect and the language of these 57 orders, I can hardly believe that they mean it.

If we look at the bill, what is it? The preamble states:

> And whereas provision is made for the expiry of the National Emergency Transitional Powers Act, 1945; and whereas it is necessary by reason of the existing national emergency that certain orders and regulations of the governor in council made under the War Measures Act and the National Emergency Transitional Powers Act, 1945, be continued in force temporarily, notwithstanding the expiry of the National Emergency Transitional Powers Act, 1945, in order to ensure an orderly transition from war to peace.

That is the whole principle of the bill. Everything else is a matter of detail that will have to be considered in committee; and against any line, any word, any comma, objection can be raised. The only principle that the house is asked to pass upon at this time is that certain orders in council, certain regulations that were necessary during the war and are considered to be still necessary to provide for an orderly transition from war to peace, be continued for a limited period.

When hon. members say that by approving the second reading of the bill they are approving everything that is in the 57 orders in council, I am sure they do not mean that when these 57 orders in council are being considered in committee they will not have anything to say about them. I am quite sure of my ground there, and I will trust to the next few days in this house to prove that my confidence in that regard is not mistaken.

What hon. members are asked to do at the present time is to allow this bill to go to the committee so that parliament can determine which, if any, and how many of these orders and regulations should continue for a period—that and nothing more. It is on that and on nothing more that they are to vote.

I was surprised to hear the leader of the opposition (Mr. Bracken) say they were going to vote against the bill and then were going to discuss it in committee. What is the vote for? The leader of the opposition gave it clearly to be understood that he would not vote against it if his vote was going to prevent its going to committee. It is only because he is convinced that in spite of his vote it will go to committee—

Mr. ROWE: No, he did not say that.

Mr. ST. LAURENT: Well, I find his statement in *Hansard,* and I leave it to any fair-minded reader of *Hansard* to say if any other conclusion can be drawn from his statement. If hon. members say that when they vote, if a division is called—and I suppose there will be a division—it is because they hope and trust this bill will never get to committee, let them say so, because if they say that, they say there is nothing in the bill that should be continued. Let them go to the country and say the view of their party is that there is nothing in the bill which should be continued but that everything should be dropped immediately. Let them go to the country and take that attitude.

Mr. GRAYDON: You are whistling past the cemetery.

An hon. MEMBER: Why not split the bill?

Mr. ST. LAURENT: Why not split the bill? Why not let the hon. member or some of his colleagues determine just what the government is going to do, how the business of the country is going to be transacted? The reason why not is that the country has no confidence in them. We on this side have the responsibility of determining that these measures will not be allowed to fall by the wayside, and that we shall not have the chaotic conditions that would arise if they did fall; and we are going to discharge that responsibility. On previous occasions when I was before the house with measures for the extension of the powers granted by the War Measures Act the question then was, "Why don't you enumerate the orders in council you want continued?" This time when we do that they say, "Well, why don't you do something else?" We have been sitting here since January 30, and how much have we accomplished? If we had fifty-seven bills about which they could organize the kind of thing which their own newspapers call filibusters, would we be discharging our responsibility to the Canadian public? We intend to discharge it, and we have brought this bill before parliament so that parliament may take the responsibility of determining which of these measures should or should not be considered. But if hon. members wish to take the stand by their vote that none of them should be considered, let them take that stand.

Mr. W. ROSS THATCHER (Moose Jaw): I must say I very much enjoyed the speeches of the hon. member for Lake Centre (Mr. Diefenbaker) and the right hon. Secretary of State for External Affairs (Mr. St. Laurent), though I disagreed to some extent with them. This bill has been before parliament now for almost a month; I know most hon. members are getting a little sick of it, so I am going to detain the house for only a few minutes.

The chief purpose of the bill is to permit the government to retain for another year certain controls which it deems necessary. This

group believes the government needs those powers, and we are going to support the bill. But at the same time we are concerned over the fact that, while the house has been debating the bill, one control after another has been dropped. It was only on April 1 last that the government, in a decontrol statement, removed about one-third of Canada's remaining price ceilings. As the hon. member for Vancouver East (Mr. MacInnis) aptly put it, some of us are beginning to wonder whether, when this bill is finally passed, there will be any controls left.

In any event, whether there are or not, I believe the government, particularly in the last few weeks, has yielded to pressure. I do not know whether it is to pressure from my hon. friends to the right, whether it is to pressure from within the Liberal party itself, or whether it is to pressure from industrial interests, but I do think the government has yielded to pressure, in too rapidly taking off certain vital controls. As a result, the cost of living has recently gone up quite considerably.

I believe there is concern over that fact from one coast to the other. Most people will agree that throughout the war the government did a creditable job of price control; but if they continue their present decontrol policy they may in a few months undo the good work of many years. Today government members are advocating what they are pleased to call orderly decontrol; but in actual fact, whether or not the minister will admit it, instead of orderly decontrol, today the people of Canada are being given haphazard, hasty removal of essential controls. The latest announcement about a week ago on rental and price decontrol, I think virtually sounded the death-knell of any hope we might have had of controlling inflation in the near future. Ceilings have been taken off many articles which are still in very short supply. I refer only to one or two, such as washing machines, refrigerators, stoves, and other articles made from iron and steel. The government must realize that many articles are still in short supply in Canada, and that with the removal of ceilings many manufacturers are taking advantage of the demand, taking advantage of the short supply and raising prices unduly.

Canadians are greatly concerned with the sharp increase in the cost of living. It seems that each year finds the dollar of the farmer and worker worth a little less. Back in 1939 the United Steel Workers of America set up a special consumers' committee whose duty it was once a month to make certain purchases of essential foodstuffs. That has been done ever since 1939, and today they find that the prices of those essential foodstuffs have gone up almost sixty per cent, according to a statement they made not long ago. Everyone knows that recently the price of milk went up, together with the prices of sugar, coffee, tea, canned goods and almost everything the housewife has to buy. Prices are fast reaching the point where the average Canadian is finding he cannot pay them.

One other step recently taken by the government will I believe, adversely affect the cost of living. I refer to the revoking of all orders in council under the War Measures Act having to do with customs tariffs. I understand that action has resulted in twenty actual tariff increases. It has resulted in the imposition of an excise tax on certain imports from the United States and elsewhere, and in the reimposition of dumping duties which were suspended during the war years. As I see it, there can be only one result from these tariff increases, namely, to increase the cost of the goods concerned. Then we are told that on June 1 the government intends to reimpose tariffs on all British goods. Think how many more articles will be affected by those tariff increases. This can only mean that the cost of those goods will go up also if the government carries out its stated intention. Surely, for the time being at least, when Canada is facing this crisis and trying to stop inflation, the government should not impose any tariff increases.

One other very unfair result of government decontrol is the effect on the farmers of this country. The farmer sees prices of his own produce for the most part kept rigid, with wheat frozen at $1.55 f.o.b. Fort William, while the world market price is at about $2.75; with beef and live stock prices frozen at perhaps forty to fifty per cent under the United States level. At the same time the farmer sees the prices of pretty nearly everything he has to buy going up. It seems that the government tells the farmer one thing, "We have to keep your prices rigid to fight inflation," but it tells the manufacturer something entirely different. Labour is also finding itself in a particularly difficult position. Prices are rising steadily, while wages remain more or less fixed. Many labour unions across the country have passed resolutions protesting this situation. They have written their members of parliament and have paid for newspaper advertisements protesting the increase in the cost of living. Let the government make no mistake: Labour is becoming angry at these continued

increases, and rightly so. If price rises are not soon stopped, this country is likely to face labour unrest and strikes within a few months. If wage increases are given generally across the country, probably that will lead to further price increases which, in turn, will give impetus to the spiral of inflation we are facing today. This continent discovered after the first world war what can happen if that takes place.

If the government does not halt the headlong scrapping of controls, then I believe Canada is facing inflation, labour unrest and depression.

This party is supporting the bill, but we support it, believing that it is inadequate. We support it with the feeling that it is only a skeleton of the bill it should be. We believe that the government should reimpose price controls, particularly on those articles which vitally affect the cost of living. We believe that the government should also try to roll back some of the prices which have recently sky-rocketed to such a degree.

Mr. RODNEY ADAMSON (York West): Mr. Speaker, this debate, which recently caused a considerable display of histrionics, has developed into an ideological discussion as to the value of state planned economy as compared with free economy.

I believe that a comparison of what has taken place in the rest of the world, some of which has maintained controls, and some of which has abandoned them, would be of interest at this point. There are two sides to this whole matter of controls. The first side is that, with the abandonment of controls, we allow our prices to rise, and that included in those prices are prices of raw materials and wages paid to industrial workers.

There has been a great deal of discussion, and there was a great deal of talk yesterday in the house by members of the socialist party with regard to planned economy. The evils of free enterprise were loudly proclaimed, almost to the entire exclusion of any other discussion.

Let us accept the fact that in the United States, where controls have been almost completely done away with, prices have risen. In a moment or two I shall discuss the matter of the consumer resistance point, and inventory saturation. First of all, however, I should like to deal briefly with basic wages of industrial workers, and in this connection I would place on record certain figures which have just been published by the bureau of labour statistics in Washington. These figures set out the basic wage rates throughout a great portion of the world. These wage rates are given for a 40-hour week, in United States dollars and at the official rate of exchange. The figures are as follows:

Country	Rate of Wage per 40-hour week
United States	$46 40
Canada	29 20
Sweden	18 40
Great Britain (46-hour week)	17 60
France	16 40
Netherlands	12 80
Czechoslovakia	8 40
Russia	7 00

The figure for Russia is approximate. I shall not go into the statement made here respecting the Russian scale of wages, because I believe it is not entirely accurate. The authority I quote states, however, that the basic Russian wage rate is considerably lower in the weighted index than the wages in Czechoslovakia.

Let us see what this leads to. On this continent we have the United States, which has been the first to abandon controls. We see that the wages paid industrial workers in that country are considerably higher than they are in any other country in the world. We see that Canada, which has gone far along the line of abandoning controls, comes next. We see also that the greater the control of the economy, the less are industrial wages.

I suggest that those figures speak for themselves. If we want a high level of industrial wages—and we do—then the facts speak for themselves. Where you have a minimum of controls, and a condition under which the worker and industry may bargain freely together, you have a high wage rate. But where you have wages controlled by the government you find persistently and continuously decreasing wages. Wage rates decrease in direct ratio with the amount of control imposed by the government. Those are official figures.

I should like to say one word about the abandonment of controls in the United States. True, prices have risen. But something else has happened. Consumer goods, and capital goods production have tremendously increased. Today the warehouses in that country are becoming filled. Today there is a resistance to further increases in prices brought about by the operation of the basic law of supply and demand. And it is expected or estimated by bureaux in Washington that a recession in prices to the extent of about sixteen per cent can be expected. Different lines have different expectations, since some are in shorter supply than others.

The United States allowed the law of supply and demand to operate. As was expected, prices increased. But what else

happened? Production went to work. Never has production in the United States been as great as it is at the present time. Production of automobiles, steel and even of coal exceeds the greatest production in any previous year in the history of that country. I suggest that this tremendous increase in production is one of the safest and greatest safeguards against a continuously rising price structure. It is, in fact, the only safeguard which eventually will be worth anything.

Government regulations are constantly being broken. Otherwise there would be no reason for having a legal or enforcement service. But the law of supply and demand cannot be broken. It is inevitable, like the law of gravity. Despite the fact that there has been a price increase in the United States, we see in that country an abundance of goods, whereas in Canada we are still suffering from considerable and acute shortages in many lines of essential products. In this abundance of goods we see where the law of supply and demand has begun to take effect. Not only are the people of the United States getting supplies, but because of that abundance of supplies there is expected and, in fact, there has already occurred a recession in the prices of many articles.

I spoke today simply to show that the planned economy throughout the world has done two things. It has created scarcities and it has created low real and cash wages. In Canada we must take one of two ways. North America is an island in the world where individual freedom and the freedom of the group to bargain still remains sacrosanct. We have been urged to accept some other economic way of life, but I suggest that the indisputable facts show that we are not only better off on this continent as far as freedom goes, but also infinitely better off in every way economically. The abandonment of the freedom of the individual and of private enterprise would be the most retrogressive step economically that this country could take.

Mr. WILLIAM BRYCE (Selkirk): Mr. Speaker, I did not intend to take part in this debate but, because one or two things have happened, I feel I should say something. I have received many letters from constituents in Selkirk in connection with the taking off of controls. I assure the government that I am entirely in support of the bill, although I do not think it goes far enough. I believe controls should have been kept on much longer. This is going to have a bad effect on the country at large. The cost of living index has risen from 119·9 on January 2, 1946, to 128·9 on April 1, 1947, an increase of 7·5 per cent. In the same period the index of agricultural prices rose from 178·9 to 184·8, an increase of only 3·2 per cent. In other words, the cost of living has risen more than twice the increase in farm prices during the last fifteen months.

What gets me on edge more than anything else is the rise in the price of oatmeal.

Mr. MacNICOL: What about haggis?

Mr. BRYCE: At these prices we shall have to get a substitute for haggis. I need only look across at the opposite benches to see what oatmeal will do. The muscle and brawn of hon. members opposite has been produced by the use of oatmeal in their early years. I would remind the house that oatmeal is one of the best balanced foods in the world.

Mr. LOW: All of us Scotsmen think so.

Mr. BRYCE: I wish some of those who claim to be Scotsmen would fight for it. A forty-eight ounce package of rolled oats cost only seventeen cents in January of this year, but today the price is twenty-two cents, an increase of five cents for forty-eight ounces. The farmer is receiving only three and a half cents more for thirty-four pounds of oats. I know that is all I get, and I think the Minister of Agriculture (Mr. Gardiner) will agree that that is all anybody is getting. The man who rolls the oats is getting 56-2/3 cents more a bushel. That is excessive, and I do not think it is fair that such an increase should be received over what the farmer gets. I should like to have some minister tell me how that is justified. Mark you, both rolled oats and oats in other forms are under price control at the present time.

I thought I would try to find out whether the milling companies were in financial difficulties, whether they were making ends meet. I have here the net profits made by the Ogilvie Flour Mills Company Limited, after payment of expenses, taxes and everything else. They are:

1941	$ 769,000
1942	812,000
1943	1,003,000
1944	1,055,000
1945	1,111,000

According to the company's own statement, the capital stock is made up of 20,000 preferred shares valued at $2,000,000, and 600,000 shares of common stock valued at $2,500,000. It will be seen that that company is in good financial condition. Why should they

have that increase in the price of oatmeal? The net profits for the Maple Leaf Milling Company Limited were as follows:

1944	$658,000
1945	541,000

The net profits of the St. Lawrence Milling Company were:

1944	$127,000
1945	131,000

And Lake of the Woods:

1944	$387,000
1945	389,000

I think these figures show that the increase of 56⅔ cents a bushel is not justified. Then take hogs and bacon. The price being paid for hogs today varies according to the distance you are from seaboard, but it averages from $20.40 up to $21 and something. Not long ago we were able to buy bacon for fifty cents a pound, but today the same brand of bacon costs the housewife seventy cents a pound. There is no justification for that increase. The people who process the bacon when it comes from the farm are making good profits. In the fourteen years of its operation as a single company Canada Packers have made a net profit of $19,841,000, and those profits were made on an investment by shareholders of not more than $1,438,000. Those profits have all been made from live stock and live stock products produced by the farmers of Canada. I think there should be some check on that sort of thing. If you continue to take off price controls you can imagine where it is all going to end. Once these controls are off and business men are free, they do not seem to have any conscience; they cannot get enough. I heard somebody say that big business should take stock of itself and give the consumer a square deal and I hope that whoever heard that advice will take it to heart.

Look at the price increases in jams, jellies and marmalades. A ten per cent increase was authorized by the wartime prices and trade board on April 7, about a week ago. This ten per cent increase on 24-ounce containers amounts to six cents for No. 1 strawberry or raspberry and Nos. 1 and 2 cherry; five cents for No. 2 strawberry and raspberry; four cents for No. 1 peach; three cents for No. 2 peach and Nos. 1 and 2 plum. I hope that the government realize whom they are hitting when they permit this sort of thing. They are striking at the old age pensioner, the old man or the old lady who has provided himself or herself with an annuity, the blind people, the widowed mothers who are receiving mother's allowance and who have received practically no increase in income. With their income remaining the same, the increased prices mean a tremendous hardship for them.

I supported the wheat agreement with Britain both in the house and out of it. I never considered that the wheat price was a parity price; far from it. But I supported it because it guaranteed to the farmer a set price over a number of years, something that he had long been wanting—security. But I never thought the government would immediately start to raise the prices of the things the farmer has to buy. You have raised the price of binder twine, gasoline, tractor distillate, and the overalls which the farmer has to buy. He could get overalls for $2.50 when prices were under control by the wartime prices and trade board, but today the same overalls cost him $3.75.

Mr. MacNICOL: It is the same with everything he has to buy.

Mr. BRYCE: You leave me alone and make your own speech.

Mr. LOW: He is trying to help you.

Mr. BRYCE: I am sorry; I misunderstood the hon. gentleman. My hon. friends to my right are as much entitled to their view as I am to mine, but if the government takes their advice it will cause a whole lot of trouble in this country which could be avoided. See what is happening with shoes. The ceiling has been retained on leather, but the shoe manufacturer was granted an open market. You control everything the farmer has to sell, but you do not control prices of the things he must buy. It is going to cost the farmer eight and nine cents more than he paid last year for the binder twine he uses on his farm. You have raised the price on gasoline. Talk about controlling prices—the government might as well have held the control as to give control to the oil companies. They are the ones who are now going to control and set the price.

There is one other point I wish to make in connection with overalls, and this is perhaps more in favour of the government. When the price of overalls was under control every little town in my constituency could always get a supply of overalls to sell. If twenty farmers came in there was a pair of overalls available for each of them to buy. But today that is not the case. It is the man with the big purse who gets the overalls. That is another reason why I should like to see some of these controls retained longer.

Speaking on April 1, the Minister of Justice (Mr. Ilsley) estimated that for every one dollar spent by the government on price control during the war and subsequently the Canadian consumer and the government saved $12.50.

He estimated the annual savings at $2,500,000,000 and the annual cost at $200,000,000, and said that for the total five years since price control has been in effect this means an approximate saving of $12,500,000,000, at a cost of $1,000,000,000, or a net saving of $11,500,000,000, or slightly less than $1,000 for every man, woman and child in Canada. That in itself should be sufficient justification for maintaining controls longer until conditions throughout the world or at least in Canada become more normal.

I said, Mr. Speaker, that I was not going to take up much time, and I do not intend to. In the choice between control of prices left in the hands of profit-seeking monopolists and democratic control of prices by the people's government, we choose proper democratic government control.

Mr. T. J. BENTLEY (Swift Current): Mr. Speaker, when this legislation was in the resolution stage I had thought it would be unnecessary for me to take any part in the debate. I was quite pleased with the government's intention as announced by the Minister of Justice (Mr. Ilsley), to carry out what he called an orderly process of decontrol in order to avoid what he called booms and busts. But all through this debate I have been becoming a little sad, and I am now somewhat sorrowful because I find it necessary to take part in the debate.

The group with which I sit have been the target of constant attack during the debate on the resolution and on the second reading of the bill by the Progressive Conservative party which claims that we desire at all times to introduce measures of control and regimentation for the sake of control and regimentation. I am one of those who lived through the period from 1930 to 1935 when, during four of those years there was a Tory government in Saskatchewan and, in five of those years, a Tory government here in Ottawa, exhibiting the kind of conduct to the people of that part of the country that I was subject to along with the other citizens, permitting the machine-gunning of the miners in Estevan because they were demanding a decent standard of living, permitting the machine-gunning and clubbing of the relief camp marchers when they were stopped in Regina, and warning people like myself and others that we were breaking the law if we gave so much as a piece of bread and butter or sanctuary to any of those relief camp strikers who would not go into relief camps at twenty cents a day. After all that, I find it amazing to have people like that directing the kind of attack they have been directing against us. I grant them that it is their right. I would be the first to rise and fight for their right to do it if anybody proposed to take it from them, but I am amazed when I hear the kind of criticism they have been directing toward us. However, they are not the responsible party in this house and my criticism is not going to be directed entirely toward them. I suggest, more in sadness than anything else, that one or two of our Social Credit friends also take the same attitude as the Progressive Conservative party. I was sorry for that.

I was pleased with the attitude taken last night by the hon. member for Lethbridge (Mr. Blackmore). He does not agree with us. That is his right. He gave us the reasons why he did not and he tried to convert us to his way of thinking. That is his right, but he has not convinced me. I believe he agrees that that is my right. But I was a little sad over the attitude of the hon. member for Wetaskiwin (Mr. Jaques). He said that he was sick and tired of us. I shall grant that he has the right to be sick and tired of us, but to be sick and tired of anybody almost indicates to me that one has reached the point where he is ready to sing hymns of hate. I have no hymns of hate to sing with regard to that member or any other. I think hon. members should avoid singing hymns of hate against us or anybody else. He should have given us a constructive idea of what he wanted done, and the house could then decide whether it felt like accepting his advice or not.

Early in the debate the hon. member for Fraser Valley (Mr. Cruickshank) read a letter from a women's group in his constituency. I believe that letter expressed clearly the attitude of a great many housewives' groups across the country. I can support him by quoting similar letters from women's groups in my own constituency; from the home makers club; from the local council of women; from the fortnightly club, a local organization, and also from the wartime prices and trade board subdivision, consumer branch of the liaison officers, composed of women in our little city of Swift Current. All these women have the same thing to say. The letters are all the same, but I shall quote only one. I have the other letters here; if anybody thinks they are not the same he is at liberty to examine them. No object would be served by putting them all on the record. I shall take the one from the subdivision of the wartime prices and trade board, consumer branch, the ladies who are endeavouring to carry out the suggestions of the government and the wartime prices and trade board who asked the housewives to see

that prices were kept in line according to the price control order. This letter reads as follows:

> . . . the liaison officers passed a motion that in the interests of the families of low income brackets, which families predominate in our part of the country, the wartime prices and trade board at Ottawa be asked to continue paying subsidies on milk, butter, bread, oils, coal, vegetables and other necessities, and also that price ceilings be maintained indefinitely.

As I have said, the other letters are along similar lines, although couched in different terms according to the individual writers, but they mean exactly the same thing. I support what these ladies have to say.

Another thing has made me a little sorrowful and has put me almost in the position that another hon. member got into here but for a different reason. It was announced by the leader of our group, the hon. member for Rosetown-Biggar (Mr. Coldwell), that we intended to support this bill. I believe that all those who have spoken from this group have announced that we still intend to support it. I intend to support it, Mr. Speaker, if there is anything left to support. But ever since the resolution stage of this legislation, the things that have been asked for by the consumers of this country, the things that this bill is supposed to do, are gradually disappearing.

Just recently a delegation of women from western Canada came to Ottawa. I know that some will say—the newspapers have already said it—that they were inspired by the communist party. I have no proof that they were or were not. To me they were housewives. In my hearing they cited the names of the different organizations in their provinces which have given support to their coming here to place their brief before the government and before any members of parliament who would listen to them. They comprised church groups, auxiliary branches of the Canadian legion, the Canadian legion itself, which many of us are members of, and organizations of that kind. They supported these women regardless of whether they were communists or not. As I say, I do not know; I have no proof of who is or who is not a communist. Nobody ever shows me his card as to whether he is a member of the party or not. I myself was never a member of the organization or had a card and I do not expect ever to have one. I do not even know what one looks like; therefore I do not know a communist from anybody else unless he tells me himself.

This women's organization had nine points, every single one of which I can agree with and I believe most hon. members of this group and most hon. members across the floor should agree with regardless of its source, because it comes from the housewives of this country. I have been led to believe that the housewives do about eighty or eighty-five per cent of the buying in this country. They asked first for the reestablishment of price levels at the 1945 figure and the reimposition of price controls. I will not go all the way with them in the 1945 figure, but I believe that they are asking for a roll-back to some practical time. That is a worth-while request on their part and I can support it wholeheartedly. They asked for the immediate restoration of milk subsidies to protect the farmer and make milk available to the public at the price prevalent before June 1, 1946. At the last session of parliament, right up to the last day, we of this group tried to have that done. The hon. member for Winnipeg North Centre (Mr. Knowles) moved a resolution in the house, which was carried, asking that the government give reconsideration to the continuance of milk subsidies. We have supported that measure and have not yet changed our minds. These women asked for the retention of subsidies on butter, cheese and other foodstuffs of basic importance to the consumer. They asked for measures to prohibit the placing of new brands of food and clothing on the market to sell at prices above ceiling prices of similar goods of comparable quality.

In my humble way, I and the members of my family, our friends and the supporters of this party, supported the principle of price control in the interests of the war effort which we were undertaking at that time. We did not always agree that the wartime prices and trade board or its parent, the government, always operated as fairly and as well as they should. I say we supported the principle, but on more than one occasion we criticized its operation. The first instance, of course, was the original price-fixing dates on which they chose to do it. There is no object in anyone denying this because, when you buy clothes and wear them, you know, after you have worn them out, whether you have received value or not. This is one of the things that has happened. Manufacturers have manufactured goods that were not on the market before, given an article a new brand name to take the place of something on which they were compelled to hold the price down. On this new article there was no price ceiling, and they were able to demand their own price for it. Frequently we got an inferior quality of goods. I remember well the complaint about shirts was so great in the country that

somebody from the wartime prices and trade board issued a pamphlet. I remember we carried it on the victory loan campaign sometimes. It tried to convince us that the shirts we were getting at that time were as good as the pre-war shirts. Well, I had to wear the shirts and was wearing them out faster than I did before, although I was not working any harder, because the older I get, the slower and the lazier I get, and therefore I should not have worn them out so quickly.

Mr. MITCHELL: Open confession is good for the soul.

Mr. BENTLEY: I think there are a lot of us in that position. As a matter of fact, Mr. Speaker, I have often felt that the government itself, through the strenuous days of the war, has now got itself into a state of decrepit desuetude or something of that kind, morally or intellectually anyway.

The fifth point that the women asked for was the introduction of a system of standardization of labelling of all kinds of materials and manufactured goods. I do not think there is anything very much wrong with that. Someone might say that is imposing on private enterprise. Well, the great bulk of the people are not trained to examine an article and understand thoroughly the value of the textile in it. When I was a boy and we wore homespuns, or when we got English tweeds from reputable manufacturers, we knew we were getting the goods. Recently I was in Halifax, Nova Scotia, talking to a clothing man there who had been a friend of my father, and I asked him if he could get any English goods. He said, "Sure I can, Tommy, but don't think for one minute that they are as good now as the old English manufactured goods used to be". When I looked at them they did look as good, because I cannot distinguish between a poor and a good piece of textile. We have a grading system to grade Canadian grain going on the foreign market, going out on the Canada grain certificate final, which assures the buyer in foreign countries that he is getting the grade of grain defined in the Canada Grain Act. Why cannot the public be assured of a similar type of grading in the textiles and other goods they buy for their families?

The sixth point that the women asked for was a sharp curtailment in the manufacture of luxury items of all kinds, coupled with measures to ensure the manufacture and release of adequate utility goods and clothing, particularly children's wear.

Every once in a while someone gets up in this house—and this includes the Minister of Agriculture (Mr. Gardiner)—and outside the house, mostly on his part. and says that we need a bigger population here, an immigration policy to bring people in. Good heavens, we cannot even provide didies for the babies born in Canada. How will you have diapers for all the babies born to new immigrants until our own local manufacturers can manufacture diapers so that our babies can be properly clothed; or are we going to go back to the moss bag and straight board and pack them on our backs? I agree with that item, that the manufacture of luxury goods should be curtailed, the same as luxury building, until the necessary requirements of the ordinary people, whom the hon. member for Spadina (Mr. Croll) so eloquently called the little people of the country, are provided with necessities. Incidentally, I want to congratulate that hon. member on the speech he made yesterday, an excellent speech coming from that side of the house.

Mr. GIBSON (Comox-Alberni): Some of you boys have nice automobiles over there.

Mr. KNOWLES: Have you seen mine?

Mr. BENTLEY: I do not think I will allow hon. gentlemen here and there to take up my time talking about the value of their automobiles.

Mr. GIBSON (Comox-Alberni): Your automobiles, not ours.

Mr. BENTLEY: They will be getting back to the relative usefulness of the old grey mare which they each used to own at one time.

7. The retention of rent controls and the continuation of local rent control boards. Granted there have been some terrible errors, some of them justifiable errors, in the operation of rent control; granted there are not only veterans but others who did put their savings into housing with the best intentions of occupying the buildings they bought with that money, and were unable to get into the houses—a serious error on the part of the regulations or the operations—I think the difficulty could have been overcome without entirely removing. or even removing to the extent that we have seen, the system of rent controls. While it may be granted that owners of buildings which are rented to people as apartments, and sometimes very poor apartments, may have had a little less profit in their hands, I doubt if any landlord of an apartment building has actually had to go hungry in this country because he was subject to rent controls during the war or recently.

8. The inauguration by the government of a national programme of low-rental housing,

to eliminate present slum and overcrowding conditions. Immediate diversion of building materials from non-essential construction to the building of homes.

Why, in the name of goodness, cannot the government realize that that is important, is possible, is practical and should be done? It is possible to do it and I support this delegation of housewives wholeheartedly in that demand.

The ninth and last of their points is this: The reorganization of the wartime prices and trade board to a peacetime prices and trade board, with representation from national, provincial, and local labour, farmer and women's groups.

I believe there is a lot of good common sense in that request. I believe the government should give it serious consideration.

I said at the outset that I rose more in sadness than in anger at this time, and that is so. Last fall, when I went home I saw something happen that I had hoped would never happen in this country. I do not want anyone to think I am opposed to the right of the people to strike. I am not opposed to strikes, but I am very much opposed to the conditions that make strikes necessary. This being the only weapon the little people have to use, they have to use it at times; and always when it is used nearly everyone concerned gets hurt. It is like a war. While one side may gain their point, while it was necessary that great sacrifices should be made by Canada and the united nations to protect their freedoms against the rise of those nations that threatened those freedoms, nevertheless we suffered severely, and the other nations more so. The same applies to industrial conflicts, and yet last fall I saw a farmers' strike, the first widespread strike of the kind I have seen in Canada. I had worked among farmers and in farm organizations and farmed for a long time in that part of the country. We have often had great grievances, and we have always tried to deal with them on the basis of debate, on the basis of compromise, on the basis of proper representation, so much so that a little more than five years ago I came to Ottawa with a delegation of 400 people, mostly from Saskatchewan, to present our case, rather than carry out what was asked for by some at that time, a positive delivery strike among the farmers.

Last fall it took place, and it took place not because any one out there loves a strike. Bear that in mind. No farmer wants to go on strike. We are peaceful and good-natured and we do not want to have a conflict if we can avoid it. But the people there will fight if they are required to fight, and they will fight with every means at their disposal if they find that their living is going to be threatened and driven back to where it was some time before. The same holds good with labour.

The reason I made these few remarks about strikes was this. I saw an editorial recently in the *Canadian Register*. They were dealing with representation by Mr. C. H. Millard of the steelworkers union who asked for a roll-back of ten per cent in the prices of consumer goods. This is what the editorial says with regard to Mr. Millard's request:

> Employers ought to grasp at the opportunity for discussion offered by labour leaders such as Mr. Millard. . . other big corporations should do what Ford of Canada has done or else explain why they cannot reduce prices. Big business is now too big to be allowed to claim the privileges of privacy.

This is not a C.C.F. paper; it is not a socialist paper; it is the *Canadian Register*. I will repeat that sentence:

> Big business is now too big to be allowed to claim the privileges of privacy. There is a reasonable demand that the public, and especially labour, should know the facts about prices and profits. If big business is making no more than reasonable profits it should not be afraid of publicity; and unless it takes labour into its confidence—

I would add "farmers" also.

> —it will provoke a fresh series of strikes that will have disastrous consequences.

There is a lot in that. Hon. members will note they say big business is now too big to claim privacy.

Quite often we are criticized from different quarters of the house because of our stand on private enterprise or free enterprise or whatever you want to call it. I do not know whether any words of mine can clarify our position, but for a moment or two I am going to try. We believe in private enterprise. Every single member of this group believes in private enterprise. We believe in the private individual on a farm having the right to own that farm. If there were a monopoly of land in this country we would not believe in that type of private enterprise, and I want my Tory friends to realize that. The minute there is a monopoly of land in this country we shall be against the farmer who has that monopoly, but we believe in private enterprise. We believe in the right of the private storekeeper to run his store and the right of the private blacksmith to run his blacksmith shop; we want more of that in this country. But there is very little free enterprise left in Canada.

Mr. HACKETT: How about the doctors?

Mr. BENTLEY: We believe in the freedom of the individual, and I come from the only place in Canada where they have a health region with almost universal health services. That is health region No. 1, Swift Current, Saskatchewan. There we do not coerce any doctors. Every doctor is free to enter into a contract with the health region or not, as he sees fit. No doctor there is compelled or coerced into taking part. I do not know what my hon. friend's information may be, but I am telling the truth. No doctor has to sign a contract; nobody can make him put his name to it. He is asked to do so; we try to get him to see the public service he can render by doing so.

Mr. HACKETT: What happens if he does not?

Mr. BENTLEY: If he does not he can continue his private practice. He can carry on private practice or regional practice, as he prefers. I want it to be remembered also that this was done under democracy. The question was submitted to the people of the eighty municipalities comprising that region and seventy-one per cent voted in favour of it.

I was pointing out, Mr. Speaker, that there is very little free enterprise in connection with private enterprise today. The little storekeeper cannot set his own figure. Nearly all the places he has to buy from are coordinated in selling monopoly enterprises, in the wholesale, jobbing and manufacturing fields.

Mr. GIBSON (Comox-Alberni): Or in cooperatives.

Mr. BENTLEY: Possibly in cooperatives, but no cooperative sets the prices. The private merchant who happens to be behind in his accounts may even be subjected to the rule of the wholesale house with which he is behind, by having his mark-up made for him in his own store. That is not private enterprise or free enterprise; that is controlled enterprise, controlled by people who are not responsible to the people being controlled. I would much rather be controlled by the Minister of Justice (Mr. Ilsley) whom I can vote out at the next election if I wish, than by some guy whom I cannot vote either for or against whether he should be on the board of directors or president of Canadian Industries Limited or some other firm. To prove my statement, only recently we were told that by submissions—not by demand but by submissions—the government finally convinced the explosives division of Canadian Industries limited to sell small arms ammunition to the retailers of our part of the country who are members of the Falcon Hardware and Merchants Consolidated, thus ending a fight that had been going on for a good many years, as the hon. member for Moose Jaw (Mr. Thatcher) knows. Canadian Industries made us pay through the nose for small arms ammunition if we wanted to take our shotguns and shoot a prairie chicken, a duck or a goose.

Free enterprise, then, is something in which we do not believe if the individual is going to have complete freedom to do as he likes. There are two kinds of private enterprise; one kind is free and illegal. The private enterprisers I have been speaking of, the farmers, the small merchants, the professional men and so on, are law-abiding citizens, but there is another kind of free enterpriser, perhaps the sportiest of them all. He puts a blackjack in his pocket or a gun under his arm, puts something over his face so that he will not be recognized, and robs a bank or clunks somebody on the head in a dark alley; and as long as the police do not catch him he is a free enterpriser. When they do catch him he ceases to be free, but he is a private enterpriser, and that is how he operates. The other fellows, making up the great majority of the small enterprises of this country, are subject to control by some monopoly enterprise every way they turn. As was said here yesterday, the farmer is subject to their control. When he sells his goods they tell him what they will pay for them; when he buys his supplies they tell him what he must pay for them. I need not go farther into that; the facts are well known.

I just want to repeat that we do believe in private enterprise, and we do not believe in the little private enterpriser being controlled by the freebooting monopoly enterprisers who control and own so much in this country. How much freedom has the labourer? He has freedom to take off his hat and say, "Please, mister, can I have a job?" He cannot start a nickel mine of his own; he cannot start a boot and shoe factory of his own. He has to go to some guy who, through the years, has accumulated enough money to operate a business; he has to say to that fellow, "Please, mister, can I work in your factory or mine?" Where is his freedom of enterprise? So he is going to strike, unless the sort of enterprise under which he has to work, which some people call free enterprise but which we call monopoly enterprise, will give him enough for the work he does to buy the things he needs; and as I have just pointed out, the *Register* holds the same view.

The farmer will do the same thing. This house, as a parliament, has agreed to certain conditions to cover the sale of a large part of our Canadian wheat. We in this group supported this honestly and sincerely, but as we were doing it we asked the government to hold the price line as far as the farmers were concerned. The government has continually neglected to hold the price line so that every day now the stabilized prices farmers are getting under these regulations are being threatened. As I have said before, our farmers are not hard people to deal with. They do not kick unless they have something to kick about, but I am receiving constant representations from them saying, "What is going on at Ottawa? Just when we think we have a price that might be some good to us we find we have to pay 4½ cents more for gasoline and 12½ per cent more for machinery, while the prices of all our household goods are going up." The united farmers of Canada, Saskatchewan section, took an active part in the farm strike last fall, along with the farmers' union of Alberta. They have regular meetings together, and I believe there is a delegation here in Ottawa at the present time. The united farmers of Canada, Saskatchewan section, issue a monthly bulletin called "Information", in which there is an editorial dealing with these very matters, part of which I should like to quote:

> The farmers' strike last fall was an indication of how the farmer is thinking about this question.

He is thinking about it even more today than he was at that time, because the situation is getting more acute.

> It was in one sense the first concerted effort at using the strike weapon. There is no question about it that this action also brought the farmers and labour closer together.

In the occupational group council of the people out in that country we find that farmers and labour are getting closer together all the time. This bulletin also contains addresses by some of these people which I should like to put on record, but I have not time this afternoon and in any event I do not think it would be of any particular value. The people in the country will read them, and those here who do not want to be convinced would not be convinced anyway.

We are going to support this bill. As I said, I am beginning to wonder what I am supporting. I am beginning to wonder, too, what is wrong with the Tories. I look at this bill and I look at the newspapers; I hear announcements of price controls that are being taken off. My wife tells me every day that she is paying a little more, here and there. She asks me, "When did the price control go off?" I say "My dear, read the newspapers. Go up and sit in the gallery in the House of Commons, and listen to ministers of the government, and you will know more than I do"—or as much, anyway. She always says she knows more.

Then, I wonder what the Tories do want. I read the amendment offered by the hon. member for Eglinton (Mr. Fleming) and seconded by the hon. member for Yale (Mr. Stirling). They agree on some things. For instance, they agree with old age pensions.

Mr. Speaker, there is nothing more unanimous in the House of Commons than that. I doubt if there is a single member in the house who would dare raise his voice against the increase in old age pension at the present time. The government can be assured of that; indeed, they are so thoroughly assured in their own minds that that is so, that they are going to make the old age pensioners wait until we have passed this kind of bill.

But for the Tories to stand behind and say they would be willing to vote for that does not mean very much.

Mr. MARTIN: Would the hon. member permit a question?

Mr. BENTLEY: Yes.

Mr. MARTIN: The hon. member is one of the fairest members in the house. Upon reflection I do not think he will agree that his statement about the government's making old pensioners wait is an accurate one, in the light of the agenda of this session. I am sure that, on reflection, he would want to correct that.

Mr. KNOWLES: Two and a half months from the speech from the throne.

Mr. BENTLEY: Well, Mr. Speaker, I do love to be courteous to the minister who has just spoken, because he is such a courteous gentleman himself. I will accept his correction, if he makes it in good faith.

Mr. KNOWLES: Old age pensioners cannot live on courtesy.

Mr. BENTLEY: That is right; they cannot.

Mr. PROBE: The government is likely going to make the payment retroactive.

Mr. BENTLEY: We hope so. I feel sure that the increase in old age pensions payments will receive the unanimous approval of the house. But I should like to say this to the government, that I doubt very much if the government's idea of an adequate in-

crease will meet with unanimous approval in the house. We shall have an opportunity then to see just how many there are in the House of Commons, including those in the three groups on this side, and the solid group over there, and one or two partial dissenters, who are willing to deal fairly in the matter of the amount of the increase in old age pensions.

To expect that we shall ever have a bill in the House of Commons at any time which every hon. member could support wholeheartedly would be expecting too much. Therefore, as I have said, this group will support the bill as it is. We do so with a great deal of sadness, and with the wish that much that has been taken out had been left in, and that much more had been put in before it was introduced.

At the outset I said I did not intend to take up much of the time of the house, but I felt my constituents should be represented in the debate, in view of things which have taken place since the measure was presented to parliament, and also in view of statements which have been made about us, particularly by the Tory party, who do not like what they call our type of dictatorship, but who loved the iron heel dictatorship of R. B. Bennett, and the machine-guns of the thirties.

Mr. SPEAKER: When the minster speaks he will close the debate.

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, I feel it is unnecessary for me to speak for more than a few moments in closing this debate. I may say that it comes as a relief to me to have the opportunity to close the debate, because it has taken a long time.

The discussion has covered a wide range, and has been a valuable one. But it must be remembered that time is running on, and that before we get this emergency legislation through we have to consider a wide range of matters. I am in hopes that the house will make as rapid progress as possible in the days and weeks to come.

I am not at all sure that it is necessary for me to say anything about the position of the various parties with respect to the measure now before us. The principle of the measure was clearly expressed this afternoon by my colleague, the Secretary of State for External Affairs (Mr. St. Laurent). It is, I submit, summed up in the last recital in the preamble of the bill, which is as follows:

> And whereas it is necessary by reason of the existing national emergency that certain orders and regulations of the governor in council made under the War Measures Act and the National Emergency Transitional Powers Act, 1945 be continued in force temporarily notwithstanding the expiry of the National Emergency Transitional Powers Act, 1945, in order to ensure an orderly transition from war to peace.

That is the principle of the bill; and I am surprised that any party in the house, any member in the house, should have found it necessary to take a position in opposition to the measure. I am surprised that that should be the case. It seems to me it is a measure which should pass unanimously, which should pass promptly. It seems to me the house should devote itself to considering, in as much detail as it wishes, orders in council which are appended to the bill. I should hope that that consideration would not be too detailed because, as has been pointed out, these orders in council are now the law of the land, have been for many years the law of the land, and are all destined to expire before very long. And so the degree of care required in legislation which is to be permanent is not required in legislation of this type.

Inevitably discussion has centred around certain of the orders in council which are appended to the bill. Those are the orders in council relating to controls. The positions of the three parties in this house with reference to controls has been carefully and repeatedly stated.

I have a feeling that those hon. members who took such an adamant and uncompromising position against the continuation of controls—I have an idea, I say, that those members have weakened very much in the last few weeks.

The Progressive Conservative opposition apparently came to the house determined to agitate for the removal of controls and the reduction of taxation, thinking those were the two things that the people of the country—or at least a great many of them—wanted. I am not saying anything about the reduction of taxation, because, of course, that is not within my province or department. But the leader of the opposition (Mr. Bracken), in his first speech in the session, stated definitely and positively the position of the Progressive Conservative party on controls. I venture to say that today the leader of the Progressive Conservative party would not state that position in those terms. He would not take that position now.

The hon. member for Stanstead (Mr. Hackett) has stated positively he is for the abolition of all controls. And we can go throughout that party, here and there, and remember the speeches which have reverberated through this chamber, talking about the cancellation of controls, condemning the government for holding on to controls, stating that we must do away with them—and at

once—and that we cannot retreat gradually, stating that an orderly or gradual retreat is inevitably disorderly, and that the only way to get rid of controls is to get rid of them.

That has been the position taken by prominent and official members of the Progressive Conservative party throughout all this session—until recently; until they went home during the Easter recess, and found out something. They found out what was the sentiment of the people in their constituencies.

Nothing is more humourous, it seems to me, than the report of the deliberations of the convention or the annual meeting—or whatever it is called—of the Progressive Conservative party. According to the reports, the party divided into two elements. One was for doing away with controls and the other was for perpetuating some controls. Finally they decided, as I read in the *Globe and Mail*, to compromise by recommending that all controls be abolished which would retard the production of building materials. That was the momentous decision on the subject of controls arrived at by the Progressive Conservative convention.

The position I have stated on behalf of the government is a clear one. It is that we must get out of this field as soon as it is safe to do so, and I mean safe from the point of view of the people of this country. I have stated repeatedly that I cannot go along with the C.C.F. position, which apparently contemplates the indefinite continuation of controls. We cannot possibly contemplate a position like that, because we have no constitutional power to do so. We cannot have price controls by dominion authority permanently in this country.

The dominion government has to get out of price controls sooner or later. The dominion government must lay its plans so as to get out of price controls on an orderly, gradual and safe basis. That is the position of the Liberal party today; that is the position of the government, and I think it is the only common sense position that any party can take in this house. Recently a big smoke-screen was thrown up in connection with this whole matter of controls, and we have had such speeches as that delivered by the hon. member for Lake Centre (Mr. Diefenbaker) about the courts and about certain powers which the wartime prices and trade board has the right to confer upon the sugar corporation and so on. Some of his points may be very good. I do not know whether those are or not.

As I said in my opening speech with regard to these controls, the powers are extensive. They had to be extensive. We pared down some of them and perhaps some of them should be taken out in committee, but to elevate individual sections in long orders to the level of the principle of the bill and present them as the reason why the Conservative party is going to vote against this bill is to show a lamentable and shocking lack of proportion and confuses the issue entirely.

I am not going to say very much more about this. Nearly everybody has expressed himself and I have expressed myself already on two or three occasions. This attitude of handing everything back to business, which the Conservative party started out to put before this house as their attitude and their policy is impracticable, is dangerous and is wrong in the light of present conditions. It has been modified since by sheer opportunism. Reaction tempered by opportunism is the principle that underlies the attitude taken by the Progressive Conservative party in this debate and in this vote.

Mr. GRAYDON: You are getting pretty desperate over there.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. MACKENZIE: I would like to have a recorded division on this motion.

The house divided on the motion (Mr. Ilsley), which was agreed to on the following division:

YEAS

Messrs:

Abbott
Archibald
Argue
Arsenault
Baker
Beaudoin
Beaudry
Benidickson
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Blackmore
Blanchette
Boivin
Bonnier
Bourget
Bowerman
Bradette
Breithaupt
Brown
Brunelle
Bryce
Burton
Campbell
Castleden
Chevrier
Claxton
Cleaver
Coldwell
Coté (Verdun)
Cournoyer
Croll
Cruickshank
Dechene
Denis
Dion (Lake St. John-Roberval)
Dubois
Emmerson
Eudes
Fair
Farquhar
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gariépy
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gillis
Gingues
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Hallé
Harris (Grey-Bruce)

Hartt
Healy
Herridge
Howe
Ilsley
Irvine
Isnor
Jaenicke
Jean
Jutras
Knowles
Kuhl
Lafontaine
Lapointe
Laurendeau
Leger
Little
Low
McCann
McCuaig
McCubbin
McCulloch (Pictou)
McCullough (Assiniboia)
Macdonald (Brantford City)
McGarry
McIlraith
MacInnis
McIvor
McKay
MacKinnon
MacLean
MacNaught
Maloney
Marier
Marquis
Martin
Matthews (Kootenay East)
Mayhew
Michaud
Mitchell
Moore
Mullins
Nicholson
Probe
Quelch
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
Ross (Hamilton East)
St. Laurent
Shaw
Sinclair (Ontario)
Sinclair (Vancouver North)
Sinnott
Stuart (Charlotte)
Thatcher
Townley-Smith
Tremblay
Tucker
Viau
Warren
Weir
Winters
Wright
Wylie
Zaplitny—125.

NAYS

Messrs:

Adamson
Aylesworth
Black (Yukon)
Blair
Boucher
Bradshaw
Brooks
Caouette
Casselman
Charlton
Church
Cockeram
Coyle
Daniel
Drope
Fleming
Fraser
Fulton
Graydon
Hackett
Harkness
Hazen
Henderson
Homuth
Jackman
Lennard
Lockhart
Macdonnell (Muskoka-Ontario)
McGregor
McMaster
MacNicol
Manross
Merritt
Raymond (Beauharnois-Laprairie)
Robinson (Bruce)
Rowe
Stanfield
Stephenson
Stirling
Timmins
Tustin
White (Hastings-Peterborough)
White (Middlesex East)—43.

Mr. CARDIFF: I was paired with the hon. member for Chateauguay-Huntingdon (Mr. Black). Had I voted I would have voted against the motion.

Mr. McLURE: I was paired with the hon. member for Beauce (Mr. Dionne). Had I voted I would have voted against the motion.

Mr. STOKES: I was paired with the hon. member for Chambly-Rouville (Mr. Pinard). Had I voted I would have voted against the motion.

Mr. MENARY: I was paired with the hon. member for Queens (Mr. Douglas). Had I voted I would have voted against the motion.

Mr. LAPALME: I was paired with the hon. member for Argenteuil (Mr. Heon). Had I voted I would have voted for the motion.

Mr. SMITH (York North): I was paired. Had I voted I would have voted for the motion.

(Translation):

Mr. DORION: I was paired with the hon. member for Labelle (Mr. Lalonde). Had I voted, I would have voted against the motion.

Mr. GAGNON: I was paired with the hon. member for Montmagny-L'Islet (Mr. Lesage). Had I voted, I would have voted against the motion.

(Text):

Bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—Short title.

Mr. KNOWLES: Mr. Chairman, three times within the past few weeks we of this group have tried to give the house an opportunity, by placing certain amendments before it, to make clear to the government how the house and the country feel about the way in which certain price controls have been taken off or price ceilings lifted. These amendments were all ruled out of order, and we were told each time that the place for us to try to make that point was when we got into committee on the bill. Frankly I have found it difficult, in studying the bill, to see just how we are going to achieve that purpose by means of any amendment, but I should like to bring this matter to the attention of the minister, and I would appreciate his considering it and letting us know whether there is any way in which we can amend the bill so as to express the feelings of the committee which, I think, are the feelings of the country.

The Minister of Justice and the Secretary of State for External Affairs both administered some severe tongue lashings to the members of the Progressive Conservative party today. We enjoyed them and think these tongue lashings were well deserved, but I should like to point out to these two ministers the significance of one of the things that they said about the Progressive Conservatives.

The CHAIRMAN: Order. May I call the attention of the committee to standing order 58 (2) which reads as follows:

Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

We are now entering upon a discussion of Bill No. 104, the principle of which has been considered carefully by the house and approved. I presume that the committee would want me to direct its deliberations in accordance with the standing order.

Mr. HACKETT: Do you rule, Mr. Chairman, that the tongue lashing was irrelevant?

The CHAIRMAN: Order. I felt that I should rise at this time and bring this rule to the attention of the committee. It has been my experience that, if one or two members speak generally on the first clause, then we are almost bound to have a full debate on the principle and allow all hon. members to do so. The rule is that the discussion in committee must be strictly relevant to the clause under consideration. At the present time we are discussing the short title.

Mr. KNOWLES: Mr. Chairman, I know the rule is there and I agree with you that it should be followed. But I think you will also realize that it has been the general practice to allow such general discussion as one cannot get in in other places, on the first clause of the bill. I must also point out the position that hon. members are being put in if we are told, when the Speaker is in the chair, to wait until we get into committee to deal with certain matters and then, when we get into committee, are told we cannot raise them there.

The CHAIRMAN: Order. I did not intend to convey any such impression. I think there will be ample opportunity under the clauses to discuss all questions which came up during the discussion in the house. There are eight clauses and a very long schedule, and I suppose the committee can decide to consider each item in the schedule. That, of course, will be for the committee to decide, but I feel that we should decide now that the rules of the house are going to be observed and discussion should take place only on the clause under consideration.

Mr. ILSLEY: Mr. Chairman, I think I should say something to the committee about the government's plan with regard to considering this measure. It is proposed to take up section 1 first, the section we are on. My submission would be that the rules of order, whatever the practice has been, should be applied in the consideration of that section, and I hope that the discussion of it would be short. With regard to section 2, section 2 must be amended if amendments are to be made to any of the orders in council in the schedule, and so I will propose that section 2 stand until the schedule is dealt with. If amendments to any of the orders in council, or sections of the orders in council, are passed by the house, then it will be necessary to go back to section 2, which would have stood, and amend it so as to give effect to these amendments to the orders in council. Then I think that, before we deal with the orders in council in the schedule, we might as well deal with the remaining sections of the bill. And so the course of procedure I propose is to take section 1, let section 2 stand, take sections 3, 4, 5, 6, 7 and 8, then the schedule, and then go back to section 2 and amend it as may be required by any amendments to the schedule.

With regard to the hon. gentleman's problem, I presume he would like to propose some amendments somewhere which would put a brake upon what he might consider headlong action—

Mr. KNOWLES: You are reading my mind exactly.

Mr. ILSLEY: —by the government.

Mr. GRAYDON: This is about as headlong as molasses in February.

Mr. ILSLEY: The hon. gentleman is experienced and he would select his own opportunity without assistance from me, but I would suggest that the proper place for that is upon consideration of P.C. 8528, which is the order in council setting up the wartime prices and trade board. If it is desired to move an amendment by adding some section to that order in council by legislation, the hon. gentleman has every right to propose it. If he moves the kind of amendment I think he will propose, I am afraid I shall not be able to accept it, but that is his opportunity.

Mr. KNOWLES: That is exactly the point, and it is a continuation of the experience we are now having; my fear is that if we wait until we get to the order in council to which the minister has referred, and then seek to move an amendment to put a brake upon this headlong decontrol, in other words, the kind of amendment that would ask the wartime prices and trade board to reimpose some of the ceilings that have been taken off, we shall then be told by the Chairman, and perhaps rightly, that such mandatory amendments would be out of keeping, out of order, with

the permissive nature of that particular order in council. That is my reason for raising the point now.

As a matter of fact, we felt in this group that it was not so much a matter of amending the order in council that was necessary as it was that expression should be given of the opinion of this house to the government, which they in turn could pass on to the war-time prices and trade board, and that is why we tried to move the three amendments we have moved during the past few weeks. That opportunity was denied, and we seem to be in the position where it is utterly impossible to get a vote of the house, to tell the government that we want price controls reimposed on certain items. What I was starting to say, in defence of my hon. friend to the right, was this, that the reason—

Mr. GRAYDON: Be careful.

Mr. KNOWLES: I will be awfully careful when I start to do that. But the reason they have come back from the Easter recess not quite so sure that controls should be taken off is that in the meantime controls have been removed, as, for example, on the first of April by the Minister of Finance, with the result that there have been increases in the cost of living, and the people back home in some of my hon. friends' constituencies who, a few months ago, may have thought a good song to sing was, "Take off controls now", now know the effect of it and are protesting to their members, even in those Tory constituencies. In other words, the blame for their change of tune is not to be placed on our Tory friends, but on the government for what the minister rightly described a few minutes ago as headlong decontrol.

Mr. ILSLEY: That is your language, not mine.

Mr. KNOWLES: Weren't those your words?

Mr. ILSLEY: No, Mr. Chairman. I must see what *Hansard* says but, as I remember, I said "what my hon. friend describes as headlong".

The CHAIRMAN: I think the committee should decide now whether or not it will observe the rules.

Mr. HACKETT: I should like to come to the aid of the government and recommend that the Chair declare it six o'clock.

Progress reported.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, April 17, 1947

The house met at three o'clock.

REPORTS OF COMMITTEES

EXTERNAL AFFAIRS

First and second reports of the standing committee on external affairs—Mr. Bradette.

RAILWAYS, CANALS AND TELEGRAPH LINES—CONCURRENCE IN FIRST REPORT

Mr. L. O. BREITHAUPT (Waterloo North) presented the first report of the standing committee on railways, canals and telegraph lines, and moved that the report be concurred in.

Mr. CHURCH: I should like to ask the chairman of this committee whether it is the custom to consider in secret a bill which has been sent to the committee after second reading, as was done this morning in considering an important railway bill? What is the policy of the committee in regard to procedure?

Mr. BREITHAUPT: The committee does not meet in private. There was a quorum this morning of the twenty members as required by law, and all discussion was perfectly in order.

Motion agreed to.

PRIVILEGE

MR. MARTIN—STATEMENT OF LEADER OF THE OPPOSITION RESPECTING OLD AGE PENSIONS

Hon. PAUL MARTIN (Minister of National Health and Welfare): Mr. Speaker, I wish to bring to the attention of the house a matter concerning the privileges of the house. Last night the leader of the opposition (Mr. Bracken) made a speech to the nation, in which among other things he used these words, as reported in the morning press:

> Mr. Bracken said nearly everyone agreed that old age pension payments should be increased. Yet the government refused to do this in open parliament and sought power by order in council so it could decide behind parliament's back what increase—if any—was to be made.

An hon. MEMBER: That is right.

Mr. MARTIN: Mr. Speaker, that statement is absolutely untrue. In the speech from the throne, as I said yesterday, and as the hon. gentleman I am sure upon reflection will note, the government made known its intention to introduce, not by orders in council but by a bill in open parliament, amendments to the Old Age Pensions Act.

An hon. MEMBER: When?

Mr. MARTIN: That statement—

Mr. MACKENZIE: During this session.

Mr. MARTIN: That statement was repeated twice by the Prime Minister (Mr. Mackenzie King), twice by the Minister of Justice (Mr. Ilsley) and yesterday afternoon by myself,—

An hon. MEMBER: Where is the bill?

Mr. MARTIN: —seven hours before the hon. gentleman spoke.

An hon. MEMBER: Where is the bill?

Mr. MARTIN: So that, Mr. Speaker,—

Mr. MACKENZIE: If you stop your delaying tactics you will get it sooner.

Mr. MARTIN: So that there can be no question that the remarks of the leader of the opposition last night were not in accordance with the facts, which he knew very well, and which were related to him only yesterday afternoon.

The government has stated repeatedly its intention to introduce at this session the amendments which were referred to yesterday. I ask the hon. gentleman to note that, and to make a correction in the house at this time.

Mr. BRACKEN: I have no correction to make.

Some hon. MEMBERS: Withdraw.

Mr. BRACKEN: We have been here now for two or three months—

Some hon. MEMBERS: Order.

Mr. BRACKEN: —and there is no old age pensions bill before us.

Mr. GARDINER: Putting out Tory propaganda.

Mr. MARTIN: My hon. friend—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I think hon. members will admit that I cannot permit a debate at this time.

MR. ABBOTT—STATEMENT OF LEADER OF THE OPPOSITION AS TO TAXES ON BREAD

Hon. DOUGLAS ABBOTT (Minister of Finance): I rise also on a question of privilege. In the report of the same speech—

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order. Is the minister rising on a question of privilege?

Mr. ABBOTT: Yes, Mr. Speaker. In the same report the leader of the opposition (Mr. Bracken) is referred to as follows:

> Mr. Bracken was critical also of taxation policy, restrictions on Canadian exports, rates of old age pension payments and controls.
>
> "Everything in Canada," he said, "was loaded down with indirect taxes. A loaf of bread, for instance, carried thirty-six tax levies, making up about one-third of its price. That was an example of the source of the high cost of living."

That too is completely inaccurate. A loaf of bread is heavily subsidized.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. The hon. minister rose on a question of privilege and I would ask hon. members to allow him to state his question of privilege.

Mr. ABBOTT: My question of privilege is this: I am the minister of the crown specially responsible for the imposition of taxes and the administration of subsidies. I say that if there is any article of commerce in Canada which is not taxed, it is bread; on the contrary, the main content of bread, wheat flour, is probably the most heavily subsidized of any commodity at the present time.

Mr. COLDWELL: Mr. Speaker, may I ask you to consider this point: Is it proper to raise questions of privilege on speeches made outside this house?

Mr. MACKENZIE: On the point of order may I say that it is perfectly proper as long as the statement made outside reflects upon the accuracy of a declaration by a minister of the crown with reference to policy expressed in this house.

FISHERIES

SHIPPING OF CANADIAN CREWS ON FOREIGN VESSELS

Hon. H. F. G. BRIDGES (Minister of Fisheries): Yesterday the hon. member for Queens-Lunenburg (Mr. Winters) asked me a certain question relating to the possibility of shipping Canadian crews on United States fishing vessels on the Atlantic coast and I promised I would give a statement today.

The shipping of Canadian crews to American fishing vessels on the Atlantic coast is governed by an act of parliament, the Customs and Fisheries Protection Act. Section 10 of that act provides for the forfeiture of every foreign fishing vessel which has entered Canadian territorial waters for any purpose not permitted by treaty or by any law of Great Britain or of Canada. So far as United States fishing vessels are concerned there is a law of Canada, namely, an order in council under the authority of section 3 of the Customs and Fisheries Protection Act, chapter 43, R.S.C., under which a licence may be issued to a United States fishing vessel enabling it to

enter any port on the Atlantic coast of Canada for the purpose of purchasing bait, ice, seines, lines and all other supplies and outfits. The present order in council, P.C. 3955, September 24, 1946, does not permit the shipping of crews on foreign vessels.

Since the United States vessel in question the *Gertrude de Costa* is now in the port of Lunenburg, Nova Scotia, with bait and ice on board, the governor in council, under section 3 of the Customs and Fisheries Protection Act, is issuing a licence to this vessel to permit it to ship necessary complement of crew at the port of Lunenburg. While granting a licence in this special case it should be understood that this concession is in no way to be considered as a precedent.

CANADAIR LIMITED

REQUEST FOR BALANCE SHEET

Mr. G. K. FRASER (Peterborough West): In a return tabled in my name yesterday by the Minister of Reconstruction and Supply in connection with Canadair Limited the balance sheet asked for on page 1758 of *Hansard* was not included. This balance sheet is also mentioned in one of the letters tabled as being attached thereto, but the balance sheet was not attached. Will the minister see that this balance sheet is tabled tomorrow?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I looked over the documents briefly and I thought the balance sheet was attached. If it was not, I shall certainly see that it is supplied.

[*Later:*]

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I would refer the hon. member for Peterborough West (Mr. Fraser) to page 299 of *Votes and Proceedings* of Monday last, the second paragraph; also to a return to an order of the house of March 26, 1947, for a copy of balance sheet of the Canadair Limited. as mentioned in section C, page 1542, *Hansard* of March 20, 1947. In other words the balance sheet was tabled last Monday.

QUESTION PASSED AS ORDER FOR RETURN

HOUSING—VETERANS' LAND ACT—DRAINAGE, REPAIRS AND ADJUSTMENTS

Mr. MERRITT:

1. How many houses constructed under the Veterans' Land Act small holdings project have been found to contain (a) defective workmanship; (b) defective materials; (c) a combination of (a) and (b), and (d) unsatisfactory drainage?

2. How many contracts or arrangements have been entered into for repairs and/or redrainage of the defective houses or properties?

3. In how many cases have the repairs or redrainage been undertaken by (a) the original contractor; (b) other contractors?

4. In how many cases have the repairs or redrainage been undertaken (a) at the expense of the contractor; (b) at the expense of the taxpayer; (c) at the joint expense of the contractor and taxpayers?

5. (a) In how many cases has the veteran been required to bear any part of the cost of repairs; (b) in how many cases in which the original contractor is being employed to do the repairs, or redrainage, and the cost thereof is being borne by the taxpayers, is any profit, management fee or allowance over cost being made to such contractor?

6. If there are any cases in which the cost of repairs or redrainage is not being charged to the contractor, what is the reason for failure so to do?

7. In how many accepted cases of bad workmanship, materials or drainage have the necessary repairs or redrainage not yet been arranged or contracted for?

8. (a) What is the total estimated cost of repairs and redrainage necessary to date; (b) what is the division of such cost between the veteran, the taxpayers and the contractors concerned?

9. (a) How many inspectors or other officers employed by the Department of Veterans Affairs for the purpose have passed or approved work, materials or land subsequently found to be below standard; (b) how many such persons are still in the employ of the department; (c) how many such persons have been discharged for cause; (d) if any such persons are still in the employ of the department, why have their services been retained?

10. (a) Are any prosecutions or actions for damages pending against any persons for bad workmanship, for the supplying of bad materials or for breach of contract in respect of any of these houses or projects; (b) if the answer to (a) is yes, how many prosecutions or actions are pending, and in what locality or localities are such proceedings being brought?

POSTAL SERVICE

INQUIRY AS TO DISTRICT INSPECTOR FOR PRINCE EDWARD ISLAND

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queens): I should like to direct a question to the Postmaster General having to do with the changes that have been made in the postal service of Canada. Why was Prince Edward Island ignored and not granted a district postal director at Charlottetown as was done in New Brunswick and Nova Scotia?

Hon. ERNEST BERTRAND (Postmaster General): I will take this question as a notice.

RATES ON PARCELS TO BRITIAN

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): I should like to ask the Postmaster General a question, of which I have sent him notice. Why is it that a parcel of goods destined for Great Britain, the value of which is $2.09, costs $10.20? How are those charges broken up as between Canada and Great Britain?

Hon. ERNEST BERTRAND (Postmaster General): It would be impossible for me to answer the hon. gentleman's question without knowing the contents of the parcel. I might say that on a twenty pound gift parcel, which is the maximum allowed for such a parcel, the rate to England is $2.50, made up as follows: England gets a credit of 51 cents on each of these parcels which the British postal authorities deliver anywhere in England. We have to pay them that 51 cents. The shipping companies charge us $1.50 per two cubic feet, which is about the space of a gift parcel of 20 pounds takes up. Those two charges amount to $2.01, leaving 49 cents remuneration to the Canadian Post Office for picking up the parcel anywhere in Canada—Vancouver if necessary —and delivering it to the shipping companies. We are losing money on every such parcel.

Mr. ROSS (St. Paul's): If I may ask a supplementary question, I happen to know that this parcel was shipped by air, and the value of the goods was $2.09.

Mr. SPEAKER: Order. The question seems to be pretty long, and as I see no urgency in it I would suggest that it be put on the order paper.

Mr. CHURCH: Will the Postmaster General give consideration to allowing these food parcels to be sent to Britain free of postage, the necessary amount to cover the postage to be provided for in an item in the main estimates?

Mr. BERTRAND (Laurier): I am sorry I have to say that the answer is in the negative.

LABOUR CONDITIONS

STRIKE OF MINERS IN NOVA SCOTIA

On the orders of the day:

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I wish to ask a question of either the Minister of Reconstruction and Supply or the Minister of Labour. It is this: In connection with the strike in Nova Scotia, in view of the fact that this government has been spending $8,000,000 a year by way of coal subsidies, and in view of the fact that the men say the management is wrong and the management say the men are wrong, will the government not consider appointing a board of mining men to go down there and find out who is wrong and what is causing the small production of coal per man in that area?

Hon. HUMPHREY MITCHELL (Minister of Labour): First of all I want to welcome my hon. friend back to this house. I am glad to see his smiling face once more.

Mr. SMITH (Calgary West): The hon. member for Halifax (Mr. Isnor) welcomed my going away. I am glad the minister welcomes me back.

Mr. MITCHELL: Frankly I do not think it is necessary to accept my hon. friend's suggestion. A royal commission on coal recently handed down a report which covers the situation in a broad and adequate way.

Mr. SMITH (Calgary West): What did they say? Which way are they?

Mr. MACKENZIE: Read the report.

Mr. SMITH (Calgary West): I have read it, and what have they found on this question, I ask you?

EXTERNAL AFFAIRS

RUSSIAN WIVES OF CANADIANS—QUESTION OF GRANTING OF PERMISSION TO LEAVE

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Has the Russian government given the Canadian government an official reason why it will not give the wife of George Power, former private secretary to the Canadian Ambassador to Russia, a visa or permission to leave Russia to join her husband?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): My impression is that we have received no official answer. The matter has been under discussion and I will have the file looked into. When I saw it only a few days ago the matter then was still under discussion. There had been no official answer.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Wednesday, April 16, consideration in committee of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national

emergency arising out of the war—Mr. Ilsley—Mr. Macdonald (Brantford City) in the chair.

On section 1—Short title.

The CHAIRMAN: When the committee rose last night it was considering clause 1—short title. Shall the clause carry?

Mr. KNOWLES: Mr. Chairman, just a sentence or two to add to what I was saying yesterday on clause 1, which reads:

This act may be cited as the Continuation of Transitional Measures Act, 1947.

The inference from the title is that the measure before us is one to enable a continuation of certain policies that have been in effect. Our whole quarrel with the government, which we have been trying to state on behalf of the Canadian people, is that they are not continuing for a sufficiently long enough period the policies in relation to the cost of living which the Canadian people want continued.

Section agreed to.

On section 2—Orders and regulations continued in force.

The CHAIRMAN: Do I understand that this clause is to stand?

Mr. SINCLAIR (Vancouver North): In asking that this clause stand, the minister said there might be some amendments after the schedule had been adopted. But on the actual clause itself, aside from any amendments to the schedule, I should like to make a few comments and also to move an amendment in regard to ministerial control over these control powers. I have not wasted any of the time of the house in speaking on controls because the people I represent are completely in favour of the present policy. I have received a large number of communications from both the working people and white collar people that I represent, and without exception they have advocated the continuation of these controls over the essentials of life, therefore I say I am for these controls, but for controls in which there is the essence of parliamentary control.

The member for Kootenay West last week spoke very well in answer to some of the arguments that had been put up by the Progressive Conservative party who had called these controls tyranny and despotism. He said that they could not be considered tyranny or despotism so long as in the end the government had to return to parliament, as the government is doing now, for power to continue the controls. Charges of bureaucracy have been made by the opposition, and civil servants who have done a difficult job exceedingly well have been loosely slandered by such charges. Some of these men in public office may have got swelled heads and found a little authority too much for them to handle. But in the life of this great dominion do we not find similar characters in every field? You find them here in the House of Commons. For example, we have all seen men who because they happen to be sitting on the front benches opposite think they have the privileges and prerogatives of ministers of the crown. Therefore I see no reason why this whole programme should be scathingly denounced as bureaucracy because of a few failings of officials administering them.

There is, however, I think a great difference between the attitude of the Liberal party to these controls and the attitude of our friends of the C.C.F. party. The charge is made that we are one on this. I think that charge is wrong, because the very essential of controls by this government, as pointed out by the Secretary of State for External Affairs in his apt quotation of Professor Lower, is that there should be in the end parliamentary control and responsibility by the ministers to the people who are sent here to represent them.

I may be wrong in this, and if I am wrong I shall accept immediate correction by the C.C.F. My feeling is that if they were in power they would be quite content to set up these super planning boards and experts of the type of Professor Laski and leave them to do the job remote from any parliamentary control.

Mr. COLDWELL: No.

Mr. SINCLAIR (Vancouver North): I am going to accept that correction and I am also going to explain why I made this apparent error. As hon. members know, at times I am labelled as being almost too close to the C.C.F. party. Whenever a member of that party speaks I move down near them so that I can catch every word in order to understand what he is driving at. As British Columbia members know, I am in considerable sympathy with many of their objectives. I do the same thing when any member of the Social Credit party is speaking. Being a keen student I have, however, been bewildered at times by some of the things said by apparently responsible people of the C.C.F. party.

Last week the members of the C.C.F. party in British Columbia held a convention in Vancouver. I read in the Vancouver *Sun* a

report of that convention, and I found the following on the front page of the issue of Friday, April 11:

> First task of a C.C.F. administration would be the swift removal of the major sources of wealth production from private hands. This was the declaration today of Colin Cameron, provincial president of the C.C.F. in his report prepared for delivery to the party's annual convention in Hotel Vancouver.
>
> "It must be made clear," Mr. Cameron continued, "that our whole programme of social services and economic extension rests on that first bold revolutionary bid."

This is not a misquotation, because it is taken from a prepared report which he turned over to the press beforehand. I understand that.

Mr. COLDWELL: Read it all.

Mr. SINCLAIR (Vancouver North): We have heard so much of that in British Columbia; I have heard so much of it that I understand it. Then we heard the excellent speech made in the house yesterday afternoon by the hon. member for Moose Jaw. I heard the excellent speech made here by the hon. member for Swift Current, and how far apart they are from the speech of Mr. Cameron! Yesterday afternoon the hon. member for Swift Current said, as reported at page 2109 of *Hansard*.

> We do believe in private enterprise, and we do not believe in the little private enterpriser being controlled by the freebooting monopoly enterprisers who control and own so much in this country.

The hon. member said: "We do believe in private enterprise", as did the hon. member for Moose Jaw. I also listened to the hon. member for Halifax, and these two speeches by the members for Halifax and Moose Jaw could have been made by the same man. The hon. member for Yorkton charged that all business men were Jesse Jameses, a lovely phrase which he cribbed from the hon. member for Cape Breton South. I could not tell the difference between the speech of the hon. member for Halifax and the hon. member for Moose Jaw, both good business men; for when the member for Moose Jaw spoke to the people of Saskatchewan, according to the Regina *Leader-Post*, he was for private enterprise. His speech was carried last Friday in the Regina *Leader-Post* in one column, and slam-bang against it was an account of Colin Cameron's revolutionary speech at Vancouver. If I made a little mistake in listening to everything that hon. members of the C.C.F. party said about planners they must forgive me for this confusion. Colin Cameron is the provincial president of the C.C.F. party in British Columbia, and was formerly a member of the legislature. In a kindly way I am going to make a suggestion, because as I listened to the Social Credit party's most excellent suggestion the other night—I sat close to them and I think the members of the Social Credit party will do me the justice of saying that I listened to them—

Mr. KNOWLES: I rise to a point of order.

Mr. MACKENZIE: Take your medicine.

The CHAIRMAN: Order.

Mr. KNOWLES: I rise to a point of order. I deliberately waited until the hon. member had finished with the C.C.F., so that he would not say I was interrupting him on that—

Mr. SINCLAIR (Vancouver North): I have not finished. I was going to give good advice to the C.C.F. party.

Mr. KNOWLES: Mr. Chairman, my point of order is this. I have no objection to the hon. member talking about us; we enjoyed it, but yesterday you interrupted me on section 1 because I began to talk about the Progressive Conservatives. We are now on section 2, and I submit it has nothing to do with the matter that the hon. member is discussing.

The CHAIRMAN: Order. Section 2 is a wide one; it refers to all the orders in council; whereas section 1 referred only to the title.

Mr. SINCLAIR (Vancouver North): Thank you very much. This is my first speech on controls. Second, the C.C.F. quickly rose to my bait by saying that I was wrong. I was explaining why I was wrong. I was wrong because I was misinformed by their several attitudes. I wish to say that I hope the attitude they may take in the future will not mislead us who are seekers after truth and who are confused when one responsible man of the C.C.F. party says one thing and another says another thing about the same thing.

A few nights ago the hon. member for Lethbridge was speaking. I was down in that corner trying to find out all I could about the Social Credit philosophy, and at times I find it difficult, although he is a lucid and clear speaker. He was challenged by the hon. member for Cape Breton South; and in return he said: "I challenge any member of the C.C.F. party or any other party to say whether any responsible members of this group", speaking of his own group, had advocated such and such a course. The hon. member for Cape Breton South wanted to know who were the responsible and who were the irresponsible members of that group so that we would know who are the prophets and teachers of the true

gospel, and who were the prophets teaching heresy. I would suggest to the C.C.F. and the Social Credit parties that henceforth in the Parliamentary Guide they put a little asterisk before the names of those who are responsible and who speak with responsibility, and leave the asterisk off those who are irresponsible—

Mr. IRVINE: May I ask the hon. member a question?

Mr. SINCLAIR (Vancouver North): Yes.

Mr. IRVINE: Would it not take a fair-sized revolution to give us free private enterprise in this country?

Mr. SINCLAIR (Vancouver North): The hon. member had best direct his question to the hon. member for Swift Current who is sitting behind him, because he said he believes in it. Let him read it again.

Mr. IRVINE: He knows it is not here.

Mr. SINCLAIR (Vancouver North): He says he believes in it. Ask him for a full explanation of it, since he has such a deep and implicit belief in it.

Mr. BENTLEY: I shall be glad to give it some time.

Mr. SINCLAIR (Vancouver North): However, I turn to the C.C.F. bible, to know whether to believe Colin Cameron, the president of the C.C.F. in British Columbia, or those C.C.F. gentlemen who speak as I do in the house, the hon. member for Swift Current and the hon. member for Moose Jaw. I turn to "Make This Your Canada". There are no asterisks in it; therefore I take it it is responsible so far as the C.C.F. party is concerned. At the end of the Regina manifesto we find the following:

> No C.C.F. government will rest content until it has eradicated capitalism.

Tie that in with private enterprise and with the speeches made in the House of Commons by the two members to whom I have referred. In the House of Commons, members of the C.C.F. party say they believe in private enterprise. They are in the same class as the hon. member for Stanstead who can vote both ways.

I apologize for being so wrong in misunderstanding the C.C.F. position, but let me get back to section 2 of the bill. I believe positively in parliamentary control, in responsibility of the ministers not only for acts committed in their department but for acts committed by any agency of the crown under them. In the consolidation of the orders in council there are some orders in council which have explicit definitions of the powers and responsibilities of the ministers, those of the Minister of Finance and those of the Minister of Fisheries for example. In other orders in council the powers of the ministers—I put it kindly—are but implicit; and there is no mention at all of the powers of the minister in a few of the orders. I say that somewhere we as a parliament, the court of last resort in this country, must have a man who is responsible for acts by these various boards and bureaux. The fact that it appears in some of the orders in council in the schedule is not sufficient; it should appear right in the bill itself.

Mr. ROSS (St. Paul's): Which bill?

Mr. SINCLAIR (Vancouver North): Bill 104. I have known the hon. member for Lake Centre for a long time. I admire and respect him greatly. He made an impassioned speech yesterday and mentioned the denial of the right of individuals to appeal to the courts of the land against rulings of the various boards. I was swayed by that. I listened to him attentively and I can see why he has made such great success at the bar, because if you put twelve Saskatchewan farmers in the box and let the hon. member for Lake Centre at them he will win his case. The difference between parliament and a jury box is that the next morning we can read *Hansard*. I read *Hansard*, and when I read his remarks to the effect that we are tyrants who have removed that last liberty, the right of appeal to the highest court of the land, I thought of some reading that I did last winter with regard to the early days of workmen's compensation in my province. That legislation was introduced by a Liberal government and bitterly opposed by the Tories, especially by lawyers and insurance companies. Oh, the lawyers waxed indignant about that removal from the poor, humble injured working man of the precious right to appeal from a dictatorial workmen's compensation board in respect of unjust awards. How they bled for the workingman! Well, workmen's compensation has rolled on all these years, and the workmen of British Columbia have been well protected and have saved many needless legal fees. There is ministerial responsibility to the act because the minister of labour in the provincial legislature is held responsible for any injustice which may have been done by the workmen's compensation board.

The same can be said of the Canadian pension board, again described as a body from which there is no appeal to the courts of the land. But who is the man that must carry the responsibility in this House of Commons, the greatest and highest court of appeal, for seeing that justice is done in all the rulings of

the board? Who is that man but the Minister of Veterans Affairs? For that reason I say that we are not denying to those who may feel that they are unfairly dealt with by the boards the right to appeal to the highest court in the land, just so long as it is clearly understood by the people that here in parliament there is one man responsible for each of these boards, one man who must justify before a gathering of his peers the actions of the board.

The second reason concerns the public outlook. There is an old saying—I need hardly repeat it, though it is important—that not only must justice be done but it must be known that justice is done; and certainly if it is known by an amendment written into the bill, known to the people of Canada, that these are not bureaucrats surrounded with absolute power but still servants of the people, that there is still one man, in this house, of the servants of the people, who must answer for the actions of the board, then the people can be assured that justice will be done.

The third reason comes closer perhaps to members of parliament. There is, I will not say a tendency but at least a temptation, for some ministers, when you go to them—not in the House of Commons but in their offices—and protest against actions of boards, to say, "Oh, well, the boards have been set up to run their own affairs, and we cannot do anything". To remove that temptation from ministers I would like to see clearly in the bill an amendment stating that the minister shall not only have control but shall be responsible. With that in mind I therefore move, seconded by the hon. member for Comox-Alberni (Mr. Gibson), the following amendment to section 2, a new subsection 2(1):

> Wherever the word minister is used in the schedule to this act, the rights, powers, duties, liabilities and functions of that minister shall extend and apply to such boards, and other public bodies, officers, subjects, services and properties of the crown as may be designated or assigned to the minister by the governor in council over which the minister shall have the control, regulation, management and supervision.

The wording of that, as you will realize, is not my own. It is taken directly from the powers of the minister in the most recent departmental act, that of reconstruction and supply.

Mr. ILSLEY: I should like to compliment the hon. member on his contribution to the debate and would ask that his suggestion stand for consideration by the officers of my department and by the government. I would point out that in one of the orders in the schedule at page 23, is found a clause which reads:

> In the exercise of its powers conferred by these regulations or otherwise, the board shall be responsible to the minister and, whenever any directions are given by the minister, all action taken by the board shall be in accordance with such directions.

Generally speaking when I was Minister of Finance I tried to see that clauses of that kind were inserted in the orders which set up the boards that operated under my jurisdiction, and I am in accord with the general principle of my hon. friend's observations. I should point out, however, that the language of his amendment may be too sweeping, and it is for that reason that I should like to have the proposal stand. There is a class of organization which should not, I submit, be subject to the direction of the minister and that is any organization which is in the nature of a court. For instance, in some of these orders courts of rental appeal and the like are set up. These probably should not be subject to the direction of the minister; they should have independent jurisdiction. The same may be true of certain organizations connected with labour relations It may be they should not be subject to interference by the minister. But with regard to organizations of the type of the wartime prices and trade board, it is perfectly proper that they should be subject to direction from the minister, and that probably is recognized by the clause which I have read, which appears in the wartime prices regulations.

With regard to this section, I suggest that at some stage it should be allowed to stand. I do not think the section can be passed, either with or without this amendment, at the present time, but should stand until we get through the schedule, as I explained yesterday. If however hon. members have any suggestions to make as to the proposal itself, this may be as good a time as any to make them. If they are made now it will give the government an opportunity to consider them before we return to the section.

Mr. MacINNIS: I have no suggestions at the moment with regard to the section, but I do wish to reply to some of the remarks made by the member for Vancouver North (Mr. Sinclair). First may I say that I have admired the independent stand that he has taken in this house on numerous occasions, although perhaps there is a reason for that show of independence. He did not, however, deal fairly in this case with the quotation he gave from the Canadian Press report of Mr. Cameron's speech. He read a sentence and

stopped there, whereas the sentence he read was only a part, really only half of what Mr. Cameron said.

Mr. SINCLAIR (Vancouver North): It was the end of a paragraph.

Mr. MacINNIS: It was not the end of a paragraph either.

Mr. SINCLAIR (Vancouver North): In the Vancouver *Sun* it was the end of the paragraph.

Mr. MacINNIS: I have it, and it is the same Canadian Press article.

Mr. SINCLAIR (Vancouver North): Mine was in the Vancouver *Sun*, Friday, April 11, front page, not by the Canadian Press but by the Vancouver *Sun*, and the remarks ended at the end of the paragraph. I am not here to read the entire speech. A paragraph is one coherent thought.

An hon. MEMBER: Whose paragraph?

Mr. SINCLAIR (Vancouver North): The paragraph in the press release that was given by Mr. Cameron.

Mr. MacINNIS: The Vancouver *Sun* is not above distorting news any more than any other capitalist paper in Canada.

Mr. SINCLAIR (Vancouver North): The old cry of the C.C.F., "We were misquoted".

Mr. MacINNIS: It is not a misquotation, but the hon. gentlemen did not finish the quotation. Let me read it.

Mr. SINCLAIR (Vancouver North): Give us the whole speech.

Mr. MacINNIS: Yes. I will give you what is in the press, and I will not stop just where you stopped for your own convenience to make your own case.

Mr. TUCKER: What paper is it?

Mr. MacINNIS: The *Leader-Post*, Regina, Saskatchewan, April 12, 1947—a good Liberal paper.

Mr. TUCKER: It is a good paper.

Mr. MacINNIS: It is a good paper of the kind.

Mr. SMITH (Calgary West): Who said so?

Mr. MacINNIS: Let me quote it.

"Our whole programme of social services and economic extension rests on that first bold revolutionary bid," he said. "If we present effectively the case for sane and intelligent revolutionary progress through use of democratic procedure and institutions, we can hope in Canada to lay foundations of that free classless society which is the goal of all socialist aspirations.

Through our democratic institutions. The C.C.F. has never at any time gone beyond the use of democratic institutions, or as is the phrase they use in Great Britain, revolution by consent. If there is confusion in C.C.F. speeches, the same confusion results from listening to speeches from the other side of the house. For instance, the Minister of Justice in presenting this bill made the statement that the policy of the government was to get back as quickly as possible to a free economy. The Minister of Reconstruction and Supply said that the policy of the government was to get back as quickly as possible to a free economy. But let us get the opinion of the hon. member for Spadina (Mr. Croll) on a free economy. He does not think a great deal of a free economy; indeed he does not think it is anything worth while getting back to.

Mr. SINCLAIR (Vancouver North): He is not a minister.

Mr. MacINNIS: Perhaps the reason he is not a minister is that he holds these ideas. The reason that the hon. member for Vancouver North (Mr. Sinclair) is not closer to the ministerial seats is because he holds similar ideas. The front benches are not very keen on ideas.

On page 2056 of *Hansard* we find the hon. member for Spadina saying:

During the war the government used successfully the device of controls to divert the tremendous output of industry to the interests of the state—which at that time was the fullest prosecution of the war. Now in these critical and emergent years of peace we must take the same forces and use them, but not, as some political thinkers would suggest, to bring industry back to normal.

The political thinkers he possibly had in mind were the Minister of Justice and the Minister of Reconstruction and Supply, who wish to get back as quickly as possible to a free economy. The hon. member for Spadina continues:

To my mind that is a label only, and one which hides a multitude of iniquities. As we saw in the thirties, in the titanic struggle of economic forces, the small man was crushed.

That is, under a free economy in Canada prior to the war the small man was crushed.

An hon. MEMBER: Oh, oh.

Mr. MacINNIS: All right; I am quoting the hon. member for Spadina.

Mr. SINCLAIR (Vancouver North): We do not know whether they are your words or his.

An hon. MEMBER: The lawyers would starve to death.

Mr. MacINNIS: No lawyer will ever starve to death under capitalism. There are too many crooks to defend. The hon. member for Spadina said further:

> After all, it is not the function of either the landlord or the millowner to run his business for the benefit of the public. The true function, as they see it, is to produce profits; and it would be naive for us to assume otherwise, or to ask them to run their business in an altruistic manner. The good business man is not operating for the sake of charity; and if scarcity presents him with an opportunity, he takes advantage of it.

That is the system under which we are living, where the need of one individual is used to the advantage of another. That is what the C.C.F. wants to get away from.

Then on page 2057 the hon. member for Spadina has this to say—and I should like to know how many on that side of the house agree with him. I should like to see the hon. member for Vancouver North get up and take issue with him in this matter. I quote:

> Many of these people reason that Hitler and Mussolini imposed a controlled economy on their countries and that all kinds of evils followed as a natural result—loss of liberty, persecution, regimentation, mass murder and war. They are convinced that if we hold on to the few controls that remain we shall be selling the freedom of this country down the river—quite overlooking the fact that Britain, probably the most largely controlled English speaking country in the world today, is also the one in which the flame of freedom burns the brightest. Only persons who have little faith in democracy should live in fear of democratic controls. People have come to take for granted the exercise of economic controls which prior to the war they would have called totalitarian. We must not forget that the little people of this country do not merely accept controls; they actually want them, and they do not want to go back to the days of false booms and real depressions.

Mr. SINCLAIR (Vancouver North): I will answer. The hon. member invited my comments.

Mr. MacINNIS: No, I did not invite them but I have no objection to the hon. member making them at the proper time.

An hon. MEMBER: Oh, let us get on with the work.

Mr. MacINNIS: Let my hon. friends be fair in this matter. Yesterday when the discussion began, the hon. member for Winnipeg North Centre (Mr. Knowles) started a discussion something like this on section 1, but was ruled out of order by the Chairman. I am not now disagreeing with the Chairman's ruling, but my impression was that if there was any section in the bill on which there could be general discussion, it was on section 1, the title. But this section deals with this specific point, and the hon. member for Vancouver North was allowed to proceed. My hon. friends did not object. They were enjoying it very much.

An hon. MEMBER: Because he moved an amendment.

Mr. MacINNIS: I know the hon. member moved an amendment, but what he said in moving the amendment was not related to what he said in the first part of his speech.

Mr. SINCLAIR (Vancouver North): The hon. member's party were very kind to me. They said "explain", and I explained.

Mr. MacINNIS: No, the party did not say anything of the kind. The purpose was to create a false impression of what was said by a member of the C.C.F., and we are not going to allow the hon. member to get away with that sort of thing.

The CHAIRMAN: Order. I might say to the hon. member for Vancouver East that I was asked for a ruling with regard to section 2. I made a ruling that in my opinion it allowed very wide latitude—it deals with all the orders in council—and I did not see how I could rule the hon. member out of order. I thought I was right and still think I was right.

Mr. CHURCH: I rise to speak on section 2. I have not taken up much time in connection with this bill, and I speak now because I must be at a meeting of the committee on railways at four o'clock.

I wish to refer to two or three principles in connection with controls. I wish to speak about three items which, if continued in new form will afford no relief so far as I see. The other day I referred to what has been done in the United States regarding production. That was the key to the solution of control and decontrol in that great country. Sooner or later we in Canada would have to follow suit, in view of the fact that our economy is closely interlocked with that of the United States. In the United States figures show that they are now having their greatest volume of production in all their history of all classes of goods. The result has been that that production has had a great deal to do with maintaining and aiding consumer goods business, and in some instances in lowering prices. This has been the effect, either directly or indirectly, of their decontrol policy.

This whole matter gets back very largely to the law of supply and demand, the principle which applied long before the war and which made the United States the great country it is. In some respects let me say that the public holds relief in this respect in its own hands. It need not buy manufactured goods offered in the stores at higher prices if it does not want to. That is shown in the large departmental stores throughout the country today. Clothing for men and women is being offered at fabulous prices—and in this I include men's ties, shirts and all sorts of things. The same applies to women's clothes. Some of these articles will not be bought at higher prices, and in many instances the result has been that the goods have remained on the counters, with few if any people buying them.

The Minister of Finance dealt with two or three controls the other day. I believe some reference was made by him to re-control where necessary. It was pointed out by me that in the coming winter it may be necessary to give some relief in order to make fuel available. This winter we still have snow in April, and when the warmer weather does come we shall have had about nine months of winter weather, when some fuel must be provided. The minister said that they might find it necessary to reestablish, if urgent and necessary, some forms of control.

Then I think something further should be done in connection with milk, because any neglect in this respect might have a severe effect on the health of our younger population. I should hope that next winter the minister might see fit to reestablish some system of a moderate milk subsidy for the winter months at least.

In connection with section 2 of the bill I should like to see some amendment in respect of the orders and regulations affecting houses. The present system of controls has retarded the building of houses, so that no one now wants to invest in real estate. In the city from which I come, sixty-five per cent of the people used to own their own homes. Many have lost them to the mortgagees. Some of the owners have had undesirable tenants under this system of controls, tenants who have misused the properties and left them in such a rack and ruin state that insurance companies would not pay a dollar in the event of fire. I know of one instance where the mortgagee wanted to foreclose. He asked for a further payment of principal because of the way undesirable tenants ruined his investment.

I do not favour a form of control under which an owner cannot get into his own house, even after years of waiting; it is nothing but state confiscation. Where the tenant had no lease he could be put out. The rental regulations are ridiculous and have worked great hardships on returned soldiers who have not been able to get into their own houses on which they had spent their gratuities and credits.

I suggest that the minister should have some form of federal inspection. I know that in my city the offices are filled with rental administrators. They have had to move to a larger building at 32 Adelaide street. It may be that only five or ten per cent of these undesirable cases would require further investigation by federal authority. Why could not a check be made on undesirable tenants so that the landlord would have a little encouragement and a chance to put them out, and would be prepared to invest more money in real estate?

How can this be administered from Ottawa? I say it should be turned over to the provinces and municipalities for rent control regulation, if necessary. The municipalities regulate the building of houses and have control of fire and building by-laws. Why should the dominion attempt to operate a system like this, away down here in Ottawa, and discourage the building of houses for all time to come?

I do urge upon the government that some further regulation be applied to housing along the lines I have suggested, and that they be made to apply to those undesirable tenants who came in, destroyed property, ruined it to the point where it has to be rebuilt from the ground up by a landlord who may lose it. Why should this be allowed? It is nothing but confiscation.

As I have said, only five or ten per cent of the tenants could be considered as undesirable. Inspection could be made of them under civic by-law. If the federal power cannot do it, then let the property inspector, the building inspector or the fire chief visit these places and take note of the inflammable material which has been collected.

Why should not the municipal and city police continue this process of housing control, if there is to be any control? It would be far better to put an end to control altogether, and apply the system I have suggested.

Mr. IRVINE: I want to be sure I am in order, and so I refer to the section under discussion; it is section 2, having to do with orders and regulations continued in force.

I rise to make a few brief comments, and to make reference to the speech of the hon. member for Vancouver North (Mr. Sinclair). I know he has been well answered already, but there are one or two further comments

in that connection which I feel ought to be made. The hon. member began by referring to the view expressed by some that there was no difference between the C.C.F. and the Liberal party in the matter of controls. But he proceeded to dissociate himself from that idea, and to show that there is a difference. He said his understanding was that the C.C.F. party would deliberately appoint bodies to take charge of public functions, which bodies would have no contact with governmental control through representation in parliament.

Of course the hon. member knew we would deny that immediately. Then he proceeded to quote. In the first place, let me say to him he may find there are many people in the ranks of the C.C.F. who are no more proud of being associated with the Liberal party than he is of being associated with us. I would point out further to him that the quotation he made had nothing whatever to do with the principle of control. Neither of the gentlemen he quoted was making any reference to controls or to the appointment of bodies to carry out certain important functions, or to the mechanism by which democratic control might be mainatined. Neither was discussing that.

I suggest the reason for the first quotation, that from the presidential address of Mr. Cameron in Vancouver, was that Mr. Cameron had used the word "revolution." That is the reason it was used.

I believe that perhaps the best thing any man or woman in the house can contribute to the public life of Canada is a point of view, whether that point of view be individually expressed or be expressed as the view of an organized body. Because I believe that I do not desire to have the views I hold either misrepresented or distorted. I want my views to be considered for what they are and not have somebody's distortion of them.

The word "revolution" is a perfectly good word and I do not propose to give it up just because somebody misinterprets it. If it stands for blood and horror to my hon. friends on the government side of the house or in any part of the house, then they do not understand their English, that is all. If I had the time I could give the committee numerous examples of revolutionaries in art, science, religion and, in fact, in every walk of human life. I could show how Watt himself, the man who discovered the power which originated the industrial revolution, was a revolutionist in industry. There have been revolutionists in music and in art. Jesus Christ was a revolutionist in religion and of course they crucified him. I have no doubt that the Liberal party would crucify him today if he came back, and maybe a lot on this side would help them.

Revolution means a fundamental change in human affairs, and that is all it means. We happen to stand for revolution by the consent of the people through our democratic institutions.

An hon. MEMBER: You will never get it.

Mr. IRVINE: My hon. friend says we will never get it. He is a real revolutionist of the bloody sort, but I am revolutionist of the democratic kind. If we do not get it in that way, I do not want it and I am not interested in it. I am interested in the revolution that is brought about with the consent of the Canadian people at the ballot box and without any of the misrepresentation that we had this afternoon.

There is no contradiction between the man who believes in free private enterprise and the man who believes in the necessity for a great revolutionary change in this country's way of doing business and in this country's way of life. As I suggested in my question to my hon. friend a moment ago, there could be no greater revolution possible in this country than the one that would leave every individual free to express his own being and his own personality and to do the kind of work he wants to do and to make his contribution to society. That would be revolution. There are few individuals that have any such freedom today.

To believe in that is to have a very idealistic concept indeed. As the hon. member for Swift Current said, an ideal of that sort is pretty much like the ideal of those who hope to get to heaven. It is an ideal but it is far from being the fact in Canadian life today. So thus goes the argument of my hon. friend. I do not know why he brought it up. He may have had some idea in his own mind. I do not think he inteded to misrepresent the viewpoint of this group, but I conclude by saying: Let those in this house oppose the C.C.F. all they want to, provided that they oppose us for what we really are, for what we stand for. I resent being opposed because of something in which I never believed or advocated.

Mr. ILSLEY: May I suggest that the section stand and that we go on to another section.

Mr. ROSS (St. Paul's): I have something to say.

Some hon. MEMBERS: Louder.

Mr. ROSS (St. Paul's): I will speak a little louder. After listening to the hon. member for Vancouver North, I begin to wonder why he is not sitting on the front benches. I have a few notes here somewhere and I will try to find them.

Some hon. MEMBERS: Carried.

Mr. ROSS (St. Paul's): That is all right, I will get them in a minute. From the way the hon. member for Vancouver North talked I thought he would probably be in the cabinet tomorrow. I am not so sure that he would not be a better man in the cabinet than a whole lot of our friends who are sitting on the front benches over there right now.

Mr. KNOWLES: Start anywhere.

Mr. ROSS (St. Paul's): You are going to get something in a minute that is worth while. This government is not so good that it can laugh at everything. I think a lot of the fellows over there really do not know where they are going. There are a lot of others on that side, on the back benches, who have more in them than those on the front benches, and there are a lot on this side who have more in them than those who are on the front benches.

I asked for a return last year giving the number of people in the employ of the government of Canada. That is very important, is it not?—the people who are in our employ. I just want to tell those fellows who are sitting on the government benches that there are too many people trying to look after too few in this country right now. You just cannot get away from that. We have to get down to brass tacks; and I am going to give a few figures.

Some hon. MEMBERS: Oh, oh.

Mr. ROSS (St. Paul's): You fellows over there can laugh if you want to. A member of the cabinet the other day referred to the amount of income tax he had to pay. Let us get down to something here; let us get busy and get something done. Let us have on the front benches more fellows like that bright young boy in the back seat over there, who is not as incompetent and inept as many of the leading lights on the front benches, who are probably there for political purposes and for nothing else. I have some good friends—

The CHAIRMAN: Order.

Mr. ROSS (St. Paul's): Why?

The CHAIRMAN: I ruled that we would allow wide latitude in the discussion of section 2, but it must be discussion with respect to the bill under consideration and with respect to the orders in council which are set forth in the schedule. I do not think it allows discussion of the income tax or some other legislation.

Mr. ROSS (St. Paul's): I bow to your ruling and I will keep as close as I can to the text of my sermon. A lot of people have talked about this bill as being the bill of fifty-seven varieties, copying Heinz. It is not that at all; it is Canada's greatest fruit salad. Without exception, it is the silliest, the most foolish bill that has ever been brought into this House of Commons. If you want me to quote my authority, it is my friend the hon. member for Quebec South (Mr. Power). If anybody knows anything about bills, he does.

I have a few figures to put on *Hansard,* and I think they will surprise hon. members. I wonder if each individual minister would like to know the increased numbers on the payroll of his department today. I have a return here showing what a great increase there has been in the number of government employees, and while on the subject of returns I put this to the committee: Can we get a return that is reliable brought down in this House of Commons? This affects the whole people of Canada and it affects everything that is in this bill. I had a return brought down last year to show the number of people in the employ of Canada and how much we are paying them; and what do you think, Mr. Chairman? — four departments, employing 8,600 people, were left out of that return! On March 31, 1946, we had in round figures 155,000 persons in the employ of the government of Canada. The return was short by about 7,000 employees, but what is 7,000 or 10,000 to an administration so incompetent and inept as I see sitting in front of me at the present time? It makes no difference to them at all. But I am Scotch and a lot of other fellows in this country are Scotch and they like to bite a nickel a couple of times before they spend it.

On March 31, 1946, we had 155,000 employees of the Dominion of Canada. On December 31, 1946, we had 174,000 employees, and instead of paying them $229,000,000 a year, as we did in 1946, we paid them $317,544,045.85—and don't forget the cents. I am bringing this up because I believe there are many people on the other side of the house with more brains than those sitting on the front benches.

So far as these controls are concerned this consolidation, Canada's fruit salad—for that is what it is—is all nonsense. Of course there has to be a certain measure of proper control. But why was not this consolidation printed

in French for the benefit of the French members? I should be very sore if I spoke good French and a copy of it were not available in French. How can the government expect to keep down the cost of living when it increases the number of its employees to the point where we are now paying them $317,000,000 a year? It is the same old story; the higher she rises the harder she falls.

Mr. ILSLEY: Mr. Chairman, may I suggest again that this section stand. It is necessary that it stand anyway until we finish the schedule. I do not think we shall make very much progress if we make general speeches in perpetuity on this section.

Mr. FULTON: If the section is to stand, may I suggest that we be allowed to consider the schedule before we consider the other sections of the bill?

Mr. ILSLEY: Why?

Mr. FULTON: Because there may be comments on other sections which would be influenced by the schedule. In any event it would assist us. There are amendments to make to the schedule. Many members have amendments to suggest, and if we knew where we stood with regard to the schedule it might speed up discussion on the remaining sections of the bill.

Mr. ILSLEY: If that is the wish of the committee it is satisfactory to me. I thought we should go through the other sections first, but if anyone thinks there is any advantage in dealing with the schedule first, perhaps they should express themselves.

Mr. KNOWLES: Any of us who have done any preparation had in mind that we would be proceeding with the other sections first before dealing with the schedule, as the minister indicated last night.

Mr. ILSLEY: That is right. I stated explicitly last night the order which would be followed, that we would take section 1, let section 2 stand, and then take sections 3, 4, 5, 6, 7 and 8. I think we might as well do it in that way.

Mr. FLEMING: Would the minister not consider the suggestion put forward by the hon. member for Kamloops? It is true that the schedule is more directly related to section 2 than to the later sections, but in these later sections there are provisions which may require amendment in the light of amendments that may be made to the schedule. I would urge on the minister that the reasons why it is more convenient to consider the schedule before dealing finally with section 2 apply in greater or less degree to the other sections. I think we would have a more orderly consideration of the whole measure if the minister would permit the committee to proceed with the schedule next, because what is done with respect to that will affect not only section 2 but the other provisions of the bill.

Mr. ILSLEY: It is a matter of indifference to me. I am prepared to meet the wishes of the committee. I do not know just what my hon. friend has in mind though. I do not see any way in which the other sections would be affected by what is done with the schedule itself. I can see how section 2 would be. I would really prefer to take it up in the order announced. Perhaps the only member who objects to what the hon. member for Kamloops suggests is the hon. member for Winnipeg North Centre.

Mr. KNOWLES: I am also making objection on behalf of other members who are not here but are attending committees at this moment. It was specifically stated last night that we would consider the other sections before the schedule. Many members who are interested in the first orders in the schedule are not able to be here at this time. I would be in the position of having to ask for certain orders to stand for their convenience.

Mr. ILSLEY: I think we had better take the sections. There has been no suggestion as to how they could be affected by any changes in the order.

Mr. FULTON: I can give the minister one now. Section 7 provides that the act shall expire on the 31st day of December, 1947. I am not going to anticipate it, but some of us have misgivings as to whether some of them should not expire sooner. We may be suggesting an amendment to this section if these orders in council are to remain in their present form in the schedule. If they are amended a great deal or perhaps dropped in the schedule that question will not arise. Therefore it would be a much more orderly method of procedure to consider first whether we shall—

Mr. ILSLEY: If there is application to let section 7 stand let us take it up when we come to it. Let us deal with section 3 now.

The CHAIRMAN: Section 2 and the amendment stands.

Section stands.

On section 3—Employment of necessary persons.

Mr. FLEMING: On section 3, with respect, it seems to me that the time has arrived when some steps should be taken to have the civil service commission deal with the employees and staffs of the various boards operating under the authority of the orders enumerated in the schedule. Although there has previously been some discussion on some phases of this matter, there has been no comprehensive statement of the reason why it has been necessary over a lengthy period of time, in some cases going back to 1939 and in other cases to 1941, to have a body of employees outside the scope of the civil service commission in their manner of appointment, in their remuneration and in other provisions which are dealt with on a different basis from that of the civil service. I do not know what the minister is going to say with respect to the temporary features of the bill, but it seems to me that, if some demobilization is in contemplation with respect to the staffs, the time has come when a statement should be made by the ministry as to its intention with respect to the continuation outside the scope of the civil service of staffs of government boards.

Mr. ILSLEY: The staffs of these boards were selected by the boards themselves, subject to the approval of the governor in council, because that seemed the only way in which they could be staffed. I remember the fall of 1941 when price ceilings were imposed and when it was thought it might be necessary to staff the wartime prices and trade board with some thousands of employees. About that time Mr. Gordon was appointed chairman of the board; he surrounded himself with some trusted associates, and they in turn got together a staff for the board as best they could. They had to move with great rapidity; they had to be in a position to give assurance to the people whom they took on. Many of these were taken on without remuneration, some of them with remuneration and so on. If the selection of these officials had been made by the civil service commission it would have been found that the rules established for the manning of the permanent service of Canada would have been entirely inappropriate. Therefore, after careful discussion, it was decided that the only practicable way of dealing with the matter was by authorizing the appointment of officials and staffs by the board itself, subject to the approval of the governor in council. The same thing was done in several other departments. I am satisfied that that was the proper method to pursue.

At the present time, to try to bring the remaining employees of the wartime prices and trade board under the civil service commission, to have them selected by the civil service commission, appointed pursuant to the provisions of the Civil Service Act, would, in my opinion, be a most unwise thing to do. There would be a great deal of wasted effort, a great deal of confusion, and all unnecessary because it is anticipated that the staff of an organization such as the wartime prices and trade board will from now on be diminishing; perhaps in a few months from now it will be diminishing fairly rapidly. The system under which we are now operating should be allowed to run its course instead of a new system being instituted at this time in a late stage of the board's existence. The same question came up with regard to employees of the wheat board where the same arguments did not apply, but I think the house was convinced after a while that it was desirable that the employees of the wheat board be selected in accordance with the present system instead of by the civil service commission. But there is a much stronger reason why they should be continued under the present system in the case of the wartime prices and trade board and similar organizations, and it is this: these organizations before too long will be passing out of existence.

Mr. BROOKS: Does the minister expect that there will be an additional large number of employees taken on?

Mr. ILSLEY: There is some turnover. Some go and some are taken on to replace those who leave, but there has been considerable reduction in the number of employees of the wartime prices and trade board.

Mr. BROOKS: Is there any soldiers preference at the present time in taking on new employees?

Mr. ILSLEY: The rules of the soldiers preference are observed. Whether there is any law under which they have to be observed I do not know.

Section agreed to.

On section 4—Orders and regulations may be revoked.

Mr. KNOWLES: This section reads:

The governor in council may revoke in whole or in part any order or regulation continued in force by or made under this act.

There is no doubt that this provision is necessary in certain instances. It will be required particularly where orders in council continued by this bill are, in turn, replaced by legislation. In such a circumstance it will be necessary to revoke the existing orders in council; and there may be other instances where power such as this would also be necessary. But I rise to attempt once again to do what the minister referred to last night, namely, to try in some way to persuade the government that the country would like the administration to put the brakes on its programme of decontrol, particularly with respect to prices. That case has been made effectively by a number of hon. members who have spoken. Particular reference has already been made to the remarks made the other day by the hon. member for Spadina. I feel strongly that the government should pay attention to what the people across the country are thinking in connection with this matter.

I recognize that there is a difference of philosophy and point of view between us and the government with respect to the long-range question but may I for the moment argue on the basis of the government's own terms? I have in mind certain promises that were made in the speech from the throne in the first session after the war was over, namely, that price control would be kept in effect as long as it was necessary, and also the remarks made by the Minister of Reconstruction and Supply in the white paper which he tabled in the spring of 1945 before the war was over, when he made it clear that the most difficult period would be after the war was over; that it was during that period that controls on our economy needed to be maintained in order to effect a proper transition from war to peace.

I am arguing now not on our basis but on the government's own terms, and my contention is that on the basis of their own premises, and even accepting their idea that in due course they have to get out of this field, nevertheless they have gone too fast. I would suggest that, if the government is able to ignore some of the things we are saying on this side, it ought to pay attention to the hon. member for Spadina and the round dozen Liberals who have been referred to as supporting the viewpoint he has expressed. As an attempt to let the government know of the desire of the country for the brakes to be put on its too rapid decontrol, I will move an amendment and then say a few words about it. I move:

That section 4 be amended by adding thereto the following words:

"Provided, however, that none of the orders listed in the schedule to this act under the section headed wartime prices and trade board may be revoked without the consent of parliament."

I would point out immediately to the member for Vancouver North, who seems to find amusement in this—

Mr. SINCLAIR (Vancouver North): I am getting no amusement at all out of it. It is a serious matter.

Mr. KNOWLES: I am glad to hear my hon. friend make that comment and I hope he will support the amendment. May I point out that it does not refer to board orders and regulations made by the wartime prices and trade board and associated boards; it refers only to the actual orders in council listed in the schedule that is appended to the bill. There are about nine of them, I believe, under the general heading "wartime prices and trade board," and the effect of this amendment would be to deny the government the power, without getting the consent of parliament, to toss the wartime prices and trade board completely out of existence. My fear is that that is what is likely to happen before many months.

The other day the Minister of Finance, in reply to remarks made by the hon. member for Rosetown-Biggar, made the suggestion that if industrialists were not wise in this matter of prices the government might have to consider the reimposition of certain price controls. I suggest that if the process of gradually getting rid of the wartime prices and trade board continues much longer the government will not be in a position to reimpose any price controls. They will not have the staff.

I realize that even if this amendment carries, and even if by the terms of the amendment the government is prohibited from revoking certain orders in council altogether, they can still whittle them away, and the board itself can whittle away price controls under board orders and regulations. But at least it would indicate to the government the feeling of a section of the house at any rate—and I hope we have that round dozen of Liberals with us—the desire that they go a little more slowly in the matter of price decontrol.

That is my reason for moving this amendment, and I submit that those in the house who have had so much to say about keeping control over these matters in the hands of parliament will also want to support the

amendment because of its insistence that in this respect the government shall not act without the consent of parliament.

The DEPUTY CHAIRMAN: Is the committee ready for the question?

Mr. ILSLEY: I suppose, Mr. Chairman, the hon. member means the orders and regulations of the governor in council. His remarks indicated that was what he meant.

Mr. KNOWLES: Precisely, because, if I may call the attention of the minister once more to the wording of the amendment, it is "none of the orders listed in the schedule to this act under the section headed wartime prices and trade board." That makes it quite clearly refer to orders in council 8528, 9029, 9870, 7475, 5518, 6497, 34/4433, 3122 and 328.

Mr. ILSLEY: This is quite a serious matter; it affects the whole principle of the bill. I certainly would not be able to accept the amendment at the moment, and I do not think I would accept it at all, it is so serious. It means, for example—and I realize that this is desirable from the point of view of my hon. friend—that certain sections of the wartime prices and trade regulations will remain as law for a year, when perhaps they cannot be enforced, when perhaps they should not be enforced. It seems to me that the matter of revocation should be left to the government. It may be necessary to get rid of some sections, or perhaps all these orders, before the expiration of the year.

Mr. NICHOLSON: Supporting the amendment moved by the hon. member for Winnipeg North Centre, may I say that during the Easter recess the people in my constituency who spoke to me were greatly concerned about the rising cost of living and the possibility of finding themselves with their dollar buying a great deal less as the months go by. Again and again people said to me, "Why is it that, now that the war is over and our people are home, we have to accept a situation where we have less milk, less butter, less foodstuffs?" Unless the minister and the government give some guarantee that the wartime prices and trade board will continue for at least another year, there will be no way of preventing the cost of living from rising a good deal higher. People are naturally concerned when, after parliament takes a recess, those who live in rented quarters find that their rents have gone up without members of parliament having had an opportunity to have all the evidence placed before them. We were asked by our people, "Are the landlords in the position where they face bankruptcy unless they have such increases?" We have to say frankly that the matter has not had full and frank discussion in parliament. I think the amendment moved by my deskmate places the matter in the hands of parliament. If an emergency should arise later in the year and the administration felt that our reconversion programme was being handicapped because of the operations of the wartime prices and trade board, it would be an easy matter to call parliament together, outline the problem and ask for permission to do, through parliament, what it is proposed to do by order in council. I feel that those on this side of the house who have spoken about the supremacy of parliament will want to support this amendment, and that would give a great deal of confidence to the people, who have no way of protecting themselves as their dollar buys less from day to day and week to week.

Mr. MacINNIS: I cannot see the difficulty envisioned by the Minister of Justice in this matter. The amendment provides that the orders in council under the heading "wartime prices and trade board" shall not be revoked except by parliament. The purpose of these orders in council was to provide that prices should not rise beyond a certain level or get out of hand. If there is no pressure for the raising of prices, no emergency can exist and the orders themselves provide for keeping prices stable. Therefore I cannot see that the minister, if he accepts this amendment, is accepting anything which might result in a dangerous situation. It is perfectly democratic. The leader of this government has told this house time without number, that parliament will decide. We are merely asking that, in this important matter which affects the lives of so many of the people of Canada, parliament should decide.

The DEPUTY CHAIRMAN: Is the committee ready for the question?

Mr. KNOWLES: May I ask the minister one other question which, I admit, may be fairly pointed; but, after all, we are supposed to get down to brass tacks in this chamber. The minister said that he understood the amendment and recognized it as desirable from my point of view. I appreciate the interest he shows and the attention he pays to some of the efforts that we make. Does he not also realize that it is desirable, from the viewpoint of the majority of the Canadian people, at the present time to continue the policy of price control at least for a longer period than seems to be envisioned by the government? Is he not aware, for example, of the Gallup poll on this matter and of the concern of housewives, consumers, workers, farmers,

pensioners and others across the country, that the excellent job the government did during the war years be continued for a further period?

Mr. ILSLEY: I think the public does not want to see prices go up. I agree with that. I myself do not want to see prices go up. I must say when I hear some of the speeches warning against the rapidity of decontrol—

Mr. KNOWLES: Headlong decontrol is the phrase.

Mr. ILSLEY: Well, against headlong decontrol, I can understand clearly that type of speech. After all, for a great many years I threw myself into trying to keep prices from going up, and I naturally look at that side of it. On the other hand, it must be borne in mind that it becomes more difficult every day to keep in force an effective price control system. I am not talking now about the constitutional objections, but the time will come some time when it will not be within the power of this parliament or any agency of this parliament—that is, the constitutional power—to control prices, because we shall be in the field of property and civil rights, in which field we do not belong.

Mr. MacINNIS: If we have the constitutional right for controls now to pass this bill, the constitutional validity shall maintain as long as the act remains. Is that not correct?

Mr. MARTIN: Not necessarily.

Mr. MacINNIS: Oh, yes.

Mr. ILSLEY: As long as the emergency arising out of the war exists.

Mr. MARTIN: That is it.

Mr. ILSLEY: I should think there might come a time when an order in council under this act would not be valid.

Mr. MacINNIS: We are assuming that it will be valid for the period mentioned in this act.

Mr. ILSLEY: I think so.

Mr. MacINNIS: That is all the time covered by this amendment. If it is valid now and during the life of this act, it will be valid as long as this amendment remains in effect.

Mr. ILSLEY: I went off on a tangent. It was an aside. I said I was not then talking about constitutional validity, and then I proceeded to talk about it, foolishly. What I was saying was that it becomes harder and harder every day to maintain an effective price control system in Canada. I want my hon. friends in the C.C.F. to understand that. Some of them have not had executive or business experience. I do not say this unkindly at all, but some of them have not had that experience. The thing here is that a high type of executive experience and ability is required to operate a price control system. We had a great many able people on the staff of the wartime prices and trade board during the war years. Now a great number of those people have gone home. It must be borne in mind that they are pounded by the opposition every day in this house for being bureaucrats, and so on.

Mr. KNOWLES: Do not pay any attention to that.

Mr. ILSLEY: They are subjected to that tirade of abuse in this house. Many people do not enjoy that. They get tired of it after a while; they say, "Why should I have to take that sort of thing?" and they go home. They also feel that the war emergency is passing and that they must go back and make provision for their own futures. For one reason and another we are losing and keep losing our good men all the time. That makes it very difficult to do these things. If you have a badly enforced price control system; if you have a system that you simply cannot enforce because the patriotic urge of the people is not as great as it was, because the selfishness of a good many people is a little more assertive than it is in time of war, there comes a time when it is better to have no control at all, apart altogether from the constitutional objection. Then of course, as conditions of supply and demand change, as scarcities disappear, it may be apparent that prices will move to higher levels and stay there for quite a while, if not indefinitely. Then a stage is arrived at when the dominion government should get out of price control. It may possibly be that we are decontrolling too rapidly. The Progressive Conservatives accuse us of decontrolling too slowly and urge us to be more rapid about it. The C.C.F. say that we are decontrolling too rapidly and that we should be slower about it. We are in a difficult position. Of course we cannot suit opposition parties. There is no use in trying to do that. We should be foolish to try it. We are taking a middle course, what we think is the sensible course; and we can discount quite a lot of what is said by opposition parties, I suppose, as being said for political purposes. Nevertheless, I think the original idea of this bill was the correct one, and that was to maintain the power to control in the agencies that are set up, and to continue it for a time and to leave it with the government to revoke these orders when the time comes

that they think these orders should be revoked. It would alter our plans very much if we froze a control system on the country for a year; and I do not think we should do so at the present time.

Mr. BURTON: I do not rise to take issue with the Minister of Justice as to the constitutionality of the procedure, because I realize I am not learned in that respect. I believe, however, that the remarks made by my colleague, the hon. member for Vancouver East, have covered the subject fully. He has pointed out that if it is constitutional for us to have these controls at the present time, then surely under the measure before us it would be all right to have them for the remainder of the year or until parliament is called to attend another session.

Nor do I rise at this time to take part in the debate in answer to the remark of the right hon. gentleman to the effect that some of us in this group do not have the so-called necessary business experience properly to realize what is involved. I would say to him, however, that while some of us may not have had the opportunity to sit in control of big business, nevertheless we have all had the experience of running our own business. And let me say that if we had not paid more attention to the running of our own business than have some people I know of, then we would not have got very far with it.

Mr. ILSLEY: With regard to my reference to business experience, I never ran a business, myself; and I do not think I am reflecting adversely on any person when I say he has not had business experience. Indeed I believe some of the best people in the country are those who have not had business experience. But what I have said is that one requires business experience in this kind of thing, and a lot of it.

Mr. BURTON: Possibly on this occasion the right hon. gentleman and I are on an equal footing. The right hon. gentleman need not take a back seat to anyone, when it comes to a matter of applying common sense. I believe that during wartime, while he was in charge of an important department of government, he rendered a distinct service to the nation. Yet he did not have what some people would call the necessary business experience.

However, as I said, I did not rise to give advice which some people believe can come properly only from certain people. But I would say to the right hon. gentleman that when at times we speak emphatically, we are endeavouring to convey to him and to his colleagues the voice of the people back home, and we believe that is something which requires more attention than it sometimes receives. When the right hon. gentleman suggested that during the course of debate some may at times be influenced by political reasons, let me point out to him that in this instance, if he does not heed with alarm the voice of the people with respect to the situation which is developing—and not gradually, but rapidly—in this country, then there will be more people who will have to pay attention to their political fences. Otherwise it will be bad for them. And let me say it will not happen to those in this part of the house. In my view this question has split right across party lines of every party in the house, with the exception of the C.C.F. This group has consistently pointed out to the government that the people are alarmed by the development of this situation.

However, when I rose it was my intention to state to the minister that I have been amazed to note his hesitancy—and I could have used a stronger word—in connection with the amendment offered, and to note that without very much consideration he was not prepared to accept the amendment offered by the hon. member for Winnipeg North Centre. As was pointed out by the hon. member, the adoption of the amendment would not prevent the wartime prices and trade board from easing off or, as he put it, from chiseling off some of the controls. Nevertheless the people of the country would be assured that the entire system of controls would not be done away with at least until parliament had been consulted in another session.

The minister appears before the committee with a bill which has within it more than fifty orders in council which, as he has said—and we all know—were in operation during past years. He says the time has now come when he wishes no longer to carry on these rules and regulations by orders in council, but wants to do it by statutory means.

I submit to him that the parliament which puts the stamp of approval on the bill should be the only body properly qualified to take that stamp of approval away. I submit that the amendment is a perfectly good one and is worthy of the minister's consideration, on that aspect alone. If we do place our stamp of approval on the bill, then surely no order in council should have the effect of wiping out a statute.

Mrs. STRUM: Mr. Chairman, this is a matter deserving of serious consideration by all members in the house. I believe what the minister has said is true, that the members of the wartime prices and trade board are weary.

However I do not think they have ever taken seriously criticism such as that which has been registered by the Tories. I do not think anyone takes it seriously. Sometimes I think not only are they something out of this world, but they are something out of this century. They are living in the world of a hundred years ago.

Mr. FRASER: You are out of your head.

Mrs. STRUM: There have been some on the government's side of the house who apparently have been awake in the past fifty years, and who have realized that at least to some extent we have to protect the consumer. That right has been given under the National Emergency Transitional Powers Act.

In spite of what my hon. friends say, we should consider the needs of the consumer. I believe the government's policy is based on the assumption that if we institute decontrol as consumer goods become more plentiful, prices will automatically adjust themselves. Since we began the process of decontrol we have not received enough literature on the subject to know just what the situation is. However, in the United States, where they have had a longer time in which to test the process of decontrol, they have found that this is not true. I would refer hon. members to *Time* magazine of April 7, and particularly to the page dealing with business and finance, to show what their experience has been. On page 43, under "Prices", there is a paragraph entitled, "Highest climb", which reads:

The magazine *Mill & Factory* polled business men, found that forty-four per cent thought prices were too high. But only fifteen per cent expected to reduce them by summer. In a nationwide survey, the *Wall Street Journal* found that virtually no one is going to reduce them now.

Everybody wants the other fellow to reduce them but the individual manufacturer is not going to do anything about his own profits.

Profits in many industries were so fat, despite slackening sales, that few were being scared into price cutting.

And the last paragraph reads:

But out of fear, or the reluctance of most business men to charge less than the traffic would bear, there seemed to be small hope of general price reductions until a drastic drop in buying power forced them. Everyone was content to let George do it. And the longer prices remained unreasonably high, the farther—and faster—they would fall when the inevitable drop came.

I think that is a fairly good summary of the experience under decontrol in the United States. Here is another quotable quote from the issue of April 14. This article refers to Quebec in our own country. This reads:

In a special dispatch from Quebec the *Times* talked about the "enormous profits" Canadian paper companies were making, showed that net profits of New York's International Paper Company had risen 270 per cent since 1943, that profits of another company had risen 500 per cent. But the price of newsprint was boosted again last fortnight.

Greatly perturbed by all this, Macy's president, Jack Straus warned in full-page ads last week: "Unless prices were lowered, we believe that a business recession is probable." But Macy's itself made no broad price cuts in cost of living items. Ironically, retailers and manufacturers were clinging to high profits as a hedge against the recession which they feared high prices would bring.

Are we to sit here and allow the manufacturers to drag us into a depression because we do not like to go to the trouble of controlling prices? Are we going to permit this thing to go on until consumer resistance and the lack of purchasing power bring on strikes and another depression? Sometimes when I read the opinions of some of our economists I think it is time that we started a new school of economics. They regard what they call the law of supply and demand as being something like the law of gravity, something over which they have no control. In this issue of *Time* someone has charted business booms and depressions, and to me it just looks like the records of smallpox which we used to consider were an act of God and that we could do nothing to prevent that disease. We used to think that all we could do was to record the death rate. Then some revolutionary in the field of medicine decided that we should not just record the death rate, that we should do something about the matter. If this parliament sits here like a bunch of nitwits and does nothing, then they are crazy.

Mr. KNOWLES: I think we all appreciate the point made by the minister about the difficulties of administering price control. We know he spoke with pretty deep feeling on the matter because he was responsible for it all during the war. Revolutionaries have been referred to several times this afternoon; I suggest that the Minister of Justice during the time he was Minister of Finance was something of a revolutionary in this field, and he did an awfully good job. However, we do not want him to be responsible now for a counter-revolution.

The thing we would like the government to do is to weigh one set of difficulties against another. Yes, the administration of price control is difficult, but one must consider the difficulties that the consumers face with rising prices; one must consider the difficulties that

the old age pensioners are facing today. I am glad to see the Minister of National Health and Welfare in his seat. I was saying that one has to consider the difficulties that old age pensioners face.

Mr. MARTIN: May I point out to the hon. gentleman with great respect, and I am sure that he will agree, that there is no one in this house who does not share great concern for that problem. He has no monopoly in this matter.

Mr. KNOWLES: I agree thoroughly that every member in this house shares that concern. What some of us are anxious for is to have that concern translated into the passing of amendments to the Old Age Pensions Act, so that the old people of Canada will get whatever increases are to be given to them.

Mr. MARTIN: May I point out to the hon. gentleman that if he and others will facilitate the passage of this bill we can do that very thing.

Mr. KNOWLES: The government cannot claim that as a reason for not putting the old age pension legislation on the order paper right away. We have been told that priorities had to be established and that we had to get on with this omnibus bill first. However, there was placed in *Votes and Proceedings* of yesterday a notice of motion which will appear on the order paper tomorrow to provide pension legislation with respect to senior appointees in the diplomatic service. We contend that if that can be done for a selected group, it can be done for the old people of Canada. I am calling on the Minister of National Health and Welfare to try to get the legislation, which he says is prepared and which he has in his pocket, placed on the order paper as soon as possible.

Mr. MARTIN: The old age pension legislation will be introduced in this house before that particular legislation. Just as soon as we are given an opportunity to deal with amendments to the Old Age Pensions Act, we will do so.

Mr. KNOWLES: There is nothing to stop you—

The DEPUTY CHAIRMAN: I suggest to hon. members that we should deal with the matter now before the committee.

Mr. KNOWLES: I just want to say to the minister that there is nothing to prevent him giving notice before six o'clock tonight, and we could have his old age pensions amendments on the order paper tomorrow.

Mr. MACKENZIE: Are you running the government?

Mr. KNOWLES: I am telling you what the people of Canada want. The minister raised the question of difficulties and some people are going to be faced with some real difficulties before long. What I am asking the minister and the government to do is to weigh the comparative difficulty of administering price controls and the difficulty faced by the housewife, the worker, the consumer and the pensioner because of rising prices. We now have a rumour that there is to be an increase of ten or fifteen cents in the price of butter. Those are the two kinds of difficulties to be weighed against each other, and we contend that it is the government's responsibility to lessen the difficulties of the Canadian people in this regard.

The minister said that the government found itself in a difficult position because of the difference between the views expressed by the Tories and by the C.C.F. It was pointed out that the Tories are saying that controls should go off quickly and that we wanted them continued.

Mr. ILSLEY: I did not say that that created any difficulty for us.

Mr. KNOWLES: The minister said that the government was being hammered by both sides.

Mr. ILSLEY: That is right; so we are.

Mr. KNOWLES: If the minister has any doubt as to which view expressed over here indicates the feeling of the Canadian people, I suggest that he pay attention to the remarks of the only members on his side of the house, on the back benches, who have really discussed this issue. I see the hon. member for Fraser Valley sitting there. He has told us what the women in his constituency want. The hon. member for Spadina made a tremendously effective speech the other day in which he asked the government to halt its policy of headlong decontrol and to consider the welfare of the people of Canada, and I suggest that the few Liberals who have spoken specifically on price control have expressed the views of the Canadian people generally. The minister himself the other day, in speaking about the Tories, pointed out that they had moderated their views on price control since they had been home at Easter.

Mr. ILSLEY: I do not know what they think now, to tell the truth.

Mr. KNOWLES: In other words, he gave them credit for recognizing where public opinion stands on this matter. All that we

in this group and the member for Fraser Valley, the member for Spadina, the member for Vancouver North and others are asking is that the government also recognize to some extent the opinion of the people of this country. This amendment is not at all revolutionary. I am not very proud of it because it does not go very far, but it seems to go as far as we can in a legislative way. It merely prevents the government from revoking and tossing out of the window the whole price control machinery without getting the consent of parliament.

Mr. CRUICKSHANK: Is the hon. member anxious for this amendment to go through?

Mr. KNOWLES: Yes, and I am glad to know you support it.

Mr. CRUICKSHANK: Then stop talking.

Mr. KNOWLES: If my hon. friend will vote for it I will sit down and not say another word this afternoon.

Mr. NICHOLSON: The Minister of Justice did not press the constitutional question, but I gathered that he had in mind the problem of public opinion. I realize that we could not maintain the wartime prices and trade board indefinitely in Canada if public opinion were against it. If we had had a corrupt administration of the wartime prices and trade board during the war it would not be feasible to advocating such controls now, but the minister deserves a good deal of credit for maintaining the high standards that did exist throughout this country during the war in preventing black markets and runaway prices. At the moment the minister is, I think, misjudging public opinion. He mentioned, when speaking earlier in the debate, that if we had not had the wartime prices and trade board during the war we would not have had an equitable system of distribution. One of the Tory members questioned that. Since he comes from the city of Toronto he may be able to look after his constituents in that area; but, coming from a rural constituency as I do, I realize the problems we would have been up against with no control over distribution. My people are up against a problem of distribution now. At Easter I was in a home where there are twin girls for whom the doctor had prescribed corn syrup as part of a formula. But now that controls have been lifted from corn syrup, the people there are not able to get corn syrup.

An hon. MEMBER: There are carloads of it available.

Mr. NICHOLSON: They did not have any corn syrup when I was there. I am talking of a rural riding, not of metropolitan Toronto where you may have friends in the business of manufacturing corn syrup. During the war there were storekeepers in frontier towns who were not able to get overalls and, if it had not been for the operation of the wartime prices and trade board or some similar organization, it would not have been possible to maintain the supply of these necessities. I am satisfied that the minister will have no fundamental problem in finding the necessary public support to continue the wartime prices and trade board for the duration of this act, provided that in an emergency parliament can be assembled and taken into his confidence and provision be made to rescind this portion of the act.

Mr. ILSLEY: Mr. Chairman, I am willing to give consideration to the amendment and not press for a vote rejecting it this afternoon. I do not think we will accept it but I want to see just how serious its effects would be; so I will ask that the amendment stands. I want to thank hon. gentlemen for their tributes to the wartime prices and trade board.

Mr. NICHOLSON: And to yourself.

Mr. ILSLEY: Thank you.

Amendment (Mr. Knowles) stands.

Mr. HAZEN: Section 2 provides for orderly decontrol. It says:

> . . . the orders and regulations of the governor in council specified in the schedule to this act shall . . . continue and be in force.

But when we turn to section 4 we find:

> The governor in council may revoke in whole or in part any order or regulation continued in force by or made under this act.

Is it proposed to make any orders in council under this act?

Mr. ILSLEY: Under section 3, yes.

Mr. HAZEN: Which are the words in section 3 that give power to make orders in council?

Mr. ILSLEY: They are these:

> The governor in council may appoint such persons in connection with the administration of any order or regulation . . .

Mr. HAZEN: That is done by order in council?

Mr. ILSLEY: Yes.

Section stands.

On section 5—Publication of orders.

Mr. KNOWLES: Under the terms of this section will all orders and regulations made, for instance, by the wartime prices and trade board under the terms of the basic order in council be published in the *Canada Gazette*?

Mr. ILSLEY: No; the orders of the governor in council. The hon. member wants to know whether the orders of the board must be published?

Mr. KNOWLES: Yes.

Mr. ILSLEY: No; they do not have to be published in the *Canada Gazette.*

Section agreed to.

Section 6 agreed to.

Section 7 stands.

Section 8 agreed to.

On the schedule:

Mr. FULTON: Will the minister elaborate on how he intends to deal with the schedule? Does he intend to have each item called or may we call them as we wish?

Mr. ILSLEY: I think the only thing to do is to call each item in order. If a minister cannot be present for his orders I may ask that we postpone consideration of those orders to meet his convenience and that of the committee. Otherwise we should take them in their order. Therefore I would suggest that we take P.C. 5424 as the first one.

The DEPUTY CHAIRMAN: We shall deal with P.C. 5424. Shall P.C. 5424 carry?

P.C. 5424 agreed to.

On P.C. 6759.

Mr. CRUICKSHANK: I should like to ask a question on this schedule. I have not taken much time so far but I am going to take a little time now. I am all for controlling prices. I do not think the C.C.F., with all the imaginary powers they have, believe that the farmers are getting enough now. There has been a report in the press that the price of butter is to go up. I am all for controlling the price of butter, but at the same time I am not in favour of the subsidy being taken off on May 1. I want some assurance from the minister that that is not to be the fact, provided that the controls are kept on butter. Neither this parliament nor anybody else was consulted when the Massey-Harris people increased their prices twelve per cent. Therefore parliament is entitled to know whether the price of butter is to be held at the ridiculous figure of forty-three or forty-five cents and whether the subsidy is to be continued. So far as I am concerned, this bill will not go through in two months until we know that.

Mr. GARDINER: The first two orders in council which are dealt with in the bill do touch agriculture, and were based on the recommendation of myself as Minister of Agriculture. They have to do with the subsidies which are paid on agricultural products. Some of these subsidies which are paid on products such as butter and others which are sold from time to time to ships that come into our ports, and which go out as ships stores, are collected by the person who supplies the commodities to those who are to utilize them. That is done for the purpose of making certain that the subsidies which are paid on those products are not provided by the treasury. In some cases it corresponds with the subsidies paid by the British, for example, on cheese. The British now pay the subsidy on cheese but we pay the subsidy on the milk which entered into the cheese. The British agreed to pay the subsidy on cheese which goes to Britain, but the Canadian government pays the subsidy on the cheese which is consumed in Canada. It was thought advisable to collect a subsidy on any commodities which were sold to ships which were supplied in Canadian ports from those who provided the commodity to the ships. These orders in council are to deal only with comparatively small quantities of the total product which is sold.

With regard to the question asked by the hon. member for Fraser Valley, I would say that I hope he will not insist on carrying into effect the last remark which he made. I am sure he will not when I explain. As I said yesterday, the announcement with regard to what is to be done about butter, cheese and other dairy products will be made before May 1. I am sorry I cannot be any more specific than that. It may be made within the next week or some time shortly, certainly before May 1. My understanding is that it will be made to apply as of May 1. The advisory committee which is composed of representatives from each of the departments of agriculture of the nine provinces and seven representatives from the federation of agriculture is meeting in Ottawa at the present time. They met yesterday, the day before, and they are meeting today. They are making recommendations as to what they think these price levels ought to be. I am sorry that I am not able to go farther than I did yesterday. I know I have the support of all members of the government in what I am about to say now. Whatever that price level is, it will be a price level which covers the present price plus any subsidy. It is not definitely decided that there will be no subsidy whatsoever; but there is a possibility that it will be a price alone and not a subsidy plus a price. But if it is a price alone it will be sufficient to cover the subsidy and the present floor price. I am

speaking of the different dairy products. I hope that the hon. member will not insist upon having anything more definite than that while this legislation is before the house. The recommendations have not yet been finally made by the advisory committee which represents agriculture right across Canada.

We shall give consideration to these recommendations and make our decision within the next few days and announce it in the house.

Mr. CRUICKSHANK: If I am correct in my interpretation, the minister said that the price to be set ultimately will be equal to the present rate plus the subsidy. Is that correct?

Mr. GARDINER: Yes, it will be the same or—

Mr. CRUICKSHANK: It will not be less?

Mr. GARDINER: It will not be less.

Mr. CRUICKSHANK: So far as I am concerned, the minister is running agriculture and I am asking for an assurance, no matter who these boards are, that it will not be less. I do not want it to work the same way as it worked with poultry. About three weeks ago the poultrymen of British Columbia took a trimming. When the new rates were set, the Massey-Harris people immediately put up the price of wheat and mash. I do not know any better way of describing them than by calling them "Massey-Harris" people. The price went up immediately and the poultrymen took a trimming. We are not maintaining the price to the consumer when we take the ceiling off. So far as the poultrymen are concerned, the Department of Agriculture should have known that and should have protected the poultrymen from these dealers who increased their prices to the extent that every poultryman in British Columbia producing eggs had to produce them at a cost of from two to four and a half cents more than—

Mr. GARDINER: May I ask a question? Is the hon. member speaking of wheat or of all coarse grains?

Mr. CRUICKSHANK: Coarse grains, laying mash and growing mash. If my memory is correct the price of oats went up $2 a ton; the price of wheat, $1 a ton, and the price of laying and growing mash, $2 a ton immediately when the announcement was made in the house and no increase was given to the producers' contracts with England. The only increase which was permitted was that the ceiling was lifted on eggs. In 1945 eggs reached the ceiling price in only two weeks; in 1946 eggs reached the ceiling price in only four weeks, which was something like forty cents a dozen. There was absolutely no material benefit to the farmers.

Mr. GARDINER: I am not in a position either to verify or to deny the statement which has just been made, but I am in a position to say that no dealer in feed anywhere in Canada had any justification, from anything that was done here, to increase the price of grain other than the increase which was made possible because of what was done on wheat at the time when we did make a change in relation to the cost of wheat that was entering into consumption in this country. The position is that oats and barley, which are the two grains that were dealt with, are sold until August 1 at the old ceiling price. There is no increase whatsoever in the price to the feeder of barley and oats until August 1. If someone, on the basis of a report which has gone out, has taken it for granted that there was an increase all around and therefore did increase his price we shall have to look into it and see that it is corrected. The present position is that there is a drawback of twenty-five cents on barley and of ten cents on oats, which makes it unnecessary for anyone to raise the price of the feed to the feeders until August 1. From August 1 on, there is an increase in the price of grain.

Mr. WRIGHT: According to the information given me by the department, that is hardly correct. They informed me that the price of coarse grains had gone up approximately 3½ cents a bushel to the miller or producer of feeds for poultry and the dairy industry in Canada, and that the increase of that amount in the manufacturer's price to the consumer was justified. That would not amount to very much. I do not know personally how much they did increase their price to the consumer; but, according to the hon. member for Fraser Valley, it was apparently more than that. That was the information which the minister's department gave me with regard to the increased cost of feed to the manufacturers.

Mr. GARDINER: There is an increase of thirty cents on wheat that enters into feed. On the other grains there is not supposed to be an increase.

Mrs. STRUM: I spent my Easter holiday rambling around Ontario and I should like to talk about the Ontario farmers for a moment. I find that what the hon. member for Fraser Valley said is true not only of British Columbia but of Ontario. I found the farmers in Ontario cancelling orders for baby chicks, and they told me that the hatcheries were gassing baby chicks because of cancelled orders as a

result of increases in feed prices. I have no way of knowing whether the dealers know about the minister's ruling, but private enterprise is going ahead and raising the cost of feed all over Ontario. That is what the men on the farms tell me. Anyway, this is a serious matter because it will be reflected in the egg contracts with Great Britain. If we put the egg producer out of business, and if the cost of feed is sneaked up by the dealer and we pay no attention to it, we know what the result will be. If the hon. member for Vancouver North has anything to say about double-talk, I can assure him that others than the C.C.F. indulge in double-talk. Here we have a dual system of control, namely, price control on long-term contracts, price control of wheat, beef, pork, cheese and eggs, and at the same time decontrol of all costs that go into production. This double-talk will be reflected in the farmers not being able to deliver eggs, cheese and meat, and it will result in a very bad condition and all kinds of dislocation.

You cannot control the price which the farmer receives and then decontrol all costs, and yet that is the sort of double dealing the government is carrying on at the moment. Whether it intends to or not, that is the effect.

Not only should we review the whole question of subsidies, but we should go over all the subsidies and pay particular attention to those that have to do with production and the health of the nation. I do not care whether it comes under agriculture or public health, the subsidies that have to deal with the whole field of milk need overhauling. We should begin to reimpose these subsidies. Whether it is done in the name of public health or under agriculture I do not care, but the health of the Canadian people demands that we keep milk plentiful and reasonably cheap.

Mr. HERRIDGE: I should like to support the contention of the hon. member for Fraser Valley. We do not raise as many chicks in the district I come from but they lay more eggs per bird. I am getting letters from dozens of poultrymen and they tell me that the prices of the things that go into production have been raised, as the hon. member for Fraser Valley says. Only a few days ago I received a letter from one man informing me that an order for 2,000 baby chicks had been cancelled because he cannot produce eggs at the present price. It is something the minister should investigate immediately. May I ask whether the advisory committee and the officials of the department have given consideration to the price of eggs?

Mr. GARDINER: Yes. I spent an hour with them this morning, and we talked about egg prices.

Mr. HERRIDGE: I am glad to hear that.

Mr. GARDINER: I want to say a word or two now with regard to the remarks of the hon. member for Qu'Appelle. There is no double dealing or misunderstanding on the question of feed costs for chickens. One of the ingredients of feed for chickens is wheat, and a month or so ago we had a discussion in which everyone acknowledged that the price of feed for chickens had gone up because thirty cents a bushel had been added to wheat costs as a result of the action we took in order to change a condition, which everyone had previously criticized, of allowing wheat to be supplied at cost to the consumers over Canada at 77⅞ cents for certain purposes. It was acknowledged by everyone that, as a consequence of that change, the cost of feed into which wheat entered for chickens and live stock of all kinds would go up by thirty cents.

There has been no double-talk about that at all. Everyone understood that, and two or three members in this house raised considerable criticism of it. We had discussions of the question and finally agreed that certain things should be done. One thing that was done was the very thing it is now suggested ought to be done, if we are to do it for others. We took the ceiling price off eggs. There is no control now on the height to which eggs can rise in Canada. They can go to any price. It is true they have not gone up much, probably not at all, but this is the season of the year in which they do not go up. They may go up later in the season; I am not in a position to say whether they will. At any rate, there is no ceiling on them. There is a ceiling on the grain that is fed. How long we are going to maintain that may be another question, but at the moment there is a ceiling. There has been no misunderstanding about that and some people have said that they will quit raising chickens because of that increase.

On the other question, I do not think this is the time at which we can discuss it and get anywhere by discussion. When the proposals are being made to change the position in relation to the whole situation we can discuss it, but this has to do with only one question: Are we to collect subsidies from the agencies that supply the farm commodity to those who are supplied, or ships and others, or are we to take it out of the treasury and pay it? Our practice has been to collect it.

Mr. FULTON: Are any conversations going on now to increase the price under the contract,

which would apparently have the greatest effect of all in assisting the poultry grower and egg producer? It seems that the domestic market is either flooded or else cannot stand a rise, and the greatest help that could be given the producer would be to increase prices under the contract. That is what those who have corresponded with me have intimated, and I am wondering whether such discussions have proceeded and whether any indication can be given as to whether a result can be expected soon, and what that result will be.

Mr. GARDINER: Discussions are proceeding continuously, but with a little more pressure being put on to get decisions at the present time than at other times, because we are considering the raising of, and have already raised, the price of grain being fed. Discussions are going on daily, and we hope that by the time we reach the point where we can make an announcement we shall be able to say something about that. At the moment we are not in a position to make that statement. I do not know whether the letters that have been mentioned are the same as those that I have received. I have at present at least a dozen on my desk, which were written either in the same place or by the same person. They are not written in the same hand, but there must have been instructions because they are all along the same line, though they come from different places. However they were based on understandings that are not correct. These misunderstandings have been cleared away since and I do not think the same kind of letter will come from now on. Most of those I have received are dated around the end of March or the beginning of this month. They have not been coming within the last day or two.

Mr. REID: Whatever policy the government adopts, it should be announced as soon as possible.

I listened with a great deal of interest to the hon. member for Qu'Appelle. The situation as outlined in Ontario is exactly similar to that in British Columbia. The poultrymen in British Columbia are doing away with their flocks. They tell me that they do not know what is going to happen. Many of them are cutting down their flocks. That might not mean much to some people, but to those who have built up flocks and put their money into the business, it is serious indeed. When wheat went up to $10 a ton it meant a drop of three cents a dozen in eggs to the poultryman, and he has no redress. As pointed out by the hon. member for Fraser Valley, the ceiling was not worth anything at all to the poultryman. Eggs did not go up. I would ask the minister to give every consideration to having the policy announced quickly in order that the industry may not any longer be left in doubt as to what the government's intentions are, and subsidies maintained.

Mrs. STRUM: What proportion of the whole egg output is exported and how much is consumed in Canada? What percentage does our export contract represent?

Mr. REID: About fifteen per cent.

Mr. CRUICKSHANK: Might I answer that? Apparently the Minister of Agriculture has not the figures here. Fraser Valley produced over 600,000 cases of eggs.

Mr. GARDINER: That is not all Canada.

Mr. CRUICKSHANK: Eighty-five per cent of the total production in British Columbia comes from Fraser Valley, including New Westminster riding. We shipped 173,887 cases to Britain in 1946, out of a total of 1,896,834 cases, or nine per cent. I have the exact figures.

Mr. ROWE: Will the minister tell the committee how much we fell down last year on our egg contract with Britain?

Mr. GARDINER: I think we had better leave this all over, if we are to have it after six o'clock, until I bring down my speech too. I should like to suggest to those who are going to make speeches that they get in contact with the officials of the poultry association and find out just what they really think about this question of eggs, because they have much greater fears than I have about increasing the production of eggs in Canada. Hon. members had better consult with them before making speeches, because I shall have to make one here indicating what they tell me.

Mr. CRUICKSHANK: I can speak for Fraser Valley, which elected me twice running by a big majority.

Mr. BENTLEY: I am not particularly familiar with eggs, but the hon. member for New Westminster mentioned that the increase of thirty cents a bushel in the price of wheat caused a corresponding drop of three cents a dozen, I think he said, in eggs. I presume that is a correct statement.

Mr. GARDINER: An increase in the cost of production.

Mr. BENTLEY: There would be a corresponding drop in the revenue. That is a correct statement?

Mr. CRUICKSHANK: Yes, approximately.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. GARDINER: Mr. Chairman, there is just one remark I should like to make before the discussion proceeds, and it is to make reference to the statement made by the hon. member for Fraser Valley with regard to the price of feed.

The announcement made with regard to oats and barley, which I have checked since the discussion which took place before recess, did make this change in the price levels, that the new price levels are not the ceiling prices but the floor prices. There is a floor price guaranteed on barley of ninety cents and a floor price guaranteed on oats of 61½ cents, basis No. 1 feed. The old guarantee was on the basis of No. 3 CW barley and No. 2 CW oats.

The result of that is that the new ceiling, which can be three cents higher than the floor on barley, and 3½ cents on oats, is brought about by the fact that the basis now is No. 1 feed barley and the variation between No. 1 feed and No. 3 CW is about three cents, and on oats about 3½ cents. So that there could be an increase, and there actually is an increase as a result of what is happening on the market. All the feed barley is selling at the ceiling. All grades of barley are selling at ninety-three cents, and they are entering into the production of the new feed mix, which would mean that if there were nothing else but the barley entering into the increase in price there might be an increase of about $1.20. There may be some other costs along the way which would be increased by the same percentage.

On oats there was an increase from a ceiling of 61½ cents to a ceiling of possibly sixty-five cents. That allows for some increase on any oats that are in. The increase I referred to with regard to wheat applies. So that there could be an increase of somewhere between $1.20 and probably the $2 that was mentioned. We would have to know what the entire mix is before being able to estimate what that increase might be. That is due to the fact that the basis is now No. 1 feed instead of No. 2 CW, which allows a margin of three cents, or a margin of between ninety and ninety-three cents, within which the trade can carry on, and buy and sell barley. So that there is a possibility of an increase there.

I wanted to give that explanation before the discussion continued.

Mr. CRUICKSHANK: First of all, I wish to make very clear where I got my information from. It came from last year's president of the Pacific Coast Poultry Producers' Association. And just so that there may be no misunderstanding, I want to state the names of the officers this year. As I said before, eighty-five per cent of the eggs produced in British Columbia are produced in the ridings of New Westminster and Fraser Valley.

This year's president is J. O. Bowles. The past president was Gordon Billingsley. The vice-president is Francis Parker, and the secretary is Mr. Headey. I want to have those names on record, just to show that the figures came from responsible people, people who represent eighty-five per cent of the poultry producers of British Columbia. That is an important point.

Another point I wish to make clear to my hon. friends from Saskatchewan particularly is that the people of Fraser Valley are in no way objecting to an increase in the price of grain. That is perfectly clear. But what we do object to is an increase in the cost of feed to our farmers. However we do not object to the people in Saskatchewan getting more.

Second, and most important, the people of Fraser Valley are not opposed to controls. I made myself clear on that the other day. The only action of the government so far to which we object is that they have taken controls off too rapidly, and have taken them off some things from which they should not have taken them. I believe that before we are through, if we are to prevent inflation we shall put back many of the controls we have taken off. I believe the people I represent are in favour of that. I have had absolutely no objection from anyone in my riding to the fact that we have had controls; but I have had a lot of objections from a few prominent individuals—and they do not bother me much, because they know they are well represented—to any controls being taken off. I want that point made clear.

When I came first to the House of Commons I told the people of my riding that I was not going to be a back-bencher. And in this connection I pay my respects to the new member. When I first arrived in the House of Commons, I returned after the session to my people and said I was not a back-bencher. I had the seat that the hon. member now occupies, and I told them I might as well have been in a chicken-house in Chilliwack, because I could neither hear nor see from my seat. I hope the hon. member will be moved up to a better seat before long. It is no good down there, I can assure him.

I shall quote some figures, to show the minister's department that if they would come to the proper source for information they would get correct figures, and have them available. In 1946, in the province of British

Columbia, from 1,800 members we produced about 375,000 cases from about 750,000 hens. This year we expect an increase of about twenty per cent.

Now, Mr. Speaker, I want those figures to be correct in *Hansard*. I do not want to be misquoted. My source of information is the past president of the poultry producers' association. Last year we sent 173,887 cases for export, or about nine per cent of the total export, to Great Britain. The prices we received for them were: from February to August, 34½ cents a dozen and from September to January, 41½ cents a dozen. The average price to the end of October—and this is of vital importance to the producer—was thirty-one cents a dozen. I know that some farmers, whose farming activities are either financial, or are to the extent of a big garden, do not know that all graded eggs are not grade A. Unfortunately some of our officials in Ottawa have the idea that all our eggs are grade A. Only a small percentage will grade to grade A, with the result that the over-all price is not the top figure. Last year at the end of October we averaged 31½ cents a dozen. I am going to quote actual figures in Chilliwack, and any departmental official can check them up. The price increase, at March 24, is 25 per cent on mash, barley and oats. I want you to mark this: We deal in tons out there, not in bushels. The increases were: $11 for wheat, $2 for oats, $1 for barley, $2 for breeding mash, and $1 for laying mash. These figures were obtained from an actual farmer who is past president of the poultry producers' association, as at March 14. He had 1,000 layers with 2,000 chicks as replacement. Assuming that he worked on the average scale that they do out there and sold 800 fryers at nine weeks, the average production would be twelve dozen per hen; we may not have the per hen production that they have in Ontario, but we have them in thousands not just three or four around the barnyard.

I want you to note the increases in the cost of food on that farm: for thirty tons of mash, $30; for 22½ tons of wheat, $247.50; for 6½ tons of oats, $13, or a total of $290.50. These increases amount to two and a half cents a dozen, or twenty-nine cents per bird put in the laying pen. No official can talk that off. Let me repeat that Fraser Valley does not want the controls taken off; we want controls made effective throughout and, if necessary, some of them put on.

We are also faced with further increases which I understand I cannot refer to at the present time. However anyone with any imagination will know what I am referring to, the little group sitting on the plush carpets down in the C.P.R. station at present. If that increase is granted it will amount to thirty-four cents per case, or two cents per dozen, as an additional cost to the farmers of Fraser Valley. I know that that corporation which runs one way and back the other way across Canada—

An hon. MEMBER: Is that the C.P.R.?

Mr. CRUICKSHANK: I am not allowed to refer to them, but I imagine they will get their increase. We were told about the ceiling having been taken off eggs, but in 1944 eggs only reached the ceiling in British Columbia for two weeks. In 1945 they were high for a few weeks, but the highest price paid was forty-one cents. In 1946 the ceiling was 44½ cents, but the highest reached was forty-one cents. I think any farmer here will admit there has been no particular value in taking off the ceiling.

This is only the chance I shall have, so that I am going to cover a few other things I represent a dairying district as well as a poultry producing district. This is the only opportunity that the dairy producers will have to put their case before the house. Again I want to give the authority for the figures I am using. They came from Dean Clement, who is known, I think, even to the federal Department of Agriculture. He is one of the best known dairymen from a technical point of view in the entire Dominion of Canada; he is the dean of agriculture in the university of British Columbia. He made a survey at the request of the provincial government. I am not claiming any particular value for that government at the present time and we may change that set-up shortly.

He found that it cost 58·7 cents last year to produce a pound of butter fat, with nothing allowed for labour. The reason I want these figures on the record is that if the subsidies are taken off and ceiling prices are set, or floor prices as referred to tonight, they may be of value. According to Dean Clement, to receive $100 a month, with $60 cash going to the farmer, it would require 72·22 cents a pound for butter fat. If you are including wages, then the $60 cash that the farmer takes out of it for himself would require 94·61 cents a pound for butter fat. I should like to know how these officials here arrived at the ceiling price they put on butter when we have these cost figures to surmount in British Columbia. I know nothing about costs in Ontario and I am not particularly interested, but surely there are enough farmer members who are sufficiently interested to speak for Ontario.

These farms are based on an average value of $21,269; the average value per acre being $179 and ranging from $215 to $143. The average cost of producing a pound of butter fat on these farms was 58·79 cents, with nothing for the farmer. The minister gave me assurance a little while ago that the new price was going to look after the farmer. That was my understanding of what he said. He said it would be not less than it was before, but that is still one-third short of being high enough for the farmers of Fraser Valley.

I am going to pass on because I want to cover berries. Everything goes into the production cost in Fraser Valley. I have just come back from that district. The Minister of Reconstruction and Supply is not in his seat at the moment but I hope his parliamentary assistant can tell us something about these tons and tons and carloads of nails that are going to British Columbia. I made it a point to go to every store in my riding. One store had a full keg of something that would be very handy for putting on shiplap to repair an old building, a keg of three and a half inch spikes. Another store had some boot nails—I have one here—at sixty cents a pound, which could be used to repair a building. Another rather big store had some copper nails two and a half inches in size at sixty cents a pound. I have never seen copper nails before. If you weigh them you find that it comes to exactly one-half cent per nail. That may be all right for the farmers in Ontario where you have all the millionaires and where they do not care about the cost of producing farm products. The Ontario federation of agriculture did not make any complaint anyway. Maybe they can afford to pay sixty cents a pound for nails to repair a coop, but we cannot afford to pay it in Fraser Valley or in any other part of British Columbia.

Mr. FRASER: We cannot even get copper nails in Ontario.

Mr. CRUICKSHANK: I forgot that the hon. member's speciality in Peterborough was nails or I would have left this matter to him.

Mr. FRASER: I am glad the hon. member has backed me up in my statement.

Mr. CRUICKSHANK: I will back you up? The hon. member for Qu'Appelle paid me a little compliment this afternoon. I will put it another way. I will be glad to have the hon. member cooperate with me in any way possible. I do not know what you need nails for in Peterborough anyway with all the manufacturers you have there.

I want to deal now with berries. I come from a wonderful riding. I am very proud of the riding I represent. We produce about half the berries that are used in the entire Dominion of Canada.

Mr. FRASER: It is the berries.

Mr. CRUICKSHANK: I just want to give certain figures of the berries we produced last year. I am naturally modest about Fraser Valley and I hesitate to mention it at any time, but last year we produced 4,863,683 pounds of strawberries and 11,475,428 pounds of raspberries.

Mr. FULTON: That is your major product —raspberries!

Mr. CRUICKSHANK: I knew if I waited long enough Kamloops would ask for it and he will get it in a minute. In the meantime I have other more important matters to speak of. I wish to point out to the prairie farmers that we were able to ship only 90,000 crates of strawberries last year to the prairie provinces, our great market. We want to ship there at a fair price, but unfortunately last year we could ship only 90,000 crates. I will come to Kamloops in a minute. I am no socialist by any manner or means; I am a capitalist. Two other fellows and I own a farm; they own the most part and I own the rest. I do not believe in socialism; I believe in free enterprise. I agree with the hon. member for Rosetown-Biggar when he said that this government and no other government dare take off these controls, but they are taking them off bit by bit and we see the profits that are being made as quoted by the hon. member for Rosetown-Biggar yesterday and as quoted in the *Star* today. The United States is admitting that they cannot control prices at the present time.

Mr. WRIGHT: That is under the free enterprise you believe in.

Mr. CRUICKSHANK: We can improve free enterprise but never socialism. I have been trying to improve the hon. member for Kamloops but have not succeeded yet; you cannot improve the impossible. I will tell you why we shipped only 90,000 crates to the prairies last year. I was successful in moving the adjournment of the house to discuss the shortage of containers. One of these downtrodden lumber operators in British Columbia could not pay fifteen cents an hour wage

increase, but they can make a profit in their business in spite of strikes. One gentleman who did not know one end of a board from another came from Toronto and took over a sawmill with watered stock that showed a profit of over $400,000 in a few months. In my opinion, that same group of operators from Toronto, headed by this notorious brewer who has now moved into British Columbia's lumber business, are doing everything they can to prevent us from getting crates this year by fomenting trouble with the honest loggers in British Columbia. If something is not done about the matter, I shall be moving more adjournments of the house and I hope to have the support of my hon. friends opposite.

The Minister of Agriculture has given me one assurance. I do not want to put words into his mouth, but I understood him to say that when the subsidy is taken off butter the price will not be less than it is now. I should like him to repeat that. That is correct?

I want these controls to be more effective. I want some controls to be restored. I do not think you can ask the dairy producers to go on producing forever at present prices when you permit other industries to make the profits which have been quoted in this house and never denied, and when you permit the lumbermen of my own province of British Columbia to amass fortunes they have never had before. It will be pretty poor pickings for Cruickshank with the lumbermen at the next election, but that is all right with me. When they can make these profits our dairymen are not going to be satisfied with the present price of butter in British Columbia.

I turn to the Minister of Veterans Affairs, then next to the Minister of Labour, and I shall finish off with the hon. member for Kamloops. I did not take part in the debate on the address, but I believe that every member for British Columbia is dissatisfied with the deal made so far as veterans homes are concerned. I find that the minister's own officials have given him two different lists of figures. One sets out that it costs $169.50 to heat a house till the plaster is dry in a home in the sunny Fraser valley, and then a week later the minister brings down a return saying that it costs $28.05. It is time that we put to work in the Department of Veterans Affairs some unemployed who can add and substract. The veterans of Fraser Valley are not asking for homes for nothing, but they are asking for a fair deal, and when any official at Ottawa tells me that it costs $184.95 to drain a veteran's home in the Chilliwack district I say that he does not know what he is talking about—$184.95 to drain an acre and a half of land in the Chilliwack district. This is in order, Mr. Chairman, because it all comes under these fifty-seven varieties.

I am not satisfied with the deal the Minister of Labour has given in the Tashme camp for Japs. If the truth were known it would make us blush.

Mr. MITCHELL: Let us have the blushing.

Mr. CRUICKSHANK: You give me the facts and figures and you will do the blushing, or bring the figures before the public accounts committee and you will find who will do the blushing. I am a little bitter about Tashme when a farm, which never made a profit of $500 a year, in twenty years gets $500 a month rental over a period of years and can get waterworks and all the buildings when hospitals and schools cannot get these things and, in addition, get a cash settlement. I would ask the government to have inquiries made about Tashme camp.

So far as my riding is concerned, we will support this government's efforts to maintain controls 100 per cent and, if necessary, restore some of the controls that have been taken off, which we believe should not have been taken off. We believe that it is in the best interests of our district and of Canada as a whole that controls be maintained. I believe that everyone in British Columbia has that opinion. I have never heard one request that controls be removed other than from Toronto and Kamloops. Kamloops is not a bad town to get out of.

In closing, Mr. Chairman, I shall support the C.C.F. amendment. I believe it is the fairest one to date in connection with controls, unless the government brings down something better.

Mr. MITCHELL: In reply to my hon. friend's remarks about Tashme camp, let me say that it is all very well for one who has no responsibility as an administrator to bandy these things about, but if my hon. friend has anything he has a duty to perform. Let him bring the facts before the public accounts committee and he will not need to worry about the labour department coming out in the clear. It is the easiest thing in the world to make statements of the kind he has made. If he thinks there is anything wrong let him bring the matter before the public accounts committee and let us get the truth.

Mr. CRUICKSHANK: Nobody should know better than the present minister how easy it is to get up and bandy something around without any responsibility.

The CHAIRMAN: Before the discussion continues, may I remind the committee that we are dealing with order in council 6759. This afternoon there was considerable discussion on eggs, the cost of producing eggs and the return the farmer received for producing them, but upon reading order in council 6759 I find no mention of eggs. If hon. members will look at the second and third preambles they will see that they read as follows:

And whereas the subsidy in respect of creamery butter, cheddar cheese, concentrated whole milk products, white beans and yellow eye beans is now being paid through the Department of Agriculture;

And whereas it is deemed necessary or advisable for the security, defence, peace, order and welfare of Canada to provide for the repayment of subsidy involved in such goods . . .

That is to say, the goods mentioned in the second preamble. It will be noticed that section 2 of the regulations reads as follows:

(b) "subsidized goods" means creamery butter, cheddar cheese, concentrated whole milk products, white beans or yellow eye beans, or such other goods as may be designated by order of the Deputy Minister ot Agriculture by notice in Canadian war orders and regulations.

I mention these things to remind hon. members that this order in council does not refer to eggs in any way; it refers only to the subsidy on dairy products and certain beans, which subsidy must be repaid to the government when these goods are exported. I do not wish to curtail discussion, but I believe that the committee would like to deal with the contents of the order in council and not have too wide discussion.

Mr. HERRIDGE: In connection with eggs, I should like to quote two or three sentences from a letter which I have received. I think I am in order because some of these people also produce milk and butter, and depend very much on the price of eggs—

The CHAIRMAN: I do not think it would be fair to interrupt the hon. member for Kootenay West at this time; but would it be agreeable to the committee that, afer he makes his statement in regard to eggs, we discuss the contents of the present order in council?

Mr. HERRIDGE: For the information of the committee, I shall quote from a letter written by Mr. Godfredsen, president of the Kootenay Cooperative Poultry Association, and dated March 18, 1947. He is one of the largest poultrymen in the district and is a responsible and practical man. He writes as follows:

Dear Mr. Herridge

I am very much surprised of the announcement over the radio that the ceiling price was taken of eggs, if that is to compensate the poultry farmer for the increase in feed price, it is absolutely inadequate as we can only get ceiling price three month of year.

Toward the end of his letter he says:

Coming back to feed prices wheat is eleven dollars more a ton and laying mash is five dollars more a ton and it was announced over the radio that barley and oats would go up too if that is the case laying mash will be still higher.

In addition to that, I have a letter from Mr. Charles E. Tutt, secretary of the same association, who is a poultryman and a responsible person. In this letter he says:

We heartily endorse a greater return to the Canadian wheat producers, but we strongly resent the fact that a rise in the price of feed wheat directly discriminates against the poultrymen.

In his letter he mentions the fact that at the present time there is a surplus of eggs which cannot be sold on the local market. These are No. 1 eggs and they were sold to the Swift Canadian Company at Nelson for twenty-three cents a dozen. He also mentions that the cost of feed and so forth nullifies the floor price which has been placed under eggs in the British contract. I urge the minister to have this situation investigated.

Mr. WRIGHT: What subsidies are now being paid on goods classified as subsidized goods, namely, creamery butter, cheddar cheese, concentrated whole milk products, white and yellow beans? How many of these subsidies have the government already announced will be withdrawn, and on what dates will they be withdrawn?

Mr. GARDINER: As I said before recess, the government has under consideration the whole matter of returns on dairy products which is largely the items covered in the order in council that we are now discussing. There are smaller items such as beans which enter into it, but most of it is dairy products. The position with regard to these is pretty generally understood in the committee. We did pay and are still paying a ten-cent subsidy on butter fat; we are also paying a subsidy of thirty cents on milk which enters into cheese, and we are paying a subsidy on milk which enters into the production of canned milk of different kinds.

The question which is now under consideration is as to whether these subsidies should be taken into the price. If they are they will probably be taken into the price very shortly, within a few days time. This particular order in council gives the government authority to deal only with subsidies on exports such as ships' supplies, until that time is reached. In other words, we are spending a lot of time in

talking about something that may last for only ten days. After that, it will be necessary to have the order because of these other items, provided that subsidies on dairy products are done away with and the whole matter is put into the price. It will probably be only a short time until the announcement is made. I have said on two or three occasion that any changes which do take place will take place on May 1. The whole matter is under consideration. The matter that has been discussed during the greater part of the time that we have had these orders before the committee is the question of increased cost of feed. That question is being fully considered by the advisory committee which is now sitting, and it will be fully considered by the government when the recommendations are made by that committee to the government. In other words, the government will not reach a decision on what should be done with regard to butter, cheese, milk and even eggs, which do not come under this at all, without having before them all the implications of the increases in feed costs. They will also have under consideration all the implications of the increases which have already been made since there was any previous increase in the cost of grain, increases which have already been made in the returns for farm products, and within a few days time with regard to almost everything that is covered by this order in council an announcement will be made which will probably do away with the greater part of the necessity for it.

I would suggest that I think we can discuss most of the questions which are being asked better when my estimates are before the house, which may be coming up on Friday evening and the following Friday evening as usual. At least by the second Friday evening we shall probably have all the facts in front of us and we shall be able to discuss the matter to much better advantage then than we can now.

Mr. ROWE: From what the minister says one could almost draw the inference that subsidies are to disappear. Would the committee be right in understanding that?

Mr. GARDINER: Well, I have come as close to saying that as I could. I rather think so.

Mr. ROWE: Probably a hint is as good as a nod to a blind farmer. Will the minister give consideration to lifting the ceiling price also on dairy products and on bacon products? I was interested in what the hon. member for Qu'Appelle said this afternoon, indicating that there is something wrong. The planned economy which those to the left would like and the planned economy which we have had on the right has caused confusion such as agriculture has never known before in this country.

Mr. MACKENZIE: On that side of the house.

Mr. ROWE: The minister is not a farmer.

Mr. MACKENZIE: I was on a farm.

Mr. ROWE: Yes, but the minister left it pretty early. Had he stayed there he would have realized the position the farmers are in today.

Mr. GARDINER: They are in the best position they ever were.

Mr. ROWE: Why is it you are falling down on the egg contract to Britain; why on the cheese contract; why on the butter contract? Why have you fallen down on the bacon contract, and why have you made the most nonsensical wheat contract the world has ever known? So that agriculture has not a great deal of confidence and does not know where we are going.

Mr. MACKENZIE: Did you vote for it?

Mr. ROWE: No, I did not.

Mr. MACKENZIE: You were not in the house.

Mr. ROWE: Surely the time has come, in view of the political confusion that has been caused by this type of state panic, when the minister should give some consideration to removing the ceilings, and admit that, so far as agriculture is concerned, they have been a deterrent. I say to the ex-minister of finance as well that, so far as the wartime prices and trade board and fixed prices are concerned, the farmer has been the guinea pig in the whole picture. He has been the guinea pig of this new economic experiment. My hon. friends may laugh, but let them go up and down the side lines of the dominion and the people will tell them, and more vociferously than I am doing, and not in parliamentary language either.

Mr. MACKENZIE: I have seen ten times as much of the dominion and of every province as my hon. friend has seen. I have been through every province. He lives in Toronto and Ontario only. Let him go and see the great west.

Mr. ROWE: I have been west too, but if my hon. friend has gone all over the map in the short time that he has done I can understand why he has seen so little of the country.

Mr. MACKENZIE: You have a localized viewpoint; that is all.

Mr. ROWE: I remember when members of the present cabinet were on this side. They did not see as much of the back concessions as they thought they did.

Mr. GARDINER: What did the farmer get then?

Mr. ROWE: He got a fairer share of the world market than you have given him. He got a fairer share of it than you are giving him now. It is all very well to talk about 1930 and 1931, but I have sat here longer than the Minister of Agriculture and I say to him that no one can tell me that the farmer did not get a fairer share of world markets than he gets today.

An hon. MEMBER: At what prices?

Mr. ROWE: If the hon. gentleman expects to be big enough to run all the industries of Canada he should know more than he does.

Mr. KNOWLES: You should know more about it.

Mr. ROWE: I do, and I know this—

Mr. KNOWLES: Nothing whatever.

Mr. SMITH (Calgary West): Bring on the cheering section when you can't take it.

Mr. ROWE: I am not disturbed by little Chicago over here, or over there either.

Mr. GRANT: When the hon. gentleman was in power they were not getting any prices at all.

Mr. ROWE: What did you sell your products at?

Mr. GRANT: Starvation prices; that is all.

Mr. ROWE: That is the most antiquated sort of defence that anyone can put up. I am not going to go back—

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: There are those, especially to my right, who would like to suggest that the depression came about because the Conservative party came into power at a time when we faced the greatest crisis in the history of the world. If my hon. friend the leader of the C.C.F. party has made a study of the situation; if he is big enough to take over all the industries of Canada, he ought to know more about what caused the depression in 1929 than he appears to know.

I say to my hon. friends from western Canada, and to some on my own side too perhaps—

Mr. GRANT: Perhaps?

Mr. ROWE: —what caused the depression in 1929 was—

An hon. MEMBER: Bennett.

Mr. ROWE: The hon. member says "Bennett."

An hon. MEMBER: R. B.

Mr. ROWE: Well, "R. B." was a great fellow, but the Right Hon. Mr. Bennett was not in power from 1921 to 1930.

Mr. GRANT: We had good times then.

Mr. ROWE: You had good times, but more Canadians left this country than were brought in or were born in Canada, and the natural increase was lost. We lost a million people during those years, people who found better employment and a better opportunity in foreign countries than they could find at home.

Mr. MACKENZIE: Why did he leave Canada?

Mr. ROWE: I beg your pardon?

Mr. MACKENZIE: Why did R. B. leave it?

Mr. SMITH (Calgary West): He was sick of you.

Mr. ROWE: I do not know, Mr. Chairman, but knowing what happened between 1921 and 1930, I presume the people who went away thought that some day again they would have to endure another Liberal government. In any event, Mr. Bennett has been accepted with good grace in another country and I do not think he is any discredit to Canada. He is a distinguished citizen where he is.

Mr. MACKENZIE: No one ever suggested otherwise.

Mr. CHAIRMAN: Order.

Mr. ROWE: My right hon. friend is a distinguished man, but I say to him I have no apologies to offer for Mr. Bennett.

Mr. MACKENZIE: Neither have I. I am a great friend of his.

Mr. ROWE: He never recognized it very much, but I suppose you are. I can only say that, so far as agriculture in Canada is concerned, never in the history of this dominion has it been in the confusion it is in at the present time.

An hon. MEMBER: Oh, oh.

Mr. ROWE: My hon. friend always says more sitting down than he can say standing up. He is always chiming in.

Mr. GRANT: The farmers were never so well off as they are today.

Mr. ROWE: My hon. friends may twit and make these empty gibes—

Mr. GRANT: No gibe at all.

Mr. ROWE: —but history will prove what I say to those who, running, may read. Those who run may read, but my hon. friend perhaps would rather sit than either run or read. May I say this to the committee, Mr. Chairman, and you need not take my word for it. The Minister of Agriculture and the right hon. gentleman who is leading the house have no doubt read the records of the Geneva conference on world economic affairs, and they no doubt know—it is now common history which every student of economics understands—that in this dominion the greatest contributing factor to the depression of 1929 was a clumsy effort to plan agriculture. I remember stepping out into the corridor on one occasion when I stated that Canada should have a balanced economy in which we would pay more attention to mixed farming instead of putting all our eggs in one basket—one wheat basket. I remember that at that time my hon. friends from the province of Quebec who were on the opposite side of the house used to refer to the fact that we were listening to nothing but wheat; and finally, as I remember well, one gentleman said to me, "You don't understand. We have the wheat market of the world in the palm of our hands. We are the bread-basket of the world and we can dictate prices."

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: I can quite understand why my hon. friend does not understand this. He does not listen long enough to learn anything.

An hon. MEMBER: What was the price of wheat then?

Mr. ROWE: If you do not know that much, why enter into this discussion at all? We know that during 1925 and 1926 Italy and Czechoslovakia, France and Germany, every country in the world, all raised their tariffs, yes, higher than the price of our wheat. Why? Because, as reported at the world conference, they were fearful of the wheat pools of western Canada fixing a price and demanding that price, and were afraid of the monopoly. We have seen the results. We sold wheat at thirty-five cents a bushel.

The world did not suffer a depression because Bennett was elected in Canada and wheat was forty cents. The world did not say, "Because of that, we will put 29,000,000 men out of jobs". Anyone who talks that sort of thing is just talking stupid political nonsense. That worked all right for an election or two, but it is not according to the facts and the records of history. Let us look the facts square in the face. The Minister of Agriculture knows now what the facts are. He says to my hon. friends to the left, "Leave your amendment; we are not sure whether we will adopt it or reject it. It may be all right. Let us look it over". The minister is the same as he has been for the last four years; he does not know whether he is going or coming.

Mr. MACKENZIE: You are certainly going; that is one sure thing.

Mr. ROWE: The Minister of Agriculture cannot tell me tonight why we have seen the greatest reduction in dairy production that we have had in the last twenty-five years.

Mr. GARDINER: I can tell you what the reduction is, but you will not believe me.

Mr. ROWE: I can tell you what it is and why. I asked you this afternoon but you would not tell me. We have reduced our bacon production. You have not told the country that before your party came into power we sent more bacon to Britain than you sent this year. You have not told the people that. You have not told them that you made a contract with Britain for 350,000,000 pounds three years ago and fell down by 100,000,000 pounds, and revised the contract and made another for two hundred and fifty—and by the signs of the times and the brood sows that are going to market you have not filled that.

The handwriting is on the wall, Mr. Chairman. The farmers of Canada today have lost confidence in the present government. They do not know what to sow. They are waiting for the Natural Products Marketing Act. They have read the Wheat Board Act. They do not know whether the Minister of Agriculture will tell them what they have to sow, where they are going to sell, how much they are going to get for their product, but they do know that they pay about three times as much today for a binder as they paid in the last great war which my hon. friends hark back to with regard to high prices. They know they pay about twice as much for farm labour as they paid then and that they get about half as much for their wheat. As to price ceilings, the hon. member for Qu'Appelle said this afternoon that she believes they will be good things for all. But even a kindergarten class knows they are no good on one side unless they are operative on the other side. Personally I do not think they are any good on either side. I hope I do not embarrass the cabinet ministers, because I understand there has been division on this in the last five years. I do not believe that a farmer like the

Minister of Agriculture could sit in a cabinet like this without having embarrassed the ex-minister of finance; and I do not believe any old Scotch Presbyterian free economist like him could sit there and not feel that the whole show was being put out of commission. We have carried controls to the limit. We have carried controls to the point of detriment to our supply of products overseas. We have carried controls to the point that the peoples in Europe, hungry for food, are deprived of wheat which would have been produced in Canada. My right hon. friend tonight says. "What about the price of feeds to produce this bacon and meat products? Where does the feed come from?"

Mr. GARDINER: Off the farm.

Mr. ROWE: Yes, off the farm. I hope that some day in the cabinet you will tell the rest of your colleagues, the new found economists, why it is that for Britain, that we feel we want to help, the farmers of Canada are asked to send their wheat over at $200 million less than they can get at the world price for a year, and yet you make the British pay more for lumber than the people of Canada have to pay. Do you think it is fair for the farmers of Canada to lose $200 million on their product which they are exporting overseas and yet at the same time tell the lumbermen of British Columbia that they can charge the Britisher what they want to, even if he needs a house as badly as he needs bread. What type of economy is this?

We are not surprised at the hon. member for Qu'Appelle, in view of the fact that she is a member of the fairer sex. I think she is more sympathetic than any member of the cabinet when she says it is a planned economy, but it is only half-planned. It is a mixture, and so it is. It must be a mixture when the western farmer and wheat producer of Canada surrenders $200 million a year, but the lumberman of British Columbia can charge $123 a thousand for rough lumber for Britain.

Mr. CRUICKSHANK: How much do you get for pulp in Ontario?

Mr. BRADETTE: Tell us about the price of lumber.

Mr. ROWE: What is that?

Mr. CRUICKSHANK: How much do you get for pulp in Ontario?

Mr. SMITH (Calgary West): Oh, you are usually fair.

Mr. ROWE: We get as much and more for pulp than you would take to produce it.

Mr. CRUICKSHANK: You raised it $8 a ton.

Mr. ROWE: Yes; and freight rates rose $3 a ton, and we raised wages in Montreal last week $3 a ton. May I inform you--and I think you are a great defender of the British Columbia lumberman; I have no brief for them—that if you want to talk about the pulp and paper industry, we in the pulp and paper industry have no apologies to make, despite the snipes that have been coming from various sides of this house.

Mr. NICHOLSON: You have been doing very well.

Mr. ROWE: Yes; just as well as under your management.

Mr. COLDWELL: Apparently a whole lot better.

Mr. ROWE: If you could run them all together better than we can run them separately, you are a better wizard than you have ever indicated here in Ottawa. I will say this, in any event, for the benefit of my hon. friend from British Columbia because he is a free enterpriser—and I say it for the benefit of the leader of the C.C.F. party because he interrupted me: the great pulp and paper industry of Canada has been the greatest stabilizer, as the ex-minister of finance knows, of any industry in Canada. Half of that industry has been in bankruptcy for the last fifteen years. No industry in Canada pays its employees as high wages, and no industry in Canada has paid its shareholders less dividends. Those are facts which are irrefutable, and I challenge anyone to rise in the house tonight and say they are not right.

Mr. CRUICKSHANK: Watered stock.

Mr. ROWE: Watered stock, you say. I could tell you about some of your companies but I might get too personal if I did. But those are the facts and they are undeniable; and today we are paying to labour the highest base rate paid by any industry in Canada. It is true that some will say, "You have had an increase in your commodity." So we have. Where is this venture capital to come from? Where is the capital to come from with which you are to take over all these industries? Will you get it for less than two per cent? The pulp and paper industry in Canada in the last fifteen years have not paid an average of two per cent on the venture capital which made it possible in Canada. I challenge my friends to say where they are going to get the money to take over all this industry at any less. Let us throw the cards down and see where we come in this new economy of

yours. Do you think you can run them all better than anybody runs them separately?

Mr. COLDWELL: Address the chair.

Mr. ROWE: I apologize to you, Mr. Chairman. I would much rather address you than address my hon. friend. I think you are both very fine, but if I were going to trust my estate to either, I would entrust it to you, Mr. Chairman.

I urge upon the Minister of Agriculture, and urge it upon him before it is too late—

Mr. GRANT: What did you do under Bennett?

The CHAIRMAN: Order.

Mr. ROWE: I do not know what my hon. friend said. However, if you think you are contributing something to the debate, then you serve a purpose.

Mr. GRANT: I am sure you are not, anyway.

Mr. ROWE: I cannot tell what my hon. friend's interruptions are. If he would make them audible and make them clear, I might be able to deal with them, but I do not know what he said. I know he is saying something and I think he understands it probably as well as the rest of the house does.

In conclusion, Mr. Chairman, following what the hon. member for Qu'Appelle said, I am not supporting her theory that we should have a planned economy, but I support her to this extent: If you are going to have a half planned economy you must have it all. You on the left and you on the right had better get together. You have a half planned economy now.

Mr. MACKENZIE: You have got none.

Mr. ROWE: You have a bureaucracy built up on a planned economy. You do not want to go out and say you will leave it to the law of supply and demand. But I ask you now, do you think there is any other way of establishing agricultural production in Canada unless you give an incentive to the farmers?

Mr. GARDINER: I am going to talk after you are through. Go right on.

Mr. ROWE: I know pretty well what the Minister of Agriculture will say, too. I realize that he will tell us about the low prices in 1932. I realize that he will tell about the Tory reactionaries. I know about the line he will take. If I gave it, he would be glib enough to find another one, probably, in another speech; so I am not going to relate it all. But I know very well that at least fifteen times I have heard the Minister of Agriculture tell about the low prices in 1932 and what the farmers went through. That is an old, tottering and dusty argument.

Mr. GARDINER: You don't like to hear about it, do you?

Mr. ROWE: I don't like to hear about it from a man who is a right honourable, who should know better, and does know better. I don't like him to use it for political purposes, when he knows it is not true. And after some years of activities we expect people to stick to the truth of things. You can't stand up tonight and tell us that the prices we received in 1932 were due to the fact that it happened we changed governments in Canada in 1930.

Mr. GARDINER: You have a bad conscience.

Mr. ROWE: No, but I have to recall the type of argument you have put up for the last ten years in this house.

Mr. GARDINER: You really think it is true.

Mr. ROWE: I know it is not true, just as you know it is not true. Will you tell me if that is not true—

Mr. MACKENZIE: Chair, chair.

Mr. ROWE: Mr. Chairman, I am reminded that you are in the chair.

I say to the right hon. gentleman: When you rise tonight will you tell us why it was that when your party came into power in 1921—and, that is history—we had more live stock production, and sold more live stock products to Great Britain than we did grain? Will you tell us why it was that we were eating more bacon at that time than we are today. Will you tell us why it was that when you went out of power in 1930, before the Right Hon. Mr. Bennett and his party took office, we were importing New Zealand butter and Danish bacon? My hon. friend knows it. I have heard him use it in the house. We were eating Danish bacon in Canada; we were eating New Zealand butter in Canada in 1930 than we were exporting from Canada. We were importing more live stock production into Canada. But in 1921, about thirty years ago, we were selling, at those lower prices, $77 million worth of live stock products more than we are buying.

What happened in those years? The Danish farmers were taking grain from western Canada, feeding hogs and sending bacon back to sell in the butcher shops at Regina. Eighteen thousand head of cattle were impor-

ted in tin cans in 1930. We were eating canned beef in 1930, beef canned in the Argentine.

True, during the war, the bacon people had some exports; but it is rapidly falling off again. It has fallen from 350,000,000 pounds two or three years ago to 250,000,000 pounds now. And if you keep the price ceilings on those things we have to sell and take the price ceilings off those things we have to buy, then I shudder to think how much more we shall be falling down in our supplying of the British market. And if we cannot supply it in a time of stress and strain, then we have no right to claim it in a time of peace and prosperity.

I urge the minister and ask him to urge the government to let go of these bureaucratic controls. You cannot control them all unless you are going to do it with machine-guns. The farmers are paying today double the amount in wages they were paying back in 1921—and I know whereof I speak. We are selling our wheat and losing hundreds of millions of dollars a year on your fixed ceiling price. And your exports of other products are falling down. Even the British people are laughing at the mess you have made of Canadian agriculture.

I leave it to you: If you do not listen tonight to what I have said you will hear from the farmers in the next election.

Mr. GARDINER: Mr. Speaker, when we opened the discussion this evening on two orders in council which have been in effect for some four years, and which will probably be in effect for some few weeks more at the most, I did not expect that for the third or fourth time during this session we were to have a full-dress debate on agriculture. Nor did I expect that it would carry on into all the activities of the government, or of all governments we have had during the century. But we have just listened to a speech which covers all that.

My hon. friend has just been making statements which are not borne out by the facts. He has tried to leave the impression that in years gone by there was at some time higher production and that there have been higher exports of products than we have had recently As a matter of fact we still have high production and exports. But I just wish to leave a few figures with him and with the committee in order to indicate how far from the facts he really is.

In 1930, a year which was spoken of, the production of cheese in Canada was 119,000,000 pounds. The production of cheese in 1942 was 208,000,000 pounds; in 1943 it was 167,000,000 pounds; in 1944 it was 182,000,000 pounds, and in 1945 it was 189,000,000 pounds. In 1946 it is true that it was down, as compared with these last few years, to 148,000,000 pounds. But that is still much higher than 119,000,000 pounds.

But that is not the most important figure. When we talk about parties going out of power, another party has gone out of power since that. That was the party led by the Right Hon. R. B. Bennett, which went out of power in 1935. The production of cheese in that year was 101,000,000 pounds. And from the time they came into office in 1930, when it was quite low—119,000,000 pounds—it still went on down. It went down during all the time they were in office, until it reached 101,000,000 pounds.

An hon. MEMBER: He kept it up well in those hard times.

Mr. GARDINER: As a matter of fact, hard times do not have so much effect upon production of food as is suggested by my hon. friend. But what happened immediately after—

Mr. ROWE: Will the hon. member permit a question? He did not interrupt me, but I know he does not wish to be unfair and to mislead the committee.

Mr. GARDINER: I will not mislead the committee either.

Mr. ROWE: And you are certainly not going to mislead me because I know what took place very well.

The CHAIRMAN: Order.

Mr. ROWE: The minister says he wishes to show the difference. I never mentioned one figure about production in 1930. Go back to 1921, and see if what I said was not true. You are dealing with a different set of figures entirely. At least let the committee know that my integrity in these matters is as good as yours.

Mr. GARDINER: We imported 1,788,000 pounds, produced 119,000,000 pounds and exported 80,000,000 pounds in that year. That was in 1930.

Mr. ROWE: Certainly.

Mr. GARDINER: And the domestic disappearance, if you wish to have all the figures, amounted to 37,000,000 pounds.

Now, coming back to 1934, which was the lowest year—and 1935 was about the same. There was 100,000,000 pounds in 1934 and 101,000,000 pounds in 1935. The government changed in that year, in the fall of 1935. In

1936 the production went up to 120,000,000 pounds; in 1937 it went up to 131,000,000 pounds; and by 1940, the first year of the war, it was up to 146,000,000 pounds. It went on up, under the present government, and under the agricultural policy that has been spoken about, to 206,000,000 pounds, which is the highest production of cheese in the present century.

Now, one might go on and deal with other products which have been spoken about. Let us take concentrated milk products. In 1930 it was 110,000,000 pounds. In 1935, the year the government of Mr. Bennett went out, it was 105,000,000 pounds. It was down. It had been down much lower in the intervening period, but it was down 5,000,000 pounds that year. It went up next year to 109,000,000 pounds; the next year to 137,000,000 pounds; next year to 157,000,000 pounds; the next year to 166,000,000 pounds; the next year to 193,000,000 pounds; the next year to 236,000,000 pounds. To save reading a lot of figures, by 1946 it had got up to 302,000,000 pounds. There has not been any reduction in production over a period in connection with that.

The same kind of figures could be produced with regard to other items. Let us look at eggs for a moment. In 1930 our production was 250,000,000, but by 1935 the preceding government had succeeded in getting it down to 244,000,000. Since this government has been in, it has gone up from the first year of the war when it was 250,000,000 to 1945 when we got it up to 393,900,000. It has dropped down slightly in 1946.

Mr. ROWE: What are you paying in subsidies?

Mr. GARDINER: The hon. member wants to know what we are paying in subsidies. I have heard nothing from the other side of the house but the suggestion that we ought to get rid of all these controls and special considerations we have in connection with these matters and let trade take its free course. That is a rather peculiar policy to hear from my hon. friends on the other side; nevertheless it is the kind of policy which has been spoken of. What was the position taken by our hon. friends back in 1929 when they were contesting an election back and forth across this country? It was that there was protection in every other country in the world. They said that they had protection in Germany, in France and in Italy; they said that there was no unemployment in those countries, that the only countries where there was unemployment were countries like Britain, Canada and other countries which followed the same policy as this country. They said, "Put us in power and we will blast our way into the markets of the world". They were blasting for five years, and by the end of that time they had created the situation indicated by these figures, not only with regard to agriculture but with regard to every other industry in the Dominion of Canada.

Now my hon. friend comes back and says that we have been in power for some time and that there is a certain situation existing with regard to agriculture. What is the situation? In 1946, in spite of the fact that production of hogs is down; in spite of the fact that production is down on some dairy products; in spite of the fact that production is down slightly on eggs as compared with the previous year, the highest net return the farmers of this country ever received was received in 1946. That means only one thing. If the production was down, then the return per unit must be very high as compared with the previous year. There is only one year in the history of this country when even the gross income from farm operations was higher than 1946, and that was in 1944.

The products which were sold in 1944 and which brought about the high gross income of that year were not products produced in 1944. One of the products which brought about a greater increase in gross farm cash returns in 1944 than any other was grain, and that grain which was sold in 1944 in such great quantities was not all grown in 1944. That grain was grown in 1942 and the years preceding, and in 1943. It was stored in our elevators and sold in 1944 and thus brought a considerable amount of cash into the pockets of the farmers of this country.

In spite of that, the cash income in 1944 was $1,849 million, whereas in 1946 the gross cash income was only $90 million less in spite of the fact that we were selling only the production of the year 1946 in the main. The net income of our farmers was the highest, whereas the gross income was only $90 million less than it was in the highest sales year that agriculture ever had in this country. We have increased the price of grain. My hon. friend wants to know why it was done. If he looks at the record he will find that there are only three provinces that had a lower gross return in 1946 as compared with 1944, and those were Manitoba, Saskatchewan and Alberta.

Why were those provinces down in gross return while the other provinces were not? The reason is obvious. Year by year we have been increasing the returns that can be obtained from every farm production that can be produced by the feeding of grain, but we have not increased the prices of feed grain

since 1943 until this year. This year, in justice to the farmers who have been growing the feed that is being fed to live stock in surplus all over the Dominion of Canada, we have suggested that the prices ought to go up. If that increase does result in a slight increase per ton in the cost of the feed that is being fed to live stock, it will be found by the end of the first year for which statistics are available that it did not do anything more than give justice to the people who produce the grain that is being fed in surplus elsewhere.

What I want to suggest with regard to that is this: The discussions which we have had tonight clearly indicate that there are some men who claim to be farmers but who have not followed the records in relation to agricultural production, more particularly in relation to agricultural returns. There has been a constant upward levelling of prices over the returns from those products which are produced from the feeding of grain. There has not been a comparable increase in the price of grain itself to those farmers who grow the grain and who sell it to those who are going to feed it. The reason for the announcement that has been made is partly to adjust that situation. When it is adjusted, when we get our returns, if we have anything like an average crop year in 1947 it will be found once more that the three prairie provinces which produce grain occupy a position in relation to both gross and net returns from farms in Canada which is comparable to that in the other provinces. The government has nothing more in mind to produce from the results of its policies than that result.

To come back to the position of the farmer, there is not a farmer from one end of Canada to the other but will say that his position is better under this government at the present time than it has ever been under any other government in the dominion. When I have said that I am not saying that the farmer has yet got all that is coming to him. That is the reason why we are saying tonight that we are not going to lower the return the farmer will receive as of the 1st of May or the first of any other month throughout the coming year. We have said to this house that we are going to establish prices for dairy products which will put the farmer in at least as good a position after the first of May as he had before the first of May.

This necessitates taking under consideration any increases that have been made in grain prices; it necessitates taking into consideration at the same time the fact that we have already increased the financial position of agriculture in all the provinces that produce live stock products as related to the provinces that produce grain. Not only have we done that as relating to the provinces that produce live stock to be fed grain, we have done that as relating to the provinces that produce grain in so far as they feed their grain to live stock.

Our province of Saskatchewan is not entirely a grain producing area. If one draws a line from the southeast corner of our province to Lloydminster he will find that the line runs about twenty miles north of Regina and twenty miles south of Saskatoon. It will be found that the area north of that line is a live stock producing area, just as important a live stock producing area as can be found anywhere in Canada. The hon. member for Melfort knows this. As was said earlier in this house during a debate, when he came back from the first war he made a trip across our country and searched for an area in which to establish farming operations. He chose the Melfort district in the northeastern part of Saskatchewan. If he has not very good judgment in his politics he certainly had good judgment in his choice of a farming area. He has a good farm in that area and he has done very well. He is in the centre of the live stock producing area of our province. I want to say again that that area is just as much a mixed farming area, a live stock producing area and a dairy producing area as any section of the Dominion of Canada. It can stand comparison with any other part of Canada both with regard to production and with regard to net returns.

The southwestern part of the province is a grain-growing area, and we can sit in this house and belittle the discussions that have taken place on wheat, as I have heard them belittled by the previous speaker; but, after we have belittled them as much as we can, we come back to the fact that there is no other product produced in Canada that is shipped out in quantities to bring in as much outside money into Canada as wheat. Since that is the case, a considerable part of the business of this country is dependent upon the production of that area. It is not a wheat growing area by accident. It is the only product they can produce there to advantage and remain there and maintain their families on a reasonable standard of living. In other words, it is a natural grain growing area, not only for wheat but other grains. It is not an accident that they are producing grain there. They were able to go into that section of the country, stick a plough into the land and plough a whole quarter-section the first year and the second year have it under crop. Of course people who would go into an area of that kind would start growing grain.

The other sections went into mixed farming for the same reason that Ontario went into mixed farming. The northeastern part of the province was covered by trees, much of it not by trees big enough to call forests. We call them scrub, scrub poplar, scrub willow and trees of different kinds which had to be cleared. People who go into an area of that kind would naturally go in for mixed farming, because they are not able to make enough money in any other way on the small acreage they have to maintain them while clearing. They went into mixed farming and they remained in mixed farming. But neither the farmers in that section nor the farmers in the remainder of Canada could produce anything like the live stock they are producing today were it not for the fact that farmers did go into the grain growing area and did produce and ship large quantities of grain, the surplusses which made production possible. So I would say to any member of this house, farmer or no farmer, who lives in eastern Canada, that he is not doing credit to himself or to the farmers in his area when he decries the discussion of grain or wheat on the floor of this house; for it is a product which brings more wealth into this country than any other product, a product which makes it possible for live stock to be fed on farms right across Canada in the quantities in which is fed, a product which makes it possible for every province, except the three provinces that grow the grain, to have a higher gross income from farming last year that they ever had in any other year in their history.

Having said that, I come back to the chief criticism made by the hon. member who just took his seat. His chief criticism is that our production was down in 1946 as compared with 1944. I have given a partial explanation, namely that much that was sold in 1944 was not produced that year. But there is another thing I should like to say. My hon. friend speaks of what has been going on, the lack of planning, the lack of organization, the lack of leadership to the farmers of this country. I listened to that kind of speech during the first four years I was here prior to the war, and yet farm production went up and up year after year in spite of the fact that my hon. friend was making the same kind of speech that he did tonight. Then the war came. You can go back and check the record in the debates of this house, and you will find that every year he predicted that our production would go down and down. Yet from 1939 to 1944 it soared from one height to another, until it reached a record height in 1944 which probably no other farm group in Canada under any kind of organization or leadership will be able to match over a long period of years.

Mr. SMITH (Calgary West): There was a war.

Mr. GARDINER: I am not speaking now of the prices they obtained for their crop but of their production.

Mr. HACKETT: There was a demand for it.

Mr. GARDINER: My hon. friend said there was a demand. All I will say is that we made a much better job in getting that demand when half the world was shut out from us than my hon. friend and his government did in the five years they were in power when the whole world was open to them to blast their way into. The situation from 1939 to 1944 was that we had only one market where we could market our products to advantage, and that market was the British isles. My hon. friend has been saying tonight: Yes, we are willing that the United Kingdom should be fed. But, Mr. Chairman, fortunately those who are administering affairs in the United Kingdom know a great deal more about agriculture in this country than the hon. member himself does, and because they do they are not misled by the kind of argument he was making a few moments ago, when he said that a few years ago we were selling 700,000,000 pounds of bacon to Britain.

Mr. ROWE: Mr. Chairman, I rise to a question of privilege.

Mr. GARDINER: The only reason you did not say it was because you could not remember the figures.

Mr. ROWE: The minister may be the crown prince of Saskatchewan, but he is not going to bull-doze me in the House of Commons. He may do that in the little country schoolhouse, but I say that he has never heard me in twenty-five years state that we ever sold 700,000,000 pounds of bacon to Britain, and he knows that I know we never did. That was just a straight political statement of his, or it indicated senility or a misunderstanding of the facts. The minister cannot put that over. The minister knows better than anyone else; everyone in his department knows, and the leader of the C.C.F. party knows that I never at any time made the statement that we ever sold Britain 700,000,000 pounds of bacon, because I know we never had that much to sell. But in 1921 we sold 255,000,000 pounds. That is the statement I made.

Mr. GARDINER: My hon. friend has not been listening very closely. I did not give

credit to the party of which he is a member for every having sold 700,000,000 pounds of bacon to anybody.

Mr. ROWE: You said I said that.

Mr. GARDINER: I said we sold 700,000,000 pounds, and the actual figure here is 717,000,000 pounds.

Mr. ROWE: In what year did you sell 717,000,000 pounds?

Mr. GARDINER: I will give you the whole record. In 1944—

Mr. HARKNESS: What is the minister quoting from?

Mr. GARDINER: From the official records of the statistics bureau of the dominion government.

Mr. ROWE: How much are you selling them this year?

Mr. GARDINER: We shall get around to that in a minute. I am making this speech, and not you.

Mr. ROWE: You are making your own, but do not make mine.

The CHAIRMAN: Order.

Mr. GARDINER: In 1944 we sold 717,000,000 pounds of bacon to Britain. And after that experience we had sold or fed the enormous amounts of feed grain which were produced in 1942 and the amount we added to it in 1943 and also what we had grown in 1944. By the end of July, 1945, we had only one month's feed stored in the Dominion of Canada on our farms and elsewhere, with a new crop coming up. In these circumstances this government was wise enough to know that it was absolutely impossible for the farmers of this country to feed 717,000,000 pounds of bacon to go to Britain any time again until we had gone through the first three or four years of another war, or preparation for it, which would compel us to keep our grain stored in our bins year after year until we could open up a way for it into the natural markets of the world on the European continent. Therefore we began to plan for that. What did we do? We signed a contract with Britain not to deliver 600,000,000 pounds as we did the preceding year, when we actually delivered 717,000,000 pounds, but 450,000,000 pounds a year. For the reason that we knew there were men in this country like the hon. member who has just spoken who would go out and say that was an indication that we wanted the farmers to decrease the production, we made a two-year contract for 900,000,000 pounds over the two years in order that we might have two years in which to make the shift. True to form, my hon. friends in this house and all through this country went out and said that the government of this country is deliberately cutting down on supplies of bacon to Great Britain. My hon. friends said that we could never build it up. We did build it up from the unreasonably low levels at which it was in 1935 to the enormous quantity of 717,000,000 pounds sent in 1944. Then, when we reduce it to a figure that they never dreamed of being able to reach in their day, 450,000,000 pounds, they thought that was a ridiculous thing to do. Now, when they find that there is not enough feed in Canada with which to feed the live stock we now have they are still trying to maintain that somebody somehow could have been able to feed more hogs and more cattle in Canada. The only way in which we can feed hogs and cattle is to produce grain with which to feed them. Every bushel of feed grain that we have in this country is being fed in this year, which is an indication that we could not have produced more.

My hon. friend tries to lead us to believe that that reduction is due to some kind of policy which the present government has been following; but when anybody suggests that the reductions that came about from 1929 when they were going to blast their way into the markets of the world down to 1932 had anything to do with the Conservative policy in the country they say it is all bosh. I am prepared to accept his suggestion that the fact that we had a Conservative government here then was not the only reason for our bad times, provided that he will just say that the fact that our farmers have such good times now is partly because we have a Liberal government. I am quite sure that whether he will say that or not—

Mr. ROWE: You hit a war, too.

Mr. GARDINER: Yes, we had a war. We had a war before when my hon. friend's friends were in power. When that war ended what happened?

Mr. ROWE: We had higher prices than we have today.

Mr. GARDINER: Yes, you had higher prices for a few days. Wheat sold at $3.05 for one day, and during that time the government sold some millions of bushels of wheat and wheat went down like a rock and never came back.

Mr. ROWE: Yes—

Mr. GARDINER: I know, because I was selling wheat then off my own farm.

Mr. ROWE: So was I.

Mr. GARDINER: And it kept on going down, and we had a new government in power—

Mr. ROWE: It went up, did it?

Mr. GARDINER: Yes, wheat went up and kept on going up, until from 1926 to 1929 we had the best conditions in this country that agriculture had ever experienced prior to that time and the best conditions we have ever had since until the last four years. Both of these good financial conditions for the farmer were created, not under a Conservative government, not under these ideas that we have listened to for the last two months, but under the policies that were put into effect by this government.

My hon. friend says that his hon. friends to the left of him are talking socialism. I quite agree that they believe in socialism, but more than half the time they are talking liberalism. The only way in which a government can really benefit the people of this country, no matter what they talk in order to get elected, is to put truly Liberal policies into effect while they are in office. When they do that the position of agriculture improves. Unfortunately for other parties in this country the only party that has ever done that is the Liberal party. Our position has always been improved under Liberalism.

I do not know whether this is going to develop into an old-time political campaign. It has been going on now for some months. I have sat here for two months, and during the greater part of that time I have been reprimanded both in the house and outside of it when I rose on a point of order in order to try to keep things in order. I have now come to the conclusion that the best thing I could do is to make a few political speeches myself, and that probably in making them we shall finally convince hon. members opposite of what I think is the truth. They are standing here day after day making speeches for no other purpose than to get free propaganda before the people of this country. I would suggest to my hon. friends that if they really do want an election, if they really do want to get political propaganda out to the country, just get together against the policies that this government is putting into effect, make a clear statement of their position in relation to them, say why they are opposing it and vote that way; if as they think they can find some support from this side of the house they may get an election, and they will probably find out what the people really think about these matters. But may I say this to them—

Mr. ROWE: Call one in Halifax now.

Mr. GARDINER: We who sit on this side know hon. members on this side well enough to know that they believe in Liberal policies. They believe in liberalism. They know that there is no other party in this country which would ever give them Liberalism in this country except the Liberal party. They are going to keep this party in power for some considerable time in spite of the talk of my hon. friends. I would suggest to them that, instead of putting on full-dress debates on the matter of paying subsidies for two or three weeks on a small quantity of butter and cheese that is put on boats when they come into port, we get down to discussing what is before us and continue to do that for a while.

Mr. FULTON: One of your own members started it.

Mr. GARDINER: Yes, but I tried to stop him, and I am trying to stop everybody now. Let us get down to discussing what is before the committee and put these items through. Someone has been saying that they want to know what we are going to do about old age pensions. They want to know what we are going to do about other important matters. We have been trying to tell the house for two months that, just as soon as this bill is put through, it will know all about what we are going to do about these matters. The bills will be brought down and placed before the house and we shall have an opportunity of discussing them. If everybody is interested in these matters, then let us get on with this bill; pass it, get it through the house, get it out of the way, go on with the administration of it. Then we shall bring down the legislation which everybody seems to be worrying about and have it discussed, and let us get home some time this summer.

Mr. NICHOLSON: I am sure that the Minister of Agriculture does not need any assistance in meeting the hon. member for Dufferin-Simcoe. In view of the fact that hon. members on this side of the house directed a good deal of heat in this direction, to keep the record straight a word should be said about the so-called wonderful days which existed when these hon. members sat over on the other side of the house. I was living in a part of Canada that took seriously the propaganda of a well-known Canadian who promised that he would blast his way into the markets of the world; that he would cure unemployment or perish in the attempt. That constituency

elected a supporter of that well-known Canadian and he became a member of the cabinet, but the blasting did not seem to click and the unemployment situation grew worse. Our young men left home to go east to look for work, and everywhere the situation was the same—no men wanted. The farmers took their butter to town, and I remember farmers taking that product home again, unable to sell it at ten cents a pound. One farmer brought thirty dozen eggs to town one day and received ninety cents—three cents a dozen, in the good old days when the Tories were in office. I am sure the farmers in all parts of Canada have sufficiently vivid memories to recall those days and they certainly do not want a repetition of those incidents.

An hon. MEMBER: A Labour government was in office in Britain at the same time.

Mr. NICHOLSON: Not very long. They never had a majority. The Minister of Agriculture said, quite correctly, that the Canadian farmers during the war period were in a more favourable position than ever before; they were in that favourable position when all our markets were gone with the exception of the British market, and for a very large portion of the war we were supplying agriculutral products to Great Britain, as part of the mutual aid programme, which meant in reality that Canadian farmers were enjoying prosperity, while they were participating in giving agricultural products away. I want to make it clear that we were in complete agreement with the government policy that made agricultural products available in Great Britain. Indeed, I am not very proud of the fact that some Canadians have come through the war in such a favourable financial position. While we made substantial gifts in man-power and materials, when we consider the position which other countries of the world are in, we cannot take a great deal of satisfaction in the financial position of Canadians in many walks of life at the present time.

The situation is still unsatisfactory. I have in my hand the Canadian agricultural programme for 1947, which is published under the authority of the Minister of Agriculture. It refers to the fourteen agricultural conferences which were convened here during the war. At the last meeting the deputy minister of agriculture gave a report of a conference he had recently attended at Copenhagen and mentioned that the world grain deficit was given as 8,000,000 tons, while there was a potential shortage of rice of about 6,000,000 pounds. Fats and oils were fifteen per cent below the pre-war average, and meat production dropped in the war to seventy per cent of pre-war levels in Europe and sixty per cent in the United Kingdom.

I find in this report that, while we reached enviable heights in the field of dairy production, hogs and cattle, during the war, our production is now falling off. On page 21, I find that the hog production in 1946 had dropped to 4,350,000 as compared with 5,861,000 for the previous year. It indicates that the government wants an increase of nineteen per cent in 1947 over the 1946 production, and the statistics for the past two years would indicate that we are not likely to reach this objective.

I mentioned before the dinner recess that I visited my constituency in the Easter recess. I was told at several points that hog production is decreasing rapidly and that the farmers in that part of the country are not likely to go into hog production again. They say they are not getting a satisfactory deal.

Mr. GARDINER: May I be permitted an interruption? On that point I must admit that I was taken away by some of the interruptions we had from something I was going to say and should have said. What I started to say at one stage of my remarks was that the figures which appear in our contracts are fully understood by the British and have been all the way through ever since we made the reduction to 450,000,000 pounds. We have discussed the matter with them and have also discussed the question whether we should reduce the figure to what we expect to be able to supply, or hold it at what we are trying to get the farmer to produce, and we have written into the contract what we have been trying to get the farmers to produce. It is necessary for me to make that statement because, if the matter is looked at from any other point of view, one gets a mistaken idea.

The British knew, for example, last year that, while we wrote 125,000,000 pounds of cheese into the contract they did not expect to get 100,000,000 pounds. They knew that beforehand.

Mr. HACKETT: The British house did not know it.

Mr. GARDINER: Their officials know it, and they can use their judgment whether they tell householders. But the objective put before them was that. If we had said to the farmers, "All that the British want is 100,000,000 pounds," they might not have tried to produce 140,000,000 or 150,000,000 pounds. They might slip down, fearing that they would not have a market. So we put up the figure, and we said that in that way we would try to encourage the farmers to come up to the

standard the British desired. But the British always knew whether we were coming up to it or falling down, and they knew it weeks in advance.

Mr. NICHOLSON: During the war years, with over three-quarters of a million of the youngest and strongest men in the armed services and with a similar group producing armaments, Canadians did increase production of hogs, beef and milk. Now that the war is over, we are no longer engaged in the manufacture of munitions and our service personnel are back home. There must, therefore, be something radically wrong with the Canadian economy when the production of milk, butter and eggs declines. It is a reflection on our Canadian set-up that we cannot get our Canadian youth to take on the job of milking cows, feeding pigs and making butter. I think the only thing wrong is that the young people of Canada feel that those engaged in agriculture are not getting a fair share of the national income.

I agree with what the minister said earlier, that Canadian farmers are in a better position today than before. I think the debt position of the farmer in 1947 is better than it was at the end of the last war. But I was in British Columbia the other day at the C.C.F. convention, and when the agricultural policy was discussed I was amazed to hear delegate after delegate, as he rose, say, "I spent the first twenty, or thirty or forty years of my life on a farm and here I am now in Vancouver. I am not going to go back to the farm and I do not want my children to live on the farm". In Ontario the same situation prevails, certainly in that part of the province where I lived, in Bruce county. Very few young people plan on taking over the family farm and continuing the production of agricultural commodities.

I submit that the minister has now sufficient evidence to know that the policy of getting rid of controls and subsidies will not enable Canada to meet her commitments to the hungry people of the world, with the very serious deficit of grain products, of meat products, of fats. I think we should be following the policy in agriculture which the minister of reconstruction followed during the war. He was not held up by lack of gold or lack of foreign markets. His programme was carried out on the theory that whatever is physically possible somehow or another must be made financially possible. I submit that the minister will not be able to supply adequate stocks of butter for Canada and abroad by leaving it to free enterprise or to supply and demand.

[Mr. Gardiner.]

The farmers are the victims of huge monopolies which control the price of everything the farmer buys, and which in the past have controlled the price of things the farmers sold. Some of my hon. friends who sit to my right were here when the Stevens mass buying commission investigated price spreads, the operation of the tobacco industry, the canning industry and the packing industry. All down the line it was the same story. I remember that when you bought a can of peas or corn you actually got about three-quarters of a cent's worth of vegetables, about three-quarters of a cent's worth of labour, and the rest went for the tin can which was thrown out, and profits that made huge fortunes for a very small group of people who operated on a monopolistic basis.

I submit that if Canada is to fulfil her commitments to feed the hungry people in the world the minister must use the weapons that he has to tax these corporations which the hon. member for Rosetown-Biggar mentioned the other day and see that subsidies, if necessary, are paid to producers so that we shall maintain our production and supply the home and foreign markets. I think the minister should make some statement before we take his advice and go on, as to his opinion regarding the possibilities of Canadian children being able to have enough milk to drink in the next few years if you leave it to the law of supply and demand, to see that they get enough wages in the pay cheques so that they can buy milk at the greatly increased price. If the minister has the statistics, I think he would be able to tell us that our local consumption of milk is going down markedly in the cities and towns across the country. Again there is something seriously wrong when our own children have to consume less milk in 1947 than they did in 1945 when the enemy threatened our commerce and our people were risking their lives all over the country. Before we leave this item, I should like the minister to give some indication that the consumer in Canada will be able to maintain his consumption of dairy products, meat and pork products on a level similar to that which prevailed during the war.

Mr. SMITH (Calgary West): Mr. Chairman, I intend to occupy but a very small portion of your time and to be as speedy as usual I do that in order to answer some of the things said by the Minister of Agriculture, and I take what he said in reverse order. The last thing that he said was that we on this side of the house were using this opportunity to put propaganda before the people of Canada. We may have some who are capable of doing

that, but since this is the first time that I have risen in this debate, either on the resolution, second reading or now in committee, I think I might be forgiven any such dastardly charge as trying to be political, particularly in view of the fact that the minister himself has made three political speeches on this very measure.

Mr. GARDINER: And I am going to keep right on as long as you make them.

Mr. SMITH (Calgary West): I give you my word that no one else can compare with the minister. He will keep on longer than anyone else; even though he does not say anything, he can still keep on going.

The next point he raised was this. He said my friends to my left, the state socialists, were talking liberalism.

Mr. GARDINER: Half the time.

Mr. SMITH (Calgary West): You did not say half the time.

Mr. GARDINER: Yes, I did.

Mr. SMITH (Calgary West): I will accept that.

The CHAIRMAN: Order.

Mr. KNOWLES: The better half.

Mr. HACKETT: He meant that they talk in their sleep.

Mr. GARDINER: About half the time.

Mr. SMITH (Calgary West): I wish the Minister of Agriculture would make up his mind as to what he did say and I will accept it, whatever it is.

Mr. GARDINER: About half the time.

Mr. SMITH (Calgary West): That about half the time the hon. gentlemen to my left were preaching liberalism. You know, Mr. Chairman, words change. There is a simple word called "planning", and I shall have something to say about that, too. A few years ago it was a very respectable word until it was grabbed completely by my hon. friends to my left. They seemed to think they had made a great discovery in grasping that old word and altering its meaning.

Mr. TOWNLEY-SMITH: You should talk about grabbing any word.

Mr. KNOWLES: Yes, what about the word, "progressive"?

The CHAIRMAN: Order.

Mr. SMITH (Calgary West): May I say that I shall answer both of you and all of you. One man mentioned "grafting", and if you mean what I think you did I will take you on now or any other time. With respect to the word "progressive", I will take that on before I have finished. It does seem to me that the thing has become a bit threadbare and my hon. friends either need a new needle or a new record, because all they are doing is playing the old one again and again and it has become very scratchy.

So I come back to what I started to say, with the kindly interjections and help of my hon. friends over here, and that was that the minister said they were speaking liberalism—I am using his last explanation of what he said—about half the time. Let me accept that, if I know the meaning of the word liberalism. But I know another word a great deal better, and the minister and his government are not talking but are preaching socialism more than half the time, and they are acting it and practising it.

The next note I made with respect to what he said was on the position of the farmer today under this government, and he spoke of a levelling up of prices. I know about the farmer in the area in which I was born, where my grandparents farmed at a place called Foxley, twelve miles north of Regina where I spent all my boyhood holidays. I am certainly a blue-blooded fellow. My father was a tinsmith; he progressed and became a hardware merchant. My mother was a schoolteacher. I do know a little about the history of the country which these young fellows over here have now claimed to discover and all that sort of thing. It was there long before they knew about it. It was Assiniboia then. It is now the province of Saskatchewan. What I have in mind is this. All through the minister's speech he said "we" did this, "we" did that. I got lost in the millions. The most things I ever saw together—and I know nothing of dollars—was in a round-up where there were 30,000 head of cattle. To me that is a tremendous number of things. It is the most I ever saw in one place, but I have not been to a football match in England, for example, so that is the farthest I can go. But what struck me as amusing and with a little bit of resentment, was that the Minister of Agriculture through this war took full credit for what the farmers in this country did; and in my judgment the farmers did it in spite of the Minister of Agriculture.

Mr. KNOWLES: Once he even told them to grow less wheat.

Mr. GARDINER: And they did.

Mr. SMITH (Calgary West): Yes; I am not going to take the time to point out all his mistakes. The only thing I am capable

of doing at the moment is not to go into detail but to throw a blanket of obscurity over him because I think he would be much happier in that position.

The next thing he dealt with was the levelling of prices, and then he also carried on with respect to something said by the hon. member for Melfort. I am sorry I have forgotten what he did say about the hon. member for Melfort, so I am going to leave that.

Mr. GARDINER: They were all nice things.

Mr. SMITH (Calgary West): There is one thing I like about that. When one begins to court a girl he calls her nice things. I think it is infinitely better than that; the marriage is almost consummated between you and these people over here. So we are really making progress.

Mr. GARDINER: He really used to be a Tory, and you used to be a Liberal. You had better get together.

Mr. SMITH (Calgary West): Well, there is one thing I can say to the Minister of Agriculture. At least the minds of the hon. member for Melfort and myself are active. We change. We are not dead, as the minister is, because he has never been anything but a propagandizing Grit.

Mr. GARDINER: But you just got through accusing me of being a socialist.

Mr. SMITH (Calgary West): Then I am going to accept that, entirely. In my judgment you should be sitting over here; that is where you belong. Your speech in Regina and your speech in Vancouver put you over here. But there are some delightful people around you, many of whom do not like you. But I cannot help that. There is nothing I can really do about it.

I want to go back a little. I have been here only—well, this is my third session. There is a man by the name of Bennett. We are not and have not been personal friends. But if it were not for this man Bennett people opposite and people to my immediate left would be absolutely naked in their arguments in ninety-nine per cent of the subjects which come up in this House of Commons. There is not any doubt about that. They all say, "We hit it in 1930, at the top of the depression." I am a little afraid we might hit it again, if some of these comments are right, and under rather similar circumstances. If so, we probably shall not last much longer than the Bennett government lasted at that time.

I want to say a word or two about this man. What did he do?

An hon. MEMBER: Nothing.

Mr. SMITH (Calgary West): Where did he stand in the world economy? I was in Ottawa in 1932, and I was very well paid for it. At that time I was acting in the Beauharnois inquiry before the senate committee. I do not hear any cheers from the opposite side of the house when I mention the Beauharnois inquiry, either. But I was here, and I had quite a time of it. Really it was my banner year. At that time we did not have the income tax that the minister over there is collecting.

Mr. McCANN: It may be retroactive.

Mr. SMITH (Calgary West): That is the only thing the income tax people have failed to do—to make it retroactive from the cradle to the grave. There is no doubt about that.

Mr. McCANN: Keep your eye on Calgary.

Mr. SMITH (Calgary West): I wish I could hear better. What did the minister say?

The CHAIRMAN: I might say that there should not be so many interruptions.

Mr. SMITH (Calgary West): Mr. Chairman, I thank you very much, but I do not object to the interruptions. The only thing I was suggesting was that when the minister interrupts he should throw his chewing gum away so that I can hear him properly.

Mr. McCANN: Perhaps if you would clean out your ears it would do just as well.

Mr. SMITH (Calgary West): I have an appointment with a physician tomorrow to blow out the right one; but my left one is still pretty good.

Mr. McCANN: Well, blow the whole thing off while you are at it, so that you will do a good job.

The CHAIRMAN: Order, I do not want to interrupt, except when the balance is even. But I do think hon. members should address the chair.

Mr. SMITH (Calgary West): I agree with that. The only reason the minister will not have his ears blown out is that the few brains he has now will go with it.

Mr. McCANN: That is just where you would lose out, because there would be nothing to go with it.

Mr. KNOWLES: What is the score now?

Mr. McCANN: Come again. We will beat you every time.

The CHAIRMAN: May I act in the capacity of referee and say that the balance is now even?

Mr. McCANN: Stick to agriculture.

Mr. SMITH (Calgary West): Mr. Chairman, I could not hear, but I gathered the result of your ruling was that I still have the floor.

Mr. KNOWLES: And the score is 3 to 0 for Montreal.

Mr. SMITH (Calgary West): I am going to take care of this, in a much broader sense. There is no question that between 1929 and 1939 we had a depression. The expression "the terrible thirties" is one which, in my judgment, was wisely used, and I admit that frankly.

But what was the situation at that time in this House of Commons among right honourable and honourable members opposite—and I use those words in the same collation? We have been speaking of a man named Bennett, who is now a viscount. Someone asked a minute ago: Why did he leave this country? I think that came from over here to my left. Let us be fair about it. Let me say to hon. members on my immediate left, who believe in socialism, that I think they have an arguable position. I have never denied that. They have an economic theory under which they believe we can economically and socially better the position of our people. I accept that from them. I am sure the suggestion is made in all honesty; I have no doubt about that at all. So surely we can have our bits of difference with respect to economic and social theories without going back and saying that so-and-so did this in eighteen slixty-slix, or eighteen seventy-six or eighteen eighty-six.

An hon. MEMBER: Eighteen slixty-slix?

Mr. SMITH (Calgary West): The Minister of Agriculture does not know that I do that deliberately. That used to make a hit in the schoolhouse.

Is there anyone here who will deny that that was the first world-wide depression this world ever knew?

Mr. GARDINER: Yes, I deny it. We went through one in the early nineties which was just as bad.

Mr. SMITH (Calgary West): World-wide?

Mr. GARDINER: Yes, world-wide.

Mr. SMITH (Calgary West): I am sorry, but you must have read about that a lot later. You were not born at that time.

Mr. GARDINER: I went through it, like a lot of other people.

Mr. SMITH (Calgary West): I repeat what I said, and I have support to my left, although the Minister of Agriculture has a different view and a different memory.

Mr. GARDINER: You are more socialist than I am; that is all.

Mr. SMITH (Calgary West): I think I am. And may I put it to you this way, that I am more honestly socialistic in my thought and in my heart than you will ever be. But you are a politician first and a socialist after.

Mr. GARDINER: I did not say "socialistic"; I said "socialist"; there is quite a difference.

Mr. KNOWLES: He complimented you on your intelligence.

Mr. SMITH (Calgary West): Well, I suppose there is a great difference between a noun and an adjective; but I always thought that socialist and socialistic persons were rather the same thing. However I appreciate the distinction the minister makes. What he means is this, by using the word "socialistic", that he loves all human kind, particularly if they are Grits. That is about it.

Mr. GARDINER: They are really better then.

Mr. SMITH (Calgary West): That is about his socialistic position.

So I return again, Mr. Chairman, with respect to you and with your kindly permission, to this so-called depression. The depression then was a political one. It arose because every country in the world went completely nationalistic. It arose because countries like Great Britain, France, Italy and all the rest. after the first war decided that never again would they, if they could avoid it, be placed in a position where they had to import the greater proportion of their food. That is what happened at that time. And so we had bad prices for farm products and so on.

I am not an economist and, in fact, I do not recognize anybody any more under that name except the Minister of Labour. I do not think those people really exist or are entitled to that appellation. What happened was that we all put up tariff barriers and walls and endeavoured to live within ourselves. The result was that world trade languished and almost died. Then we came to 1932, I think it was. I remember that expression which everybody now thinks was so funny, about blasting our way into the markets of the world. But I think hon. members will remember one thing about it; it won an election in any event and it is entitled to that much credit. The Ottawa

agreements were formed at that time and those are the Ottawa agreements having regard to this commonwealth.

As you know, Mr. Chairman, they were coming in here and taking out our gold, and this man Bennett had the courage to stop it on his own order and do more to save the economy of this country than any man sitting over there at the present time.

An hon. MEMBER: Pretty wide powers.

Mr. SMITH (Calgary West): He took the power and it was confirmed later. Let us be frank. I do not think I can be accused of going very far from the truth even though perhaps it may hurt me, or perhaps "hurt" is the wrong word to use. These things flow like water from a duck's back, although there are no duck shooters here.

I close by saying I appreciate very much the fact that the Minister of Agriculture had a terrible loss during the war; I am not overlooking that in what I am going to say. I close with this: In the figures which he gave tonight covering from 1939 until the present day he did not give credit to the fact that we were at war, with respect to either production or prices. It is easy to say that we produced more then. We did. He asked the farmers to do it and they did it. Production of similar products was stopped in half the countries of the world.

I do not think we in this House of Commons can get any straight line. There is bound to be a complexity on one side and a complexity on the other side. As I said when I spoke first in this house, times have changed so much. I like the expression used the other day by the hon. member for New Westminster. He said that there were many who did not recognize that we had had a war which blew our country to pieces, that the lid had been blown off our economic life. I go with him in that. This is a time of changing economies. I have not any doubt of that whatever. I close by just saying: It seems to me to be bad business and bad faith to break with all the good that is in our past and try to have a new broom which will sweep clean, as the expression is. When you have done that there is nothing more to sweep. You will not have a broom left to sweep with.

The CHAIRMAN: May I again remind the committee that we are dealing with order in council P.C. 6759, which relates to the repayment of subsidy (agricultural products) regulations. That order in council states:

(b) "subsidized goods" means creamery butter, cheddar cheese, concentrated whole milk products, white beans or yellow eye beans, or such other goods as may be designated by order of the deputy minister of agriculture by notice in Canadian War Orders and Regulations.

We have discussed a great many things tonight, such as eggs, lumber and pulpwood. I cannot see where lumber and pulpwood would come within the definition of dairy products. Possibly eggs might, because I have often read that hens are milk fed, but I do not see how lumber could come within that category. It occurred to me that it is time now, after this wide discussion, to consider this order in council. I do not want to curtail the debate because I think it was with unanimous consent that the general discussion has taken place, but I submit that it is now time that we should deal with the order in council.

Mr. QUELCH: Mr. Chairman, you have suggested that we have been going around a large circle, but the circle has not been completed. I hope you will let me complete it.

The CHAIRMAN: I think the hon. mem- is correct. No member of the Social Credit group has taken part in the debate tonight. Would it meet with the wishes of all members of the committee that, after he completes his speech, we shall then deal with the order in council?

Mr. QUELCH: I am not going to speak at any length, but there are one or two things that have been said to which I should like to refer. The Minister of Agriculture has emphasized the fact that agriculture is better off today than it was before the war, and I agree with him. On the other hand, that it not saying very much, because agriculture was in a state of bankruptcy when the war came. As the minister said, the condition of agriculture could still be very much better than it is now. You have only to refer to the fact that agriculturists make up thirty per cent of the population, but today they receive only nineteen per cent of the national income. We still have a long way to go.

At the start of the war, farmers as a whole were heavily in debt; their buildings were depreciated and their machinery was mostly worn out. During the war, it was practically impossible to replace their machinery and now that they are trying to buy machinery they find that prices have gone up considerably. We all know that the cost of building materials is very high at the present time.

During the 1930's we were constantly being told that we would have to be willing to produce at world prices, that we could not expect to get special prices in Canada. Shortly after the war started, when prices began to rise ceilings were placed upon the prices of agri-

cultural products. We were forced to receive world market prices before the war when world prices were low, but during the war when world prices went up we had to take lower prices. After a while the ceilings were raised slightly, but just at that time the income tax was increased greatly and the farmers were compelled to pay heavy taxes upon the repayment of their debts which had been incurred prior to the war. The result was that their debt charges were increased anywhere from thirty to forty per cent, and that places agriculture under a serious disability today.

I would say that what agriculture needs today from the government more than anything else is a declaration of policy to the effect that in the future the government will do all in their power to see that agriculture receives parity prices. When I refer to parity prices I am not talking about the wishy-washy prices to which some hon. members refer; I am referring to prices that will return to the farmer his fair share of the national income, so that the income of the farmer will bear the same relationship to the national income as farm population bears to the national population.

The situation referred to this evening by the hon. member for Fraser Valley can be dealt with in only one way, by subsidy. I think that is the greatest mistake the government have made in their decontrol policy. They started off by taking off the subsidies, and then they took off the price controls. They should have left on the price controls and subsidies and then taken off the price controls before the subsidies were taken away, instead of reversing the procedure as they have done. As a result, the cost of living for the people has gone up. I suggest to the minister that it is still not too late to reverse the policy and reimpose subsidies where they are found to be necessary, in order to maintain the purchasing power of the people.

I have been very much puzzled by the attitude of the Progressive Conservative party which emphasizes the need for the removal of all controls. If the party are sincere in that stand, when they suggest that all controls should be lifted they should also advocate that all tariffs be taken off because tariffs are controls. We all know, for example, that the seasonal tariff on fruits is a direct control. I quite agree that there are certain industries in this country which could not carry on without some form of protection. If any industry can show the government that it cannot continue without a tariff, let that industry apply for a subsidy and, if it is shown that the industry cannot produce in competition with imported goods, a subsidy could be paid. If that were done we would find that our eastern manufacturers would in future be a little more sympathetic toward subsidizing agriculture in western Canada. The eastern manufacturers have always been subsidized in the past by the tariff. We have heard a lot about the spoon-feeding of western Canada, but the manufacturers in the east have been spoon-fed right along.

An hon. MEMBER: By the shovelful.

Mr. QUELCH: Yes, by the shovelful. I know it will be said that a policy of that kind would cost a lot of money. I remember that this question of money was quite a serious one in this house before the war, but never once during the whole war were we told that we could not do this or could not do that because we had not the money. We produced the money, and by the shovelful, as someone remarked just now. But now we are hearing the same old cry: it will cost too much to do this or to do that.

The hon. member for Stanstead the other day seemed to deplore the fact that our money had been diluted in relation to certain securities. I do not know just what he meant, but apparently he thought we were still on a gold basis. We are not on a gold basis, and have not been since the start of the war. After all, what is the value of money? It depends upon one thing alone, and that is its purchasing power. Personally I am far more interested in maintaining the purchasing power of the people than I am in maintaining the purchasing power of the dollar. The hon. member for Stanstead thought the value of the dollar had gone down too low. Would he suggest that we should reduce prices of agricultural products to increase the value of money? On what commodities does he think prices should be reduced in order to increase the value of money, because the only way we can increase the value of money is to bring prices down? When the Conservative party was in power in 1930 the dollar had a far greater value than it has today. Then it would buy four bushels of wheat or twelve dozen eggs. Surely the hon. member is not suggesting that we should increase the value of money today to what it was when the Conservatives were in power in the 1930's. I think it is far better to have the purchasing power of the dollar reduced and the purchasing power of the people increased to the point where they can buy what they want. So I would say that the only way in which we can decontrol in an orderly manner is to introduce subsidies in this country in order to maintain the purchasing power of the people at the point where they are able to buy the total production of the country.

Mr. LOW: Let him answer that.

P.C. 6759 agreed to.

On P.C. 8541½.

Mr. TIMMINS: This takes us back to the year 1927. I can see no reason in the world why the veterans preference could not be dealt with now. The Secretary of State told us some little time ago that he was going to bring down a separate bill with respect to the veterans preference. After all, it seems to me that one of the most important things in this country, now that the war is over, is that we should decide definitely and as soon as possible what these preferences amount to, without having to look through eight or ten orders in council and amendments. This particular order in council takes us back to the statutes of 1927, chapter 22, section 29, which deals with the preferences which are to be given in the civil service to the soldiers who served in the first great war. If hon. members will look through the order in council which we are now dealing with and those that follow they will find, as I found this afternoon in checking through them that they simply amount to adding some definitions and making some exceptions. I would ask the minister, is there any reason why this particular matter should not be dealt with now by a bill? Should not a bill be brought down now instead of later?

Mr. GIBSON (Hamilton West): A bill is to be brought down dealing with the veterans preference in the civil service and with other matters connected with the civil service which is not emergency legislation. The extension before us is to protect the veterans preference in case the other bill should not be passed by May 15. The preferences already have the approval of the veterans committee which sat last year; we also have letters from the Army, Navy and Air Force Veterans' Association of Canada in which they recommend that the Dominion of Canada is requested to maintain the preference as it now stands in the statutes of this dominion. So that in passing this legislation today we shall be continuing the veterans preference that already exists, and it will be included in the civil service bill which will be brought down at a later stage of the session.

Mr. BROOKS: The minister says that the veterans committee agreed to leave the veterans preference as it is. Was there not an understanding that a committee would be appointed this year on the Civil Service Act when the question of extending the veterans preference to men of the merchant marine and to others would be considered? We understood, at the beginning of the session, that it was the intention of the government to set up a civil service committee, but for some reason nothing was done about it.

Mr. GIBSON (Hamilton West): I will quote from the report of the veterans affairs committee, 1946 volume 2, 23rd report:

> Your committee recommends that the present civil service preference for disabled veterans and veterans who served overseas be extended to cover all employment, both temporary and permanent, by dominion government agencies, inclusive of crown companies.

That was the recommendation of the committee of last year, that the present preference be continued.

Mr. TIMMINS: Will the bill be brought down this session without fail?

Mr. GIBSON (Hamilton West): Yes; it is in course of preparation at the present time, but there are other matters affecting the civil service commission and the civil service generally to be included in the bill.

Mr. TIMMINS: Does the minister undertake that the bill will be brought down this session?

Mr. GIBSON (Hamilton West): I quite undertake that.

Mr. BROOKS: Is it the intention to set up a committee to study the veterans preference before the bill is brought down, or is the bill being brought down without any further study of extending the veterans preference to the merchant marine and others mentioned in our report last year?

Mr. GIBSON (Hamilton West): No. The intention is to bring down a bill to provide the same preference as exists at the present time.

Mr. BROOKS: There will be no enlargement.

Mr. GIBSON (Hamilton West): No.

Mr. PROBE: On February 4 the Prime Minister intimated that there would be a committee set up to go into the matter of veterans preference in connection with civil service appointments, with the idea, I presume, of examining what preference should be given to veterans of the late war comparable to that given following the first war under sections 29 and 30 of the Civil Service Act, chapter 22 of the revised statutes of Canada. I regret I was not in the house when this item was called, and I may be asking for a repetition of information, because the hon. member for Royal was asking for information

along that line. Can the minister inform the committee as to whether or not a special committee on civil service preference is to be set up and at what time that committee is to function?

Mr. GIBSON (Hamilton West): There is no present intention to set up a special committee to deal with civil service preference. The matter was considered by the veterans committee last year and the report of the committee was that the present preference should be continued. It had been the intention of the government to continue the preference that already existed. It has been extended from the first war to the veterans of the late war. Certain extensions were made to provide for those who had served on ships that were not ships of war but had been on active service, and for airmen who had been flying over the Pacific and the Atlantic oceans. Beyond those extensions as they exist at the present time, there is no intention of extending the preference farther.

Mr. PROBE: It was not with the purpose necessarily of extending the preference or limiting it for veterans of the late war beyond what is now contemplated in the orders in council. In his statement of February 4, the Prime Minister said, as reported at page 82 of *Hansard*:

A certain number of the orders which will be specified in the schedule—

Which we are now studying, by the way.

—will be the subject of additional specific bills later in the session. This would apply, for example, in the case of labour relations, which will be covered in a bill to amend the Industrial Disputes Investigation Act, orders regarding old age pensions which will be covered in a later bill to amend the Old Age Pensions Act and orders regarding veterans' preference in the civil service which will remain in the schedule pending examination of this subject by a parliamentary committee with a view to later introduction of legislation.

That is the language of the Prime Minister on February 4. It seems to me that that was a definite statement which was followed on the following day by another reply in answer to a question asked by the hon. member for Royal as follows, as reported at page 130 of *Hansard*:

Mr. Mackenzie King: On the matter of the preference only.

Has the government now decided not to set up this committee?

Mr. TUCKER: Since I was the chairman of the committee in question, I might be permitted to say a word about this. This matter came up from time to time before the committee. So far as I remember, there was pretty unanimous feeling that the preference as it then existed should be continued, and we so reported, as has been read by the minister. That was brought to the attention of the minister, and in view of the fact that there were a large number of committees and that hon. members were going to be very busy with other matters which had not been as carefully considered as this had been, the suggestion was made by several members of the house who were veteran members of that committee that a further study of the matter would not and could not carry us any farther than we had gone when we made our recommendation last year. I must say I was under the impression that all the members of the committee felt that they had gone as far as they could go in making that recommendation, and that no good purpose would be served by setting up a further committee on the matter. That is the state of affairs. I doubt very much whether any returned soldier members of the house really feel that a further committee could usefully be set up on this matter.

Mr. PROBE: What did the Prime Minister refer to in the two quotations which I have read to the committee? I feel that there may be representations to enlarge the scope of preference perhaps to cover merchant seamen. I know I have had requests with respect to certain personnel in the women's service who are not covered by veterans' preference at the present time. I think that at least that should be studied by some committee. I am not prepared to say what stand they should take, but I believe that a committee might have served a useful purpose. How would the parliamentary assistant explain the statements made by the Prime Minister? I believe it was the Prime Minister's intention to proceed.

Mr. ST. LAURENT: Before the opening of the session, it was the intention of the government to ask for the setting up of a special committee to study this matter. After the house met, it was found that many committees were to be set up, and it was also found that this would be a very controversial subject. It was thought that it would be in the best interests of the veterans to extend the preference as it existed rather than to reopen the whole matter. There were representations made to the government that the extent of this preference to a certain extent affected its value for individual veterans. There were also representations made that there were many who had wished to go overseas and who had been prevented by those in command of the forces here from getting overseas, and that, if the whole matter were reopened, it would be a very controversial subject because there

were many cases where strong representations were made to the government that the exclusion of the preference of such and such individuals whose cases were brought to our attention was working an unfair hardship upon them. It was felt that there would not be advantage to the veterans generally to reopen the question and that this extent to which the preference had been granted after the last war had brought about some difficulties, but that on the whole it worked reasonably well and that it was perhaps well at this time to attempt to continue it in that form rather than to break new ground.

Mr. QUELCH: Is it the intention to bring down legislation to put this into effect?

Mr. ST. LAURENT: Just as soon as the time of parliament can be found to do it. As matters now stand, this emergency legislation requires to be dealt with before May 15. The public is anxious to have the budget announced. The budget is ready to be announced. After the Minister of Finance presents his budget, it is usual to take a certain short adjournment for the debate on the budget. All that time will be utilized. The legislation is ready to be put before the house just as soon as the house can find the proper time for considering it.

Mr. QUELCH: It will be brought down this session?

Mr. ST. LAURENT: Yes. The legislation dealing with this preference, the legislation dealing with old age pensions and the legislation dealing with labour relations will be brought down this session just as soon as parliament has disposed of these more urgent matters.

Mr. IRVINE: Let us get at it.

Mr. BROOKS: I do not wish to labour this point. I agree with the Secretary of State for External Affairs that the matter would have been controversial, and possibly that is the reason the government changed its mind. However, when the matter was discussed by the veterans committee last year, I do not think we came to any definite decision on it. There was an understanding that a committee would be appointed and that the matter of the civil service would be discussed later on, and for that reason the veterans committee did not deal with it conclusively. I would ask the minister this question. If a bill is brought down extending the civil service, will it include men like those of merchant marine and some others. I do not think it is necessary perhaps to have a committee to discuss this matter, but I would ask the minister if there is any intention of extending or enlarging the preference, or whether it will be left absolutely as it is at the present time.

Mr. GIBSON (Hamilton West): It is intended to bring down a bill granting the same preference to veterans as included in the orders in council which extend the preference to veterans of this war. It is not intended to go farther than the order in council.

Mr. HERRIDGE: I support the remarks made by the hon. member for Royal, as a member of the veterans affairs committee of last year. The committee was very busy and rushed. When this question was discussed I am quite sure I am safe in saying that the members of that committee were under the impression that a special committee would be set up this year to deal with veterans affairs, and on that basis the recommendations were passed that were quoted by the hon. member for Rosthern. It is a question that should be referred to a committee. Representations have no doubt been made to the government. It is a question of making a second group for veterans who could not leave Canada, through no fault of their own, and there is the question of merchant seamen. I believe that women who joined the armed forces should receive preference in the government service, and I should like to see the government appoint a committee to study the matter.

Mr. GIBSON (Hamilton West): We are discussing the procedure to be adopted when the bill is introduced later on in the session. That is a matter that can be discussed when the bill is introduced, but it need not be discussed now.

Mr. MERRITT: We are trying to indicate to the minister, that whether or not a committee is set up, we should like him to consider, when he brings down the bill to replace the order in council, the extension of the preference in certain quarters as suggested by the hon. member for Kootenay West. I had occasion recently, when in Vancouver, to speak to a spokesman for the merchant seamen, a student of the university of British Columbia. Although I know the department concerned has already ruled against their being put on all fours with veterans who served in the forces. I was quite unable, after talking to that man, to satisfy myself that the department was right in that decision. I could not find a proper distinction between a man who had served in a convoy, in the Atlantic, or going to Russia, and one who had served in the forces, and I believe there are many members who feel the same way on the subject.

I would urge the minister to consider a more extended bill than the one here. I am not talking about classifications but about those who would qualify as veterans under the new bill, and merchant seamen and the women's services, and one other class that has been mentioned. They are all classes that will get the support of many members.

Mr. LENNARD: I might mention the fire-fighters. I know of several instances where these men served overseas with the overseas fire-fighters and applied for positions with the federal fire-fighting services, and they were denied any right to the position because they had not had service in the armed forces overseas, although they had served with the overseas fire-fighting forces. That is one case where some consideration should be given.

Mr. PROBE: The members in this group are prepared to let these orders in council get through as they now stand, but we still have not had an explanation which appeals to me as adequate, and it looks as if this discussion might be enlarged considerably because there are groups who have made representations for inclusion in the veterans preference. We have not been satisfied by the government as to why the selection of a parliamentary committee has been decided against. I have another quotation from the Minister of Justice. It seems to me that it was a definite undertaking on the part of the government as late as February 10. The Minister of Justice said that veterans preference legislation would be introduced this session, but only after the matter had been fully discussed by a committee of this house. We are prepared to let this go through tonight as it stands, but we have not had an explanation as to why we shall not be able to discuss the matter in committee.

Mr. WRIGHT: May I ask the minister whether the legion or other veterans organizations have made representations to the government to have the matter discussed? There must be other organizations who have made representations asking to be included in the veterans preference, and I should like the minister to give a statement as to what organizations have asked.

Mr. GIBSON (Hamilton West): I read a resolution that came in a few days ago dated March 27, 1947, from the army, navy and air force veterans in Canada. Among other resolutions there appears this one:

Whereas the commission on civil service salaries has recommended that veterans' appointment be modified,

Therefore be it resolved that the dominion government be requested to maintain this preference as it now stands in the statutes of this dominion.

That is the latest recommendation we have had.

Mr. WRIGHT: Is that the only resolution with regard to veterans preference? Have any other organizations made representations?

Mr. GIBSON (Hamilton West): I would not say whether there have been any recommendations in previous years, but I have not had any within the last six months.

Mr. TUCKER: The Canadian Legion suggested that there be a third preference for those who saw service only in Canada, and, as the hon. member will recall, our committee considered these other suggestions and decided that further extension of the preference would whittle down the value of it for those who already had it. After careful consideration, therefore, we made our report and when we considered the final report, as the hon. member will recall, we again considered this matter and decided that we would recommend that the preference as it exists at present be continued. Immediately I heard there was a suggestion that a committee be set up again this session, I pointed out to the government that our committee had considered this matter and made a definite recommendation. I presume it was in the light of that it was thought, since there were so many committees, and since our committee had considered it and recommended the continuation of the existing preference, that perhaps it was not the desire of the members to have a further committee on the subject. I spoke to several members of the veterans committee and they suggested that a further committee would not get us any farther than we got last year. That, I think, may have had some effect on the decision of the government to continue the existing preference, because our committee did consider the matter. I remember very well saying that, unless we had some desire to go farther than the existing preference, it would be taken that that was our final recommendation in the matter, and we so reported in the final report.

Mr. SMITH (Calgary West): I merely want to ask one question with reference to these five orders in council, which I have not examined with the care that perhaps I should have given them. Do they apply only to the civil service, or do they apply to crown companies and other kindred organizations?

Mr. GIBSON (Hamilton West): Only to the civil service.

Mr. SMITH (Calgary West): Is there a veterans preference with respect to these other organizations?

Mr. GIBSON (Hamilton West): Not under the Civil Service Act. I do not know whether there is under any other act, I do not think so though.

Mr. SMITH (Calgary West): Do you not think it is worthy of consideration by the proper minister?

Mr. GIBSON (Hamilton West): Not when we are amending the Civil Service Act.

Mr. SMITH (Calgary West): It seems to me that would be a very proper place to have it. Perhaps you might include in the Civil Service Act that these other persons are civil servants. In any event, may I make it merely as a suggestion to the proper minister of the government, that it might be worth while considering as to whether—it may be a fact; I am sure I do not know—the preference should not be given to other persons who are civil servants except in name only.

Mr. QUELCH: I want to admit that we were consulted at the start of the session as to whether or not we wanted a committee set up, but we felt at that time that nothing would be gained by it. As the hon. member for Rosthern has stated I think the reason is that we had representatives from the legion before us last year and they did make a recommendation regarding the second preference; but they were not at all sure whether or not they wanted that preference put into force, because they were afraid it might weaken the first preference. I felt that to have a committee at this time, without any certainty on the part of the legion whether they wanted the second preference put into force, would not get us anywhere. I think, before the government brings down new legislation, they should again consult the members of the former committee and see whether or not there has been any change in that opinion. I may say at this time that we are quite prepared to let these measures go through as they are.

Mr. WRIGHT: Speaking on behalf of this group, may I say that I know of no one in it who was on the veterans affairs committee and who was consulted by the parliamentary assistant in this matter.

Mr. COLDWELL: On the contrary. we were asked for names.

Mr. WRIGHT: Yes, we were asked for names of members for the committee. I am not saying, as far as we are concerned, whether we want the veterans' preference extended or not. But certainly we were given to understand that the committee was to be set up; we were asked for names of members for the committee and turned them in to the official government whip. Certainly there has been some change if the parliamentary assistant is to go around and consult those who he thinks will agree with him and not consult those who were on the committee who he thinks might disagree with him. I do not think that is a fair way of arriving at a conclusion.

Mr. TUCKER: As a matter of fact, I really did not consult anybody. Several members of the committee came to me and said, "We discussed this last year at great length, and we came to a certain conclusion. What is this idea that we are going to thresh it all over again?" I said, "Well, I will bring it to the attention of the government that we did discuss it last year and that we did make a recommendation in the matter; then, of course, they will decide what they want to do." I was not under any commission to go around and consult people. Several members of the different parties came to me and made these representations to me; then I conveyed them to the government. If I had happened to run into my hon. friend at that time, I would certainly have asked him, because I got representations from practically every party, but perhaps I did not talk to him. They came to me rather than my going to them.

Mr. SMITH (Calgary West): I am sorry to confess my ignorance, but may I ask the parliamentary assistant who has just spoken if there is any statute or order in council giving to veterans the preference in these various subsidiaries of the government, such as these crown companies, the C.B.C. and so on?

Mr. ILSLEY: No.

Mr. SMITH (Calgary West): I know of none. Will you correct me if I am wrong?

Mr. TUCKER: I myself do not know of any, and that is one of the reasons why our committee made the recommendation which it did make, namely that the preference be applied to employment in the crown companies under the control of the dominion government and in regard to employment in this house as well as in the civil service; the recommendation was that the preference be applied throughout in regard to all people working for the government of Canada. We made that recommendation in our committee. So far as I know, up to this date I do not think there has been any change in the law in that regard.

Mr. LENNARD: That is all the more reason why this matter should be considered. If the crown companies being operated by this government are not giving any preference to the overseas men, then it is about time they did so.

Mr. ABBOTT: They are. They always have done.

Mr. LENNARD: I know of several cases where they did not.

Mr. TUCKER: I did not say that they were not giving the preference. I said that, as far as I know, by law they were not required to give it; but I am sure that they all do give the preference in that regard.

Mr. SMITH (Calgary West): I am sure the hon. member will agree with me that it should be obligatory by law, should it not?

Mr. TUCKER: That is what we recommended.

Mr. BROOKS: I wish to correct an impression which I think the hon. member for Rosthern is trying to make in the house, namely, that the members of the veterans affairs committee are responsible for this civil service committee being dropped. I think the Secretary of State for External Affairs gave the correct reason, namely, that it was a very controversial subject and that, as far as the members of the committee were concerned, they recognized that fact. It is not because we came to any agreement at all on the civil service. I am satisfied that most members of the veterans affairs committee expected that there would be some extension, though not the extension perhaps that a good many asked for; that is, that those in Canada receive the preference. I do not think there was any great demand in the committee for that. But they did feel that there were certain branches of the service, such as the ones I mentioned before, the merchant seamen and others, which should be included in the civil service. When we were told that there would be amendments to the Civil Service Act and that there a new act would come in, we fully expected that consideration would be given to these different branches of the service. I think the hon. member for Rosthern is trying to impress on the committee that we are responsible for the matter being dropped.

Mr. MUTCH: I do not think it necessary to come to the defence of the hon. member for Rosthern. I attended as many meetings of the veterans affairs committee last year as anyone else who was a member of it, but I cannot either argue with the remarks of the last speaker or expand them, because that particular thorny question was considered in camera in that committee last year, and I shall not be the first to disclose those proceedings in it. But I am quite sure that I speak for a considerable number of the members of that committee when I differ in this respect only with the hon. member for Royal: I do not think the members of that committee expected that something would be done against their own recommendation. Probably the majority of the members of the committee were of the opinion that this particular problem, presenting the difficulties it did and having before them the diversity of opinion from the organized legion and other sources, were hopeful that the question would have a little time to resolve itself before they would be forced to come to a decision on it.

The DEPUTY CHAIRMAN: Shall these items carry about the civil service?

Some hon. MEMBERS: Carried.

An hon. MEMBER: Call it eleven o'clock.

Mr. ILSLEY: Which ones are carried?

The DEPUTY CHAIRMAN: I should like to make this appeal to the members of the committee. Practically all the discussion that has been taking place on the item that we called has to do with a bill which is to be brought in and should be dealt with at that time. I would suggest that the members of the committee take this book; then, when we go into committee again they will have it before them and will see exactly what the item deals with. I believe we can save a good deal of time and conduct our business much more efficiently if each member knows exactly what we are dealing with and will try to stick to those items. I make that appeal because I believe that every hon. member wishes to make some progress in getting the business through the house.

Mr. PROBE: Mr. Chairman, it was necessary that we know whether this committee is to be set up before we undertook to go into the details of five orders in council. It was for that reason I believe that most of us spoke as we did.

The DEPUTY CHAIRMAN: Shall I report progress?

Mr. ILSLEY: No; it is understood, is it, that the five orders in council headed "Civil Service Commission" are carried?

Some hon. MEMBERS: Yes.

The DEPUTY CHAIRMAN: Yes.

Orders in council P.C. 8541½; P.C. 15/1647; P.C. 16/1647; P.C. 20/6173 and P.C. 30/7500 agreed to.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, April 18, 1947

The house met at three o'clock.

AIR TRANSPORT

CANADA—UNITED STATES AGREEMENT—EXCHANGE OF NOTES

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I desire to lay on the table copies of an exchange of notes between the governments of Canada and the United States regarding the modification of the Canada-United States air transport agreement of 1945.

NATIONAL HOUSING ACT

INCREASE OF RATIO OF LOAN TO LENDING VALUE UNDER PART I, ETC.

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a measure to amend the National Housing Act, 1944, and more particularly; to increase the ratio of loan to lending value under part I of the act, to include under part I houses having two family housing units, of which one is to be occupied by the owner, to extend the period of amortization of home ownership and rental housing project loans to thirty years, to empower life insurance, trust and loan companies to purchase, improve and sell land to be used for residential housing developments, and to authorize Central Mortgage and Housing Corporation to guarantee to such companies the return of the principal invested in such land and improvements, together with interest thereon at a rate not to exceed two per centum per annum.

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

Motion agreed to.

PEACE TREATIES

MEETING OF FOREIGN MINISTERS AT MOSCOW—CANADA'S PART IN SETTLEMENTS

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to ask a question of the Secretary of State for External Affairs. In view of the fact that the council of foreign ministers at Moscow are about to abandon their present proceedings, perhaps, as reports indicate, to meet again in London in the summer, can the minister indicate whether there is any change in the Russian opposition to Canada's fuller participation in the peace settlements, and what are the prospects of Canada's playing a larger part at future meetings of the kind?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): There has been nothing determined yet by the council of foreign ministers as to what will be the participation of the other allies in the preparation of the peace settlements for Germany and Austria. There has been some indication of willingness to have the belligerent allies, and even those who merely declared war against Germany, associated in some manner with the preparation of these settlements. The extent to which the Russian foreign minister or his deputy has been willing to go in the meetings has not yet been regarded as satisfactory by the others attending the meetings and for that reason no agreement has been reached. There is the prospect of Canada and the other belligerent allies, even the others who took no active part in the fighting but who declared war against the axis powers, being associated in some degree in the work to be done. But that degree has not been regarded by the other three foreign ministers as sufficient to justify them in accepting it.

UNITED NATIONS

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS—INQUIRY AS TO APPOINTMENT OF SPECIAL COMMITTEE

On the orders of the day:

Mr. ALISTAIR STEWART (Winnipeg North): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. The appointment of a select committee to consider the question of human rights and fundamental freedoms is forecast in the speech from the throne. Can the right hon. gentleman inform the house when this committee is likely to be appointed and start functioning?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The notice of motion for the setting up of this committee, together with the terms of reference, has been ready since quite some time ago but has been withheld only because it was felt that that motion would be the occasion of lengthy debate in the house and that it would not be proper to ask the house

to take up that time before we have disposed of the emergency legislation. The notice of motion is ready and will be placed on the order paper just as soon as it appears that it may be dealt with without interfering with the work of the house on the emergency legislation.

LABOUR CONDITIONS

MOVEMENT OF UNEMPLOYED PERSONS TO EMPLOYMENT IN OTHER AREAS

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, may I be permitted to ask a question of the Minister of Labour? It arises out of a telegram I received from the president of the United Mine Workers of America in Nova Scotia. Has the minister been advised that 1,600 coal miners and their families are prepared to go to central Canada to take other employment if suitable arrangements can be made? If the minister has received that information, does his department contemplate taking any action with respect to it?

Hon. HUMPHREY MITCHELL (Minister of Labour): I have not only received the wire but I have replied to it. The wire I received read as follows:

Phalen Local in regular session today prepared to transfer 1,600 men and their families to central in accordance with proposition—

What proposition I do not know.

Mr. KNOWLES: The one you made in the house.

Mr. MITCHELL: The telegram continues:

Advise if transportation will be paid for families.

This is the text of my reply:

In Cape Breton the programme upon which the employment service has been engaged has been to register unemployed persons for whom employment is not available in the province and who are willing and capable of taking steady employment offered in central Canada. In such instances when employment is secured and accepted the transportation of the worker to the job is being paid by the employment service. In consequence of housing difficulties employment opportunities available at the present time are for single men or in the cases with dependents, for men willing to take jobs and await removal of families until they can secure accommodation at their new location.

I should point out that it is not the policy to pay travelling expenses of families. That should be clearly understood. My reply continues:

Transportation costs will not be paid for persons who are temporarily unemployed by reason of a current strike or other work stoppage of a similar nature as there is work available for them in the local area. I want to make this clear because, as I understand, the number of 1,600 men mentioned in your wire includes men whose employment is affected by the current mining strike. The local employment officers at Glace Bay and Sydney will register unemployed persons wishing to secure employment outside the maritimes and who are eligible for transportation to the places of employment.

I would advise that each application from an unemployed person in the area for employment outside the area will be dealt with by the employment officers in the light of the policy which was outlined in the house by me on Wednesday.

Mr. BLACK (Cumberland): Has the minister given consideration to the advisability of providing employment within the province rather than facilitating this drain on the population in that part of Canada?

Mr. MITCHELL: I would say to my hon. friend that in the last five years I have moved tens of thousands of people from different parts of Canada. I think it can be truthfully said that many members of this house have also moved to other locations during the war in search of employment—or seats, as my colleague suggests—because it was to their advantage. The same thing happened in Great Britain, the United States and other countries which had built up an enormous war machine during the war years. Just as we provided for the movement of population during those years it will be necessary to provide for the movement of population under present conditions. I think that is elementary; it is simple common sense. But my hon. friend can rest assured that the employment service in the maritimes will use every effort to secure employment in that area for those who are unemployed.

Mr. HAZEN: Will transportation be provided by the government to the place of employment for persons in New Brunswick who are unemployed and who are prepared to accept employment that is offered elsewhere? The minister has referred to people employed in Nova Scotia, but does the statement he made on April 16 apply only to that province? Does it include unemployed in New Brunswick?

Mr. MITCHELL: As my hon. friend is well aware, my department is not in the business of providing Cook's tours for everybody in Canada. There must be a measure of control over the situation. The policy up to the present has been to restrict the provision of transportation to areas in which the employment conditions are acute, such for instance

as Vancouver a little over a year ago, and recently in the city of Windsor; also in Cape Breton. I think my hon. friend will agree that there must be some control and common sense exercised in the application of the policy.

Mr. MACDONNELL (Muskoka-Ontario): I should like to ask a supplementary question of the Minister of Labour arising out of the answer he gave a moment ago. Does this effort to move large numbers of Nova Scotia miners mean that the government has abandoned its effort of trying to deal on the spot with this Nova Scotia coal problem? If it does not mean that, just what does it mean? The implications to me are very far reaching.

Mr. MITCHELL: If my hon. friend had listened to what I said he would have had a clear understanding of what I implied, and if he will take the trouble to read *Hansard* tomorrow he will get the answer.

Mr. MACDONNELL (Muskoka-Ontario): I think I understood perfectly well; I repeat the question.

Mr. CHURCH: I should like to direct a question to the Minister of Labour. Does the minister propose to extend across Canada the policy of providing work for those out of work as is done in Nova Scotia?

Mr. MITCHELL: Because of the noise I did not get my hon. friend's question.

Mr. CHURCH: Does the minister propose to extend the policy across Canada which has been extended to those unemployed in Nova Scotia, or is it limited to Nova Scotia and the mines?

Mr. MITCHELL: I do not think anyone can accuse me of not speaking loudly enough. I think I answered that question previously. There has to be common sense in this thing. Before I came to the government I had experience in moving people at the expense of the government, particularly in the pre-war days. We picked out certain areas where the situation was difficult, such as the Cape Breton area, and Halifax, and Vancouver fifteen months ago, as I said. By the very nature of things I do not think it is financially possible for any government to bear the expense of everybody who wants to move from one place to another, and I am sure my hon. friend will see the difficulties and complications that would arise if it were made a universal policy.

Mr. CHURCH: You still have the ambassador cure for unemployment.

[Mr. Mitchell.]

NAILS

PRIORITY FOR CONSTRUCTION UNDER VETERANS LAND ACT

On the orders of the day:

Mr. HAROLD W. TIMMINS (Parkdale): Will the Minister of Reconstruction and Supply see that builders of houses under the Veterans Land Act in the Toronto district who are unable to get nails are given priority? The act provides for priority for construction under the Veterans Land Act and for integrated building. I have a communication here on the subject which I shall be glad to submit to the minister.

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): A builder under the Veterans Land Act or under integrated housing is entitled in every case to priority on nails. If he is not getting it he needs only go to the proper official in the area to have the priority implemented.

Mr. FRASER: Who is the proper authority in that area?

Mr. HOWE: It is the Toronto representative of the priorities branch of the Department of Reconstruction and Supply. His name is Mr. E. K. Smith, and his office is at 371 Bay Street.

INDIAN ACT

CONVICTION OF BRITISH WAR BRIDE UNDER LIQUOR REGULATIONS

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, last Monday I asked a question of the Minister of Mines and Resources regarding the British war bride of an Indian service man who had been convicted of an offence under the Indian Act. Is the minister now in a position to say what the government proposes to do in regard thereto?

Hon. J. A. GLEN (Minister of Mines and Resources): I promised I would give an answer to the hon. gentleman to the question he raised on April 14 regarding the status of a British war bride who was convicted of an offence under the Indian Act. This is a case in which a white woman married an Indian and consequently acquired Indian status under the provisions of the Indian Act, section 2(d)(iii). This section is the one dealing with the status of an Indian. It is clear from this definition that any woman who marries an Indian thereby assumes the status of her husband. Under section 128 of the Indian Act it is an offence for an Indian to be in pos-

session of liquor. This woman was prosecuted for having liquor illegally in her possession and the provincial magistrate who tried the case had no option but to convict her. A minimum fine was imposed.

The Citizenship Act does not apply to this case. I have no doubt that when the special joint committee now inquiring into Indian affairs directs its attention to a revision of the act, consideration will be given to recommending amendments to deal with cases of the kind. I may add that the question of the remission of the fine in this particular case will receive consideration.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Thursday, April 17, consideration in committee of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war—Mr. Ilsley—Mr. Golding in the chair.

On P.C. 394.

Some hon. MEMBERS: Carried.

Mr. GILLIS: No, it is not carried. I presume we are dealing with the Department of Finance, P.C. 394, anthracite coal—importation exempted from customs duty, et cetera. As I understand this order in council, it makes provision for the importation of anthracite coal duty free if it is carried by boat from the United States and deposited in any port in New Brunswick, Nova Scotia or Prince Edward Island. It is hard to understand why this order in council should be carried forward in view of the announcement made by the Minister of Finance in the house a few days ago that all subsidies on imported coal were discontinued. That announcement meant that in Ontario and Quebec the price of coal imported from the United States, which they largely use, has increased from $3 to $4 a ton. Coal imported into Nova Scotia and New Brunswick duty free is taken there in direct competition with the basic industry of Nova Scotia and to some extent with the basic industry of New Brunswick.

With the situation as it is at the present time in all the coal fields of the maritimes, as a maritime representative I strenuously object to retaining this order in council. In view of the struggle which is taking place there at the present time my assumption is that this order in council is retained specifically for the purpose of helping to defeat the workers who are engaged in a struggle to attain a decent standard of living. That is my assumption, and I object strenuously to it.

Without going into the merits or demerits of the strike I wish to say that yesterday in the house the Minister of Labour announced that the unemployed war veterans in the coal mining area from which I come, to the number of some 2,600, can be moved to central Canada under certain arrangements. I am questioning whether those arrangements are still in existence. I saw a statement in the Ottawa *Journal* of April 17 by Mr. MacLaren, of the minister's department, who administered the selective service regulations, to the effect that the machinery described yesterday in the house by the minister for removing personnel from one province to another expired on March 31 of this year.

The DEPUTY CHAIRMAN: I should like to draw the attention of the hon. member to the fact that we decided last night to try to stick to these orders in council. If the hon. member will look at the bill he will see what is before the committee.

Mr. GILLIS: I am not going to argue with you, sir, but I claim it definitely comes under this order in council, which provides for the importation of coal into those coal mining areas, and I am dealing with the question of unemployed coal miners or potential coal miners. So long as the government is ready and willing to bring in duty free and indiscriminately United States fuels which hold back the development of our own industry in that section, the question is relevant to this particular order in council.

The DEPUTY CHAIRMAN: That is, but not the question the hon. member was discussing before I intervened.

Mr. GILLIS: I am discussing unemployed miners in the coal mining areas where this coal is coming into direct competition—

Mr. MICHAUD: Is the hon. member not a free trader?

Mr. GILLIS: Yes, I am, but unfortunately the government is not. It has pretty well isolated the maritimes so far as trade is concerned.

Mr. MACKENZIE: No.

Mr. GILLIS: We never had trade in that part of the country. As I was pointing out a moment ago, my objection to the order is that it will retard that industry. The suggestion that the unemployed of Nova Scotia

should be taken to other parts of Canada is not the solution. Last evening when the Minister of Labour and I got into a discussion on the question I merely stated that there were 2,200—I underestimated the number; I always do—unemployed ex-servicemen in that part of the country. Someone over here said, "Well, they won't work" and the Minister of National Revenue said "Nonsense". I told the minister I could find men if he could find the jobs. As I say, that suggestion is not a solution. The solution is the development of our own resources in that province, but that has been the solution for the last twenty-five or thirty years.

Pious people in Nova Scotia will stand up and say that a public works project should be developed, that moving people out is not the answer. I have been listening to that story by men who had responsibility in that province. I have heard it now for twenty-five or thirty years and I have come to the conclusion that it is desirable, instead of having men, women and children on the streets starving without any income, to take them to any part of the world where they may be able to establish citizenship and a standard of living for themselves. It is time for people with responsibility in the maritimes either to develop the resources of that province and put our people to work, or at least to be big enough to try to shift people to places where they will be able to get an income for themselves.

I seriously suggest that the Minister of Labour reexamine the regulations, because on that question of moving people out of the maritime provinces I do not think he has any regulations today. As I pointed out when the chairman suggested that I was out of order, I saw a statement only yesterday by Mr. MacLaren, who administered the regulations, in reference to this very question, pointing out that these regulations had expired on March 31st of this year.

Even if we did decide tomorrow to shift 2,500 people from the maritime provinces into some other part of Canada where there was employment, I do not think we have machinery to do it, and I am objecting that that machinery was not carried forward under these controls, because I think the selective service machinery during the war did a very desirable and a very good job. The people of this country were rooted, they knew where employment was, and they were assisted greatly from one part of the country to another. We have dropped these controls and are back in the hands of the boss, where he can cow, where he can pick and choose, and unless you are four feet between the eyes you cannot get a job. It militates against the ex-servicemen in the mine districts particularly.

The minister's statement yesterday was a startling one. Of some 1,200 who had volunteered to go from Cape Breton Island to the gold mines in Ontario only 260 odd could pass the necessary examination to take employment underground. What does that mean? Suppose there was plenty of employment underground in Nova Scotia, the men are still not eligible for employment, and that definitely brings them back into the realm of government responsibility, because if they went into the forces fit for war service and came back unfit for industrial service they must certainly have some pension claim.

That is about all I have to say. I would like the Minister of Justice, who is himself a Nova Scotian, to tell the house why this order in council has been carried forward, which merely means the free entry of American coal borne by water into Nova Scotia or New Brunswick, in the light of the fact that every other subsidy and regulation that was assisting American coal has been discontinued.

Mr. HOWE: Perhaps I should say a word on the subject, since the Department of Reconstruction and Supply has been responsible for the movement of coal over the past several years. The subsidies on coal ended on April 15 and the result has been a very sharp rise in the price of anthracite in all parts of Canada, but particularly in the maritime provinces. Ordinarily no great tonnage of anthracite is used in the maritime provinces. In Nova Scotia last year it was, I believe, about 80,000 tons. That province has depended to some extent on coke for fuel in the ordinary house furnace. The demand for steel and pig iron has increased so greatly that a new blast furnace has been opened in Cape Breton which will take the entire coke output from the steel plant for the rest of this year. Therefore the alternative fuel, coke, will not be in supply from domestic sources to the same extent as last winter. Under the circumstances, and after careful consideration, it is believed that the duty on imported anthracite which was suspended during the war years should not be reimposed at this time. We believe that the present fuel situation is abnormal, and that relief should be extended in the maritime provinces to the extent indicated in this order in council.

My hon. friend has suggested that this is a detriment to the production of coal in that province. I suggest to him that the two are

not competitive. Furnaces that ordinarily use anthracite coal or coke are not suitable for bituminous coal. Therefore he is talking about a class of fuel which is not produced in the maritime provinces, except in the form of coke, and which will not be produced as coke for domestic purposes next year, because of the abnormal industrial demand for coke.

Referring to his remarks about the movement of labour from Cape Breton, the Minister of Labour is here, and he will speak for himself, but it is my understanding that it is the policy of that department to move labour from a distress area to areas where there is a shortage of labour. I am quite sure that provision for the movement of men from Cape Breton did not lapse on April 1 and that if men who are unemployed, for reasons other than being on strike, wish to take advantage of the movement, their applications will be considered in future as in the past.

Mr. GILLIS: Under what regulations can they be moved? All the orders in council you are carrying forward are here. Will the minister answer this question? The Ottawa *Journal* of yesterday, discussing this very question, carried a statement from Mr. MacLaren, who administered the regulations, to the effect that these regulations had expired on March 31. Is Mr. MacLaren correct?

The DEPUTY CHAIRMAN: Order.

Mr. GILLIS: I want the minister to answer the question. It is very pertinent.

Mr. MITCHELL: My hon. friend does not need to worry about this.

The DEPUTY CHAIRMAN: I would appeal again to hon. members to deal with the items as we reach them. We may reach an item which will cover the questions the hon. member is now asking, but I would ask hon. members to discuss these items as they appear. That is necessary if we wish to make any progress.

Mr. GILLIS: There is no item in this under which I can ask the question.

Mr. HAZEN: For many years I have had a furnace in my home going during the spring, the autumn and the winter, and I cannot agree with the hon. member for Cape Breton South when he says that the anthracite coal which comes to this country is in competition with bituminous coal from the maritimes. The bituminous coal can never take the place of anthracite coal for the heating of houses. Nor can coke ever take the place of anthracite coal. The Minister of Reconstruction and Supply has referred to coke taking the place of anthracite coal, but coke can never do that in the furnaces in homes and apartment houses in the maritimes, particularly in the smaller places.

Mr. BAKER: I wish to explain a situation in regard to the maritimes. As I see it, P.C. 394 is not a subsidy. It is merely taking off a tariff and continuing it off. That is what we have been asking for for years in the maritimes. For many years in southwest Nova Scotia we have been importing American anthracite coal. If we are to ship out lumber and laths we cannot have the hulls returning empty; we must bring something back. So we used to bring back anthracite. It is just a straight trade. We have built up a certain demand for anthracite. I should not think it will increase, because as a matter of fact oil is coming in. Nevertheless customers of the coal merchants who are buying anthracite today will need anthracite in the future to meet their requirements, because their heating equipment is of such a type that it must have anthracite. Naturally we use a great deal of Nova Scotia coal all over Nova Scotia. But all I can say is that P.C. 394 is helping Nova Scotians and not hindering them. I hope it will continue for all time and that some other tariffs will come off too.

Mr. MacNICOL: Did I understand the Minister of Reconstruction and Supply to say that in ordinary heating boilers such as those we use in Toronto, Nova Scotia coal cannot be used?

Mr. HOWE: I should not like to generalize. It depends on the heating unit. But in a small heating unit in a small house I should presume that Nova Scotia coal would not be suitable. I think the hon. member for Cape Breton South will support me in that.

Mr. GILLIS: Why not coke it?

Mr. HOWE: Coke would be all right if it is available, yes.

Mr. MacNICOL: The minister is correct perhaps to a certain extent when he says that ordinary bituminous coal does not give the greatest satisfaction in the ordinary house heating boiler. But I use a good deal of Nova Scotia coal in ordinary heating boilers by putting blowers on them. As the house well knows, I have been advocating for many years that we build up a big exchange trade between Nova Scotia and Ontario, that we send them a large quantity of our goods and that they send us back coal. In years past we did buy a good deal of coal from Nova Scotia. I have forgotten what the maximum was, but I believe it was one and a half million or two million or more tons. It is

some years ago now. I should not like the impression to go abroad that we cannot use Nova Scotia coal in ordinary heating boilers, because by the use of blowers we can do so, although it is not a hundred per cent satisfactory. However, we must have something to burn, and we are glad to get Nova Scotia coal when we can get it.

Mr. CHURCH: This order in council as extended shows the need for the government doing something further every year regarding coal supplies for Canada, so that it will not be necessary for us to send $58 million a year down to the Pennsylvania coal barons in order to aid and assist them. We should be expending that amount of money for coal and coke produced under the British flag, in Nova Scotia, Alberta and Wales, if necessary. That is what I proposed away back in March, 1923. The government of the day opposed it when I urged a national fuel policy, then adopted it by paying a bonus, subvention or subsidy five years later as I proposed. It was the only way to solve the problem of a national fuel supply to make provision for the extended winters, as they seem to be growing every year by two or three weeks. The people in this country have been nearly frozen this past winter, and they have been clamouring for a new policy. After the C.C.F. and their predecessors from 1923 to 1928 opposed a national policy for coal for five years, the government of the day after 1928 adopted all kinds of methods of protection by bonuses, subventions and subsidies.

I agree with P.C. 394. I hope that the small man will get some relief in his coal bills. There should be some regulation by the government; they should have this exemption from customs duties for coal, which is only a right and proper one. I hope that it will be extended not only to the small man who uses a few tons of coal but also to the retail coal merchant who has suffered a great deal during the war by not having some proper allowance—50 cents, 75 cents or $1.25 for delivering the coal, sometimes half a ton at a time. It is the poor man that needs protection under this measure.

Mr. GORDON B. ISNOR (Halifax): I think the point raised by the hon. member for Cape Breton South is worthy of attention from another angle. Like other Nova Scotia members, I am deeply concerned about the employment situation. As I have sat here in the house day after day and listened to the wheat question being discussed, and then on other occasions have listened to discussions about fish and coal, I wondered why a practical miner like the hon. member for Cape Breton South did not advance some constructive thought which would help to solve our coal production problem. I do not wish to enter into a discussion of the reasons why the strike is going on in Cape Breton at the present time; I might be accused of favouring one side or the other. But I think I can say this without fear of getting into trouble, that it is generally recognized that the problem as it appears to the average man in the street is one of production. An industry cannot continue to produce less and less and expect to show signs of improvement; and that is the situation which has existed in Nova Scotia and Cape Breton, and the maritimes in general for a long period of years. I think I can safely say, although I am trusting to my memory now, that the average unit of production per man per day has steadily declined during the past forty years, certainly back to 1901. In all lines of business—I am not talking about coal alone—you must produce in order to create employment; and it is that steady decline in the production of coal which has made employment a very difficult problem so far as our mining industries are concerned. I support the hon. member for Cape Breton South, and I am hopeful some inquiry will be made in order to find a solution to this dispute between the operators and miners of Nova Scotia, so that operations may be resumed. While the Minister of Labour is here I want to bring to the attention of the committee—

The DEPUTY CHAIRMAN: Order. I should like to read the item: "Anthracite coal —importation exempted from customs duty." That is the item with which we are dealing, and I hope hon. members are not going to get into a discussion of the coal strike, labour relations and everything else. The question is simply whether or not we are in favour of the importations of anthracite being exempted from the payment of customs duty.

Mr. ISNOR: I quite appreciate that point, Mr. Chairman, and my next sentence will show that I am strictly in order. If a solution could be found, naturally it would affect the importation of foreign coal. My suggestion is that a study be made and possibly a scientific research centre set up in some part of Nova Scotia, with a pilot plant, to look into the possibilities of developing the by-products of our coal industry. If that were done I believe it would have a marked effect on the future of our coal operations. I am throwing out that suggestion to the cabinet, at the same time hoping the hon. member for Cape Breton South, with his

knowledge of the coal industry of his own native province, will cooperate and offer some constructive suggestion which will help solve the difficulty which now exists, and which we do not want to develop to such a point that our population will have to move to other parts of Canada. We need those 1,300 men, heads of families, in our province, and I want to see them stay there.

Mr. GILLIS: May I just say this to the senior and only member for Halifax. I am surprised to hear him say I have not offered any constructive suggestions in regard to the question of employment and this matter of fuel. If he will check the records back to 1940 with the Minister of Reconstruction and Supply and the fuel control board he will find that at least two small briefs have been filed, and in addition many times in this house I have made recommendations with respect to the development of that industry. I am reasonably sure that if they had been carried out we would not have the mess that exists today. As to employment, the hon. member was himself a member of the reconstruction committee—

Mr. LAPOINTE: Order.

Mr. GILLIS: I am answering the suggestion made by the hon. member. If the strait of Canso project had been developed, as we recommended in 1942, it would have absorbed the unemployed in that end of the country. Then you should not have closed that plate mill at Sydney, which was established during the war. These are things I suggested in the house by way of a solution to the problem, but they were not carried out.

Mr. ISNOR: Mr. Chairman—

The DEPUTY CHAIRMAN: Order.

Mr. ISNOR: Am I not permitted to reply to the hon. member.

The DEPUTY CHAIRMAN: I do hope hon. members will cooperate in regard to these items. The committee is now considering only the matter of the importation of anthracite coal into Canada and a continuation of its exemption from customs duty. We can get through these items in an orderly fashion if we deal with them one at a time.

Mr. BROOKS: I do not think this is a very serious item as far as the situation in the maritime provinces is concerned. Frankly I had hoped that this afternoon there might be a discussion of the coal situation in the maritime provinces, and that we might hear something from the government as to the action it intended to take to solve that serious difficulty. This item is only a matter of reducing the cost of a ton of coal by about 50 cents, and as I say, I do not think that is very serious. But we have a very serious situation in the maritimes.

The DEPUTY CHAIRMAN: Order.

Mr. BROOKS: Well, now, Mr. Chairman, so far this afternoon everyone has discussed this question to some extent.

The DEPUTY CHAIRMAN: Order. It is a well known rule that speeches in committee must be relevant to the item under discussion. Anything the hon. member has to say in connection with this particular item is quite in order, but it is not in order to discuss other matters.

Mr. BROOKS: I have listened to those who have spoken so far this afternoon, and I do not think one hon. member has made a speech strictly relevant to this particular item. I am simply claiming the right other hon. members have exercised.

The DEPUTY CHAIRMAN: Then I want to appeal to the hon. member to set a good example and keep his remarks relevant to the item.

Mr. BROOKS: Well, Mr. Chairman, I have something to say on this which I can reserve until another occasion.

Mr. FULTON: I should like to ask a question on a different matter, since I think this question is bound to arouse discussion every time it comes up. Would it not be more appropriate if this item were made an amendment to the customs tariff rather than left under an emergency order in council? Is that not the proper way to deal with a question of this kind; and is it contemplated that an amendment will be made in this year's budget to take care of the situation?

Mr. HOWE: We are discussing emergency legislation; it is not the purpose to determine permanent policy. The proper place to deal with that—

Mr. FULTON: But this has been the policy since 1942. If it is to be continued in future, as would appear to be likely, I am only asking whether it would not be necessary to continue it by way of amendment to the customs tariff.

Mr. HOWE: Quite so. If any permanent change is contemplated in the duty, it should be made by an item in the tariff. This policy has been in operation for the past several years, and it is not intended to remove this exemption at the moment. I should not like

anyone to infer that it will be continued throughout the full year; it may be taken off at any time, like any other emergency legislation. It is being continued as emergency legislation because no decision has been reached as to its permanency.

Mr. BLACK (Cumberland): I am sorry this discussion has been unduly curtailed, Mr. Chairman, but as far as I can I want to comply with your ruling on this very important subject. In the main I am in agreement with the hon. member for Cape Breton South. I am in favour of the retention of this order in council, which is applicable to a limited importation of anthracite coal, at least until the termination of the strike. In any case it is not a very important item. The question of a fuel policy for this country was raised some years ago, and at that time a duty was placed upon imported anthracite. Under this order in council that duty has been cancelled, and I presume that policy will remain operative until this order in council is terminated. There is also the question of subventions, and the matter of subsidies on coke. In that connection I agree with the hon. member for Cape Breton South and to some extent disagree with the hon. member for St. John-Albert. I believe our native fuel and the coke made therefrom to some extent is in competition with anthracite coal imported into this country. Some years ago the federal government gave assistance by way of subsidy on the production of coke containing a percentage of Nova Scotia coal, and to a certain extent that coke replaced anthracite coal imported into this country. I am going to agree to the retention of this order in council on behalf of the consumers, householders and industries, who are the forgotten factors, in the maritime provinces, though it affects them to only a limited extent.

There are three parties concerned in the production and use of coal, and one of these is the miner. I am in sympathy with the desire of the miners to obtain the wage recommended by the Carroll report but I regret that they did not take my advice, go back to work and sit around a table to see whether production could not be increased. I am in disagreement with the hon. member for Cape Breton South because he advocated that they do not go back to work.

The DEPUTY CHAIRMAN: Order. I think the hon. member for Royal appreciated the fact that he did not keep to the point at issue, and I would appeal to the hon. member who now has the floor to follow the lead set by the hon. member for Royal and deal with the specific item before the committee.

[Mr. Howe.]

Mr. GILLIS: The hon. member just stated that I recommended in the present dispute that the men do not go back to work.

Some hon. MEMBERS: Order.

Mr. GILLIS: That statement is absolutely incorrect, and I have the right to correct it. There is no place, either on or off the record, where I made any recommendation either for or against that. That is not my business.

The DEPUTY CHAIRMAN: Is the hon. member speaking on a question of privilege?

Mr. GILLIS: Yes, I am speaking on a question of privilege with respect to the statement that has been made. That is not my business; that is the business of the union and the industry. I spoke merely on the merits or demerits of the dispute, and I stated my opinion. I never have believed in strikes and I did everything I could to solve this one, but what they do is entirely their business.

Mr. BLACK (Cumberland): On a question of privilege and replying to the hon. member, I should like to quote a few lines from his speech.

Mr. GILLIS: Quote at least a sentence.

Some hon. MEMBERS: Order.

Mr. BLACK (Cumberland): Surely I have the right to answer the hon. member. Here is what the hon. member said on February 19, as reported on page 581 of *Hansard:*

> I am convinced that the $1.40 a day will have to be provided by subsidy from the federal government. I say that because I believe the mine workers were well advised to refuse to accept $1 a day contingent upon increased production.

That is where I disagree with the hon. member, and I wish to go on record as a matter of privilege. This matter of coal production and the stoppage of work in the maritime provinces is of such importance that a discussion regarding it should not be curtailed as it is being curtailed.

Mr. GILLIS: Should the men work for nothing?

Mr. BLACK (Cumberland): I am in favour of their getting an increase and I believe they would have got an increase if they had gone back to work and showed a sense of responsibility with regard to production. I was in Springhill, the second largest coal mining field over the week-end and every man I met and their leaders said that they believe that they could give the desired production to warrant the increase. They would send representatives for the men in to confer—

The DEPUTY CHAIRMAN: Order. I would remind hon. members of the committee that Monday is set apart for the discussion of such matters. Let us deal with this item.

Mr. DIEFENBAKER: On a point of order, is this discussion not perfectly proper? The reason for amending the statute in question, the customs tariff, is the existence of an emergency. Otherwise this legislation could not be justified. The discussion has to do with the question of the emergency, and as such I suggest that the widest possible latitude should be allowed under this section. In order to justify the continuance of this order in council the government relies upon that portion of the preamble which states that there is an emergency which necessitates the continuance of this order in council. The discussion that has taken place has to do with that emergency, as to whether or not there is in fact an emergency and as to what course should be followed as an alternative to the order in council. Such a discussion, particularly at a time when apparently it is of very great moment because it affects the people not only the maritimes but of Canada in general, should not be unnecessarily curtailed.

The DEPUTY CHAIRMAN: In answer to the hon. member I would say that I would much rather be fair to every member of the committee than rigidly to enforce the rule. I think every member of this committee expects the Chair to give direction and to try to enforce the rules of the house. After that the chairman is in the hands of the committee. I believe if you want to make progress with these items, and there are a great number of them, if you want to get on with the other business of this session we should try to deal specifically with the items.

Mr. HACKETT: Just a word. It has been contended that there is an emergency. The government has held that view throughout and has put the house into that position by a majority vote of its followers. It is either one of two things: if there be an emergency, it would seem to me that the discussion is eminently relevant ; if there be no emergency, and that is our contention, then the order in council should not endure further.

Mr. MICHAUD: From the remarks that have just been made it would appear that the question we have to decide here is whether or not there is an emergency to warrant the retention of this order in council. There are only two things to do. Either we should approve this order in council and agree to continue it, or, as an alternative, an amendment should be moved to have it deleted.

Mr. FLEMING: It would not be in order.

Mr. HACKETT: You would lose your bill if you did that.

Mr. MICHAUD: If any hon. gentlemen are opposed to it, I submit that they should move an amendment, and then we can proceed to deal with another one.

P.C. 394 agreed to on division.

P.C. 8042 and P.C. 9058 agreed to.

On P.C. 9781.

Mr. HARKNESS: I am wholly in accord with the purpose of this order in council, which is to retain on the free tariff list certain well drilling machinery and pipe. My only regret is that this provision is not included in the regular tariff schedule. I should like to ask the minister if there is any reason why it should not be included in the regular tariff schedule and whether that might be done when we are considering the budget this year, rather than continuing it on a temporary basis with the result that the people engaged in oil well drilling are never sure of where they stand.

The second question I should like to ask the minister is whether the definition of machinery, apparatus and so forth is wide enough to include a piece of apparatus known as a heater treater. This piece of apparatus is used in the plains area of Alberta and Saskatchewan to treat low gravity oils secured from the wells in that area. When these oils come from the wells they are mixed with water and sand and in order to ship the oil, particularly in the winter time, it is necessary to run it through this heater treater which removes the water and sand. This piece of apparatus is essential to the profitable operation of the plains area oil wells.

Mr. ILSLEY: The hon. member's first question was whether there is any reason why this should not go into the general tariff. I am not able to answer that question. All I can say is that I shall draw his representations to the attention of the Minister of Finance. Unless it is affected by this bill it will lapse. I presume the Minister of Finance would have no objection to giving consideration at the appropriate time to its inclusion in the tariff. Further than that I can give the hon. gentleman no information. His second question is one which can only be answered by the appropriate officials of the Department of National Revenue. The matter is one of interpretation. Whether the language used includes heater treaters I am unable to say.

Mr. HARKNESS: I think we should get that interpretation from the officials before we

dispose of this item. If this particular piece of apparatus is not included in this provision I should like to move an amendment to add the words "heater treater" after "drilling mud". I see that the order in council has been amended by adding "drilling mud" after "All machinery and apparatus" and so forth. Apparently under the interpretation which had been placed on this paragraph, drilling mud was not included and it was recognized that it should be included, therefore those words were added. If heater treater is not included in the interpretation we should specifically put it in. I would therefore ask that this order in council stand until we get that interpretation.

Mr. JAENICKE: My observations will be somewhat different from those made by the hon. member for Calgary East. I note that the order in council when first issued in February, 1943, provided for the entry duty free of this machinery and apparatus to be used exclusively in exploratory or discovery work in connection with the production of oil and oil wells or water wells; also that we could import duty free pipes, piping, casing and tubing in connection with such wells including water wells. In December, 1943, the order in council was amended and the provision for the importation of duty free apparatus used in connection with water wells was taken out. The apparatus and piping and tubing used for water wells is as important as that used for oil wells, specially in my constituency where there is a large area of excellent grain growing land but without water, which can only be got by digging wells hundreds of feet down into the ground. As the order stands it discriminates against water wells. I would ask the minister who made the representations resulting in the change. The order in council says:

> The Minister of Finance reports that it has been represented to him that the words "or water wells" and the words "with water" should be deleted.

How much was imported duty free under this order? I should like both the quantities and the values. By whom were the importations made, and is the material imported duty free available in Canada from Canadian manufacturers. What methods are followed by the department officials to make sure that machinery and apparatus for exploratory or discovery work is used for exploratory or discovery work alone? I suggest that as this order seems to discriminate against water wells, the order in council as promulgated in February, 1943, be restored.

[Mr. Harkness.]

Mr. ILSLEY: The item will stand, and I will get as much of the information asked for as I can and give it to the hon. gentleman and the committee later.

Item stands.

On P.C. 8528.

Mr. SINNOTT: I have here a form headed "Retail Licence Investigation" which has to be filled out and returned to the wartime prices and trade board. It is the application form that a man has to fill out who wants to go into business, but the form is so complicated that many men who want to go into business do not know whether they are coming or going or whether they will ever get into business. I tried to get a dozen of these forms to pass around among the leaders of the different parties so they would know what I was talking about, but the board sent me only one copy. I guess paper must be short there. Here are some of the questions asked on this form:

> Will you kindly forward this report to the local office of the W.P.T.B. under whose jurisdiction the above firm is located . . .

And so forth. The first thing they want to know is whether the applicant has been issued a wartime prices and trade board number. This man's answer to that would be no. Then the questionnaire goes on:

> Is retail lumber business to be carried on at above address?

His answer to that would be yes. Next:

> Is property where the retail lumber business is to be carried on owned outright or leased?

His answer to that would be, owned.

> If leased state number of years property is leased for?

His answer would be no. Next:

> State size of property.

Then it goes on with a lot of other questions.

> Have storage sheds for dry lumber been erected? If so, state floor space in number of square feet.
>
> Has office space properly equipped been provided for?
>
> Is there a sales staff and telephone service available to the public during all business hours?
>
> Is the office and sales service outlined under No. 6 located at the above address?
>
> How many employees will be on the company payroll?
>
> Is the following machinery to be operated, and has it been purchased? Indicate under proper heading: Ripsaw, resaw, planer, edger, sticker.
>
> How many trucks to be used in giving delivery service to the public?
>
> Have arrangements been made with suppliers for stocks as follows: Dressed lumber, finishing lumber, kiln dried lumber, hardwood flooring, mouldings, cedar shingles.

And so on. This man's application had been turned down because he did not have a licence. He thought the proper way to get into business was to write to Ottawa to get his licence. The information I got today was that he did not have the proper equipment to start up in business. If a man starting in business has to have all these things before he can start up I imagine that the small fellow will never be able to get into business. It is time that the little fellow who wants to start up in business should be given consideration and given it right away, because as I see it these restrictions are curtailing production and curtailing services which could be rendered to the people. I would ask the minister in charge of this department to take this matter into consideration and make the restrictions much less stringent than they now are.

Mr. MICHAUD: May I ask the hon. member a question?

Mr. SINNOTT: Yes.

Mr. MICHAUD: What particular clause or section is the hon. member objecting to?

Mr. SINNOTT: I am not objecting to the order; I am objecting to the retail licence investigation; I am objecting to the reason why this man's application was turned down, which was that in the first place he did not have four or five acres of land on which to store lumber, did not have a planing shop and a truck, did not have all these things. But he could get all these things provided he received a licence. It is like a man building a hotel. If he did not get a licence to build a hotel he could not build it; he would just have to sit around. This man wanted a licence, and he went about to try to get a licence to put his business in shape. I might also say that this man was not competing with any other business. He is in the little town of Whitemouth, about sixty miles from Winnipeg. He is within thirty miles of Beauséjour. His stock of lumber would not come from British Columbia but mostly from the eastern part of Manitoba, where supplies of lumber are plentiful at the present time. I cannot see any reason why he should not have his licence right away.

Mr. ILSLEY: I will see that this case is looked into by the wartime prices and trade board. Perhaps I might say a word about the necessity for what appears to be extensive requirements. As hon. members of the committee know, the price of lumber is under ceilings. There is a wholesale price ceiling and a retail price ceiling. It is important that wholesalers do not operate as retailers, because then they would have the privilege of selling up to the retail price ceiling. Consequently it is necessary to obtain a considerable amount of information about persons who are applying for retail licences.

The hon. gentleman seemed to be under the impression that all the questions would have to be answered in the affirmative before this man would be entitled to a retailer's licence. I am informed that is not so. Ordinarily there must be at least sufficient information to give reasonable assurance that he really is in business as a retailer. I will see that the question as put before the committee is examined and given prompt consideration. I will also bring to the attention of the officials the consideration presented by the hon. gentleman, namely, that there may be instances in which the licence should precede the acquisition of the necessary equipment.

Mr. CASTLEDEN: The timber controller may have something to say about that.

Mr. ILSLEY: Yes.

Mr. FULTON: Order in council 8528 is perhaps one of the most important of the orders in council to be dealt with under the schedule, as upon it depends the whole machinery of price control, not only price control but also rent control.

Mr. ILSLEY: Will the hon. gentleman permit me to say something before he begins the remarks he intends to make with regard to this order?

Mr. FULTON: Yes.

Mr. ILSLEY: The other day the hon. member for Winnipeg North Centre moved an amendment to section 4. Section 4 was allowed to stand so that consideration might be given to the amendment. I did not receive a copy of the amendment, and unfortunately I did not read *Hansard* to see the exact wording, but I got the sense of the amendment and I thought that probably it should be reworded to give effect to the hon. gentleman's intentions. It seemed to me that if the amendment were to be accepted the wording should be something like this:

> Provided that notwithstanding anything in this section no provision of any order or regulation of the governor in council specified in the part of the schedule to this act entitled "wartime prices and trade board" shall be revoked by the governor in council unless addresses have been presented to the governor general by the Senate and the House of Commons praying that such provision be revoked.

The hon. gentleman's language was something like this: Provided that no order listed in the schedule to this act under the section headed wartime prices and trade board shall be revoked without the consent of parliament.

Mr. KNOWLES: That is right.

Mr. ILSLEY: This is a little more precise, and I am advised by the legal officers that it is preferable.

Mr. KNOWLES: It has the same effect.

Mr. ILSLEY: Yes. Consent in this amendment is to be given by addresses of both houses, which is a reasonable way in which consent may be granted.

Mr. KNOWLES: I will accept that; I hope the minister will do likewise.

Mr. ILSLEY: The attitude of the government to this amendment is this: We are not asking for the amendment because we expect that the orders will remain for the time that the act is in force anyway. As the law stands now the governor in council has the power to revoke them. Possibly some of them would be revoked before very long, but we have no specific intentions with regard to them. I think the proper position for us to take—and this is the position we are taking—is for hon. members to vote freely so far as the attitude of the government is concerned on the amendment if the hon. gentleman wishes to press it, and we shall take the sense of the house on it. If hon. members of the committee want that provision put in the act we have no objections; if they want it left out we have no objections. The effect will be substantially the same, we think. I should point out what the hon. gentleman himself pointed out. Even if that provision be inserted in the act, the board, of course, must be free to make such changes in the orders as they see fit. They must be free to alter maximum prices and distribution orders, revoke them and cancel them and amend them, and so on, and the policy which has been laid down will be carried on substantially as stated to the committee. So far as the proviso is concerned, if the committee would like to have it inserted in the act I am willing, but I am not proposing it, and I am not opposing it.

Mr. FULTON: Before the hon. member for Winnipeg North Centre begins his remarks may I ask if it is the intention to dispose of section 4 now and return to the discussion—

Mr. ILSLEY: No. My intention was to do what I have stated, so that the possibility of that proviso being added would be kept in mind by hon. members in anything they had to say upon the provisions of the order.

Mr. KNOWLES: May I suggest this as a matter of procedure? In view of the importance of this amendment, as I see it, and in view of the position which the minister has taken, that the government is prepared to have a free vote on it, it might be well to fix a time at which we would revert to section 4 so that hon. members generally will know.

Mr. ILSLEY: No, we cannot do that.

Mr. KNOWLES: It could be done on Monday or Tuesday.

Mr. ILSLEY: No, I cannot make an appointment with my friend on that matter. We may be a week or two or three days getting through the orders. When we get through the schedule we shall come back to the bill.

Mr. KNOWLES: That is satisfactory. I say now, Mr. Chairman, that if the minister does decide that he would be prepared to present the amendment I shall be glad to let him do it. If not, when the time comes, I shall withdraw the amendment that I made yesterday and move instead the one which the minister has now suggested.

Mr. ILSLEY: I do not expect to put myself in the position of asking this house by legislation to keep all these boards in existence after the lifetime of the act. I am not going to ask the house to do that. If the house wants to do it, it will be a tribute to the work of the board, and it will be all right with me, but I am not going to ask the house to do it.

Mr. KNOWLES: This is not the place to continue the discussion, and I will not do so, but I thank the minister for the suggested change and will move it at the proper time.

Mr. REID: Does it mean that the amendment just read, if passed by the house, provides that no regulations at present in effect under the wartime prices and trade board shall be changed until parliament meets again? Some of us are not clear on the point and I would like to know exactly what I am voting on, because there are some regulations that I would like to see done away with. I want to know whether we are to be tied up, until parliament comes back, on every regulation whether it is obnoxious or not.

Mr. ILSLEY: If this proviso is enacted, the contents of this schedule, as it is eventually passed, will remain unchanged and unchangeable until the house decided otherwise, or until the expiration of the act, whichever takes place first. But the orders made under the orders and regulations in this appendix will be subject to change if change is authorized by the orders and regulations in the appendix;

otherwise the board would not be free to raise a price ceiling or remove an article from the price ceiling—

Mr. KNOWLES: Or put one back on.

Mr. ILSLEY:—or impose a price ceiling or make any one of the thousands of orders which will be necessary for the board to make in that interval.

Mr. REID: That is clear.

Mr. KNOWLES: That was clearly the intention of my amendment.

Mr. ILSLEY: This proviso relates only to the wartime prices and trade board orders, to the ones under the heading "wartime prices and trade board." It does not apply to the others and I could not consent to a similar one with respect to the others.

Mr. KNOWLES: It applies to the wartime prices and trade board and leasehold regulations, all nine in that section, but to those only.

Mr. ILSLEY: Yes.

Mr. MICHAUD: If this amendment carries it means that, with regard to P.C. 8528, the government could not delete any of the sections in this order, but if the amendment does not carry it means they may at any time delete some of these sections.

Mr. ILSLEY: They may revoke them in whole or in part.

Mr. ADAMSON: Would not the acceptance of this by the government cramp its activities?

Mr. ILSLEY: No, I do not think so. That is why I asked for a delay, and I am satisfied that it does not cramp the government in its plans.

Mr. KNOWLES: It indicates the feeling of the house.

Mr. LOW: Does the minister see any advantage in having such an amendment?

Mr. ILSLEY: It is a matter of indifference; I do not think I do. I do not see any advantage in it. It is an affirmation of the principle that the house is insisting really that the wartime prices and trade board and certain other organizations here be authorized to remain in existence for the lifetime of the act or until parliament decides otherwise.

Mr. IRVINE: Does it not mean that the final authority is in this parliament and not in the government?

Mr. KNOWLES: With regard to the revoking of the orders.

Mr. ILSLEY: With regard to revoking the orders, yes.

Mr. BROWN: Does it mean that if we wanted to remove the ration on sugar it could not be done until the next parliament was convened?

Mr. ILSLEY: No. It does not mean that, because under the order in council the wartime prices and trade board has power to make orders with reference to the distribution of any commodity. They may make these orders or improve, cancel or amend these orders, and that will go on. That is not affected by this, but the government could not revoke the section which authorizes the wartime prices and trade board to take that action.

Mr. BOUCHER: I am not quite sure that I appreciate the position the minister puts us in, judging from the statement he has made today. It appears that he is reserving to the wartime prices and trade board the right to change, extend or modify any regulations in regard to price control covered by these orders in council. As a minister of the crown he states that he does not wish to accept governmental responsibility in administering the policy and he is prepared to look askance at the result if this amendment is carried, restricting the power of the government but not the power of the board. If government policy stands for anything it stands, I suggest, for the government taking a definite position with regard to price control and accepting responsibility in this house. I do not think it is very good government procedure for the minister to say that the house is free, that he will hear the sentiment of the house and will accept no responsibility, that we can move an amendment if we like and he will not oppose it but that we must leave the board under these orders in council with untrammelled power. I do not think that is the procedure we should adopt in this house. The minister should either accept responsibility for the administration of wartime control, to rescind or modify any order in council, or he should say, "We are going to go the whole way and take the responsibility of getting rid of the control."

Mr. ZAPLITNY: I had not intended to say anything at this stage but I cannot sit silent any longer in view of the statements that have been made. Members of the Progressive Conservative party have been shouting for weeks about too much power being granted the government. They have made speech after speech deploring the wide powers the government wants, and today they are asking that we hand over power to the government to wash out the board whenever it feels like it. We are trying to keep that power in

parliament where it belongs. I would ask my hon. friends to preserve a sense of proportion.

Mr. GRAYDON: You are more confused than ever.

Mr. FULTON: Presumably the discussion takes place now on P.C. 8528, and with respect to what the minister has said, as to being prepared neither to accept nor to oppose an amendment but to let it go through on a free vote, I do not think it alters what I have to say touching this particular order because it does not, at the moment at any rate, detract from or add to the powers of control given the wartime prices and trade board. That is the point I wish to deal with.

I begin by saying that this is perhaps the most important order in the whole schedule. What I have in mind is that it is the one order upon which depend the powers given the wartime prices and trade board to control prices and make rental control regulations. If this order is amended substantially or is cancelled, then not only do all the price ceilings fall by the board but rent control would go too, because it is the wartime prices and trade board that administers rental control. I think therefore that in suggesting, as I intend to do shortly, an amendment to this particular order, it is important that I should indicate first the attitude which I think we should take to this question of control, and the extent to which the amendment I shall propose will go in interfering with or suspending or perhaps removing the power of control.

Briefly I propose to move an amendment to take one step in the direction of restoring freedom without, as I shall try to point out, cutting away altogether the power of control during the period of emergency. For the purpose of this argument I think we must accept the position that the house by its vote on the second reading has adopted the principle of the bill and suggested that there is an emergency and that therefore a measure of control is necessary.

I do not intend to go back and open up that whole ground again. On the other hand, in what I have to say, I should like it to be clearly understood that personally I do not accept the doctrine of emergency or the idea that we should continue these controls. My own inclination would be not to go that far. But I shall try to make my argument and my amendment in the light of the fact that the house as a whole has accepted that proposition. In rising to move this amendment and therefore to say a word or two about controls, the position which I take is that controls are and must be a restriction of freedom, that what we should do and what I hope to do by this amendment, is to restore, not only to parliament but to the individual within the country, some measure of freedom and of the basis of his freedom which, as I see it, is the rule of law; in other words, to cut down upon autocratic rule or to use a word which I do not use very often, bureaucratic rule, and to restore the rule of law, because it seems to me that not only do controls limit economic freedom but they must inevitably limit personal freedom.

Dealing with the question of economic freedom and the effect of controls on the economic life of the individual, I should like here to refer to something which was said in this house in 1945 by a member of the C.C.F. party. Speaking of the effect of controls upon, not big business, but little business—the individual man—the hon. member for Skeena in the course of a lengthy speech had this to say as reported at page 698 of *Hansard* on October 2, 1945:

> The process that we see will end up with the state ultimately becoming the sole capitalist . . . The government recognizes that a crisis is still with us and this crisis will continue with us as the years go by; therefore we are going to see the absolute continuation of government control within private industry.

The reason I refer to this speech is that it was significant because it was made by a member of the C.C.F., a party which advocates the continuation of controls, and yet the party which says, when we speak of the removal of controls, that we are adopting a position favourable exclusively to big business, a party which represents itself as advocating the interests of the small man as against big business. And yet this member of the party talking about the effect of controls, went on to say:

> It is interesting to me to see what is happening to the social groupings because of those price controls.

I am here omitting a portion of his speech but it can be found in *Hansard,* and I submit that I am not distorting his speech. He said:

> Consequently we are seeing the liquidation of the small trading class . . . Such groups as can be seen to the left, the C.C.F. and the Social Credit party, are an expression of protest from the small middle class, such as the small working class . . . From the point of view of a socialist I would say, more power to the government, because it is hoisting itself with its own petard.

What he meant there, taken from the context, is that the government by these controls is driving the little man out of operation, is oppressing him, favouring the big man, and that all these little men, in his view of the situation, come into the C.C.F., the socialist party. That is a member of the C.C.F. speaking about the effect of controls.

Mr. CASTLEDEN: You are doing a lot of your own interpreting.

Mr. FULTON: I said that any members who wanted to could read the speech in *Hansard*. If they can get any other meaning from it they are welcome to do so and perhaps to answer; because the confusion brought into this debate by the C.C.F. perhaps does need a good deal of clearing up. In advocating the elimination of controls or now the lessening of controls, in spite of what was said about us as favouring big business—and that, of course, is not true—we are trying to do what we think will enable the small man, the man trying to get into business for himself now, better to do so. That is on the economic side. I said, when I last spoke on this subject, that I was not one who advocated going back to the economic imperialism of the pre-thirties, and we have a well reasoned policy which would prevent that economic imperialism from coming back.

An hon. MEMBER: What is it?

Mr. FULTON: We shall be glad to deal with the question later. I do not wish at the moment to deal with it because, as I said, I wish to confine myself to the picture as we have it at the moment.

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

Mr. FULTON: Yes.

Mr. MICHAUD: In order to ascertain whether or not he is speaking out of turn, will the hon. member give us the substance of his amendment? That would help a great deal in the discussion. He says he is proposing an amendment. I suppose he should have considerable latitude; but the other day, under similar circumstances, the hon. member for Winnipeg North Centre was asked to give the substance of his amendment in order to enable the other members of the house to follow the discussion more intelligently.

Mr. FULTON: Mr. Chairman, I sometimes doubt whether anything one said would enable certain members to follow the discussion intelligently.

Mr. MICHAUD: Speak for yourself.

Mr. FULTON: I will give the substance of my amendment. My amendment has to do with the lessening of what I may call the bureaucratic powers at the moment possessed by the wartime prices and trade board under this order in council; and I am coming to that part of my speech immediately. I wanted to give what I felt was the economic background of the thing. I wish to speak of the political background. I shall come to that eventually and then move my amendment. The point in my mind here is that the administration of controls, the enforcement of controls, inevitably involves the cutting down of democratic freedom, the lessening of political democracy, in my submission, as well as economic democracy.

Having dealt with the economic side of it, I wish now to come to the political side, and that is the point I wish to make here. Again we find confusion. We find the C.C.F. and ourselves saying that we believe in democracy; yet one says that democracy can best be served by controls and the other says that democracy can best be served by freedom, by eliminating controls. It seems to me then that we must be in disagreement as to what we mean by democracy, because certainly we both know what we mean by controls. We find that under controls—and this is the point which the C.C.F. party I think agrees with—inevitably the right of the individual to have recourse to the courts, to assert his freedom, is denied; because if, as a part of the plan, the individual must be forced to do this or that economic or personal action, then of course he cannot be free to go to the court and say, "I should not be forced to do this or that, or to take this or that step." If your plan is to work, you must curtail the rights of the individual. It seems to me that controls cannot work otherwise. Indeed it seems to me that at the moment the trouble with the control policy of the government, or the stage at which it has arrived, is that it is only half a plan. It is half control and half decontrol and neither half is working. That is why we say the sooner you get rid of it, the better.

But to revert again to the question of political democracy and its abrogation by controls, I should like to read what they said in Great Britain on March 3, when they were dealing with the passage of two important bills over there, two important planning measures introduced by the Labour government. The government found it necessary, in order to get those measures through the house, to make a vast change in the procedure of the House of Commons in Great Britain.

Mr. KNOWLES: I rise to a point of order, Mr. Chairman. My point relates to the ruling you have quoted a good number of times, as to whether or not discussion in committee must be strictly relevant to the item before us. I want to make it perfectly clear that we of this group are not opposed to this kind

of argument; we like it, but I want to make it clear also that if it is allowed by one group it will have to be permitted to others, and we shall expect to be able to reply. I have no objection to discussing the whole philosophy of controls, and the whole question of political and economic democracy; I should be glad to go into it for days on end; but if the rule is to be applied at some point and we are to be required to make our remarks relevant to the wartime prices and trade board, then it seems to me that this would be a good place to start.

Mr. FULTON: If I may speak to the point of order, the section of the order I wish to amend is paragraph 15, to be found at page 28 of the consolidated orders in council. The subsections of this paragraph restrict the right of the individual to appeal to the courts against actions taken by the board and officials thereof. At the moment I am trying to develop a case in support of my amendment, to show that, unless this section is deleted, the rights of the individual are abrogated, and that in order to restore them it is necessary to delete this section. That, I think, involves a good deal of argument as to whether or not this kind of democratic freedom should be preserved. Undoubtedly members of the C.C.F. party would say it is more important that controls be maintained and that this freedom be suspended for the time being. That would be their answer to that argument; therefore they would not support my amendment. My argument at the moment is directed toward showing that it is more important that this type of freedom be preserved than that it be taken away. In illustrating my argument, I am referring to the sort of thing that goes on in Great Britain, to show that if you make controls the thing to follow you do interfere with personal and political freedom, whereas if you put personal and political freedom first you would be willing to accept a limitation upon controls. That is what my argument is directed to.

Mr. KNOWLES: I would ask your ruling, Mr. Chairman, on whether or not we are to range over the whole field of philosophy or stick to the point before us.

The DEPUTY CHAIRMAN: In my opinion the point raised by the hon. member for Winnipeg North Centre is quite correct and proper. I rather hesitated to interrupt the hon. member; but, after all, I think he was discussing the principle of this bill, which was decided on second reading. If the hon. gentleman would state or move his amendment and then deal with it, perhaps he would be more in order; but I think the point of order is well taken.

Mr. FULTON: I suppose it is immaterial whether one moves an amendment first and deals with it afterwards or deals with it first and then moves it, but I should be glad to move the amendment now, or to read it to you. It is as follows:

That order in council No. 8528, as specified at page 3 in the schedule with amendments, be further amended by deleting therefrom sections (1) and (2) of paragraph 15.

I move that amendment because, as I have said, the house has accepted the principle that there should be controls. I do not believe this amendment in any way conflicts with that principle, though I may have my own personal reservations on that point. The amendment goes only to the methods of enforcing the controls. The hon. member for Lake Centre has dealt with that question in far more eloquent and effective terms than I could possibly use, so that I need not repeat his arguments. I should like to read the two subsections in question, however, so that the committee itself can make up its mind as to their effect. Section 15(1) reads:

No member of the board and no administrator or other person employed or appointed by the board or acting on behalf of or under authority of the board shall be or become liable to any person for or in respect of any act or omission of himself or any other person in the exercise or purported exercise of any power, discretion or authority or in the performance or purported performance of any duty conferred or imposed by or under these regulations or any regulations for which these regulations are substituted or otherwise conferred or imposed by the governor in council.

Therefore this subsection preserves a member of the board absolutely inviolate from any action brought against him by any individual who feels himself aggrieved by some action by that member of the board in the purported exercise of his power. Then, as though the restriction of action were not sufficiently complete, subsection 2 puts it the other way around. Subsection 1 says that the member of the board shall not be liable for any wrongful conduct in the exercise of his authority. Subsection 2 goes at it the other way and says that in any event no individual shall have any right to bring an action against any member of the board. It reads:

No proceedings by way of injunction, mandatory order, mandamus, prohibition, certiorari or otherwise shall be instituted against any member of the board, administrator or other person for or in respect of any act or omission of himself or any other person in the exercise or purported exercise of any power, discretion or authority or in the performance or purported

performance of any duty conferred or imposed by or under these regulations or any regulations for which these regulations are substituted or otherwise conferred or imposed by the governor in council.

There, under these two clauses, you have the most complete preservation of the officials of the board against action in the courts at the instance of a person who feels himself to be aggrieved by their actions.

Mr. HACKETT: Complete immunity.

Mr. FULTON: Complete immunity is perhaps an inadequate description. It is putting the members of this board in a position in which, as far as I know, no one except the king himself has been placed in this country, under the legal fiction that the king can do no wrong. But even the king, under the procedure in the exchequer court, usually grants his subjects permission to sue him. The wartime prices and trade board does not grant the Canadian people that right. This amendment does not take away any actual power to control or make regulations or to impose price ceilings or rental ceilings. All it does is to restore to the Canadian citizen, if he is aggrieved in his person or in his property by those ceilings or by any administrator's order made thereunder, the right to appeal to the courts to preserve his right.

It may be said that, if he is given that right, they might perhaps upset the whole effect the board is trying to get at. I do not think that necessarily follows, because if you give the board the power to impose ceilings, then the courts must interpret the regulation, which is now to have the force of a statute, as the desire of the people of Canada to give the board power to make ceilings; and provided that is all it does, the courts will not question it. But if, in the imposing of those ceilings, such imposition and the regulations thereunder by some wrongful action damage a person in his property or in his individual person, then it is only proper that he should have the right of recourse against the board, and against the official of the board. Particularly it is proper that the individual Canadian citizen should have the right to bring action against a member of the board who is abusing his power. At the moment, apart from any question of expediency or right or wrong, or whether it is right or wrong to have controls, a member of the board could abuse his power, because the section says "in the exercise or purported exercise of any power" he is immune from action. That permits a tremendous abuse and, in my view, there can be no justification for the continuation of that power two years after the war.

I think we have here an example of bureaucratic power. It may be said, and probably with justification, that the majority of the members of the wartime prices and trade board are hardworking, honest and efficient officials. Personally I have never questioned that; but, since they are bureaucratic powers, I do not see how anyone reading this section can deny that they are powers which are not necessary. They are powers which a minor official of the board, one not subject to the control or at least immediate check by the minister or by the chairman of the board, can easily abuse. It is not fair to the Canadian people to put them in the position where they have no recourse against, not only the chairman of the board and the board itself, but also local officials to whom power is delegated.

I do not want to cover the whole field, particularly in view of your ruling, Mr. Chairman, and I did not intend to do so at the outset. I think this is a most important question in connection with the whole general matter of control. I should like to read what the Prime Minister had to say with regard to the creation of a bureaucracy and the dangers of exercising a bureaucracy and the limitations which should be imposed on it. Speaking on April 19, 1934, as reported on page 2334 of *Hansard,* in connection with another control measure, the Prime Minister directed the following remarks against the members of the C.C.F. party:

> My hon. friend all the time, even in his speech this afternoon, argues for the extension of state functions. How can you have an extension of state functions, let me ask him, without the creation of a bureaucracy? That is of the very essence of it. How can you possibly extend the functions of the state without creating a bureaucracy, and how can this bureaucracy carry out its functions except by the power of might, which is force, and which is always the power behind government and authority when it attempts to administer public affairs by a large extension of state functions? That is the answer I make to my hon. friend and to the members of his party.

He went on to say:

> But the whole essence of the socialist state is founded on that, and my hon. friend knows it. No one knows it better than he does.

And again:

> . . . he knows that Cole has said that the socialistic state will have to have a bureaucracy and be maintained by force.

The decision of the house has been that we shall continue controls, and it seems to me that the only method by which they can be continued is by a bureaucracy. Call it anything you will, it is an extension of state functions or an extension of state planning and control which the Prime Minister himself

has said is an undesirable thing. If we are to have it even for a period of one year would it not be desirable to limit the undesirable aspects of that state functioning, of that bureaucracy, in so far as it is possible to do so without rendering the thing ineffective? I suggest that the amendment proposed this afternoon to give the individual who is wronged by abuse of the power of the board the right of recourse to the courts cannot be objected to.

Mr. BROWN: The hon. member has referred to the provisions of section 15, subsections 1 and 2, which prohibit the right of action against members of the board, administrators, et cetera, but would he state whether he believes that other government officials and civil servants should be liable for acts which they perform in the usual course of their duties?

Mr. FULTON: Not personally. My hon. friend knows perfectly well that if a member of the civil service, in the course of his bona fide administrative duty injures anyone, he is not personally liable. But what we have here is an entirely different situation. You can bring an action in court to restrain that official from proceeding with the abuse of his power or to restrain him from carrying on a proceeding, but under this section the members of the board and their officials are given immunities which ordinary civil servants do not have. The individual is prevented from going to court to ask the court to issue an injunction preventing the carrying out or the continuance of the abuse of these powers. The ordinary civil servant is not protected in the abuse of his powers, but the members of the wartime prices and trade board and the officials to whom powers are delegated are protected even though they abuse their powers.

Mr. BROWN: Where does it say that?

Mr. FULTON: I have read the sections and I am not going to read them again. The particular words are "in the exercise or purported exercise of any power."

Mr. MITCHELL: Does the hon. member not think the chairman of the board or the minister involved would correct any flagrant abuse of power?

Mr. FULTON: He might, and then again he might never find out about it. The point is that the immunity is there; it is not necessary and it is an undesirable thing to have. The other night the Secretary of State for External Affairs told us how benevolent, how almost paternalistic this government was, but not all governments may be that good. The Minister of Labour may not always be there, and I sincerely hope he will not always be there. I have reason to believe that that will be the case.

Mr. MITCHELL: I will be here longer than you will be.

Mr. FULTON: Not unless you join this party. This party is going over there in the next two or three years, so that if you want to stay there you will have to change your mind. However it is not my desire to be sidetracked. I said at the outset that I would try to present my argument in a short space of time. I have been interrupted to some extent by the points of order that have been raised, but I hope I have made my position clear. I go back once more to what the Minister of Justice said in 1934 when he was dealing with a somewhat similar matter. He said that he did not think that we as members of parliament should entrust to the government powers which were wider than were necessary to carry out a desirable purpose. If he is of the same mind today—and I hope he is—I trust he will see no reason why he should not accept this amendment.

The DEPUTY CHAIRMAN: Before the minister speaks, may I say that it would be wise for any member of the committee who is moving an amendment to have copies for the minister and for the leaders of the other groups.

Mr. ILSLEY: This section has been referred to, not only by the hon. member for Kamloops but by the hon. member for Lake Centre, during the debate on this measure. I have made some inquiry about the section, the reason for it, and what the experience has been under it, and I should like to say something to the committee. This section was written into the order in council at an early stage in the war, at a time when it was sought to get as good men as possible in the employ of the wartime prices and trade board, men who would be called upon to discharge disagreeable duties which would cause immense resentment and which would interfere with the ordinary established course of the conduct of business. Naturally they considered a situation such as this where they would be or might be exposed to a large number of vexatious actions, both because their reputations would suffer somewhat and because of the interruption there would be in their duties. So this section, against which a strong theoretical case can be made, and has been made, was written into the order. I have made inquiries whether this section has been abused and I am informed that there is no evidence of any abuse of the

section. There has been no complaint from business or from persons who have seen the section in operation. Notwithstanding that fact, it is pretty hard to deny that the section goes too far, and I am going to suggest for the consideration of the committee some alterations in this section. It will undoubtedly be contended by the hon. member for Kamloops and others that the section should be deleted entirely.

Mr. FULTON: The first two sections.

Mr. ILSLEY: Section 15 (1) and (2). But if the section is deleted entirely the officers of the board will be exposed to proceedings by way of injunction or other proceedings of the type mentioned in section 15 (2). That is a consequence of the deletion of the section which they fear would be serious, more serious than changes to section 15 (1). Certain actions have been brought by way of injunction, and under the practice in the common law provinces at least—I do not know what the practice is in the province of Quebec—it is not too difficult to obtain an injunction for a few days. An injunction is applied for ex parte and the plaintiff takes in an affidavit and gets a restraining order for a while; four or five days it used to be in Nova Scotia. Notice is given to the other side and the question arises whether the injunction should be continued until the trial. But that period of a few days is extremely serious in some situations with which the board has to deal. It would mean that the thing that must be done from the point of view of law enforcement cannot be done if those few days of breathing space are given. Regardless of the merits of the case, and the board may have had the very best case in the world—

Mr. FULTON: If the minister can show that that is so, I think it would be an unanswerable argument, but I cannot visualize circumstances in which some serious consequences would follow through the board's not being able to take action for four or five days. Can the minister give us an illustration of the sort of serious situation that might arise through that delay?

Mr. ILSLEY: Let me take this case, and I hope my facts will be accurate; they will be nearly so at any rate. In July, 1946, the price ceiling was suspended on jute bags, among a number of other articles. As soon as the price ceiling was suspended, hoarded supplies of jute bags emerged and were placed on the market under conditions of an acute shortage at an extremely high price, a fifty per cent increase at least over the ceiling price that had been in effect. The persons who use those bags in their business immediately descended on the board and said that this profiteering, the result of speculation and guessing that the ceiling would be removed one of these days when a condition of scarcity could be taken advantage of, must end. Jute bags, although it does not sound imposing, are an important article of commerce, so that the ceiling was reimposed and the price put back to where it was before.

Mr. HACKETT: And the source of supply dried up.

Mr. ILSLEY: The bags were out at that time. Had it been possible for the dealers to have tied up the board by an action for just a few days those bags would have disappeared in every direction at fifty per cent or more above the ceiling price. That is one instance of what might happen.

An injunction was applied for in one case in British Columbia. It was alleged that the legislation was ultra vires or something of that kind and that, notwithstanding this provision, an injunction lay. That was an injunction to prevent any interference with the disposition of used cars at prices above the ceiling price. That action failed because the validity of the legislation was upheld. I have not traced the consequences. The consequences may not have been so serious in that case, because used cars would be such a commodity that not very much might happen in that interim, but we may have to deal with not just an interim period but up to the time of trial.

The officials feel that the remedy of injunction is an inappropriate remedy because the consequences may be serious. That does not mean that there should not be an action for damages in proper cases. There is no doubt that there should not be complete immunity for the officers of the board, and I agree to that extent with hon. gentlemen who have raised this point.

The question I have to try to answer is how far we can go in this system, which is not our normal system, in applying all the normal rules without destroying the effectiveness of the system. I am going to suggest an amendment to section 15 (1) for the consideration of the committee and invite their views upon it. I am not moving it at the moment. I am just putting it before the committee for their consideration:

That section 15 (1) be deleted and the following substituted therefor:

"15(1) No member of the board, administrator or other person employed or appointed by the board or acting on behalf of or under the authority of the board shall be liable for any act or omission in the exercise or performance or purported exercise or performance, in good

faith and on reasonable grounds, of any power, discretion, authority or duty conferred or imposed by or under these regulations."

That leaves the word "purported" in there. If we take that out entirely it means that there may be actions where these officials, in the discharge of very difficult obligations, may go over the line a little in the interpretation of the regulations. But if we provide that, so long as they do it in good faith and on reasonable grounds it would be for the court to decide whether they have a good defence. At the moment it seems to me that they are not getting more protection than the law should give them for the period of this act. Under the criminal law I understand, although I have not the section before me, that protection very similar to this is given to certain police officers who may make an arrest which they have not the right to make; but so long as they proceed on the reasonable and probable ground of good faith they are protected against action, even though they make an arrest without warrant. That is what I propose with regard to that section.

With regard to subsection 2, I do not want to give up the prohibition against injunction unless the overwhelming feeling of the committee is that we should do so, because the officials attach very much importance to it. There are certain changes which should be made in that subsection. I would suggest that it be altered to read in this way:

No proceedings by way of injunction, mandatory order, mandamus, prohibition or certiorari, shall be instituted against any member of the board, administrator or other person employed or appointed by the board or acting on behalf of or under the authority of the board for or in respect of any act or omission of himself or any other person in the exercise or purported exercise of any power, discretion or authority or in the performance or purported performance of any duty conferred or imposed by or under these regulations or otherwise heretofore conferred or imposed by the governor in council.

Two or three changes have been made in the section. I think more by inadvertence than anything else the section was drafted in unreasonable terms. The words "or otherwise" in the second line of the subsection clearly should come out, and it should be made clear that there is no power vested in the governor in council to confer further duties upon the board; that it is solely the duties which have been heretofore imposed by the board.

Mr. HACKETT: Does that mean anything more than there have been the prerogative writs in this particular case?

Mr. ILSLEY: No, it does not.

Mr. HACKETT: That is the gist of it?

[Mr. Ilsley.]

Mr. ILSLEY: That is what we should like to see from the point of view of enforcement. Many of these sections would not remain in any permanent legislation. I would not ask that they be put in permanent legislation, but this legislation is not going to last very long. I think that to a large extent we are entitled to rely upon the record of the wartime prices and trade board and its staff. They know very well that nothing would be more shortsighted than for them to rely upon arbitrary sections as a basis for the unwarranted exercise of authority, and they have not done so. If they have done so, it has not been brought to my attention, at any rate. I think they have been most responsible in the way in which they have discharged their duties; but this is a job which peculiarly exposes them to vexatious action by disgruntled persons unless they have some protection. I would suggest that they have the degree of protection which I have proposed here, and that it is not an unreasonable degree of protection.

Mr. JAENICKE: I shall not refer to that part of the speech of the hon. member for Kamloops which dealt with different political philosophies. After all, we of this group are not the ones who are presenting this bill to parliament. But as to the other part of his speech which was relevant, I must congratulate him. He may be surprised if I tell him that I largely agreed with him. I myself had intended to propose an amendment, not to strike out both of these sections but to amend them. I may say that my thunder has been stolen in that respect by the remarks just made by the Minister of Justice. I had intended to propose that subsection 1 be amended in a manner similar to that which the Minister of Justice has proposed by using the words "good faith". In spite of what the Minister of Justice has said, and with great respect, I still do not see where we need the words, "or purported exercise or purported performance." I think the minister might see his way clear to omit these words.

With regard to subsection 2, I could not quite understand or fully grasp the amendment proposed by the minister, but I appreciate his remark with respect to an action for injunction. I cannot see where and why the right for prerogative writs are taken away. In that respect I fully support the hon. member for Kamloops. It may be that his amendment is to the effect that the prerogative writs are restored. After all, prerogative writs are for the purpose of compelling a public servant to do his duty, or for preventing him from doing anything that is

illegal. I do not think this should be in the act. It has nothing to do with controls, and the act can be enforced without taking away the right to these prerogative writs.

Mr. DIEFENBAKER: How times do change. The other day I dealt with this particular section and the Secretary of State for External Affairs, in lachrymose tones and with much breast beating, indicated that all was well; that there was no ground whatever for the objections which I raised to this particular section. Naturally it is a matter of satisfaction to find that when the Minister of Justice spoke—and both ministers spoke in my absence since I unfortunately had to leave the house at that time—he said, referring to myself, that some of my points may be very good, but he also said that he did not know whether they were or not.

Mr. ILSLEY: That is correct.

Mr. DIEFENBAKER: Apparently he has reviewed the points which I raised at that time and has concluded that, so far as this section was concerned, my objections were well founded, because the point which I was endeavouring to make the other day was that in this country the right to justice should not depend on the status of the individual; that the master should enjoy no advantage at the expense of the servant, nor should the servants of the Canadian people enjoy advantage over the people as a whole, their employers.

I am quite interested to learn of the attitude taken by the hon. member for Kindersley, because, until the amendment was suggested by the Minister of Justice, there was no suggestion on his part that he would take that attitude. This is the first time there has ever been a suggestion on the part of those to my left—

Mr. JAENICKE: I rise to a point of order. The hon. member knows that I rose before the Minister of Justice rose, and I was prepared to make my statement before the minister spoke.

Mr. DIEFENBAKER: Deathbed repentances are acceptable and appreciated.

Mr. MARTIN: And are always good for salvation.

Mr. DIEFENBAKER: What did the minister say?

Mr. MARTIN: They help in the matter of salvation.

Mr. DIEFENBAKER: They do, and with the assistance of my theological friend across the way may I pass that information on to the hon. member for Kindersley?

Mr. MacINNIS: Self-congratulation.

Mr. DIEFENBAKER: I am glad to hear of the attitude taken by the hon. member for Kindersley, because this is one of the things that the opposition in Saskatchewan has been contending for with no little difficulty.

Mr. KNOWLES: I rise to a point of order. Before this starts, I want to know if one will be permitted to answer—

The DEPUTY CHAIRMAN: Order.

Mr. KNOWLES: Are we discussing Saskatchewan or the wartime prices and trade board?

The DEPUTY CHAIRMAN: I suggest to the hon. member for Lake Centre that he deal with the matter before us.

Mr. DIEFENBAKER: Mr. Chairman, I am just referring—I will not continue if you do not want me to—to the wonderful change of attitude on the part of my hon. friends to the left who, for the first time, on this occasion have stated that they would in any way support measures for the protection of the subject against the autocracy of a bureaucrat.

Mr. MacINNIS: Baloney.

Mr. DIEFENBAKER: My hon. friend speaks with authority on that. I will not argue with him there.

Mr. MacINNIS: You are an expert on it right now.

Mr. DIEFENBAKER: I cannot, Mr. Chairman, argue with so much garrulous gabbling going on. I am glad the minister has gone as far as he has. As regards the suggested amendment, I think it does in large measure remove the objections that I raised here the other day. No one wants to stifle or to strangle the operation of the law by placing the administrative officials in a position where they cannot act, and the addition of the words "bona fide" exercise go a long way toward removing my objections to the section in question; for, as the section stood before, the officials, the administrators and the employees could do as they pleased, could act as they chose, could exceed their authority and yet be entirely immune from being brought before the courts of law. But when my right hon. friend says, of the board's operations, "Rely upon their record", that is where I disagree.

I know that in my own province certain officials of the wartime prices and trade board —and it is a fact generally across the dominion—have harried and hounded honest business men, and have acted most unfairly in catechiz-

ing and interrogating individuals honestly endeavouring to carry out the law. These officials have exceeded their authority on many occasions. It is impossible for the head officials to control these employees unless the individual has the right, where excessive authority has been taken by the sub-official, to proceed against the employee. I know in the administration of ceiling prices where agents of the wartime prices and trade board have provoked the commission of offences and, having induced and provoked them, have proceeded afterwards with prosecutions.

I might refer to one particular case though it is past now. In that case—and there are many of them—an honest man was induced, as a result of solicitation over a long period of time, to break the law. The person who solicited him to sell a car over the price ceiling went to the wartime prices and trade board and advised them of the fact that this man had a car for sale, but that he was afraid to pay over the ceiling because he did not know whether he could get the excess back. The official in Saskatoon—I refer to the Kimbley case, which is known to the minister—

Mr. ILSLEY: No, I do not know of it.

Mr. DIEFENBAKER: —and the wartime prices and trade board told this investigator, self-appointed, because he was not one of the officials, that they were with him, and if the sale was effected they would see to it that if he purchased the car over the price ceiling he would get back the excess, and in order to assist him marked the purchase money in advance so that if the vendor yielded to the solicitations of the purchaser, the purchaser would get back the excess. This man was afterwards proceeded against, and the conviction was upheld in the court of appeal of Saskatchewan, the judges in that court offering the sternest objection to that type of thing, the inducing of the commission of an offence and, after having induced its commission, the punishment of the wrongdoer, but having no alternative but to find the seller guilty.

That was a case where an individual who induced the commission of the offence should have been liable in the courts of law to a charge of conspiracy for the commission of an offence against the wartime prices and trade regulations.

Under the amendment proposed, I take it that any person finding himself the victim of a conspiracy may now take proceedings against these individuals, operatives if you will, who, inducing the commission of the offence by conspiracy, finally secure their desired purposes.

There is no need, in the enforcement of law, and no justification for agents provocateurs to be appointed, whose work consists in endeavouring to secure the commission of offences. Investigators, yes. But the men in the Kimbley case who operated for the wartime prices and trade board were not investigators, and the man from whom the car was purchased had never before been suspected. He was an honourable man; but, as a result of provocation, as a result, if you will, of greed induced by continuous solicitation he finally committed an offence.

That sort of thing cannot be justified, and I am pleased to find that the minister, realizing the necessity, on the one hand, of the board having necessary powers, is prepared at the same time to go as far as he is going in placing individual citizens in this country on a footing of equality before the law with the representatives of the board. Up to the present time that equality has not existed.

The Secretary of State for External Affairs seemed the other day to be under the impression that, while the conduct of the wartime prices and trade board officials may have been harsh on occasion, and unfair, nevertheless it had been good for the Canadian people. Sir, however beneficial the results may have been, there can be no justification for wrongdoing on the part of officials and investigators. I think, too, that consideration should be given to reducing the army of investigators in this country today. The latest figures I have been able to secure show that there are 766 investigators operating with a view to ascertaining the commission of offences. I do not think there is any necessity for that army of investigators, having regard to the fact that throughout this country we have the Royal Canadian Mounted Police, who, in a matter of a few days, can do more effective work than any such investigators.

I think, too, while I have not the latest figures, that the numbers employed today in connection with the prices board having regard to the diminution in the work consequent on decontrol, might very well be reduced. The latest figures I have give the number as 4,418.

As far as I am concerned—I do not know what the hon. member for Kamloops thinks—the amendment of the minister fairly well covers the situation, although I join with the hon. member for Kindersley in suggesting that the word "purported" should be removed, the purported exercise of authority. I agree that

no proceedings by way of injunction, mandatory order, mandamus, prohibition, certiorari should be instituted against any member of the board for or in respect of any act or omission of himself in the exercise of any power, discretion or authority under the act. The use of the word "purported" makes it unnecessarily wide. It may well grant to the individual wrongdoer a protection which I am sure the minister does not want to grant. There can be no doubt today about the exercise of powers. They are set forth in the regulations. The official is either acting under those regulations or he is not. There cannot be a halfway house, that while he was not acting under them, he was purporting so to act.

Mr. BRUNELLE: Cases are not all alike. There may be different cases.

Mr. DIEFENBAKER: Obviously that is so.

Mr. BRUNELLE: That would justify this word.

Mr. DIEFENBAKER: That is obviously so. If what the minister has in mind is that when an officer goes out to investigate one type of offence and during the course of the investigation ascertains another type of offence being committed, he should be protected in a case such as that, I believe that he should; because in a recent judgment in the court of appeal in England the court held that if a police officer arrested an individual for one offence, and while he was in custody took it upon himself to charge him with another offence without formal discharge and another arrest, that policeman became open to an action for false imprisonment. Up to the present time police officers have often arrested a man on a charge of vagrancy, kept him in custody for a few days and, while he was in custody, charged him with murder. The court of appeal in England has held that that no longer can be done and that a police officer is subject to damages if he arrests a man on one charge and holds him in custody, then later on changes his mind and charges another offence. If that is what the use of the word "purported" is endeavouring to get around, I am prepared to accept that. But if the word "purported" is interpreted in its ordinary sense, I think the minister is asking for too wide powers for the officials administering the regulations.

Mr. ILSLEY: The reason for the necessity of the word "purported" or some similar word is this, and I should like to have the hon. member for Kindersley direct his attention to what I am going to submit. I submit that if the word "purported" is taken out, there is no protection; because if an officer is acting in the exercise of his authority, there is no action against him. At least, that would be argued. That may not be completely so, but I think it is, that if he is acting in the exercise of his authority there is no action against him at all. This is merely to cover cases when, honestly and on reasonable grounds, an official of the board transgresses a little, goes a little beyond his authority and a case arises against him. This section gives him protection. That is subsection 1. That is the reason why, unless some word like "purported" is in there, protection is not really given; because once he got outside the bounds of the exercise of his authority he would not get any protection at all under the section if we took the word "purported" out, and that is the very case in which it is desired to give him some protection.

Mr. DIEFENBAKER: Would this cover the situation, "purported in good faith"?

Mr. ILSLEY: That is what it does do.

Mr. DIEFENBAKER: It does not say that.

Mr. FULTON: Subsection 2 that is spoken of by the minister does not say "in good faith".

Mr. ILSLEY: I am talking about subsection 1. When I come to subsection 2, I shall deal with it. But not only the words "in good faith" but the words "in good faith and on reasonable grounds" are used in subsection 1.

Mr. DIEFENBAKER: Yes.

Mr. ILSLEY: I think that is as far as we should be asked to go. With regard to this removal of the remedy by prerogative writs, as I think they are called, or writs of certiorari or applications for injunction—

Mr. JAENICKE: I do not mean "injunction"; just prerogative writs, mandamus, prohibition and certiorari.

Mr. ILSLEY: With regard to those writs, what was the hon. gentleman's submission?

Mr. JAENICKE: An injunction is an ordinary writ. The others are prerogative writs.

Mr. ILSLEY: Nothing turns on the phraseology. What this section does is say that these proceedings will not lie at all against members of the board or other persons employed or appointed by the board when they are doing or purporting to do their duties; that is all. The other remedy is the remedy of damages which is preserved by subsection 1.

Mr. FULTON: Might I ask the minister a question with regard to subsection 2, in order

to help us see the way clearly if we can, if I may put it in that way? We have said that we are trying to get at the best way to go about this thing, and he was kind enough to give us an illustration of why, in his opinion, it was necessary to keep subsection 2 in something like its present form. Would this meet the type of case the minister has in mind? If a ceiling is removed and a hidden supply comes on the market, then, as I see it, there would be nothing to prevent the board from reimposing the ceiling. Then all the penal clauses for selling above the ceiling would apply. There might be an injunction against seizing the goods, which would prevent that aspect of it from being enforced. Nevertheless, if the goods were sold at a price above the reimposed ceiling price, contrary to the order, if an action is brought in the court against the board and the board is upheld, then the penalty against the sale will apply and the wrongdoer can be fined and is subject to the heavy penalties that exist. I do not think it would be worth anybody's while to sell goods above the reimposed ceiling price until the action in court was disposed of, so I think that part of the minister's objection might be met. Might I suggest this solution? Since we attach considerable importance to subsection 2 as well as subsection 1 of paragraph 15, and since subsection 1 appears to have gone a long way, if I may put it in this way, toward meeting what we have in mind, could we ask that the whole thing be allowed to stand? Perhaps that will give us more time to consider whether the minister's suggestion, with perhaps some modification, would meet what we have in mind before we continue talking?

Mr. ILSLEY: All right; we will let it stand; but when my hon. friend considers it I think he will realize that to put the words "in good faith" in subsection 2 would be inappropriate, because good faith is a defence which is raised by the defendant, and would have to be proved by the defendant. What does it mean to get an injunction only in a case where there is not good faith? Does that mean the plaintiff has to produce some evidence of lack of good faith?

Mr. FULTON: What I would rather do is cut out the word "purported", which would confine him strictly to the exercise of his power, and that is the thing we are trying to do.

Mr. ST. LAURENT: I think removal of the word "purported" would take away the whole effect of the subsection. Here the allegation would be, and it must be in order to obtain an injunction, that the officer is acting illegally, is not in the proper exercise of his powers, there would be room for the injunction. This is only to say that this matter will not be tried summarily by injunction, and will not be stopped by an interim injunction; but if anyone thinks anything is wrong, the officer will be responsible for it under subsection 1 unless he can prove that he did it in good faith and on reasonable grounds. So I think we have improperly. If there is an allegation that he to leave the word "purported" in this second paragraph in order to keep it operative at all.

Mr. ILSLEY: May I just add that these provisions are not peculiar to this order. They are of more importance, perhaps, in the emergency shelter order and in one or two others. These provisions are in three or four orders, and probably the language on which we agree here will go in the others as well, so that we have to think of the significance in reference to those others. I have in mind the importance of protection in the field of emergency housing, for example, where there is danger of actions for trespass on slight provocation, because people get very angry—at least in my province they do—when matters of land or possession are involved. That is a case where we must be careful about the language we use.

There is another point I want to offer hon. members for their consideration. That is, no action against the crown is taken away by this section. This merely removes the right of action against the individual, the member or officer of the board. The crown is not ordinarily liable in tort, except under the Exchequer Court Act.

Mr. HACKETT: And there you have to have a fiat.

Mr. ILSLEY: I will recommend a fiat; I can say that right now.

Mr. DIEFENBAKER: I do not think there is any action against the crown if there is no right against the servant of the crown. If section 15 remains in its present form there is no right of action against the servant. He cannot do wrong; and if the servant can do no wrong, certainly the master can do no wrong. I think, on reconsideration, the minister will conclude that if the individual operating on behalf of the crown commits no offence, whether he trespasses on the rights of the individual or not then certainly there could be no right of action arising therefrom against the crown, even though the Minister of Justice might grant a fiat.

Mr. ST. LAURENT: I think the hon. member is going too far there. This does not say the agent of the crown does no wrong. It says

though he does wrong, if he does it in good faith and on probable cause, he will not be liable for damages; but the Exchequer Court Act provides that if damages are caused by an agent of the crown, the crown shall be liable for them.

Mr. JAENICKE: Would the minister consider, during the dinner recess, a suggestion to take out the words "mandatory order, mandamus, prohibition, certiorari" and leave in the word "injunction"? That would make it read, "No proceeding by way of injunction shall be instituted against any member of the board."

Mr. ILSLEY: I will consider that, but I think there is the same objection to the liability to a mandamus, for example, as there is to an injunction.

Mr. JAENICKE: It is hardly likely a writ of mandamus would ever be taken out against a member of the board. I cannot imagine a circumstance under which that would be done.

Mr. BRUNELLE: What about the issuance of licences?

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

WILD LIFE

PROVISION FOR JACK MINER NATIONAL WILD LIFE WEEK

Mr. J. R. MacNICOL (Davenport) moved the second reading of Bill No. 2, respecting a Jack Miner national wild life week.

He said: Mr. Speaker, as an advocate of the conservation of Canada's natural resources and an opponent of their useless and needless destruction, I look upon this wild life bill as being a step in the direction of conservation because it will promote a programme of conservation in a field which has been largely neglected, that of wild life conservation, and particularly that of wild fowl such as geese, ducks and insectivorous birds. I am convinced that when the bill is in operation, as I believe it soon will be, the same results will accrue in Canada that have accrued in the United States from a similar wild life conservation programme.

Commencing on March 16 last and continuing up to and including March 22, the United States observed a national wild life week. This was the tenth anniversary week of the national wild life programme in the United States. During that week, over the radio, through the press and on a thousand and one platforms throughout the United States the people of the United States were informed by various wild life organizations, wild fowl organizations, game and fish organizations and so on, of the tremendous and beneficial results which had accrued to the nation as a result of their wild life programme. The society in the United States which promotes and which inaugurated the programme is the United States wild life federation. I am assured that in this country the Jack Miner foundation will promote and inaugurate a similar programme.

Those who are familiar with the wild life problem will remember that toward the end of the last century and the beginning of this century both the United States and Canada were greatly alarmed over the trend toward extinction of wild life. I remember when I was a young lad I read many times that the Canada goose was on its way out, that in fact it was very rare. However, thanks to the wild life federation of the United States and the programme they have carried out, which included the sending out of literature prepared by themselves and by various United States government bodies such as the wild life bureau, the insectivorous birds bureau, the wild game and fish bureau, the downward trend toward extinction of wild life in the United States was stopped, and it began to move upward until today their wild life resources are of tremendous value. I shall not weary the house with figures. Today I received from the capital of Pennsylvania a telegram signed by Seth Gordon, executive director of the Pennsylvania game commission. It is addressed to myself and reads:

> Conservationists generally throughout the United States are greatly heartened to learn that you are sponsoring a proposal to establish a wild life week in recognition of the wonderful work done by Jack Miner. We wish you every success in this worthy recognition of one of North America's pioneer conservationists.

During the course of my travels in the United States, I inquired in the different state capitals about wild life conservation measures, and I was heartened to hear everywhere that they accorded to Canada's pioneer conservationist, the late Jack Miner, a preeminent position as the originator of the whole continental wild life conservation programme. The late Jack Miner in the early days of this century made two great announcements outlining the means of stopping the downward trend toward wild life extinction. First, he said that it would be necessary to build or create sanctuaries along the lines of flight of wild fowl from their winter habitat in the south to the breed-

ing places in the north. Second, he said that the habitats themselves should be preserved and extended.

In connection with the first, he set up his continental example. On his own farm in the beautiful county of Essex he created in the township of Gosfield, some four miles from lake Erie, the first wild life sanctuary, I am informed, created anywhere in America, and that sanctuary has been expanded until today it covers some four hundred acres of land. People come there from all over the United States to learn how to start sanctuaries, and Jack Miner lived to see the day when a line of sanctuaries stretched along the flight of the birds from the gulf of Mexico right to the Arctic ocean.

I am happy to say, Your Honour, that one of the best wild life sanctuaries in our own north country, not the far north, but still well to the north, was built by a member of this house, the hon. member who seconds this bill, himself a great conservationist of whose work this country should be proud. I refer to the hon. member for Cochrane (Mr. Bradette).

Jack Miner travelled extensively, inquiring into the natural habitats of the birds in the south and to the north, and to complete his information he started tagging the wild fowl, which when he commenced that work would not amount to more than perhaps half a dozen to two dozen birds; but I venture to say that on this very night there are no fewer than thirty thousand to fifty thousand wild geese flying out from Jack Miner's sanctuary to the lake, and tomorrow they will return. It is one of the greatest spectacles the eye of man can see, forty or fifty thousand geese in the sky, flying in new formations every second, truly an entrancing spectacle. It is no wonder that the national tourist bureau here in Ottawa has said that that sanctuary attracts more tourists than any other single tourist attraction in Canada. That is a credit to Canada's great naturalist, to the man who was preeminently the greatest conservator of wild life on this continent. The information he gathered through tagging the birds, putting bands on the legs of the geese, smaller bands on the ducks and still smaller bands on the insectivorous birds is most valuable, and on many occasions the United States has sent its wild life directors to gather first-hand information from Jack Miner. That was a most valuable work he did and he did it, as we all know, at his own expense. He devoted his whole lifetime to the cause of wild life conservation. It is a wonderful thing to me to see men devote their lives to building up their country as Jack Miner did as a great conservator of wild life, and in doing what he did to develop one of Canada's great resources he did a valuable work for Canada.

The United States has had some difficulty in arriving at a date on which a national wild life week shall be observed. They have had several different dates in March and in April. I believe one of the latest ones was the 14th of April, but finally they settled on the first day of spring. I am convinced, however, that when we pass this bill the great republic in due course, because of the suitability of the 10th day of April, will fall into line with us and adopt that date, so that the whole continent will be observing the same week as wild life week. I shall do my best to promote the week in which April 10 falls, the anniversary of the birthday of Jack Miner, as the week to be celebrated by all America as national wild life week.

I have received thousands of letters supporting this bill, and occasionally some people would ask me why I did not name some other prominent man, that there were other naturalists. It is true that there were. Audubon was a great naturalist. He was born in France and lived in Louisiana. I read all about him when I was in New Orleans in Audubon park, which is one of the greatest parks in the world. But his conservation was not along the same lines as Jack Miner's. Audubon was a great painter and a great promoter of preserving birds, dead birds, stuffed by taxidermists and kept in museums. Some have asked me why I did not use the name of Ernest Thompson Seton. He too is a great man, still living, I believe, and famous as a writer of stories for children on animals and birds. But Jack Miner was a conservator and in that field he was first and preeminent and has never been surpassed.

Others have asked me why I did not choose some great surgeon or scientist or theologian. It is true that these men deserve everything that we can do to commemorate their work. Take the great work of Doctor Banting, for example, which has been of untold benefit to humanity. He has been highly honoured by his native province and his country. He was granted a large donation and pension by the province of Ontario, and his country was instrumental in bestowing knighthood upon him. These men are all entitled to the honours that have come to them. They were nearly all educated in universities, but this preeminent conservator in the county of Essex attended no university. His school was in the back woods of Gosfield township; his rifle was his pen, and his traps were his books. From his youth he was in contact with the

wild life of Essex county. He was a crack shot. He could hit a half-dollar five times out of five at a much greater distance than most people. It was in Essex county that he learned to love wild life. The woods and swamps of the beautiful county of Essex inspired in him a love of wild life and to do what he has done for this country and for the rest of this continent. Today his name is known and his memory respected throughout the world, and I am happy indeed to have the honour of moving this bill in his memory and to his honour for what he has done.

I believe that the government is going to permit the bill to pass with some slight amendments with which I am quite in accord, and so in closing, Your Honour, I should just like to say that Canada must have a wild life week. The letters which I have received, and which I am sure the minister has received, from departments of government in our provinces and from the premiers of our provinces are almost unanimous in endorsing that Canada should have a wild life week. That is No. 1—almost unanimous endorsation of a wild life week. I find, secondly, almost unanimous endorsation that the week should be the one in which the 10th day of April occurs, the anniversary of Jack Miner's birthday.

I am satisfied that if we pass this bill the result will be great so far as wild life conservation in this country is concerned. I have had a stupendous number of endorsations but I shall not take up the time of the house to read them tonight. They have come from all across America, from London, England, and from every state in the American union. I shall give the names of a few of the bodies that have written me and, I presume, have also written to the department, for I have found the minister very cooperative in endorsing Canada's having a national wild life week. Contained within that week should be the birthday of Jack Miner, which is April 10. I have received endorsations from great companies like the Ford Motor Company, which is the greatest of its kind in the world; the Chrysler corporation, which is almost as great, and Detroit Street Railway Company. I have received communications from a multitude of associations. Among them are found the following: The Alberta Motor Association; the Outdoor Writers' Association of Ohio; the National Wild Life Federation of Washington, D.C.; the Maryland Fish and Game Association, U.S.A.; the Wild Life Management Institute, Washington; the Canadian National Parks Association, Calgary. At this point I should like to pay a word of tribute to the secretary of that association, Mr. W. J. Selby Walker, who is an enthusiastic naturalist and a man of whom the country may well be proud because of the work he has done toward wild life conservation.

I have had a multitude of endorsations from towns and cities throughout Canada: Montreal, Ottawa, Hamilton, London, Toronto, and from societies for the prevention of cruelty to animals. They have professed their words of endorsation. Finally, I have received endorsations from boards of education and chambers of commerce. It would take me all the rest of the evening to mention them all. As I say, I have received endorsations from chambers of commerce, or boards of trade and county councils and city councils such as Windsor and Wiarton, Kingsville, Sandwich, Waterloo, Kitchener, Brantford, Sarnia, Winnipeg, Regina, Kamloops, Edmonton. I have received endorsations from provincial authorities, to whom I referred a moment or two ago. Eight of the nine provinces endorsed this legislation and the ninth reported that they would support whatever we did here. Therefore it adds up to almost unanimous endorsation.

In moving the second reading of this bill, I have set an example in that I have taken only about fifteen minutes, and if those who follow me do not take too long, and if it does not get through by nine o'clock, perhaps the minister and the house will consent to an extension of time so that we may try to get the bill through tonight.

Mr. J. A. BRADETTE (Cochrane): I appreciate highly the privilege which was extended to me by the hon. member for Davenport (Mr. MacNicol) in permitting me to second this bill. Before I proceed with my remarks, I wish to pay a word of tribute to the hon. member for Davenport who well deserves it. He is a well qualified man to speak on this subject. He has followed a straight line so far as conservation and preservation are concerned. We have listened to him on many occasions giving lectures and talks on irrigation and conservation of soil and so forth. Therefore it is a pleasant duty for me to spend a few minutes of the time of the house on a matter which is very important and absolutely above party lines.

To some extent I am a little disappointed because it was not possible to make this national wild life bill a Jack Miner bill. Perhaps I am somewhat of a provincialist in that regard; but I am convinced that no man living in Canada has done so much for conservation and preservation of our wild life as has Jack Miner. Being a citizen of

Ontario, naturally I have thought that the name "Jack Miner Week" would be acceptable, but we must also consider other sections of Canada. I presume that is one of the main reasons why the title of the bill had to be changed. But this is the occasion and the place for northern Ontario more particularly to say to Manly Miner how much we appreciate the work of his father in the newer sections of Canada, and also the work that the son is doing at the present time in old Ontario. We must realize this. We have been bountifully blessed with the great gifts of nature; yet we are great wasters; we are wasters of our soil, of some of our rural establishments, of our forests and also of our wild fowl and wild animal life. We should bring vividly and forcibly to the attention of our Canadian people that the time has surely come when every man and woman in the country should be a conservationist to the fullest extent. I speak feelingly on this matter, because only forty short years ago when we went into our new sections of northern Ontario, in the wonderful clay belt, as settlers, we knew to some extent that we had to destroy the forest. But I do not think it ever came to the minds of the pioneers that it would be necessary to slaughter the fine herds of moose that were there and the wild life which was then in the northern sections of northern Ontario. In that section, as in every other section of Canada, we have been wasteful to a very large extent indeed. Of necessity these days are gone. That should be one of the finest reminders to our Canadian people in establishing a week of this kind, so well propounded in the present bill.

If it were possible I should like every citizen of Canada to go into the southern section of Hudson bay and the James bay region in the fall of the year, the latter part of October or the first part of November, where they would see wild geese and wild ducks not by the hundreds of thousands but by the millions. Hon. members may not believe that but it is absolutely true. At the moment we feel more secure, because we know they will be well protected when they reach the southern sections of the United States by the fine organizations which have been set up there to protect these birds. We know what Ducks Unlimited has accomplished in the northern and western sections of the western provinces, and also what it has accomplished in every section of Canada. At one time we were fearful that the wild duck life would be so depleted that it might disappear as have some of the birds which our fathers knew as part of the wild life population of this country. For that reason I wish to be brief because we hope and expect that this bill will pass with as little deliberation as possible.

I wish to mention again what has been accomplished by Jack Miner. What he has done will always be to us a great lesson in what can be done, and it is being well propagated at the present time by his son. I trust that national wild life week will be taught in our schools, because at the present time there are very few schools which do not include in their curriculum something on conservationism and preservation of our wild life and also of our natural resources. Without elaborating any further, may I say that it is with the greatest pleasure that I second this bill in the hope that it will receive unanimous support from every section of the house.

Mr. D. F. BROWN (Essex West): Mr. Speaker, in rising to support this bill, I do so not merely personally, but at the request of the mayor of the city of Windsor, and on behalf of the Essex county tourist association and the Essex county sportsmen's association and, I feel sure, on behalf of all citizens of Essex county and western Ontario.

You have heard, during the course of this debate, that the late Jack Miner was a farmer and operator of a tile yard in the county of Essex at Kingsville near the city of Windsor. In his early years, in his desire to protect the wild fowl migrating to the north and south in the spring and fall, he created a sanctuary where, at his own expense, these fowl were fed grain and provided a landing and resting place in a small secluded pond. In order to note the habits of the migrating birds, and to encourage the preservation of wild life, he employed a novel scheme which was destined, in time to come, to make him a world figure.

There are many points throughout the North and South American continents which have been set aside as game sanctuaries, none of which has attained the prominence of that maintained by the late Jack Miner. It is true that the migrating habits at such other sanctuaries have been able to determine the habits of migrating birds in a cold, impersonal, statistical manner usually by the affixing of a band on a captured bird on which a certain serial number is engraved. Jack Miner, however, had a great respect for his fellow man. He had a great love for mankind. His life expressed a love for children and flowers and nature. This desire to be of help to mankind found expression in his scheme of attaching to the leg of a captured bird a little metal

band on which was impressed a short verse of scripture and the name "Jack Miner, Kingsville, Ontario, Canada."

It was not long after instituting his scheme until reports came to him from many parts of Canada, United States and South America of the capture of birds on which bands had been placed. Thus valuable information was obtained for the governments of Canada and the United States; but, in addition thereto, the good will of Canada was spread from Kingsville not only to different parts of northern Canada, but to the eastern part of the United States and to the northern part of South America, including Central America. Indians in northern Canada, upon shooting a bird with one of these bands, would take it to the missionary near them to find out what it was, and the missionary, upon explaining it, would have an opportunity in his work of expounding Christian doctrine. In Central and South America many natives learned their first English words by taking these bands to their parish priests or missionaries for translation and explanation.

Thus it was that the name "Jack Miner, Kingsville, Ontario, Canada," with the comforting and regenerating message, was spread throughout the American continents. But this was not all, for it attracted many of the leading educationalists, politicians, laymen and businessmen throughout the world. It was not uncommon for Jack Miner to have, as guests at his farm, persons from European countries, especially England, some of whom, to my personal knowledge, made the trip specially to visit him.

In time, partly through his geographical location but mostly because of the haven provided by Jack Miner, the birds came to regard the Miner sanctuary as a haven of refuge in their migration and a place where they might find food and rest. Usually the birds, during the daylight hours, remained close to the shores of lake Erie where it is not an uncommon sight, during the migrating seasons, to see tens of thousands of ducks, geese and white swans. Toward twilight the wild geese and ducks and sometimes the swans fly in from the lake to the Miner sanctuary where they receive food and then depart early in the morning. To say that Jack Miner was a local character is not correct, for he was an international figure with friends all over the world who had duplications of his sanctuary in many foreign countries.

The *War Cry*, the publication of the Salvation Army, in the April 5, 1947, issue says:

> Mr. Miner's life was not lived in just his home town of Kingsville, which he made famous throughout the world; but his name was so much a household word throughout the dominion that when one thinks of birds, the subject is inescapably linked up with the bird sanctuary.
>
> Let it be granted that other great ornithologists lived before Jack Miner, and live today; but their lives centred each around one locality, and what they left behind were, in a good many cases, dead specimens of birds, very rare bird skins for scientific study in schools, or exhibits in glass cases in museums.
>
> Miner's life-work, however, was very different to this. He left behind him living creatures, the actual living birds which our children and our children's children may see in their customary haunts and natural environment, and but for the famous naturalist's foresight and energy might today be extinct.
>
> To-day, because of the fact that Jack Miner lived, Canada possesses millions of living birds because he gave protection to their kind—a sanctuary from slaughter, a haven of rest on their long flight, and food. This heritage of bird life we owe to him, not only because of the well maintained sanctuary at Kingsville, but also because of the hundreds of bird refuges which his influence helped to create.

Jack Miner was, and is, even today probably the best advertising agent that Canada has ever had, for the advertising which he has obtained has been that which no money could buy. Practically every worth-while publication in the United States and other parts of the world has, at one time or another, carried news items and feature articles repeating the kindness, joy and gospel of conservation in the protection of wild fowl as expressed by Jack Miner.

On another occasion, I have had the privilege of referring to feature stories in the *Saturday Evening Post*, depicting the story of Jack Miner and telling of the attractions, people and privileges of the Dominion of Canada. I need not tell you, Mr. Speaker, of the tremendous circulation of this publication and of the value in dollars and cents to the Dominion of Canada.

The *Christian Science Monitor*, the great international daily newspaper, has also featured the story of Jack Miner which has been of advertising value for Canada throughout the world. The *Canadian Churchman*, the national Church of England news review, together with radio station CKLW at Windsor and other leading stations, many leading daily newspapers, weekly publications, magazines, have publicized the work of Jack Miner and the Dominion of Canada throughout the universe.

As I came into the house tonight I received a telegram advising me that in a recent radio broadcast were carried over C.B.C. by Claire Wallace there were 500,000 listeners in Canada —it was heard in 300,000 homes in this country

over twenty-nine stations. This says nothing about the millions who hear her in the United States which they have no way of estimating.

I think, however, that Jack Miner's greatest contribution to Canada from not only a social but a monetary point of view has been his assistance to and interest in the tourist industry in Canada. Last year I am informed that 20,875,701 tourists entered Canada from all ports. Of this number, 5,191,009 tourists entered by the port of Windsor, Ontario. I could quote at this point from the Windsor *Daily Star,* since this publication is read by the members of the house more than any other publication and is quoted more often, but I will give what others say. I will, therefore, read from a journal published some distance from Windsor and which perhaps is not as widely known. The reference is made from the November 28, 1946, issue of Watson, Sask., *Witness*:

Windsor, Ontario.—With the fall (November) migration of waterfowl at its peak at the world famous Jack Miner bird sanctuary twenty-five miles from here, the custom officers and immigration officers at this port of entry today said that "more people coming into Canada ask the way to Jack Miner's than any other place."

All United States and Canada has copied his bird sanctuary idea for conservation of bird life which is a national asset to this country. Although the late Jack Miner passed on two years ago it is good to know that his sons are carrying on the work more energetically than ever. Before Jack Miner died he said "What made my bird sanctuary such a success was because I took God in partnership with me." He started to put verses of scripture on his bird bands and in this way he secured the cooperation of the Jesuit priest and Anglican missionaries in Hudson and James bay, who acted as his agents in collecting them from the Indians and Eskimos. The verse of scripture on the band gave him the wholehearted cooperation of every church in North America; the banding of birds gave him the support of every sportsman, and thus the place has become so popular in attracting tourists from all over the world.

It is not an uncommon sight to see at the Miner sanctuary 500 motor cars, most of which have come from the United States; and, from a purely mercenary point of view, they leave many valuable dollars in the Dominion of Canada, and you can be sure that a dollar made in the tourist industry is worth every bit as much as a dollar made by growing wheat in western Canada.

Jack Miner passed on at his home and bird sanctuary, at Kingsville, Ontario, on November 3, 1944; but Jack Miner did not die, for the work that he accomplished has carried on and the human endeavour has been propagated in his three sons who have been doing the work instituted by the father, and Jack Miner's "Peace on earth, good will toward men" is still being spread all over the globe through the feathered friends which he made and protected.

Just recently I attended a gathering in Kingsville which was the twenty-fifth wedding anniversary of one of the sons, and there, leading businessmen of the United States, educationalists, professional people, radio commentators, editors, and the rest of us common folk, had an opportunity of again paying tribute to Jack Miner through his son. It is therefore my recommendation, Mr. Speaker, that this bill be given favourable consideration by the house.

Hon. PAUL MARTIN (Minister of National Health and Welfare): Mr. Speaker, I rise to speak for a few minutes, not only because of my own interest in this matter, but also because of the unavoidable absence of the hon. member for Essex South (Mr. Clark) in whose riding the Jack Miner bird sanctuary is situated. I am sure that the mover of this resolution would agree that the hon. member for Essex South has, throughout the years, displayed great interest in Jack Miner and his work. The hon. member for Essex South unfortunately found himself unable to be here tonight to add his voice in support of those who have already spoken. As the speaker preceding me has stated, Jack Miner was not only a citizen of Canada and a well known and useful citizen of the county of Essex, but by virtue of his great work in the field of conservation of wild life he may be said to have been almost a citizen of the world.

Those of us who live in Essex county look upon the Jack Miner foundation and the sanctuary as one of our most important possessions and one in which we have a great and legitimate pride, not only because of its attraction to tourists, but also because of the lesson it teaches to all of us, particularly to the children, of the importance of wild life. Not only did Jack Miner do much for the conservation of wild life; but his fine character, known particularly to those of us who live in Essex county, was such as to urge us, if for no other reason, to give our support to this bill in the form in which I understand it is to be placed later by the minister under whose department this matter comes. The government, through the Minister of Mines and Resources (Mr. Glen), has not failed to show its continued concern and interest in the great work of Jack Miner. Under the present Minister of Mines and Resources (Mr. Glen), the grant of $2,500 was increased, and the contribution now made annually by this govern-

ment, and through it, by parliament, to the Jack Miner foundation is in the amount of $5,000.

Speaking for those in our county, I may say that we are grateful to the members of this house for that grant and for their interest in this matter. So, Mr. Speaker, in order to give the minister time to speak on behalf of his department tonight, and in order that the bill may possibly be facilitated in its passage, I wish to join with those who have thus far spoken in commending to this house this commemorative week at a time to coincide with the birthday of Jack Miner, a great lover of nature; a great lover of the birds who make our life happier and more interesting; one who by his character was and is a great example, not only to those who knew him but also to those who will read about him in the years to come; the kind of man who made this world a better place in which to live.

Mr. M. J. COLDWELL (Rosetown-Biggar): May I just say one word. I do not wish to delay the passage of this bill, because I think we all want to allow the minister to make his statement and get into committee tonight.

All I wish to say is that I am heartily in support of this bill and of the idea behind it. In these days when the wild life has been depleted in the country, one's mind goes back over the years and one regrets that there was not such a figure as Jack Miner a century ago. Had there been we might still have had the North American pigeon, and the buffalo might have been in greater numbers across the western plains of Canada. Today we have an opportunity of teaching our boys and girls, as they grow up, the value of wild life, through the example of a man who devoted his life to the conservation of the wild life of Canada. On behalf of those around me, I have great pleasure in supporting the second reading of the bill.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I wish to support the principle of the bill introduced by the hon. member for Davenport (Mr. MacNicol). His zeal and diligence as a member have been most gratifying to those who have known him for many years in our city. He has been a leader in many spheres of public life in our city and has continuously risen in the esteem of his fellow citizens.

The purpose of the bill which the hon. member proposes is to proclaim the week of April 10 in each and every year as the Jack Miner national wild life week, April 10 being the anniversary of the birthday of the late Jack Miner, the great Canadian naturalist who devoted a lifetime to the cause of wild life conservation. For that reason it is most commendable. However I wish to point out that I think a week is too much. Perhaps there should be a day set aside.

There are educational features to this particular bill. I wish to call the attention of the house and the country to the fact that there has been wilful destruction of our forests. I think of the old country and what has been done to preserve the countryside in many ways. When I visit the summer resorts, I am almost appalled to see the wilful destruction around the countryside of the forests that we used to have years ago in this dominion. There is an educational feature to this bill, because in all the public and high schools and, I know, in the separate schools, considerable time has been devoted to the conservation of this particular kind of life.

I am sorry that more attention has not been given by the chairman and his committee on Indian and Eskimo affairs, and some action taken long ago, instead of talk. If we devoted more of our time to the Indians and Eskimos who devoted all their lives to the conservation of wild life in the forests, rivers and streams of this country, it would be much better. Here we have wasted two years in deciding whether they are citizens or not. They are the very people who saved the wild life in the forests and streams in the days of Frobisher, Jacques Cartier and John Cabot, and of the discovery of Hudson bay, the discovery of the Mackenzie, the Fraser, and the other great rivers that lead to the oceans. While I support the principle of the bill, I believe the time has come when we should really set aside about a day or two to give consideration to these people who have conserved the wild life of the country, who were the original settlers and who were here 180 years before your great race, Mr. Speaker, came to this country, the great French people. Nothing has been done for them to make them citizens and give them the rights of citizens.

I support the principle of the bill. I believe it will have a great educational effect in this country. I wish to commend the hon. gentleman who introduced it—one of the most indefatigable and beloved members of the House of Commons—for what he has done in this country not only for forest conservation and power development but in advancing many of the features of our public life.

Hon. J. A. GLEN (Minister of Mines and Resources): Mr. Speaker, I am sorry the time is getting on towards nine o'clock because I should like to have seen this bill go through. As the house will remember, last year we

had a similar bill, and I was forced to take exception to it on the ground that a precedent would have been established in regard to the setting apart of a national holiday named for an individual in the country. What I said then I would repeat now. I do not intend in any way to detract from the stature, reputation or prestige of Jack Miner, who was a national figure throughout Canada; but I did think at that time, and I suggested to the hon. gentleman who is sponsoring the bill, that the provinces should be consulted in this matter before we took it upon ourselves to pass such a bill. At that time I promised I would communicate with the provinces to get their reaction, and that I did. I sent a letter to the provincial ministers of mines and resources, and from them I received replies in which they expressed their unanimous opinion that it would be unwise to name a bill after an individual citizen of our country and identify his name with it. They were all in favour of having a national wild life week in Canada, in order that the people of this country might come to know just what our wild life means. I am not going to read all the communications, but will ask the house to accept my word that each provincial minister indicated to me that he did not think the bill should be associated with the name of an individual but that there should be a national wild life week.

I have consulted the sponsor of the bill, who in season and out of season has expressed the point of view that this should be considered the Jack Miner bill. I have suggested to him amendments which would eliminate the name of Jack Miner; and, as he said in his address, he has agreed to this suggestion. So I have no objection to the bill passing, on the understanding that I will move these amendments deleting the name of Jack Miner from the four clauses in which it appears, and setting up a national wild life week.

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

On section 1—Short title.

Mr. GLEN: I move that section 1 be amended by striking out the words "Jack Miner" in the first line thereof.

Amendment agreed to.

Section as amended agreed to.

On section 2—Jack Miner national wild life week.

Mr. GLEN: I move that section 2 be amended by striking out the words "Jack Miner" in the fourth line thereof.

Amendment agreed to.

Mr. REID: In the first amendment the minister moved the deletion of only two words. Does that not leave in the words "the Canadian internationally recognized bird lover"?

Mr. MacNICOL: That is not in section 1.

Section as amended agreed to.

On the preamble.

Mr. GLEN: I move that the following be deleted from the preamble:

Whereas the late Jack Miner, the Canadian internationally recognized bird lover and wild life conservationist, devoted a lifetime to the cause of wild life conservation; and whereas it is fitting that his outstanding service in this field can be commemorated; therefore

Amendment agreed to.

Preamble as amended agreed to.

On the title.

Mr. GLEN: I move that the title be amended by deleting therefrom the words "Jack Miner."

Amendment agreed to.

Title as amended agreed to.

Bill reported, read the third time and passed.

PENITENTIARY ACT

INSPECTION OF PENAL INSTITUTIONS BY GRAND JURY, ETC.

On the order:

Resuming the adjourned debate on the motion of Mr. Church for the second reading of Bill No. 12, an act to amend the Penitentiary Act, 1939.

Some hon. MEMBERS: Stand.

Mr. CHURCH: I should like to hear from the Minister of Justice with respect to this bill, the next evening we have private and public bills.

Mr. SPEAKER: Stand. The hour for private and public bills having been exhausted, the house will revert to the business under consideration at six o'clock.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed consideration in committee of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war—Mr. Ilsley—Mr. Golding in the chair.

The DEPUTY CHAIRMAN: When the committee rose at six o'clock we were dealing with order in council 8528 on page 3 of the schedule.

Mr. ILSLEY: If another column is not provided we shall not be able to amend the schedule. Therefore I move that the schedule to the act be amended by inserting therein immediately after the column entitled "Amending orders in council" a column entitled "Amendments."

Amendment agreed to.

Mr. FULTON: Before six o'clock the minister had given notice, as I understand it, that he would be prepared to move an amendment to section 15, subsections 1 and 2, of which he was kind enough to furnish us with copies. In the discussion which followed, the Minister of Justice and the Secretary of State for External Affairs pointed out that, as they read the suggestion put forward by the minister, if a person felt himself aggrieved by any act of a member of the board which that person felt was in excess of the authority of that member, then under section 15(1) he could bring an action in damages against that member. The onus would then be upon the member of the board to prove that he acted in good faith. That is my understanding. If that is correct, I feel that it goes practically all the way to meet the point which I had in mind this afternoon when I moved the amendment which is now before the committee. I would be happier if the words "by way of injunction" could be stricken out of the proposed section 15(2) but, as the minister has made what I might call a great concession toward meeting our views, I am not going to insist on that. Therefore, if it is the will of the committee I would ask permission to withdraw my amendment provided that the minister will move his.

The DEPUTY CHAIRMAN: Has the hon. member permission to withdraw his amendment?

Some hon. MEMBERS: Agreed.

Amendment (Mr. Fulton) withdrawn.

Mr. ILSLEY: I move:

That the following be inserted in the schedule to the act in the column entitled "amendments" so as to pertain to order in council P.C. 8528 of 1st November, 1941, as amended:

"15(1) No member of the board, administrator or other person employed or appointed by the board or acting on behalf of or under the authority of the board shall be liable for any act or omission in the exercise or performance or purported exercise or performance, in good faith and on reasonable grounds, of any power, discretion, authority or duty conferred or imposed by or under these regulations."

Amendment agreed to.

Mr. ILSLEY: I move:

That the following be inserted in the schedule to the act in the column entitled "amendments" so as to pertain to order in council P.C. 8528 of November 1, 1941, as amended:

"Section 15(2) is deleted and the following substituted therefor:

"15(2) No proceedings by way of injunction, mandatory order, mandamus, prohibition or certiorari, shall be instituted against any member of the board, administrator or other person employed or appointed by the board or acting on behalf of or under the authority of the board for or in respect of any act or omission of himself or any other person in the exercise or purported exercise of any power, discretion or authority or in the performance or purported performance of any duty conferred or imposed by or under these regulations or otherwise heretofore conferred or imposed by the governor in council."

Amendment agreed to.

Mr. KNOWLES: I feel that the moral of this discussion should be pointed out to the minister and the government. We have been discussing for no longer than an hour the wartime prices and trade board. As the minister has said, this is a body which, through the years, has been subject to a great deal of abuse. Earlier in this session it was suggested, by my hon. friends to my right in particular, that something pretty drastic had to be done with this board, and there was even the suggestion that maybe this was one of the orders in council they were opposed to.

I hope my hon. friends to the right will realize that at this particular moment I am not picking a quarrel with them, although I am not above doing it on other occasions. At this particular moment I am drawing the moral from the fact that they have not fought the wartime prices and trade board as we expected they would to indicate that there is far more sentiment in the country against the speedy decontrol of prices than I think the government has yet realized. We were led to believe that this was a pretty awful aggregation—

An hon. MEMBER: Only by you.

Mr. KNOWLES: Oh, no. Yet the only discussion we have had has been on the point of recourse to the courts and so on, on which we have been able to reach an agreement. I suggest earnestly to the minister and the government that they should consider seriously the result of this discussion and slow down in their policy of price decontrol. I think the members of the wartime prices and trade board who have been restive under the abuse

they have received should read *Hansard* and be encouraged as a result of this debate and realize that, after all, perhaps there is more appreciation of what they have been doing than is generally recognized. Perhaps one of the reasons there has been so little criticism today of the wartime prices and trade board is that the afternoon paper which comes to our desks predicts sixty cent butter on May 1. One can imagine the effect that will have upon the housewives, the consumers and the working people of Canada generally.

As I said, I rose just to urge the government to reconsider its policy with respect to price decontrol and to pay some attention to remarks such as those which have been addressed to the government by the hon. member for Spadina.

Mr. MERRITT: We have just had a short lecture from the hon. member for Winnipeg North Centre, and I in turn would like to point out to the minister the danger of following any conclusions the hon. member may draw from this or any other discussion.

I really rose to make a request of the minister. Later on, we shall be dealing with the order in council which has to do with timber control. That order in council cannot be discussed intelligently except in relation to prices. I should like to get the minister's consent that the passing of this particular item will not preclude the discussion of prices when we reach the timber control order.

Mr. ILSLEY: Yes, I agree that prices can be discussed under P.C. 1997 which relates to timber regulations.

Mr. FRASER: Merchants in my riding and in other ridings have objected to the way in which inspectors of the wartime prices and trade board check up on them. One butcher said to me, "Look out there; you will see in that car a man who used to be a bus driver. He comes in here and tells me how to run my butcher business". I was in a clothing store and the merchant said, "Look at that man. He is a butcher and he comes in here and tells me how to run my clothing business, I object to that; I do not think it is right. I think the wartime prices and trade board should have inspectors who are trained in their own business". The minister and his department should check on that.

Mr. ILSLEY: Was the hon. member referring to the number of investigators?

Mr. FRASER: I was stating that in one place a butcher pointed out two men in a car. I understand that these inspectors generally go around in twos.

[Mr. Knowles.]

An hon. MEMBER: For protection.

Mr. FRASER: "For protection", somebody says. The butcher was objecting to a bus driver telling him how to run his business and the clothing merchant was objecting to a butcher coming and telling him how to run his clothing business.

Mr. ILSLEY: I do not think they tell them how to run their business. Perhaps they tell them what the regulations are and check up to see whether they are complying with them. For the information of the hon. member the total number of investigators is 599.

Mr. FRASER: That is about 200 fewer than there were before?

Mr. ILSLEY: The number was 750 last year.

Mr. NICHOLSON: I should like to support what has been said by my deskmate, the hon. member for Winnipeg North Centre. Members in this section of the house protested at the sniping that went on during the war against public-spirited servants of the Canadian people who were unable to defend themselves in this parliament and who were doing, as the minister said this afternoon, a pretty thankless job in arguing with people all along the line. But it was in the public interest to have price control and some supervision over the distribution of goods in the country.

After I spoke last night, I was sent a clipping from the Toronto *Globe and Mail* of March 15, which reports that a survey had been made of Toronto homes in the lower income brackets, and forty-three per cent of the families interviewed intimated that there had been a decrease in their consumption of milk since the price of milk increased. I was also informed by a Canadian, who was living in Washington at the time of the disorderly retreat from price control there last summer, that he had been in the habit of lunching at one of the well-known restaurants in Washington where a meal cost $1.25, but that, after the lid had been taken off prices, the very same meal cost $2, and of course a ten per cent tip was expected on $2 instead of on $1.25. All along the line rising prices in the United States make it more difficult for people on fixed incomes to get by.

Before the Easter recess, members of the Progressive Conservative party were active in urging the government to retreat much more rapidly from price control. I notice that they were echoing the sentiments of the president of the Robert Simpson Company. I have a copy of his address to the shareholders of the company.

Mr. MERRITT: Is he public enemy No. 1 now?

Mr. NICHOLSON: I am not going to enter into a discussion of his shortcomings, but in this speech he recommends—

The DEPUTY CHAIRMAN: I think the member should speak to the item. He is now going back to the principle of the bill.

Mr. NICHOLSON: I was merely saying that a well-known Canadian outside this house was recommending the very same policy that had been recommended in this house by members of the Progressive Conservative party. But the fact remains that, while this discussion has been going on this afternoon and this evening, the Progressive Conservative party has not proposed that a single item should be taken out of the field of price control or pressed the government to abandon the whole price control policy. I urge the minister who is piloting this bill through the house and the government to take into consideration the sentiments that have been expressed in so many parts of Canada that they continue to try to keep prices in line with the spending ability of the Canadian people. The Minister of Justice was able to enlist the cooperation of housewives in all parts of Canada for the common good of all during the war, and it is not too late to expect a similar response if the government will give leadership in this critical period such as was given when a large number of our citizens were in the armed forces and when such a large percentage of our production was going into war. It does not make sense that we should now have runaway prices which work a great hardship on people with fixed incomes who are compelled to decrease their consumption of food and pay fabulous prices for inferior goods, as seems to be the trend in the United States and certainly will be the trend in Canada if we have any more rapid retreat from price control.

Mr. HARKNESS: The hon. member seems to have based his entire argument that, if a few controls were taken off, prices would go to astronomical heights in this country, on the price of meals in Washington. I was there myself during the parliamentary recess, and I can assure him that the price of meals in restaurants in Washington is very little different from what you pay in the city of Ottawa in comparable places. As a matter of fact you could get breakfast at a restaurant in Washington that would compare with Murray's here for ten or fifteen cents less than you would pay in Ottawa.

Mr. NICHOLSON: Where can you do that in Washington?

Mr. HARKNESS: I deliberately went to various kinds of places to get a cross-section and see what conditions were actually like, and I was agreeably surprised to find that prices there for comparable quality of meals and service were very little different from here. So that if the hon. member is going to base his argument on such premises he had better go down to Washington and eat a few meals there and find out the facts. Further, in my opinion, his logic and method of arguing has no better basis generally than it has in this case and that applies to his party generally. Did the hon. member want to ask a question?

Mr. NICHOLSON: Name two restaurants where you ate in Washington?

Mr. HARKNESS: I ate two or three meals in places called the Hot Shoppe. It is a place very similar to Murray's.

Mr. NICHOLSON: Tell that to Murray's.

Mr. HARKNESS: As I say the prices were a little cheaper in Washington. I cannot recall the names of all the restaurants I went to, but I can assure the hon. member that what I have said is correct. He will find very little difference in the prices of meals in Washington if he cares to make the trip.

Mr. HANSELL: I followed with some interest the remarks of the hon. member for Winnipeg North Centre, and in respect of them I say that, just so long as the principle of controls is maintained by the government, somebody must have the responsibility for control. Price controls were brought into existence for the specific purpose of avoiding the inflationary spiral that would take place if prices were not controlled. I think that is the reason why the wartime prices and trade board was brought into existence. I have always said that, so far as that is concerned, the wartime prices and trade board has done a pretty good job. If there has been any criticism of a harsh nature perhaps it has been with some of the, shall I say, minor officials, inspectors, whose duty it is to go around and perhaps act as shock absorbers, and, who, in the discharge of their duties, have become extremely unpopular. But from the point of view of controlling inflation the board has done a pretty good job.

The hon. member for Winnipeg North Centre suggested that, since there had been a recent decontrol of prices, a wave of resentment had arisen against these decontrols. Of course that is quite natural, because there will

be resentment the very moment any action touches the pockets of the people. I would point out, Mr. Chairman, something that is rather significant and singular. I do not know whether this has occurred to other hon. members or not, but the lifting of recent price ceilings has been done at the time during which this bill has been under discussion in this house. Whether that was purposely designed or not I do not know. The minister will perhaps say, "No; it is just done in the interests of the country"; but it did have the effect at least of a clever and strategic political manoeuvre, because naturally people are going to resent a rise in the price of consumer goods, especially goods such as my hon. friend referred to, butter for instance, which all people need and must buy, and the recent jump of $2 a ton on coal, something that is essential to the life of our Canadian people. This was all done during the time the bill was being discussed in the house, and during the time when hon. members had to take a stand. Would the effect have been the same—

The DEPUTY CHAIRMAN: Order. I again draw the hon. member's attention to the fact that he is discussing the principle of the bill which was decided on second reading. We should not spend our time now in dealing with the principle. The principle was accepted by the house. We are now dealing with the items. Again I ask for the support of every hon. member in this regard. If we deal with the items we shall make more progress.

Mr. HANSELL: Thank you very much, Mr. Chairman, for reminding me of that. Perhaps I used the wrong language. I shall speak now in terms of the direct action which has been taken by the wartime prices and trade board and which we are now discussing. I say that action was taken during the time we have been discussing the measure in respect to decontrol. I do not know that I need to add anything further to my remarks, but I believe that the effect would perhaps have been entirely different had the action of the wartime prices and trade board in its recent decontrol measure been left until this bill had been disposed of.

Mr. BLACK (Cumberland): Will the minister tell the committee where the authority was secured for the payment of subsidies on coal? I asked this question before the dinner recess, but he was not in a position to tell the committee at that time. He said he would make inquiries. I wish to point out that, while the subsidies on coal have lapsed, an undertaking was given by the Minister of Reconstruction and Supply on April 1 as set out on page 1956 of *Hansard* as follows:

[Mr. Hansell.]

But I should like it understood that the government is willing to reexamine the needs of the production of coal in the Cape Breton area and to reintroduce subsidies in that area, provided that there can be a settlement of the present labour dispute on a basis that promises that the industry will ultimately be restored to a healthy condition.

Then further down:

But I do want to say that the government is ready at any time to sit down with the union and with the operators and work out a form of subsidy which will permit that section of the country to resume the production of coal on a healthy basis.

Where will the authority be secured for carrying out the undertaking given by the Minister of Reconstruction and Supply when he was discussing this emergency powers bill on second reading?

Mr. HOWE: The authority is found in the Munitions and Supply Act. The funds used will be funds appropriated by parliament for that purpose. There is an item in the present appropriation to cover coal subsidies.

Mr. BLACK (Cumberland): From where have they been paid in recent months?

Mr. HOWE: The funds have been paid from the war appropriations.

Mr. BENTLEY: We have just finished with the section setting up the wartime prices and trade board regulations once again, continuing their authority to carry on the work which they have done and which they have been so well complimented on by others. At supper time tonight a lady who is the mother of two growing boys came to me. Her husband earns $90 a month, which is a government pay cheque. They pay $30 a month rent. It takes all their family allowances of the two children to buy milk for the children.

Mr. HACKETT: That is what they get it for.

Mr. BENTLEY: All right, but $90 a month is the pay cheque. Of that amount $30 has to go for rent. Butter will now cost them sixty cents a pound, according to the press. I am asking—

Mr. ILSLEY: What is the position which pays $90 a month?

Mr. BENTLEY: He is in the army.

Mr. HACKETT: He gets subsistence, and other things.

Mr. ILSLEY: No one in the army gets only $90 a month. Is that $90 a month in cash? That is just the start.

Mr. BENTLEY: I do not want to deal with anyone's personal affairs. I will tell the minister about the matter in private.

Mr. HACKETT: Do not make the statement that he is getting only $90 a month.

Mr. BENTLEY: He is getting $90 a month because of certain circumstances which I am not going to disclose here.

Mr. HACKETT: Do not talk about them then.

Mr. BENTLEY: I shall, because he has to keep a family. I am making my statement to the minister and not to the hon. member for Stanstead.

Mr. HACKETT: If you cannot speak about it openly do not talk about it.

Mr. BENTLEY: I am talking to the minister, and not to the hon. member for Stanstead. When he is the minister I shall talk to him.

Mr. HACKETT: Then the hon. member will have to wait a long time.

Mr. BENTLEY: Will the wartime prices and trade board, under the instructions and authority they have received from this committee tonight, be prepared to take some action to protect these people? This is not the only one. There are other families like this in Canada.

An hon. MEMBER: Does he get old age pension?

Mr. BENTLEY: He is not old enough to get old age pension and will not be for a little while. This is going to be a severe hardship on this man and on other people. I am asking that the government try to see that this kind of people are protected from further increases.

Mr. HACKETT: What kind of people?

Mr. BENTLEY: The kind of people that I am talking about tonight.

Mr. HACKETT: The kind of people you cannot talk about because you do not know about them or you will not tell.

Mr. BENTLEY: Yes, I do know about them. Why should I tell you about them? If the minister insists on my telling him I shall tell him. The hon. member for Stanstead does not know what he is talking about because he has his nose in a book. I am presenting this case to the government. My hon. friends the Tories who like to make funny remarks should read the funny papers.

P.C. 8528 as amended agreed to.

On P.C. 9029.

Mr. BENTLEY: Just a minute.

Mr. ILSLEY: I certainly cannot add any useful statement to the price control policy of the government. Perhaps I should not add anything at all to what I have already said. The hon. gentleman may have in mind that the government should go into a subsidy policy in order to keep down the price of food. But remember that the government is attacked from three positions: 1, by farmers who want higher prices; 2, by the consumers, who want lower prices; and 3, by the taxpayer, who wants lower taxes. A balance has to be struck between these conflicting claims.

Mr. BENTLEY: I appreciate the minister's position. He reminds me of the fellow who described the statesman as a politician held upright by equal pressure from all sides. I do not know whether that exactly describes his position but I can see his difficulty. Even his difficulty, however, is not as great as that of the families I have described, and the government should consider defying one or two sides of the pressure to make the weaker members of society a little more secure than they are at the present time.

Mr. BRACKEN: Can the minister say how many employees of the government receive $90 a month or less?

Mr. ILSLEY: I cannot say. I believe some grade 1 stenographers and grade 1 typists do, but there are not many of those if my recollection serves me correctly. Most of them are grade 2 now, and the pay of the grade 2 stenographer and grade 2 typist is, as I recollect, between $105 and $110.

Mr. HACKETT: What benefits does the soldier receive in excess of his pay?

Mr. ILSLEY: The private gets $95—$50 when he goes in and $45 for ration if he is not living in barracks, or alternatively, if he lives in barracks, the value placed on that is $45. That makes $95, and he gets hospitalization. He gets clothing and important pension privileges, and if he is married he gets the married allowance and so on. I cannot say what it is exactly, but I am sure I am justified in saying that the Canadian soldiers are well paid, and I would emphasize the "well paid". About a year ago there was fixed a scale which was quite satisfactory to everybody.

Mr. HACKETT: It is a fact that soldiers receive substantially more than $95.

Mr. ILSLEY: Oh, yes. The private starts with $95, in addition to pension privileges, medical attention and so on.

Mr. HACKETT: Clothing and marriage allowance.

Mr. ILSLEY: Yes.

Mr. HACKETT: And family allowance if he has children.

Mr. NICHOLSON: The leader of the opposition and the hon. member for Stanstead as well as the minister are creating the impression that there are very few people who get as low as $95, but the facts given by the dominion bureau of statistics show that a great many heads of households in Canada get $95 and less, and the hon. member for Swift Current is certainly not discussing an unusual case. He is speaking for a very large number of people and he makes a point that should be considered. What is to be done in the case of those getting $95 and less when butter goes to sixty cents? What is happening when they do not get milk for their children and when shoes are out of line and they have to buy inferior clothing? Something should be done to see that people in that category are enabled to look forward to the future with greater confidence than they now can.

Mr. HOWE: Will the hon. member tell us the type of employment that pays less than $95? What would a man be doing to earn less than that?

Mr. NICHOLSON: Anyone in my constituency who is clerking in a store or looking after His Majesty's mail, for example. I venture to say that ninety-five per cent of the postmasters in my constituency are getting less than $95 a month for a full-time job.

Mr. HACKETT: That is not their sole occupation.

Mr. NICHOLSON: It is the only income they have, and they have to keep open from eight o'clock in the morning till six o'clock at night.

Mr. MICHAUD: The housewife does that.

Mr. NICHOLSON: It is not the housewife's job.

Mr. KNOWLES: There are caretakers, night watchmen and people doing manual labour at minimum wage rates. I could show my hon. friend—

Mr. HOWE: What people doing manual labour can be employed for less than $95 a month?

Mr. KNOWLES: When I was home during the Easter recess there came to see me a man and his wife who were getting less than that. The man combined the jobs of night watchman and caretaker. He was a man of sixty-seven or sixty-eight years of age, not old enough to get the pension, and he got $85 a month for that kind of work. The point which the hon. member for Mackenzie tried to make was that we are getting away from the basic fact that there are many people whose income, even if it be $125 or $150, is not sufficient to meet the rising cost of living, to say nothing of old age pensioners who are trying to get along. The issue is price control.

Mr. HOWE: I can understand my hon. friend's point when he talks about $125 and $150, but the list of people who are fully employed, able-bodied men getting less than $95, is small.

Mr. BENTLEY: But all the people employed are not able-bodied people. Let the minister consult his own bureau of statistics and council of welfare. The facts are there for him to read. They are not on tap all the time in this chamber, but he knows the answers as well as we do.

Mr. KNIGHT: About a week ago I attended one of the most depressing meetings at which I have ever been present.

An hon. MEMBER: A C.C.F. meeting?

Mr. KNIGHT: I shall tell you about it.

The DEPUTY CHAIRMAN: Order.

Mr. KNIGHT: Mr. Chairman, this subject has been freely discussed and I should like to say something about it.

The DEPUTY CHAIRMAN: We have called P.C. 9029, wartime leasehold regulations, and an hon. member has been trying to get up several times to discuss it.

Mr. KNIGHT: I think this question should be disposed of. Other hon. gentlemen have expressed their views and I want just five minutes to state mine. As I say, I was at a meeting in Saskatoon. It was called by officials of this government, officials of the Department of Veterans Affairs. They called together the businessmen of Saskatoon, the board of trade and other citizens and their effort was to get the Saskatoon businessmen to employ old soldiers forty-five years of age, fifty years of age plus. They wanted to get some sort of jobs for these men to keep them alive. Some people suggested various low-paid jobs, and I contrasted to myself the picture of the boys going out in 1914 and coming back, and the boys going out in 1939 and coming back. These old sweats have to face competition from twenty-one year old boys, and I thought

to myself, what a hope! In this competitive world today you cannot get business firms to hire people of that kind when you can get men of twenty-one years of age with the potential ability they possess. It was suggested by one person that these men might be able to get jobs paying as much as $30 a month, but the officials of the department did not know that we have in Saskatchewan, through provincial legislation, a minimum wage amounting to something like $83. I am proud that we have that.

Mr. SMITH (Calgary West): When was that statute passed?

Mr. FLEMING: The order that has been lately under discussion is the general order setting up the wartime prices and trade board and giving it its general powers. Order 9029 is the one which clothes the board with certain specific powers in relation to leaseholds. As the committee is aware, the regulations that have been imposed from time to time, starting in 1940, have affected two main aspects of normal leasehold contracts, namely rents and the matter of possession.

I do not propose to dwell on this subject at any great length. It seems to me that we can, with little discussion or questioning, find in this respect the emergency which must be found in order to justify the dominion occupying a field which falls within the ambit of the provinces by virtue of their jurisdiction over property and civil rights within the province. I do not propose to discuss the first aspect of control. I propose to confine myself in some very brief remarks tonight to the second aspect, namely the possession of properties which are under lease or are tenanted.

The general attitude of the government with reference to decontrol in this field was defined by the Minister of Finance on March 25 when he indicated that the policy of the government was for gradual decontrol. I asked him some questions with reference to the policy of the government in regard to decontrol on a horizontal basis, assuming that conditions might improve. They are not improving now; it may be sometime before they will improve in the housing field at the rate the government is proceeding, but let us hope that in the course of time they will improve. When that time comes I asked, what is the basis on which the government proposes to approach the problem of decontrol? The minister indicated that his remarks must be general. If you examine the answers that he gave on that occasion you will find that his remarks were very general, and there is very little indication of the line which the government proposes to follow with reference to decontrol.

The time may come—and let us hope that improvement will come soon; there is little indication of it as yet—when the conditions which constitute the emergency in the housing field will be confined to the urban centres where conditions have been most acute. It may be that in the course of time it will be possible to confine these regulations within a narrower compass. But the steps which the government has taken to date have been in a particular direction. I refer in particular to the step recently taken by the government which is, I think, the first step taken toward decontrol since the freezing order was passed on July 25, 1945. That recent step was announced by the Minister of Finance in this house on February 24. His announcement will be found at page 702 of *Hansard*. The order of the wartime prices and trade board which he announced at that time is No. 688, dated February 17 of this year. I do not propose to read the whole order; but in essence it has this effect, that in the case of purchases made by the owners of tenanted properties from October 31, 1944, until July 25, 1945—the date of the freezing order—application might be made by such purchasers to the court of rental appeals for an order for possession of the property and for dispossession of the tenant where it can be established that, having regard to the relative needs of the landlord and tenant for the accommodation and the relative hardship resulting from any order made by them, an order should be made granting the landlord possession of his own property. Then followed this safeguard with reference to time, to be found in section 6 of the order. It provided that any notice to vacate given to recover such possession shall be given in accordance with the law of the province but that in no event shall any such notice be shorter than three months. That was the first step in the direction of permitting owners of tenanted property to recover possession for their own occupancy.

I suggest that a second step is warranted, and the second step will fit in with the announced policy of the government with reference to gradual decontrol in this field. There is a special reason applicable in the case which I am about to propose. I am speaking of veterans who have purchased houses and who are not assisted by the first step of the government in this direction embodied in order 688, to which I have referred. Let us bear in mind that the freezing order was made between V-E day and V-J day, when the great majority of the men and women in the armed forces who were on overseas service had not returned. They were not here to

protect themselves during the war up to the day when the freezing order took effect. They were not in a position to compete with other persons at that time in protecting themselves in the possession of property by purchase of it before the freezing regulations came into effect and at a time when they could, on notice, have taken possession for their personal occupancy or that of their immediate families. The notice prevailing generally prior to the period of the freezing order was a six months' notice, accompanied by an undertaking on the part of the owner to occupy the premises by himself or his immediate family for a period of not less than twelve months; and that undertaking had to be given to the rental authorities under the wartime prices and trade board.

I am suggesting that an exception ought now to be made in favour of veterans who have purchased houses in which to make their homes, regardless of date, and who require them for their personal use and occupancy in the same way as owners were permitted to do prior to the freezing order, or in a similar way, at any rate. I do not need to go into detail, I trust, on this subject. If there is any case which, without further discussion and without lengthy argument, ought to appeal to the fairness of all hon. members, it is the case of the veteran who, returning from service, finds that he has no housing accommodation adequate for the needs of his family and himself, purchases a property and is unable to obtain occupancy of it for himself and his family.

In case any hon. member should raise the question of administrative difficulties in connection with this matter, I suggest that if it was possible to overcome whatever administrative difficulties were created by the promulgation of order 688, any administrative difficulties inherent in the type of amendment that I am now proposing, can be met with equal, if not greater, facility. I would put it to the sense of fair play of all hon. members as to whether an exception ought not to be made from the present freezing regulation in favour of the man or the woman who has served this country overseas in time of war and who has returned to make a purchase after the date of the freezing order of July 25, 1945. As that order now exists, I suggest that it imposes an invidious and unjustifiable discrimination against the veteran. That is one proposal which I make and to which I propose to refer further in a moment.

There is one other suggestion that I should like to offer, though I do not make it now for the first time. As a matter of fact, I hesitate to remind you, Mr. Chairman, that I have already made this suggestion, I think, on no fewer than three previous occasions in this house. It is a suggestion which, if put into effect, would, I am sure, provide a greatly increased amount of housing accommodation on a shared basis, particularly in the urban centres. I refer to the necessity for lifting the freezing regulations in the case of tenancies of shared accommodation where such tenancies are created hereafter.

I made this suggestion first in the 1945 session. At that time I made it directly to the present Minister of Justice, who was then Minister of Finance. It will be found at page 3465 of *Hansard* for that session, on December 13, 1945. May I just read one or two sentences from what I said on that occasion:

> May I offer a suggestion to the minister, in the hope that he may think it constructive. On October 25, introducing certain legislation in respect of housing, the minister said something about the present freezing of tenancies. We know the freezing is necessary in the present situation, but we also know that the drastic freezing order has had the effect of discouraging many people from renting surplus accommodation. One can find many cases, some even in the city of Ottawa, where, to meet the needs of the situation, people would be prepared to rent some of their own housing space, if they did not feel that if they brought someone in they might not be able to get him out, no matter whether he proved difficult or not.

After some further discussion, the minister said:

> I will give consideration to that suggestion.

There is no subsequent record in *Hansard* of any indication on the part of the administration as to its attitude in reference to this suggestion. That proposal was renewed, I venture to remind the minister, on March 25 of this year, to the present Minister of Finance. He took some note of it, but nothing has as yet been done. I would urge upon the Minister of Justice, who is in charge of this bill, that he will make a substantial contribution to the provision of more shared accommodation and more rooms for rent in urban centres if he will introduce an amendment or accept the amendment I am prepared to offer, which will have the effect of providing that the present freezing order shall not apply to tenancies of shared accommodation hereafter created. I can see the difficulties in the way of applying such an order to tenancies at present existing. What I am proposing, as I did in December, 1945, is that for the present this be confined to tenancies hereafter created.

Anyone who has had experience in the administration of the present order well knows that people are not satisfied with it as far as

the quite inadequate rights reserved to the landlord are concerned to evict a tenant of shared accommodation.

The minister may say that the order makes provision for the eviction of a tenant who proves obnoxious, but I repeat that anyone who has had experience in the administration of that order knows that provision is virtually a dead letter. It is not simply that it is exceedingly difficult to get orders under that section of the present regulations, though that is very difficult, to say the least. You have to prove a very strong case, such a case as is most difficult to prove, in order to get an order. It is not only that fact; it is also the fact that the very much restricted rights in that respect reserved to the landlord at the present time have the effect of creating in the minds of people who have surplus accommodation to rent, and who are willing to rent it, the fear that, if they take people into their homes and those people prove undesirable, they will not be able to evict them. That fact alone undoubtedly is having the effect of dissuading many people, particularly in the larger urban centres, from renting space they do not themselves require. I know that in many areas of my own city considerable housing accommodation is available on a shared basis which the landlords would be willing to rent if they were not faced with this bogey that, if they took in people who proved difficult, they would not be able to evict them. I make the suggestion to the minister with confidence that, if he will introduce such an amendment, not applying it under present conditions to tenancies at present existing but to tenancies hereafter created, he will take a long step toward increasing the housing accommodation available on a shared basis. By that one step alone he will increase available housing accommodation, when under present conditions he cannot increase it in any other way on anything like a comparable scale.

I do not ask the minister to take my word alone for this. I am not a voice crying in the wilderness, nor am I offering a novel idea in this respect. I would remind the committee that this proposal has been supported by labour and veterans' organizations, and I am going to recall to the minister two quotations I gave the house on March 22, 1946, which will be found at page 183 of *Hansard* for that day. These quotations were taken from a Toronto newspaper containing remarks by leaders of veterans' and labour organizations meeting to discuss the critical housing situation which existed in Toronto at that time and which exists today in even more critical form. The first statement was by Major Edwin Meredith, a leading official of the Canadian Corps Association, who advanced the suggestion I have advanced to the committee this evening because—

—he said he was seriously alarmed about the housing situation in general and the problem of veterans' families in particular.

At the same meeting a prominent Toronto labour leader is quoted as having made remarks along the same line. I refer to Mr. Russell Harvey, a leading official and organizer of the American federation of labour in Toronto and a member of the Ontario labour relations board. This is what he is quoted as having said:

"There would be many thousands of additional rooms made available if some assurance were given," contended Russell Harvey of the Toronto district labour council. "The greatest fear of home owners is that they won't be able to get rid of objectionable tenants if they rent rooms that are now vacant."

It seems to me that is a pretty clear case for amendment in order to increase the available supply of housing accommodation. I am prepared to offer separate amendments, Mr. Chairman, in the hope that it may facilitate discussion of these two questions. If the minister is not prepared to accept amendments but prefers to offer his own after consultation with his officials, I should be very happy to put my amendments aside and welcome his. This afternoon I think the minister indicated a desire to meet halfway constructive suggestions for the improvement of these orders, and I hope he will see, in the suggestions I am putting forward, proposals that he may well endeavour to meet halfway. I might just read the amendments I am suggesting as suitable, without offering them at the moment. I realize that if they are to be offered they will have to go in separately, but I suggest to the minister that these are amendments which might well be worthy of his acceptance. As to the first suggestion, namely in favour of veteran purchasers of houses requiring to obtain possession for their own personal occupancy and that of their families, I suggest this:

That P.C. 9029, as amended to date, be further amended by the addition thereto of the following clause:

"Nothing in this order in council or in any order or regulation made thereunder contained shall apply to prevent the recovery of possession of housing accommodation, in accordance with the law of the province, by the owner thereof, where required for his personal occupation and that of his family, where such owner was a member of the forces, as defined in the War Service Grants Act, 1944; provided that any notice given to recover such possession shall be given in accordance with such law, but in no event shall such notice be shorter than three months."

May I make just two comments on that proposal. The first has to do with the definition of "veteran". I have taken that from the War Service Grants Act which defines "veteran" in these terms in section 2(f):

"member" and "member of the forces" mean any person who has been on service in the forces during the war which commenced on the tenth day of September, one thousand nine hundred and thirty-nine.

"Service" is defined as follows in paragraph (i):

"service" means time served on active service in the forces while enlisted or obligated to serve without territorial limitations, or time served on active service in the Aleutian islands.

I am putting this proposal forward for the benefit of those who were absent from the country in the service of the country and were not here to protect themselves and their families when other people were in a position to buy homes and obtain occupancy before the freezing order came into effect.

The other proposal I have to put forward is in these terms:

That P.C. 9029, as amended to date be further amended by the addition thereto of the following clause:

"Nothing in this order in council or in any order or regulation made thereunder contained shall apply to prevent the recovery of possession of housing accommodation, in accordance with the law of the province, by the landlord thereof in the case of shared accommodation, as defined in the orders made under this order in council, where the tenancy thereof is created after the date of coming into force of this act."

I think that will give sufficient time for the necessary administrative steps to be taken. In order to put the matter on record, unless the minister desires to move an amendment himself, I will move the first of these as an amendment. I do not wish to be dogmatic about the form and I do not intend to hold to my precise wording. If the minister desires to give further consideration to these proposals in consultation with the officials administering these orders I shall be very happy if he will so indicate. I urge, with all the earnestness at my command, that these are matters that are deserving of amendment under the present structure of rent and tenancy control.

Mr. ILSLEY: As I understand it, the hon. member has moved only one amendment?

Mr. FLEMING: Yes, although I have circulated the other. In order to keep within the rules, I have offered simply the one for the moment.

Mr. ILSLEY: I think it is more systematic to deal with one at a time. I have not the War Service Grants Act, 1944, before me, but do I understand that the definition of "member of the forces" in that act would include only those who served overseas?

Mr. FLEMING: The definition given in section 1 (f) of the War Service Grants Act refers to service, and "service" is defined in paragraph (i) in these words:

"service" means time served on actual service in the forces while enlisted or obligated to serve without territorial limitation, or time served on active service in the Aleutian islands.

Mr. ILSLEY: Unless my ears deceive me and my understanding is defective, that definition would include all members of the forces where they enlisted to serve without territorial limitation. It would not include members of the N.R.M.A.; but it would include everybody else; it would include the two or three hundred thousand men who did not leave Canada.

Mr. FLEMING: I want to make it clear to the minister that the suggestion I make is for the benefit of those who were absent from the country and unable to protect themselves. If the minister is prepared to take it the other way I shall be very happy to accept his view.

Mr. ILSLEY: I am not prepared at all; I just wanted to permit myself the luxury of asking two or three questions. The second question I want to ask is this: Does it apply to members of the forces who purchase houses in the future?

Mr. FLEMING: No. I drafted this to mean that nothing in the present order or regulations made thereunder contained shall prevent the application of the law of the province in the case of recovery of possession by a veteran owner, provided that he complies with the law of the province in regard to giving notice of not less than three months.

Mr. ILSLEY: The answer to my question is undoubtedly in the affirmative, but I just wanted to have it clear. According to that, the amendment would mean that a veteran could buy a house next week and the law of the province would apply to his recovering possession of that house. There is no limitation to purchases in the past as was suggested by one of the hon. gentleman's colleagues the other day.

Mr. FLEMING: Taking the converse luxury of answering the minister's question, may I say that if it is the view of the wartime prices and trade board, having regard to existing conditions, that they are not prepared to go that far, I would be quite content. It was my intention that the amendment should apply to purchases made hitherto in good faith. However I did purposely emphasize the fact that I am

not being dogmatic about the language used. I am urging the minister to make these suggestions a matter of consultation with his officials. I do not pretend that the draft I have given to him is the last word.

Mr. ILSLEY: I am not trying to embarrass my hon. friend; I am just trying to find out what he had in mind and just what was meant by the language of his amendment. It certainly means that if a veteran got possession of a house he could sell it the next day.

Mr. FLEMING: No. There is nothing here to prevent the wartime prices and trade board requiring the filing of an undertaking to occupy for twelve months, which was the term of the order prior to July 25, 1945. Under that order the purchaser of a property intending to recover possession filed with the wartime prices and trade board his signed undertaking to occupy for a period of twelve months. There is nothing in my amendment that would preclude a similar regulation being applied now by the wartime prices and trade board. I think it would be a reasonable condition, because there is no thought of opening the door to allowing veterans to make brokers of themselves. It is intended simply as a means of relief to the veterans who have made bona fide purchases of homes and cannot get into them for the occupation of themselves and their families.

Mr. KNOWLES: I wonder if I might support what the hon. member for Eglinton is seeking to achieve, although I am not too sure about the wording of the amendment he has offered. I think he has been exceedingly fair and constructive in suggesting that the matter be considered by the minister and his officials. He has also indicated that he is prepared to accept any other way of dealing with the matter. I would suggest that it could be done by amending board order 511 or by issuing still another board order in connection with this matter. The hon. member for Eglinton made it clear that certain veterans who had purchased homes when they were overseas and did not have the opportunity to take possession of them, as was the case with civilians at home, were thereby discriminated against as compared with civilians.

If reference is made to board order 511 I think a further point of discrimination will be noticed. Order 511 of the wartime prices and trade board contains three special provisions under which a veteran may obtain possession of housing accommodation, and perhaps the hon. member for Eglinton will follow me since I am trying to support his case. I will read the first only of these provisions because the other two are ancillary. This is from board order 511 passed by the board under the provisions of the order we are discussing:

> Where he owned the accommodation at the time of his induction into one of His Majesty's services and is now a discharged member entitled to the war service gratuity under the War Grants Act.

Incidentally that is where the way of defending these people came from.

Mr. MUTCH: Anyone with over eighteen months' service.

Mr. KNOWLES: Yes. The point is that if a veteran owned the accommodation before he was inducted, whether he went into the service in 1939, 1944 or 1945, he can, provided that he meets the other qualifications, get possession of the house he owns. But the veteran who may have joined up in 1939 and purchased a home when he was overseas in 1942 or 1943, thinking that when he got home he would be able to do what civilians at home were then able to do, namely, get possession of his home, finds that he cannot get possession. So that there is discrimination there not only between the veteran overseas and the civilian at home but as between veteran and veteran.

While the minister has made a point regarding purchases now being made, and it is a point that will have to be considered carefully so far as the amendment is concerned, I think he will agree with the reasonableness of the case made for the veteran overseas. I know the hon. member for Winnipeg South supports that case. Perhaps the object could be achieved more easily if it were taken up by the board and a board order were issued. I imagine, if that assurance were given to the committee, the hon. member for Eglinton would be satisfied, as I know I would be so far as this point were concerned.

Mr. HOWE: I have an interest in this discussion from the fact that the department of which I am minister is responsible for providing emergency shelter. I point out that if the amendment proposed tonight were adopted the veteran would be able to take possession of the house he has acquired within the last two years as against the occupant, who might very well be a civilian, and it would be my job to provide emergency shelter accommodation for that civilian.

The veteran today has all the priorities that the state can give him. He has priorities in the rental of wartime housing and priorities in purchasing houses built under the integrated plan. Those two plans are providing the

greater portion of low cost housing. He has other priorities on new construction, and he has priorities in the case of apartments that are built under certain government priority plans. Therefore the veteran has first call on low-cost government sponsored new construction. The civilian has none of these priorities.

I point out to the hon. member for Winnipeg North Centre that the veteran to whom he refers has been taken care of. The veteran who bought a house in 1942 or owned a house prior to the war is taken care of by an order recently issued, which entitles the veteran who had purchased a house before July, 1945, to make application to the court of rental appeals for repossession of his house and, if he has a case that will convince the court that he is entitled to the house he gains possession of it. That is causing many eviction notices to be given, and I am well aware of those evictions because it is my duty to anticipate the evictions by providing emergency shelter. I could have given the figures had I been prepared to speak on the point tonight, but I shall be glad to give them on another day. Many evictions under that order have been passed recently.

But there is a limit to the amount of emergency shelter that can be provided at this time. Buildings of the type we have been converting to emergency shelter are no longer available. For example in the city of Toronto every building that I know of that could be converted to emergency shelter has been converted and the city has extended its activities to far outside the boundaries of the city. If my memory serves me correctly, there are about 800 evictions pending in the city of Toronto as a result of the board's order to which I have referred. I believe they will be taken care of, but almost every eviction today means an equivalent amount of emergency shelter. Usually the returned soldier is living in shared quarters, and the possession of his house therefore means one less housing unit available to the population as a whole. The family formation rate at the present time is away in excess of anything this country has known before, and it is that family formation rate which is causing the lack of housing quarters at the present time. The wartime prices and trade board, which administers eviction control, and my own department, which administers emergency shelter, are working together to advance this problem of providing shelter for evicted families as rapidly as we can.

I assure the committee that eviction control must be the most difficult control of all to administer. I assure hon. gentlemen that the problem of emergency shelter is perhaps the most difficult problem that is associated with housing. We are working together. I am happy to say that at the moment we have a roof over the heads of every family in this dominion. There was a time when we could not make that assertion. There was a time, before eviction control was instituted, when we had the papers flooded with photographs of families evicted on the street with no shelter available. Fortunately, through eviction control we have prevented that from happening. That is one disaster that no government can face with equanimity, the possibility of a family, whether a veteran or a civilian having no shelter available, because, after all, human suffering is human suffering. We cannot advance the decontrol of evictions to the point where we have Canadian families evicted on the street without suitable accommodation to go to. That is the practical difficulty in carrying out the desirable proposal of my hon. friend. I can assure him that the officers of the wartime prices and trade board and all the officers having to do with housing are putting forth their best efforts to hasten the day when the step which he proposes can be taken; but I can assure him that, after the most exhaustive study of the problem and from recent discussion of it with my own officers and with the officers of the wartime prices and trade board, the step which has been taken recently is one, the full consequences of which will be felt only over the next four or five months. I can say that it is the considered opinion of everyone closely connected with this problem that that step must be absorbed before any further step can be taken which will increase the number of evictions of families in this country.

Mr. MICHAUD: I should like to say a few words very much along the same line. The remarks I intend to make are of a general nature and they will apply to civilians as well as to returned men. It is in connection with the termination of leases. I quite realize that the amendment suggested would cover cases, and perhaps an undertaking by the minister that board orders would be amended along the same line would have the same result. I have in mind civilians who have purchased houses after July 25, 1945. The necessity for these regulations is not nearly so great in the country and in small towns as in congested areas. As a matter of fact, when these regulations were first introduced they affected only the more congested areas in Canada. Eventually they were extended to the whole of the country. I live in a small town of about 7,000 population. I

believe that if a certain amount of decontrol were effected along the lines which I am about to suggest it would not create a situation such as that described by the Minister of Reconstruction and Supply.

My suggestion would be that the order passed recently—I do not remember the date of it or the number of the order—to which the minister and the two last speakers have referred, whereby people who purchased houses between the fall of 1944 and July 25, 1945, could apply to the court or to the rentals administrator to show cause why they should be given possession, should be extended to purchases made after July 25, 1945. There are a number of people who purchased houses after that date without realizing what the law was and who were unaware of the change which had taken place. Prior to that date, they could purchase a house and obtain possession after six months' notice. I have in mind the case of a young man with five or six children who has been living in the second story of a large building. He purchased his house shortly after July 25. It is a self-contained house. It just happens that the gentleman who occupies the house has two grown-up children who are in boarding school. He and his wife both have a business. They sit very comfortably in this little house. They refuse to give possession to this good neighbour who has six young children and who is occupying a second-story flat. My suggestion is that the order be extended to self-contained homes of a limited value, let us say under $5,000. It could be limited also to rural sections and to small towns. In such cases it would relieve a number of people affected such as the gentleman I have in mind, and it would not cause any serious disruption. It would not mean many evictions, but it would give a certain amount of relief to these people who bought houses in good faith, thinking that in the near future they would be in a position to obtain possession.

Mr. ADAMSON: I have a case which I wish to bring to the attention of the minister. It is an important case affecting a veteran who had a house prior to the war. On his return from the war he was unable to gain possession. I think this case is of general importance. It went through the courts in Toronto, and I have had considerable discussion with the Minister of Veterans Affairs and the Minister of Finance concerning it. It shows the sort of difficulties that we are running into. Here is a veteran, I shall call him Mr. M, who rented this house, say, from the evidence I have here, prior to the war. On his return from the war in 1945 he received an agreement from the tenant to the effect that the tenant would be prepared to vacate the premises on such and such a date or after a period of so many months from the signing of the agreement. What happened? The veteran asked the tenant to vacate. The tenant said, "No, I cannot vacate because I have no other place in which to live". He took the matter to the court and the court judged that the owner had no right to evict. I shall read the judgment because I think it is important. I took the matter up with the Minister of Veterans Affairs because this man is a veteran. Incidentally I shall send the complete file to the minister when I have finished with it. The Minister of Veterans Affairs said:

> So far as this department is concerned, this is not a matter over which our officials have any jurisdiction. I attach for your information a copy of memorandum recently prepared by the director general of rehabilitation in regard to rental control regulations. As I have no information as to when Mr. M purchased the property in question, I do not know whether this order would apply in his case. However, I shall forward your letter under acknowledgment to the Minister of Finance.

The Minister of Finance took it up and said this:

> Mr. M attached to his letter two photostatic copies of a notice his tenant had given him that he would vacate the accommodation. The latest photostatic copy reveals that on April 18, 1946, Mr. R gave notice that he would vacate on or before the 31st of May, 1946. It appears to me that Mr. M should have exercised his civil rights at that time as rental regulations provide that dispossession is under provincial law if the tenant
>
> "has given to the landlord, after the making of the lease for the accommodation, but not as a term of the lease or a condition of obtaining it, a written notice of his intention to vacate the accommodation on a stated date, and has failed to so vacate."

That is the end of the legal quotation. Then the minister says:

> However, there is a possibility that Mr. M may have, after May 31, 1946, again created the relationship of landlord and tenant. If so, in my opinion, he would then come under rental regulations.

They took the matter to the court in Toronto and judgment was given against the landlord in the following terms; I think it is rather interesting:

> Like most of these cases, both parties are urgently in need of the accommodation, and it will be a hardship if the case is decided against either of them, but of course, I have to decide the case according to the law.
>
> The tenant is a monthly tenant of the landlord and on December 7, 1945, signed a notice addressed to the landlord in these words: "I hereby submit notice to vacate and give up the premises of such and such an address, Toronto 9, Ontario on or before the thirtieth of April, 1946, A.D., signed—

That is signed by the tenant. If this is a valid notice of intention to vacate, the landlord is entitled to possession. There was, however, a considerable conversation on the occasion when this notice was signed. To begin with, the notice was prepared by the landlord at the dictation, apparently over the telephone, of his lawyer; therefore it should be construed strictly as against the landlord. It does not say he gives notice he is going to vacate, he says he submits notice to vacate, but I am inclined to think that taking the words with the meaning which is closest and most sensible that it should be construed as a notice of intention to vacate. However, it was given under the following circumstances as I find the facts. The landlord said he wanted to get married, and he intended to get married in the month of April, and he wanted possession of the premises. He said he was entitled to a veterans' allowance, through the war, and he could not obtain this allowance unless it was spent on this house, and he needed to have something to show the veterans' authorities that he owned the house and had a right to possession. The discussion was a friendly one, and in a previous discussion the tenant told the landlord that if he wanted to get married, he would try and vacate the premises for him, and I think on that occasion he meant to, and said he would get out in April, if he were able to do so. In other words, if he were able to find other accommodation. The landlord replied that he would not put him on the street, but asked if he would sign the paper, as he needed it, which the tenant did. That is the evidence, and I do not think it was ever intended or ever understood that that notice should be used as a basis of an eviction application. If the tenant had understood by signing the notice he was waiving his right and protection under the wartime rental regulations, I am quite certain he would never have signed it. Perhaps his unfamiliarity with the law does not help, but I think what does protect him is the fact the notice was given for a particular purpose, and it was not intended by either one of them that it should be used as a waiver of the tenant's rights and as the basis for an application. The situation created by the improper use of this notice was the cause of the tenant giving the second notice, and therefore I find it must not be regarded as a notice of intention to vacate. For these reasons the application will be dismissed.

That, Mr. Chairman, is an involved case but it shows, I believe, the length to which veteran owners are put in the effort to regain possession of their own houses. Here apparently was a man owning a house before he enlisted. He is unknown to me, but I give the facts as I read them on the file. He went overseas and came back and got married and wanted to get possession of his house. Apparently, from the evidence, he gets an agreement from his tenant that the tenant is willing to vacate. His tenant then refuses to vacate because he cannot find other accommodation, and the court rules that under the wartime rental regulations the signed agreement by the tenant is not a valid agreement.

I would not bring this particular case to the attention of the committee if it were not one of many that have come to my notice. In fact I have received a great many more of these cases than of any other types of complaint about housing and rental regulations, and I suggest that serious consideration be given to the amending of these regulations to allow a veteran who has had overseas service if you like—I would prefer to leave it at service overseas, men who were out of the country—to regain possession of his own premises.

I realize the difficulty of evictions. My riding is one of the most congested in the whole dominion. No one knows better than the minister of reconstruction and myself the difficulty we have had about emergency shelter along the lake shore area in the three municipalities outside the city of Toronto. I know the situation and I know what we are up against. Here is the case of a veteran—this man happens to be a fit veteran, but I have several cases of veterans who have a disability—who cannot get possession of his own house, even though the tenant is willing to vacate if he can find other accommodation.

I realize that the question is a difficult one. I realize, as the hon. member for Eglinton does, that you cannot be dogmatic about it, but I feel there should be some amendment to or alteration in these regulations whereby it may become easier for a veteran with overseas service, or a veteran suffering disability, to regain possession of his own house. I will not make any specific amendment, but I wish to put the matter up to the minister most sincerely, because in my opinion it is causing a great hardship. In judging these matters we realize that we cannot have perfection. We are bound to base our judgment on the greatest good for the greatest number, and I submit that the minister and the department should give the most serious consideration to seeing that some amendment is made in these regulations to meet the type of cases that I have brought to the attention of the committee.

Mr. MERRITT: The minister of reconstruction, to my regret, has indicated that he does not favour the amendment, and I want to appeal to him to change his mind. He recited the benefits available to veterans in the way of home building, but he realizes that all these things do not help the veteran who already owns a house and does not want wartime housing or integrated housing or some other house, and who, by reason of owning his house, has probably used up all his gratuities and benefits and could not buy an integrated house in any event. I think the very fact that a break has been made between November 1, 1944, and July 25, 1945, even though the situation to which he has referred with

respect to evictions has arisen, is proof that this change which is proposed could be entertained. If I may say so, it really should have been entertained before the change which was made on March 1, because veterans not only in Toronto but all over the country have a real sense of grievance over this particular point.

I have a letter here which is in the words of one of these veterans and not in the words of the hon. member for Eglinton, myself or any other member, and he puts it very well. He refers to the recent relief granted to anyone who bought a home between November 1, 1944, and July 25, 1945, and he says this:

> But this in no way affords relief to the ex-serviceman who is the greater sufferer in Canada today from lack of housing. War was not over till long after that date for us. This date being set by law, does not afford us much hope of obtaining possession of our homes. We, the greater percentage of veterans were in Europe on that date, awaiting transportation back to Canada. We came back to Canada, used our credits and savings to purchase homes and many like myself have been waiting six months and more for our government to lift the controls, so we now may have possession of our homes.
>
> This law stipulating July 1, 1945—

He means July 25.

> —as the date, has placed us who came back from overseas in a very bad position. I do not see that the veteran was being considered at all when this law was framed.

I wish to point out another thing which adds to this sense of grievance. I know of a case in Vancouver where the veteran purchased a house but could not get into it. He is paying $40 a month for his present accommodation. He is paying $60 a month on an agreement for sale on this house that he bought; he is receiving only $30 a month rent and, into the bargain, of course, is not getting his house. Every month he has this fact recalled to his attention in a forcible way by paying out $100, getting back $30, and not having possession.

I, too, realize that it is a ticklish situation, but I am quite sure that the minister, with his resourcefulness, will be able to handle the veterans who are in this situation as well as the general public who were relieved for that period of six months. If the latter was considered advisable, then I am sure that the veterans who, I firmly state, have a prior claim for the reason given in that letter, could be handled as well. At least I would hope that the veteran cases would not make what the minister has called a bad situation very much worse, and that he will not say that it cannot be looked after with the present situation.

I want to point out, too, that this freezing order is two years old. In the middle of last summer I made this very representation to an authority of the wartime prices and trade board and suggested then that the time limit for repossession be not three months but a whole year in order to give the person in the veteran's home a long time to look around and find himself some other accommodation. I want to point out to the minister that the longer you leave it, if you are to give these people any relief, the worse it will get; because the earlier you do it, the longer period of notice you could give to relieve the situation. I hope that the government will take this into consideration further and see what they can do to relieve these people; because in this whole question of keeping people out of their own houses we are on dangerous and difficult ground, and that very difficulty is likely to make the authorities fear any change. In these cases, especially in hardship cases, I think the duty on the authorities to try to give relief is the stronger, because the difficulties influence them, if I might put it in this way, to try to leave things static.

Mr. MUTCH: I do not take second place to anyone in the house in my consideration for the problem of the veteran who seeks to reestablish himself in a home. But I think there is something inherent in this whole problem which touches the veteran and all others who seek homes at this particular time. I am one of those who consider that the continuation of the legislation protecting against evictions and controlling rents is not only advisable but is an absolute necessity at this particular time. But I have come to the conclusion that we have now reached a point where general blanket legislation covering the whole country is no longer able to meet individual conditions. Beyond question, there are in this country people who are taking advantage of the protection of the anti-eviction legislation in order to keep themselves comfortable at the expense of other Canadians and who could not under ordinary conditions do that, and do not need to do it.

I should like to suggest to the minister that now is the time to consider seriously placing in the hands of someone the authority to deal with conditions where they arise. I am aware of the difficulties of leaving the matter to the local administrator of rental controls. Perhaps it should go to the county court judge. Perhaps it should go to an independent commission. I shall not suggest to whom it should go, but I suggest to the minister and to the committee that the time has come to decentralize authority with respect to this matter and to allow some-

one or some body to consider the specific conditions in the locality where the situation arises. May I give one concrete instance, and then I am through.

In the city from which I come, I know of a man who owns a six-roomed house and who is now renting and living in a five-roomed bungalow; there are the man, his wife, three children and his wife's mother. He has on several occasions suggested to his tenants, who are a man and his wife with no children, that it would be possible to trade; and he has arranged with his landlord for them to move into the bungalow and permit him to move into the house which he owns where he would have adequate accommodation. The landlord of the bungalow is in agreement. The houses are both in the same district. There is no difficulty beyond this, that the house which he owns has central heating and no one has to carry out ashes; the other house has a modern furnace.

Mr. MacNICOL: Which house had the furnace?

Mr. MUTCH: The furnace is in the bungalow which he is renting; the central heating is in the house that he owns. I suggest to the minister that the individual who takes advantage of the protection which is in the legislation at the present moment is not worthy of the protection which is afforded. That legislation was not intended to take care of people of that sort. The legislation was intended to provide the maximum of accommodation, with comfort, for everybody in this country. I have cited a specific case. Those people are reputable people who are just being, perhaps I should say, intelligently selfish because the law permits it. But I suggest that we should give serious consideration at this time to some measure of decentralization which would permit the decision, as to whether or not an eviction should be permitted, to be made by a local authority that would be able to view the circumstances as they actually exist. I think we are past the state of emergency when we can simply afford to say, "Because you have been in a house for a certain length of time you may stay there, no matter who else is inconvenienced."

Mr. TIMMINS: I should like to align myself behind the amendment proposed by the hon. member for Eglinton, because in my municipality there is a great deal of difficulty on the part of returned men who want to fit themselves back into home life. I have had to do with three types of cases in which veterans have been discriminated against. The first are cases where the veterans come back and want to settle down in civilian life, and go out and buy homes without having obtained any legal advice. There are a good many cases of that kind. In the second case the veteran receives his gratuity or credit and wants to get himself a stake in the community, so he buys himself a home. In the third case the veteran, through no fault of his own, has become the owner of a home, and finds he cannot get possession. He is perhaps living with his parents or in some shared accommodation for the time being; a child comes along, or a second child, and still he cannot get possession of his home. I have taken up cases of this kind with the rental administration in Toronto, and they tell me that, while there are not too many of these cases, there are some. I personally know of four or five returned men who, by reason of the freezing order are not able to fit themselves back into civilian life with their families.

I quite appreciate what the minister of reconstruction says in regard to the problem, but I do not think that problem with respect to civilians is so severe that these veterans cannot be given some relief. The original order in council came into force on October 11, 1941. We have had it now for more than five and a half years, and it seems to me that by this time we should be able to do something for the veteran who finds himself in this position through no fault of his own.

Then the hon. member for Eglinton proposed a second amendment with respect to shared accommodation, that as of the date the amendment might become effective the law of the province should prevail in respect to shared accommodation. In other words, under that amendment a landlord would be able to take people into his home and, after a certain length of time, get rid of them if they did not fit into the surroundings of that home. If that were done I feel that it would not be very long until landlords would be making way for people in their homes, which would help meet the problem to which the minister of reconstruction referred, and I believe a start should be made in that direction.

In dealing with this order in council, we find that it has been amended nine times; but the order in council and the amendments do not contain the meat of this problem. That problem is contained in the orders which have have passed under the order in council, the residential order, No. 294 and the commercial order, No. 315. In addition, there is order No. 511, about which I had forgotten but which was referred to by another hon. member, and the further order referred to by the minister. So I suggest that something should

be done to have these orders compiled in some form that would let us understand what we are talking about when dealing with them. I believe the time has come when these orders, which really form the basis of the problem before us, and which as a matter of fact are not before us at all, should be dealt with and screened, so that what is best in the orders might be retained and what has become outdated and outmoded might be discarded. I am suggesting that these orders and regulations made under the original order in council and amendments be not now passed; that they stand and be referred to some committee in order that they may be reviewed for the purpose I have indicated.

The hon. member for Winnipeg South mentioned one or two points I thought were very good. His way of going at it is a little different from mine, but this is the first time the house has ever dealt with these orders, so that I think he should find some means of getting at the best that is in them. In the past these orders have been like the laws of the Medes and Persians; no discretion whatever has been allowed. In cases which I am not going to take time to recite there have been anomalies and hardships; the judges have admitted this to be the fact, but they have been unable to deal with them by reason of the terms of the orders. In some cases people have given their word to vacate at a certain time or to pay a certain rental for a property. Those promises have not been kept, but the courts have not been able to deal with the situation.

I was very glad to see that section 2 of order 707, passed on April 7, 1947, made some provision for levelling up rents as between landlords and tenants. That matter had been dealt with in the commercial rental order for a number of years, but had been left out of the residential order, I presume purposely. I cannot think of any reason why it should have been left out, except that apparently the administration felt they did not have the staff to deal with the matter. In that respect a great number of anomalies occurred, but apparently nothing could be done about them. I am suggesting that a good deal of the discretion which should and might have been exercised under section 36 of order 294 by the rental administrator, or the deputy rental administrator in each jurisdiction, should be extended so that, where these anomalies occur, there would be some way of rectifying them. I agree with the hon. member for Winnipeg South that legally no emergency exists today under which these orders in council can be continued. However, we are permitting them to go on the statute books, and it seems to me that, where any discretion should be permitted in order to meet these anomalies, that ought to be done at this time.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

83166—142½

Monday, April 21, 1947

The house met at three o'clock.

PRINCESS ELIZABETH

CONGRATULATIONS AND BEST WISHES TO HER ROYAL HIGHNESS

Right Hon. L. S. ST. LAURENT (Acting Prime Minister): Mr. Speaker, hon. members of the house know that Her Royal Highness Princess Elizabeth is celebrating today her twenty-first birthday. His Excellency the Governor General has sent a message of congratulations and best wishes to her Royal Highness, and I am sure it will be the wish of all hon. members to have it noted on *Hansard* today that the House of Commons desires to be associated in the closest possible manner with the expression of these congratulations and good wishes.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, what the acting leader of the government has just said expresses I am sure the views of every member of this house. On behalf of this party I want to associate myself with what he had to say.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, the Acting Prime Minister has expressed I think the views of every member of the house, and we in this party wish to be associated with this expression of congratulations.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, speaking for this group I am sure that the Acting Prime Minister has expressed the wishes of the whole house, and we wish to be associated with what he has said.

EXTERNAL AFFAIRS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. J. A. BRADETTE (Cochrane) moved that the first report of the standing committee on external affairs, presented to the house on Thursday, April 17, be concurred in.

Motion agreed to.

SECOND REPORT REFERRED BACK

Mr. J. A. BRADETTE (Cochrane) moved that the second report of the standing committee on external affairs, presented to the house on Thursday, April 17, be concurred in.

Right Hon. L. S. ST. LAURENT (Acting Prime Minister): Mr. Speaker, this report contains numerous recommendations, and I move in amendment to the motion that the second report be not now concurred in but be referred back to the committee for further consideration.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, the report should be sent back to the committee for further consideration. The time has gone by when we should be sending abroad these missionary committees which amount to nothing. All the information on Palestine and UNO can be found in the library, but members are not studious enough to go into the library and learn something about the united nations, which is a failure. If the United States and Great Britain cannot solve the complicated Palestine question coming before the united nations, nobody can. The Palestine question is a very complicated one and is made more so by the presence of Jews in Germany as well as in Palestine. On the other hand the Arabs, who are very powerful, have aided Britain and have supporters in every country. We are spending money like water on these useless missions like the UNO all over the seven seas. I object to this report being adopted. It should be sent back to the committee.

Amendment (Mr. St. Laurent) agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HEALTH AND WELFARE DEPARTMENT—PRINTED MATERIAL

Mr. FLEMING:

1. How many copies of each issue of printed material (including books, pamphlets, folders and magazines) were circulated by the Department of National Health and Welfare in 1946?
2. How did the department determine who should receive each of these issues?
3. How many mailing lists were in use in the department with reference to each publication, and all publications?
4. How were these lists compiled?
5. How many names have been furnished for such lists by members of parliament?
6. How many names have been furnished for such lists by government members?

Mr. MARTIN:

1. Pamphlets	Number of copies circulated	
	English	French
Report on Nutrition and the Production and Distribution of Food..	800	.....
The Canadian Mother and Child.....	72,190	38,280
Your Baby's Teeth.....	26,900	13,860
Healthful Living	55,000	13,600
Daily Diet During Pregnancy (card).....	30,000	15,000
Request Cards for Canadian Mother and Child.....	20,000	10,000
Nitrous Fume Poisoning.....	3,650	.....
Benzol Poisoning	2,900	2,525
Carbon Monoxide Poisoning.....	7,890	5,000
Lead Poisoning	4,450	3,000
All Aboard the Good Lunch Train.....	700,000	100,000
Camp Feeding	5,930	2,000
Canadian Food and Nutrition Statistics	1,000	.....
Canada's Food Rules	100,000	60,000
How Well Fed Are You	105,000	75,000
If You Eat	69,000	56,000
If You Serve Food	16,480	2,000
It's Good Business Girls to Eat Well	13,360	30,000
Let's Talk Food Mother	101,590	58,850
Mother—The School Lunch	1,500	900
Nutrition Surveys	2,000	1,000
Quantity Food Service	1,200	1,070
Reading References	500	.....
Score Sheet for Each Day's Meals	32,000	29,000
Table of Food Values	900	.....
The Lunch Box is on the March	15,000	3,300
Victory Over Disease	212,300	4,680
Isn't She Lovely	58,420	5,500

Pamphlets—(Con.)	Number of copies circulated	
	English	French
Why Let It Burn	.....	39,000
Stop This	116,300	.....
Facts About V.D.	55,000	.....
V.D. Cartoon Books	19,000	.....
V.D. Manual for Teachers	200	.....
Canada's National Health and V. D. Control	6,050	.....
Seroresistance in Syphilis	9,300	.....
Sanitation—Sewage Treatment for Isolated Houses and Small Institutions	2,940	640
Wells	3,945	710
Home Treatment of Rural Water Supplies	2,410	700
La contamination des eaux potables	.....	535
Housing	2,000	.....
Air Conditioning and Heating in Relation to Health	3,080	1,250
The Rat Menace	1,870	690
Noise and Vibration Control	485	240
A Children's Charter	20,000	4,000
Graphic Sheets (series of four)	4,289,000	(bilingual)
Bulletin No. 1	290	.....
Bulletin No. 2	225	.....
Bulletin No. 3	250	.....
Fitness for To-day and To-morrow	1,850	1,730
Better Health Through Skiing	8,070	4,450
What You Should Know About Tuberculosis	1,960	1,200
Variole et vaccination	.....	830
Smoking	2,310	.....
Posters		
Immunization (set of six)	3,100	400
Carbon Monoxide Poisoning	1,200	1,000
Care of the Feet	200	.....
Plant Nurse	1,650	1,300
Canada's Food Rules	3,400	
Foods for Health	600	
Kitchen Wall Chart	5,200	
Meal Patterns	1,000	
Milk for Everyone	10,420	2,900
Eat a Good Breakfast	12,000	2,000
Eat a Good Lunch	12,000	2,000
Eat a Good Third Meal	12,000	2,000
Eat Right Score High	12,000	2,000
Good Teeth	1,500	425
A Good Winter Diet	1,150	
Get the Most Value from the Food You Buy	600	

2. Other than three periodicals published by the Department of National Health and Welfare, all health education material such as books, pamphlets, folders and posters is produced in quantity at the federal level and shipped in bulk to provincial departments where it is used by public health nurses and others in closest contact with the public. Quantities for all V.D. literature are determined by the provinces and then shipped to them after printing. This is in accordance with a recommendation made by the Dominion Council of Health.

In addition a great many individual requests are received and filled by this department for such publications as "The Canadian Mother and Child". Such requests come from expectant mothers, doctors, public health nurses and others in that field of endeavour. Further, many requests for informational material are received from groups and organizations such as the Women's Institutes, Red Cross, Home and School Associations and others. The department makes every effort to fill such requests as received.

3. There are no mailing lists maintained for individual publications other than for the three periodicals mentioned below:

(a) Canada's Health and Welfare, circulation 85,000 (English and French).

This bulletin is designed as a clearing house for health and welfare information between federal, provincial and municipal departments and independent and voluntary health, welfare and social service organizations. It seeks to publicize nation-wide health and welfare policies and problems, to acquaint each province and municipality with advances in other provinces and municipalities and to instil in medical, public health, welfare and community leaders a greater appreciation of health and welfare services. It is distributed to all doctors, dentists, public health workers, social service and welfare workers, nurses, legislators both federal and provincial, teachers, municipal officials, clergy, trade unions, service clubs, women's organizations, libraries, newspapers, radio stations, and to many private citizens who request copies. The circulation list is, in common with other departmental periodicals, under constant revision.

(b) Industrial Health Bulletin, circulation 35,000 (English and French).

This monthly publication circulates to all plants employing fifteen or more people; all federal and provincial legislators; house organs published in Canada; newspapers, magazines, and other similar periodicals; trade union and industrial associations. (There are presently 3,259 English and 1,740 French copies circulated to trade unions alone).

(c) Canadian Nutrition Notes, circulation 6,700 (English and French).

This periodical is circulated to nutritionists, restaurant people and others interested in that field of activity. The circulation list was built up as a result of individual requests. The original issue of Canadian Nutrition Notes carried an invitation to all those interested to write to the Nutrition Division of this Department to be put on a circulation list.

Five other mailing lists are maintained by the Information Services Division of this Department as follows:

Press releases to newspapers, 250.

Trade paper and other special releases—40, National Health Radio Notes—125, "Canada's Health" column for English and French weekly newspapers—300, press fillers—1,120.

These, it will be seen, are not in fact publications but are, as the names indicate, press and radio releases.

4. Answered by No. 3 above.

5. and 6. None.

WARTIME PRICES AND TRADE BOARD—OFFICES IN WESTERN ONTARIO

Mr. LOCKHART:

1. On August 15, 1945, how many persons were employed by the wartime prices and trade board in their offices at (a) Niagara Falls; (b) Welland; (b) St. Catharines; (d) Hamilton?

2. What are (a) the names of such employees; (b) the salary paid to each; (c) travelling expenses paid to each during 1945, 1946 and 1947?

3. Have any employees been engaged in these offices since August 15, 1945?

4. If so (a) what are their names ; (b) when were they engaged; (c) at what salary?

5. Have the services of any employees been discontinued since August 15, 1945 in any of these offices?

6. If so (a) what is the name of each such employee; (b) on what date; (c) for what reason?

7. How many are now employed in these offices at (a) Niagara Falls; (b) Welland; (c) St. Catharines; (d) Hamilton?

8. What are their names and respective salaries?

Mr. MAYHEW:

1. (a) 8, (b) 7, (c) 16, (d) 73.

(a)	(b)	(c) Travelling Expenses		
Name	Salary	1945	1946	1947
2. Niagara Falls		$	$	$ ....
Barr, M.	$1,080	301.00	286.36	....
Bevan, J. G.	1,920	444.84	593.15	132.67
Bradley, F. V.	1,800	442.96	516.46	90.32
Collins, J. P.	1,800	61.43	....	....
Ransom, H. R.	1,800	369.99	448.87	70.89
Riches, T. H.	2,700	....	....	....
Scott, B.	720	....	....	....
Thomas, M. I.	1,080			
Welland				
Boles, L. M.	1,080	....	....	....
Griffiths, O.	1,800	19.45	30.90	....
Lynn, J.	1,272	....	....	....
MacLean, K. A.	2,289	....	....	....

(a) Name	(b) Salary	(c) Travelling Expenses 1945	1946	1947
Niagara Falls—(Con.)				
McQuitty, Wm.	$1,800	$426.03	$515.73	$104.84
Robins, A. E.	1,800	75.55	78.60	21.00
Rogers, H.	720	....	....	....
St. Catharines				
Bigger,	900	....	....	....
Bradley, C. K.	2,700	471.18	517.12	58.82
Bunting, H. L.	2,100	182.42	216.05	62.05
Cavers, W. A.	3,000	289.65	....	....
Davidson, J.	900	....	....	....
Dunbar, G. R.	1,800	532.11	192.19	54.73
Dunham, M. F.	2,000	1.80	....	....
Furey, Ethel	1,380	....	....	....
Gander, A. C.	2,200	132.50	44.26	....
Hocking, H. R.	1,800	452.65	528.16	18.87
Jones, E.	1,080	....	....	....
McClelland, W. R.	1,800	....	5.00	3.50
Pratt, B.	900	....	....	....
Rayner, H.	1,800	52.39	13.97	....
Sneath, T.	1,080	....	....	....
Smith, L.	900	....	....	....
Hamilton				
Alton, L. M.	1,080	....	....	...
Ardron, M. L.	1,080	....	....	...
Behm, H. F.	2,400	963.46	....	..
Binney, W. R.	4,000	....	....	...
Bridgeman, A. J.	1,800	96.32	36.65	...
Brown, D. F.	2,400	94.10	9.35	4.69
Burgess, I. A.	900	....	....	...
Campbell, J. A.	2,400	34.95	100.35	....
Collins, M.	1,080	....	....	...
Cowin, W. H.	2,000	....	2.30	..
Cranston, E. M.	1,080	....	....	...
Cross, F. W.	3,600	109.29	101.34	3.20
Crosthwaite, J. N.	1,500	....	....	....
Crowther, J.	720	....	....	....
Currie, M. A.	720	....	....	....
Dickenson, M. C.	1,080	....	....	....
Dingledine, G.	1,140	....	....	....
Dixon, A. H.	2,040	179.03	98.04	....
Dodson, P. J.	2,500	434.52	726.37	59.99
Donaldson, M.	900	....	....	....
Douglas, D. W.	2,000	397.37	....	....
Dove, B.	1,260	....	....	....
Eggleton, M.	900	10.47	....	....
Ellis, M. B.	900	....	....	....
Elwill, E. C.	1,920	....	....	....
Fauman, S.	900	....	....	....
Fox, M. E.	780	....	....	....
Gordon, E. W.	1,800	288.62	567.41	55.79
Green, E.	1,380	....	....	....
Gruener, V. L.	1,080	....	....	....
Hall, L.	720	....	....	....
Harris, C. J.	2,700	125.95	114.45	3.60
Henry, H. C.	1,800	.65	....	....
Holmes, H. W.	1,800	....	3.20	....

(a) Name	(b) Salary	(c) Travelling Expenses 1945	1946	1947
Hamilton—(Con.)				
Kelly, K.	$1,200	$	$ 3.10	....
Kirkpatrick, K.	1,080	....	....	....
Lawson, O.	1,080	....	....	....
Legris, A.	720	....	....	....
Little, M. J.	1,080	....	....	....
Long, C. S.	1,080	....	....	....
Loughlin, K. R.	1,080	....	....	....
Loukes, D. E.	1,080	....	....	....
Lynch, T. R.	2,100	77.00	164.40	....
Macklin, E. R.	1,800	187.74	....	....
Marshall, L. I.	900	....	....	....
Mikoda, R.	1,080	....	....	....
Miles, J. G.	1,080	....	....	....
Mitchell, E.	1,080	....	....	....
McClenahan, H. D.	2,100	....	....	....
McFadyen, J. P.	2,040	106.97	....	....
McFarland, E. V.	1,080	....	....	....
Newton, G. R. G.	2,000	102.00	55.72	....
Palmer, M. M.	720	....	....	....
Pritchard, A.	1,080	22.05	....	....
Pryde, E.	720	....	....	....
Robertson, T. R. B.	2,700	446.62	404.42	54.77
Rynal, C. F.	1,800	698.11	442.00	44.47
Sharpe, L. C.	2,400	139.25	173.60	35.08
Slack, A. F. W.	1,800	235.03	305.37	....
Smith, I. D.	2,700	4.05	.65	....
Smith, M. A.	3,000	....	....	59.10
Spooner, K.	1,080	11.60	158.50	5.50
Stewart, D. A.	2,220	646.39	151.10	....
Teeple, M.	720	....	....	....
Thomson, H. A.	1,800	232.37	51.90	....
Tufford, M.	1,080	....	....	....
Tweeddell, M.	1,080	....	....	....
Vint, M.	1,080	....	....	....
Wait, H.	1,140	....	....	....
Webster, R. M.	900	....	....	....
Whitehead, F. J.	1,600	77.35	180.40	....
Wright, T. M.	1,920	35.42	197.89	....
Youngs, W. H.	3,000	368.62	55.52	....

3. Yes.

4. (a), (b) and (c)

Niagara Falls

Name—Date—Salary

Chedore, P. L., 27/8/45, $1,620.
Henderson, J. R., 21/11/46, $2,124.
Keck, G. W., 2/7/46, $1,800.
Stickles, J. T., 9/11/45, $1,620.

Welland

MacLean, K. A., 2/1/47, $2,280.
McArthur, D. M., 17/8/45, $1,620.
Murdoch, W. M., 1/11/46, $2,280.
Sharik, R. M., Miss, 3/2/47, $900.

St. Catharines

Name—Date—Salary

Henderson, J. R., 1/4/47, $2,124.
Lind, J. R., 12/11/45, $1,620.
Lloyd, E. J., Miss, 15/10/46, $1,128.
Moore, S. L., 10/9/45, $1,800.
Rothwell, G. B., 26/9/45, $1,800.
Sempf, E., Miss, 24/6/46, $900.

Hamilton

Archibald, G. B., 20/8/45, $1,800.
Barker, B. M. Miss., 4/4/46, $900.
Barlow, D. L. Mrs., 10/9/45, $600.
Baxter, W. P., 25/2/46, $1,800.
Berdan, R. D. Mrs., 9/10/45, $900.

Hamilton—(Con.)

Name—Date—Salary

Berdan, R. D. Mrs., 16/5/46, $900.
Brandt, M. A. Mrs., 20/8/45, $1,140.
Carter, E. Mrs., 5/12/45, $900.
Comrie, H. C., 18/10/46, $2,244.
Cornwell, I. M. Miss., 10/9/45, $900.
Davison, M. V. Mrs., 19/11/45, $1,080.
Dean, J. L. Miss., 23/4/46, $900.
Dear, H. E. Mrs., 1/10/45, $1,140.
Ellis, E. A., 19/9/46, $2,124.
Ferrier, J. G., 21/10/46, $2,124.
Heysel, M. K. Miss., 1/12/45, $1,080.
Johnstone, W. J., 21/1/46, $2,400.
Leake, D. L. Miss., 6/8/46, $720.
McDonald, J. Miss, 16/11/45, $900.
Nixon, L., 1/6/46, $720.
Oswald, A. L. Miss., 1/4/46, $720.
Page, M. E. Miss., 1/10/46, $1,128.
Page, M. E. Miss., 3/3/47, $1,344.
Pasquier, D. A. Miss., 12/11/45, $900.
Porteous, M. J. A. Mrs., 26/9/46, $1,404.
Rock, P. C. Miss., 29/8/45, $960.
Simpson, R. F., 7/5/46, $1,800.
Stewart, E. A. Miss., 19/8/46, $900.
Tucker, E. V., 3/6/46, $1,800.
Ullman, L. A. Miss., 5/11/45, $900.
Weeks, L. G., 18/3/46, $1,800.
Willoughby, D. P., 4/9/45, $2,400.
Woolaston, R. F., 1/10/45, $2,400.
Yalden, M. G. Mrs., 20/8/45, $1,140.

5. Yes.

6. (a), (b) and (c).

Niagara Falls

Name—Date—Reason

Bevan, J. G., 31/10/46, no suitable position.
Chedore, P. L., 1/7/46, permanent position.
Henderson, J. R., 1/4/47, trans. to St. Catharines.
Ransom, H. R., 2/10/45, deceased.
Scott, B. G. Miss., 3/2/47, another position.
Stickles, J. T., 20/1/47, leaving the city.

Welland

Boles, L. M. Mrs., 6/2/47, household duties.
Griffiths, O., 1/11/46, opening own business.
MacLean, K. A., 4/3/46, work completed.
McArther, D. M., 17/12/46, permanent position.

St. Catharines

Bigger, A.M., 2/7/46, another position.
Cavers, W. A., 25/9/45, returning to private business.
Davidson, J. P., 14/10/46, permanent position.
Gander, A. C., 1/2/46, work completed.
Hocking, H. R., 27/1/47, personal reasons.
Jones, H. Miss, 19/10/45, resigned.

St. Catharines—(Con.)

Name—Date—Reason

Moore, S. L., 22/2/47, another position.
Smith, L. I. Miss, 6/9/46, ill health.

Hamilton

Archibald, G. B., 22/4/46, permanent position.
Ardron, M. L. Miss, 1/4/46, transferred.
Barlow, D. L. Mrs., 1/3/47, another position.
Behm, H. F. C., 5/9/45, unsatisfactory.
Berdan, R. D. Mrs., 4/4/46, leaving the city.
Berdan, R. D. Mrs., 5/2/47, household duties.
Binney, W. R., 1/4/46, transferred.
Brandt, M. A., Mrs. 17/11/45, transferred.
Bridgeman, A. J., 16/2/46, opening own business.
Burgess, I. A. Mrs., 7/1/46, husband returned from overseas.
Carter, E. Mrs., 10/8/46, leaving the city.
Chambers, L. M. Mrs., 15/11/45, household duties.
Collins, M. B. Mrs., 10/11/45, household duties.
Comrie, H. C., 1/1/47, returning to private business.
Crowther, J. M. Miss, 8/3/46, transferred.
Currie, M. A. Miss, 27/8/45, resigned.
Dickenson, M. C. Miss, 1/4/46, transferred.
Dixon, A. H., 17/2/47, work shortage.
Donaldson, M. Mrs., 1/4/46, transferred.
Douglas, D. W., 1/2/46, work completed.
Dove, B. H. Miss, 12/8/46, leaving the city.
Eggleton, F. M. Miss, 15/9/45, return to school.
Elwell, E. C. Mrs., 1/4/46, transferred.
Green, E. Mrs., 1/4/46, transferred.
Gruener, V. L. Miss, 1/3/47, another position.
Jenkins, J. A., 22/4/46, household duties.
Legris, A., 3/4/46, ill health.
Loughlin, K. R. Miss, 1/4/46, transferred.
Little, M. Mrs., 1/10/45, resigned.
Long, C. S. Mrs., 16/8/45, household duties.
Loucks, D. E., Mrs., 23/9/45, leaving the city.
Lynch, T. R., 17/2/47, work completed.
McClenahan, H. D., 5/2/46, work completed.
McFayden, J., 23/8/45, resigned.
McFarland, E. V., 11/1/47, ill health.
Macklin, E. R., 1/4/46, return to former position.
Mikoda, R. Mrs., 1/6/46, ill health.
Mitchell, E. Mrs., 1/4/46, transferred.
Morden, L. I. Mrs., 5/12/45, personal reasons.
Nixon, L. Mrs., 1/10/46, personal reasons.

Hamilton

Name—Date—Reason

Page, M. E. Miss, 16/1/47, better paying position.

Sauders, S. S. Mrs., 1/3/47, required part time work.

Slack, A. F. W., 1/11/46, permanent position.

Smith, I. D., 14/10/46, another position.

Tucker, E. V., 7/9/46, another position.

Tufford, M., 1/12/45, leaving the city.

Tweddell, M. V. Mrs., 16/1/46, leaving the city.

Webster, R. M. Mrs., 1/2/46, permanent position.

Weeks, L. G., 17/2/47, work completed.

Whitehead, F. J., 24/2/47, work completed.

Wray, A. L. Mrs., 19/12/46, ill health.

Youngs, W. H., 22/6/46, permanent position.

*Transferred—Transferred to another government department.

7. (a) 6, (b) 7, (c) 14, (d) 55.

8. Niagara Falls

Name	Salary
Riches, T. H.	$2,880
Bradley, F. V.	2,244
Collins, J. P.	2,244
Keck, G. W.	2,124
Thomas, M. I., Mrs.	1,572
Barr, M. L., Mrs.	1,416

Welland

Murdock, W. M.	2,580
McQuitty, W.	2,244
MacLean, K. A.	2,280
Robins, A. E.	2,244
Lynn, J. V., Miss	1,272
Rogers, H. W., Miss	1,272
Sharik, R. M., Miss	900

St. Catharines

Bunting, H. L.	3,000
Bradley, C. K.	2,880
Dunbar, G. R.	2,244
Henderson, J. R.	2,124
Lind, J. R.	2,244
McClelland, W. R.	2,244
Dunham, M. F.	2,280
Rayner, H.	2,244
Rothwell, G. B.	2,124
Furey, E. S., Miss	1,944
Sneath, T. I., Miss	1,416
Pratt, B. L., Miss	1,200
Sempf, E., Miss	1,128
Lloyd, E. J., Miss	1,128

Hamilton

Name	Salary
Cross, F. W.	$4,000
Baxter, W. P.	2,124
Brown, D. F.	2,580
Campbell, J. A.	2,580
Cowin, Wm. H.	2,184
Dodson, P. J.	2,676
Ellis, E. A.	2,124
Rymal, C. F.	2,244
Sharpe, L. C.	2,880
Simpson, R. F.	2,124
Wright, T. M.	2,244
Smith, M. A., Mrs.	2,580
Wollaston, R. F.	2,580
Stewart, D. A.	2,580
Willoughby, D. P.	2,400
Thomson, H. A.	2,184
Ferrier, J. G.	2,124
Gordon, E. W.	2,184
Harris, C. J.	3,300
Henry, H. C.	2,184
Holmes, H. W.	2,580
Johnstone, W. J.	2,580
Newton, G. R. G.	2,280
Robertson, T. R. B.	3,200
Dean, J. L., Miss	1,128
Ullman, L. A., Miss	1,200
Ellis, M. B., Mrs.	1,344
Barker, B. M., Miss	1,128
Crostwaite, J. N., Mrs.	1,824
Cornwell, I. M., Miss	1,344
Cranston, E. M., Mrs.	1,416
Dingledine, G. H., Mrs.	1,416
Kirkpatrick, K., Mrs.	1,404
Lawson, O., Mrs.	1,344
Pasquier, D. A., Miss	1,344
Porteous, M. A. J., Mrs.	1,404
Pritchard, A. M., Mrs.	1,416
Vint, M. W., Miss	1,416
Wait, H. L., Mrs.	1,500
Cameron, A. M., Mrs.	1,128
Fox, M. E., Miss	1,500
Hall, L. E. J.	1,044
Leake, D. L., Miss	900
Palmer, M. M., Mrs.	1,128
Pryde, E., Mrs.	1,200
Rock, P. C., Miss	1,272
Stewart, E. A., Miss	1,128
Teeple, M., Mrs.	1,128
Davison, M. V., Mrs.	1,416
Heysel, M. K., Miss	1,416
Kelly, K. D., Miss	1,644
Miles, J. G., Mrs.	1,500
Page, M. E., Miss	1,344
Spooner, K., Mrs.	1,416
Yaldon, M. G., Mrs.	1,500

MOUNTED POLICE—SERVICE OVERSEAS

Mr. ISNOR:

1. How many R.C.M.P. personnel served overseas?

2. How many were killed or died overseas?

3. Were they on loan from the R.C.M.P. to the army?

Mr. ILSLEY:

1. With (a) the Royal Canadian Mounted Police Provost Company, (b) the former marine section (on transfer to Royal Canadian Navy), and (c) the former aviation section (on transfer to Royal Canadian Air Force), 395.

2. Twenty-five.

3. In the cases of the men who served with the provost company and those former members of the aviation section, they were on leave of absence without pay. In the case of members of the former marine section, an order in council was passed on the 29th December, 1943, P.C. 141/9868, directing that the time served by these men in the Royal Canadian Navy, during the second great war, should be considered as leave of absence, without pay, for pension purposes.

Note:—It is believed that a considerable number of other members of the force, who left it at the expiration of their engagement with the Royal Canadian Mounted Police, joined the fighting forces and served overseas, but only very incomplete details are available regarding these.

MARINE INSURANCE BROKERAGE—PARK STEAMSHIP COMPANY

Mr. FLEMING:

1. What broker holds the marine insurance on Park Steamship Company?

2. When was this insurance placed through him?

3. What brokers previously held this insurance, and on what terms?

4. Why was it placed through the present broker, and on what terms?

5. What other insurance, if any, does such broker hold for other crown companies and government departments and government boards, and what premiums have been paid for such insurance?

Mr. McILRAITH:

1. Dale and Company Limited of Montreal. The insurance held by this broker covers liabilities of Park Steamship Company Limited in so far as damages caused by its vessels are concerned. The vessels themselves have never been insured.

2. 1942.

3. None.

4. The insurance was placed through this broker after due consideration of their organization and the service they could render.

5. None, in so far as this department is concerned.

EMPIRE DEFENCE POLICY

Mr. CHURCH:

1. Has any meeting or conference as yet been arranged between the governments of Great Britain and of Canada and the governments of New Zealand, Australia, South Africa and other parts of the empire and crown colonies or any officers thereof since the war with Germany closed on the absolute need of a common defence policy for the future defence of the empire?

2. If not, what action will be taken to secure such a conference or such a policy for the defence of the empire?

Mr. ST. LAURENT:

1. The answer to the question in the terms in which it is put is a negative one, although of course, since the war with Germany closed, the governments of the members of the British commonwealth of nations have been and are in continuous touch with one another, both on the ministerial and the official level, on questions affecting their respective defence forces.

2. Answered by No. 1.

IMPORTS OF LUMBER FROM UNITED STATES

Mr. HODGSON:

1. How many thousand feet of lumber were imported from the United States (a) from January 1, 1946 to December 31, 1946; (b) from January 1, 1947 to April 1, 1947?

2. What were the different kinds of lumber and what were the quantities of each?

3. What price per thousand feet was paid for each different kind of lumber?

Mr. McILRAITH:

1. (a) 58,937,000 F.B.M.; (b) The only figures available are from January 1, 1947 to February 28, 1947—13,484,000 F.B.M.

2. January 1, 1946 to December 31, 1946

Softwoods	M Ft. B.M.
Pine, southern, yellow and pitch..	3,335
Douglas fir	3,536
Pine, ponderosa and sugar.....	8,103
Pine, white and N.O.P.....	9,372
Cedar	1,628
Hemlock	43
Redwood	165
Lumber and timber softwood N.O.P.	270
Total	26,452

Hardwoods	M Ft. B.M.
White ash	468
Chestnut	1
Gumwood	611
Hickory	1,679
Mahogany	1,788
Oak	23,250
Poplar	649
Walnut	1,945
Hardwood flooring	404
Lumber and timber hardwood N.O.P.	1,690
Total	32,485

January 1, 1947 to February 28, 1947

Softwoods	M Ft. B.M.
Pine, southern, yellow and pitch	2,193
Douglas fir	594
Pine, ponderosa and sugar	962
Pine, white and N.O.P.	1,486
Cedar	398
Hemlock	146
Redwood	...
Lumber and timber softwood N.O.P.	62
Total	5,841

Hardwoods	M Ft. B.M.
White ash	70
Chestnut	17
Gumwood	384
Hickory	446
Mahogany	266
Oak	5,142
Poplar	527
Walnut	406
Hardwood flooring	10
Lumber and timber hardwood N.O.P.	375
Total	7,643

3. These figures are not available in this department.

MERCHANT MARINE—DISABILITY PENSIONS

Mr. MOORE:

How many men who served in Canada's merchant marine during the war are in receipt of disability pensions?

Mr. MACKENZIE: Twenty-two (not including one Canadian salt-water fisherman and 10 Canadian nationals who served on ships of non-Canadian registry).

RETURNED SOLDIERS' INSURANCE

Mr. BRYCE:

1. What were the total premium receipts under the Returned Soldiers' Insurance Act for the 25 years ending December 31, 1946?

[Mr. McIlraith.]

2. What were the total losses in the same period?

3. What amount of insurance was in force under this act on December 31, 1946?

Mr. MACKENZIE:

1. $31,077,471.92.

2. $13,570,963.44 in settlement of death claims.

3. $37,020,005.05.

EMBASSIES AND LEGATIONS

Mr. CHURCH:

1. What foreign countries are represented by an ambassador or other representative in Canada at present?

2. Has Canada an ambassador, envoy, or other representative in each one of these countries as a separate representative for Canada?

3. How many of these foreign countries have embassies in (a) Great Britain; (b) United States; (c) France; (d) Russia?

Mr. ST. LAURENT:

1. Argentina, ambassador.
Belgium, ambassador.
Bolivia, consul general.
Brazil, ambassador.
Chile, ambassador.
China, ambassador.
Colombia, consul general.
Costa Rica, consul general.
Cuba, minister.
Czechoslovakia, minister.
Denmark, minister.
Dominican Republic, consul general.
Ecuador, consul general.
France, ambassador.
Greece, ambassador.
Guatemala, consul general.
Haiti, consul general.
Honduras, hon. consul general.
Iceland, hon. consul.
Italy, representative.
Lebanon, consul.
Liberia, hon. consul.
Luxembourg, hon. consul general.
Mexico, ambassador.
Monaco, hon. consul.
Netherlands, ambassador.
Nicaragua, hon. consul general.
Norway, minister.
Panama, consul general.
Paraguay, hon. consul.
Peru, ambassador.
Poland, minister.
Portugal, hon. consul.
El Salvador, consul general.
Spain, consul general.
Sweden, minister.
Switzerland, minister.
Turkey, minister.
U.S.S.R., chargé d'affaires ad interim.
U.S.A., ambassador.

Uruguay, consul general.
Venezuela, consul general.
Yugoslavia, chargé d'affaires ad interim.

2. No.

3. Information not available.

MERCHANT SEAMEN—MEDICAL CARE

Mr. BLANCHETTE:

1. What services are maintained or assisted by the Department of National Health and Welfare for the medical care and welfare of merchant seamen in Canadian ports?

2. How many seamen have been treated under the various authorities administered by the Department of National Health and Welfare, according to the last reports issued?

Mr. MARTIN:

1. (a) Such medical, surgical or other treatment as the case requires is provided under authority of Part V of the Canada Shipping Act.

(b) Grants are made annually to twelve institutions assisting sailors, in eight of the chief ports, namely Halifax, Sydney, North Sydney, Saint John, Quebec, Montreal, Vancouver and Victoria.

(c) Under authority of order in council P.C. 1862 of March 24, 1941, maintenance and medical care are provided for non-resident seamen who, because of mental or physical disabilities, were left in Canada during the war and whom it has not yet been possible to return to their own countries.

(d) Under authority of order in council 164/6991 of September 4, 1943 (as amended) treatment of Canadian fishermen and seamen who were granted such treatment during the war years is being continued until their entitlement is completed.

(e) Under authority of order in council P.C. 9002 of November 23, 1943 (as amended) treatment of repatriated Canadian merchant seamen who were prisoners of war is being continued until their entitlement is completed.

2. Authority—Number treated

Part V, Canada Shipping Act, 18,180 during fiscal year 1945-46.

Order in council P.C. 1862, 147.

Order in council P.C. 164/6991, 440.

Order in council P.C. 9002, 46.

EMPIRE DEFENCE POLICY

Mr. CHURCH:

1. Has the attention of the government been called to an address by the Rt. Hon. Viscount Bennett, former prime minister of Canada to the Women's Advertising Club in London, England, on April 15, that "Britain could no longer defend the commonwealth of nations?"

2. What has been done since the last session of parliament to secure a common defence policy for the empire, and what action has been taken in the matter?

3. Will any conference be held with the other dominions and the mother country on this matter, and when?

Mr. ST. LAURENT:

1. Not otherwise than through the publication in certain newspapers of reports of the address referred to.

2. The governments of the members of the British commonwealth of nations have been and are in continuous touch with one another on questions affecting their respective defence forces.

3. No arrangements have been made for any such conference.

CIVIL SERVICE—NEUROPSYCHIATRIC EXAMINATIONS

Mr. TREMBLAY:

1. How many neuropsychiatric examinations of civil servants did the mental health division of the Department of National Health and Welfare do in 1946?

2. How were they referred?

3. For what reasons were they referred?

Mr. MARTIN:

1. Forty.

2. Almost all were referred by the civil service health division of this department.

3. Chiefly in connection with applications for retirement on grounds of nervous and other complaints for which an organic basis could not be found. A number were referred for an opinion on degrees of disability in cases of frequent absences from work.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN REPRESENTATIVES IN FOREIGN COUNTRIES

Mr. CHURCH:

1. What ambassadors or other representatives have been appointed to foreign countries by the government of Canada, and where?

2. What was the cost to the country for 1946 and 1947?

AID TO THE BLIND

Mr. BLACK (Chateauguay-Huntingdon):

What aid does the federal government provide for blind persons other than pensions under existing statutes?

PENITENTIARY ACT

PROVISION FOR APPOINTMENT OF COMMISSIONER, ETC.

Right Hon. J. L. ILSLEY (Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution:

That a bill be presented to the house to amend the Penitentiary Act to make provision, inter alia, for the appointment of a commis-

sioner and two deputy commissioners and for the payment of such salaries thereto as are approved by the governor in council; and that the Civil Service Superannuation Act shall apply to such commissioner and deputy commissioners.

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

[*Later*:]

On the orders of the day:

Mr. MACDONNELL (Muskoka-Ontario): Having regard to the notice of motion moved by the Minister of Justice, may I ask him whether the appointment of these commissioners and deputy commissioners would indicate that progress is being made in implementing the Archambault report, and whether the house may expect him to say something in that regard in the fairly near future?

Mr. ILSLEY: I shall be prepared to make a statement on the matter at the time the bill is introduced or on second reading of the bill, but the present status of the Archambault report is pretty well set out in the report of General Gibson, which was laid on the table some time ago. It is not intended to implement in full the findings of the Archambault commission.

EXTERNAL AFFAIRS

PENSION OR SUPERANNUATION BENEFITS TO SENIOR APPOINTEES SERVING OUTSIDE CANADA

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a measure to provide pensions or other superannuation benefits for senior appointees of the Department of External Affairs serving outside Canada and the wives, widows and dependents thereof.

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

Motion agreed to.

IMMIGRATION

ARRANGEMENTS TO ASSIST POLISH VETERANS TO ENTER CANADA

On the orders of the day:

Mr. G. H. CASTLEDEN (Yorkton): I should like to direct a question to the Minister of Labour. Is it true that special arrangements are being made to assist more Polish veterans to enter Canada at this time? If so, what are they?

[Mr. Ilsley.]

Hon. HUMPHREY MITCHELL (Minister of Labour): It is true that special arrangements are being made to assist more Polish veterans to come to Canada at this time.

Mr. LENNARD: Why?

Mr. MITCHELL: Did the hon. member say "pourquoi" or "why"?

Mr. LENNARD: Why?

Mr. MITCHELL: I was looking down in the other corner. It is a fact that arrangements are being made. Originally we agreed with the British government to receive four thousand Polish veterans who fought in the last war. A team has left for overseas—they left on Saturday—for the purpose of examining and bringing the remainder of the four thousand to Canada under conditions similar to those under which the previous Polish veterans came to Canada. If the hon. member would like to know the name of the team I can give it now.

Mr. COLDWELL: It might be just as well.

Mr. BLACKMORE: May I ask the minister a question with reference to the admission of 4,000 Polish soldiers to Canada? Will the Canadian government use its influence to see that all eligible British immigrants needing transportation from Britain to Canada be given transportation before the remainder of the 4,000 Polish soldiers are taken care of?

(On the motion for committee of supply:)

May I ask, Mr. Speaker, why the minister does not condescend to answer the question?

Hon. HUMPHREY MITCHELL (Minister of Labour): There is no question of condescension. My hon. friend was just asleep at the switch, that is all. I think this can be stated, that the question of transportation for these Polish veterans is under the jurisdiction of the British government and their fare is paid by them. My hon. friend's question might better be directed to the British government than to me.

HOCKEY

WINNING OF STANLEY CUP

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to address a remark to hon. members representing Montreal island. I would call their attention to the fact that the Maple Leafs won the Stanley cup on Saturday night, and last fall the Argonauts won the Grey cup in rugby.

BUTTER

AVAILABILITY OF SUPPLIES IN BRITISH COLUMBIA

On the orders of the day:

Mr. G. R. PEARKES (Nanaimo): I should like to direct a question to the Minister of Finance. In view of the announcement last night that there are sixteen million more pounds of butter in Canada now than last year, will the minister say when a more adequate supply may reach Vancouver island, where there has been a shortage for many months?

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): I think the remark that most often met British Columbia members when they went home at Easter was the supply of butter for British Columbia. Members from that province have pretty well all taken part in asking for some information; therefore I am pleased to answer now the question just asked by the hon. member for Nanaimo.

The situation throughout British Columbia has been very difficult in recent weeks. There are several factors which have a bearing, among the most important being a tendency to store butter in expectation of realizing a profit when the present eight and a half cents per pound government subsidy is withdrawn by May 1. Announcement by the government on March 19 that the government will insist upon a full recovery of inventory profits after the subsidy is discontinued has helped the situation but has not overcome it altogether. A second important factor in the shortage has been slowing down of shipments from the prairie provinces. The administrative officials have been taking all steps available to keep the British Columbia market supplied with butter and are continuing to put forth every effort in this regard. Since January, 1947, all butter offered in Saskatchewan and Alberta has been moved into British Columbia and no shipments have moved into the eastern provinces since that date. Last week four carloads of butter were directed to British Columbia from Saskatchewan. In addition a supply of 8,000 boxes, or 450,000 pounds, of imported butter has been transported across Canada from the east coast into British Columbia.

According to Dominion Bureau of Statistics figures on butter storage as at April 1, 1947, stocks of butter in storage in all parts of Canada are somewhat higher than at the same date last year. Even British Columbia has somewhat more butter in storage than one year ago. It is however, as you can imagine, extremely difficult to divert and order out supplies which are held by a very large number of operators, not only large packers but also retailers, restaurants, hotels and so on. The situation in eastern Canada is undoubtedly better than in British Columbia but, as I have stated, the costs of transporting butter from the east to the west is one important factor against doing so.

Mr. WARREN: I wish to ask a question, and I think it ought to be directed to the member for Fraser Valley (Mr. Cruickshank). In view of the great shortage of butter in British Columbia, what has gone wrong with the cows of the Fraser valley?

Mr. MacNICOL: The Fraser valley can speak for itself.

EXTERNAL AFFAIRS

MEASURE TO PROVIDE SUPERANNUATION BENEFITS —MR. JUSTICE DAVIS

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I wish to ask the Minister of Justice a question, arising out of the resolution of which notice was given today, to make provision for the payment of pensions or superannuation benefits to senior appointeees of the Department of External Affairs serving outside Canada. In view of the fact that Mr. Justice Davis, the new ambassador to China, has left to take up his duties, is the minister in a position to say whether he has tendered his resignation as judge of the court of appeal of Saskatchewan?

Right Hon. J. L. ILSLEY (Minister of Justice): I am not in a position to give that information. I am not aware of the resignation. I am not in a position to say definitely.

PRAIRIE FARM REHABILITATION

QUESTION OF EXTENSION TO BRITISH COLUMBIA

On the orders of the day:

Mr. E. D. FULTON (Kamloops): I wish to direct a question to the Minister of Agriculture. Can he say whether a bill extending the Prairie Farm Rehabilitation Act to British Columbia this year will be introduced this session?

Right Hon. J. G. GARDINER (Minister of Agriculture): There is really no bill under consideration to extend the P.F.R.A. to British Columbia, but there has been under consideration the possibility of introducing two bills which would extend the principle of P.F.R.A. to all Canada. That is still under consideration and possibly will be brought in this session.

SUPPLY

Hon. DOUGLAS ABBOTT (Minister of Finance) moved that the house go into committee of supply.

Motion agreed to and the house went into committee of supply, Mr. Golding in the chair.

FINANCE

57. Departmental administration, $83,703.

Mr. MACKENZIE: May the item stand?

Item stands.

FISHERIES

75. Departmental administration, $184,000.

Mr. MACKENZIE: The item will stand.

Item stands.

DEPARTMENT OF JUSTICE

95. Departmental administration, $224,092.

Mr. MACKENZIE: Stand.

Mr. MacINNIS: Before the item stands, I do not think this is quite in accordance with the promise given to the house. The item should not have been called, let alone allowed to stand. The Secretary of State for External Affairs, the acting leader of the house, gave this undertaking, as reported at page 1870 of *Hansard*:

I shall not ask to open more than two departments unless at the time I have the consent of the house to open more.

I think the house showed commendable restraint today in not raising any question but in allowing the government to go on with its business. We should be satisfied with the two items that have already been called and allowed to stand.

Mr. MACKENZIE: If there is any objection I at once accede to the hon. member's suggestion, but there were three departments mentioned by my right hon. colleague. I move that the committee rise and report progress with respect to the two items that have been allowed to stand.

The DEPUTY CHAIRMAN: Cutting out Justice?

Mr. MACKENZIE: Yes.

Progress reported.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Friday, April 18, consideration in committee of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war—Mr. Ilsley—Mr. Golding in the chair.

On P.C. 9029.

The DEPUTY CHAIRMAN: We were dealing with the wartime leasehold regulations. I think the minister had some amendment.

Mr. ILSLEY: No.

Mr. CHURCH: I wish to say a few words with regard to the wartime leasehold regulations as amended by this new order in council. There have been meetings in the cities and municipalities over the week-end with respect to these matters and there is a great deal of dissatisfaction being expressed not only by landlords but also by tenants. This amended regulation will not improve the housing situation or the leasehold situation. Many people do not want to go into rented property because of the heavy monthly overhead cost. I do not know where we are going to be in the coming winter. The landlord has no chance to get into his property. He may have had long before the war, but he has no chance at all today; he cannot get into it. It is confiscation of property; that is what it is. Is it any wonder that no houses are being built? In the city from which I come, sixty-five per cent of the people used to own their own homes. Can soldiers or civilians move into wartime leasehold properties built by the government under these regulations at a fabulous rent per month which they never before paid? I fail to see how the situation will be improved by this amendment. With neither the landlord nor the soldier able to get into his own house, it amounts to confiscation of property. The tenant can go in and cause rack and ruin; the insurance companies will not carry the risk, and the mortgagee wants further payments on principal.

The DEPUTY CHAIRMAN: The hon. member for Eglinton had an amendment.

Mr. FLEMING: Yes. I submitted one amendment for the consideration of the house and indicated the contents of a further amendment which I proposed to introduce. I urged on the Minister of Justice consideration of the subject matter of my first proposal indicating that I was not attempting to be dogmatic about the form of it. Perhaps the minister has given the matter some consideration since then, and if he is prepared to make a statement on it I shall happily defer to him.

Mr. HOWE: Mr. Chairman, I made a short statement on this subject on Friday night.

This is a situation which concerns the Department of Reconstruction, for the reason that, by cooperation with the cities and municipalities, the Wartime Housing and Mortgage Company so far has been able to make it possible to keep a roof over the heads of Canadian citizens. I am exceedingly anxious that we shall continue to do so. The hon. member for Eglinton has moved an amendment to the wartime leasehold regulations whereby a veteran may secure possession of any house owned by him. No one in this house would deny that such a step is desirable if circumstances permit. The argument against this amendment is exactly the same as the argument for retaining eviction control generally. Throughout the country there is acute housing congestion, and the housing requirements are being met only by a very large amount of involuntary multiple occupancy.

I think it is fair to say that a large part of the multiple occupancy is that of the veteran and his family living with their in-laws. The exact size of this multiple occupancy is difficult to determine, but from sample surveys it would appear that there was multiple occupancy ranging from ten to twenty per cent, depending upon the municipality. There is a general impression that congestion is largely in the metropolitan areas. That is not correct. In many instances the multiple occupancy is much heavier in municipalities of 5,000 to 15,000 than it is in Toronto and Montreal.

For instance, in August 1946 it was found that in Carleton Place there were 1,100 families and only 900 residential units in which to house these families. This means that in Carleton Place there were 200 individual units housing more than one family, and about 400 families living in multiple occupancy. Another case in point is Smith's Falls, where in September 1946 there were 2,700 families and 1,946 housing units.

Under the present wartime leasehold regulations there are circumstances under which an owner may secure possession of a house owned by him. Experience has shown that where permits or orders are given for possession, there is a net loss of living accommodation. The extreme case is an owner living in multiple occupancy of rented premises who is given right of possession to a house owned by him which is also in multiple occupancy. The net effect of such a transaction is the loss of two units, because it is most unlikely that the residence which the owner leaves will go back into a state of multiple occupancy. In other words, the owner of a house and his family will take in his son and daughter-in-law and their family, but if the son and daughter-in-law leave, it is most unlikely that the owner of the house will take another family into multiple occupancy. The two families dispossessed by the returning owner are in the market for two units, which under present conditions are not available. There are, of course, certain instances in which an owner, given the right of possession to the house he owns, leaves his residence to take possession of the owned premises where there also is a single tenant. It is estimated that under present conditions 1,000 evictions involve the net loss of 750 units for this reason.

In February, 1947, a change was made in the leasehold regulations, known as board order 688, whereby individuals who had purchased a house between October 31, 1944 and July 25, 1945, may secure possession on three months' notice provided that a court of rental appeals find that the need of the owner is greater than the need of the tenant. As at March 31 there were 1,433 applications received under order 688, not including Alberta and Nova Scotia. The status of these applications as at March 31 was:

Applications granted	224
Applications dismissed	56
Applications pending	1,153
Total	1,433

I have outlined these figures in detail because, although they are very much smaller in number than would be occasioned by the proposal of the hon. member for Eglinton, nevertheless the granting of these applications will place an additional burden upon our efforts with the municipalities to find space for evicted tenants.

To illustrate the situation I should like to give the hon. members figures for shelter needs in Ottawa. There are 484 units of emergency shelter in occupancy in Ottawa. There are 36 notices approved by the wartime prices and trade board to vacate self-contained units, most of which have effect on May 1. There are 57 notices approved by the wartime prices and trade board to vacate shared accommodation by May 1. In addition to these 93 cases of eviction, there are 74 families living in distressingly over-crowded or substandard conditions which are described by the emergency shelter administrator as being urgent cases. In addition to these 167 cases there have been 38 applications received under board order No. 688 to which I referred earlier. Applications have been granted in twelve cases, and there are fourteen more cases pending. To meet the needs of approxi-

mately 190 cases in all, the balance of available units in Rockcliffe, six in number, will be completed on May 1. We are at work on 120 emergency shelter units at Uplands to be completed by June 1. The potential of available shelter in all is 126 units.

Hon. members will see that even under the present restricted rights of owners to secure occupancy of residences owned by them and before any such amendment as now proposed, the municipalities are having difficulty in meeting present needs. I have used Ottawa as an example, but I can assure the hon. members that Ottawa is no more congested than the average municipality.

During the last eighteen months we have been working very closely with the city of Toronto along the same lines. There also we are coming to an end of buildings available for conversion. In greater Toronto there have been 417 applications received under order 688, of which 58 have been heard, 34 granted, 14 adjourned, 5 with reserved judgment, and 5 dismissed. We are not at all sure that even under the present regulations immediate needs for shelter in Toronto can be met.

It is to be remembered that the municipalities themselves are bearing the main burden of looking after families without accommodation. The dominion has been assisting the municipalities by making buildings available and by financial grants. Nevertheless the problem is one which must be faced by the municipalities. A change in the wartime leasehold regulations as now proposed will, in my opinion, make it impossible for the municipalities to meet increased needs. A chaotic situation would be created. I would remind hon. members of my statement of last Friday in which I pointed out that the supply of surplus buildings available for conversion into shelters is running very low. It is going to test our ingenuity to look after even present needs. I believe that such a step by the dominion at the present time would be most unfair to the municipalities. Some of our officials feel that even the increase occasioned by board order No. 688 has created a situation which may prove beyond capacity to meet. I will not attempt to estimate the number of evictions which might be caused by the proposal now before the house. I can assure the house, however, that the evictions resulting would be many times those occasioned by board order No. 688.

Hon. members must remember that in a condition of heavy multiple occupancy changes in tenancy result in a net loss of units. The housing situation is so tight that we cannot afford to lose units, and indeed there may be no place for evicted families to go. No one denies that the rights of owners should be restored as quickly as possible. There is, however, a most extraordinary situation in the housing field, and at this time the most economical use of our short supply of housing must be weighed against the rights of the individual owner. The proposed amendment might create thousands of additional evictions at a time when the municipalities are putting forward their best efforts to deal with a very difficult situation. I firmly believe that any step which would increase the number of evictions at this time is against the public interest.

The government is making every effort to examine its orders in council in the light of criticism from the opposition. So far, in considering this measure in committee, changes have been made at the suggestion of the opposition which the government believed could be made with reasonable safety to the state. In the case under discussion I am convinced that the government would be derelict in its duty if it agreed to an amendment which in its opinion undoubtedly would have the effect of putting on the street families for whom no shelter can be made available. I am sure the hon. member for Eglinton would not wish to sponsor legislation which would have that effect. I would ask that he reexamine his proposed amendment in the light of the additional information I have just given, and consider withdrawing it.

Mr. ABBOTT: I wonder if I might add just a word. The committee will recall something of the history of rental control and of eviction control, and will remember that when the general freeze was put on in July, 1945, it was primarily to protect members of the armed forces and their families. Most of the troops were not then home, of course; at that time comparatively few had returned. It is also true that on their return a good many bought houses, but I thing we should remember that a great many returned veterans did not, and I am satisfied there are infinitely more veterans who are tenants than veterans who are owners of property.

As my colleague the Minister of Reconstruction and Supply has pointed out, the fact is that there simply are not enough rental dwellings in Canada available for those who occupy that type of accommodation, and that is the problem we have to face. The rental administration, in view of the fact that there is a general freeze, has endeavoured to provide a reasonable and orderly way of seeing to it that those who now have a roof over their heads will continue to have such a roof, until

building has increased to the point where some relaxation of the eviction controls can be made. I am convinced that it would not be in the interests of the veterans themselves to provide now for a relaxation as suggested by the hon. member for Eglinton. Already some relief has been given under order 688 in regard to purchases made between November 1, 1944, and July 25, 1945, but as my colleague has pointed out that has resulted in a considerable number of applications for eviction, and some dislocation. I am satisfied that if an amendment were made now to the order, as suggested, it would result in veterans ousting veterans; and I think it is obvious that it would put a premium on the veteran who was in a financial position to purchase property as against the veteran who was not.

Taking all those factors into consideration it seems to me the government could not agree to an amendment to the rental order which would permit veteran owners being given this special protection.

Reference was made by my hon. friend to the control of shared accommodation. He seemed under the impression that there was no means of evicting tenants occupying this type of accommodation except by application to the court of rental appeals. Well, a large proportion of family units do live in shared accommodation. I am advised that something in the order of twenty to forty per cent of families in urban centres now live in rooms. All these people can be evicted on six months' notice. In view of the acute shortage of housing accommodation, it is felt that is the minimum length of notice which should be allowed. That is permitted under article 428 of the board, which permits the landlord to recover possession of such accommodation on six months' notice, which may be terminated at any time during the calendar year if he desires the accommodation as an extension of his own residence, but he is not bound to continue to occupy such accommodation for any specific period after recovery of possession.

I have always believed, personally, that these special rules which are made for veterans often defeat the very purpose for which they are set up. In the present instance I believe my hon. friend would agree that we would have to restrict it to veterans who had purchased their houses before a certain date. If you allowed it to continue in the future you would have a wild scramble for houses, and it obviously would break down. There would be discrimination at once between the veteran who had the financial means to purchase a house on a certain date and the man who would like to purchase one and finds that he can do so now. But more serious is the fact that you still have the veteran who owns the house in effect ousting some other veteran. The veteran may not be occupying the house that he gives notice of eviction for, but undoubtedly it will result in the eviction of a substantial number of veterans.

I suggest to the committee that we leave the regulations as they are. I can assure the committee that the rentals administration and myself as minister are only too anxious to see that every relaxation is made which can be made fairly in the interests not only of the veterans but of all the people of Canada. Those relaxations will be made just as soon as we feel that can be done properly. Goodness knows it is no pleasure for the rentals administrator, and perhaps it is less pleasure for me as minister to have to resist what are undoubtedly deserving cases. Eviction control is a difficult and unpleasant thing to enforce, but I am satisfied the time has not yet come when we can do away with it.

As I said before, I am convinced that the suggested relaxation in favour of veterans who purchased their houses up to this time would not accomplish good for a considerable number of others; and I am satisfied that for the veterans themselves it would not be good.

Mr. LOCKHART: Would it not be possible to set up some authoritative body to deal with these emergency cases which are causing so much trouble?—perhaps not a blanket order in council, but an authoritative body with latitude to deal with the most urgent cases.

Mr. ABBOTT: We have been working on this matter for the last week or ten days, and giving the closest attention to the question whether there could be some extension of the powers of the court of rental appeals, or perhaps the appointment of commissioners or something of the kind to look into these hardship cases. I assure the hon. member however that it is a difficult matter. We are working on it now, and I hope we shall be able to work out something. Obviously it will be easier when conditions have improved somewhat—and they are improving all the time, as additional housing units are put up. My answer is that the question is being given active attention at the present time.

Mr. FLEMING: Perhaps I might be permitted to say something by way of clarification of the proposal. In the first place, the Minister of Reconstruction and Supply, in the statement he has read to the committee, has dealt in dark terms not only with the

present situation but also with the situation which might arise if my proposal were given effect to by the committee. Times have changed. Previously we have been treated to the most optimistic and expansive statements in the house about the great headway that the government claimed was being made in the housing programme. Now, when a proposal is made with a view to bringing justice to veterans against whom, in effect, there has been discrimination, the picture is painted in dark colours. I mention this in passing, because it is a fact which may have to be referred to in the future.

I did not bring forward a proposal which would have the effect of increasing the difficulties of the problem. I brought before the committee two proposals, one of which was designed to give justice to veterans against whom discrimination does now exist. I coupled with that, in the second place, a concrete proposal which would have the effect of greatly increasing the available supply of housing accommodation.

I was interested in hearing the indication given by the minister this afternoon of the high proportion of families occupying shared accommodation. That is most significant. Where families are occupying properties owned by veterans who under this proposal would be entitled to occupation of it, not only would there be provision for such persons in the increased supply of shared accommodation available under my second proposal, but there would be a great deal more of it.

The Minister of Finance suggests that more veterans may be hurt by this proposal than would be helped by it. I do not know where he gets his figures. It is perfectly clear that the proposal is confined to cases where veterans are owners and desire the accommodation for their personal occupation. It does not touch at all veterans who are tenants of persons other than veterans. I submit that that would be the great proportion of veterans to whom the minister was referring when he spoke about the number of veterans who are tenants. The only such veterans who would be affected by this proposal are veterans who are tenants of veterans.

In these cases, obviously what the government ought now to be doing—or what it should be urging the wartime prices and trade board to do—is to bring about an extension of the effect of order in council P.C. 688. Surely before that order was made by the wartime prices and trade board, and before the government gave its approval to it, the situation must have been canvassed. That order had the effect of opening the door to recovery of possession by owners, regardless of whether they were veterans—and of course the great proportion were not—if they purchased the property between October 31, 1944 and July 25, 1945, the date of the freezing order.

In my humble submission the government took the measure which should have come second ahead of the measure which should have come first. They should have taken steps in the first place to put the veterans in at least as good a position—I would have said a preferred position—as that occupied by non-veteran owners. But surely the situation was canvassed at that time by the government to see that there was available a sufficient supply of housing accommodation to take care of any tenants who in the net result might have been dispossessed.

Something has been said to the effect that in view of the rate at which the number of families is increasing, the effect of dispossession is to lessen the total available housing accommodation per family. There may be something in that. It may be that in most cases veterans who are living in hovels, garrets or perhaps in a room or two, trying to keep their families together, but who have purchased houses and want possession of them for their personal use, would be living in larger quarters if they obtained possession of the places they have purchased. That is one reason why I have seen fit to put forward this constructive proposal with respect to freeing a great deal of housing accommodation which would be available today, on a shared basis, if it were not for the terms of the proposed order.

I come to the point raised by the Minister of Finance with reference to the terms upon which a landlord can recover possession of shared accommodation. He refers to the fact that possession can be recovered on six months' notice, but, Mr. Chairman, you know that that is not very helpful in inducing people to let one or two rooms in their house. The other provision for dispossession applies to a finding by the rentals board that the tenant is obnoxious. I do not need to emphasize again the extreme difficulty that is faced by a landlord in proving that a tenant is obnoxious within the terms of that rule. The terms of the order with reference to recovery by landlords of shared accommodation are so strict—and the minister must appreciate this—that they discourage many people from making available one or two or three rooms in their homes which are surplus to the needs of the occupant. It is an unquestioned fact, and it cannot be denied, that the order is discouraging people from renting shared accommoda-

tion. The occupants of homes who have more space than they need simply will not take people into their homes because of the great difficulty of ridding themselves of the tenant if he proves difficult and unpleasant.

I quite agree with the observations of the Minister of Finance about the necessity of fixing a deadline for purchase by the veteran. I made it clear when I spoke on Friday last, and certainly in answer to questions of the Minister of Justice, that that was my proposal, that this provision should not be extended to cover future purchases of homes by veterans because of the danger of some of them making brokers of themselves. So there should be a deadline, I suggest March 31, 1947. Then it would be quite clear that the period is closed now.

I should like to offer an observation with regard to the remarks of the hon. member for Winnipeg North Centre on Friday last. I share his view as to the desirability of having amendments of the kind I propose made in the regulations issued under the order rather than in the order itself. There are difficulties of draftsmanship, some of which have been indicated already, if we must proceed to deal with the situation by amending the order which appears in the schedule to the bill. If we must have an amendment of this kind inserted in the order it would be very much better, I think, to include it in the scope of order 688, but if the government is not prepared to accept that suggestion one is left with no alternative but to move an amendment to the order as set forth in the bill.

Something has been said as to the situation that would be faced at once. Inherent in my amendment, and I laid stress on it, is the fact that there is a proviso in the amendment that any notice to vacate given under its terms would not become effective for three months. In that respect I simply add the concluding terms of paragraph 6 of order 688.

One final observation, and this has to do with the suggestion of the Minister of Finance as to the case of a veteran dispossessing a veteran. I do not know how many of these cases there are, but I think there are very few.

Mr. ABBOTT: Oh, no.

Mr. HOWE: At least fifty per cent.

Mr. FLEMING: We have no figures on this. I have no doubt that the minister of reconstruction before he made his statement consulted the officials of Central Mortgage and Housing Corporation and got estimates, but there are no precise figures. We are dealing with the opinions of certain people.

Mr. ABBOTT: To say that there are very few of these cases is a bold statement.

Mr. FLEMING: I would put it this way—relatively few. I am speaking from my own experience with a difficult situation in Toronto.

Mr. HOWE: Even though the soldiers were overseas their families in many cases were in rented accommodation since before the war. It is the families of veterans the hon. member proposes to turn out.

Mr. FLEMING: I contradict that flatly. The minister of reconstruction ought not to be making statements of that kind. It is not the families of veterans I propose to turn out.

Mr. HOWE: The freeze was put in to protect those families.

Mr. FLEMING: What I was about to say was this. The case can be fully dealt with if the government would simply apply to the kind of case to which I am referring the provisions of order 688 which relate to cases of equal or greater hardship. Surely in these cases if the situation were brought before a county court judge it would be possible to protect any who need protection and do it adequately. That is the scheme of order 688 at the present time. Let me remind the house of article 5 of order 688, and I repeat that this is the way in which this ought to have been handled instead of leaving it to the house to make amendments to order 9029, because the result could be achieved under the terms of the regulation much more neatly and with much less danger of misinterpretation. Article 5 says, and I am submitting that this is the way to deal with these cases:

> On the hearing, the court may require such further information in such manner as it may direct, may adopt such procedure as it deems proper and, according to what it deems reasonable and just in the circumstances as established, having regard to the relative needs of the landlord and tenant for the accommodation and the relative hardship resulting from any order that might be made by it, may make an order permitting the landlord to recover possession of the accommodation in accordance with the provisions of section 6 of this order, or dismissing the application. No costs shall be awarded to either party and the decision of the court shall be final and conclusive.

I think that if the government and the wartime prices and trade board will proceed along the lines I have suggested, no hardship will be done, and in the net result not only will you have eliminated a discrimination operating against a veteran purchaser but you will have made more housing accommodation available. Personally I do not know how you can hope to increase the supply of housing accommodation substantially and almost

immediately in any other way than to provide that the present order as to possession by tenants of shared accommodation shall not apply to tenancies hereafter created. I am not proposing that it shall apply to any existing tenancies of shared accommodation, but if you confine the proposal to tenancies hereafter created I know that there is a great deal of housing accommodation that would become available.

Mr. ABBOTT: I want to say a word on shared accommodation. I am informed by the officers of the board that no occupant of shared accommodation whose conduct is really objectionable is protected by the court of rental appeals. I would point out that the word used in the order is not "obnoxious." The tenant's conduct need only be incompatible. That word was used deliberately in order to allow more latitude in evictions in the case of shared accommodation.

Mr. SMITH (Calgary West): Was that an amendment?

Mr. ABBOTT: I think that was in order 477. Security of tenure and the rental ceiling are closely linked in dwelling accommodation. The government fully realized the irksome character of the measure which was being enacted in granting security of tenure beyond the law of the province to a tenant who occupied an integral part of the landlord's own home and shared its facilities. Acting on that principle on October 1, 1943, we removed security of tenure from that type of accommodation. Well, the results were most unfortunate. As I stated a few moments ago, between twenty and forty per cent of the population of urban centres live in that type of accommodation, so that any untoward increase in the rental of the accommodation has a far-reaching effect. By the end of July, 1944, the board found as a result of freezing from security of tenure that type of accommodation that they had lost all control of the rental price of shared accommodation. Therefore board order 428 was enacted giving the tenants of such accommodation security of tenure terminable on six months' notice in the fashion I indicated a few moments ago.

There is no doubt that the heavy demand for dwelling space still continues and still reaches down to the shared accommodation. I know the hon. member for Eglinton will agree with me in that; indeed he has already so indicated. Therefore there is no doubt that landlords fortunate enough to have available for renting shared accommodation which has not previously been rented, or which has become vacant, would be able to demand and obtain far higher rental than the board would approve or has approved. I do not think there is any question as to that. But the new tenants, without security of tenure, would keep on paying such excessive rentals as the tenants similarly situated did between October, 1943, and July, 1944. The landlords still saddled with tenants will be restive in their position of inferior advantage and will be seeking constantly to get their tenants out in order to take advantage of the admittedly illegal increase in revenue which the proposed amendment would permit. The resultant loss of control, disturbance and bickering makes the suggestion most unattractive. Therefore on balance, as I said before, while the government is most anxious to remove control on these matters, the shortage of dwelling space remains so acute that our rental officials, who have had extensive experience in the administration of these orders, assure me that to attempt to remove security of tenure from this type of accommodation would make it impossible to continue to exercise any real control over the rentals. It is for that reason in particular that I am reluctant to consider such amendments as that put forward by my hon. friend.

Mr. MICHAUD: I should like to bring out a point in connection with the remarks of the hon. member for Eglinton as to shared accommodation. He referred particularly to the reluctance of people to rent rooms because, as he put it, the six months' notice is no great protection to the landlord. When either shared accommodation or regular tenancy is entered into for a period of five months or less it is not subject to board order 294 respecting housing accommodation. You can lease a house or rooms for a period of five months without being subject to order No. 294; but if it is renewed for a further period it comes under the order. Therefore persons who are prepared to lease rooms may try out their tenants or their roomers for five months and at the end of that period they will know whether the tenants are desirable or not. If they are not desirable they do not have to be kept the full five months; they may be put out at the end of one month. For this reason it would seem that a good deal of the objection to renting on such a basis is eliminated. If landlords are not aware of that, they should be made aware of it. There should not be this objection to renting rooms on the shared accommodation plan.

Mr. LOCKHART: Is that statement correct?

Mr. KNOWLES: It seems to me that the two ministers who have spoken have made an unanswerable argument to the wide provisions of the proposals made by—

Mr. HOMUTH: I am surprised at the statement made by the hon. member for Restigouche-Madawaska. I should like to ask the minister if this statement is a correct interpretation of the law.

Mr. ABBOTT: I am afraid I was looking over some papers at the time the statement in question was made.

Mr. DIEFENBAKER: It is convenient that the minister was, then.

Mr. ABBOTT: What was the statement?

Mr. MICHAUD: The statement I made was the law some time ago at least when I happened to be dealing with such cases. If you rent premises for a period of five months or less they do not come under the order so far as eviction is concerned. But if you renew them they do.

Mr. CASSELMAN: Only once in a year.

Mr. MICHAUD: After the first five months you are under control. If the premises are rented for less than five months the landlord remains in control of his property and he can evict.

Mr. LOCKHART: The hon. member said the tenants could be put out in one month. I want to know whether that statement is correct. My interpretation of it is that if you rent from month to month—

Mr. ABBOTT: I am advised that a prospective landlord can make any provision he likes for eviction in his initial lease provided the term is for five months or less. I was not familiar with the detailed provisions of the order. Apparently he can have a trial period of five months or less and make any provision for eviction he wishes; but if he renews it or carries it on after that period then it becomes subject to the rule.

Mr. DIEFENBAKER: When did that order come in?

Mr. ABBOTT: I am told that that has been the law ever since the order was first enacted on October 1, 1940.

Mr. CASSELMAN: No.

Mr. ABBOTT: 1943.

Mr. KNOWLES: To get back to the matter that was being discussed between the ministers and the hon. member for Eglinton, as I see it the ministers have made a conclusive answer to the wide provisions that his proposals would entail. However, there is one part of what the hon. member for Eglinton was seeking to achieve which I supported the other night, and I should like to refer to it again and ask for comment from either of the ministers concerned. I have in mind a veteran who purchased a house after he went into the armed forces, and who is now a discharged veteran within the terms of the definition set out in board order No. 511. The point I was trying to make the other night was that that veteran should be put in the same position as the veteran who owned accommodation before he was inducted into the service. I have before me—

Mr. ILSLEY: Just a minute; in order to get the hon. member's position correctly, he says that the veteran who bought in the face of the freeze should be put in the same position as the veteran who did not; is that it?

Mr. KNOWLES: What does the minister mean by "in face of the freeze?"

Mr. ILSLEY: The veteran who bought after July 25, 1945 bought in the face of the freeze; that is, he knew he could not get possession of his premises if the law stayed as it was on July 25, 1945, whereas the veteran who bought before that had no such knowledge. Does the hon. gentleman say that the two veterans should be put in the same position?

Mr. KNOWLES: No; I am talking about the veteran who bought before July 25, 1945.

Mr. ILSLEY: I see.

Mr. KNOWLES: I am glad the minister has raised that point. That is the point I want cleared up. I believe the minister answered the hon. member for Eglinton quite forcefully with regard to purchases subsequent to that date. It is a sorry picture the Minister of Reconstruction and Supply had to paint today about the housing situation which faces us, but on balance the government does have the responsibility of causing the least possible disturbance and the least possible chaos, and I think anyone would have to be very careful about suggesting any release of the eviction control. When one rises to make a suggestion on this matter he has to have thought it through pretty carefully.

Board order 511 does enable the veteran to obtain possession of housing accommodation for his own use, and I quote directly from the order:

1. Where he owned the accommodation at the time of his induction into one of His Majesty's services and is now a discharged member entitled to war services gratuity under the War Grants Act.

That last phrase, of course, is a way of defining a discharged veteran so that this privilege is not given to all veterans; for example, to those who may have been in only a few months. To bring the matter to a head my suggestion is that it would be fair to the veterans concerned to insert in that order the words: "or purchased it before July 25, 1945", so that the paragraph would read:

Where he owned the accommodation at the time of his induction into one of His Majesty's services or purchased it before July 25, 1945, and is now a discharged member, entitled to the war service gratuity under the War Grants Act.

To put the matter in terms of a specific case, I have in my hand the correspondence regarding one, although a case I have upstairs is better. I brought this one down, however, because the relevant correspondence has board order 511 in it. The one upstairs is the case of a veteran who enlisted early in 1939 or 1940 and bought a house about 1942 or 1943. He was overseas at the time and the purchase was made by his wife. At that time there was no freeze on and it was possible for the purchaser of a home to get possession of it, but by the time the veteran came home he found he could not get possession of the home. This complaint is not against civilians; it is that veterans who went in later than he did can get possession because they owned their homes prior to their induction into the services, a privilege denied the class of veteran for whom I am now speaking.

I do not think this would affect very many. I thoroughly agree with the principle which the other two ministers have stated, namely, that we have to be very careful about releasing eviction control, and I urge it only where I feel there is a real grievance. I am speaking about this case in these forceful terms in order to get it across if I can, but what I really want is a comment on the matter from the minister.

Mr. ILSLEY: I leave it to the ministers more directly concerned to comment upon the hon. member's remarks, but I should like to make the position clear. The hon. member has clearly delineated the class of veterans whose case he is placing before the committee, but he made this statement: the veteran cannot get his home. In some cases, perhaps in all, he can get his home. He has to prove that the hardship of keeping him out is greater than the hardship of turning the tenant out, but he has to meet the hardship test. The law is not that if he bought a house at any time from October 31, 1944 to July 25, 1945, he can get the house.

Mr. KNOWLES: Remember, I am talking about cases as between veterans. The minister says he can get possession by meeting the hardship test.

Mr. ILSLEY: That is right.

Mr. KNOWLES: But the other veteran who may have enlisted later happened to own his own home before he went into the service and he does not have to meet the hardship test because he is provided for under board order 511. That is why I am asking that a simple amendment be made to board order 511. This does not open it wide, as has been suggested. As a matter of fact, it does not solve any great problem but it does meet a real grievance.

Mr. ILSLEY: I was wrong in saying that if he bought the house at any time he can get it by meeting the hardship test. If he bought it before October, 1944, it was necessary for him to have given notice—

Mr. KNOWLES: Yes.

Mr. ILSLEY: —but if he bought it after October, 1944, it was not necessary for notice to have been given.

Mr. KNOWLES: The hardship test applies only in that nine months period.

Mr. ILSLEY: Yes, that is right. But should there not be a difference between the man who left a house, which he owned, to go overseas and the one who buys a house after he does go overseas? Should there not be a difference between the two? Is not a man entitled to feel that if he leaves his house and goes into the service he can get the house when he comes back. If a man buys a house after he goes into the service we have a different situation and it should be a question of balance of hardship as between him and the other man. Do not forget the tenants here, because some of these houses are occupied by the families of returned soldiers. There are a great many such people and I want hon. members to realize that in concentrating on the hardship to landlords they should not forget the hardship to tenants, because there is nothing more distressing than to see the streets filled with evicted women and children.

Mr. KNOWLES: The minister is talking my language when he says that, and I agree with him thoroughly. I would not raise a case of this kind at all if I did not feel that there was a just grievance, and even then I would not raise it if I thought it would result in the government permitting widespread evictions such as the minister deplores. That must not happen. But in answer to the minister, I would point out that the veteran in question owned the house before he went overseas, which case is different from that of the veteran who purchased afterwards. I think the minister will realize that in making comparisons we are saying nothing whatever against the right of the veteran who owned his house before he went overseas. We do not want these remarks to detract from that right in any way whatsoever, either legally or morally. Bear in mind, however, the position also of the veteran who purchased a house after he went overseas. In many cases the purchase was made then because the veteran before the war was not in a position to buy a home because he was unemployed, perhaps never had a job, and so on. During the first two or three years he was in the services and was overseas, married and with allowances, he was able to save enough to make a down payment and to look forward to occupying a home when he came back and to having the same rights that civilans at home were able to exercise at the same time.

I think the Minister of Justice and I have the thing straightened out and know what we are talking about, and I should be glad if he or the other ministers would comment on the possibility of amending board order 511 as suggested. I know it does not go as far as the member for Eglinton would like it to go, but if we had an assurance that board order 511 would be looked at in this way it might meet the hon. member's point.

Mr. ABBOTT: I wish to add a word. This has been a useful and constructive discussion, but our difficulty in the matter is that we have no accurate statistics on which to go, and we cannot very well have them. We do not know how many servicemen are tenant occupants, we do not know how many veterans are owner occupants, because that information has not been made available. I am sure the committee will believe me when I say that other members of the government and I are just as anxious as any other member is to see that we make a relaxing order of this kind if we can safely do so. I am only guessing but I think there probably would not be a very large number of cases such as we have just been discussing, of soldiers who, either themselves or through their families, bought dwellings or had dwellings bought for them while they were overseas, and if that is the case it might be possible to amend the order as suggested without causing any serious dislocation.

The committee will realize of course that it is not appropriate to amend these orders on the floor of the house; that has to be done by the board, because that is the way the machinery is set up. The only assurance I can give the committee is that we will give immediate and sympathetic consideration to seeing whether that additional relaxation can be made.

So far as order 688 is concerned, remember, we knew that there would be of necessity a relatively small number of cases involved between these two terminal dates, and it was in conformity with the good faith principle of not changing the rules of the game after it had started that we felt we could make that relaxation. If the order can be amended to extend this right to apply for possession to a veteran who purchased his property after he had entered the service, we will do it. I cannot give any positive assurance, but I will look into it at once and see whether that can be done.

Mr. MICHAUD: I wish to say a word in connection with the remarks made by the hon. member for Winnipeg North Centre. It applies to civilians as well as veterans. In the amending order of July 25, 1945, freezing evictions for purchasers of houses, there was provision for making application to a certain person within a certain time, and in New Brunswick it happened to be to the county court judge. I do not believe this is as a matter of right, but he happened to be the person to whom application was to be made. The purchaser of a house had the right to apply within a certain time to that county court judge, in our case, to show that he was desirous of securing the house for himself. Let me try to put it a little more clearly. The order stated something to this effect, that any notice given by a purchaser of a house was annulled by the order. The purchaser could go before the county court judge and ask to have this notice revived. In quite a few instances of which I am aware, persons who had purchased houses within a month or two months before July 25 did make the application; in all cases the order was revived and they were given the right to take possession of their houses pursuant to the notice. If we analyse the situation in the light of this proviso, it boils down to this: the people who

had purchased houses before July 25 were either anxious to get possession or they were not.

Mr. KNOWLES: You mean October 31, 1944, do you not?

Mr. MICHAUD: July 25, 1945. As to the people who had purchased houses at any time before July 25, 1945, if they had given notice to the person in possession of the house to vacate, the order annulled that notice. But there was a period within which they had the right to apply to the proper officer to have this notice revived. In all cases which came to my attention the notice was revived, and therefore they could take possession of their houses according to the terms of the notice. If people who had purchased houses had not given notice, it is a fairly good indication that they had not purchased the house with a view to securing immediate occupancy. People do buy houses just for the purpose of keeping them rented. So it seems to me that only very few people would be affected—those who perhaps had bought houses within a few days before July 25 and did not have time to give notice, or did not feel in a hurry to give notice.

Mr. HOMUTH: They did not know when they might be back.

Mr. MICHAUD: If they did give notice, there was a remedy provided in the order in council for them to apply to have the notice revived. I know that in all cases which came to my attention the notice was revived and they were given permission to take possession of their houses.

Mr. HARKNESS: Like the hon. member for Winnipeg North Centre, I have not been at all impressed by the arguments of the ministers against the amendment, which is designed to give to veterans the right to secure possession of their own houses. As a matter of fact the arguments of the ministers have chiefly tended to act as red herrings across the trail of simple justice. Instead of trying to bring in a large number of factors, most of which the Minister of Finance has just admitted are guesswork, I submit that the matter should be considered on that basis of simple justice; should a man who went to fight for his country, and who purchased a house while he was away, or after his return, be allowed possession of that house or not? On the basis of justice alone, without any of these extraneous matters brought in, I do not think there should be any argument in the matter. Ninety per cent of the population of this country would look at it as a matter of justice to these men to enable them to get back their houses or to secure possession of the houses they own. It is on that basis and that basis alone that we should consider the matter. All of the rest of the considerations which the minister has brought up are mostly guesswork, anyway.

Mr. ABBOTT: It is not guesswork that one man can afford to buy a house and another cannot.

Mr. HARKNESS: The Minister of Finance expressed the opinion that this amendment would do the veterans more harm than good; in other words, that more would be thrown out of houses than would get houses. A little later he admitted that there were no statistics at all on the matter. I contend that he has no basis for making that statement. As a matter of fact in all the cases which came to my personal attention the veterans had bought houses which were not occupied by other veterans. I admit, as I think everybody will, that certain houses purchased by veterans are occupied by other veterans. But the number is relatively small; instead of being half or more than half, as the minister would have us believe, I think the number would run to about ten or fifteen per cent, and not more than twenty per cent. I am convinced that if this amendment were adopted, the percentage of veterans who would be displaced would be comparatively small.

I was surprised to hear the Minister of Reconstruction say, as I understood it, that multiple dwellings are all right for veterans but are a bad thing for other people. That in my opinion was the general sense of his long statement. It seems to me that the veterans have been forced to live in these multiple dwellings long enough, and that if we can get some of them out of multiple dwellings we should make an effort to do so. I believe we should let some of the other people try this multiple dwelling business rather than continue to make that the lot chiefly of the veterans.

Mr. MERRITT: The Minister of Finance has made unfavourable comparisons between a veteran who is able to purchase a house and one who is not. I should like to point out to him that his colleague, who is sitting beside him, is doing his best to get veterans to buy houses now. There is nothing wrong in a veteran being able to afford to buy a house.

Mr. ABBOTT: I did not say there was.

Mr. MERRITT: He should be encouraged to do so. However, what I rose to say was this. The ministers have shown that they have no real information on this subject. Many of us have thought for some time that

the case of a veteran who had not arrived back from overseas at the time the freezing order came into effect is much more important than that of one who served notice in the six or nine months preceding that time. I myself had occasion on August 17 last—I have the letter here—to write on this subject, bringing to the attention of the wartime prices and trade board authorities two cases exactly the same as those referred to by the hon. member for Winnipeg North Centre. I was very glad to hear the minister say this has been a constructive discussion, because I am certain there are many cases of hardship such as have been mentioned from this side during the debate, in which relief could have been granted if letters such as mine, asking that they be considered and setting out typical cases, were taken seriously under consideration. If that had been done in the past I feel it very likely that these veterans would have been given relief before those who were relieved on March 1. I hope the difficulties in this connection, now that we have had the restrictions for two years, will not prevent the ministers from finding some solution for the hardship cases, and finding out exactly, through the Department of Veterans Affairs or by some other means, what the effect would be, because these are the cases about which we are prinicipally concerned.

I want to say one thing more. It is all very well to put up telling arguments against the amendments that have been proposed by the hon. member for Eglinton. No one knows better than the hon. member himself that it is the job of those on this side of the house to criticize and the job of the ministers to govern. But by simply arguing against proposed amendments we do not get anywhere. Recently when I was in Vancouver I spoke to the past president of the apartment and rooming house association, who told me two things, one of which may interest the hon. member for Winnipeg North Centre. This man told me that seventy-five per cent of the members of his association were small people who depended for their livelihood on the operation of one particular house; and he said that if future tenancies were freed from control and operators were permitted to get rid of people they considered undesirable, in shared accommodation, there would be ten thousand rooms opened in the city of Vancouver. That was his opinion from surveys made by his association. If there are ten thousand rooms in Vancouver which are not occupied now by reason of something in the rental regulations, then whatever it is in those regulations that prevents those rooms from being occupied should be found out and removed, whether it is the objection raised by the hon. member for Eglinton or something else.

Mr. ABBOTT: I should think a great many of those would be single rooms.

Mr. MERRITT: They might be, but he told me they were empty now.

Mr. ABBOTT: Single rooms for unmarried people.

Mr. MERRITT: And they are empty now because people do not want to be stuck with undesirables if they take them in.

Mr. BRUNELLE: This afternoon it seems that everyone has been referring to particular cases of hardship. I was glad to hear the Minster of Finance say he would try to establish a court or commission or some authority to take care of those cases. Since this is going to be done I want to suggest something to the three ministers who are here, and possibly to the officers of the board. I see at least three bureaucrats sitting before the minister. I have been looking at them since this debate began, and they seem to be quite ordinary, normal human beings and quite sympathetic looking. I would say they compare quite favourably with members of the opposition, whose faces have become quite elongated since they have had to change their whole policy in regard to controls.

As I say, I should like to suggest something to the ministers for their consideration when they come to establish that court or commission to look after these cases of hardship. Some changes were made in regard to eviction concerning people who acquired property between October, 1944, and July, 1945. As to those who acquired property after 1945, the minister stated they had been properly looked after and did not get the increase of ten per cent because, in having their rates fixed, the investigators had taken into consideration the increase in the cost of materials. I should like to tell the minister that the investigators did not always take into consideration the increase in the cost of materials. I understand that some verbal instructions were given different offices of the wartime prices and trade board, but those were only verbal instructions. From now on I hope definite instructions will be given these offices, so that they will know what to do in order to compensate for the increase in the cost of materials.

I would also point out to the minister that some hardship was created by taking the 1941 rentals as the basis, since at that time some cities were still suffering from the effects of the depression, because a mill had been closed

or for some other reason. In some cities rentals were very low at that time, yet those rentals have served as the basis for fixing rates for those who have built new houses. So I would suggest that the minister give consideration to instructing those who may form this court or commission that they keep in mind the fact that after 1945 the investigators did not always allow for the increase in the cost of materials, and also the fact that in 1941 rates were different in different places, that in some cities rentals were abnormally low. It is my suggestion that these abnormal rates should no longer serve as the basis for fixing new rentals.

Mr. NICHOLSON: I should like to ask the Minister of Justice whether there is any interim report as to the percentage of Canadian tenants who are taking advantage of the opportunity to sign two-year contracts at the increased rates. I have heard reports to the effect that the landlords are not signing these agreements. They are under the impression that we shall get rid of rental controls entirely in the very near future, and rather than run the risk of being stuck for two years with a ten per cent increase they are taking a chance on getting a greater increase later on. I imagine that if the amendment to clause 4 of the bill, moved by my deskmate, the hon. member for Winnipeg North Centre, is supported by the committee, it will give the people of this country a little more assurance that controls are not going to be ditched entirely.

While I am on my feet I should like to suggest to the Minister of Reconstruction and Supply that he pay a little more attention to the statistics coming from his own department. After our discussion Friday evening, I checked up the Curtis report on housing and community planning, published under the authority of the minister.

Mr. HOWE: Not this minister.

Mr. NICHOLSON: It is a report on reconstruction; and I think the minister is responsible—

Mr. HOWE: The Curtis report was made long before there was any Department of Reconstruction and Supply. I can assure my hon. friend I had no responsibility for it.

Mr. NICHOLSON: I suggest that the minister still has on his staff people who worked on the preparation of this report, and that the statistics still stand. At page 111 of the report there is a table setting out the percentage of wage-earner tenants in twelve metropolitan areas of Canada. These figures are based on 1941 statistics. Possibly the minister will argue that earnings have been higher recently. But I suggest that if these were the averages at that time—

Mr. HOWE: Do you think they have been higher recently?

Mr. NICHOLSON: I think likely they were higher in 1946 than they were in 1941. I am not arguing that. But I said if this average prevailed in 1941 they would have to go up 100 per cent to bring the majority of people up in that category. The following is a table showing the family earnings distribution of wage-earner tenants in the low income group for the principal metropolitan areas, in 1941:

	Under $1,000 per cent
Halifax	71
Saint John	96
Quebec	88
Montreal	82
Ottawa	62
Toronto	49
Hamilton	44
London	58
Windsor	41
Winnipeg	81
Vancouver	88
Victoria	71

This suggests it is not an unusual thing for the wage-earner in Canada to have to budget on less than $1,000 a year. In this connection I would suggest that the leader of the opposition ought to read some of the statistics prepared under his supervision. If he would turn to part V of the Manitoba case before the royal commission on dominion-provincial relations, prepared while he was premier of Manitoba, he would find that statistics are such that in Manitoba—

Mr. MANROSS: Bring yourself up to date.

Mr. NICHOLSON: That was a time when your leader prepared statistics. There were a large number in Manitoba at that time—and there still are—who are getting less than $1,000 a year. Both the leader of the opposition and the Minister of Reconstruction and Supply should bring themselves up to date.

In one of the recent publications from the minister's department, "Sixty-Seven Homes for Canadians", we find at page 5 a table setting forth how easy it is to secure a home under the national housing plan. It states that anyone who is prepared to budget at $25 a month is able to provide for interest, principal, taxes, fire insurance, heating, water, maintenance and repairs. These items are covered by the $25 a month, and one can have a house for that amount. That is a house with a lending value of $2,150.

Well, I imagine that for that amount one could put in his foundation in most cities at the present time; but he certainly could not have a roof over his head. Then, if you can appropriate a larger sum, $80 a month, you can secure a house with a lending value of $8,000, repaying the interest and principal over twenty-five years. On this one can have a maximum loan of $6,400.

I believe that, with building costs in most centres of Canada as they are today, one would find that a $8,000 house is no better than a $4,000 house would have been five or six years ago. There are very few Canadians who are in a position to budget for $80 a month to cover interest, principal, fuel and all the rest of it.

I submit that the government is falling far short of providing adequate housing, but I shall not discuss that point at greater length at the present time. However, while I am on my feet I would express the hope that until the government has developed ways and means of embarking upon an adequate housing programme, until it has subsidized low-cost housing by cooperating with the cities and provinces, it is imperative that some protection be given to the people who now have shelter but who would be out on the streets if the landlords had their way.

Since the Minister of Finance is now in his place, would he be good enough to make comment on the question I asked in the first place in regard to the percentage of tenants who have been able to sign agreements for an increase of ten per cent for a two-year period? Also would he indicate whether, before the board granted the increase, the landlords were able to show that they were in straitened conditions, and that they were likely to be taken under control by the sheriff if some relief were not given.

Mr. ABBOTT: As to the first point, I am advised that thousands of forms have been taken by landlords, but we have no figures as to the forms actually used. I have no doubt that in due course some data will be available. Up to the present time, however, we have no idea how many landlords have sent these forms to their tenants.

Mr. NICHOLSON: Can the minister give any assurance that no further increase will be granted while these controls are in force?

Mr. ABBOTT: That is the sort of assurance I am not prepared to give. To use the time-honoured expression, that, of course, is a matter of government policy. It will have to be decided at the proper time, and will be announced in due course.

Mr. JOHNSTON: Why was it necessary to have the controls drawn in this manner, under which the landlord is bound for a period of two years but the tenant is not bound for the same period? I believe that many landlords who are renting houses today have a just complaint in that connection. I can see the possibility of landlords evicting tenants without giving proper notice. However, under the contract they cannot do it. It seems to me that there would be no hardship on the tenant if he were required to live up to the terms of a contract for two years, just as the landlord is required to do so.

It, has been my experience, and especially in the city of Calgary, where the rentals control board is operating under the supervision of the wartime prices and trade board, that rentals have not been allotted fairly. I believe that the principle adopted by the rentals control board was that it would go into an area and adjust rentals according to the rates prevailing in that area.

I have in mind particularly visiting a house in the southwestern section of Calgary around Christmas time of last year. before we came to Ottawa to attend the session. This house had been occupied by a returned man, whose intention it was to vacate. The suite to which I am referring was situated on the third floor of the building and, with the exception of a cook-stove, was not furnished. Bathroom accommodation was on the second floor. This apartment was renting for $30 a month which, in my view, was a little high for that type of accommodation.

The second place I would bring to the attention of the committee was one on Sixth avenue, Calgary. This was much more centrally located, in an apartment building. This apartment had been occupied by a member of the air force, who was about to vacate. I had occasion to visit him. This apartment was in a practically new building, and was located on the main floor. It had never been my pleasure to visit a more pleasant apartment. In it were hardwood floors throughout, a separate bathroom, kitchenette, sitting room, private bedroom, fireplace, and other types of modern accommodation.

An hon. MEMBER: Where?

Mr. JOHNSTON: In Calgary. If you want to find a good place, come to Calgary.

Mr. ABBOTT: I am glad there was that private bedroom.

Mr. JOHNSTON: The rental for that suite was set at $35. There was no comparison between the accommodation offered there

and that offered in the first one I described, nor was there any comparison in the matter of location. It seems to me that this is quite unreasonable, and that the landlord who owned the accommodation I last described had a legitimate complaint.

I was talking to another landlord and he told me that as soon as he got his present tenants out he was not going to rent his place again, and for that very reason. I know the landlord and the tenant have the right to appeal to the rentals control board, but I was told by one of the officials of that board that it is not much use taking the case to the board unless as the landlord can prove that he has additional expenses not contemplated when the lease was let, and he added that you would not get more than fifty cents or a dollar more anyway and that it was not worth the trouble to appeal. I think there should be a relaxation of these regulations. I have a few things to say in regard to the rental regulations when we come to the Department of Reconstruction and Supply.

Mr. FLEMING: So that the points raised may be clear to the committee, may I say that there are three changes in the amendment circulated on Friday evening, two of them to clarify points raised the other day by the Minister of Justice and one raised this afternoon by the Minister of National Defence: (1) As to the veteran for whom this right to possession is now opened up, he must have served overseas; (2) as to the date of purchase, it must have been made by March 31, 1947; and (3) in the case of a tenant who is himself a veteran with overseas service, the provisions of order 688 shall apply so that he has the right to go to the courts and the judge shall determine having regard to the relative needs of the landlord and tenant for the accommodation and the relative hardship resulting from any order that might be made by the court as to who shall have possession. My amendment reads:

That P.C. 9029, as amended to date be further amended by the addition thereto of the following clause:

"Nothing in this order in council or in any order or regulation made thereunder contained shall apply to prevent recovery of possession of housing accommodation, in accordance with the law of the province, by the owner thereof, where required for his personal occupation and that of his family, where such owner was a member of the forces, with overseas service, as defined in the War Service Grants Act, 1944, and purchased the said accommodation on or before the 31st day of March, 1947; provided that any notice given to recover such possession shall be given in accordance with such law, but in no event shall such notice be shorter than three months; and provided further that where the tenant of such accommodation was himself a member of the forces, with overseas service, he shall have all the rights conferred by order No. 688 of the wartime prices and trade board, dated February 17, 1947, on the tenants referred to in the said order.

Mr. ABBOTT: There is nothing I can add. I am unable to accept the amendment for the reasons I have given. I am just as sympathetic as my hon. friend to the veteran getting any preference to which he is entitled, but this rentals control order is extremely difficult to administer and, when those in charge of administering it assure me that to grant any such blanket exemption at this time would increase the present grave difficulties, I feel that I must be guided by their advice, which incidentally commends itself to my own judgment. This discussion has been most constructive and helpful, and I wish to repeat the assurance I gave earlier, that we shall continue to review these provisions and particularly one or two specific suggestions, one by the hon. member for Winnipeg North Centre, to see whether the orders can be relaxed to permit orderly relief for certain classes. But this amendment is far too broad in its scope and I am afraid I cannot accept it.

Mr. MacNICOL: I have not taken any part in the discussion. I appreciate what an enormous problem this is because I have a close connection with it and I know that the board has a problem which the average man does not realize. It is one of tremendous magnitude. I have listened interestedly to what the minister said, that they will continue to survey the problem, and I hope they do. They will find a lot to survey and perhaps they will be able to make some improvements.

I have in mind particularly those returned soldiers who purchased homes after their return when the war was over and who consequently were not here when they would have been protected if they had purchased earlier. They really have need of protection. I am wondering if the board could not send out an order to all realtors, real estate men and all others engaged in the business of selling houses to advise the veteran that he cannot obtain possession of the property he purchases if it is occupied? I know of a number of cases in which the veteran was given the impression by perhaps an overzealous salesman that he could get possession of the property. I do not know whether anything of that kind has been done by the board, but it is something that might be done. Certainly the young soldier coming back from overseas in 1946 could not possibly be expected to know what the housing regulations were

unless the agent told him, and many of them bought thinking they would be able to get possession. Here is a case in point, taken from the press of March 7, 1947:

Re the injustice of the present freezing orders on housing, and in describing the position of the late returning veteran who was held in the service long after the war's end you have outlined a case similar to my own.

It is a similar case to those I mentioned a moment ago. The writer of this letter to the editor had read of somebody else being in the same boat, a man who had come home late from overseas, had purchased a house and then found that he could not get possession of it. It is not likely he would have purchased it had he known he could not get possession. The letter continues:

Both my son and I were discharged from active service late in 1945 and decided we would buy a house large enough for both our families. After selecting a suitable property for sale we were assured by the agent that relief from the freezing order was then being planned. We put all our gratuities into the purchase as we felt that even if the agent was misinformed that it was just a case of waiting a reasonable time until we would obtain possession of our property.

But now the government brings forth this gem of wisdom—

I suppose he is referring to some regulation.

—the November, 1944, to July, 1945, relief order, and we are left again with no mark to shoot at.

That bears out what I said a moment ago. Had those veterans been told by the real estate agents that they could not get possession they probably would not have bought the property. Therefore I would urge the minister and the wartime prices and trade board to issue instructions to all those selling houses to inform purchasers that, under the present regulations, they cannot get possession of the property if it is occupied.

I have been trying to get housing relief for a young soldier whom I know. He came back in 1946, after having been overseas for several years. Of course he could not possibly know what he was coming up against, and the party from whom he purchased his house did not tell him that he could not get possession. On going to see the place he found it occupied by a widow and her daughter. They told him they wanted to get out anyway, but they have not got out, and he cannot get in. He has a wife and child, and they are living in a basement, not the basement of a regular house but in a very unsatisfactory place. There are many cases of that kind. It is a difficult problem and I am not going to suggest what should be done.

Mr. ABBOTT: Is the previous owner still in occupation?

Mr. MacNICOL: The owners are not in occupation; the tenants are. I have another case of a man whom I know well. He had been occupying a house on Dufferin street, Toronto, for sixteen years with his wife and four children. His son came back from overseas. The father, who was also a returned soldier, is employed in one of the government hospitals in Toronto. His son came back from overseas and brought his bride with him, and they moved in with the father and mother with four children, making a total of eight. They had not protection. He was evicted. I myself saw the furniture piled out in the front of the house. The family all scattered. The father and mother went to live with another family in different rooms and the young man and his wife were settled in different parts of the city. The four children were scattered among friends everywhere. Every hon. member knows the situation is almost appalling. I do not wish to complain. I do not wish to think any one member is any more anxious than any other member about this difficult situation. They all want to see housing relief given. I do not want to think for one minute that the government or whoever is directing the wartime prices and trade board is not just as anxious as I am for all these people to have accommodation. I want to believe that it is. What can be done to relieve the situation, I do not know.

Mr. MacINNIS: More houses.

Mr. MacNICOL: My hon. friend says "more houses". That is a difficult problem. I built a lot of houses; I know something about building. I built my houses at a time when materials were easy to obtain. It was not a question of going to buy the material. No sooner have you excavated for the foundation than there were a dozen men around wanting to sell you brick or lumber or glass or the other materials for the house. But it is not so today. The material situation is appalling. Personally I do not at the moment see any solution for this problem. The suggestion offered by the hon. member for Eglinton may offer some relief. I listened to him and he referred to shared accommodation. There may be a great opportunity there. I know of many people who have rooms in their houses which they would rent, but they are afraid to rent them, because if they rent to undesirable tenants they cannot get rid of them. If there is any relief along the line

suggested by the hon. member for Eglinton it should be considered. I heard the remarks of the hon. member for Restigouche-Madawaska, but there was some difference of opinion as to whether his statement of the law was right or not. At any rate, today people will not take other people into their homes unless they are compelled to do so, and nobody wants compulsion. They fear that they will not be able to get them out if they do not want them to stay.

The minister said something about—

Mr. ABBOTT: They could try them out for five months or less and get them out without any trouble.

Mr. MacNICOL: The minister said something about incompatibility. I do not think the ordinary owner of a home knows about that. The wartime prices and trade board should send out information advising people as to how they can rent their rooms.

Mr. ABBOTT: Over one thousand applied in Toronto and were granted permission.

Mr. MacNICOL: I heard the hon. member for Waterloo South say that there are thousands and thousands of houses in which there are rooms which could be occupied, but the owners quite naturally are concerned about getting undesirable tenants, and therefore they will not rent their rooms. I think it is worth while looking into that situation and the remarks made by the hon. member for Eglinton.

I have in mind a case which I think is one of the most pitiable that could be imagined. This is a young man who has been married for three years. I do not know whether or not he is a returned soldier. Perhaps I should not mention him here, but he and his wife have already lost two babies in the apartment in which they live because the place is wholly undesirable. The conditions appear to be particularly bad. He searched the city as best he could but he could not get another place. He then bought a property, and apparently he was able to vacate the people in it because the regulations did not apply. On going there he found a mother with seven children in it and he did not have the heart to vacate them. He sold that property and bought another. In the other property there is a banker, his wife and a fourteen-year old daughter. He says if he could get possession of his own property he would then be able to take a family in with him. He would have to, to help pay for the property. But he cannot get the banker, wife and daughter out. Whether he will be allowed to get them out or not it is not for me to say. The wartime prices and trade board should make fuller investigations than they do. However I am not finding fault with them in particular because in one of the cases I have been following up, the wartime prices and trade board wrote me a letter. I am not finding fault with the contents of it. I shall read part of it but I shall not mention any names. It is as follows:

> The purchase of a home at any time is a serious matter for most people and one would have thought that it would have been prudent on the part of Mrs. C's son when embarking on such a serious matter to first make inquiries as to when he could expect to have the tenant vacate because since July 25, 1945, landlords of housing accommodation had been unable to give a notice to vacate to their tenants.

This young man is a returned soldier. He came back in the fall of 1945. You could not expect a young man such as that to know anything about the conditions he would be up against in purchasing this property and, of course, the real estate agent would not tell him because he would not then make the sale. I do not blame the real estate agent one bit in this regard.

Mr. MacINNIS: Terrible.

Mr. MacNICOL: No. I do not blame the real estate man. He has to live like other people. I do not blame him, because he was not instructed by the wartime prices and trade board that he should advise an individual purchasing a house that he could not get possession. I am going to recommend strongly that the department see to it that anybody purchasing a house be given full advice as to whether he can get possession. What is the good of purchasing a house if you cannot get possession of it? I continue with the letter:

> The government policy in this respect received wide publication at that time and the Right Hon. J. L. Ilsley, the then Minister of Finance, issued a formal statement which appeared in every Canadian newspaper advising that during the housing emergency landlords would not be able to evict their tenants.

That young man was overseas at the time and, of course, he could not know anything about it. He knew nothing about it when he came home, nor did the real estate agent tell him when he went to buy the house. The letter continues:

> Large advertisements also appeared in the newspapers at that time advising the public to this effect. Therefore it seems strange that a man in the position of Mrs. C's son would invest, no doubt, a substantial sum in the purchase of this home without first making inquiries as to the possibility of evicting the tenant.

I am not finding any fault with the wartime prices and trade board in this regard. They are setting out a straight story, but somebody should have been responsible for advising that young soldier who was overseas when the order came out that he could not buy a house and get possession of it. Somebody should have advised him. He could not be expected to know; he was overseas for several years.

I have a multitude of such cases in my part of the city. I would be safe in saying that no other riding sent more soldiers overseas than Davenport. I have a multitude of complaints. I know what a gigantic problem it is, but I believe that, as the two ministers have said, the greatest effort possible will be made to give relief. Finding fault will not help. We have to provide a solution for the problem. These three ministers, including the minister of reconstruction, are big men, and they should all put their shoulders to the wheel and do what they can to provide housing relief for our returned soldiers in the first place, because they are entitled first, and then to the people at large, because there are multitudes of sad cases among the ordinary population. The returned soldiers come first and others afterwards. If the minister will tackle the problem from that angle he will do something for the good of the country.

Mr. DIEFENBAKER: There is one question I wish to ask the minister on the policy of the board with regard to rent. When decontrol is finally undertaken is it intended to proceed by removing controls over rentals by localities? The way it was introduced was, of course, by starting with congested localities first and ultimately extending it to villages and towns. I hear it said in villages and towns that this control is not so necessary there as in more congested areas. I would ask the minister to give a general indication as to the means whereby this control will ultimately be unravelled, and whether the government has communicated with the provinces, so that when the controls are removed from rentals the provinces will be given notice in advance to the end that, under provincial jurisdiction, wherever a province desires to do so, it may continue such control as it deems necessary.

In my own province legislation has been placed on the statute books covering both the question of prices and the question of rents. The idea is, of course, that when the federal government goes out of this field of peculiarly provincial jurisdiction the province will be in a position to enter that field. I think it would be worth while for the minister to give the general picture, because we have been talking here for over a day and a half and no one yet knows what the government's policy is on the question of decontrol of rentals, except that it is intended ultimately to decontrol.

What is the general perspective? The government had a general picture a year and a half ago at the time of the dominion-provincial conference. I should like to know whether its policy today is that which it placed before that conference in the proposals which it then submitted.

Mr. ABBOTT: So far as I can recall, there was nothing about rentals in the proposals. Answering the first question first, I am not in a position to say whether it will be desirable in the decontrol process to decontrol regionally. I think I indicated, in answer to a question by the hon. member for Eglinton a week or two ago, that consideration was being given to that phase and that possibly that might be a way in which we could effectively decontrol. However, as I said a moment ago on another subject, the whole question is receiving the most intense study at the moment.

I spent three hours the other day in a long meeting with the rental control officials and the officials of the prices board considering all these various questions, trying to project our minds into the future to see what the best method of decontrol would be, because we appreciate that this is a right which the dominion government can exercise only for a limited period while the condition of emergency exists. We are fully conscious of that fact. I cannot make any positive statement today as to just what that course will be. I agree that the provinces should be given ample notice of the plans of the dominion government in this respect and I intend to make sure that they have such ample notice, but they have not reached the point where I can give the committee any great information as to just what the timetable will be.

Mr. DIEFENBAKER: In that connection, in collaboration with the wartime prices and trade board, has the minister any statistics? Has any census been taken of the various towns and villages throughout the country? Have the local authorities been consulted to ascertain their position? I should think that in order to arrive at any decision, if decontrol is proceeded with regionally, to use the minister's expression, the first thing that would have to be done would be to make a general review of all villages and towns in the

country to ascertain the attitude of the municipal officials and the degree of housing available.

May I bring this to the attention of the Minister of Finance? It has come to my notice on three or four different occasions, and though it is a minor matter it gives me an opportunity to bring it before the minister now. Persons who own houses and cannot get into them have to go and rent elsewhere. They have to pay income tax on the amount of rental they receive but are denied, under the income tax law, the right to deduct the expense they are put to by reason of being denied the use of their own places. There are quite a few cases; in one town I know of there are three. It may not run into large amounts; but, having regard to the fact that there are three in this small town, I believe it would certainly run into several thousands across the country. It is a matter that should be given consideration, so that anyone in that position should not be refused his ordinary rights while at the same time he is taxed on that income which he does not wish to receive by reason of the situation in which he finds himself.

Mr. ABBOTT: It is an interesting point and, so far as I know, it has not been raised before. I will give it some thought.

Amendment (Mr. Fleming) negatived.

Mr. FLEMING: I wish to introduce another amendment in the same form as the copies I circulated on Friday evening. It has to do with the matter of tenancies hereafter created in respect of shared accommodation. The amendment reads:

That P.C. 9029, as amended to date be further amended by the addition thereto of the following clause:

"Nothing in this order in council or in any order or regulation made thereunder contained shall apply to prevent the recovery of possession of housing accommodation, in accordance with the law of the province, by the landlord thereof in the case of shared accommodation, as defined in the orders made under this order in council, where the tenancy thereof is created after the date of coming into force of this act."

May I make one comment? The matter has already been discussed and I have no desire to prolong that discussion. The amendment applies simply to the recovery of possession on shared accommodation. It has nothing to do with the rent ceilings on shared accommodation. It does not apply to existing tenancies of shared accommodation but only to those hereafter created. I need not say more about the advantages which I am sure would follow from the promulgation of such an order.

[Mr. Diefenbaker.]

Mr. ABBOTT: For the reasons I gave a little earlier, I am sorry I cannot accept this amendment either. I cannot agree that it has nothing to do with rental ceilings. When we took away the security of tenure feature in the case of shared accommodation in 1943 a chaotic condition resulted. We could not control rentals of shared accommodation and we had to reimpose that control. For that reason, in the light of experience. I cannot accept the amendment. I would point out however, as I did before, that a person renting shared accommodation for the first time can make a lease up to five months in duration with any conditions as to eviction that he sees fit.

Amendment (Mr. Fleming) negatived.

P.C. 9029 agreed to.

On P.C. 9870—Authorizing incorporation of Commodity Prices Stabilization Corporation.

Mr. DIEFENBAKER: There are a number of questions which I should like to ask the minister with regard to this item dealing with the Commodity Prices Stabilization Corporation. First, I should like to ascertain the amount paid during the past year in subsidies to both producer and consumer. A general statement does appear in the last report of the wartime prices and trade board, but there is nothing to indicate what is the amount of subsidies paid, divided on the basis I have suggested, as of March 31, 1947, and during the preceding year. Then I should like to ask—

Mr. ILSLEY: Excuse me, but let me get this clear. The report gives the subsidies for the calendar year, does it not?

Mr. DIEFENBAKER: It is the calendar year.

Mr. ILSLEY: I think it is. Does the hon. member wish it brought down to the end of March?

Mr. DIEFENBAKER: I want it to March 31, yes.

Then I would appreciate a statement from the minister on the general policy with respect to subsidies; and in that connection I should like to ask him a specific question, namely, whether the experience of the government is that within the last six months, during which period a number of subsidies have been removed, inflationary pressures are beginning to cease and the removal of the subsidies has resulted from that fact. If I understand the situation with regard to subsidies, the government's policy is to continue them so long as it is necessary in order to prevent inflation-

ary prices. I mentioned milk. I still cannot understand what happened to the government in connection with that. This house passed a resolution calling upon the government not to remove the subsidy on milk. It was generally supported in all parts of the house. It represented a direction by parliament to the government and to the government's appointee, the stabilization corporation and its co-worker, the wartime prices and trade board. Yet immediately after parliament ceased to sit, its wishes were thwarted and denied. I should like to know from the minister the extent to which subsidies are now being maintained on agricultural products, which products are subsidized and to what extent.

The next point I should like to ask the minister about is this. To the extent of how many points in the cost of living index does a subsidy operate in the maintenance of price? I will give my reason for asking that question. Since the removal of certain of the subsidies, prices have gone up. If I understand the economic views of the wartime prices and trade board, it is that the only result of a subsidy is to keep down the price by six points in the cost of living index.

The next question I should like to ask is, what was behind the government's attitude in removing the subsidy on fluid milk and at the same time endeavouring to maintain the price of butter? I have never been able to understand how those two economic factors could possibly operate side by side. I will deal with some further matters when the opportunity arises. But the main point at the moment is this: Has the government during the last six months, or within the last three months, concluded that the inflationary danger is past and that prices are receding, or that the prospect is that they will recede to a reasonably normal level?

Mr. ZAPLITNY: First of all, I wish to congratulate the hon. member for Lake Centre on the solicitude he now expresses for the government as to the price control policy. I think he realizes now that, if we are to have fair prices and if we are to have subsidies paid, they will be paid for the purpose of keeping prices down.

Mr. DIEFENBAKER: I was asking questions. Let the hon. member make his observations in his own speech.

Mr. ZAPLITNY: I was apparently giving the hon. member more credit than he deserves for his statement.

Mr. DIEFENBAKER: I do not regard it as credit, coming from the hon. member.

Mr. ZAPLITNY: Well, I can say that it is free, anyway. I will not send the hon. member a bill for it, and that is more than he can say to me. But I wish to support the implication which the hon. member left anyway, if not the direct statement, that perhaps the government is going a little too fast—

Mr. MERRITT: He never left any such implication.

Mr. ZAPLITNY: Then it is to his disadvantage if he did not; he should have. As I say, I wish to support the implication that the government is going too fast in the field of taking off subsidies.

The hon. member made reference to the resolution which passed this house last summer, to the effect that the milk subsidy should be retained. Of course it is history now that the government disregarded the views of the house and removed the subsidy, as soon as the house prorogued, or almost as soon as it prorogued. I shall not go into that because, as I say, it is history. But I think that is indicative of the way in which the government has been removing subsidies without taking into consideration the views of the house or of the people generally.

I want to give this illustration as an example of what happens if subsidies are taken off promiscuously, so to speak, without first viewing the whole picture. We had the announcement not so long ago that the price of binder twine, for example, is to jump approximately $7.50 a hundredweight. That, I understand, is the wholesale increase in the price, and it will work out somewhere in the neighbourhood of $9 a hundredweight by the time it comes to the farmer. It is quite true that in many cases in the west binder twine has gone out of vogue where combines are now used; but in many parts of Canada it is still a considerable item in the expense of the farmer during the harvest season. I do not know on what basis the government took the action which they did take in wiping out the subsidy and allowing this price increase. Surely there must have been some middle way, if they felt that the subsidy they were paying was too high or that the price was too low. There must have been some place in between where they were before and where they are now, where the government could have stopped. I cannot see any justification for the price of binder twine jumping $7.50 a hundredweight this year, and I think the government should reconsider its position in that regard and in many other instances along the same line. I could mention gasoline. I understand that part of the sub-

sidy is still being paid, while part has been removed, and that under decontrol the price of gasoline has gone up from two to two and a half cents in different provinces.

All those things enter into the cost of production of farm products, and the farmer has no alternative but to ask the government to decontrol the products he produces or, on the other hand, to absorb the difference himself. Before we leave this order in council dealing with the Commodity Prices Stabilization Corporation, I believe the government should frankly place before parliament the policy they intend to follow in connection with the retention or removal of subsidies, so that the producers of this country whose products are still under price control, may have some idea of what it is going to cost them to continue production. The farmers of western Canada have been very patient, but that patience can be tried too far, as the government has reason to know from what happened last fall. I refer to the non-delivery strike, which lasted only a short time but was an indication of what could happen if the farmers of Canada actually went to work and put on a real non-delivery strike. We all hope that will not happen, and I am sure the farmers would be the last to want it to happen; but if they keep getting it from both ends, with prices of the things they are buying steadily creeping up, costs of production steadily increasing, and subsidies being withdrawn, with the farmer having to absorb the difference, I am not so sure that they will continue to take it. Therefore I trust the government will give us some real hope for this year, some reason to believe they will not rush along the path they followed last year in removing subsidies without regard to the effect on the producers.

Mr. ILSLEY: Naturally, when subsidies are imposed, it is difficult to withdraw them. There is immense opposition to the withdrawal of every subsidy, and a government that took the easy course, the path of least resistance, once they got into a jungle of subsidies, would I suppose, remain there forever. The views I have expressed with regard to subsidies have been something like this, that a subsidy policy at a time of grave danger of serious inflation is a valuable policy, in that it prevents the spiral of inflation from developing. If that spiral once gets under way it may carry prices to grave heights; and a judicious expenditure of government money by way of subsidy may result in a very much greater saving to the consumer in prices than the expenditure by way of subsidy. I gave an estimate of the amount which it might be argued had been saved in prices to consumers by the expenditure of subsidies during the war years. But I believe there comes a time when the expenditure of government money in the way of subsidies becomes little or nothing more than a transfer of purchasing power from the taxpayers to the consumers. In the course of the payment of subsidies there comes a point when that becomes the case. When that time comes, then subsidies are not justifiable on the basis of prevention of uncontrolled or uncontrollable inflation at all. If they are to be justified it must be on another ground entirely; that is, that it is desirable to make a redistribution of purchasing power. That is always a debatable question.

As hon. members know, the taxation system of the country underwent a radical modification during the war. A much larger proportion of the revenues than had theretofore been the case was raised by direct taxation on the basis of ability to pay. This meant that persons in receipt of very low incomes paid no income tax; those in receipt of slightly higher incomes paid income tax at a low rate, and so on until in the higher brackets income taxes were imposed at a very high rate. That income tax being such a large proportion of the total tax, it meant that a redistribution of income was going on all the time under the taxation system. Just how far that redistribution of income and wealth should be supplemented by a subsidy policy is a difficult question. I think the general view of the government is that we should withdraw from subsidies as far as possible and as soon as possible, but that does not convey very much information to the members of the house, nor do I think the government can give any commitment with regard to the time when they withdraw from subsidies.

Some reference has been made to the alleged direction to the government by the House of Commons last August. I was not here then, but I have looked up the resolution which was discussed at that time. It read:

> This house desires to record its opinion that consideration should be given to the continuance of the milk subsidy so as to ensure adequate return to milk producers and make possible the consumption of milk for the nutrition of the Canadian people without any further increase in the price thereof to the consumers.

I would direct attention to two points in regard to that resolution. In the first place, it merely asked that consideration should be given the continuance of the milk subsidy. Any other form of resolution would have been out of order, because a direction for the expenditure of public funds cannot emanate—

Mr. KNOWLES: The minister recognizes that the house went as far as it could on a private member's motion.

Mr. ILSLEY: Yes, but the house was not voting the money for the subsidy. The house could not vote the money for the subsidy without the necessary preliminaries having been completed.

Mr. KNOWLES: The house was simply expressing its view.

Mr. ILSLEY: The house was expressing its view. The resolution stated that consideration should be given; but note the last words: "without any further increase in the price thereof to the consumers." There would be only one way to carry out that condition, and I do not know whether it could be carried out even then; that would be for the wartime prices and trade board to retain control of the price of milk. We had decided, as a matter of policy in the spring—and I think decided rightly—that there were competent boards in the provinces, and that control of the price of milk should be restored to those provincial boards. We removed the consumer subsidy effective June 1, and in my opinion it was high time it was removed. It was a subsidy paid to twenty or twenty-five thousand persons every month, a subsidy into the administration of which abuses inevitably crept. It was a subsidy being paid then, at the stage I referred to a while ago, where it was simply transferring so much money from the pockets of the taxpayers to the pockets of the consumers of milk; at least that was our judgment.

Mr. KUHL: If the minister will permit a question, why does he insist it is necessary that the government have control over prices in order to pay subsidies?

Mr. ILSLEY: Because a subsidy should be paid for a certain purpose. For the government simply to throw in $20 million or $25 million by way of subsidy, and leave no control over prices, is, in my judgment, a most imprudent thing to do.

Mr. KUHL: Could not the provinces?

Mr. ILSLEY: That, again, would be a most imprudent thing to do. These questions were carefully considered by the government. I was Minister of Finance at the time, and they were considered after I came back to this country. That specific question was considered, namely as to whether the federal government is justified in throwing in $20 million or $25 million by way of subsidy and then permitting the control of prices to be exercised by another body, entirely; and not by the federal government, at all. We felt that, on principle, we simply could not justify that policy.

As subsequent events showed, we had incontrovertible evidence that if the control went back to the provinces the price of milk would go up to a greater extent than the subsidy. The condition of the resolution could not be met; that is, that the subsidy be kept on, without any further increase in price to the consumer. The consumers were in for some increase, anyway, whether the subsidy was paid or not, under the provincial milk boards. I am not taking exception to it.

Mr. LOW: Was it not a question of adjusting the level of the subsidy rather than throwing it back into the hands of the provinces? Your consumer subsidy was based on two cents.

Mr. ILSLEY: Yes.

Mr. LOW: Was it not merely a question of adjusting the level of the subsidy, rather than by increasing—

Mr. ILSLEY: No; the consumer subsidy of two cents was off. It was off in June. What the house was talking about was a subsidy of 1½ cents, which was called a producers subsidy. The resolution of the house was that the government give consideration to continuing the payment of that subsidy, which it said it was going to take off, and that it give consideration to the payment of the subsidy so that there would not be any further increase in the price of milk to the consumer. If we continued to pay the subsidy there would have been an increase in the price of milk to the consumer; not as great, perhaps, if we continued to pay the subsidy. But we did not know. We gave it the fullest possible consideration, but we could not comply with the condition at the end of the resolution. We felt that it would be imprudent, and an almost irresponsible thing to do; that is, to continue the payment of subsidies after the control had passed from us.

Mr. LOW: I should like to ask one further question before six o'clock, and would revert to the question of the subsidy on hemp, or twine. This subsidy is being removed, and is thus causing an increase in the price of twine. Does the minister not think the farmer has a right to the retention of that subsidy, in view of the fact that the selling prices of his goods are fixed by the ceiling? He is hamstrung. Does the minister not admit that the farmer has a right good case for the government to consider—

Mr. ILSLEY: Well, I assume the hon. member is arguing that because there was a contract price on wheat—

Mr. LOW: Yes, that is right.

Mr. ILSLEY: —the prices of everything the farmer buys must be frozen.

Mr. LOW: Not necessarily. I would refer to those entering into his cost of production. Anything which enters into the cost of production can be controlled in some respects until such time as he has a chance to get a better price on a free market, and any such provision should be retained.

Mr. ILSLEY: I do not know how deeply I should go into this matter.

Mr. LOW: I am just asking a question, if the minister does not think there is a good case to be made by the farmer.

Mr. ILSLEY: I have heard it argued time after time that that is so. But in my judgment the wheat contract stands on its own feet. It is either a good contract or a bad one, apart from other considerations.

Mr. LOW: But there is a responsibility on the government, just the same. They made the contract; they did not ask us.

Mr. ILSLEY: That is very true, but it does not detract from the force of what I said, that the contract is either a good one or a bad one. And there is a limit to the obligation which the making of that contract entails upon the government in other lines.

The specific commodity which the hon. member mentions, hemp and binder twine, is under the ceiling, as are most other things which enter into the farmers' cost of production and cost of living. But the proposition that no subsidy can be withdrawn because there is a long-term contract for certain goods is one which, in my opinion, is debatable.

Mr. LOW: But the farmer certainly has a just cause of complaint when subsidies which are keeping down the cost of things he has to buy are removed, while ceilings are retained on the things he has to sell.

Mr. ILSLEY: There is no ceiling on the things he has to sell.

Mr. LOW: Yes, there is a fixed wheat price. And the coarse grains' price is fixed.

Mr. ILSLEY: Just a minute. I suppose we could argue this for a long time. But there is no ceiling on the price of wheat, except under the contract, and the domestic price.

Mr. LOW: Yes.

Mr. ILSLEY: But in class 2 there is no ceiling; that is not fixed. It runs up as high at $3, or something like that.

Mr. LOW: That is right.

Mr. ILSLEY: The only part of the output on which there is a ceiling—and it is only a small proportion of the total wheat crop—is the part sold in the domestic market. As I say, there are ceilings on nearly everything the farmer buys. But there must be some latitude with regard to dealing with subsidies.

I do not think the position can be taken too rigidly that the government cannot withdraw subsidies, if there are good reasons for the withdrawal of them, simply by saying that a wheat contract was made. As I have said, that contract was either a good one or a bad one. We think it is good, because it stabilizes the price for the farmer in future years. But to say that, because he does not get as high a price on the first two years as he would if there were a free market, it follows from that fact that subsidies should be absolutely frozen is, I think, not correct.

Mr. LOW: I do not say they should be absolutely frozen. But the government has, on various occasions expressed its intention of trying to help the farmer to get his just share of the national income. I have heard some Liberal members talk in terms of parity prices. I believe it is an actual fact that today the farming population should be receiving approximately thirty per cent of the national income, if parity is to be defined as the receipt by the farmers of a proportion of the national income which bears a proper relationship to their percentage of the population. But they are receiving only nineteen per cent. Surely the government has some responsibility to retain those subsidies which will help to adjust that disparity between what the farmers are getting and what they should be getting, so that we can have something like parity. I say that, no matter what the minister says, there is a good argument to be made along that line, and the farming population realize it is a good argument. They are certainly going to make themselves heard.

Mr. ILSLEY: The hon. member will realize that other groups do not get their per capita share of the national income.

Mr. KNOWLES: Some groups must be getting a very big share, then.

Mr. GIBSON (Comox-Alberni): The tax collector gets the biggest share.

Mr. ILSLEY: Is it the position that there should be equality for everybody?

Mr. LOW: I did not say that. There should be equity.

Mr. ILSLEY: Equity is equality, according to the hon. member's argument. Under his argument, should not each group in the community gets its per capita share of the national income, which would make complete equality?

Mr. LOW: What I am saying is that when the government steps in and by its action stops one section of our people from getting its fair share of the national income it is incumbent upon the government to take action to equalize things.

Mr. ILSLEY: In what way did the government step in?

Mr. LOW: You stepped in and made the contracts.

Mr. ILSLEY: The contracts have advantageous features.

Mr. LOW: You do not know whether they have or not, and it will take five years to find out.

Mr. FAIR: The contracts have cost the farmers hundreds of millions of dollars and this robbery has continued ever since 1867 and for as many years before that as there were farmers in this country. The minister is not going to pull the wool over our eyes. That has been tried too often. It cannot be continued any longer.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. ILSLEY: The hon. member for Lake Centre asked for some information before six o'clock. It is impossible to give subsidies down to March 31 because the books are not closed; but for the calendar year 1946 the subsidies paid by the Commodity Prices Stabilization Corporation were $69,765,801.63. The loss on commodity trading was $17,117,989.96, making a total of $86,883,790.59. I am told that the agricultural subsidies were the subject of a memorandum which was tabled about three weeks ago by the Minister of Agriculture. I am not in a position to give the total of these at the moment; perhaps I can get them in a minute.

Mr. DIEFENBAKER: Will the minister give a breakdown of the $69 million, showing the commodities in reference to which the subsidies were paid and also the commodities in respect of which there was a loss in trading of some $17 million?

Mr. ILSLEY: The figures are not broken down for the calendar year 1946. The last figures which are broken down are those for the fiscal year ended March 31, 1946. That is the last full year for which we have the figures broken down. We also have them broken down for the nine months ended December 31, 1946. If the hon. gentleman wants to get a picture of one full year's operations, the last full year that I can describe to him at all in detail is the year ended March 31, 1946.

Mr. DIEFENBAKER: For comparison the minister might also give the breakdown for the nine months ended December 31, 1946.

Mr. ILSLEY: Yes. I have all this information but it is very long. I can give the totals first. First, with regard to subsidies paid, import subsidies for the year ended March 31, 1946, $41,602,181.16, and for the nine months to December 31, 1946, $31,299,057.45. Domestic subsidies for the year ended March 31, 1946, $37,915,007.54, and for the nine months to December 31, 1946, $16,141,566.99. The totals in subsidies for the year ended March 31, 1946, $79,517,188.70, and for the nine months to December 31, 1946, $47,440,624.44. Losses on commodity trading, for the year ended March 31, 1946, $16,230,165.59, and for the nine months to December 31, 1946, $12,132,620.96. Total of subsidies paid and losses on commodity trading for the year ended March 31, 1946, $95,747,354.29, and for the nine months to December 31, 1946, $59,573,245.40. There is no breakdown of the import subsidies, but there is a breakdown of the domestic subsidies and also of the losses on commodity trading. The breakdown of the domestic subsidies for the year ended March 31, 1946, is very long.

Mr. DIEFENBAKER: What are the main items?

Mr. ILSLEY: I will give the items that exceed $1,000,000, if that is satisfactory, and to expedite matters I will give the round figures:

Canned fruit and vegetables ..	$1,244,000
Coke	1,575,000
Milk	21,666,000
Soap and shortening materials	2,327,000
Synthetic and crude rubber	1,299,000
Wood fuel	2,083,000

Those are the only individual subsidies that run over $1,000,000. Would the hon. member like the ones that run over $500,000?

Mr. DIEFENBAKER: Yes; that would give the general picture.

Mr. ILSLEY: They are:

Tree fruits	$829,000
Jam and jelly	693,000
Softwood lumber	613,000
Woodenware	671,000

Those are the only ones between $500,000 and $1,000,000. The hon. gentleman asked for a breakdown of the losses on commodity trading. I may say that the figures I have given him are those for the twelve months ended March 31, 1946. As to the losses on commodity trading, I can give them in full without taking up too much time:

Industrial alcohol	$676,000
Artificial silk yarns	916,000
Bristles and horsehair	71,000
Broom corn	14
Citrus juices	163,000
Coffee	1,926,000
Cotton yarns and fabrics	1,871,000
Dairy products	22,000
Fertilizers	91,000
Dried fruits	4,251,000
Jute	60,000
Oils and fats	1,774,000
Plasticides	13,000
Rubber	8,000
Spices	204,000
Surplus stocks: clothing and cotton fabrics	2,000
Tea	527,000
Tin	98,000
Woodenware	30,000
Wool	3,696,000

The total is $16,230,000. The figures I have given will not add up to that exactly, because there were certain small credits or profits resulting in a balance of $16,230,000. The figures again are for the twelve months ended March 31, 1946.

Mr. PROBE: Before the dinner recess the minister gave a lengthy explanation from the legal point of view as to why the resolution dealing with milk subsidies, which was passed in August last by this house, had to be denied in the form of a continuance of producer subsidy. That followed, of course, the cutting off of the two cents a quart consumer milk subsidy on May 31 last. I have no doubt that the legal presentation was quite admirable, although I could not follow it, and I do not think the purchaser of milk would be able to follow either the argument of the Minister of Justice. It is very difficult as I see it and, I am sure, as the housewife sees it, to reconcile the discontinuance of the subsidy on commodities that are so important in the household economy, while at the same time subsidies are being continued or even begun on other commodities. For example, the Dominion Steel and Coal Company was in receipt of a subsidy, for what reason I do not think the minister can tell the committee, except that it was an agreement at a time when the company was not even producing coal.

A few weeks ago the Minister of Reconstruction and Supply informed this house and the country that an agreement had been entered into between the government of Canada and Crane Limited and a subsidy of $400,000 was being initiated, which, I presume, had something to do with an incentive bonus of some sort for the production of bath tubs and bathroom fixtures. I went to the trouble to look up "Moody's Manual of Investments" on Crane Limited this afternoon while the minister was speaking, and I find that Crane Limited is part of a huge international concern which has been paying dividends of a fairly reasonable nature and which has been doing pretty well, thank you, in the way of profits on the business which the company does. For example, the earnings on the preferred stock were as follows:

	Per share
1945	$33 18
1944	35 31
1943	35 84
1942	25 02
1941	19 34
1940	26 63
1939	23 92

There were equivalent earnings on the common stock. Those of us who listened to the undoubtedly excellent legal argument this afternoon as to why the milk subsidy should be discontinued by the government of Canada on behalf of the families of this country should, before we go on to agreement on the order in council which is being extended here for the Commodity Prices Stabilization Corporation, have an explanation from the minister as to the details of this subsidy agreement with this huge international corporation for the production of bathtubs and bathroom fixtures, of which Crane Limited is the Canadian subsidiary. Will the minister give us the details of why and under what conditions this subsidy of $400,000 to Crane Limited is being paid and how long the subsidy will last?

Mr. ILSLEY: I have not the details of the Crane Limited subsidy before me. That is something within the knowledge of the Minister of Reconstruction and Supply, but I knew about it at the time. Subject to correction by him, my recollection is that the reason for that subsidy was that they required no further capacity for normal business in Canada, and that if they built additional capacity for meeting an emergent situation, a concession of some kind was required. If I remember correctly, the subsidy is conditional upon producing more

than the normal amount they would produce. It was an incentive payment for doing something which they would not normally undertake in the course of their normal operations.

Mr. PROBE: Prior to the subsidy agreement, were they producing up to full capacity? I do not ask for details, but in general is there any clause in the agreement which deals with the price of commodities which Crane Limited will now be producing as a result of the facilities which the federal government is furnishing to them?

Mr. ILSLEY: I shall have to get the information. I suppose the order in council was laid on the table, was it not? It must have been. With regard to price, I will find out what the situation is.

Mr. PROBE: The reason I am concerned with the terms of this agreement with Crane Limited, and particularly with the possibility that Crane Limited might or might not be producing at full capacity, is that there are other corporations in this country which have been steadily decreasing their production with no apparent good reason. I refer at the moment to Canadian Western Lumber Company which was referred to in the house the other day. In 1945 this company made approximately $460,000 net profit and in 1946 they made approximately $1,019,000 net profit. That profit for 1946 is at a rate of thirty-four per cent on the capital of the company, which is $3,073,000. According to "Moody's Manual of Investments," this company, which has a sawmill capacity of 200,000,000 board feet in British Columbia, which has choice timber limits, since 1939 has steadily been decreasing its production of sawn lumber. In 1939, for example, it produced slightly in excess of 200,000,000 board feet, which was the annual capacity of that sawmill. Since then, the production of that sawmill has decreased annually, until in 1945 the production was 120,000,000 board feet, which is sixty per cent of the rated capacity of Canadian Western Lumber Company. Yet at the same time that its production has been going down, its profits have been going up. It seems to me that when we are on the subject of the Commodity Prices Stabilization Corporation, the minister should be ready to give us more facts with respect to the subsidy to this colossal corporation, shall I say, which is not making bathroom fixtures for the people of this country, as some of us have every right to know from personal experience. I feel that the minister owes the committee a statement. I realize that it is not entirely within his department, but he should have this information here.

The CHAIRMAN: Shall the item carry?

Mr. ILSLEY: No. What is the information asked for? The hon. member does not want any information about this lumber company, does he?

Mr. PROBE: I am using this as an illustration of what might be going on with Crane Limited. I do not know whether Crane Limited is producing more tubs today than it did five years ago, or whether it is producing less, or whether this $400,000 which the people of Canada have given it is just a good will gesture, or whether it means something. Thus far, it does not mean anything to me, and I am sure it does not mean anything to anyone else who is interested in buying plumbing supplies. I think the committee is entitled to this information.

Mr. ILSLEY: If I can get hold of the Minister of Reconstruction and Supply I will ask him to explain the whole matter to the hon. gentleman. I believe it is pretty well explained in the order in council, and if I had it here I think I could answer the question myself.

Mr. MacNICOL: Was it not for new plant?

Mr. ILSLEY: No.

Mr. KNOWLES: I should like to have a few words with the minister about the figures he gave the committee a few moments ago in reply to the questions of the hon. member for Lake Centre. As I understood it, he indicated that the total paid out in import and domestic subsidies for the calendar year 1946 amounted to something over $79,000,000. In addition, there was an item of over $16,000,000 representing losses on commodity trading, which made a total of roughly $95,000,000. I I should like to ask the minister, what is the relation of the items comprising that $95,000,000 to the items that comprised the $200,000,000, which he told us some weeks ago was the average cost of price control during the war? I notice in the estimates one other item that would have to be added, namely the cost of administration of the wartime prices and trade board, which, according to page 69 of the main estimates was $13,000,000 for last year. If that $13,000,000, or whatever the administration of the wartime prices and trade board cost, were added to the $95,000,000, making a total of $108,000,000, would that figure be comparable with the $200,000,000 the minister says was the average cost during the war?

Mr. ILSLEY: No.

Mr. KNOWLES: If not, would the minister indicate how one would arrive at a comparable figure?

Mr. ILSLEY: For the year ended March 31, 1946, there were, in addition, those subsidies paid by the Commodity Prices Stabilization Corporation, the agricultural subsidies and the wheat and flour subsidies, which were substantial. In that figure I also included the cost of administration of the wartime prices and trade board.

Mr. KNOWLES: Then the total figure for 1946 might be pretty close to the wartime average of $200,000,000?

Mr. ILSLEY: Yes.

Mr. KNOWLES: Then can the minister give us any idea of what is to be the total spent in this way in 1947? I am looking at the estimates again, and I find that, whereas in 1946-47 we were asked to vote $90,000,000 for the Commodity Prices Stabilization Corporation, for 1947-48 that figure is only $35,000,000. Would it be fair to take that as an indication of the extent to which the policy of subsidies is to be curtailed? That is a drop of over fifty per cent.

Mr. ILSLEY: Yes. The amount budgeted for is $35,000,000 to be spent by the Commodity Prices Stabilization Corporation, which includes both import and domestic subsidies and trading losses.

Mr. KNOWLES: So that very roughly it looks as though we are in for a reduction of about fifty per cent or more, as far as the general policy of paying subsidies is concerned?

Mr. CHAIRMAN: Order. I do not think we should get into a discussion of the estimates at this time. I have no objection to a reference to them, but I hope a general discussion will not result.

Mr. KNOWLES: I was just referring to the estimates to help the minister answer my question.

Mr. ILSLEY: The figure for 1947-48 which will be comparable with the $95,000,000 in 1945-46 it is expected will be in the neighbourhood of $50,000,000. Of that, $35,000,000 is being voted. Then there are certain revolving funds, certain inventories and so on, from which more will be realized.

Mr. KNOWLES: I should like to direct the attention of the minister to the fact that this is another of the orders in council included in the general bracket to which reference is made in the amendment I have moved to clause 4 of the bill. I do so now to emphasize the fact that in connection with the Commodity Prices Stabilization Corporation we have a phase of government policy which, like that of price control—and, after all, they are related—we feel should be continued; or to put it in the reverse, should not be dispensed with as rapidly as would appear to be the intention of the government.

Once again I feel I must call the attention of the government to an item in the afternoon newspapers, which indeed is headlined in the Ottawa *Journal*; it is a statement by the President of the United States on the seriousness of the price situation in that country. Throughout the whole of this debate on price control and the payment of subsidies, we in this group have been trying to get the government to realize that it would be far better to keep their machinery in effect, to go a little more slowly with decontrol, than to get into the position in which the United States finds itself, where they have thrown overboard the machinery and now face such tremendous difficulties in trying to avoid the dangers of inflation and the "bust" that comes—after the boom.

Speaking of subsidies this afternoon, the minister said that in the main there were two justifications for a policy of subsidization: one, to counteract inflationary trends, and the other, as a means of redistributing wealth. He suggested that from his point of view it was now desirable to get away from the policy of paying subsidies. It seems to me that inflationary pressures are still with us, in view of the way prices are going up; and we also feel that the desirability of measures for the redistribution of wealth is still with us. So we urge the government to continue the policy of paying subsidies where this can be done to keep down the cost of the necessities of life. The minister said that, in his view—I do not accept it entirely, but I will argue on these terms for the moment—we are fast reaching the point where the payment of subsidies becomes merely the transfer of money from the taxpayer to the consumer. I say I will argue on these terms for the moment and, using some of the language the minister used this afternoon, remind him that this means taking it from the pockets of the taxpayers where it is collected according to ability to pay, which are the words he used this afternoon in describing the government's own taxation structure built up during the war, and putting it into the pockets of the consumers. These consumers buy according to need. That is particularly true in the case of milk, which we have discussed here for a while; in the case of butter, which apparently

is going up to sixty cents a pound; in the case of soap and shortening and a good many other of the items which were listed in the long schedule the minister gave to us a while ago.

I urge upon the government to realize that they had a thoroughly defensible policy in the combination of price controls and subsidies. The only thing that is wrong is the speed with which they are dispensing with that policy. It is a strange position for us in this group to be in, when he are concerned about the government's holding on to its own way of doing things.

Mr. MACKENZIE: Just a matter of conscience.

Mr. KNOWLES: I appreciate the compliment; that is exactly the reason we take the position we do. We have a conscience, and a sense of responsibility to all the people of Canada which prompts us not to sit here idly and let these controls go off, and let the chaos and depression come which will be sure to follow the failure of the government to deal properly with these measures.

I rise at this time to urge upon the government again to pay attention to what I think is the voice of the people which we in this group have tried to express, which some hon. members in the Liberal party have tried to express, and which has been expressed to my hon. friends to my right, even though they voice it only by keeping silent on these matters.

I suggest that by the time we get back to section 4 of the bill and have a vote on our amendment to that clause, the case for it may be even stronger than it was when it was proposed last week.

Mr. ARGUE: I wish to say a few words at this time with respect to subsidies. I was interested, as was also the hon. member for Winnipeg North Centre, in a few of the things said this afternoon by the Minister of Justice. I have before me what he said in relation to subsidies, and the timing of placing them in operation. The minister said that a policy of subsidies at a time of grave danger of serious inflation is a valuable policy in that it prevents a spiral of inflation from developing. That is what the minister said about subsidies, that the time for them was when a spiral of inflation was developing. If the minister and the government take off subsidies it follows that they cannot see that the spiral of inflation is developing.

But the situation in the United States is much different. This evening's issue of the Ottawa *Journal* carries the heading in which it attributes to President Truman these words, "Prices must be brought down". This was his statement in an address to an association of businessmen:

"But," the chief executive went on, "I must say in all frankness that the economic skies are not entirely clear. One cloud is shadowing our economic future.

"That cloud is the sharp and rapid rise in prices.

"Some say this cloud is certain to burst. They are sure of a recession or a depression. I do not share their belief that either of these is inevitable.

"I believe that we as a nation can prevent this economic cloudburst. But it requires prompt, preventive steps." Because of high prices, he said, too many families are spending savings, cashing war bonds, postponing medical care, and "they have gone into debt in an amount 50 per cent greater than a year ago."

"If we are to avoid a recession we must act before it starts," he said.

"Prices must be brought down."

Recalling his efforts last year to have congress extend price control, the President said private enterprise now has the responsibility for prices because:

"A group saw fit to sabotage price control and represented to the public that prices would come down in a free market."

The government of Canada is in a much different position from President Truman. The majority of members in the house are saying to the government that we must maintain subsidies as a weapon to maintain price controls. There is inflation in the United States. The United States price level is higher than the price level in Canada. I do not think any good reason can be shown why, if we take off all our controls, our price level will not go up to or nearly to the price level of the United States. Therefore I say the potential danger of inflation at this time in Canada is greater than it is in the United States, because not only will our prices go up with the American prices, but they will first of all go up to the American prices. That in itself will be inflation.

The minister then stated that there comes a time when the expenditure of government money in the way of subsidies becomes little or nothing more than a transfer of purchasing power from the taxpayers to the consumers. I do not want to put words in the minister's mouth, but I think that would mean something like this, that a particular time would come about when a subsidy of a given number of dollars, if removed, would be followed by a rise in prices of an amount not substantially greater than the subsidy. If the subsidy were one dollar, and if, after removal, the cost to the consumer went up by much more than a dollar, then I suggest that the minister would

not say that was a time for the removal of the subsidy. I do not think he would reason in that way.

I should like to know the amount of the subsidy on crude oil in the area around Regina before April 1. On April 1 the government's tax of three cents a gallon on gasoline was removed. The people expected that gasoline prices would fall.

An hon. MEMBER: Why?

Mr. ARGUE: The tax of three cents came off, and the people would normally think the price would fall by the three cents a gallon. But instead of that the price went up. It went up not only to the extent of three cents but, on tractor gasoline, which is the fuel most widely used on the farms in that area, it went up by another one and a half cents a gallon to the company, or a total increase in price to the company of four and a half cents a gallon.

What was the cost of the subsidy that went into a gallon of refined petroleum products? I am sure it would be considerably less than four and a half cents a gallon. The farmers are most anxious about the general rise in price levels, because when costs of manufactured articles go up the burden is placed upon the farmer in two respects. First, like every other Canadian, he must live and must keep his family. So that when there is a general increase in prices his cost of living goes up. Secondly, with the general increase in the price of manufactured articles, his production costs rise.

The farmer is most anxious about price controls. He believes his whole economic existence depends upon a fair relationship of his and other prices. Therefore he views with alarm a removal of subsidies and the consequent rise in prices.

This afternoon the minister said that, in his opinion, the wheat agreement could stand on its own feet. I believe that this agreement is sufficiently fair and in the right direction, so that it can stand on its own feet. But the price paid to the farmer by the wheat board is, in my opinion, not at this time sufficient to take care of the rapidly rising costs of production the farmer must pay. The farmer says, and I agree, "We have accepted stable prices for a number of years. We like stable farm prices. But at the same time we want to have other prices stable, and we do not want our price for wheat frozen at $1.35 when, through government policy, the cost of production to the farmer is rising by leaps and bounds."

[Mr. Argue.]

Going across the country, I find that the people of the nation are fearful of a depression. The conversation usually goes like this. Someone you meet will say, "We are experiencing inflation now, and in one or two years time we shall have a depression." When you get the people of this country thinking there will be a depression, and they think so because we have inflation now, inevitably there will be a depression. The inflation we are now experiencing is the direct consequence of the government's removal of subsidies and its decontrol policy generally.

Last year many of the farmers in Saskatchewan and Alberta went on a non-delivery strike. In the area I know best, my own constituency, the farmers went on strike at a number of points. Often it was not where there were united farmers locals, but a spontaneous strike that developed as a result of a meeting of the farmers in the area deciding that they would not deliver their products. When you can have a farmers' strike of the magnitude of the one we had last year, then with the increasing costs of the things the farmer has to buy and frozen prices of wheat the government should realize that another non-delivery strike may come about that will be supported by the farmers generally. I am not suggesting that there be one. I do not like strikes, nor do I hope there will be a strike. I am simply saying that the government should be realistic and do the right thing so that a farmers' strike will not be necessary.

Mr. MITCHELL: Much of the discussion to which I have listened up to now is like the Messiah versus the Messiah versus the Messiah.

Mr. CASTLEDEN: Now we are getting the sermon on the mount.

Mr. MITCHELL: My hon. friend is a schoolteacher and he should know something about those matters. The easiest people in the world to talk to are schoolteachers. Just make what you are talking about difficult to understand and they are lost in admiration.

We have listened to various viewpoints on control and decontrol. I think it is obvious that you cannot have a general policy of control without including wage control. But we have heard very little about wage control this evening. My hon. friends want subsidies to be retained, and at the same time they advocate a lowering of the income tax in certain brackets. But subsidies, from the very nature of things, must come from taxes. If the general policy of subsidies is a sound one, let us subsidize everything and let us get everything for nothing—if that is a sound proposi-

tion. The impact of the war was more powerful in maintaining prices and wage controls than the law of the land because it strengthened the will of the nation to live and maintain its way of life.

What I object to is an argument from only one point of view. To maintain a really stable price control, you must control everything. Some hon. gentlemen maintain that we should have control in the industrial structure. That inevitably involves control of wages. Then you have the demand that costs of basic food products in this country should be controlled. That, by the very nature of things, means control of the farmer. Then you have the viewpoint that we should maintain subsidies and at the same time reduce taxes. But subsidies can come only from taxation. I still believe that two and two make four. It can be argued, according to the audience you are trying to impress, that two and two make five, but in this House of Commons, where we get all viewpoints, two and two still make four, and hon. gentlemen who are arguing for controls in one direction should be consistent and argue for the general control of everything. They should not argue both for subsidies to be continued and for taxation to be reduced.

What I think is necessary in this country today is self-discipline imposed as free men. Men and women in the industrial structure, using that word in its broadest sense and including those engaged in commerce, employers of labour and those engaged in manual toil in industry, have a responsibility to discipline themselves, and so have those who are engaged in the agricultural life of this nation. Unless we have that measure of self-discipline under our system of free institutions, we cannot face up to the problem my hon. friends often talk about. Let us be frank and honest when we approach this problem, and go right across the board and deal with every section of society. If you control one group in society you must control every group in a similar way. Do not pick and choose to suit your own political viewpoint and your own constituents, but be fair and honest with all classes of society.

Mr. ZAPLITNY: I am afraid I must take issue with the Minister of Labour. It seems strange that it should be left to the Minister of Labour of all ministers to come to this house and advocate that wages should be controlled. One would think he would be here to defend labour.

Mr. MITCHELL: I believe that wages should be just as high as the traffic can bear. But do not stop the traffic.

Mr. ZAPLITNY: I have no intention of stopping the traffic.

Mr. MITCHELL: What you want is labour to work for nothing and the farmers to get everything.

Mr. ZAPLITNY: I want to point out to the minister—and he will understand it because he says that two and two make four—that the labourers in this country have always had wage control and it has not been government wage control either. They are getting wage control today, even though their wages have been officially unfrozen by the government.

Mr. MITCHELL: They never were frozen.

Mr. ZAPLITNY: As long as the means of production in which they work are in the hands of the interests who have control of setting both the wages labour shall receive and the prices of the products they produce, labour has its wages controlled at all times and it is not necessary for the government to control wages.

Mr. MITCHELL: Would you say the same thing about the farmers and their employees?

Mr. ZAPLITNY: The minister says we cannot have it both ways; we can either lower taxes or else wipe out subsidies. But that does not necessarily hold true. If the surplus of industry which actually belongs to the people of Canada were distributed to the people it could take the place of taxes to pay the subsidies on things which are not economically produced.

I wish to quote from what the former Minister of Finance, who is now the Minister of Justice, said on July 5, 1946. I think he set out, as clearly and as briefly as anything I have seen so far, the objective of subsidies. It is contained in the report of the wartime prices and trade board to December 31, 1946, at page 66, and reads as follows:

> When all is said and done, the objectives of our national stabilization programme are the preservation of real social values, the protection of the value of real wages, of the real incomes of primary producers, of the real value of the income of pensioners, and teachers and office workers, and of the war-time savings of so many millions of Canadians.

These are the objectives as set out by the minister no farther away than July 5 of last year. Does the minister think these objectives are no longer desirable today, or does he think these groups which he mentioned do not any longer require any subsidy or any protection in the form of price control in order that they may have the full benefit of their wages? We

of this group say that that time has not yet come; that the objectives which he set out on July 5 of last year are still desirable; that price control is still desirable in order to obtain these objectives, and that we must have subsidies where subsidies are necessary if we are to be able to maintain price control.

On page 15 of this report the prices board says this, which is significant:

The first major step in removing price ceilings was taken on February 1, 1946.

I believe the Minister of Justice has been subjected to a great deal of criticism which he actually does not personally deserve, because the minister who is now responsible for price control and the administration of these matters which we are discussing is the Minister of Finance. Although the Minister of Finance was in his place a few minutes ago, I do not see him there at the moment. He is the one who should be answering many of these questions and justifying, if he can, the steps which have been taken since January 1, 1947, or since last year when he took over. I believe that the Minister of Finance has done almost irreparable damage to the price structure of this country. All he has to do is to look across the line to the United States and see what the President of that country is saying as of today; that unless you maintain controls when you have them it may be too late to put them on again when the spiral of inflation has started.

Notwithstanding anything that the Minister of Labour has said tonight, I think the question is quite clear. If the government still believed in these objectives which were stated by the former Minister of Finance in July of last year, then there is no justification for the removal of subsidies on the essentials of life and to draw the red herring across the path about the control of wages is simply to beg the question.

Mr. WRIGHT: I should like to argue the point for the continuation of subsidies from a little different angle from that which has been used so far. I shall do it from the angle of production. The minister will agree with me that if we are to prevent inflation in this country the best way to do so is to have an increase in production so that there are more goods to distribute than there are dollars to buy them. That was one of the reasons why subsidies were introduced during the war. They were introduced to increase production. Certainly that was true so far as agricultural production was concerned and it was successful. Statistics will show that in the years 1944 and 1945 we had the largest agricultural production we ever had in Canada at any time. That was at a time when many thousands of our young men were overseas and were not engaged in active production. Yet today we find that, with these men back on the farms, our production has dropped. One of the major reasons for that drop in production is the uncertainty which has been created in the minds of the agricultural population of this country by the government's withdrawal of subsidies. We do not know what subsidies are to be dropped next week or the effect it will have on the price of a particular agricultural product. The result has been uncertainty. People will not start to produce, will not start to increase their hog production, their dairy production or any other of their agricultural production until they have some certainty of what the future has in store for them. I say that is one of the reasons why we have a drop in production at this time. The government themselves are to blame for it because of their present policy of withdrawal of subsidies.

Today the eastern farmer, the western poultry producers and others are simply not buying baby chicks. They are not increasing their poultry production; they are decreasing it because they do not know what the position is to be with regard to feed. They do not know whether the government is to carry on its present policy of freight rates or whether it is going back to the old freight rate structure in Canada under which we exported feed grains to Denmark and Holland at a cheaper rate. Those countries were able to buy oats and barley at four and five cents a bushel lower than the Ontario, maritime or British Columbia feeders could buy them. Until the government is prepared to come out and give some assurance to the country as to what its policy is to be, we shall not get the increase in production that we should have in this country if we are to prevent inflation.

One of the major causes of inflation is lack of production. The government has told Crane Limited that it wants more production of bathtubs, and, if the report is correct, it is prepared to give them $400,000 to increase the production of bathtubs. We want more production, and is the government prepared to continue subsidies, or what is it going to do with them? The government has given no assurance to the farmers of this country as to what its position is to be from now on.

Mr. PROBE: I see the Minister of Reconstruction and Supply in his place now. I asked the Minister of Justice a question but I think the Minister of Reconstruction and Supply will answer it. It dealt with the conditions of

the subsidy which was announced recently by the Minister of Reconstruction and Supply to be paid to Crane Limited. I should like to know the terms of that subsidy, the time which it runs and any factors with respect to production requirements or guarantees which go with the agreement to pay the $400,000 subsidy and the prices of the product which are to result, we presume, from the subsidy.

Mr. HOWE: The subsidy to Crane Limited arose out of a definite shortage of bathtubs, sinks and enamelware of that sort. Ways and means were sought to increase production and remedy that deficiency in the housebuilding programme. Many discussions were held with Crane Limited. It was found that, in order to bring production up to the required scale, an expenditure of about $850,000 was required for new equipment. It was finally decided that Crane would undertake that expenditure, provided that the government would give an incentive subsidy. The incentive subsidy was in the form of two cents a pound for material in excess of the quantity then being produced; it was not on the whole production of Crane. It was simply on the excess of the capacity of the plant before the addition was completed. The expenditure of Crane, as I remember it, was about $850,000. The subsidy was limited to $400,000. In other words, after Crane, through this incentive subsidy, had collected $400,000, which was estimated would take two years, the government's obligation would be discharged in full. That was one incentive subsidy.

A similar incentive subsidy was granted in connection with castiron soil pipe, which is one of the most aggravating deficiencies that we have had to contend with. I do not recall the magnitude of that transaction but it was on a similar basis. It was to be paid to the Anthes Foundry Company in the amount of about half of the capital expenditure to be made by the foundry in the form of an incentive basis of two cents a pound on the soil pipe produced in excess of the former capacity of the plant. Those are the only set of subsidies that have been incentives in connection with the housebuilding programme.

Mr. PROBE: Would the minister indicate whether, in his opinion, or from the records the plumbing industry in Canada was, at the time of the subsidy agreement, working at full capacity?

Mr. HOWE: Yes, definitely. That was carefully explored. The capacity of the industry at that time was not sufficient to keep up with housebuilding demands.

Mr. PROBE: What other companies, if any, share in this incentive subsidy for plumbing equipment, or for what reason was Crane Limited selected to receive the only subsidy, if that should be the case, for plumbing fixtures?

Mr. HOWE: The answer is that Crane was the only company in Canada that was willing to make a capital expenditure to provide the initial capacity on the terms I have outlined.

Mr. PROBE: Had Crane Limited made a deduction which was free of income tax in previous years, for the purpose of this plant expansion, or was this an entirely new arrangement?

Mr. HOWE: An entirely new arrangement. So far as I am aware—I should like to check this before I speak positively—Crane received no accelerated depreciation during the war years.

Mr. PROBE: One final question. Were regulations worked out with respect to the future price of plumbing products as a result of this subsidy payment to Crane?

Mr. HOWE: There is no change in price involved. The price was to be the ceiling price then.

Mr. PROBE: There is a control?

Mr. HOWE: Yes. There was at that time, and I think there is still.

Mr. FULTON: I wish to say a word on the question of subsidies, but before I do so there is one argument advanced by the C.C.F. and by hon. gentlemen opposite which I should like to answer, and that is as to the attitude of this party in the course of this debate. The argument is extraordinary. I remember when the resolution was introduced we gave our views on control at some length and we were even accused by some of filibustering. I remember the Secretary of State for External Affairs quoted with approval the use of that word in certain newspapers. We thought we had said what we had to say on the subject of controls, and indeed we were urged from all sides of the house to let the thing go, to get on with the business. Having made our views known, we did not think it necessary to say any more for the time being, but the first thing we knew we were accused, because of our silence, of "reaction tempered with opportunism". Everyone was saying, "Aren't you going to say any more?" First, they accused us of saying too much, and when we wanted to give the government an opportunity to go ahead with the bill. Then we were told

we were tempering our arguments with opportunism. There is a good deal more than one might say on this subject, but if hon. members will read what we have already said they will find our views fairly well put forth there. However, if they keep pressing us we shall be glad to state those views all over again, and perhaps the time has come when we should do so.

I wish now to deal with one or two aspects of this question of subsidies. The hon. member for Melfort said that one reason why the farmers are not producing is the fact that they are not certain what future action will be taken with regard to subsidies; but an equally potent reason why they are not producing is that they cannot make a profit under the present price ceilings. That is certainly the case in my own part of the country, so far as the dairy farmers and the creameries are concerned. Three large dairy farms have gone out of production in my constituency and the situation is similar throughout the Okanagan. The Nanaimo creamery is closed for the first time in thirty-six years, and the hon. member from there tells me that the reason is they cannot get supplies because the farmers find that they cannot operate profitably under the present price ceiling.

The question of subsidies cannot be viewed altogether apart from price ceilings; the two go hand in hand. We have left the question of ceilings for the moment and are now dealing with subsidies, and the argument is being put forward only from one point of view. The Minister of Justice stated what I believe is accepted as the correct view with regard to subsidies, that is, that there comes a time when they can no longer be regarded as mainly anti-inflationary but become merely a transfer of money from the taxpayer to the consumer, and he put the proposition that when that point is reached, then the subsidy should be taken off.

My hon. friends to my immediate left answer that by saying that they think it is a good thing to continue the subsidies because in effect, they say, taxation is imposed on the basis of ability to pay, so that you are transferring purchasing power from those who can pay to those who have nothing with which to purchase. In other words, there is a redistribution of wealth. Let me ask my hon. friends this question before I go any further. Will they oppose a decrease in taxation? I shall be surprised if when the budget is introduced we do not find them urging strongly a substantial reduction in taxes.

An hon. MEMBER: For the lower income groups.

[Mr. Fulton.]

Mr. FULTON: But you still have to raise taxes from some source and if, as they say, you should take it in the form of income tax and in that way effect the redistribution of wealth, will they argue for an increase in income tax? Will my hon. friends advocate an increase in income tax? Before they answer that question let me put some figures before them. They say that taxes are collected on the basis of ability to pay, but that is not strictly speaking correct. I have the latest figures, some for 1946 and others for 1945. In 1946 income taxes produced a total of $907,000,000, both personal and corporate. It may be said that these taxes are secured on the basis of ability to pay, but I would point out that it was necessary to collect over a billion dollars more. Even then we had to do a substantial amount of borrowing, and the bulk of that other billion dollars, which was necessary for controls and subsidies, came from excise and sales taxes which are collected on the basis of need. They hit hardest those who are neediest. They hit poor people the hardest, because they are the people who need most milk and bread, partly because they are the ones generally with the largest families. They are the people hardest hit by excise and sales taxes, and yet there was collected from them, in the form of excise and sales taxes in 1947, the sum of $737,000,000, or three-quarters of the amount collected in income taxes. It is nonsense to say that you can finance yourself in this way, lifting yourself by your bootstrap and redistributing wealth in this manner, paying subsidies by soaking the rich. It does not work out in that way. You had to collect nearly forty per cent of the total revenue by excise and sales taxes, and three quarters as much by excise and sales taxes at the peak year, as you did from income tax.

If the C.C.F. argue that we should still keep subsidies, we must either keep the sales and excise tax, which hits hardest the low income group; otherwise the only alternative is to increase the income tax, and if they think they can raise an extra $700 million by income tax without still hitting the poor I shall be glad to have them prove it, because no economist has yet found a way of doing that. But they proceed on the assumption, and they would lead the people to believe that they proceed on the assumption, that all you have to do is to soak the rich, and the poor will not have to pay. Of course the poor pay far more in proportion than the rich, so long as you raise taxes and keep them at this appallingly high level, because you cannot have all this tremendous revenue from direct taxation.

You must have a large amount of indirect taxation as well, and that is where the poor pay.

I am sure the Minister of Justice is keeping these considerations in mind. He is proceeding with decontrol and elimination of costly subsidies as fast as he thinks it proper to do so, though not as fast as some of us think he should. I should have been glad to hear him give this answer to the C.C.F. when they say that you do not have to do away with subsidies because it does not cost any more in taxation.

Mr. WRIGHT: I should like to answer the hon. member for Kamloops. This group do not argue that taxation can be increased on the rich to meet all the payments which would necessarily be made for subsidies or social services. Our argument has always been, and is now, that those payments can be met only by increased production, by the production of more goods and services in this country. We believe that under a planned economy we can get a greater production of goods and services in this country than we have had so far. That was exactly the argument I used. I stated that in 1944 and 1945, when we were nearer to a planned economy in Canada than at any time that I can remember in the thirty-five years I have been farming, the price the farmer received for his product bore a fairer relationship to the price he had to pay for the things he had to buy, and the amount the labourer received in wages bore a fairer relationship to the price he had to pay for the commodities he had to buy, with the result that we had greater production in this country. That is what a planned economy means. A planned economy means greater production so that we shall have more to share.

Mr. FULTON: It also means control.

Mrs. STRUM: Before we pass P.C. 9870, on the Commodity Prices Stabilization Corporation, I wish to talk about the threatened increase in the price of butter, and the milk subsidy which this government withdrew. We have learned to our sorrow that when a rumour appears in the paper to the effect that rents are going up, that sugar is going up or that butter is going up, a few days later it becomes a fact. I think I should be remiss in my duty if I did not raise the point now in connection with the increase in the price of butter to the families of this country. I submit that the question is not control, subsidy or incentive. The question is, for whom are we to control and to whom shall we pay the subsidy? I submit it is to him for whom the cash register rings, because profits in this country have hit an all-time high, yet we have the gall to give subsidies to people like Crane Limited. That would be the equivalent of building a new pig pen on the farm of every farmer because we want more hogs, because his present pen is not big enough. Yet when we go to deal with the farmers, what do we do? We have the wheat contract for four years, but we are not taking one cent out of the treasury of Canada to cover our wheat contract. No. We add up the $1.55, plus $1.55, plus $1.55 for last year and the first two years of the contract, plus $1.25, plus $1 and we divide by five and get $1.35. So we say we will give an average price of $1.35 and it will not cost the Canadian people a cent. And we have, in effect, a price financed through the farmers' own contracts, not costing the Canadian people anything. We have, in effect, fixed for the next four years the return tc the farmer from his wheat, which amounts to price control; and then we decontrol all his costs—his twine, his fertilizer, his fuel.

He also is a consumer. The farmer will buy a car; and heaven knows cars have gone up in price. I found to my sorrow that not only has the ten per cent gone on, but another $300 must be paid for itemized things which were never listed separately before. We bought a car just before Christmas and we thought we were to pay $1,500 and something for a little Plymouth; but when we went to take delivery we found another $300 and some odd listed—$25 for unloading, so much for servicing, so much for this and so much for that—and it cost us $1,800 and something by the time we took it out.

We buy cars and we buy salt; we buy sugar and we buy shoes. Yet we find that the government can control the price of leather. Oh, yes, we can control the price of leather, but we decontrol the manufactured shoe, so that the man who is making shoes gets the advantage of control in his costs and the double advantage of being able to decontrol when he sells you or me a pair of shoes. So I submit that through the whole Canadian economy the question is not control. It is, whom shall we control, what shall we control and for whom shall we control? If you go downtown and try to buy a shirt, you have great difficulty in doing so. I do not need to tell hon. gentlemen that. You have had a hectic time for two or three years. But I find we are subsidizing cotton yarn. According to the Minister of Finance at page 1939 of *Hansard,* "a substantial subsidy is still being paid on raw cotton going into process.

I submit in all seriousness that you dare not raise rents and take subsidies off milk and butter and in every way possible assist the people who have things for sale and enable them to reach an all-time high in profits at the expense of the man who is on a fixed wage or fixed income through long term contracts for the things he produces. I submit it will be a mistake if you continue to do this; and I believe you will in spite of everything we can say, because I think the manufacturer has the ear of the government to a far greater extent than has the housewife, the mother or the farmer. I think the policies which are being carried out are big business practices, and the people who want taxes taken off are the big concerns of this country who are hoarding goods anticipating price rises. I notice that the stock of butter is up by millions of pounds over last year and yet, in spite of the fact that we have more butter, butter is to be sixty cents a pound. As I mentioned the other day, the whole experience of the United States has disproved the theory of this government that volume will decrease prices to the consumer. Volume has not decreased prices; it has merely accumulated profits; and if it brings on a depression, as it threatens to do, this government and this government only will be to blame.

Mr. BLACKMORE: I have enjoyed the discussion up to the present time, but I believe the committee is, as usual, getting itself into real difficulties now, not knowing just what to do about a very bad situation. There obviously must be some way out.

Mr. MacNICOL: There is a way out.

Mr. BLACKMORE: There must be a way out in a country which is as rich as Canada is. May I for a moment refer to the speech made by the Minister of Labour. The Minister of Labour has his own natural way of expressing himself, but he generally manages to hit the nail right on the head and face facts realistically. I think all hon. members will recall fairly well what he said: how in the world are you to have money for subsidies if you decrease taxation? I believe nearly every hon. member would like to see subsidies, such as the one on milk, retained. The remarks of the hon. member for Qu'Appelle quite clearly indicated that she would like to see the subsidy on butter retained. Of course she would assume that prices of butter are being held up because of the desire on the part of certain people to make a profit. In the light of what she said, I should like to recall the remarks made by the hon. member for Fraser Valley the other night as reported at page 2142 of *Hansard*. The hon. member quoted Dean Clement of the university of British Columbia, to the effect that last year butter fat cost 58·77 cents a pound to produce. He did not specify whether that was only in British Columbia; I presume it was, but he indicated quite clearly that he would very much like to know what would be the actual cost of the production of a pound of butter fat in Ontario. I believe, if all the hon. members of this house knew exactly what it cost in Ontario or in the maritimes or in any other part of Canada to produce a pound of butter fat, they would be greatly impressed. I believe we have been enjoying butter and a good many other things in Canada at a low cost for a long time, because the poor people who produce the butter and other things were simply absorbing part of the cost and producing at a loss. Now the time has come when, if we are to face the facts realistically and build for the future, we must cease calling upon any group of people to produce at less than cost.

The hon. member for Kamloops made some pertinent remarks, indicating that a number of producers whose raw products depended upon the activity of farmers had closed their doors because the farmers could no longer produce at the prices they were being offered, which prices were under their cost of production. We must face these facts. Merely talking about the difficulty will not solve the problem.

May I refer again to the remarks of the Minister of Labour. He said you just cannot have increased subsidies without increasing taxation. Let me say to the members of this house that when the minister made that remark he was wrong. That is one respect in which he just did not have the best information. Let me direct the attention of hon. members to this problem for a moment or two, and see how many can agree. The amount this country should be able to pay for butter ought to depend upon the milk, the apples, the potatoes, the lumber, the coal, the fish and all the other things Canada can produce. If Canada is able to produce a sufficient amount of all the other commodities the producer of butter needs, then certainly it is obvious that Canada should be able to pay that producer of butter enough of these various kinds of goods. Let us just face that set of facts squarely. If Canada is able to produce the goods of all kinds, to provide what is needed by the producer of any given commodity in order to enable him to make a living, then the time has come when this country must introduce a financial system under which it will be possible to pay that

individual the price he needs to receive. The fault lies in our financial system. We do not have a financial system which can reflect the facts of this country. So many of us do not look upon the wealth of Canada as the lumber, the coal and all the other goods and services we can produce. So many of us look upon wealth as the dollars and cents we can take or not take out of the pockets of the people of Canada. Which is a completely fallacious standard by which to judge wealth. I believe everyone in the country will agree that the wealth of this nation is the lumber, the coal, the fish, the food of all kinds, the clothing, the shelter and the other things this country can produce. If the country can produce enough wealth, then certainly we ought to be able to have the standard of living we desire, at least the standard which our production would justify us in enjoying.

That is the first important point. The very minute we recognize that, we shall not at all agree with the Minister of Labour. Then we shall recognize the fact that we might be able to pay greater subsidies without increasing taxation. I do not care a great deal about issuing challenges, but I should like to throw out a challenge to any member of this house to disprove the remark I made. I should like to see any member who thinks he can do so get up and disprove my statement, when I declare that the amount we should be able to pay for butter or any other commodity, or any kind of service in this country, should depend upon the milk, the cream, the cheese, the coal, the potatoes and the other goods we can produce in this country. If anyone can disprove that statement, we are ready to listen to him. I defy any man in this house to do so. I would be prepared to give him as many weeks as he needs to prepare his argument, and I would be ready to pick holes in that argument when he presented it here.

Now I should like to say just a few words in connection with subsidies. I believe, with the C.C.F., that the minister and the government as a whole are proceeding far too rapidly with the removal of subsidies. A good many people who have only half thought through the problems of this country are beginning to argue that we should remove subsidies; and the line of reasoning they are using is precisely the line used by the Minister of Labour, which was based on fallacy.

Mr. MITCHELL: At the moment I am not talking about my hon. friend's theories on money. I do not think he understands them himself, but that is beside the point.

Mr. LOW: Come along and show him where he is wrong.

Mr. BLACKMORE: And quote your authorities.

Mr. MITCHELL: Let us not get too serious. I should like my hon. friend to answer this question, if he will, and again I say that at the moment I am not talking about his monetary theories. Will he say whether or not at the moment the present subsidies come out of taxation on the Canadian people?

Mr. BLACKMORE: I shall be delighted to answer the minister. Certainly the present subsidies come out of taxation, because the present subsidies are being paid by a government which does not have enough wisdom to use a factual financial system. It is using a false system based upon debt, while it should be using a financial system based upon credit. The mere fact that the government has consistently gone into debt for many, many years, and now has the nation in such overwhelming debt that not a member on the Liberal side of the house or on any other side, except perhaps in the corner where the social crediters are, has the least idea how we can possibly get out of that debt, is the best proof of that statement. That debt is simply a wall over which they cannot see; and the fact that we are in this debt is clear evidence that we have been using a fallacious financial system. Of course the minister must not assume that all the wisdom to be found these days is reposing in the minds of the finance ministers of the Liberal government in Ottawa. He must not assume that, because those gentlemen do not know how to do things, those things cannot be done.

Mr. MACKENZIE: They did a fine job for the nation during the war.

Mr. BLACKMORE: I believe I have given the minister a sufficient answer, unless he has another question to ask. I suggest to him that he go to the report of the royal commission on banking and currency for Canada published in 1933. That report is in the library in this building. Let him turn to page 22, paragraph 47 of that report. There he will discover that during the last war, between 1914 and 1917, some $26,000,000 were printed or created by the dominion government and used debt free. This nation has never paid five cents in interest on that $26,000,000, and that money discharged its percentage of the cost of the war just as effectively as any other dollars used during the war. If the minister understands that he will be in a position—

The CHAIRMAN: Order. I hesitate to interrupt the hon. member, and I am not suggesting that he is entirely out of order, but it does occur to me that at a later time there will be a better opportunity to discuss the financial system of the country. Would it not be more appropriate if we discussed the question of subsidies only at this time, and our financial system only in relation to subsidies? I am not saying that the hon. member was out of order.

Mr. BLACKMORE: Thank you very much, Mr. Chairman. I would not have discussed this matter of monetary theory, had not the Minister of Labour manifested such a deep interest in the subject.

Mr. MITCHELL: If I could say this to my hon. friend: If he is going to talk phony money to me, I am going to get under the desk.

Mr. BLACKMORE: All I can say to the Minister of Labour is that, although he has been a superb success as Minister of Labour in Canada, he has been a failure as financial adviser to the government of Canada.

An hon. MEMBER: He should have been under the desk long ago.

Mr. BLACKMORE: May I for a few moments discuss the question of subsidies? I believe that subsidies should be maintained and should be used definitely in Canada for an indefinite period of time, perhaps from now to the end. There are sound and fundamental reasons why that is so; and I particularly draw the attention of the Progressive Conservative party to the problem I am going to present to them for a few minutes.

If they will take the Searle letter of April 17, 1947—and I think all hon. members received it—and turn to the last page, they will find an account of the Searle index which poses a serious problem to every person who bears a share of responsibility for the conduct of affairs in Canada. In the Searle index of things farmers bought, it is shown that the cost of 147 items now stands at 165·1 per cent, using the 1913-14 figure as 100 per cent. This means that those same things cost the farmers of the west today 65·1 per cent more than similar items of the same quality in 1913-14. Those costs have risen twenty-five per cent since August 1939. Hon. members might attribute the rise of twenty-five per cent since 1939 to the war. But they cannot attribute to the war the other tremendous percentage increase, between 1913-14 and the outbreak of the war.

[Mr. Blackmore.]

The index is quite clear that there is a general tendency for prices to rise, as the hon. member for Qu'Appelle has pointed out so well. There is a general tendency for the price of manufactured articles to rise. And unless primary products—oats, barley, wheat, milk and other things which the primary producer produces—are definitely subsidized, unless a floor is put under them, the tendency is for those prices to fall. In any capitalistic economy, any free economy, any private enterprise economy, such as we have in Canada, and as they have in the United States, this produces a discrepancy between the cost of secondary products and prices of primary products. Both by statement and by clear implication the hon. member for Qu'Appelle pointed that out.

One of the problems which must face the government and the country from this time forward is how they can possibly bridge the gap between prices of secondary products and those of primary products. I submit in all sincerity that there is no way known to man whereby that can be bridged, except by subsidies.

There must be subsidies to bring down the prices of secondary products, and subsidies to bring up the prices of primary products, if the price structure of the country is to be on a parity or to be what we call balanced. So that there is no escaping the conclusion that the subsidy is here to stay, and must be used from this time forward.

It is one thing for President Truman to say that prices of commodities must come down. It will be an altogether different thing for him to tell how they are to come down. While I do not wish to offend my C.C.F. friends, I wish to say this definitely for their benefit, and for the benefit of those who think along similar lines, that for them to contend that the reason for the increase in manufactured goods prices is entirely the fact that private enterprise does our producing is for them to make a ghastly blunder. And if they go forward with that false notion they will simply be the blind leaders of people who will blindly follow.

Let us face these facts and devise a solution. We do not need to wait for another election. There is intelligence, honesty and honour enough in the house to discover a solution. Let us find it and apply it. But we shall not find it by blaming it on things which are not to blame; and free enterprise is not to blame.

The cause of the difficulty is mainly that there has been such a tremendous increase in the use of machinery. Then, there have been so many other factors entering into the price of things as they come off the factory assembly

line that the spread has been more or less automatic. I have not time to go into the matter in detail, nor do I think it would be in order to do so at this time. But any good textbook on economics will make the facts perfectly clear. To hon. members who wish to go into the matter with some care, I suggest that they read "Controlling Depression", written by Paul H. Douglas, Professor of Economics in the university of Chicago and published in 1935. This book is available in the library. It will explain the reasons for the price spreads clearly and give a possible solution. I say we must have subsidies in order to bridge the gap between the cost of secondary products and the price of primary products.

There is another matter, that of giving the consumer a chance. I am deeply sympathetic with the words of the hon. member for Qu'Appelle. She appeals eloquently and inspiringly in the interests of the little people, the poor people, who have to buy and to live. We cannot allow prices to rise so that they will destroy these folk. I suppose every hon. member in the house has read the letter appearing in this evening's Ottawa *Citizen* addressed to the Minister of Finance and referring to $40 a week. Anyone who has not read it would do well to do so. Let him then go home and think seriously, realizing that the problem propounded in the letter is one which is facing people in the city of Ottawa right here, while we are in this chamber. And it is a problem which cannot be solved simply by talking.

Something must be done. Because of this rise in prices the people who are involved are suffering excruciating misery. We simply must take care of the consumers. So I say that when the government abolished the consumer subsidy on milk it committed a grave blunder, and set a precedent which could lead to many equally grave blunders.

It must be recognized that the consumers in Canada must be able to buy the goods the country produces. If they are not able to buy those goods they will fall into a state of semi-poverty and misery, while the people who produce the goods will be short of markets. That, again, will be bad for Canada and will lead to unemployment.

So far as I can see, the consumer subsidy is the only device whereby we can be sure the consumers will have the purchasing power they need.

I believe that anything further I have in mind might better be said at a future time. However I join with those who have pleaded so earnestly for a cessation in the dangerous rise in prices. I should like to give the C.C.F. full credit for the stand they have taken in this matter. They are entirely right. I do not agree with them in respect of technique, but only in this fact: Tonight they have advocated the payment of subsidies. I agree with them completely in that respect, but I do not think the subsidies ought to come from taxation, for taxation will destroy the incentive to produce. We might use a certain amount of taxation, but we must come to the point at which we shall create the means with which we shall pay the subsidy, and the means will be based upon the production this country is able to turn into the markets, and which it is capable of returning to the markets in increasing volume.

This much having been said, I draw my remarks to a close.

Mr. FAIR: There is an old saying that God loves the little people.

The CHAIRMAN: The hon. member for Springfield has the floor.

Mr. SINNOTT: Thank you, Mr. Chairman. I feel I would be remiss in my duty to the electors of Springfield if I did not say a few words at this time. No one was more disappointed than I at the discontinuance of the milk subsidy, and I do not think anyone will be more disappointed than I shall when the butter subsidy comes off. I do not think the people of Canada have objected at any time to the dominion government paying out $22,000,000 or $23,000,000 in milk subsidies, or to what it paid out in the butter subsidy to keep the price of butter down.

An hon. MEMBER: You are on the wrong side of the house.

Mr. SINNOTT: This is one side of the house where I am not subjected to any party whip. On this side of the house we as Liberals can get up and speak our minds and meet our fellow members the next day without being criticized. If we do not get reform from this side of the house it will be a sorry day for Canada, because this is the only place from which reforms have come for Canada from the beginning right down to the present day. William Lyon Mackenzie stood up for the common man, the worker and the farmer, and the Liberal party still does that today.

I agree with the speaker who has just sat down that this country of ours which can produce five times as much as we consume will never stand for another depression such as we had from 1930 to 1935. There was only one thing we were short of in that period and that was dollar bills. We had hogs, we had cattle, we had butter, we had meat, we had

coal, and all we wanted of those things. The only thing we were short of was dollar bills, and the Liberal government will see that we are not short of them again.

I am sorry that the hon. member for Kamloops is not in his seat at the moment.

An hon. MEMBER: Give it to him just the same.

Mr. SINNOTT: I see he is over there now. It is clear from what he said that he was never a farmer. He said the farmers could not produce at present prices. But what about the consumer? You have to take him into account too. Compare prices today with what they were in the period from 1930 to 1935. In 1930 to 1935 hogs were selling at $4.35 per hundred pounds as compared with $18 today, and cattle were selling at $3.75 as compared with $15 today. I think it is a happy day for the farmer when he thinks of prices today in comparison with prices in 1930 to 1935. I trust that the hon. member for Kamloops, if he speaks again, will not delay the house for three weeks and then vote the opposite way.

Mr. FAIR: A few moments ago I started out to say that God must have loved the common people because he made so many of them. A few years ago, someone on the other side of the house might have thought that God loved the Liberals because He made so many of them, but that is not true today because we see their numbers dwindling.

Mr. McILRAITH: Where were you when the Cartier by-election was on?

Mr. FAIR: The hon. member for Ottawa West might tell us how the Cartier by-election was won.

Mr. HARTT: Is the hon. member interested to know how the Cartier by-election was won?

Mr. FAIR: Yes, and I want the true story when you give it.

Mr. HARTT: I am pleased to inform my colleagues in the house that the by-election in Cartier was won on the basis of the policies of the present Liberal government. The member for Cartier was elected on the strength of the policies carried out by the Liberal party since 1921. He had definite and absolute approval of every item of the policies by this government. That is why I was elected. The people approved the policies of control and decontrol, the spy inquiry, and the government's financial policies which have brought us through a great war to great prosperity.

Mr. FAIR: I want to congratulate the hon. member for Cartier on his maiden speech. I now have the pleasure of asking him a question which he can answer at his leisure after he has had time to think it over. What would the result have been had the fifteen hundred names been placed on the voters' list?

Mr. HARTT: I rise to a point of order, Mr. Chairman. I say that my hon. friend is not in a position to prove to this house or to himself that anything wrong was done in connection with the lists. As a matter of fact, if he would take the trouble to compare the lists he would find there is a difference of 265 votes. Do not let him repeat the parrot cry of the Block Populaire and the communists.

Mr. FAIR: If the hon. gentleman thinks I raised the question of the Cartier by-election he is sadly mistaken. It was the hon. member for Ottawa West.

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

Mr. FAIR: No.

Some hon. MEMBERS: No; sit down.

Mr. HARTT: Mr. Chairman—

Some hon. MEMBERS: Sit down.

Mr. HARTT: I am not intimidated.

The CHAIRMAN: Order.

Mr. HARTT: I do not think the hon. member—

Some hon. MEMBERS: Sit down.

Mr. FAIR: This is not Montreal-Cartier. I want the right to speak here.

Mr. HARTT: I resent any insult against Cartier from any part of the house.

The CHAIRMAN: Order. I would remind hon. members that when the Chairman rises all hon. members must take their seat. I call on the hon. member for Battle River and ask him to discuss these subsidies.

Mr. FAIR: I have been trying to do that for the last five minutes. Just as soon as I have an opportunity to speak I shall continue with the subsidies.

An hon. MEMBER: Do not mention Cartier again.

Mr. FAIR: I represent the common man and I wish to say a few words on his behalf tonight. I am in favour of subsidies. The government has done away with some which should have been continued for quite a while. When the hon. member for Lethbridge was speaking he mentioned a letter which was in the Ottawa *Citizen* this afternoon. I am one jump ahead. I shall read a letter taken

from the Ottawa *Citizen* of this morning, and I intend to ask hon. members not to forget about it, because it is a challenge issued to a number of people who perhaps do not claim to be in the common people's class. Hon. members will find this letter interesting. I am going to place it on *Hansard,* because I think it is a good example perhaps to the Minister of Justice or whoever may want to do away with subsidies and they may answer some of the questions and arguments raised in this letter. The letter is as follows:

$40 a Week Budget

Editor, Citizen:—This is an open letter to Finance Minister Abbott and the gentlemen who got the $2,000 tax-free money.

We are the gentlemen and one lady who received the $2,000 tax-free exemption. It is up to us to do a little bit for the fellow who did not have that privilege and who cannot come into this chamber and speak for himself. I, as one of the common people, am going to speak for them tonight, and I hope it will not fall on deaf ears. I continue with the letter:

The following cannot lightly be brushed aside —not turned off by saying the writer is an atheist or communist.

May I digress for a moment and say that the policies of this and other governments are responsible for the rising of the communist programmes in this and other countries. Do not blame the other fellow. The letter continues:

Our young people served in the war, returned home to the usual great promises, got married, spent their savings and gratuity on buildings and furniture at outrageous prices. Today they are faced by a situation which is the outcome of our system of government and which means trouble, want, and sorrow for these young people who after years of war hoped to build up a home and family here in Canada. How many of these young people are getting $40 per week? Can you Mr. Abbott show how a couple with even one child can live for less in Ottawa?

The following will give you some idea of what can be purchased for $40 per week:

63 meals per week at 30 cents ..... (no extra meals for visitors)	$18 90
Rent	8 00
Heat	2 00
Light and power	1 00
Clothing and shoes	5 00
Insurance	1 00
Dentist	50
Doctor	50
Newspaper	18
Car fare	1 00
Church	50
Incidentals	1 42
	$40 00

Those items amount to $40, provided that a man can get a job at $40 a week and provided that he does not have sickness and some of the other difficulties which many people in the working class run up against. A little later on, he goes on to show that this amount provides nothing for shows, no tobacco or drinks, no entertaining, no holidays, no savings, no happiness, only worry. Then he asks: "How does it look to you, gentlemen?" It is signed "E. Richardson, Ottawa."

I have been on the production line of this country producing agricultural wealth for more than thirty years. I know the conditions that many of us have gone through, not because it was our fault but because it was the fault of governments in office. That same system prevails today. Some people give reasons of various kinds and I am going to give the committee one tonight. I expect to be challenged but, regardless of any argument that may be brought up, I think it will still hold good.

This is a little item which was given to me by a young lawyer friend in western Canada, in Lloydminster, in fact, a young man who spent some years in Ottawa during the war. He left here as a lieutenant-commander and is now practising law in Lloydminster. When speaking to me the other day he gave me this item. It illustrates perhaps some of the reasons why we have some of the mess in our country's government today. The article is as follows:

When a man gives you an orange, he simply says: "Have an orange." But when the transaction is entrusted to a lawyer, he adopts this form:

"I hereby give and convey to you, all and singular, my estate and interests, right, title, claim and advantages of and in said orange, together with all its rind, juice, pulp and pips and all rights and advantages therein with full power to bite, cut, suck and otherwise to eat the same or give the same away with or without the rind, skin, juice, pulp and pips, anything hereinbefore or hereinafter or in any other means or whatever nature or kind whatsoever to the contrary in any wise notwithstanding."

Later on, another lawyer comes along and takes it away from you.

Perhaps some of the lawyers in the committee will tell us whether this is right. While this is considered a joke by many people, it is an expensive joke to the people of Canada. I think, if we got down to business and used some common sense instead of so much technicality in our money system we could have a commonsense system instead of the fallacious one we have used in the past, and then the people of Canada could enjoy the production of this land which could provide,

under a sound business government, a better life for the common people and others than any other country on God's green earth.

Mr. MANROSS: After the talk about businesslike methods and the palaver we have heard tonight, is there any way we can find out how many are in favour of passing this item and how many are against it?

Mr. NICHOLSON: I am sure that hon. members were interested in the comments made by the hon. member for Cartier who declared that he was elected in the recent by-election on the record of this government.

The CHAIRMAN: Order. It was agreed that we should discuss subsidies from now on and not the Cartier by-election.

Mr. NICHOLSON: I was merely going to mention the fact that on April 1 the Minister of Finance announced the decontrol policy of the government and then, a few days later, we had the increase of ten per cent in the rentals which, I suggest, may have been a factor previously, but I shall not proceed with that argument.

Mr. KNOWLES: What was the date of the by-election?

Mr. NICHOLSON: The election was held on March 31.

The CHAIRMAN: Order.

Mr. NICHOLSON: It has been suggested that subsidies have been introduced to serve two purposes: to increase production and to keep down the cost of living for the people of the country. The government was justified in introducing that policy during the war, and the situation at the moment does not warrant reducing the appropriations for this important work. I have before me the national accounts, income and expenditure for the period 1938 to 1945. I find that the estimated distribution of income, recipients by income classes excluding agriculture and the armed forces, indicate that twenty per cent of our married men in the country received an income of $1,000 or less. That group of our people received 6·3 per cent of our national income. Let me repeat that. Twenty per cent of our wage earners received six per cent of the total income, while at the other end of the brackets three per cent of our people, with incomes of over $5,000, received fifteen per cent of the total national income. This suggests that the twenty per cent who get only six per cent of the national income are not able to protect themselves when prices rise. When the cost of milk goes up fifty per cent it means that they have to get along with less milk or butter or go without dental treatment. Further, you find in the maritimes that thirty-eight per cent of the population received less than $1,000, and only thirteen per cent of the total income, while at the other end the two per cent who get over $5,000 get a total of fourteen per cent. In the wealthy province of Ontario you find only fourteen per cent of the people getting incomes of less than $1,000, and four per cent of the total income; but you have three per cent of the people getting over $5.000, who grab fifteen per cent of the total income. That was for the year 1942.

I suggest, therefore, that, while that set of circumstances continues, it is important that the federal government, which is the only government that can look at the picture as a whole, should decide that it is important that the children in Nova Scotia should have milk, and should use a part of the national income to subsidize the production of food to make sure that the people in all parts of Canada are properly fed.

An hon. MEMBER: What did they do with the $300,000,000 baby bonus?

Mr. NICHOLSON: There are other things to buy besides milk.

An hon. MEMBER: Certainly; shotguns.

Mr. NICHOLSON: It is suggested by some that shotguns be used to deal with the officials of the wartime prices and trade board, but no Progressive Conservative has risen tonight to suggest that we should not pay subsidies. The hon. member for Lake Centre elicited a great deal of information, but nothing has happened. The hon. member for Kamloops made an eloquent speech, but he did not suggest that we should get rid of another subsidy. He might have turned to page 81 of the wartime prices and trade board report, where you find a subsidy of $1,352 given in connection with fish hooks, and suggested that that should not have been paid. Nothing has been said, however. about a single item regarding subsidies in the past or the maintenance of subsidies at the present time.

I add my support in urging that the Minister of Justice, who is piloting this bill through, observe the complete silence to my right and at the same time listen to voices from our side of the house, and some from his own side, urging that the federal government should still look at the question of subsidies with a view to ensuring that Canadians, men, women and children, do not have to pay sixty cents a pound for butter, resulting in a diminished use of butter, and that the producers of primary products are not compelled to

abandon the production of necessary commodities for the feeding of our people. The hon. member for Melfort pointed out that there was the necessary machinery, in connection with subsidies, whereby production of commodities could be increased.

During the war the federal government decided, rightly I think, to spend $70 million on milk and on goods that we should be importing from other countries, and if the price that was paid in the foreign country made it impossible to have these goods sold in Canada within the ceiling, subsidies were paid. It was considered that cocoa beans and coffee, citrus fruits and other commodities that were available in other parts of the world should be brought in and that subsidies should be paid. This same policy must be continued so long as costs increase so rapidly that our people cannot maintain that standard of living which is essential in this day and age.

Mr. MICHAUD: The hon. member for Battle River tried to make fun of the legal profession. I do not know that that contributes much to the debate; it takes up a great deal of the time of the house. The only thing I will say about the legal profession is that their sense of fair play is sufficiently developed that they know enough to leave other professions alone. The hon. member wound up his remarks by saying that we should discuss the question in a business-like manner. I am entirely in agreement on this point.

An hon. MEMBER: Are you a lawyer?

Mr. MICHAUD: Consult your parliamentary guide. We have discussed this particular order in council at least two and a half hours, and I have not heard anyone suggest that it should be revoked or amended. In my opinion a proper discussion of the subject should have included the suggestion of an amendment or the revoking of the order. It is all very well to say that members wish to express their views on the question of subsidies. I suggest that such views should be expressed in the debate on the budget. All we are concerned with in this item is either to leave it as it is or to revoke or amend it. If we have no other suggestions to make we might as well dispose of it now and pass on to the next item.

Mr. GILLIS: If you could settle the question of subsidies tonight you could prorogue the house tomorrow morning; the work of the government would have been completed. I am very much interested in subsidies. The Minister of Justice stated that there were two important functions that subsidies perform: one was to avoid inflation, and the other was to act as a means of redistributing income. I agree with him on that, but there is another important function that subsidies can also perform.

In a country like Canada, where you have a complete concentration of most of the major industries in the central part of the country, and most of the markets, since central Canada has the population, we find at the same time a flow of trade east and west, where practically everything that is produced has to be marketed in the central markets, so that in my opinion subsidies are necessary. Therefore the third important function that subsidies have to perform is either in eastern or in western Canada. Industries operating in that part of the country will not be economic industries under the present set-up. Some system of subsidies will have to be maintained by the federal government where industry that is essential to the country is uneconomic because of geographic reasons, and the removal of such subsidies deals a death-blow to any industrial set-up east or west.

May I point out to the minister the mess that we are in, both in Nova Scotia and in New Brunswick, in connection with the coal industry. I say, without fear of contradiction, that the removal of the subsidy on Nova Scotia coal, or the refusal of the government to subsidize the wage increase demanded at this time by the mine workers in order to meet the rising cost of living, is responsible for that situation. If you take the loss in wealth, to say nothing of the loss from human suffering, and the blow it deals to the people, undermining their confidence in those who are legislating for them, you cannot compute what we have lost in that part of the dominion. The removal of subsidies was the reason in that case. The government subsidies came off on April 15 on fuels imported into Canada, and a week later there is an announcement by those who sell coal in Canada that coal prices have jumped from $2.75 to $4 a ton, an increase immediately that subsidies were removed to the consumers in central Canada. United States coal today is going into Nova Scotia and is selling at $28 a ton. That is plus freight in that province. A press item today states that United States coal, plus freight, is selling to the consumer in Nova Scotia at $28 a ton. That is with the subsidies removed. But he who is selling coal in Canada has a way of compensating himself when the subsidy is removed. He immediately announces a price increase to the consumer equivalent to what the subsidy was to him. The consumer then

is paying the shot. But those in Canada who produce a commodity that was subsidized, when they ask for an increase to compensate for the rising cost of living because of the removal of subsidies and price controls, today have to go out and enter into what is, in effect, anarchy, and fight it out in the street with the boss. That is because of lack of government responsibility.

In my opinion this question of subsidies lies at the root of our economic problem. I do not think anyone can maintain price controls once that system of subsidies is removed; and I definitely believe that, if this economy is to survive under the present scheme of things, most of the basic industries in this country will have to be subsidized to some extent in order to hold down prices. I am not so much concerned about the secondary industries; I am speaking about the basic industries like fuel, power, agriculture and textiles. In my opinion they will have to be subsidized if prices are to be held down. As the hon. member for Mackenzie pointed out a moment ago, the lower income groups are today not in a position to purchase the commodities which they require at the price they are selling for. Taxing those in the higher brackets and redistributing that income by holding down prices to those in the lower income groups is, in my opinion, the only way to maintain any kind of stable economy under the scheme of things as we have it today.

Mr. ILSLEY: Will the hon. member permit me to say something?

Mr. GILLIS: Yes.

Mr. ILSLEY: If we were to enter into an extensive system of subsidies such as my hon. friend is advocating, we should have to keep our taxation very high and it would not be on the high-income people alone. There are not enough of them. We should have to go right down into the low-income group. What fails to impress me about the attitude of my hon. friend right now, and the attitude of those around him, is that I have no confidence whatever in their willingness to support this or any other government in the kind of drastic taxation which would be necessary to carry out that subsidy policy.

Mr. GILLIS: As far as I am concerned, and as far as the membership of this group is concerned, we do not expect to get something for nothing out of this or any other economy. The answer to the minister's argument is this. Utilize the resources of this country and increase production. That is the complete answer. There has not been enough emphasis placed on increasing production. We are fully aware of the fact that you can only take out of that pool in proportion to what you put into it. But the main emphasis has not been on production, improving our machinery or developing our resources. The main emphasis has been on getting back as quickly as possible to what existed in 1939. In my opinion the government are retreating and retreating too fast. I am not afraid to pay taxes and I do not think the average workingman in this country is afraid to pay taxes. It is much better to have a man employed, with some kind of decent income, even if you are taxing him heavily, than to have him in the street, to be paying him relief, having him deteriorating at the same time and losing confidence in everything. I do not think people will quibble about taxes, provided that the taxes are put to the proper use. But I do know that in industry in Nova Scotia, the fact that the government took this adamant stand against subsidies is responsible for the fact that the whole economy of Nova Scotia and, to some extent, that of New Brunswick, is tied up at this time. A subsidy of $5,000,000 would have offset the wage increase, would have given all concerned in Nova Scotia an opportunity to go to work for a year. With a proper supervision of the spending of that subsidy by the federal government, if at the end of the year production could not be increased and there were valid reasons for this, then it would be up to us to do something with regard to the rehabilitation of the industry. But on this question of subsidy, I still say that if we can come to an understanding on it and apply that subsidy properly to the basic industries of this country, give our people some encouragement and go out for increased production, there is not any danger of inflation or of wrecking the economy because of the subsidies.

I have never met anyone on the outside who quibbled about maintaining a non-economic industrial industry which was necessary to the country in order to give the people employment and to put on the market a commodity which was necessary to the people. I have never found anyone who quarreled with that, and I have never found anyone who quarreled with paying taxes either. It is not the taxes that I am afraid of. As long as people are in income tax brackets, they have an income. What I am afraid of is getting back to the place where we have not sufficient income to pay taxes on it. It is much better for us to have people working, producing and building themselves up as citizens of the country than to get back to this system of relief. I am seriously suggesting—and this is my main reason for

rising tonight—that the federal government should immediately reconsider the question of subsidy as far as Nova Scotia industry is concerned and getting it back into operation. I suggest that the government supervise the spending of any subsidies that may be put into force there; have a test there for a year at least and if, at the end of the year, there is not efficiency there, if the resources cannot be made at least fairly economic, then we should do something about getting the people into some other industry in which they can make some contribution to the national life of Canada.

Mr. QUELCH: In view of the remarks made by the hon. member for Cape Breton South, I rise to say a few words at this time. I agree with him absolutely when he says that the prosperity of the nation in the future will depend to a large extent on the payment of subsidies, that is, under a system of private enterprise, in order to maintain the production of the country at its maximum level and to maintain the demand of the people against that production, there will have to be a system such as that referred to by the Minister of Veterans Affairs as a compensatory system. A compensatory system is described very well by Stuart Chase in his book "Where will the Money Come From" where he advocates subsidies in order to maintain the effective demand of the people. I have heard several ministers state that subsidies cannot be paid without maintaining price control or price ceilings. I would say that depends, first, upon the purpose of the subsidies; and, second, upon the condition of production at the time the subsidy is paid; that is to say, it will depend upon whether goods are scarce or whether goods are surplus. If goods are scarce, then you will have to maintain a price ceiling. If, on the other hand, your production is surplus, the subsidies can be paid without any price ceiling being maintained by rigid controls.

May I explain what I mean? During the war a very large percentage of our production was shipped overseas, with the result that the money paid out on that production became a demand against the production left in the country, and that purchasing power became a great stress upon the price structure within the country. The government therefore desired to prevent the prices of goods from rising, and for that purpose put into effect price control. In addition, in order to make it possible for industry to pay their costs under that price control, the government subsidized industries where the costs were greater than could be met under the price ceilings. If the government had merely said to the industries concerned, "We will pay you a subsidy to make up for the increased costs, provided that you do not raise your prices," what would have been the result? In all probability some industries would have said, "To heck with your subsidies. We will increase our prices to an extent greater than the subsidies. Therefore we will recover our cost plus a profit, to an extent we could not recover it under your subsidy." In view of the fact that goods were so scarce at that time, after the subsidized goods had been sold the industries which had raised their prices would also have been able to sell their goods. That is why I say that when goods are scarce you will have to maintain price ceilings as well as subsidies.

What is to be the situation in the future? It will not be a question of reducing the demand against goods in short supply. The problem we shall face in future will be to increase the demand against expanding production, because we shall not be exporting fifty per cent of our production in the future and without bringing back imports in return. The total production of the country will be available to the people, plus the imports brought here in exchange for our exports. Just the other day Mr. Ruml issued a statement in which he said we shall probably have a depression on April 15, 1948. The analysis on which he based that statement is interesting. It supports 100 per cent the statement made by the governor of the Bank of Canada in 1946, to the effect that the great problem which will be facing this country in the near future will be lack of effective demand.

Mr. Ruml points out four reasons why demand will fall off at that time. He points out that today we have full employment. We have not quite full production because of strikes, etcetera, but we have a full demand against that production. The reason is that at the present time we are building up inventories. Those goods art not yet on the market, but the money paid out for building up those inventories is a demand against available production. In the second place, a large amount of money is being paid out for reconversion purposes; that is, to reconvert factories. That money is also a demand against available goods, because goods are not coming from those factories yet. Then he points out that at the present time a large proportion of our production is being exported with no goods being brought back in return under export credits. This means that money is being paid out in the production of goods that are not available for consumption in Canada; that is to say, the money paid out for the production

of goods which have been exported becomes a demand against the goods remaining. The fourth reason he points to is that today we still have a large amount of savings built up during the war, which are a demand against out present production.

He points out that by 1948 the condition will be rapidly changing. Inventories will have been built up, and the goods will be coming on the market. Reconversion will be largely completed; the factories will be completed, and goods will be flowing from them. He points out that we cannot expect to continue to export goods abroad without bringing back imports in return, and that the savings carried over from the war will have been largely spent. Therefore he points out that by 1948 our production will be increasing in relation to demand; there will be a falling off of demand, so he prophesies that by April 15, 1948, people will say, "This is not a recession; it is a depression." He admits that very likely the government will take steps immediately to change that situation, and I am hoping that the government of this country will be prepared to do likewise. However the government knows very well that, once you allow a country to start on the road to depression it is not easy to stop it, because, once people lose confidence, it is very difficult to restore it.

So, Mr. Chairman, we have suggested that it is possible to maintain demand through the use of subsidies, and that in order to maintain those subsidies it will not be necessary to have price ceilings. We say the government can meet with industry and say, "If you are prepared to produce at a fair profit we will pay you a subsidy." That is to say, the government will set up a commission whose duty it will be to examine the relationship between demand and supply from day to day, week to week and month to month. If over a period of three months, say, they find that demand is lagging behind supply at the rate of perhaps ten per cent, so that demand is only ninety per cent of supply, then through the commission the government would say to industry, "We will pay you a subsidy of ten per cent on condition that you reduce your prices by ten per cent in order to restore the balance between demand and supply." If any industry refused, obviously the industries that did agree would be able to undersell the one that did not by ten per cent; and in view of the fact that the situation will not be the same as it was during the war, but one in which production is available, then an industry which refused to reduce its prices would have a great deal of difficulty in selling its goods in competition with goods which were being subsidized and sold at a lower price.

[Mr. Quelch.]

That is why I say in future, when production is expanding more rapidly than effective demand is being maintained, subsidies can be paid without the necessity of maintaining price control. It has been argued in this house that you cannot pay subsidies without increased taxation. During the war that was true; but the purpose in maintaining subsidies during the war was to maintain price control and thereby reduce the danger of inflation. Taxation also helped to reduce the danger of inflation; but now, after the war, it is necessary to take steps to safeguard the country against deflation, and the purpose of the subsidies would be to increase demand in relation to supply. The minister himself has said that at the present time the saving in subsidy will be no greater than the cost in taxation. Therefore, if you are going to try to increase the demand by subsidies, obviously you cannot pay for those subsidies by taxation, because you will not be increasing the demand in relation to supply but merely taxing people in order to pay the subsidies. When that situation develops; when we have to expand the purchasing power of the people in order to maintain demand against production, then obviously subsidies will have to be paid by national money, which, of course, will not be obtained by taxation.

I think that must be obvious, and that applies to the remarks of the hon. member for Kamloops. Obviously he is still thinking of the situation that existed during the war, but that will not be the situation henceforth. The great problem we are going to face in this country will be the difficulty of maintaining an effective demand against our production. Before the war, we used to try to do that by maintaining a favourable balance of trade. It is generally recognized today, however, that if we want to have good relations with other countries in future we shall have to be prepared to accept the goods of other nations in return for our exports. Other nations will not be prepared to go into debt just in order that we may dump our unemployment problem on their doorstep. So I would suggest that in future, in order to maintain prosperity in this country, we can release the rigid price controls we have had in the past, maintain subsidies at the necessary level to maintain effective demand against our production, and finance those subsidies by national money.

P.C. 9870 agreed to.

On P.C. 7475.

Mr. ILSLEY: This requires an amendment along the same line.

Mr. FULTON: Would the minister move it?

Mr. ILSLEY: These are the amendments to which I consented yesterday with respect to the wartime prices and trade board regulation. I move:

That the following be inserted in the schedule to the act in the column entitled "amendments" so as to pertain to order in council P.C. 7475 of 26 August, 1942, as amended:

"Section 6(1) is deleted and the following substituted therefor:

6(1) No director, officer, clerk or employee of the corporation and no person acting on behalf of or under the authority or supervision of the corporation shall be liable for any act or omission in the exercise or performance or purported exercise or performance, in good faith and on reasonable grounds, of any power, discretion, authority or duty conferred or imposed by or under these regulations."

Amendment agreed to.

Mr. ILSLEY: I move:

That the following be inserted in the schedule to the act in the column entitled "amendments" so as to pertain to order in council P.C. 7475 of 26 August, 1942, as amended:

"Section 6(2) is deleted and the following substituted therefor:

6(2) No proceedings by way of injunction, mandatory order, mandamus, prohibition or certiorari, shall be instituted against the corporation or any director, officer or employee thereof or any person acting under the authority of the corporation for or in respect of any act or omission of itself, himself or any other person in the exercise or purported exercise of any power, discretion or authority or in the performance or purported performance of any duty conferred or imposed by or under these regulations or otherwise heretofore conferred or imposed by the governor in council."

Amendment agreed to.

P.C. 7475 as amended agreed to.

On P.C. 5518.

Mr. FULTON: Would the minister be agreeable to accepting a small amendment which I hesitate to mention, but which I believe would clear up what might otherwise be a certain laxity in the wording? I refer to paragraph 8 at page 43 of the consolidation. This paragraph deals with offences, and subparagraph 2 states:

(2) Every person is a party to and guilty of an offence under this order who (a) actually commits it; (b) does or omits any act for aiding any person to commit the offence.

To meet the purpose I have in mind, I move the following amendment:

That the following be inserted in the schedule to the act in the column entitled "amendments" so as to pertain to order in council P.C. 5518 of 16 July, 1943, as amended:

"Section 8(2) is amended by deleting paragraph (b) and substituting therefor:

(b) does or omits any act for the purpose of aiding any person to commit the offence."

This means that the act would have to be committed with the intention of aiding in the offence. It would mean that no person who committed the act, not realizing the consequences of it, would be guilty. In other words, it is to make sure that the intention element is present.

Mr. KNOWLES: I would take it that that is implied by the present wording.

Mr. ILSLEY: I do not see anything wrong with it. I believe there is some similar wording in the criminal code. I am content to accept it.

Amendment agreed to.

P.C. 5518 agreed to.

P.C. 6497 agreed to.

On P.C. 34/4433.

Mr. FLEMING: It would seem that P.C. 34/4433 is to be effective temporarily, in view of the fact that it is included in this schedule. Is this not a matter which might probably be dealt with by permanent legislation, because recently we had a bill on this same subject before the house?

Mr. ILSLEY: Would the hon. gentleman state his point again?

Mr. FLEMING: I take it that this order is to have only temporary effect. Could the subject matter of this order not have been properly included in the government employees compensation bill which was recently before the house? The effect of this order is to provide that the employees of three government corporations, the Commodity Prices Stabilization Corporation, the Wartime Food Corporation and the Canadian Wool Board, are to be deemed to be employees of His Majesty within the meaning and for the purposes of the Government Employees Compensation Act. Since this order is presumably to have a limited effect in point of time, could its subject matter not have been properly dealt with within the terms of the legislation recently before the house rather than carrying this order on for a temporary period?

Mr. CHEVRIER: If the hon. gentleman will remember, there was a provision in the government employees compensation bill for the inclusion, by order in council, of any other corporations which desired to be covered by the act. This had already been done in certain cases. I have not read the whole of this order but I presume, from what I have already heard, that the object of this order is to cover a case such as that.

Mr. FLEMING: I am indebted to the minister for his explanation. This order, P.C. 34/4433, was passed on June 10, 1944. It has the effect of bringing the employees of these three corporations within the terms of the Government Employees Compensation Act. What is the purpose of carrying on this order in council under the authority of Bill No. 104 when, under the authority of the new bill to which the Minister of Transport has just referred, an order in council could be passed under the terms of the Government Employees Compensation Act? This order was passed away back in 1944 without relation at all to the bill recently piloted through the house by the Minister of Transport.

Mr. CHEVRIER: I would think that what the hon. gentleman says is so; but these three corporations, if they have not already covered themselves and their employees by their own act are covered by this order and they were covered from 1944 until this day. If this order were not allowed to go through, their employees would not be covered unless a separate order in council were passed under the Government Employees Compensation Act. I would think this would be the better way to cover the employees of these three corporations.

Mr. FLEMING: With respect, I submit that it would be preferable to cover them under the Government Employees Compensation Act, making provision for the passing thereunder of an order in council to bring within its terms employees of these three corporations referred to in P.C. 34/4433. I would think that would be preferable.

Mr. CHEVRIER: I agree that that is the proper procedure for those corporations which are not already covered, but these are covered.

Mr. FLEMING: They are covered under the terms of an order in council which is to have a limited duration. That is my point. The whole basis on which the committee is dealing with the present bill is that the orders in council enumerated therein are to have limited duration. If the minister will indicate to the committee that it is the government's intention to pass an order in council under the Government Employees Compensation Act bringing the employees of these three state corporations within the terms of that act by order in council, this order in council in the consolidation can be dispensed with just as soon as the other order in council is passed. If there has not been time to do that the minister might indicate to the committee that this order is only to fill the gap until an order in council can be passed under the amended Government Employees Compensation Act.

[Mr. Chevrier.]

Mr. ILSLEY: That bill is not through the senate yet, is it? We shall have to assume that it will go through. I think we could do it the way the hon. gentleman suggests, but I do not see any particular reason why we should do it one way rather than another. If we knew the bill was through we could pass an order in council under that act and it would last as long as those temporary bodies last. This order will last for only one year, and then an order in council will have to be passed. But we have not got the other legislation through yet.

Mr. FLEMING: I want to be sure that we are not arguing at cross-purposes. Do I understand the Minister of Justice to agree that P.C. 34/4433 will remain in force only until there has been time for the government to pass the necessary order in council under the new Government Employees Compensation Act to replace P.C. 34/4433 on page 45 of the consolidation?

Mr. ILSLEY: There is no objection and no advantage either way. If the hon. member would like us to revoke this order in council and pass a new one when we get the other legislation through, we shall do so.

Mr. GREEN: May I suggest that the minister give further consideration to the suggestion of the hon. member for Eglinton. There might be some virtue in reducing the number of orders in council from 57 to 56.

Mr. ILSLEY: Mr. Chairman, what about the amendment of the hon. member for Winnipeg North Centre? This was one of the orders he wanted to freeze. Does he want to yield?

Mr. KNOWLES: I was thinking about that. I would point out to the minister that the time when it might be desirable to replace this order would probably be within a month or so; parliament would be sitting and the minister could ask parliament for its consent.

Mr. ILSLEY: I would not want to bother with two addresses by both houses.

Mr. KNOWLES: It could be done in that way, but I am perfectly willing to yield this order. It is not in the class with the others under the wartime prices and trade board section.

Mr. GREEN: Let it stand until tomorrow.

P.C. 34/4433 stands.

Progress reported.

It being three minutes after eleven o'clock, the house adjourned, without question put, pursuant to standing order.

Tuesday, April 22, 1947

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

REFERENCE OF ANNUAL REPORTS AND CERTAIN ESTIMATES TO RAILWAYS AND SHIPPING COMMITTEE

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, I desire to lay on the table the following reports in English and in French: annual report of the Canadian National Railway system for the year ended December 31, 1946; annual report of the Canadian National (West Indies) Steamships Limited for the year ended December 31, 1946; annual report of the Canadian National Securities Trust for the year ended December 31, 1946. Copies of these reports are being distributed to hon. members this afternoon. The auditors' report to parliament has been delayed in printing but I am informed that the English edition will be ready for tabling Thursday next and the French edition a day or two later.

By leave of the house I move:

That the annual reports for 1946 of the Canadian National Railway system, the Canadian National (West Indies) Steamships Limited and the Canadian National Securities Trust tabled this day be referred to the sessional committee on railways and shipping owned, operated and controlled by the government, together with the following items of the estimates for 1947-48:

Vote 434. Maritime Freight Rates Act, Canadian National Railways;

Vote 435. Maritime Freight Rates Act, railways other than Canadian National;

Vote 479. Prince Edward Island car ferry and terminals deficit, 1947.

And that the resolution passed by the house on March 4, 1947, referring certain estimates to the committee of supply, be rescinded in so far as the said resolution relates to votes Nos. 434, 435 and 479.

Motion agreed to.

BUTTER

INQUIRY AS TO DISCONTINUANCE OF RATIONING

On the orders of the day:

Mr. R. E. DROPE (Northumberland, Ont): May I ask the Minister of Finance a question. When will the rationing of butter be discontinued in Canada?

Hon. DOUGLAS ABBOTT (Minister of Finance): That is a matter of government policy that will be announced in due course.

IMMIGRATION

PRESS REPORT AS TO MEMBER RECRUITING PERSONNEL OVERSEAS FOR TEXTILE PLANT

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I wish to direct a question to the Minister of Mines and Resources (Mr. Glen). Has his attention been drawn to a news item, appearing on page 6 of this morning's *Citizen*, entitled "New immigration policy may come soon"? The item goes on to say that the member of parliament for Beauce (Mr. Dionne) is at the present time overseas in Europe, with the permission of the government, to recruit personnel for his textile plant. Is that a new immigration policy or is there another part that we have not yet heard about?

Hon. J. A. GLEN (Minister of Mines and Resources): I have not seen the newspaper item to which the hon. gentleman refers, but I would repeat what I said the other day to the hon. member for Peel (Mr. Graydon). So far as any new policy on immigration is concerned, it will be announced in due course.

Mr. COLDWELL: Is the statement regarding the member for Beauce correct?

Hon. HUMPHREY MITCHELL (Minister of Labour): There is no secret about it. Like any other employer of labour, he has been given permission, in view of the shortage of labour in that area, to recruit, if possible, 100 workers for a textile mill or a woollen mill in Beauce.

Mr. COLDWELL: Under what regulations are these entries to be permitted?

Mr. MITCHELL: Under the normal regulations. It is a day to day affair. It is quite true that during the war there was no immigration, but the Department of Labour has to give approval where it is a question of immigration. In that case they are consulted.

Mr. COLDWELL: If approval is to be given, do you approve conditions of work, wages and so on?

Mr. MITCHELL: In the matter of wages and conditions, there will be the prevailing rates in the district, as far as I am concerned. Under no circumstances—I am speaking of ordinary circumstances—would I give my consent to the immigration of people from any country in the world to undercut local conditions.

Mr. NICHOLSON: Under what order is this permitted?

Mr. SPEAKER: Order. The hon. member knows that the question is not debatable.

VETERANS AFFAIRS

REPORT ON D.V.A. HOSPITAL AT SYDNEY

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Has the Minister of Veterans Affairs received Doctor W. P. Warner's report as to the future of the D.V.A. hospital at Sydney, Nova Scotia. If so, is the minister prepared now to make the statement which he promised to make on receipt of the report?

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): I shall be glad to send a copy of the report to my hon. friend. The purport and conclusion of the report is that the hospital in question will be closed on the first of September, 1947, with out-patient clinical treatment for such as need it in the region concerned, care for the rest being given in Camp Hill hospital, Halifax. The basis of the hospital's policy is to give the best treatment to all veterans concerned.

UNITED NATIONS

UNRRA—INQUIRY AS TO CHANGE IN ORGANIZED ASSISTANCE

On the orders of the day:

Mr. F. S. ZAPLITNY (Dauphin): On March 12 I asked a question seeking information as to what steps are being taken by the Canadian government to replace our contributions under the arrangements of UNRRA by some other form of organized assistance. At that time the minister indicated that a report had been received from the committee set up to investigate the possibilities and that the report was under active consideration. Is the minister in a position now to tell the house what decision has been reached?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): That is a matter about which it is still hoped there will be action on the basis of international cooperation, even if it is not handled by an international administrative body. Our representatives in Washington have been and still are in touch with the representatives of other governments, who were contributors to UNRRA, with reference to this, but there has not yet been developed anything sufficiently definite to warrant a statement.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Monday, April 21, consideration in committee of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war—Mr. Ilsley—Mr. Macdonald (Brantford City) in the chair.

[Mr. Speaker.]

The CHAIRMAN: When the committee rose last night it was considering P.C. 34/4433, Government Employees Compensation Act.

Mr. ILSLEY: I do not see any advantage whatever in delaying this order. I think it had better be passed. It can be done the other way, but it simply makes more trouble for everyone. It means an amendment to this act and the passing of an order in council. Why do that? Why not put it through this way?

Mr. FLEMING: I suggest to the minister that it has to be done the other way eventually, because the effect of this act is temporary. I do not know how long it is the government's intention to continue in existence the three corporations referred to in the order. It would seem to me that the government in any event, if it is going to continue to apply to these three corporations the provisions of the new compensation for government employees act, must pass a regulation to that effect under the terms of section 2(c) of that act. Therefore the only purpose that can possibly be served by the order in council now before us, 34/4433, is to continue these corporations under the terms of the Government Employees Compensation Act until such time as an order in council can be passed under that permanent legislation. This present order in council, apart from any further action on the part of parliament, will continue until May 15. Surely that is ample time to bring the Government Employees Compensation Act, the new act, into effect and to make the necessary order under it.

Mr. ILSLEY: I do not see any advantage at all.

P.C. 34/4433 and P.C. 3122 agreed to.

On P.C. 328.

Mr. DIEFENBAKER: There are a few questions I should like to ask in regard to this particular item, which has to do with the setting up of a corporation for the purpose of continuing the control over sugar. As the committee is aware, on March 31 the United States passed an order continuing sugar control and rationing until October 31, 1947, at which time, as was indicated when this extension was made, sugar control will come to an end in the United States. Today each country in the international pool receives an allo-

cation of sugar under an international agreement. When President Truman signed the bill extending sugar control he said this:

While our supplies—

He was referring to the supplies in the United States of America.

—in 1947 will be larger than those available last year, they will still be substantially below pre-war per capita supply and still further below estimated demands . . . A premature ending of controls over sugar would bring about a scramble of competing countries for the inadequate supplies now in prospect.

Canada gets 82 per cent of her yearly sugar supplies from foreign sources. In a return which was brought down last month it was revealed that 47 per cent of Canada's sugar supplies came from the British West Indies and Fiji, 35 per cent from non-empire countries, and only 18 per cent from her own domestic beet sugar production. How is it that in spite of the opportunities which are ours, with our refining facilities, no real encouragement is given to sugar beet production? The six beet sugar plants have a maximum capacity of 150,000 tons of refined sugar, which is 26 per cent of Canada's 1946 allocation, and is 44 per cent higher than the goal set by the government this year. Some might say, "Well, what advantage would there be?—because Canada receives only a proportionate share of the world's sugar supply under international agreement." I suggest that if further encouragement were given by the federal government to sugar beet production in this country it would mean two things. For one thing, increased production—and I am informed that it could run about 50 per cent higher than the present figure—would mean a larger international pool, thereby assuring Canadian consumers of a larger share of sugar. It would also make available a wider distribution in the countries of Europe which require sugar.

I know there has been a change this year. One dollar per hundredweight increase in price has been allowed, and the government grants a 25 cent subsidy, but that is no additional encouragement. All that the government has done has been to pass on to the consumer the extra amount of one cent per pound; there has been no additional encouragement this year to the producer in this country to produce to the limit of the capacity available. For some reason it seems impossible to get consideration of the problem from those in charge of this corporation. Their attitude is that sugar is not a crop indigenous to Canada, if I might use that expression. But, sir, in Manitoba and in Alberta it is being widely extended; and in my own province of Saskatchewan there is an area in the Qu'Appelle valley peculiarly fitted by nature and the contour of the land to produce sugar beets and practically nothing else. I should like the minister to make a statement as to the government's attitude with regard to the encouragement and expansion of sugar beet production, so that this crop, which has become a kind of insurance crop wherever it is produced, may be extended in acreage and amount, to the end that there will be improvement in the opportunities for production and a larger quota available to consumers.

Mr. ILSLEY: I should like to say a few words in answer to my hon. friend. Pre-war beet sugar production was about 150 million pounds annually. The maximum production of beet sugar in Canada was in the year 1940, production for that year being 213 million pounds. Production in 1946 was 207 million pounds. The capacity of the factories in Canada is 300 million pounds.

It is not correct to say that no encouragement has been given to the production of beet sugar in Canada. In 1946 a subsidy of 60¾ cents per hundred pounds was paid. In 1947 that figure was increased to $1.25, of which 25 cents is now in the form of a subsidy and $1 in the form of increased price. As the hon. member has said, we in this country produce 18 per cent of our requirements at home. It is possible that by paying enough money in subsidies or by raising our tariffs high enough we could increase the production in Canada under peacetime conditions to considerably more than 18 per cent of our total consumption. A matter of policy comes in there, as to how intense a degree of protectionism, because that is what it is, we should apply to the production of beet sugar. That production can be increased, as I say, by the payment of enough money either by the taxpayers or the consumers; by the taxpayers in the way of subsidies or by the consumers in the way of prices. But a balance of some kind must be struck there, and a reasonable course taken. I do not know what my hon. friend would suggest. He must hold the same position, I should think, that a moderate course must be taken between the two extremes, because I do not think he would take the highly protectionist position that we should put our prices so high, our tariffs so high, our subsidies so high, that we would produce in Canada all the sugar we required, and exclude sugar from empire sources, particularly at a time when we are greatly in need of imports from empire sources in order to create dollars with which to make markets for ourselves abroad.

The policy of the government has been a reasonable one. We have not discriminated in

any way against the beet sugar industry in Canada. The production figures I have given are reasonable. The hon. member for Stanstead said one of the great factories in southwestern Ontario is idle but the prime factor in that situation was lack of labour, and I understand prospects are that both factories will be operating there, with an improvement in production. The contracts signed in the last ten days have been greater than ever before in the history of the beet sugar growing area.

The suggestion has been made that if we had forced to a greater extent the growing of sugar beets in Canada, we would have increased the amount of sugar available for our consumers. Well, we get about six per cent of the world production of sugar, or the production that is available for Great Britain, the United States and Canada. To the extent that we increased production in Canada that would go into the pool under the international allocation arrangements and out of the pool we would get six per cent of the increase, which would not be very much. It is just a question how much of the money of the taxpayers or how much of the money of the consumers we would be justified in paying in order to force that result. I think the course we have taken has been reasonable.

Mr. MILLER: During the Easter vacation I was at a meeting of sugar beet growers in the city of Portage la Prairie. Representatives were there endeavouring to get the sugar beet growers to sign contracts for another year. The minister will correct me if I am wrong, but I think it is a fact that the sugar beet producers of this country are held down in the price they get, because the price for their product is not allowed to equal the price for sugar made from imported sugar cane. You do not need to raise the tariff in order to get a greater production of sugar in Canada, certainly not in Manitoba. The sugar beet growers have been down here at least four times since last December trying to get some satisfaction from the administrator. Finally I understand they had a conference with the Minister of Finance at which the last adjustment just mentioned by the Minister of Justice was arrived at. At every meeting of growers that I attend at which there are representatives of the association there is criticism of the present sugar administrator. I should like to know what will be his position in the future. Are we going to have the same sugar administrator? He does not have the confidence of the growers, who do not think he is giving them a fair deal as compared to cane sugar. The government must know that from the comments of the delegations of growers every time they come down here. The growers are being urged to produce more, and the factories are trying to get contracts. At the factory of the Manitoba Sugar Beet Company on the Red river they want to get production up to 150,000 tons, as compared to their present maximum of 90,000. If the price paid the sugar beet growers was brought up to equality with what is paid for cane sugar it seems to me you would have no difficulty getting more sugar beets produced, and consequently more sugar. Before I sit down I would like to know from the minister just what is to be the position of the present sugar administrator under the new set-up.

Mr. ILSLEY: The $1.25 puts them on a complete parity with the price of cane sugar.

Mr. MILLER: Not quite, does it?

Mr. ILSLEY: On the landed cost of cane.

Mr. MILLER: Does it not require about $1.55 to do that?

Mr. ILSLEY: I am told the $1.25 makes the return equal. I do not know the ground of criticism of Mr. Noble.

Mr. MILLER: There is plenty of it.

Mr. ILSLEY: I know that there is criticism.

Mr. MILLER: The criticism is mainly that he is more a cane man than a sugar beet man; I don't mind saying that.

Mr. ILSLEY: Well, to be valid, criticism has to be based upon facts, not upon what a man may have done previously in his lifetime, or something of that kind. Mr. Noble was a high official of the Royal Bank, which had some branches in Cuba and I believe at one time had some interest in cane sugar plantations. That was the fact upon which the whole criticism of Mr. Noble was based; but that is not sufficient. If criticism of a man is going to be made, for it to be valid you must put your finger on some facts. I am convinced that Mr. Noble has been scrupulously fair in his treatment of the beet sugar growers.

Mr. FERGUSON: May I remind the minister that after the first war it was proved quite conclusively that some of the bank gentlemen who were mixed up with sugar did not know very much about it; they were out about $16,000,000, so it is no recommendation to say that a man worked in a bank.

Mr. HACKETT: I am not going to weary the minister with my views on subsidies; he knows them very well, but I should like to

ask if he does not consider that the method of applying the sugar subsidy has resulted in a curtailment of production in southwestern Ontario, as distinguished from other areas in which the growing of sugar beets was carried on during the war. The total production is about on a level with what it was before the war, but in the great sugar beet area of southwestern Ontario production has decreased, whereas in Manitoba, Alberta and to some extent in Saskatchewan production has increased. Is it not a fact that the method of applying the subsidy has brought about this result? I am leaving aside the question of labour, because if I have correctly understood the situation the matter of labour has not been the determining factor in the abandoning by the farmers of southwestern Ontario of the cultivation of sugar beets.

Mr. ILSLEY: The fact that competing products were subsidized at all probably did mean that a larger acreage was devoted to competing products than to sugar. But all the acreage was used; and there were years when it was thought better to produce beans, tomatoes, and the like, than to produce sugar. That was not fully carried out, of course, but it was thought desirable to increase the production of some of these products, which used land that otherwise might have been used for sugar. That was a matter of nutrition, a matter of getting production of the proper foods. If sugar had been subsidized and the others had not been, probably there would have been a larger acreage of sugar, despite the labour situation. But the matter of labour was a serious one in that district of Canada, because it is contiguous to the large industrial areas in which high wages were being paid, and where it was difficult to get labour.

Mr. HACKETT: I am not going to question the judgment of the government or of the department in subsidizing other products, which may have made it attractive to farmers in southwestern Ontario to grow those products in place of sugar beets. But is it not a fact that, in the result, the farmer growing sugar beets in Manitoba, or any of the prairie provinces, received a better price per ton for his beets than did the farmer in southwestern Ontario?

Mr. ILSLEY: He did, on account of the fact that he enjoys freight protection.

Mr. HACKETT: I am aware of that. Again, I am not criticizing the government, but I am endeavouring to point out that the subsidy did not work out equally everywhere. The farmer in western Canada—and by that I mean Manitoba, Saskatchewan and Alberta —was getting from 75 cents to something over a dollar more per ton for his beets than was the farmer in southwestern Ontario. That was a considerable incentive.

Mr. ILSLEY: The same rate of subsidy was paid everywhere. The price was higher in the west. They are entitled to a higher price because of the freight.

Mr. HACKETT: The point I wish to make is that southwestern Ontario, being the area par excellence in which the sugar beet can be produced, where the industry was firmly established, and where the people were acquainted with all the methods of good production, should have been treated differently. It seems to me that the growth of sugar beets could have been stimulated there to better advantage than by opening up new areas in which the whole population had to be taught the industry from the beginning. I shall not say poor judgment was used, but I shall say the government could have got a larger quantity of sugar with less effort from southwestern Ontario than from the new area, in which as it were it started the growth and development of a new sugar beet industry.

Mr. ILSLEY: I do not think the comparison between Ontario and Alberta holds. I believe Alberta is placed just as favourably, and perhaps more favourably, in the production of sugar beets.

Mr. DIEFENBAKER: In connection with the minister's statement to the effect that encouragement to the industry—

Mr. BLACKMORE: I wonder if the hon. member would speak louder. I am interested in what he is saying, but down here we can hear nothing but a whisper.

Mr. DIEFENBAKER: The interruption supports the suggestion made by the hon. member for Fort William, that loud speakers be installed in the chamber, should have been carried into effect. I am waiting for the improved suggestion in that regard which he said would be forthcoming shortly.

Mr. McIVOR: I should like to take up that question next Monday.

Mr. DIEFENBAKER: The minister stated that if any further encouragement were given to sugar beet production it would not mean any additional ration to the consumers, because under the international agreement Canada is entitled to only six per cent of the available supply. Theoretically that is true. But in the United States, when President Truman made the announcement to which I

referred a few minutes ago, he said that a portion of the increase in the production of beet sugar would be passed on to the consumer, and that the consumer would be entitled to a sugar ration in the coming year larger than he would be entitled to under the proportionate share of the United States by virtue of the international agreement.

Today in the United States the ration share is 35 pounds per capita. That is the quota for householders in that country. Under the new plan enunciated by the President, and through encouragement given to sugar beet production, an extra ration to the extent of 15 pounds per individual will be passed on to the consumer. In other words, while under the international agreement the present quota is 35 pounds, if the sugar beet production of the United States is increased to the extent of 15 pounds per capita, that increase will be passed on to the consumer. While it is true the subsidy of 25 cents and the additional price of a dollar a hundredweight does afford some advantage to the producer, I suggest that the sugar beet production about which the minister spoke in such glowing terms would not have taken place in Ontario, had it not been for the subsidy of $112,500 granted by the Ontario government, which is to be made available this year to sugar beet producers. If, under the international agreement, the United States is in a position to add to the ration that the consumer will receive through increased beet sugar production, is there any reason why Canada should be in any different position?

My second point is that if encouragement is given to sugar beet production in Canada, and Canada continues to be restricted to six per cent of the international output, we would be conserving United States dollars which, if the exchange situation is as it is described in the press, is so necessary today. The amount invested in the course of the year in importing sugar into this country is some $23,000,000, U.S. funds, and that is very necessary to our international financial set-up. If we produced that sugar in Canada we would be saving that money as well as giving encouragement to the producers and providing a kind of insurance for agricultural production. Canada is producing more sugar beets today than heretofore; is there any reason why we could not extend the rationing, as has been done in the United States?

Mr. ILSLEY: We have increased our ration of sugar along with the United States.

[Mr. Diefenbaker.]

Mr. DIEFENBAKER: I have suggested that by reason of the increased production of sugar beets ration amounts could be increased.

Mr. ILSLEY: I do not know how long this international allocation will continue and I assume my hon. friend is talking more about a long term policy than one for the next twelve months or so. I am told it is expected that the beet sugar production in Canada will reach an all-time high in 1947. It could be driven up further and the imports from empire countries—they are mainly from empire countries, certainly in time of peace—can be pressed down if we want to spend enough money to do it. But, as I said before, that is protectionism of the very highest type.

Mr. DIEFENBAKER: Under this government we have had the highest protection in the history of the country.

Mr. ILSLEY: I am not talking politics; I am talking about my hon. friend's proposal. It is not altogether desirable to crush out imports from the sterling area, and it is not altogether desirable to make different areas completely self-sufficient in everything. If you do that, you cut off international trade. I think the beet sugar growers should be treated fairly, and in my submission they have been treated fairly. They have not secured every subsidy that they applied for, and the same applies to every other group in Canada that has applied for a subsidy. So far as I know, their demands have not been fully met. When I was in the Department of Finance we received delegations and we turned down requests for subsidies of much greater magnitude than those that were granted. Very often the subsidy granted was not as much as what was asked for, and the same applied to practically every other agricultural product. The requests made exceeded what was eventually done. I think those are the only points raised by my hon. friend.

Mr. HACKETT: Before the war the plant capacity in southwestern Ontario was being operated to about one hundred per cent of its capacity, but according to the information I have it is being operated today only to the extent of sixty or sixty-five per cent. Would it not be to the advantage of Canada so to formulate our policy concerning the production of sugar beets as to bring these plants into full production?

Mr. ILSLEY: The information I have is that the company expects to operate both plants this autumn. They did not operate them both the last year.

Mr. HACKETT: Since 1941. What is the latest information the minister has as to

Canada's allotment from the pool? The last figure I have is 504,000 short tons, which included 90,000 tons of domestically grown sugar.

Mr. ILSLEY: The allocation for 1946 was 504,000 short tons, what they call short tons raw value. For 1947 it was 611,000 short tons.

Mr. HACKETT: How much is charged to Canada because of the domestic crop? What is estimated for this year? It was 90,000 short tons out of 504,000 tons last year.

Mr. ILSLEY: I cannot give the exact figure, but it is the impression of my advisers that it is 104,000 tons for 1947.

Mr. HACKETT: That is up 14,000 tons?

Mr. ILSLEY: Yes.

Mr. BLACKMORE: Would it be completely out of order to ask the minister to let this matter stand until eight o'clock? I have an exceedingly important committee meeting and I should like to get into this discussion.

Mr. ILSLEY: I do not know how important the committee meeting is, but this is pretty important too, and I think we had better go on.

Mr. BLACKMORE: It happens to be an exceedingly important committee meeting on the Indian Act. The Indians from Alberta will not be here tomorrow. They are giving evidence before that committee between four o'clock and six. It is my duty to be with them in the committee. Also I should like to be in on this debate on sugar. I do not agree with what the minister is saying about the lack of discrimination against the beet sugar industry. I should like to have an opportunity to discuss that matter after eight o'clock tonight.

Mr. ILSLEY: I think we shall have to go on with this.

Mr. BLACKMORE: The minister is misinformed when he tells the committee that there has been and is no discrimination against the beet sugar industry. The whole record of the sugar administrator from the time he was appointed until he left office is one of discrimination against the beet sugar industry, to such an extent that it stands as a disgrace to this country and constitutes a danger to the whole beet sugar industry of Canada notwithstanding the plausibility of the arguments that are being offered by the minister. I have to leave now; I shall have to say what I want to say when the estimates come up, unless this matter can be deferred until eight o'clock or is continued until eight o'clock. If it is continued until eight o'clock I shall be pleased.

Mr. ILSLEY: I see no evidence whatever of any discrimination on the part of Mr. Noble against the beet sugar industry. I regard Mr. Noble as one of the best public servants of Canada.

Mr. BLACKMORE: By the time I get through with him I think the minister will see that there has been plenty of discrimination.

Mr. DIEFENBAKER: Before the orders of the day were called today some reference was made to the hon. member for Beauce bringing certain Polish weavers to Canada. I understand also that some workers are being brought from Europe to assist beet sugar growers. How many are being brought in, where are they being brought from, and generally what is the picture that is developing in the country in connection with the matter of immigration? The hon. member for Vancouver East asked a question about this matter earlier in the day. Is the minister in a position to say how many are being brought in to assist in the sugar beet industry, and how many have been brought in for other industries?

The CHAIRMAN: Order. I think the last question is a little too wide. The first question with regard to sugar beets would probably be in order.

Mr. DIEFENBAKER: Sir, I do not think we can unscramble the immigration omelet without getting the general picture. If we get it piece by piece I have no objection, but I want to get the general picture.

Mr. HACKETT: Were not prisoners of war used for that purpose up to this year? We had four thousand in Ontario last year.

Mr. ILSLEY: Some Japanese were used in certain parts of Canada on the beet sugar farms.

Mr. HACKETT: In the west.

Mr. ILSLEY: Yes, and some prisoners of war as well. I do not know the number of workers that are being brought in for the purpose of working on beet sugar farms. I presume I can get that information from the Minister of Immigration or the Minister of Labour. I am informed that arrangements are being made for the immigration of some workers from Poland and from western Europe.

Mr. PEARKES: Are those who are being brought in having their passages assisted?

Mr. COLDWELL: I think we should tell the minister that some of us intend to inquire into this matter when the Minister of Labour is before us. We have that in mind.

Mr. ILSLEY: Yes. I am not in a position to answer the question myself.

Mr. PEARKES: So long as we can raise the question when the Minister of Labour is before us, I shall leave it.

Mr. FERGUSON: The British are gallant people; they fought for this country and I believe a number of them would come to Canada to work in the sugar beet industry. Is any effort being made to get persons in the British isles to come here to work in this industry? A great effort is being made to bring heroic Poles. I should like to see some effort made to bring in British people.

Mr. BLACK (Cumberland): I have a question with regard to the importation of molasses from the West Indies. This is a commodity which for many years has been used extensively in the maritime provinces, in the fishing industry, on the farms and in the lumber camps. I am quite sure that to a considerable extent the minister was brought up on it. In those days he did not have, neither did the rest of us, the vitamins which are so necessary and which every drugstore sells today. These vitamins are contained in the natural molasses, and the people who used molasses in those days did not require vitamins in capsule form. Medical men have brought to my attention the handicap we suffered in the maritime provinces during the war years because of the restricted importation of West Indies molasses. Will the minister make some statement as to the increase in the importation of molasses into Canada, especially in the eastern provinces?

Mr. ILSLEY: The allocation of molasses to Canada for 1947 is ten per cent higher than in 1946. It is being allocated for use in eastern Canada, in the maritime provinces and Quebec.

Mr. BLACK (Cumberland): What was the percentage of that importation last year, and what is the expected importation this year in relation to the ordinary importation in the years prior to the war?

Mr. ILSLEY: It is getting back close to normal.

Mr. BLACK (Cumberland): There is still a restricted importation in relation to the requriements of the people who desire to use it.

Mr. ILSLEY: Yes; it is not yet back to normal.

Mr. BLACK (Cumberland): Has the minister any report to make to the committee, and especially to the people of Nova Scotia, as to the reestablishment of the sugar manufacturing company in Halifax which was shut down during the war years? Our entire manufacture of cane sugar is now taking place in other provinces rather than in Nova Scotia, where we have one of the oldest and best sugar refineries in Canada.

Mr. ILSLEY: The government did not close the plant; the plant was closed by the company. I am unable to state what the present status is.

P.C. 328 agreed to.

P.C. 6289 agreed to.

On P.C. 4112.

Mr. McLURE: Will the minister explain why it is necessary to have this order in council reenacted?

Mr. BRIDGES: In order to give the proper background of this order in council it will be necessary for me to take some little time, but I shall give it if the hon. member wishes it. I know he is interested in this item.

The Pelagic Sealing Convention of 1911 entered into between Great Britain, United States, Japan and Russia respecting measures for the preservation and protection of the fur seals in the north Pacific ocean was ratified in Canada by the Pelagic Sealing (Convention) Act 1938. Chapter 17 of the act provided that the act shall continue in force until a day which may be fixed by proclamation of the governor in council following upon the termination of the convention.

On the 24th of October, 1940 in pursuance of article 16 of the convention, a notice of abrogation was given by Japan, and in accordance with the provisions of the convention, it expired on the 23rd of October, 1941.

A provisional fur seal agreement was entered into between Canada and the United States by exchange of notes dated December 8, 1942 and December 19, 1942 covering a portion of the waters of the north Pacific ocean.

It was stipulated by article 10 of the provisional agreement that it would remain in effect for the duration of the present emergency and twelve months thereafter.

The provisional agreement between Canada and United States was confirmed in Canada by order in council P.C. 4112 of May 30, 1944 passed under the War Measures Act. This

order in council likewise fixed the tenth day of June, 1944 as the day for the expiry of the Pelagic Sealing (Convention) Act 1938, as provided for in section 17 of the said act.

On December 31, 1946 the President of the United States proclaimed that in so far as the United States was concerned the hostilities of world war II had terminated as of noon, December 31, 1946. As a result of this proclamation those portions of United States statutes respecting fur seals which specifically implement the 1942 provisional fur seal agreement between the United States and Canada, will cease to be effective at twelve o'clock noon December 31, 1947. The government of the United States is now considering an arrangement to replace the provisional fur seal agreement of 1942 and will communicate with the government of Canada at the earliest possible date with respect to such arrangement. In the meantime—and this is what my hon. friend wants to know—in order to keep in force the provisional fur seal agreement of 1942, the one we are working under, until December 31, 1947, it is necessary to continue in effect the present order in council P.C. 4112 of May 30, 1944.

Mr. McLURE: That is satisfactory. Then I understand, and this committee will understand, that there are just the two countries now in this treaty, Canada and the United States.

Mr. BRIDGES: That is right.

Mr. McLURE: Japan is out of it.

Mr. BRIDGES: Yes.

Mr. PEARKES: Has not Russia some interest in this treaty?

Mr. BRIDGES: Not under the agreement entered into by exchange of notes December 8 and 19, 1942.

P.C. 4112 agreed to.

On P.C. 2751.

Mr. BRIDGES: I have already announced that there are no longer canned fish allocations so far as the industry in Canada is concerned. I made this announcement in the house on March 13 last. I would therefore propose that this order be deleted from the schedule.

Mr. GIBSON (Hamilton West): I so move.

Amendment agreed to.

On P.C. 251.

Mr. BRIDGES: This order brings up a subject which will probably provoke some debate, since it deals with the prohibition of the issuance of fishing licences to people of Japanese racial origin. It is my intention to ask that it stand at the present time and the committee will take it up when it considers those items in the schedule under the heading Department of Labour, which also deal with the evacuation and relocation of persons of Japanese race in Canada, and the one dealing with financial assistance to voluntary repatriates to Japan. I therefore ask that the order stand until then, the object being that we may have one debate instead of two on the Japanese.

P.C. 251 stands.

On P.C. 4600.

Mr. DIEFENBAKER: This order in council has to do with prosecutions taken under part 15 of the criminal code and the right of appeal is provided in respect of infractions of wartime regulations. I appeal to the minister to communicate with the officials administering the wartime prices and trade board and to point out to them the necessity of proceeding with proper regard to the rights of the individual. During the war arbitrary actions on the part of those charged with the investigation and prosecution of offences against these regulations were more or less tolerated. Now in the days of peace, even though this legislation be carried on for the time being, the rights of the individual must be assured.

I hold no brief on behalf of those who are deliberately breaking the law, but I suggest that the retail merchant or the honest business man who makes a momentary slip which constitutes a contravention of regulations, some of which he does not know of unless he is omniscient, should not be harassed. I shall not discuss in detail the cases I have in mind, but I suggest that in making investigations these officials should be instructed to use care. Particulars in support of my contention that frequently that is not done, I do not intend to place before the committee at this time, but I suggest that the minister ask the officials who are conducting investigations to use discretion, to warn people where a warning is possible, and to prosecute only where there is apparently a continuing intention to circumvent the law.

Some investigators arrogate to themselves the arbitrary power that characterizes many of those who exercise authority, however small or great. Some have developed a complex of harassing honest business men. I hope that will end and that the Minister of Justice will see that it does. Most of our people want to uphold the law, but on too many occasions the investigators proceed on the assumption that all the people want to break the law. That is a type of mind that can be easily

developed and it is the type of mind that has no place in a democracy. It leads to bureaucratic omnipotence and domination. Against that type of mind I make this protest, and I say this to the minister in no critical sense at all at the moment. If it is desired to enter into a critical argument I am prepared to do so, but I am putting this forward in a constructive way. I ask the minister to inform these officials that the Canadian people are law-abiding. The record of prosecutions shows that. Tell these men to use that discretion which an honest people have a right to demand of their officials.

Mr. ILSLEY: The chief enforcement officer tells me that the investigators are instructed to be courteous and careful, and for the most part they are. There are 599 investigators and you do not get 100 per cent perfection from any group of men. Whether prosecutions are undertaken or not, the question is decided in Ottawa in every case, and decided carefully.

Mr. ISNOR: There is a good deal of merit in the suggestion thrown out by the hon. member for Lake Centre. I approach the question not from the standpoint of a legal mind but as a retailer, and I find that there are many of the smaller retailers who are subject to an unnecessary amount of detailed work because of the manner in which investigations are carried on. Fortunately my own stores are warned and given instructions, and they follow the bulletins very closely. Instead of being criticized, we have been complimented for the manner in which we have tried to cooperate. But I think it is unfair to say that the great majority of investigators proceed on the basis that all merchants or citizens are endeavouring to break the law. It is only fair to say that practically all the investigators—although, as stated by the minister, there are exceptions who do not use discretion—come into your store, look at your records, check them carefully, and are guided by the percentage of profit which you must use in the mark-up. It is helpful to the reliable and honest merchant to have this check-up from time to time. I am particularly concerned because of the effect this criticism has on the consumer. It creates in the mind of the average consumer the impression that the government, through its investigators, is protecting its own interests. Instead of criticizing them as a whole, I would say that the board is to be complimented on the ninety-five or ninety-nine per cent of good investigators whom they send out to do this work. I could enlarge on that as a result of personal knowledge and the experience gained through the investigators coming into my office and my stores and checking on the clerks and managers. On the whole they have done an exceptionally good job; and I think that word should be passed along to them.

Mr. HACKETT: I wish to ask the minister a question about a matter which he may tell me does not come in his department. But in view of his close relationship with finance, and his recent incumbency of the high office of Minister of Finance, he may be able to tell the committee what is being done to dissolve and diminish the staffs which were recruited for the purpose of administering wartime prices and trade board regulations and detecting breaches thereof. I speak with some interest, because many large office buildings in Montreal are occupied to a very large extent by staffs of the various government agencies which have to do with the administration of the wartime prices and trade board, the following up of the administration and the prosecution of those who have been in breach of the regulations. As the number of articles which are under control diminishes, is anything being done to lessen the number of employees, investigators and sundry other staff?

Mr. ILSLEY: At the peak of activity of the wartime prices and trade board the staff was 5,700; it is now 3,900. There were 133 offices at the peak of activity; now the number of offices is 49. The staff is reduced with the elimination of duties.

Mr. HACKETT: The elimination of what?

Mr. ILSLEY: With the elimination of functions, I should say. For instance, the abolition of meat rationing would result normally in the reduction of staff of, I think, about 200 or 300. When I was in finance I was told that if we were to abolish meat rationing we could reduce the staff by 200 or 300. For example, if price control over textiles were abolished there could be a substantial reduction, inasmuch as this control is so difficult and requires so many people to administer it.

Mr. HACKETT: Can the minister say if at this stage there is an official or group of officials whose allotted task it is to see to the dissolution of these staffs as rapidly as may be?

Mr. ILSLEY: The comptroller, Mr. Wilson keeps his eye on that.

Mr. McIVOR: What happens to those officials who lose their position? Are they absorbed into the civil service?

Mr. ILSLEY: No, I do not think so.

Mr. HACKETT: They are not in the civil service. They must look for jobs elsewhere like anybody else.

Mr. ILSLEY: They go somewhere else for a job. The government does not undertake to place them in the civil service. They are almost wholly temporary employees. As a matter of fact, in the last few years the difficulty has been to keep them. Many people wanted to get out, and they have gone away in order to get permanent jobs.

Mr. PROBE: The preamble to P.C. 4600 suggests that there is some doubt in the mind of the minister as to the validity of many of the prosecutions. Perhaps the word "validity" is not just the right one, but there is some doubt that the prosecutions have always been on considerations which would be proper in law. From the fact that the possibility of appeal is being enlarged, I judge that in the past there may have been prosecutions which were open to criticism partly on the ground that they were erroneous and partly on the ground that the fine or penalty imposed on the offender has been out of proportion to the offence. By what machinery could a person have secured redress if he thought he was being over-penalized? Can the minister give any information as to the number of remissions or what amount in dollars have been the remissions in connection with prosecutions in which the penalties have been considered too heavy?

Mr. ILSLEY: The applications for clemency or remission have been very few.

Mr. PROBE: To whom are they directed?

Mr. ILSLEY: To the Department of Justice. I vaguely remember one application from one of the western provinces where the penalty did seem excessive, and where the fine was reduced. A very large fine was imposed on a man who lived in a remote district and who perhaps did not know about the regulations. I was Minister of Finance at the time. I recommended, as I recall it, that there be a remission or partial remission. I have no record here of the number but those cases are very rare.

Mr. PROBE: That is fine, if it is not extensive. I sent a letter to the Minister of Justice much on this line, but I have yet to receive any positive response in the matter, and I wondered what was the machinery.

Mr. ILSLEY: Was that recently?

Mr. PROBE: Within the last month or six weeks, I think. I would have looked it up had I known this was going to be reached.

P.C. 4600 agreed to.

On P.C. 6223.

Mr. DIEFENBAKER: Are there any appeals at present before the courts, or any applications, with regard to the constitutionality of any portion of the wartime regulations?

Mr. ILSLEY: In two cases in the province of Quebec the constitutional point has been raised and the matter is pending. The chief enforcement officer does not know of cases in any other province at the moment.

Mr. DIEFENBAKER: What is the nature of the cases in respect to which objection is being taken that the regulations under which the prosecutions were instituted are ultra vires of parliament?

Mr. ILSLEY: In both cases it is alleged that the 1945 act is beyond the powers of parliament.

Mr. DIEFENBAKER: What were the offences?

Mr. ILSLEY: One is a prosecution in respect of rentals, what has been described as a rentals bracket, and it is pleaded that the act is unconstitutional. The other is a prosecution in respect of a hog, but I do not know just what the facts are. I suppose it is in connection with some slaughtering permit.

Mr. DIEFENBAKER: In what courts are they? Speaking of the case of prosecution regarding a hog it was a case regarding chickens that finally upset the N.R.A. in the United States.

Mr. ILSLEY: I did not intend to speak disrespectfully of the hog. The matters are still in the lower courts.

P.C. 6223 agreed to.

On P.C. 1003.

Mr. SMITH (Calgary West): I am sorry the Minister of Labour is not here because I intend to take perhaps ten minutes to deal with this matter.

The CHAIRMAN: I suggest that the hon. member might wait until the minister comes. I understand he is on his way.

Mr. HACKETT: Let us take the next item while we are waiting.

Mr. ILSLEY: He will be here in just a moment.

Mr. SMITH (Calgary West): Perhaps the Minister of Justice will be better able to answer my first query, in any event. It is this. What is there in the industrial or labour-management situation in Canada today whereby any legislation with respect to that matter can possibly be justified by reason of an emergency? As far as I know the situation in Canada, with one exception is quieter in that field than it has been for a good many years. Personally I know of no reason in the world which would bring legislation extending certain orders in council under the heading of any emergency whatever. Perhaps I may pause for an answer there to help my ignorance, so to speak, and then I may be able to cut out a good deal of what I intended to say. I should like to know what the emergency is.

Mr. ILSLEY: I do not think the basis of this legislation is a separate emergency in respect of every particular measure. There being a state of emergency in existence as a result of war, an economic emergency; there having been this extraordinary legislation, P.C. 1003, during the wartime period, I think a reasonable period of readjustment to peace-time conditions must be allowed, during which the legislation should continue. This legislation is peculiarly short lived; it is just here until a bill can be introduced. The whole matter of adjustment of the economy from conditions of war to conditions of peace is the problem with respect to prices and wages and labour relations and all the other important aspects of the economic situation. As I said before, I do not think an emergency can be dissected. I do not think you can carve out segments and say there is an emergency in respect of this and not an emergency in respect of that, at least while you are in the economic field. There is not a military emergency; I hope there is not, and I think there is not.

Mr. SMITH (Calgary West): I do not intend to reopen the legal argument we had the other day, but surely from what the minister has now said his view is this. The dominion government can declare an emergency and then go into any field it wishes, just because it has said there is an emergency. That is what I gather from what the right hon. minister just said.

Mr. ILSLEY: No, it is not a question of declaring an emergency. It is a question of there being an emergency; and when there is, it does not mean the government can go into any field it likes, but labour relations, the relations between employers and employees, are such an important feature of the economy of the country. If there are emergency conditions affecting the economy of the country, if it is not readjusted to peace conditions then legislation on the matter of labour conditions can be enacted during that period.

Mr. SMITH (Calgary West): Then it is just another step or two from there until the new bill is brought in. I think the minister will agree that when that bill is brought down it cannot take away from the provinces jurisdiction in matters of labour and industry. If that will be true in a couple of weeks from now, and I am sure the minister will agree it is true, there cannot be a state of emergency just to bridge this little gap. Would not the minister agree in that? Let me put it in this way. We are going to have a new so-called labour code brought in. Aside from the government or parliament assuming extraordinary power, to become an act that bill can do nothing more than legislate with respect to those persons now within the jurisdiction of the dominion government, and by "now" I mean in peace time; your transportation people, communications people, and so on. So that if we are going to have this bill brought into the house—and I noticed the Minister of Labour nodding his head in agreement a minute ago—then why clutter up this bill with the sort of thing we now have before us? Why do that, when we admit that in two weeks, we will say, we are going to bring down a labour code which shall be limited in its outlook and effect to those persons who come within the jurisdiction of the government of Canada.

Why waste our time now in prolonging P.C. 1003—because that is what this legislation amounts to. I hope I make myself clear. I am simply trying to say this: Why do we not drop this thing altogether, and get on with something which may be of considerably more importance? There may be an answer to what I am saying, but I must say I have made some inquiry and I can find no answer.

Let me put it in this way, that if we did not pass this now jurisdiction would be back with the provinces immediately. It is going to be there in a couple of weeks, anyway, if we bring down our new legislation. I think the Minister of Labour will agree with me on that. And if the jurisdiction is to be with the provinces, then why not put it there now, and not waste our time in carrying on with this discussion.

I spoke on second reading, and one of the things I had in mind was that there were some things which should be done and some which ought not to be done. To my mind this is the biggest "ought not" of the lot. I can

see no virtue whatsoever in doing it. If there is no virtue in doing it, then I shall pause to be interrupted by someone who will tell me what it is. If there is virtue, then we can proceed with the discussion.

Mr. MITCHELL: Perhaps I can answer the hon. member. What he says is correct. With the exception of railway matters, which come under the jurisdiction of the Industrial Disputes Investigation Act, in normal circumstances under our constitution wages and labour legislation are within the jurisdiction of the provinces. My hon. friend will recall that it was back in 1941 or 1942 it was felt, after consultation with the provinces, that in connection with our price policy we should establish a system of wage control.

I was the first chairman of the national war labour board, and it was my duty to get the provincial ministers of labour, or those ministers having jurisdiction over labour in the provinces, to meet here in Ottawa, on which occasion they agreed to withdraw from that control and to place it under the jurisdiction of the dominion. Those boards dealt specifically with wages.

In the light of the growing tempo of the war, it was felt there should be a labour code governing the whole dominion, and the provinces again agreed.

Mr. SMITH (Calgary West): Not all of them.

Mr. MITCHELL: In the main. It is true that in minor details the machinery was somewhat different in the respective provinces. But the basic principles were the same throughout the dominion.

Mr. SMITH (Calgary West): For the period of the war.

Mr. MITCHELL: Yes.

Mr. SMITH (Calgary West): That is right; I am sorry I interrupted.

Mr. MITCHELL: The war is now over. Whether their judgment was right or not, there was a fairly general demand for the abolition of wage controls and a return to the old form of collective bargaining between the employer and the employee. The result was that in December the wage control order in council was repealed, and normal negotiations between employers and employees were carried on.

There is a period of time between the assumption of responsibility by all the provinces and the passage of our act which makes necessary the continuation of this order in council. It is to bridge the gap between the assumption of power by the provinces and the present time. I am assured by the provinces that they will take over their jurisdiction not later than May 15. That agreement has been arrived at between this government and those of the provinces, some of which have already assumed their jurisdiction.

But, so that there will not be a break in the continuity of dealing with industrial disputes on a dominion level, this order in council is necessary until the passage of the new legislation.

Mr. SMITH (Calgary West): Does this order not run until May 15, anyway?

Mr. MITCHELL: My judgment is that, unless we move much faster than we are now doing, the measure will not have received royal assent by May 15.

Mr. SMITH (Calgary West): That does not matter.

Mr. MITCHELL: If I may say so to my hon. friend, it is most vital that there be a continuity of policy. I am not quarreling with the attitude of my hon. friends with respect to the procedure of government by order in council, but if May 15 should roll around and nothing were done the Industrial Disputes Investigation Act would automatically govern in the federal field. The question of certification, and the ramifications connected therewith, flowing from P.C. 1003, would be suspended. The only reason for the order in council appearing in this bill is so that we might move smoothly into our respective jurisdictions, and so that labour and employer organizations may know which way they are going between this moment and the time royal assent is given to the new bill.

Mr. HACKETT: That is not an answer to the question.

Mr. MITCHELL: It is clear enough to me.

Mr. SMITH (Calgary West): Allow me to ask my own question. What the minister has just said is that on May 15 the provinces have agreed to take over. But this order extends to May 15, does it not?

Mr. MITCHELL: Yes.

Mr. SMITH (Calgary West): Then what are we bothering about. If the new act was brought in on May 15 it is not going to have jurisdiction over anything concerning which the provinces have jurisdiction, is it?

Mr. MITCHELL: That is right. But go a step farther. How about our own jurisdiction?

Mr. SMITH (Calgary West): Our own jurisdiction will be taken care of by our own act.

whom this parliament has jurisdiction? It is something within our power. Does anyone suggest that there is any emergency at the present time with respect to those persons over

Mr. MITCHELL: My point is that I do not think our act will receive royal assent by May 15.

Mr. HACKETT: That does not matter.

Mr. MITCHELL: I am not a lawyer, but I believe I can think fairly straight on labour matters. My mind is crystal clear on this. We must bridge the gap between the expiration of this order and the passage of the new act. It may be that some may be clever enough to show me how to get around this; possibly I am thinking in too simple terms. But to me it is obvious and clear.

Mr. SMITH (Calgary West): Knowing the great capacity of the minister to absorb information, I am going to undertake to do just what he asks me to do. Insofar as our dealing with anything which concerns the provinces, we have that jurisdiction now, and will continue to have it until May 15. The new act which we shall then have passed—and we will assume it has been assented to on that date—will not have within its covers one thing which has anything to do with matters within the jurisdiction of the provinces.

Mr. MITCHELL: That is true.

Mr. SMITH (Calgary West): That gap has to be bridged.

Mr. KNOWLES: The new bill will have some provisions not in the Industrial Disputes Investigation Act.

Mr. MITCHELL: It is going to be somewhat different. Supposing May 15 should roll around?

An hon. MEMBER: It will.

Mr. MITCHELL: I hope it will for most of us, but do not be too sure.

Mr. MacINNIS: It will roll around anyway.

Mr. MITCHELL: I thought you were speaking as a human being and I do not mean that in any narrow sense. Supposing that date should roll around and you have no legislation? There would be no certification and the employees would have no rights. The employers would say, "There is no legislation; you are back to the I.D.I. act and we do not have to deal with you".

Mr. SMITH (Calgary West): The minister just said that the provinces would take over.

[Mr. A. L. Smith.]

Mr. MITCHELL: I am talking now about federal jurisdiction. When May 15 arrives, unless there is some provision under this act we shall go back to the old I.D.I. act which does not provide for certification, which does not say, "You must bargain collectively". All those things are under P.C. 1003 and they were not under the I.D.I. act.

Mr. COLDWELL: And they did not come under the provinces.

Mr. SMITH (Calgary West): That would cover only the railway people.

Mr. MITCHELL: It covers a good many people. I am speaking now from memory, but it covers transportation, communications, shipping on the great lakes, the telephone industry, radio and travel by air. In my judgment those are, from a national point of view, probably the most vital industries that we have in this country. To me it is absolutely clear that you must bridge this gap until the other legislation is given royal assent. May I say that in dealing with labour legislation it is better to take your time about it. I should not like to think that this new bill would be given first, second and third readings in a day under pressure because there was no legislation in existence. I hope that all parties in the house will give this matter the study which, in my judgment, is necessary. I intend to move an amendment at the proper time to eliminate the orders in council dealing with the provinces so that they will be on their own on May 15.

Mr. SMITH (Calgary West): You would be content then to have P.C. 1003 and its small satellites continue only with respect to those persons who are under dominion jurisdiction in time of peace?

Mr. MITCHELL: Absolutely.

Mr. SMITH (Calgary West): I shall have no objection to that. I understood the minister to say that the provinces had agreed to take back their baby on May 15. I was hoping that, that being so, we would not pass legislation which would interfere since they have signified their intention to carry on on their own after that date. If the minister will move that amendment it certainly will shorten many of the things I had intended to say.

Mr. KNOWLES: It has already been amended by P.C. 302.

Mr. SMITH (Calgary West): I mentioned the little satellites around P.C. 1003, and that is one of them that I had in mind.

I want to detain the committee for only a minute or two, if I am in order, to say something about the situation which exists at the present time in Nova Scotia and New Brunswick, and by that I mean the coal strike which has been going on for a few weeks, or for a considerable time in any event.

I have always held the belief that no labour disturbance can last any great length of time without some measure of public support. I have read all the literature which I am sure all hon. members have received from the united mine workers in Nova Scotia and the operating company. They seem to come to one simple statement on each side. It is a fact that tonnage has dropped to approximately a ton and a half per man, a drop of practically a full ton since 1939. The men say that they cannot do better because of working conditions and because of the failure to modernize certain machinery. On the other hand, the management say that the machinery is just as good as or better than it was in 1939, that conditions are comparable and that it is the men's fault.

The minister went through the various motions he was entitled to go through under our legislation and finally ended up by appointing Mr. Justice Carroll as a commissioner. But it does seem to me that there is one thing which has not been decided and which must have great effect on what the Department of Labour or any Minister of Labour may do. I refer to the determination of the simple question as to who is right. Are the men right in saying that it is the fault of management, or is the management right in saying that it is the fault of the men because they will not work?

I do not want to be told to read the report of the royal commission on coal because not only have I read it, but I reread a portion of it when our father confessor over here on labour matters, the minister, told us to read it again. If the newspapers are to be believed, both the minister and his deputy have said that this is a matter in which the government is not interested, that it is purely a matter between management and men. If they were correctly quoted, both the minister and Mr. MacNamara made that statement. With that I respectfully but firmly disagree.

Year after year this parliament has voted some $8,000,000 as a subsidy to this operation and therefore it cannot be just a simple question between the management and the men. What the minister is reported to have said would normally be correct in different places and under different conditions, but I urge that, while we are paying $8,000,000, we cannot just wash our hands of it and say that this is a question which can be settled by the other two parties. This is a three-party show because we are in it to the extent of $8,000,000, although this subsidy was eliminated just in the last week or two.

The CHAIRMAN: I have been looking over P.C. 1003 and I am doubtful whether a discussion of the Nova Scotia coal strike is in order. The hon. member for Calgary West was in doubt himself because, if I remember correctly, he opened his remarks with the words, "If I am in order." It does not appear to me that a discussion of this type is in order.

Mr. SMITH (Calgary West): May I with respect tell you, Mr. Chairman, why I think it is in order? Before coming forward with any suggestion of my own, you will remember that I pointed out that our present legislation required that we do certain things in industrial disputes. I complimented the minister on these things having been done, even to the appointment of a commissioner. That certainly was in order because it was P.C. 1003 itself in action. Since P.C. 1003 has proven a complete failure in settling the difficulty down there, surely I can go a step farther and make a suggestion of my own because P.C. 1003 has failed. I have nothing more to add, sir, but I believe that I am in order. I shall be only two or three minutes in any event, but I am not suggesting that you should rule on that basis because I know how much trouble we get into when we do not follow the rules.

The CHAIRMAN: Will the hon. member conclude his remarks on this subject in a short time? He has pointed out the difficulty that we get into when we go beyond the rules. Frequently we get into trouble and bring on wide discussion.

Mr. COLDWELL: I should like to see the hon. member finish in two or three minutes. The only thing I am afraid of is that it may initiate a debate on the Nova Scotia strike. I do not think this is the place for it. I should be glad to have the hon. member make a suggestion, but I do not want to see a debate and diversion from the orders in council with which we are now dealing.

Mr. SMITH (Calgary West): I shall conclude in five minutes beyond any question. My suggestion is that we get a committee of four people from elsewhere, two members of the union representing the workers and two representing management from other places. They could go down in these pits.

I know they are some distance apart. I know that Springhill is quite a distance from Cape Breton and so on. As I say, these men could go down in these pits and cover every working inside of one week. I see the minister smiling, but I am talking about fellows who know their way around coal mines, not men like some of the rest of us. They could come back with a straight answer on who is right or wrong in the story. Then we would know what to do and we would get somewhere in the settlement of the strike. If we could find that answer the strike could be settled in a week.

I am sure there is no hon. member in this committee who is not disturbed, whose sympathy is not simply lacerated on reading of children losing four and five pounds in weight because of the strike. I read that in the papers when I was down there, and I cannot vouch for it, but that is what they say. I know the funds of the miners are limited, but that is not a complete answer. Mr. Justice Carroll said that the men are not getting enough wages there. But until we find out whether they are working for these wages there is nothing that the committee can do. If it is the company's fault let us find it out; if it is the men's fault let us find it out and the strike will be settled in a week. I think the hon. member for Cape Breton South will agree with me on that.

Mr. COLDWELL: Mr. Chairman, the suggestion made by the hon. member for Calgary West is worthy of consideration, but I am not going to deal with it. One of the most striking indictments of conditions in that area of Canada was the statement made by the Minister of Labour a short time ago when he indicated the number of persons who had applied for work elsewhere than in Cape Breton and who were turned down on account of their physical unfitness. The number was simply phenomenal. It is a severe indictment of the conditions that have been prevalent in that area for a number of years. I do not think we should discuss the Nova Scotia mining problem at the moment; I think we should deal with it later at a more appropriate time.

I want to go back to the order in council. The Minister of Labour has indicated that he is going to bring down some new legislation. I wish to point out to him that we have evolved considerably from the conditions which existed in 1867, and the whole basis of legislative powers should be re-examined so that we may have a dominion code which will be applicable to labour from one end of this dominion to the other in more fields than the narrow one outlined by the minister. I have been looking up important matters lately to see just how this order in council is in conformity with what existed in bygone days. If we look at our revised statutes of Canada we find that legislation dealing with trade unions is on our statute books, passed I believe, in 1872 and introduced in the house by Sir John A. Macdonald. Anyone who knows the story of confederation knows that Sir John A. Macdonald held strong views as to the necessity of matters of this description being more completely under the authority of the national government than under the provincial bodies. Going back into our history, we find that up until 1886 various pieces of legislation were introduced both in the House of Commons and in the Senate dealing with labour conditions in a much broader and wider way than apparently many are inclined to recognize as the right of this house in 1947.

A few minutes ago the Minister of Labour pleaded for the continuation of this order in council until his legislation is introduced. I submit that not only should we continue this order in council until his legislation comes down, but when that legislation is before us an endeavour should be made to clarify our powers in conformity with new conditions which face this country in 1947.

The other day I was looking over some material in connection with this order in council and this legislation. I am not going to weary the committee with anything like a constitutional argument because I am not a lawyer and I am not equipped to do so. Rather I wish to discuss the historic background. But as I said a few moments ago, bills were introduced in the house again and again by private members and, in some instances, by the government of the country. For example, in 1882 a bill was introduced in the senate by Sir Alexander Campbell who was a father of confederation, who was a partner of Sir John A. Macdonald and who was also Minister of Justice at that time. Sir Alexander Campbell insisted that the bill dealing with labour conditions across the country was in strict conformity with the powers of the dominion and with the intention of the fathers of confederation. The other day I took the trouble to look up a speech which he made in the senate on April 19, 1882, on the labour employment regulation bill, and I think it might be well to put parts of it on the record, in view of this order in council and in view of the legislation which is to be introduced later. He said:

The hon. member for Amherst, if I understand his argument right, thought this was a

matter that came wholly under the purview of the local legislatures, because it was a question of civil rights—of contracts between master and servant, hours of meals, and that sort of thing—and therefore belonged to the local legislatures, and that this bill did not come within the powers of parliament to pass it; but I venture to ask my hon. friend if that is not a very confined view of the bill? It is true that it does deal with the subject of contracts between master and servant, but is it not much more true, and true in a larger and better sense, that it relates to the welfare and well-being of the whole community?

And I mention that in 1947 this is more true of labour legislation. The hon. member for Calgary West has just indicated that a dispute in one province, largely in Nova Scotia, does affect the whole of our economy throughout the entire community which we call Canada.

Sir Alexander Campbell went on:

I listened with great pleasure to the arguments submitted to the house by the hon. senator from Prince Edward Island as to the effect upon the community of laxity with reference to the rules which this bill proposes to lay down. That hon. gentleman established, I think, to the satisfaction of the house that the result of the laxity of regulations or want of regulations, in this respect, in England, had a deteriorating effect upon the whole population who lived in the manufacturing districts. If that was the effect in England and if we are to presume that a similar one would follow the want of regulations and laxity of rules in this country, I ask if such an effect produced upon the whole population is not a very strong and even conclusive reason, why this parliament should deal with a question affecting the welfare and growth of the whole community, and the physical power and strength of those who form the nation? Surely if this subject relates to a question so generally important as that and which affects the whole country, it is a much larger one than if it related merely to contracts between master and servant. It is because this bill relates to subjects so important as that, subjects which go far beyond contracts between master and servant, which in their indirect effects concern the whole community and on which, to a certain extent, and so far as the population in manufacturing establishments go, the future of the country very much turns—whether we shall have a strong, healthy and moral population, likely to be creditable to the country or whether we shall have a dwarfed and immoral population and so perpetuate in Canada all the evils which this inquiry has brought out in England and which we are trying to legislate for now—I say if these subjects do not affect the peace, order and welfare of a whole community it would be hard to say what does. Therefore, as they have that effect, the house, I hope and believe, will take a much larger view of the matter than has been presented, and which would confine this to a simple matter of interfering between master and servant. It is a much larger question; it is to provide for the future welfare, morality and good government of the whole community . . .

I think and hope that the arguments which I have presented to the house will show that this bill is not merely for the purpose of interfering with contracts, but has a scope which is national in its character, and which may, and probably will be attended with the most useful results to those who are to come after us. Therefore it does come within the purview of the powers of this parliament, which it will be remembered has the right to deal with all questions affecting the peace, order and good government of Canada, not specially assigned to the local legislatures.

Speaking of the two jurisdictions, that of the dominion and of the province, he says:

If the two conflict, and if it should be that it is both—and I think almost everybody in the house will say that it is both, that it is in a very narrow sense a question affecting civil rights and contracts, but that it is also in a much larger sense a national subject affecting the weal and good government of the people—if the two conflict, under the ordinary constitutional practice the lesser must give way, and we must legislate on the subject. To my mind, and to the best of my judgment, the house is quite seized with this measure, and it is within the powers of parliament to take what steps they deem in the interest of the country upon this question.

I think the time has come when we shall have to face up to the problem posed by order in council, to the situation when this order in council is removed from the statute books, and the question as to the necessary labour code which should follow. The important point I make is this. If we go back to the records we shall find that unfortunately the early speeches of the fathers of confederation in this house were not recorded in *Hansard,* and therefore all that one can do is to get summaries of them or to read, as best one can, some of the reports in newspapers of the day.

Mr. GARDINER: What year was that?

Mr. COLDWELL: That was before 1882. I was about to say that when we come to the eighties we get actual verbatim reports such as we are used to now. I have not outlined the various labour bills that were introduced from time to time, either in this house or in the senate, during the time the fathers of confederation were members of parliament. But when the discussion to which I have referred took place a government bill was introduced in the senate by the then minister of justice, and therefore with the approval of the cabinet, and at that time there were, I believe, five fathers of confederation in the government. They were Sir John A. Macdonald, Tilley, Tupper, Langevin and Campbell himself. I know of some of the judgments that were given later on; I know the views of Lord Watson, and so on; but the point I make is that the fathers of confederation visualized this country as a nation

and not as a collection of more or less sovereign states. If you read the speeches and the writings of Sir John A. Macdonald you find that again and again he took the view that we were not doing something like that which some time before had been done in the United States but were doing something opposite to what they had done.

When I was teaching I used to read quite frequently the "Makers of Canada". This afternoon I recollected a statement to be found therein, I sent to the library and got a copy of volume X of the "Makers of Canada". I quote from page 59:

> According to Macdonald, it was the aim of the fathers of the constitution to form a strong central government. "In framing the constitution, care had been taken to avoid the mistake and weakness of the United States system, the primary error of which was the reservation to the different states of all the powers not delegated to the general government. We must reverse the process by establishing a strong central government, to which shall belong all powers not specially conferred on the provinces."

That was Sir John's idea at the beginning. I know Cartier disagreed with that point of view and a compromise was reached. No one wishes to upset the basis of confederation. No one wishes to set up so strong a central government that the provinces will have no jurisdiction in matters that are of provincial and local interest. But my point is that if the fathers of confederation, in matters of labour, as I believe they did, saw the need for nation-wide legislation to meet nation-wide conditions in the field of labour, today, with our rapid means of communication, with the mobility of labour, and with all the new industries and methods which are nation-wide in scope, not only do we require an order in council like P.C. 1003 to be continued but we need dominion jurisdiction in a field where we must have dominion-wide conditions.

I am not arguing that we should take from the provinces something which is properly theirs. I am saying that in the interests of all Canada this parliament should have the power to legislate on matters that concern the whole country. During the war we had some of that power. It has been inherent in this order 1003. I wish to see P.C. 1003 continued until we have the legislation which the minister says he is bringing down, and I take this opportunity this afternoon, because I hope that when that legislation does come down the matters that properly belong to the province and the community shall remain to them, but that we shall hold fast to the original concept of a nation which, as I believe, the fathers of confederation had.

[Mr. Coldwell.]

I have done considerable reading on the confederation pact, and so on, and I know there was a compromise, but I think the time has come when in this important field of labour it is essential that we should have a nation-wide concept of conditions and a nation-wide code which will establish for all Canada a proper basis of labour relations and conditions.

Mr. HERRIDGE: I rise to support the remarks of the hon. member for Rosetown-Biggar. What he said this afternoon will have the support of organized labour in my constituency. As a member of parliament I am speaking for Canada, but I am speaking as one having some understanding of the outlook of organized labour in British Columbia and of many employers in British Columbia. At the present time we have industry organized largely in a national and international way, and we are dealing with organized labour which is largely organized in a national and international way. Gone are the horse and buggy days when we had the village industry just supplying local needs, the village shop and the limitations of transportation and communication. Today we are developing more and more into a large organization, as I said before, based on a national or international grouping, just as are the transportation companies, the packing companies, the mining interests, the lumbering interests and many other interests. Because of that the people whom I represent, and many others in western Canada, are anxious to see a national labour code established. I fully realize the constitutional difficulties which surround this question, particularly at this time, because there is no common agreement between the dominion and provincial governments in connection with this and other legislation. But I do think this government should determine now the direction in which we are to go in the future in this respect. I think they should be bold because the need is urgent. I suggest that this government should bring in a national labour code, taking full cognizance of the development of industry and of society in general. If they cannot have that code accepted by all the provinces of Canada, by agreement, then I say it would be worth while to go ahead, introduce that code and have it accepted in those provinces that will accept it. I am of opinion that it would not be very long before all the provinces would accept that national labour code.

Mr. SMITH (Calgary West): May I ask the hon. member a question?

Mr. HERRIDGE: Yes.

Mr. SMITH (Calgary West): Is he aware that the industrial relations committee last

year brought in a unanimous recommendation for a labour code? Therefore I do not think there is any argument anywhere in this house in connection with this matter. I think the argument raised by the hon. member for Rosetown-Biggar is wholly on the question of jurisdiction. I have not heard any dispute about the matter.

Mr. HERRIDGE: The industrial relations committee brought in a unanimous report, but the government has not seen fit, to date, to act upon that report.

Mr. SMITH (Calgary West): I want to protect the government. They have sent the new code all over the country. They will not give me one, but everybody else has one.

Mr. HERRIDGE: I do not intend to take much of the time of the committee, Mr. Chairman, but I just wish to express my view with regard to this matter. I think there would be a decided advantage in having a national labour code. That is not only my opinion, but that of many others in western Canada, both employers and employees. I think a national labour code would remove many of the causes of industrial strife throughout this country such as variations in wages, inequalities in working conditions, and so on. I believe a national labour code would result in a standardization of costs, which would be of great assistance in determining a national standard of living and stabilizing it. Many employers in British Columbia have suggested to me that a national labour code would be of great advantage to those who, in some cases, must compete with industry operating in eastern Canada at lower labour costs. I think it is time that this government gave labour throughout Canada, on a national scale, recognition in line with the increasing responsibility it is asked to accept. That is all I wish to say at this time.

The DEPUTY CHAIRMAN: Shall the item carry?

Mr. MITCHELL: Before the item carries, I wish to move the following amendment, seconded by the Minister of Justice:

That Bill No. 104 be amended by striking out from the schedule thereto the following orders in council specified therein: P.C. 2301 of March 30, 1944; P.C. 2911 of April 27, 1944; P.C. 3062 of April 27, 1944, as amended; P.C. 3455 of May 9, 1944 as amended; P.C. 3491 of May 15, 1944 as amended and P.C. 5001 of June 30, 1944 as amended.

Mr. SMITH (Calgary West): Will the minister just tell me what the effect of that amendment is?

Mr. MITCHELL: You do not want me to go into each branch?

Mr. SMITH (Calgary West): No.

Mr. MITCHELL: If I may, I should like to explain in a general way. I do not want to read a memorandum a foot long. In British Columbia there was no regional war labour board. The minister was the board. That has been the general practice there. In Alberta there was some different arrangement, and that applied to Saskatchewan, Manitoba, Ontario, Quebec and so on right down the line. These orders were passed to meet the peculiar conditions which existed in each of the provinces. Of course, on May 15 those boards will disappear as far as dominion jurisdiction is concerned. That is all that motion does.

Mr. KNOWLES: As a matter of information, may I ask the minister if he can tell us if each of the provinces will take over its functions, so far as labour matters are concerned, on May 15? Is their legislation ready?

Mr. MITCHELL: It has been agreed between the provinces and the dominion. As my hon. friend will remember, last fall the provincial ministers of labour and myself had a meeting and there was general agreement that the provinces should assume their jurisdiction and that the dominion should assume its jurisdiction. All the provinces have agreed that, at the latest by May 15, they will assume their jurisdictions.

Mr. KNOWLES: I wish to ask another question as a matter of information. Does the minister know if the acts which will come into effect in the various provinces measure up to what P.C. 1003 did provide?

Mr. MITCHELL: I will say this: the provinces are sovereign in their own jurisdictions.

Mr. KNOWLES: I know that. I am asking for information.

Mr. MITCHELL: I am hopeful that they will. In British Columbia they have recently passed a bill which is substantially the same as P.C. 1003.

An hon. MEMBER: Far ahead.

Mr. MITCHELL: My hon. friend says "far ahead". That is a matter of opinion. The same condition exists for labour in Saskatchewan. They have their own legislation which I am sure my hon. friends from Saskatchewan will say is substantially better than P.C. 1003.

Mr. COLDWELL: Yes, we do.

Mr. MITCHELL: The same as my hon. friend from British Columbia said.

Mr. KNOWLES: You will say that yourself, won't you?

Mr. MITCHELL: That is a matter of opinion. I want to say this—

Mr. COLDWELL: Be careful.

Mr. MITCHELL: I will not be around, but we are heading for a peculiar form of government when everybody leans on the state. I will not be around, but I have seen them operate in other countries, and you cannot escape.

Mr. KNOWLES: You are not leaving us, are you?

Mr. MITCHELL: No. But my hon. friend, like myself, will shift off this earth some day.

Mr. COLDWELL: Not yet, I hope.

Mr. MITCHELL: You are taking the long view of this thing.

Mr. COLDWELL: I hope it is long.

Mr. MITCHELL: I do not think there is any substitution for free men on both sides sitting down and negotiating an agreement without being pushed around by anybody.

Mr. COLDWELL: As long as they are free.

Mr. MITCHELL: As long as they are free. But that is beside the point.

The DEPUTY CHAIRMAN: Order.

Mr. MITCHELL: I should have said that Ontario passed legislation implementing P.C. 1003. Quebec has legislation of its own. My understanding is that New Brunswick has done the same thing. Of course Nova Scotia has had labour legislation for a great many years, as the hon. member for Cape Breton South knows, which is, I would say, substantially the same as our own. It does not, of course, go into such great detail.

Mr. KNOWLES: The minister inadvertently passed over my own province. Will he complete the record?

Mr. MITCHELL: I am sorry to have done that.

Mr. MacINNIS: I was interested in the point made by the Minister of Labour about people leaning on the state. Unfortunately in this world it sometimes happens that it does not particularly matter what we think. As I see it, everything is a process of evolution, and we proceed in conformity with the developments that take place. What is happening today, not only in Canada but in many other countries—and in the countries that developed industrially earlier and faster it has happened before this—is that on the one hand we have large aggregations of industries, enormously powerful. Because those industries employ large numbers of people, in some cases running into the tens of thousands, those workers brought together in that way organize, first, for their own protection and then, later, for their own advancement. These are conditions over which we have no control. In the struggle between large industries on the one hand and large labour organizations on the other, the community would be torn to pieces unless the state stepped in to protect the community. That is the position we are in today, and it is no use trying to wish ourselves out of it because that cannot be done. We must bring to that situation the authority of the state as the protector of the people.

Mr. MITCHELL: Protector of the weak against the strong.

Mr. MacINNIS: Protector of the weak against the strong, and protector of the community against organized powerful groups. We are caught in that jam. It is a definite result of the progress of industrialization, and we cannot turn back the wheels of progress, even if it were desirable to do so. So we shall have to accept the disadvantages of industrialization along with its benefits, and do the best we can in the circumstances.

I also listened with attention to what was said by the hon. member for Rosetown-Biggar as to the desirability of a national labour code. I think the great majority of the people of this country believe we should have a national labour code. As was pointed out by the hon. member for Calgary West, one of the recommendations of the committee on industrial relations last year approved such a code. But I think I have a very good understanding of what the minister is up against in his efforts to design legislation for that purpose. We are not likely to have a national labour code or, for that matter, many other things that may be desirable in this country as long as certain provinces insist on being sovereign states, and, in my opinion, hold up our progress. What an individual thinks in the matter is not of great importance, because some people would rather be big toads in a little puddle than polliwogs in a big pond. So that is pretty much the position we are in today, and until we learn to discipline ourselves for the common good I suppose there is nothing much we can do about the matter. But while it may be a thankless task, I suggest that the minister continue to do everything he can to get a national labour code for this dominion.

Mr. PEARKES: A remark by the minister about being pushed around by the government prompts me to make an observation.

Mr. MITCHELL: I did not say "pushed around by this government." I said "pushed around by governments."

Mr. PEARKES: I was not referring to the present government, but that remark prompts me to make a few observations and perhaps offer a suggestion. I presume it is necessary to continue these orders in council, partly because of the dislocation in industry caused by the transition from war to peace. All over the country men who have been employed in war industries are being employed in peacetime industries. I want to confine my remarks, however, to those men who have been employed in government industries, such as the dockyard employees at Esquimalt. They have suffered through this sudden change from war to peace, in that a large number of reductions have been made. The result must be obvious, but I am not primarily concerned about that. My concern is over the difficulty the employees at His Majesty's dockyard have experienced in obtaining conditions similar to those which have been authorized for men working in civilian shipyards in the same city and the same area. The difficulty arises because the men working at the dockyard have not had what I think is termed union recognition; that is, the union representatives have not had an opportunity of conferring with the officer commanding or the superintendent of the dockyard, and the superintendent does not attend the ordinary meetings of the shipyard council. I believe that has had a serious effect upon men working in such institutions as His Majesty's dockyard. Is it not possible now to have the union of men working in those dockyards recognized by the dockyard officials? I believe that in Great Britain the government dockyards recognize the unions working there. At the royal arsenal at Woolwich recognition is given the union. Only a couple of years ago it was stated in the press that recognition had been given by the royal household to the union of its employees. If any labour scheme or code is to be introduced in future I would urge that recognition be given all unions in government employment, including dockyards, crown companies and so on; and I would ask the minister to give that suggestion consideration.

Mr. MITCHELL: I was going to suggest that my hon. friend was out of order, but I do not like to do that. I believe in every man being given an opportunity to say his piece. But if we are going into a general discussion of labour relations we shall be here until the resurrection.

An hon. MEMBER: That is a long time.

Mr. MITCHELL: It will be a long time for some of you; some of you will not be around.

Mr. KNOWLES: That is what you said about yourself a little while ago.

Mr. MITCHELL: That may be true, too. But I can imagine that the hon. member for Cape Breton South and the hon. member for Vancouver East will have their say. I suggest that they ought not to go into a general discussion of a bill which will, I hope, be before the house in the not too distant future.

Mr. PEARKES: I suggest that the minister started this.

Mr. GILLIS: I have no intention of discussing labour relations. I understand that the minister has a bill coming down in the next few weeks, and I shall reserve all the time at my disposal to tear that bill to pieces. You can be reasonably sure it will not suit me.

I rise at this time particularly to say a few words respecting the suggestion of the hon. member for Calgary West. He appears to think, and perhaps honestly so, that he has the solution of the Nova Scotia strike. His suggestion is that we get two miners from some other part of Canada, and two coal operators—you know, two impartial fellows—from some other part of Canada—"impartial coal operators"—and send them to Nova Scotia. He says that in a week's time they would have a report and settle the strike.

Let me say that that would serve no useful purpose. To begin with, the productive capacity of that industry cannot be examined while it is not in operation; and it has not been operating now for two months. The set-up cannot be examined until it is back in operation, so that it can be seen in a working condition, and one would have an opportunity to see what the bottlenecks are.

The hon. member for Calgary West suggested that no one in the house had any idea who was right or who was wrong. Well, I made up my mind about that twenty-five years ago.

Mr. MITCHELL: And you have not changed it, either.

Mr. GILLIS: Not a bit. I am more convinced today than ever. I arrived at those conclusions on an impartial basis, too. The miners' case is 100 per cent right; and I have

put the facts of that dispute on record time and again. I do not think anyone from the west or from central Canada can render any better judgment on that question in a week's time than can someone who served the people in this dispute for twenty-six years.

The Minister of Reconstruction and Supply is a generous man. I suggest that he should provide the $5 million subsidy immediately so as to get these mines back in operation. Then the government can appoint as many people as it likes during the term of the next contract to go to Nova Scotia and make an examination of the whole set-up, from the point of view of increasing production, and determining who is right and who is wrong in these recurring disputes.

I am prepared to go with them. I will show them the way around, because I konw my way around those collieries. If they do not come away from there convinced that that is about the toughest and most unreasonable company on the North American continent, and that those men are the greatest slaves that have existed since the time Lincoln abolished slavery in the United States. I shall be willing to come back to this chamber, sit here and say nothing; and that would be hard on me.

That is all I have to say. I leave only this thought with the minister, that when he drafts that labour code he should make sure that he has some administrative machinery. He might consider the possibility of establishing industrial councils. In that way he could bring men in from industry and management, and have a government referee. Get them in before the strikes occur. See if they cannot iron out the kinks before those kinks become too badly twisted. Heading off trouble is much easier than ironing it out after it is started.

Mr. JOHNSTON: Since I was a member of the committee on industrial relations which sat last year, I should like to say a word or two at this time. I well remember the work done by that committee, and its unanimous recommendation that there should be a national labour code. We all agreed at that time that this should be done.

In view of the minister's statement that new labour legislation is to be brought down, I should think it only proper that the major portion of this discussion might take place on that bill. I would add, however, in respect of the dispute in Nova Scotia, that while I was never down there, the matter was thoroughly discussed in the industrial relations committee last year. Despite what has been said by the hon. member for Cape Breton South, I think there is some merit in the suggestion of the hon. member for Calgary West. It seems to me that we should be able to find a few competent and honest people who could go to Nova Scotia and find out whether or not the statements made in respect of efficiency or inefficiency in the operation of the mines are correct. That has been one of the major difficulties in the Nova Scotia dispute. There could be no harm done if that were done. I am not adverse, either to the suggestion of the hon. member for Cape Breton South that the government continue the subsidy until such time as a final settlement is made, because there is much distress in that area at the present time.

I shall not continue the discussion further at this time, but shall defer what I have to say until the minister brings down his legislation. The minister is eliminating the other orders in council, so that only one is left under these wartime labour relations regulations. In view of this fact, I believe this order in council might be permitted to pass, so that we might get on with further business.

Mr. KNOWLES: I should like to speak briefly respecting the amendment, which would delete a number of orders in council, including the one with reference to Manitoba.

A minute ago the minister gave a picture of the situation subsequent to the passage of the amendment in the various provinces, but inadvertently he did not mention Manitoba.

Mr. MITCHELL: It was not deliberate.

Mr. KNOWLES: I am sure it was not. As I understand it, the government in Manitoba has made arrangements to carry on the provisions of P.C. 1003, following the suspension of these orders in council by this government. But in response to a request made by labour organizations of Manitoba to the provincial government, that that government bring down now an even wider labour code, the Manitoba government has said that it is going to wait to see what is in the labour code to be offered by the federal government.

Do I understand, from what the minister has said today, that the labour code to be brought in here will deal only with employees who come under federal jurisdiction? If that is so, then the labour organizations in Manitoba had better keep working on the provincial government for the labour legislation they are seeking.

Mr. MITCHELL: I am not one who believes that everybody should be cast in the same mould. It is all very well to talk about centralization and uniformity, but I have never

known a family of nine children who were all the same. In the first place, sometimes there are girls and boys. They have different dispositions. What I have endeavoured to do in my discussions with the provinces is to lay down basic principles for a labour code. By the very nature of things there will be slight variations in the provinces, just the same as with workmen's compensation and almost any other legislation which covers a broad field and which comes under provincial legislation.

I think the adoption of P.C. 1003 by all the provinces was the greatest advance in the recognition of the right of men and women to organize that there has been in this dominion since confederation. I do not know of any better legislation anywhere of that kind. I am speaking in a broad way because there may be differences and variations, but we certainly are not faced with the difficulties that confront some countries I could name not very far from here. I hope that every province will follow the lead given by this government and I am proud that it has been done by a Department of Labour under my jurisdiction.

Mr. KNOWLES: I was not suggesting that everyone should be cast in the same mould, but I was trying to get clear where labour organizations in Manitoba should look for the kind of labour legislation they want in that province. It seems to be clear that the federal labour code will not suffice, but that they must look to the provincial government for the wider code they are seeking.

Amendment (Mr. Mitchell) agreed to.

Mr. ADAMSON: I have read the British Columbia bill and I think it is an excellent piece of labour legislation. Do I understand that P.C. 1003 will lapse on May 15 and be superseded by provincial legislation?

Mr. MITCHELL: I think I explained that to the hon. member for Calgary West. On May 15, several provinces will take over jurisdiction; in fact some have already done so. P.C. 1003 will continue in effect until the new bill dealing with labour matters is passed by both houses and given royal assent.

Mr. ADAMSON: Where a province has not passed enabling legislation, will P.C. 1003 still remain in effect?

Mr. MITCHELL: As I said before, each province is sovereign in its own jurisdiction in this matter and is at perfect liberty to pass any kind of legislation it desires.

Mr. MacINNIS: Some have done so already.

Mr. MITCHELL: What I have endeavoured to do is to lay down broad general principles in P.C. 1003 which I hoped the provinces would follow.

P.C. 1003 agreed to.

On P.C. 946.

Mr. GIBSON (Hamilton West): The Minister of Fisheries suggested that P.C. 251 be dealt with at the same time as we were dealing with P.C. 946. Possibly we could deal also with P.C. 1665 and P.C. 469 when we are dealing with the Japanese question.

Mr. GREEN: There is also P.C. 7355 under the Department of Labour.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

CRIMINAL CODE AMENDMENT

PROVISIONS RESPECTING PISTOLS, MOTOR CARS, AND PAYMENT OF FINES

Mr. T. L. CHURCH (Broadview) moved the second reading of Bill No. 13, to amend the criminal code (pistols, motor cars and payment of fines).

He said: The bill raises one of the gravest questions we have in this country. I do not apologize for taking up the time of the house at this time, because in the city from which I come over one hundred people were killed and several thousand injured on the roadways alone last year. It is one of Canada's greatest scandals. Every highway in the country is covered red by the abuse of motor cars by about only five per cent of those who drive. About ninety-five per cent of the people who drive cars are known to be careful.

This matter affects the life and health of the people. As I have said before, I should like to see the criminal code amended and consolidated every ten years like the Bank Act. A legal committee of the house should be appointed to consider the various bills, because when you look at the protection which the public has it is all in the criminal code. There have been numerous changes in the law since the criminal code became part of the revised statutes of Canada in 1906, chapter 146. It is now contained in the revised statutes of Canada, 1927, chapter 36, which supersedes the original code and is the basis of the statute which came into effect on February 1, 1928. There are also changes in the sections in view of decisions of the privy

council. There are also some changes in sections 240A and 240B in accordance with 1926 Appeal Cases regarding appeals to the privy council in criminal cases.

In addition, I believe the time has come when this house should have, like the provincial legislatures, a legal committee to consider legal bills, because it is difficult for lawyers, magistrates and judges to know what the law is at the present time. In my opinion the government should take under consideration the question of a judges' committee or a departmental committee to examine, revise and consolidate the provisions of the code pursuant to judgments of the different courts having criminal jurisdiction, and also the suggestions which are made from time to time to the Minister of Justice (Mr. Ilsley) by bar associations and by police constables' associations and others. The government should provide further that the committee should report its findings to the House of Commons and to the Minister of Justice and, finally, a select committee should be appointed to revise and consolidate the criminal code every ten years. That is my suggestion.

With regard to Bill No. 13, which is a bill to amend the criminal code to deal with pistols, motor cars and payment of fines, I wish to refer to a debate on the second reading of my bill to amend the criminal code (motor cars), which took place before the war. It is all set out in *Hansard* of February 17, 1938. The debate took all day and all evening. The bill had to do with a proposed amendment respecting the operation of motor cars. I introduced the bill. All leaders of the house spoke on the motion. I said, as reported at page 535 of *Hansard*:

I wish to call the attention of the house to the great slaughter occurring on our highways. Almost every road is coloured red with the slaughter of men, women and children. This slaughtering is done in a manner that is disgraceful and presents the most important problem with which we have to deal this year. I may say that it is one of Canada's chief problems, and parliament does nothing about it.

We are satisfied to devote a whole lot of time to flag waving, but the government of the day does not seem prepared to sit down and consider what must be done for these helpless men, women and children whose homes have been ruined and whose lives have been wrecked. All this goes on, and yet this high court of parliament sits here and does nothing to deal with these practical problems, which would be a work for the benefit of the people.

I believe a few facts should be drawn to the attention of the house. The subject of the bill has been discussed in the house for three or four sessions. One of the commandments of God is: Thou shalt do no murder. Many men of real worth, through carelessness and selfishness, are recklessly violating not only the laws of God but those of men. No invention has contributed more to the comfort of our people than has the motor car, but, like every other invention we must consider its use as one thing and its abuse as another.

During the past century scientific discoveries in medicine, chemistry and physics have resulted in untold good to humanity, but, as in the abuse of inventions, in war they were a curse to mankind.

As I say, nothing has contributed more to the enjoyment and education of the people than the motor car, but when you look at the abuse of it, that is another matter.

Looking into the question one finds invariably a tremendous annual loss from deaths, accidents, injuries and so on. One finds untold sorrow and suffering with intense pain and grief, almost exceeding anything the human imagination could conceive. The suffering brought about by these machines is equalled only by that inflicted by plagues, pestilence, famine, battle, murder and sudden death.

It would be misleading and unfair to attempt to attribute all the blame for these horrors on the highways to all people who drive and use motor cars. The fact is that ninety-five per cent of drivers are trying to obey the law. It is the remaining five per cent about whom I am complaining. They cause the trouble. One has only to see the records to understand the facts. As I study the records of cases I am driven to the conclusion that beyond any doubt the small minority are the major cause of the trouble. They appear to have exploited, for their own pleasure and profit, the generous tolerance of others. They use their cars in an irresponsible, careless and un-Christian way. The fault is grievous, and they can have no ground for complaint if they are put under restraint through application of the criminal code. Ignorance and thoughtlessness are not palliatives. Obedience is the only reparation they can make, and it is long overdue.

I quoted the other evening, in dealing with another bill, the observations of the late able and beloved Chief Justice R. M. Meredith, who was on the supreme court bench for about forty years on circuit in Ontario. He said, when addressing a York county grand jury:

And as now nearly everyone is a car owner, and car driver, young and old, of all sorts and conditions, it is difficult to get justice in even a civil action. Car-driver jurors have nearly all the speed fever; and self-preservation instincts are so strong that they will not be persuaded to decide against drivers who have been no more unlawful than they themselves often, if not commonly, are.

What then is the remedy? I think it should be: make the laws plain and reasonably severe and enforce them; and cancel licences freely. And at the other end of the matter, give no licence to anyone who is not proved to be mentally and physically, and from experience and knowledge of the highway laws, thoroughly capable.

I continued as follows:

First, we must consider the indifference shown by the five per cent of drivers to the rights and privileges of the people using the highways.

Then there is the indifference to the convenience of others; there is excessive speed, and congestion. Ever since man has learned to direct a machine more powerful than himself he has asserted his superiority over his neighbour. "Make way or take the consequences" is the cry of the reckless driver. Yet, this indifference is limited to only a small number.

That is the problem. I will not give the figures. They were set out in two reports which were made to the House of Commons last year, tabled for me, showing the number of fatal accidents in Canada at level crossings, on the highways, and they ran into the thousands; from drownings, from those who left infants in houses alone and the houses were burnt, from wilful and gross negligence, leaving children three or four years of age alone in the house and then the house burns down. I should like to bring to the attention of the hon. member for Regina City (Mr. Probe) the throwing of pop bottles on to the ice at hockey games and all that kind of thing. These things should be under the control of the criminal code, along with many other matters. In this bill I refer to those who go around carrying wooden pistols and frightening girls in candy stores and taking their money. I refer to other cases. One can hardly pick up a newspaper without finding a report of young bandits going around the streets raiding houses and stores, gathering payrolls and all that kind of thing. It is, in my opinion, altogether too easy to get a pistol in Canada. They are not properly registered. If they are registered many of them are stolen and sold to second-hand stores. There should be a restriction on the carrying of loaded pistols. The very fact that the pistols are loaded would argue that these young people intend to commit some offence, and the carrying of such loaded weapons is very likely to lead to a potential murder. The man who carries a loaded weapon is a potential murderer.

Last year, as well as in previous sessions, I put on *Hansard* figures showing the number of those killed and injured on our highways as a result of motor car accidents, and I contended then, as I do now, that we should have complete records in this connection. The bureau of statistics has not a modern system so far as records of this kind are concerned, though it is making improvements from year to year. The fact remains, however, that there is no efficient method of getting at these results. I suggest that we should improve our system and at the same time carry out a campaign of education such as there is in the old country. The figures given by the board of transport commissioners show that in the period between 1940 and 1943 inclusive there were over 2,000 injured and 588 killed at level crossings. The information I have here goes on to discuss drowning and other forms of fatality.

In France, with a population of some 42,000,000 before the war, over 4,000 people were killed by motor cars in one year, though they were spending considerable sums of money in road building.

I may say that I have received many appreciative messages in support of this bill. I have a telegram dated February 18, 1947, from Mr. Alex Edmison, of the Prisoners John Howard Association, stating that he had received copies of the bill and wishing me every success. He feels that the proposed legislation of time to pay fines as a Summary Offenders Act would be of great benefit in reducing the crime rate in Canada.

I have also a letter from the Reverend John Coburn, secretary of the Canadian Temperance Federation, from which I quote the following paragraph:

> I think you will recognize that the police officers are up against an immense task. Magistrates and judges often seem to think that unless a man is drunk he has not committed a violation of the law. As you know of course, this is entirely erroneous. I am told that some states in the union have passed a law making a blood test compulsory on request of a police officer. According to Doctor Rodger's estimate, liquor is killing five people and injuring 84 every week on the highways of Ontario alone. I think if you and a number of the opposition members would let the Prime Minister know you are supporting the government in vigorous action, it will be helpful. Where so many human lives are at stake, this is too important a matter to be a mere party issue. On various occasions you have manifested a spirit of independence in your parliamentary work. I have no doubt whatever, you will do so in this case.

He refers to a brief submitted to the Prime Minister and the government.

To come now to the bill itself, the first section provides that anyone who, without lawful excuse, points a firearm, pistol or airgun, whether loaded or unloaded, is guilty of an offence. That is an amendment to sections 124 and 126 of the criminal code. Section 2 provides that "pistol" shall include anything in the shape or form and size of a pistol. Section 3 deals with the liability of the driver of a car to stop after an accident.

Mr. SPEAKER: Order. I would ask the hon. member to discuss at this stage only the principle of the bill. He should not go into details.

Mr. CHURCH: Mr. Speaker, I am merely pointing out the marginal notes and indicating the principle involved.

Mr. ILSLEY: On a point of order, Mr. Speaker, I would point out that the bill is a collection of amendments to the criminal code and that these amendments are of considerable range, covering many subjects. The sections are of a heterogeneous nature, and if I were asked to state what the principle of the bill is I could not do so. I submit that the house should be somewhat liberal in its attitude toward the discussion of the bill. I do not know just how the hon. member who is proposing the bill can discuss the principle without referring to the individual provisions. I say this merely for Your Honour's information with respect to this particular bill, because in this instance I think it is rather hard to apply the ordinary rules.

Mr. CHURCH: We have spent fifty-two days of this session considering material things, but we do not seem to have an hour to devote to a discussion of the safety of the country. It seems that this parliament does not care a hoot.

An hon. MEMBER: The minister is on your side.

Mr. CHURCH: I want to thank the minister. I have seen the evils of hit-and-run driving, Mr. Speaker. As a former chairman of the police commission in my city, I think this is one of the most important matters that parliament can attend to, and I consider I have done my duty in bringing it to the attention of the house. It is of far greater importance than many of the material things that we have been talking about now for fifty-two days.

The next section of the bill deals with persons driving while under the influence of alcohol or narcotics. I do not think, Mr. Speaker, there is anything more scandalous than the hit and run driver and the drunken driver. I once saw a man drive down an important section of the city of Toronto and knock down two children. One of them was killed instantly and the other badly injured. The Right Hon. Viscount Bennett, on February 17, 1938, in the debate to which I referred, when he was in this house took a strong stand in support of the principle I am now advocating in this bill. He felt that something should be done to meet this grave situation, but nothing has been done since the war started. The casualty list is an appalling one, the number of men, women and children who have been injured in such accidents numbering nearly twice as many as those wounded and killed in the Canadian forces during the same seven years.

There is no doubt that there is some complaint about judges taking cases away from juries. In this connection I suggest that hon. members look up the debate that took place in this house on February 17, 1938. As regards persons driving under the influence of alcohol, the present law, I submit, is totally inadequate. When a person is arrested under such circumstances there is considerable doubt, having regard to the decision of the Ontario court of appeal, as to what is a voluntary statement or a free statement made to the police. I submit that this should be clearly set out. we should know what is a voluntary, what is a free statement on the part of the accused.

Regarding section 5, hit and run drivers, I suggest that when an accident occurs everyone in charge of a vehicle who is directly or indirectly a party to the accident should remain at the scene of the accident or return immediately and render all possible assistance. Many times such a person kills a child. The child has just as much right to live as he has; and if it is killed, and the driver runs away, I think it is a most cowardly form of murder. I think it is a terrible thing to see a small child knocked down on the highway, where the driver runs away and nothing is done about the matter. You cannot find him. Sometimes, because of the bad weather you cannot get the number. I believe this is a wise proviso.

With regard to section 7, causing death in a culpably negligent manner, additional penalties are provided. As we saw in this debate in 1938, it takes two people, in a second's lack of attention, to make an accident. If there is one, the person who kills a man should not drive a car for two years where it is found that the accident was largely due to his negligence.

There are only one or two other sections. The one on the trial of young offenders provides that the parents should be notified. I think it is only right that parents of children under age should know when they are charged with an offence and be given a chance to come to their aid, if possible, and that they should be given the protection of the law by the appointment of a lawyer.

The next section has to do with the trial of a female person. This has been up now for ten or twelve years. The suggested amendment in section 9 is:

> On the trial of any female person by a jury under any provision of this act, one-third of the jurors chosen to try the issue shall be female persons duly qualified on the same basis as male jurors.

A former editor, and a very great editor, the late Mr. Harry Anderson, when this bill was up in 1927 said that women were too temperamental. I do not think they are any more temperamental these days than are

some of the men. Some of them would make better jurors than men, and I think we would have less trouble with juries making up their minds and coming to a verdict.

Section 10 deals with charge of manslaughter arising out of the operation of motor vehicles, criminal or culpable negligence being proved. It defines the powers of the judge and the powers of the jury. The function of the judge is to explain the law to the jury and the jury is bound to take what the judge says is the law. Questions of fact should be determined by the jury. After all is said and done, what is the way we approach this matter in this country? I have noticed in some of the papers—not all of them—in some cases trial by jury has at times been supplanted by trial by newspaper; that is, in some of the more sensational of our newspapers.

As regards section 11, jury to decide whether guilty or not guilty, on the trial with a jury of persons who cause death or serious injury, it is desirable that the functions of the jury should not be curtailed or abolished. There has been much criticism of many cases of gross negligence having been taken from the jury. The increased number of accidents requires that the law should be brought up to date.

The next section is: fine or penalty in discretion of court. The last clause deals with the law of England regarding fines, known as the Summary Offenders Act. After all is said and done, the gaols of this country are at times full of people who are not able to pay the fines. Why is the fine imposed? In England they are given time to pay the fine. I think it would be a blessing if we could adopt that practice in this country, because we are just back to the days of Dickens in his "Little Dorritt". There is imprisonment for fines for people who have not the money to pay them.

It is for these reasons I thought it wise to bring these matters before the house. I sympathize with and thank the Minister of Justice (Mr. Ilsley). He is one of the most able, hard-working and conscientious ministers we have had in this war and after it. But I think the time has come when we should have a legal committee which should have the proper time to consider these amendments which are most important for the safeguarding of the public. They are all only suggestions for the minister to consider and decide on, as improvements to help lessen loss of life from the motor car.

Mr. J. R. MacNICOL (Davenport): In order to help the hon. member for Broadview (Mr. Church) get his bill through the house, I shall of necessity have to be very brief, and so I shall be. I merely wish to refer to one reference in the bill, namely, motor cars. Like everyone else, I have been interested in the cartoons which have recently appeared in the *Globe and Mail* in Toronto and which were drawn by one of the most brilliant young cartoonists in Canada. I am told by my friend, the hon. member for Vancouver South (Mr. Green), that Jack Boothe, the cartoonist, comes from his province. If he does, British Columbia lost a capable cartoonist and Ontario gained one. His cartoons every few days are headed "Why People Cannot Grow Old." A few days ago there was one in the paper giving a new angle to motor car accidents, and one I had not seen before. It showed a passenger in a car lighting a cigarette for the driver; of course, the driver was blinded not only by the flame but by the smoke, and an accident took place. That is one cause of accidents. Somebody should be responsible for that.

A few days ago I was standing in front of a building which I happen to own and two men came along to get into a car. Both of them were drunk. They staggered toward the car and, one after the other, tried to get into the car to drive it away. In the end they both got into the car, which meant that one of the drunks drove the car away. I presume the bill which the hon. member for Broadview has in mind would protect the public against the like of that. Certainly anything which this or any other house can do to cut down on deaths from motor car accidents, should be done. What can be done, I do not know. That is a legal problem, and I shall not discuss any of the legal aspects of the bill at all. As a humble member, and as the hon. member for Broadview had put my name down as the seconder of the motion for second reading, I felt that it was my duty to rise and support him. There is no more hard-working member in the House of Commons than the hon. member for Broadview. I have always found him standing up for the people. In this case he is doing that.

In conclusion, I would just say that during the recent session the Ontario government did take a step in the right direction, if I may say so here, in passing a bill requiring that part of the fee which is paid by the driver for the privilege of driving his car is set aside for the benefit of people who are struck and maimed—in the case of death, of course, to their estates—by those who strike them and run away, hit and run drivers and those who, if caught, are unable to pay anything. I think that is a good step. Somebody should

pay for the accidents of folks who are not themselves responsible for being struck and who are struck by people who are incapable of paying anything.

With that I shall conclude. I heartily approve my hon. friend's efforts to protect the public from disaster.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, when we consider the cause of motor accidents I think it is the duty of the government and of all governments in Canada to remove the cause. Yet there are some governments which are stimulating that cause of accidents. Everybody knows that it is very unpopular to say anything about that great cause of motor accidents and destruction in Canada. But if we are sincere in our way of living, we have a right to try to drive out anything which will cause destruction of human life. I think everyone can see what I am driving at. I fear that when the cocktail bars in Ontario are in full swing men and women, young or old, coming home in the small hours of the morning will not have proper control of their automobiles. Therefore I am glad to see in the bill section 4, dealing with those driving while under the influence of alcohol or narcotics. I believe governments should consider this point. If our governments license and receive revenue from anything that causes the destruction of human life, I think they should be big enough to reconsider their position.

Mr. E. B. McKAY (Weyburn): I should like to speak briefly on this bill, but first I wish to congratulate the sponsor, the hon. member for Broadview (Mr. Church) on having introduced it. The bill contains many commendable features, all of which I do not propose to discuss at this time, but I would particularly mention the reference to driving while under the influence of alcohol or narcotics, hit-and-run drivers, and the liability of a driver to stop after an accident. These matters, I believe, are worthy of careful consideration on the part of this house. Everyone recognizes that many accidents result from faulty judgment on the part of a driver or a pedestrian, while many others result from mechanical deficiencies. We also know, however, that a substantial percentage of accidents are caused by drunken driving. In one medium size Canadian city in which there were fifteen fatal traffic accidents in 1946, three were directly attributed to drunken driving. Perhaps that figure does not sound very large, but it represents twenty per cent of the total; and, no matter what the figure is, it is too high.

This bill is not intended as a cure-all, but as a step in the direction of providing heavier penalties for persons who operate motor vehicles, while under the influence of liquor, and irresponsible drivers, whether or not they be under the influence of liquor. If the provision of stiffer penalties for infractions of the law will curb the mounting death toll on our highways and the streets of our cities and towns, I think this bill should receive the unanimous approval of the house. I feel sure it will have that effect; therefore I am rising at this time to give it my support. The motor vehicle is a dangerous weapon when operated by an intoxicated person. It is a murderous weapon when only half controlled by an irresponsible person. Under such management, vehicles are a danger to the public. Infractions of the law by such persons should be met with stiff penalties. Many accidents occur every year on the highways of this country and on the streets of our towns and cities. According to the bureau of statistics, the death toll from motor accidents for the past few years has been as follows:

1939	1,584
1940	1,709
1941	1,852
1942	1,409
1943	1,437
1944	1,372
1945	1,530

That makes a total of 10,893 deaths during the period this nation was at war, or almost one-third the total number of fatal casualties suffered by our armed forces during that conflict. But that does not give the complete story. In the same period more than one hundred thousand people were injured in traffic accidents. These injuries caused the crippling of thousands of people. This was during a period of gasoline rationing, and during a large part of which a speed limit of forty miles an hour was in effect; and the toll is still mounting. The latest figures obtainable, which are for 1945, show 1,530 fatal accidents on our highways, or eleven per cent more than in 1944; and from the information already received from the various provinces which report to the bureau of statistics, I fear the figure for 1946 will be substantially higher.

Precautions must be taken against traffic violations, and this parliament has authority to amend the criminal code, which probably is as far as we can go. Of necessity, provincial and municipal governments must complete the task. I believe the amendments offered in this bill will assist local authorities in curbing irresponsible drivers. Acceptance of this bill by the house is the least we can do to meet the growing menace on our highways and on the streets of our towns and cities.

In reference to the difficulty which not infrequently confronts the law enforcement authorities in ascertaining whether or not a person apprehended at the scene of an accident is intoxicated, I would suggest that some standard be set up for the guidance of the police. I believe the criminal code should provide that the presence in the blood of an individual of alcohol above a certain percentage should be sufficient reason for declaring the person apprehended to be intoxicated. Local doctors on whom the police have to rely are often loath to state whether or not a person is in a state of intoxication. With a standard set as a guide, a doctor would only have to state his findings and offer his evidence before the court. I believe such an amendment to the criminal code would be desirable, and it might be opportune to suggest that it be inserted in this bill. In any event I commend the suggestion to the Minister of Justice for his serious consideration.

Motor traffic is certain to increase on our highways during the next few years. Probably the number of accidents will also increase. The law enforcement bodies should be given every assistance possible to cope with violations of traffic laws, and I feel that the bill as it stands has considerable merit. It will not wholly solve the problem of the increase in the number of accidents, but it will prove of some assistance in curbing irresponsible driving on our congested traffic lanes. Careless drivers endanger not only their own lives but those of innocent people on the roads and streets, who are unfortunate enough all too frequently to be in the way of such drivers. I shall support the bill.

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, I think the discussion on the bill has served a useful purpose, and perhaps if the discussion had been a little more extensive it would have been still more desirable.

There is no doubt that the situation which has been described by the hon. member for Broadview (Mr. Church) and other hon. members is a serious one, and that it is important that the provisions of the criminal code be made as effective as possible. As I said briefly to Your Honour, it is impossible to deal with the bill as a unit because its sections deal with a variety of subjects. It would be awkward to go through the bill, section by section, and to deal with it in that way.

I should like to say, speaking generally about the bill, that there are some sections in it which I think should be incorporated as amendments in the criminal code. Then there are some sections which I believe should be discarded, for certain reasons which perhaps I shall not give fully to the house at the present time. There are other sections which this parliament should not enact until there has been some consultation with the provinces. I refer to provisions such as those relating to the constitution of juries, and another one which abrogates a very ancient principle. The suggestion is that a judge should not be permitted to withdraw a case from a jury, even if, in his opinion, there is no evidence to go to the jury.

Those are principles which should not be enacted by parliament, at least, in my opinion, without consultation with the provinces. The government has been giving consideration to the introduction of certain amendments to the criminal code, and a draft bill has been prepared containing a fairly large number of sections. It has not yet received the approval of council, but I anticipate that council will give its approval to a bill containing important amendments to the criminal code. I believe I would not be divulging any confidence if I were to tell the house that some provisions in the bill now before us are substantially the same as some of the provisions in the bill which the government is likely to introduce a little later in the session.

I gathered from the remarks of the hon. member for Broadview that, so far as he is concerned, this is not a new bill, and that he has introduced some of these proposals before in the house. I gathered, further, that he felt that previous governments, and possibly this one, had neglected the matter, and that they had not paid very much attention to the suggestions he had made through the years. I hope, when he sees the amendments to the criminal code, he will feel that to some extent he has been repaid for the zeal with which he has sought to remedy those conditions requiring correction.

There are some provisions in this bill which make the penalties much heavier than they now are. When hon. members are giving consideration to the bill I suggest they ought to give some thought to the question as to whether it is desirable to make penalties too heavy. For instance, in this bill there are penalties requiring, in some instances, a minimum imprisonment of six months which, in my judgment, is too stiff. If we were to enact those provisions I believe that, instead of improving the situation, we would make it worse, because it would be much more difficult to get convictions than it is at the present time.

There are sections in the bill which introduce important changes of principle. For

instance, there is the proposal that the offence of driving a motor car while intoxicated should be changed to driving a car while under the influence of alcohol. If that suggestion were to be adopted it would constitute an important amendment. At the present time I am not able to accept it, although I am willing to give consideration to the arguments advanced tonight in favour of the change. However the implications of a change of that kind are far-reaching. It has been urged upon us by delegations, and it is worthy of consideration; but the implications are far-reaching because, if the state of being under the influence of alcohol means that there be just the slightest amount of alcohol in one's system, which I presume to some extent would put a person under the influence of alcohol, then the driving of a car under that condition would become a crime. The house should be careful not to go too far in the creation of crimes.

However I am not prejudging that question. Delegations have made their presentations on the point to the government and the matter is receiving consideration. All I can say is that I am not prepared to accept that principle tonight. It will have to be given some further consideration.

In all the circumstances I suggest that the hon. member permit the bill to stand until the amendments to the criminal code that the government is prepared to sponsor are placed before the house. They will not cover the whole ground. Some of these sections we are not prepared to accept at all; some we are prepared to accept, and some will be accepted in a modified form. But I do not think it is desirable for us to give the bill second reading and go into committee of the whole to deal with the sections one by one, when the whole matter of amendments to the criminal code is receiving consideration and will be dealt with by the house a little later.

Therefore I move the adjournment of the debate.

Mr. DIEFENBAKER: Would the minister permit a question?

Mr. ILSLEY: Yes.

Mr. DIEFENBAKER: I had intended saying a word in the matter. However, now that I have not the opportunity, possibly a question would be in order.

Mr. ILSLEY: Yes.

Mr. DIEFENBAKER: During the last few months the question with regard to the admissibility of confessions and statement has been very much to the fore. As the minister knows, in two recent cases, the Sears case and the Dick case, murder convictions based upon statements or confessions were set aside by the court of appeal. The admissibility of statements has brought about a variety of decisions throughout the country.

I am wondering if, when the minister introduces his amendments to the criminal code, in the interests of securing uniformity some rules might be promulgated similar to those brought into effect some years ago in Great Britain in order to assure that miscarriages, either of guilty persons escaping or innocent persons being convicted, will be done away with. I think this is a matter of grave importance because, as the situation is today, there is a wide variety of judicial interpretations and practical applications which make it difficult for police officers to know just what are their rights in interrogating prisoners who are suspected of crimes.

Mr. ILSLEY: I will give consideration to the hon. gentleman's remarks. I was under the impression that most of the law was the same.

Motion agreed to and debate adjourned.

PENITENTIARY ACT

INSPECTION OF PENAL INSTITUTIONS BY GRAND JURY, ETC.

The house resumed from Tuesday, April 1, consideration of the motion of Mr. T. L. Church for the second reading of Bill No. 12, to amend the Penitentiary Act, 1939.

Mr. CHURCH: The Minister of Justice was going to make a statement. The bill is for others besides crown officers to inspect these places, without expense.

Right Hon. J. L. ILSLEY (Minister of Justice): The hon. gentleman moved the adjournment of the debate but, if he does not wish to continue what he was saying, and no one else wishes to say anything I am prepared to go on. This bill contains three sections and is identical with the bill introduced into this house by the hon. gentleman seventeen years ago. One section reads:

> The grand jury of any county in which a penitentiary is situated may visit, view and inspect the same, and make such inquiry as to it may seem proper into the state, condition and management thereof, the nature and efficiency of its accommodation, the employment, training and treatment of convicts, the conduct of its officers, prisoners and employees, and of all others having dealings of any kind or in any capacity with such penitentiary, and may examine and inspect the accounts, vouchers, records and books of the penitentiary; and the grand jury may thereupon make such findings and such presentments as it may deem to be required in the public interest.

By that provision penitentiaries which are federal institutions would be subject to inspection by grand juries which are provincial bodies. The argument of Mr. Lapointe when he was Minister of Justice was that federal institutions should be subject to inspection by federal officials rather than by provincial officials or provincial bodies and that it would be wrong in principle to have federal institutions inspected by grand juries. That position taken by Mr. Lapointe was probably a sound position, but it seems to me that the stronger reason for opposing the proposal that grand juries be empowered to visit and inspect federal institutions is the illogical nature of the proposal.

There are only two counties in Canada where grand juries would be eligible under this bill to inspect federal institutions. One is the county of Westmorland in New Brunswick where Dorchester penitentiary is situated, and the other is the county of Frontenac in Ontario where two penitentiaries, Kingston penitentiary and Collin's Bay penitentiary, are situated. There seems to be very little reason for delegating to the grand juries of Westmorland county, New Brunswick, and Frontenac county, Ontario, the responsibility of inspecting these particular federal institutions. There are no grand juries in the province of Quebec or in the western provinces where the other federal institutions are situated, and there is no particular reason why the federal parliament should endow the grand juries of these two districts with this inspectorial function.

It should be borne in mind that grand juries have no particular training in inspectional work, nor have they any particular knowledge of criminology or anything of that kind. These facts were pointed out by Mr. Lapointe in the argument he made against this provision in 1930 when he was reported on page 277 of *Hansard* of March 4, 1930 as follows:

> May I point out that such an inspection of a penitentiary as is proposed by this bill would occupy the activities of a grand jury working ten hours a day for several months. May I also mention the fact that the grand juries are composed of excellent men indeed, but they are men with no especial experience in criminology or the handling of criminals, or the management or care of such institutions.

Mr. SPEAKER: The hour for public and private bills having expired, the house will revert to its previous business.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed consideration in committee of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war—Mr. Ilsley—Mr. Macdonald (Brantford City) in the chair.

The CHAIRMAN: When the committee rose at six o'clock I had called P.C. 946. It was suggested that we should discuss at this time not only that order in council but order in council 251, which is found at the foot of page 4, and orders in council 1665 and 469 at the bottom of page 6. The hon. member for Vancouver South suggested that we should also consider order in council 7355 on page 5. If it meets with the approval of hon. members we shall consider these orders in council.

Mr. THATCHER: Before the committee rose at six o'clock, the minister deleted six orders in council from the schedule to this bill. I regret that he did not see fit to delete order in council P.C. 946. The purpose of this order, which was first passed in the emergency years of the war, was to deal with the problem of people of Japanese origin. The purpose is clearly stated in paragraph 3 on page 109 of the consolidation. I should like to quote part of that paragraph. It is as follows:

> . . . it is deemed advisable, by reason of the state of war now existing, for the order and welfare of Canada to make provision . . . for the control of persons of the Japanese race in Canada.

During the war years there was justification for that order in council because it was necessary for the government in our war with Japan, to protect Canadians against the possibility of any fifth column activity. Whether there is any justification for it tonight, however, is a different question.

The powers given to the minister by this order in council are widespread. In the first place, it allows the minister virtually to control the lives of all people in this country of Japanese origin. Under it the department may determine where these people have to live. It can determine where these people must work and what wages they are to be paid. At least until recently it determined whether or not they could travel.

Tonight the government is asking parliament to extend for another year these orders in council which control the lives of these people. When parliament is arriving at a decision on this matter there are two facts which should be kept in mind, and I refer them particularly to hon. members from British Columbia. The first of these is the fact that the 1941 census showed that there were approximately 23,000 persons of Japanese origin in this country. Of these 17,200 were

Canadian citizens either by birth or by naturalization. Therefore, for the most part, these orders in council are dealing with Canadian citizens. Second, we should remember that when this order in council was passed it was passed as a temporary measure, as an emergency measure needed to expedite the prosecution of the war. I was not here at that time, but I understand from some hon. members who were, that when the order was passed it was intimated that when the emergency war was over, the rights of these people would be returned to them. Today the war is over; it has been over for almost two years; there is no longer any danger of invasion, any danger of insurrection in which these Canadians, even if they wanted to, could play any part, and yet their rights have not been returned to them. Instead, a great many of them are spread across the country living in camps. I am particularly mindful of one group living about four miles south of my own city of Moose Jaw. They are living in an old airport. I do not say that the conditions of these people are intolerable, but certainly, huddled together as they are, their conditions are not good.

As I have said, we are dealing with the rights of Canadians tonight. With the emergency over, I cannot see why the government is asking parliament to extend these powers for another year. It cannot be because these people were disloyal during the war, because despite the way we treated them, despite the way they were uprooted from their homes, despite the way we took their privileges from them, there was not one Japanese Canadian during the war who committed any disloyal act.

When speaking to the house on August 4, 1944, the Prime Minister said, as reported at page 5915 of *Hansard*:

> It is a fact that no person of Japanese race born in Canada has been charged with any act of sabotage or disloyalty during the years of war.

Therefore we cannot be wanting to extend these powers tonight for the reason that these people were disloyal during the war. Nor yet can we say that these people were responsible in any way for the acts of aggression of the Japanese government. They are no more responsible for these acts than any other Canadian. The hon. member for Vancouver East put it aptly a few months ago when he said:

> They were not nearly as responsible as the government of this country which insisted on sending war materials to Japan while she was waging war on China.

[Mr. Thatcher.]

The government cannot say that they want this power extended for the same reason that they originally passed it, namely, for reasons of defence, because the empire of Japan is prostrated; it has been conquered; it has been crushed. These Japanese Canadians cannot be any menace. Therefore, why are they denied their rights as Canadians? There is only one answer, and it has to do solely with racial prejudice and intolerance. These people have committed no crime, nor have they been charged with any. They are denied the privileges of Canadian citizenship; they are persecuted solely because their skin is yellow. Lord Acton, the English historian, once said:

> The most certain test by which we judge whether a country is really free, is the amount of security enjoyed by minorities.

Today, Mr. Chairman, there is a Canadian minority which is not free; there is a Canadian minority which has no security. The Japanese Canadians are being treated in this country today by methods which are to say the least, akin to some of the methods which were used in Germany not so long ago.

Mr. MITCHELL: My hon. friend does not believe that.

Mr. SMITH (Calgary West): Will the hon. member permit a question?

Mr. THATCHER: Yes.

Mr. SMITH (Calgary West): Does the hon. member think that, in the Dominion of Canada where we are working toward an eight-hour day, people in competitive business should be exposed to a race of people who are quite prepared to work sixteen hours a day? Is not that the pith of the situation?

Mr. THATCHER: Can we not put laws through which would prevent that? Surely all Canadians should be entitled to the same privileges. We accepted these people as Canadians and we should let them enjoy the rights of Canadians.

Mr. SMITH (Calgary West): I will agree with the hon. member, but will he not answer my question? Does he think that a Canadian, a farmer in British Columbia, for example, should be exposed to the competition of people who work sixteen or eighteen hours a day as against what we are aiming at, an eight-hour day?

Mr. THATCHER: As I said to the hon. member, labour laws could be passed which would prevent that situation arising.

Mr. SINCLAIR (Vancouver North): Will the hon. member permit another question?

Can he suggest a labour law which could be passed to regulate the hours of independent fishermen?

Mr. THATCHER: I do not think I shall answer that. This is a serious matter and is no time for levity. I should like to get on and then the hon. member can go ahead.

Today the government is asking parliament to pass a piece of legislation which gives the minister wide powers. Look at page 110 and you will see the powers of the minister. Under section 2 he can determine the localities in which persons of the Japanese race may reside, and tell them where to live. Under section 4 he may employ persons of the Japanese race for such purposes, at such wages and on such terms and conditions as he may deem advisable. I do not think anyone will say that section 4 is not stringent. He may require any person of the Japanese race, in any place in Canada, to proceed to any other place in Canada. I doubt if there is anyone in this house who can get up tonight and say that if we pass the order in council before us, this Canadian minority will have freedom. Time and again in the house and across the country I have heard members of the Liberal, the Conservative and the Social Credit parties as well as members of our own party decrying the dangers of regimentation and the dangers to personal freedom. Not long ago I heard the hon. member for Lake Centre, in an eloquent speech, make this statement:

> I assert that it is a member's responsibility to take a firm stand when he sees freedom being interfered with.

I think that is one of the best statements I have ever heard the hon. member make, and I hope that on this bill, with his usual effectiveness, he will take as firm a stand, in opposition to such an order in council, because this order in council provides for a degree of regimentation which I believe has been unheard of in Canada in peace time. And it is regimentation of Canadians.

Mr. MITCHELL: Do not lay it on too thick.

Mr. MacINNIS: He is reading the order in council.

Mr. MITCHELL: That is all right, but I would ask my hon. friend whether the Canadians in Japan and China were treated as well as we treated the Japanese in Canada.

Mr. COLDWELL: But these are Canadians.

Mr. THATCHER: It is Canadians that we are talking about, Canadian citizens. We have heard a great deal recently about a bill of rights, and I think the question before us tonight emphasizes how urgently we need that bill of rights. In the speech from the throne the government intimated that they were going to appoint a committee to study human rights and human freedoms. I hope that such a measure will soon be brought down and will be strong enough to prevent injustices of this kind from continuing. In August, 1944, the Prime Minister (Mr. Mackenzie King), speaking in this house, said, as reported at page 5916 of *Hansard*:

> . . . it is not to be expected that the government will do other than deal justly with those who are guilty of no crime, or even of any ill intention. For the government to act otherwise would be an acceptance of the standards of our enemies and the negation of the purposes for which we are fighting.

And again:

> We must not permit in Canada the hateful doctrine of racialism which is the basis of the nazi system everywhere.

If the Prime Minister were in his seat tonight, I wonder whether he would class this order in council as, in his own words, "dealing justly with those who are guilty of no crime." If he were in his seat, would he say that this order in council is not "the hateful doctrine of racialism" which he so eloquently deplored? I believe that if the Prime Minister were in his seat tonight, he would not approve the passing of this order in council. The charter of the united nations was recently ratified by this parliament and signed by the government. Parliament, in taking that action, pledged this country to respect article 1 of the charter, which guarantees "fundamental freedoms for all without distinction as to race."

This order in council is based solely on racial discrimination. If parliament passes this order tonight, then Canada is guilty of breaking her word, her pledge to the united nations. Surely the word of the representatives of the people of Canada is more than a scrap of paper. Yet, I do not see how we can pass this order without making it a scrap of paper. Every member, before he votes for the passage of the order in council, should search his conscience. Canada has already needlessly made many of her citizens suffer. Let us not allow this discrimination to continue. I move, therefore, that order in council P.C. 946 as amended be deleted from the bill.

Mr. SINNOTT: I wish to ask the hon. member three questions. He can answer them one at a time. Does he know Japanese habits? Would he like to live alongside Japanese? Would he like to compete against Japanese labour?

Mr. SMITH (Calgary West): That is only two. What is the third one?

Mr. THATCHER: I do not think they are reasonable. I will not answer them.

Mr. SINNOTT: Answer my questions.

Mr. IRVINE: He would not like to live alongside you, maybe. What is the difference?

Mr. SMITH (Calgary West): I never knew a Jap yet who could not count to three, and you failed.

The CHAIRMAN: The hon. member for Moose Jaw moves that order in council P.C. 946 as amended be deleted. May I point out that we are considering the orders in council individually and we carry or do not carry each order in council. The Chairman asks for a vote on each order. If we are continuing to do that, it would appear to me that this is a negative motion.

Mr. MacINNIS: Just before the house rose at six o'clock the Minister of Labour moved an amendment to delete several orders from the schedule. If that was in order before six o'clock I suggest that it is in order now. I believe other orders have been deleted in the same way.

Mr. KNOWLES: By the Minister of Fisheries and the Minister of Justice.

Mr. POULIOT: I wonder how the order in council could be deleted from the bill, because no order in council is attached to the bill. The schedule is entirely different from the bill. It is another booklet. As a rule the schedule is attached to the bill but in this case it is not, for the very reason probably that the government will have authority to amend each one of the orders in council, something that could not be done if the orders in council were attached to the bill as a schedule. In my long experience in parliament this is the first time I have seen the schedule detached from the bill. What the hon. member for Moose Jaw has said is interesting but I do not see how the committee could deal with his amendment. He may submit it and have it dealt with in a more formal way, but in the meantime I would point out to him that this is an unusual case of queer procedure.

Mr. THATCHER: I am not a lawyer and I do not know whether it is a bill or a schedule. I will send both to the Chairman and he can use whichever is right.

The CHAIRMAN: The hon. member for Vancouver East stated that this afternoon there was followed a procedure whereby a motion was made striking certain orders from the schedule. I am not so sure that was in order, but in view of the fact that that procedure was followed this afternoon I will not at the moment rule the present motion out of order. Does the amendment carry?

Some hon. MEMBERS: Carried.

Mr. MACKENZIE: What is the amendment?

The CHAIRMAN: It is moved by the hon. member for Moose Jaw that order in council P.C. 946 as amended be deleted from the bill.

Mr. MITCHELL: I think I should say something before that amendment is put, and that is that the government cannot support it. Let that be clearly understood. May I say this in a broad and general way to the hon. member for Moose Jaw? Possibly his mind does not go back to the time when conditions in the Pacific were as they were, where there was the possibility that his province might be a battle ground in western Canada, and it was deemed necessary by the United States government and by the Canadian government that people of the Japanese race should be removed from the Pacific coast.

Mr. COLDWELL: He admitted that was quite reasonable at the time.

Mr. MITCHELL: I am frank to admit that it is quite easy to get up and talk in the way he talked this evening.

Mr. MacINNIS: He made an excellent speech.

Mr. MITCHELL: I am not saying that he did not make an excellent speech, but I think I have the right to express my opinion in the same way as he expressed his.

Mr. NICHOLSON: Meet his argument.

Mr. MITCHELL: Absolutely. Let me say this to the hon. member for Moose Jaw. I was a member of the government at that time when the British people were hanging on the ropes and we had to make decisions which, to say the least, took some courage under the conditions. I have no regrets over the policy we followed at that time. If I had to live through those days again, I would do the same thing and I would do it in the humane way that this policy has been carried through up to the present time. I again want to say to my hon. friend that I should like to think our boys in Hong Kong, the Canadians who were prisoners in Japan, were treated as well as we treated the Japanese in this country.

An hon. MEMBER: They were not.

Mr. MITCHELL: My hon. friend lives in Saskatchewan. He has had his say and I am going to have mine, and let the matter be weighed in the balance. What was the policy of the government when the removal of persons of the Japanese race was decided on by both our government and the United States government? Our policy was to remove them from what was called the protected area. They were located in camps in the interior of British Columbia. I believe that the present policy of relocation is in the best interests of the Japanese themselves. At the very moment there are 4,200 odd in Alberta; there are 490 odd in Saskatchewan. I am now speaking from memory. There are, I think, about 1,200 in Manitoba; 6,500 in Nova Scotia—

Mr. GREEN: No, no; in Ontario.

Mr. MITCHELL: In Ontario, I should say. There are well over 1,000 in Quebec and very few in the maritime provinces. This has been our experience. The Japanese themselves, so I am informed, are much happier over their condition today, based on that policy of relocation across the dominion. My hon. friend talked about sabotage. But it was necessary to intern about 700 Japanese in British Columbia because they would not comply with the orders of the government. It is true also that at one time over 10,000 had volunteered to go back to Japan. That was prior to the defeat of Japan. It is also a fact that roughly 4,000 have returned to Japan on a voluntary basis. I hope that by the end of this year the policy of relocation will be completed.

My hon. friend spoke of a section in this order in council having to do with the powers of the minister with regard to hiring. There is an obvious reason for that being in there, in the fact that we had to hire people to work in the relocation centres in British Columbia—people of Japanese race, such as nurses, doctors, dentists and others. As far as my knowledge serves me, the Japanese who were working in this province, in my hon. friend's province and in the other provinces, were working at the prevailing rates of wages. I sincerely believe that the policy followed by this government in the relocation of these persons of the Japanese race is in their own self-interest and that, if we take the long view, it will be to their great advantage. I believe it will be far better than having an intense concentration of them, shall we say, in the city of Vancouver where, for many years past, I am given to understand that there has been a great deal of feeling over that concentration for reasons best known to the people in that part of the country. In conclusion, I wish to say with all the emphasis of which I am capable that, in the carrying out of this policy, we have acted in a decent and fair manner.

There is one other point which my hon. friend raised, in connection with the movement of Japanese. As to the Japanese east of British Columbia, at the moment, there is absolutely no control over their movements. They can go wherever they wish to go. I thought I should mention that to my hon. friend before he said, or at least implied, that they could not do that.

Mr. COLDWELL: That is a new order?

Mr. MITCHELL: That is a new order. You will see it.

Mr. COLDWELL: When was that order issued? What was the date?

Mr. MITCHELL: April 14.

Mr. COLDWELL: Just recently.

Mr. MITCHELL: A week ago. But in the light of the development of policy, you make decisions in conformity with what you think, in your best judgment, you should do in a given set of circumstances. That was done on April 14.

Mr. KNOWLES: Congratulations.

Mr. SINNOTT: The hon. member for Moose Jaw has made a strong plea for Japanese Canadians. I have every reason to believe that he is sincere, and I have every reason to believe that there is a good deal of land in Saskatchewan where they could go. Possibly he could make arrangements for most of them to go to his province. But we cannot forget too easily or too soon December 7, 1941, when the Japanese were over here making terms with our friendly neighbour to the south and at the same time a bunch of planes was on the way to destroy us. The Japanese race will never do Canada any good. Therefore we, as Canadians, should guard Canadians as long as we have the power to do so.

Mr. STEWART (Winnipeg North): When the hon. member for Springfield states that he has any reason to believe anything, he flatters himself. That is obvious from his last few remarks. I should like to bring to the attention of the committee the report of the Department of Labour for the year ended March 31, 1946, in which I find this statement:

> The Japanese, wherever they have resettled in the last four years, have added appreciably to the labour force in several essential basic industries. In general, they have conducted themselves well, have worked industriously, and have earned a good reputation among employers and citizens in their new communities.

I think that has been the general experience all over Canada. I know a few of them personally in Winnipeg. I would be very happy to live next to them, and I think I would find more intelligence in them than I would find in the hon. member for Springfield tonight.

Mr. SINNOTT: We are not all like you.

Mr. STEWART (Winnipeg North): In what the Minister of Labour said I think he put up rather a bad case for a worse order in council. He tried to transfer the war years to this year of 1947. He knows as well as we do that we are no longer at war; we are no longer under the threat of invasion. Therefore we have to consider these orders in the light of today, not in the light of conditions that existed several years ago. None of us will refuse to admit the danger which existed, but many of us refuse today to admit that the danger still continues.

In the matter of logic I think the minister is quite wrong. There is no one in this country who was not hurt and nauseated when we heard of the atrocities which were committed at Hong Kong, in Japan itself, and in China. But let me point out that atrocities were not committed only by the Japanese. Atrocities were committed by other enemy powers. Therefore, if there is to be logic at all in this order in council we should treat the descendants in Canada of those other enemy nations in exactly the same way that we are treating the Japanese Canadians. If we refuse to do so I say there is no logic in what we are doing, and we are attacking the Japanese purely and simply on racial grounds. This order in council is attempting by compulsion to tell Canadians where they are to live in Canada. It appears that at times the test of loyalty of these Canadians was their willingness to live where the government decided they should reside. Might I read again what has already been read in this house by the hon. member for Moose Jaw, because these words need to be repeated? I refer to the statement by the Prime Minister on August 4, 1944:

> Surely it is not expected that the government will do other than deal justly with those who are guilty of no crime, or even of any ill intention. For the government to act otherwise would be an acceptance of the standards of our enemies and the negation of the purposes for which we are fighting.

What do those words mean, if they mean anything? Surely they cannot be used in defence of legislation such as this. Are we dealing justly with people who have been guilty of no crime when we tell them where they must live, when we take from them their essential civil liberty? I say no; and I think the reason of the house will agree with me. Are we not, in effect, accepting the standards of those enemies whom we fought when we treat a minority in this country in such a way, purely because of racial phobia? In the same speech the Prime Minister went on to say:

> Japanese Canadians are persons who have been admitted here to settle and become citizens or who have been born into this free country of ours, and . . . we cannot do less than treat such persons fairly and justly.

When we take away their rights, as we have taken them away, those words mean nothing. They are the typical facades which we expect on modern Liberalism. Might I quote also something said by the hon. gentleman who is now Minister of National Health and Welfare and who was then Secretary of State, in a speech to the chamber of commerce of Granby:

> For subjects (for citizenship classes) I would take the whole of this great country—its history, its peoples, its geography, its resources. I would tell them how fish are caught in the St. Lawrence and how farming is conducted up the Peace river. Throughout I would have one basic theme—faith in Canada and love of Canada.

To those words I say "hear, hear" but only if they mean what they say. I should like the Minister of National Health and Welfare to rise in his place tonight and defend the policy of his government in view of those words, and in view of what he said during the debate last year on the citizenship bill. I must again recall to hon. members that we are not now dealing with a war emergency. Thank heaven we are past that; and as the hon. member for Moose Jaw said, these orders in council are in direct contradiction of the spirit and, indeed, of the words of the united nations charter. These orders in council are based upon racial discrimination, which now has been defined by the international military tribunal as a crime against humanity.

I repeat that in peace time, in normal times, no government has the moral right to decide where any Canadian shall live; and when we permit the government these wide powers the foundations of freedom are being undermined. Hon. gentlemen of the party to my right have been strong proponents of freedom in the last few weeks. Here is a case where freedom is grievously infringed. Then let the hon. member for Muskoka-Ontario rise in his place and defend the freedom of the individual in this case. Let the hon. member for Lake Centre get up; let the leader of the official opposition get up and state the position of his party with regard to racial discrimination against minorities in this country. If we permit it against one minority we permit it against

every minority. I should like an official declaration of policy from that party which professes to be so sincere in its devotion to liberty.

The CHAIRMAN: Shall the amendment carry?

Some hon. MEMBERS: Question.

Mr. MACKENZIE: May I not speak in a free parliament? I think the committee knows fairly well what my attitude has been over the years and what it will be in regard to this question. I should like hon. members to endeavour to understand the position of British Columbia. Fifty years ago one lone voice was endeavouring to place this position before this house. I want to tell my fellow Caledonian who has just concluded his remarks, my fellow Canadian—

Mr. STEWART (Winnipeg North): That is much better.

Mr. MACKENZIE: I think they are equally good. I want to tell him that, as far as I am concerned, there is not the slightest trace of a racial tinge in my attitude toward this matter. As an immigrant from the old land I have had the honour of living for thirty-three years in our far western Pacific province. Time after time this issue was raised in this house and no support was received from hon. members coming from other provinces. What caused and compelled that support? The urgency and emergency of a war which very nearly destroyed British Columbia and nearly destroyed Canada. If the Japanese had been more fortunate after Pearl Harbor, what would have happened to our people in British Columbia? I do not want to be sentimental, but only last week I saw two lads, two young Canadian kids of about twenty-two years, who were under treatment with our department. They were very serious cases indeed, probably maimed for life. They were Winnipeg boys who had been to Hong Kong.

I will not tell the story as they told it to me; but I do say this, that the whole basis of any arguments I have ever advanced in regard to this issue has been the basis of security for the Pacific coast. That was the basis on which every single step was taken by the administration which successfully, and with the general support of the house, led us to victory in this war. There was not a single suggestion of basing any one of those proposals on a question of racial discrimination.

So far as I am concerned, and knowing something of what has been discussed and what has occurred in the last eighteen months under articles 55 and 56 of the charter, let me say that I am 100 per cent in support of those articles 55 an 56; but I have a duty, as I conceive it. I have a duty, being entrusted with the responsibility of representation by a kindly and a generous people. I know something of what happened before the war in British Columbia. I used to go up those coasts, the same as the hon. member for Vancouver South. I used to go up the British Columbia coast, and I know what was done, under maligned and sinister conditions, under conditions of espionage, to endanger the security of our people. I know, too, what was done to undermine the security of our white ex-soldier fishermen on the coast of British Columbia.

As a result of that, I had some little part in helping to restore fishing licences to those who had fought for Canada, to those who had fought our battles for freedom far away. I want to tell this House of Commons that if it is going to take away from British Columbia —my province, which has been so generous to me—this right of observance of adequate conditions for its own internal security along its coastline, then it is striking a mortal blow at the very heart and soul of confederation of the Dominion of Canada.

I want to make that clear. I may not be in political bodies very long, but I love my province, and I love the people of that province, which has been so generous to me for some thirty years. For many years we failed to get a hearing within these halls in which we are gathered tonight to represent the people. War—danger to our coast and to our people—gave us that hearing. And may I say here in his presence that the splendid administration in the last seven years of a very difficult problem by my colleague the Minister of Labour is something that should be commended by all the people of Canada, including the people of British Columbia.

I appeal to this house: Leave our security alone. I think I shall be as devoted to the essential principles of racial freedom and racial fairness according to the terms, purposes and purport of articles 55 and 56 of the charter as any living soul in the Dominion of Canada. But do not let the rest of Canada interfere with the wishes of British Columbia and destroy the policy with respect to the coastline of the province whence I come, a policy in which the people strongly believe with a fervour and a spirit that are unquenchable.

For that policy, Mr. Chairman, I will fight. By that policy I will stand. And I would hope that if the Liberal party in the House of Commons join, as I join, in regarding and supporting the essential principles of the charter with reference to racial freedom, they

might also pay some attention to our Pacific problems in British Columbia, and help us to carry out what we consider, with very honourable exceptions—and I honour them—to be the mandate of our people, the mandate of our province, in maintaining the security of the Pacific sea for these children who are growing up today in the most glorious province in the world.

Mr. MacINNIS: The committee knows my position on this issue, and I suppose there is nothing very much I can say tonight which will clarify the situation or help hon. members to make up their minds. But I should like to tell hon. members that tonight, in the language of the street, they are on the spot. Either they are going to uphold freedom, or they are just going to talk about it.

It is strange to me that the hon. member for Lake Centre, who talks so much about freedom, happens to be absent from the house every time this issue comes up.

An hon. MEMBER: No, no.

Mr. MacINNIS: I was hoping he would be here tonight, because—

Mr. KNOWLES: He was here at nine o'clock.

Mr. MacINNIS: —I was banking on his strong support in this debate, because I think it is right down his alley.

Mr. CASSELMAN: Talk about your own absentees, and play your own game.

Mr. MacINNIS: Let us look at this picture as it is and as it was when the Japanese were removed from the Pacific coast. As the hon. member for Vancouver Centre, the Minister of Veterans Affairs, has said, the Japanese issue—but it was not the Japanese issue, but rather the oriental issue—has been a live question in British Columbia for many years, ever since I remember.

But I want the committee to note this, that it is no longer an oriental issue in British Columbia. It is no longer an oriental issue with the hon. member for Vancouver Centre. It is no longer an oriental issue with any of them, although it was an oriental issue until 1941. This group, and myself particularly, has been vilified and maligned and battered from pillar to post for advocating the franchise for orientals. At the last session of the legislature of British Columbia Chinese-Canadians were given the vote; East Indians were given the vote, and all that now remain are the orientals of Japanese origin. If to give these people the franchise was right in 1947—and I admit it was—it was right in 1935, in 1940 and in 1945. But the whole basis of my hon. friend's election campaigns in the elections of those years was racial intolerance, of course, racial hatred, and used for specific purposes.

Mr. CRUICKSHANK: No.

Mr. MacINNIS: When war broke out, the orientals, or persons of Japanese origin, were removed from the Pacific coast, not because there was really any fear.

Mr. CRUICKSHANK: Did you object?

Mr. MacINNIS: It was not done because there was any fear that they would cause sabotage or anything of the kind.

Mr. CRUICKSHANK: You are afraid to answer.

Mr. MacINNIS: There may have been the fear that if an invasion occurred it might have been difficult to differentiate between the invaders and the Canadian Japanese and consequently they were removed.

Mr. SMITH (Calgary West): What is a uniform for?

Mr. MacINNIS: We know a uniform can be used at any time. It is something you can put on and take off.

Mr. SMITH (Calgary West): By the Japs.

Mr. MacINNIS: Yes, and by the Germans.

Mr. HARKNESS: Will you answer the question asked by the hon. member for Fraser Valley: did you object to their being removed?

The CHAIRMAN: If the hon. member desires to ask a question he must rise in his place and ask the permission of the hon. member who has the floor.

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

Mr. MacINNIS: Yes.

Mr. CRUICKSHANK: Did you object to their being withdrawn from the coast?

Mr. MacINNIS: No. I took the stand—

Mr. CRUICKSHANK: Thank you.

Mr. MacINNIS: —that is was desirable and perhaps necessary because of public feeling.

Mr. CRUICKSHANK: Why did you want them withdrawn?

Mr. MacINNIS: As I have just mentioned, because there was public feeling that my hon. friend helped to create.

Mr. CRUICKSHANK: Are you afraid of public opinion?

Mr. MacINNIS: Definitely not, and furthermore I do not court public opinion.

Mr. CRUICKSHANK: Oh, oh.

Mr. MacINNIS: I do not court public opinion. If I wanted to get in line with public opinion as my hon. friend tries to create it I would be just as anti-Japanese as my hon. friends are. I took the hard way because it was the right way. I am not a bit ashamed of it. I will do so again should the occasion demand.

Mr. CRUICKSHANK: They have no funds now.

Mr. MacINNIS: Mr. Chairman, the last time the hon. member for Fraser Valley insinuated that I was getting funds from the Japanese on the Pacific coast I overlooked it because at that time I took it that he was in a condition where he did not know what he was doing.

Mr. CRUICKSHANK: Mr. Chairman, on a point of order, I have never insinuated that my hon. friend, stupid as he may be, was obtaining any funds from the Japanese or anyone else, and I say he is a liar if he says otherwise.

The CHAIRMAN: Order; the hon. member must not use that language; he should withdraw it.

An hon. MEMBER: Withdraw.

Mr. MacINNIS: If you do not insist, Mr. Chairman, I will not because I—

The CHAIRMAN: I think the hon. member for Fraser Valley should withdraw that remark.

Mr. CRUICKSHANK: Mr. Chairman, I regret exceedingly if I used language offensive in any way, shape or form to my hon. friend.

Mr. NICHOLSON: Withdraw.

Mr. CRUICKSHANK: Just a minute, I do not need any assistance from the man who collects campaign funds on Sunday in my riding. I regret if I insinuated anything against the hon. member for Vancouver East. I never insinuated in any way that he got personal campaign funds; I never insinuated that.

An hon. MEMBER: What did you insinuate?

Mr. CRUICKSHANK: Just a minute. I am sorry and I withdraw any implication whatsoever directly to my hon. friend, but I say this—what I meant to say—

Some hon. MEMBERS: Order.

The CHAIRMAN: There is one word which the hon. member used and which I would ask him to withdraw.

Mr. CRUICKSHANK: I withdraw the word "liar". I am sorry, I meant to use the word "inaccurate".

Mr. MacINNIS: Mr. Chairman, I was just trying to picture the situation that led to the removal of the Japanese from the Pacific coast. According to statements made to me by officials of the Royal Canadian Mounted Police, it was done as much for the protection of the Japanese as for the protection of the people of the Pacific coast.

Mr. MITCHELL: I should like to correct my hon. friend; it was purely a defensive measure.

Mr. MacINNIS: I agree with the minister that it was purely a defensive measure. The war being over, we contend that it is time that the restrictions on these people were removed, that they were allowed to take up their rights and privileges as Canadian citizens. That is all we are asking. The Minister of Veterans Affairs has referred to the defence of British Columbia. Surely this country must be in a deplorable state if it is endangered by a few thousand persons of Japanese origin, even if they were all disloyal, and there has been nothing to show that any one of them is disloyal. A few old men and old women and children are being kept east of the Rockies or east of the coastal defence zone in order to protect British Columbia from invasion. Surely one has only to consider that contention to see how absolutely weak and senseless it is.

I say that there is a strong sentiment in British Columbia in favour of the removal of these restrictions. I have in hand a copy of a long letter which I am not going to read, which was sent to the Prime Minister of Canada by the Vancouver branch of the Canadian civil liberties union.

Some hon. MEMBERS: Oh, oh.

Mr. MacINNIS: My hon. friends do not seem to consider this organization very important, but on looking at the letter head I find that the honorary chairman is Doctor G. G. Sedgewick, who is a professor at the university of British Columbia. The chairman is Professor Hunter Lewis, another professor at the university. There is also Doctor S. A. Jennings, vice-chairman, who is another professor at the university. And so on down a long list, most of whom I consider to be good Canadians. Referring to the question of

Canadian citizens of Japanese origin, Professor Hunter Lewis had this to say in his letter to the Prime Minister:

They are that, in regard to Canadian citizens of Japanese origin, all federal restrictions imposed on them should be eliminated; the federal franchise should be extended to them; and Canadian citizenship should be restored to those who lost it through being "voluntarily deported".

Since our conclusions regarding these matters are neither partisan, nor lightly nor temporarily held, but are sincere convictions arrived at after serious and lengthy thought, we respectfully ask that you give not only them, but also the arguments supporting them, your full and sympathetic consideration.

I could read dozens of statements which appeared in the press of British Columbia and in other parts of Canada in support of our position. During the last month we have heard a great deal about restrictions and controls placed on the people of Canada. Outside of the persons mentioned in this order in council there are very few controls of any importance today. But here are controls over the lives and liberties of people who are as much Canadian as you and I. Today there is no reason, defence or any other, why these controls should be continued. As I think of the impositions which have been placed on these people, people who are innocent of the war, innocent of any part in it and innocent of any crime or misdemeanour during the war, I wonder what I might do under similar circumstances or what the Minister of Labour might do or any member of this committee might do under similar circumstances. They were treated by those who were over them—not all of them, of course—as if they were serfs and the people over them were lords. I have here a letter from a former commissioner of Japanese placement in Vancouver, addressed to a Japanese Canadian who asked permission to visit British Columbia to discuss various matters with those in the relocation camps. The letter is dated June 24, 1946. I have a copy and it reads as follows:

Canada
Department of Labour
Japanese Division
360 Homer street,
Vancouver, B.C.

24th June, 1946.

Mr. Kunio Hidaka,
Executive Secretary,
Citizenship Defense Committee,
506 Jarvis street,
Toronto, Ontario.

Dear Sir:—

We have received your letter of June 20 asking for reconsideration of your request to visit B.C.

We are of the opinion that the best interests are being served of those people of Japanese origin still residing in our B.C. settlements if arrangements are completed for their relocation at the earliest possible date. We believe that a visit to the settlements for the purpose which you have in mind, would only result in delayed relocation. We believe that such delay is not in the interests of people relocating.

Our regional offices in the eastern provinces have complete information on the descriptions of places and areas to which people may be planning to move, and can easily provide such information on request.

We therefore must adhere to our previous decision in declining to approve the issuance of the necessary permit for you to visit B.C. just at this time.

After all the "our's" and "we's" the letter is signed "T. B. Pickersgill, Commissioner of Japanese Placement." I think it was Mark Twain who at one time said there were three categories of people who could use the plural "we" when referring to themselves. One was a ruling sovereign; the second was the editor of a newspaper, and the third was a person who harboured a tapeworm.

Mr. CRUICKSHANK: And the fourth was the C.C.F.

Mr. MacINNIS: Since Mr. Pickersgill is not a ruling sovereign or an editor, I presume he comes in the third category. I refer to that because it shows the attitude which is taken toward these people.

In the United States persons of Japanese origin were also removed from the Pacific coast in much the same way and at the same time as they were removed in Canada. Restrictions have, however, been removed in the United States long ago. All the restrictions that we are discussing here tonight have long ago been removed in the United States. Is there any reason why we should be behind the United States in extending freedom to our citizens? I suggest to hon. members that they consider carefully before they vote down this amendment because, if we do vote it down, we might as well stop talking about liberty.

Mr. MITCHELL: The hon. member for Vancouver East referred to Mr. T. B. Pickersgill as someone who has a worm inside him, or words to that effect. I have made this observation before. I know my hon. friend wants to be fair, because I have probably known him longer than anyone in the House of Commons. It is quite easy to say these things about a person when he is not here. I am sure that if my hon. friend knew Mr. Pickersgill he would agree with me that he is an efficient civil servant and a decent Canadian. It may be that that may have been an error; I do not know; but I do know that I picked him for the position because I thought he was a humanitarian and a good

citizen. I put him on that basis. On reflection, I am sure my hon. friend will withdraw what he said about my good friend Pickersgill.

Mr. MacINNIS: In reply to the minister, I say I am judging the man's attitude from his letter. No man who felt the human factors in the position he was in in dealing with these people would write a letter of that kind.

Mr. GREEN: May I ask the hon. member for Vancouver East a question? Is he in favour of allowing the Japanese again to fish on the Pacific coast?

Mr. H. C. GREEN (Vancouver South): May I ask the hon. member for Vancouver East a question? Is he in favour of allowing the Japanese again to fish on the Pacific Coast?

Mr. MacINNIS: I am in favour of allowing every citizen in Canada, Japanese, Chinese, German, Italian or whatever their former nationality may be, equal rights in Canada.

Mr. GREEN: The answer then is yes.

Mr. MacINNIS: Of course the answer is yes.

Mr. GREEN: There has been some heat displayed in this debate, particularly by the hon. member for Vancouver East and perhaps by some of this companions in the C.C.F. party. In speaking tonight, I should like to do so quietly and sincerely. I give them credit for speaking sincerely and I think they should give other hon. members of the committee the same credit. Suggestions have been made by the C.C.F. that those who oppose their views are guilty of racial phobia, racial prejudice, intolerance and things of that kind. Surely in the Canadian parliament we can get away from cheap abuse of that kind. It does not help anybody and it is not true. I say that simply to keep the record straight. I mean every word that I am going to say. Perhaps the C.C.F. members will not agree with me but that cannot be helped. I hope that other hon. members of the committee will.

The plan agreed on in opening this debate was that we would deal with five orders in council; in other words, deal with the whole Japanese problem at one time. That was a wise suggestion. These five orders can be divided into four different categories. They cover four different questions. One is the question of whether or not Japanese are to be allowed to fish on the Pacific coast. The second is the question of relocation of the Japanese; whether there should be any restriction on their movements. The third has to do with help to those going back to Japan, Japanese who asked to be sent back, while the fourth relates to the property of Japanese which is in the possession of the custodian of enemy property.

I start with the last subject first. I think orders in council having to do with the power of the custodian over Japanese property in his possession should be carried on. I do not think there can be much dispute about continuing these orders in council, and in that connection I would say this. In the evacuation there can be little doubt that damage was done to the property of Japanese. No matter how carefully the goods and chattels were handled, there was bound to be damage, and I believe that every member would agree that adequate, in fact generous, compensation should be paid to the Japanese who suffered that damage. Certain steps will be necessary to assess the damage, and I suggest that those steps be taken as quickly as possible and that compensation be paid.

The next subject is assistance to the Japanese who wish to go back to Japan. I have here the figures of the Department of Labour as of March 31, 1947. The minister will correct me if I am wrong, but these figures show that to that date 3,961 Japanese had been repatriated. The adults in that group asked to be sent back to Japan; they were not sent against their will but insisted upon being sent back. Anyone over sixteen years of age had to sign a request for repatriation and of course that very act showed where their loyalties were.

I do not think it can be successfully argued now that any of these people had a first loyalty to Canada. Their first loyalty was to Japan and they have been sent back. I understand that others still in Canada have asked for repatriation, that there are some now waiting to be repatriated, and it is expected there will be quite a few more when the hostels now in operation are closed.

Mr. MacINNIS: If these people had not been moved from the Pacific coast and put in camps with all their rights and privileges taken away, does the hon. member think they would have asked to go back to Japan?

Mr. GREEN: In my opinion they would have gone. We have always known that among Japanese on the Pacific coast there was an intense loyalty to Japan. At the time the registration was made by the Royal Canadian Mounted Police before Japan struck, it was found that there were 1,500 children of Japanese in Canada actually over in Japan at the time. They were going over there in many cases to take military training. They could never cease to be subjects of Japan, and to a

degree they were to be admired for the stand which they took. They insisted on being Japanese, but doing so made it very difficult for them to become Canadians. That is a fact which hon. members must face. I have here a clipping from tonight's Ottawa *Citizen*, which I quote:

> Canadian-Born Jap Sentenced to death. Hong Kong, April 22—(Reuters) Kanao Inouye, 30-year-old Kamloops, B.C. born Japanese, today was sentenced to death by the Hong Kong supreme court which convicted him of high treason.
>
> Inouye left Canada for Japan in 1935 for university education and military service but said shortly after the war he still was a British subject.
>
> He was remembered well by Canadian prisoners of war captured at Hong Kong in December, 1941, and was accused of ill-treating them on many occasions.
>
> When he appeared before a war crimes court he escaped several charges by pleading he was a British subject. Then he reversed his defence when he came up on the treason charges, saying he had always regarded himself as a Japanese.
>
> But Chief Justice Sir Henry Blackall said Inouye was a natural-born British subject and had remained so at all times.

Another feature to be considered in connection with loyalties is that there were over 700 male Japanese interned at one time during the war. When you consider that the total population of Japanese, male and female, adult and children, was about 23,000 and that over 700 were interned, that is a very high percentage of the adult males, and yet it was necessary to intern that number.

My friends of the C.C.F. always make a great point of there having been no sabotage. Usually sabotage does not occur until the right time. These people were moved off the coast and over 700 were interned; the Japanese never actually landed, and I suggest to hon. members that these facts do not warrant anyone saying that there would not have been sabotage had the opportunity arisen.

Mr. REID: And they were probably under instructions.

Mr. KNIGHT: The hon. member has brought forward certain cases of disloyalty in the last war. There was another war. Has he any figures in regard to the attitude of Canadian citizens of Japanese origin during the war of 1914-1918?

Mr. GREEN: They were our allies then, and quite a few Japanese Canadians served with the Canadian forces and served with great distinction. That is very much to their credit.

With regard to assistance in sending back those who wish to go to Japan, I think the government is wise in carrying out that policy and I hope the assistance will be forthcoming in the future for those who want to go.

To come now to fishing, and I really think this is the main question when we are dealing with the Japanese. When the Japanese first came to British Columbia I do not quite remember, although I was born in that province, but it was about the time I arrived; well, over fifty years ago—about fifty years ago.

Mr. COLDWELL: More or less.

Mr. GREEN: The Japanese who came were largely fishermen, and it was not many years until it was quite evident that there was grave danger that they would take over the whole fishing industry. There was friction between the Indians and whites and the Japanese. The Japanese were very aggressive, and, as I say, it was not long until there was grave danger that they would control the industry. So that eventually a policy was adopted by the Canadian government of cutting down the number of fishing licences issued to Japanese. I have here the report of the fisheries branch of the department of marine and fisheries for 1925-1926. At that time the Right Hon. W. L. Mackenzie King was Prime Minister of Canada and our late friend, the Hon. Mr. Cardin, was minister of marine and fisheries. At page 53 of that report we find this statement under the heading "Reduction in Orientals":

> The department's policy of eliminating the oriental from the fisheries of the province with a view to placing the entire industry in the hands of white British subjects and Canadian Indians appears to be working out well as is shown by statement No. 10, which covers a very large proportion of the total number of licences issued which orientals were permitted to hold. In the salmon gill-net operations the orientals during the year 1925 held only 24 per cent and in the salmon trolling 10·5 per cent of the total number issued in the province.
>
> In the herring dry salting operations a further reduction of 25 per cent was made during the year, making a total of 50 per cent, and in the case of salmon dry salting a first reduction of 25 per cent went into effect and it is the intention to continue this percentage each year until these industries are entirely in the hands of whites or Canadian Indians.

That was the policy twenty years ago and more. I have never heard the members of the C.C.F. or any other members from British Columbia protest against that policy until today when we have the hon. member for Vancouver East saying that he wants the Japanese to go back into the fishing business on our coast.

Mr. MacINNIS: Mr. Chairman, the hon. member for Vancouver South is putting words into my mouth. What I said in answer to his own question was that I would not debar the Japanese from engaging in not only the fish-

ing industry or any other industry. I did not say I wanted the Japanese to go back to the Pacific coast.

Mr. GREEN: Well, I leave it to hon. members to judge for themselves.

Mr. MacINNIS: I will also leave it to them. That may look nice in British Columbia, but they know me too well for that.

Mr. GREEN: Hon. members heard what the hon. member said.

An hon. MEMBER: So did you.

Mr. FULTON: The answer is yes.

The CHAIRMAN: Order.

Mr. GREEN: Then at page 74 we find statement No. 12 which is "Summary—British Columbia—comparative statement of the licences issued, season 1922-1925, as at December 31, 1925." These figures are interesting. They show that in the season of 1922, which was three years before this report, there were 3,115 licences issued to whites; 1,545 to Indians, and 2,933 to Japanese. That means, of course, that the Japanese had almost as many as the whites.

Mr. BENTLEY: The government must have wanted them to fish there, or they would not have given them licences.

Mr. GREEN: The figures show that in 1923 there were 3,717 licences issued to whites; 2,571 to Indians, and 2,627 to Japanese. In 1924, there were 3,678 licences issued to whites; 2,750 to Indians, and 2,525 to Japanese. Hon. members will notice that the Japanese licences had been reduced steadily. In 1925 there were 4,785 licences issued to whites; 3,146 to Indians, and 2,190 to Japanese.

By the time the Japanese struck in December, 1941, there were about 1,200 Japanese fishing boats on the Pacific coast. I have not the exact number, but it was about 1,200.

Mr. REID: The number was 2,095.

Mr. GREEN: Boats?

Mr. REID: Licences issued.

Mr. GREEN: I mentioned boats. The licences numbered 2,095, apparently. The first thing that was done when the Japanese struck was to call in every one of those fishing boats. I heard the calls going out over the radio for the Japanese fishing boats in area "A" to report at such-and-such a port and those in area "B" to report at such-and-such a port. Every Japanese fishing boat was called in at once. It was a very wise move and it was a move that was not questioned by anybody in British Columbia. I have never yet heard anybody in British Columbia question the wisdom of that move.

Mr. REID: Not at that time.

Mr. FULTON: Or anywhere else in Canada, for that matter.

Mr. GREEN: And also, I have never heard anybody question the evacuation of the Japanese from the coast. I have here a wire which was sent out from Vancouver on February 24, 1942, to all the British Columbia members and, I take it, to the Prime Minister. It reads as follows:

Owing to widespread public alarm over enemy aliens on the Pacific coast and especially respecting those astride vital defence points and with a view to stabilizing public opinion and in the interest of public safety the undersigned met and now urge—

1. That military authorities be immediately authorized to remove enemy aliens from any and all points considered by military authorities essential in the interests of proper and adequate defence and public safety.

2. That the evacuation of all those of Japanese origin from the Pacific coast area be proceeded with immediately and plans to this effect announced.

And that is signed by whom, do you think? It is signed by:

M. C. Robinson, chairman; Austin C. Taylor; J. H. Roaf; J. A. Clark; B. O. Moxon; J. P. Fell; B. Showler—

The head of the American Federation of Labour in British Columbia, and a splendid man.

—Harold E. Winch, M.L.A.—

The leader of the C.C.F. in British Columbia.

C. J. McNeely; Mrs. F. J. Rolston, M.L.A.; E. Buckerfield; Grant MacNeil, M.L.A.—

C.C.F. member in the British Columbia legislature, who was formerly a member of this house and whom we all respected highly.

Mr. CRUICKSHANK: That is racial hatred!

Mr. GREEN: The signatures continue:

J. C. Hammett; James Hamilton; P. A. Woodward; Victor Spencer; W. G. Murrin; Henry Macken; A. E. Jukes; A. P. Allison; Oscar Erickson; C. S. Williams; J. Bruce Haggart.

Mr. NICHOLSON: What year was that?

Mr. GREEN: That was February 24, 1942.

Mr. MACKENZIE: That is a very good group.

Mr. GREEN: It does not fit in very well with charges that we have all been acting on the basis of racial hatred.

Mr. MACKENZIE: Did Mr. Winch sign that?

Mr. GREEN: Mr. Winch and Mr. MacNeil signed it; they were both C.C.F. representatives. Mr. Winch was leader of the C.C.F. opposition in British Columbia, and still is.

I have here also a clipping from an article by Elmore Philpott, one of our leading columnists. While he said he was supporting me in the last election—for which I am very thankful; it shows his good judgment—by and large he has been supporting the candidates of my hon. friends to the left.

Mr. COLDWELL: He was Liberal-minded in 1945.

Mr. GREEN: In February, 1942, he said:

> Nobody needs to be a secret service agent to know that a Japanese fifth column will work wherever the Japanese government wants it to work. It is not a question of the loyalty or disloyalty of individual Japanese, native born or otherwise. In a total population of some 25,000 there is no conceivable way of keeping the Japanese government from planting or employing active fifth columnists to do whatever it wants done.
>
> The entire Japanese population should be moved from this coast as soon as it is humanly possible. That means now—before an actual military action can take place.

But to get back to the boats: Many of the boats which were taken in were high-powered ones. I have spoken to men who inspected them, and they said it was amazing to find these boats which could go right across the Pacific. They were not ordinary fishing boats at all, but were boats with great power. I do not think there is anyone in British Columbia who will question the fact that Japanese naval men were trained in fishing boats on the Canadian coast. That was done on every other coast where they landed, and a person would be childish to think it was not also done on our own coast.

Mr. MacINNIS: Can the hon. member state for a fact that it was done on the coast?

Mr. GREEN: All I can say to my hon. friend is that I have been told that by people who are reliable, and I am convinced that it was done.

Mr. HOMUTH: Would the hon. member for Vancouver East say that it was not done?

Mr. MacINNIS: That would not be accepted in a court of law. My hon. friend is a lawyer, and he knows very well that what he is saying would not be taken in a court of law.

[Mr. Green.]

Mr. FULTON: The court might take judicial notice.

Mr. GREEN: I do not think either that there can be any question that had Japanese troops landed on the Pacific coast they would have obtained great help from at least some of the Japanese who were there at the time. There would have been a great many unpleasant happenings such as occurred in Nanking, Singapore and everywhere else they went. I must urge that the people of the Pacific coast are entitled to protection from such a situation ever arising again. I do not think Canadians in other parts of the country have the right to expect Canadians on the Pacific coast to face the possibility of such happenings ten years from now or even a hundred years from now. We were nearly caught once; let us not get into a position where we can be caught again. I have great faith in the common sense of the members of this house, and I believe the great majority will agree that my request is reasonable.

The Japanese are now out of the fishing on the coast, and that policy should be maintained. Of course this order in council is to be continued only for a year, with the possibility of the bill being extended for another year. I suggest that, as far as fishing is concerned, it should be made the permanent policy, and not a matter of only a short time; that the policy laid down twenty or twenty-five years ago should not be dropped at this time.

Finally, to come to the question of relocation, as I understand the government policy —and again I would ask the Minister of Labour to correct me if I am wrong—it is one of dispersal and resettlement. To get the Japanese dispersed is only part of the solution; they also have to be resettled, and I am afraid that part of the policy is far from complete. One reason I say that is that on March 31 of this year there were still 6,618 Japanese in British Columbia.

Mr. MITCHELL: That is east of the Rockies?

Mr. GREEN: No; that is in British Columbia west of the Rockies. That is about one in three, and is far greater than the proportion of Japanese we should have if they are to be dispersed on the basis of population. I am afraid what has been happening is that many of what I might call the more stubborn and scheming Japanese have refused to come east. Japanese have never been forced to come east at any time; they have been persuaded by the government to do so. I think the tough ones have remained in the interior

of British Columbia, with the idea that as soon as the protected zone is removed they will simply move back to the coast. The result, of course, would be that those who have not been playing the game with the government would get the benefit, while those who accepted the removal and came back east and tried to get resettled will be landed back here in the east, and the others back on the coast will be laughing at them. I think that is the position; the tough ones are just refusing to move from British Columbia; they are just staying there waiting until they can get back to the coast. That impression is verified by a statement made by a Japanese spokesman in Alberta on September 10, according to a clipping of the same date from the Vancouver *Province* headed "3,500 Japanese evacuees eager to return to coast." It is a dispatch from Raymond, Alberta:

"Nearly every last one of the 3,500 Japanese evacuees in southern Alberta would rush back to the coast immediately if authorities permitted us to return to British Columbia."

That was the opinion expressed by a spokesman here for the Japanese as he described "the almost desperate anxiety" of his fellow countrymen to be permitted to return to their former places of residence and employment.

"Most of us have been in southern Alberta for more than four and a half years now and have helped raise five crops of sugar beets," the former operator of a small store in Vancouver explained. "But we have not become accustomed to this part of Canada or to the kind of work we must do. We would like to go back to the coast, where the climate is better and where we might be able to return to our former occupations."

Another reason I say the policy is not yet complete is that very few are moving east of the Rockies now. On the minister's own figures I find that only 132 moved east of the Rockies between January 31 and March 31.

Mr. MITCHELL: You would not expect them to move at this time of year.

Mr. GREEN: I must admit that I do not want to move here myself in the winter.

Mr. MITCHELL: I would not want to move into Saskatchewan or Ontario, for that matter, in January, February or March.

Mr. GREEN: Then I have a statement by the premier of Alberta on February 12 of this year, at Edmonton, in which he is quoted as follows:

Premier Manning said Tuesday the Alberta government has reminded the dominion government several times since the end of the war of the agreement that Japanese placed in this province after their evacuation from the Pacific coast would be removed.

So not only are the Japanese in Alberta anxious to move; the Alberta government is insisting that the dominion carry out its agreement with the province, which was that the Japanese relocated there would be removed at the end of the war.

An hon. MEMBER: Did they suggest where they might be moved?

Mr. GREEN: No, not yet. Then I have the opinion of the deputy minister of labour in regard to the present position of this dispersal policy. I am quoting from *The New Canadian*, published by the Japanese, dated February 8, 1947. It is a very interesting paper. The heading is: "May Seek Control of Evacuee Movement for Two Years". The dispatch reads:

Ottawa.—Special legislation which would give the Department of Labour power to control the movement of Japanese in Canada for at least two years more may be sought from parliament this session, it was indicated here February 4 by Arthur MacNamara, deputy minister of labour.

Mr. MacNamara said that such legislation might be sought in an effort to prevent a general movement of Japanese back to the province of British Columbia where the bulk of Japanese lived prior to Pearl Harbor.

"Our hope is that the Japanese who are spread throughout the east and west will settle down where they now are. However, it will take time to get them satisfactorily settled and merged into the economy of the other provinces," he pointed out.

"In this respect we feel that we should have control over their movements for at least two years more."

Personally I believe that the government can prevent congestion only by maintaining the whole of British Columbia as a protected zone; not only the coastal area, because that would be unfair to the interior of the province, but the whole of British Columbia. That would mean some Japanese would be there by permit, but there would be control over the movement. So I ask that the protected area be maintained. One year will certainly not ensure either dispersal or resettlement. I appeal to the committee to give consideration to these facts, and if they do so I am sure they will support the pleas of all the members from British Columbia with the exception of the hon. member for Vancouver East, and perhaps the other C.C.F. members who have not said "boo" about this matter yet.

Finally, there is one other feature of the Japanese question, and that is the matter of future immigration. It does not come directly under these orders in council, but I would remind members of the government that on August 4, 1944, the Prime Minister said:

. . the government is of the view that, having regard to the strong feeling that has

been aroused against the Japanese during the war and to the extreme difficulty of assimilating Japanese persons in Canada, immigration of Japanese into this country should not be allowed after the war. It is realized, of course, that no declaration of this type can or should be attempted which would be binding indefinitely into the future. Nevertheless, as a guiding principle in the years after the war, it is felt that the migration of Japanese should not be permitted.

The question of the immigration of orientals is up this year. I do hope the government will keep in mind the statement of policy on Japanese immigration which was announced by the Prime Minister on August 4, three years ago.

Mr. HERRIDGE: As a member from the interior of British Columbia, and after what has been said this evening by the Minister of Veterans Affairs and the hon. member for Vancouver South, I should like to add a few words in order that the committee may have the right perspective in the situation.

I admit, in the first place, that in the coastal areas there is a considerable body of opinion which is opposed to the return of the Japanese. But I think, at the same time, a great deal of that opinion has been artifically stimulated by speeches such as we hear in the house.

Before going farther, I wish to say this in fairness to the government and to the Minister of Labour that, under the circumstances, and speaking generally, I believe the government did a fair and reasonable job in handling the Japanese situation. In view of the hysteria and the pressure from within their own ranks, I think they were reasonably fair and decent about the matter.

But I rise tonight to support the point of view which has been advanced by the hon. member for Vancouver East and the hon. member for Moose Jaw. I do so in the first instance, because I come from a riding in which there were large numbers of Japanese residing during the war, after the evacuation from the coast.

During my election campaign I made clear where I stood on the question of race, creed and colour. I ran my campaign on the basis of the principles set out in the Regina manifesto, and I do not intend to desert those principles, even if I lose every vote in my constituency at the next election.

As hon. members know, the Regina manifesto was opposed to any discrimination as to race, colour or creed. That is the fundamental basis of the attitude of the C.C.F. I believe the C.C.F. group in Canada is the only movement which has consistently adopted that attitude throughout these difficult years.

[Mr. Green.]

The question of the removal of the Japanese from the coast was brought up by the hon. member for Vancouver South. He read a telegram in that connection, in which were included members of several parties, including representatives of the legislature. Everyone knows that in British Columbia all parties supported the removal of the Japanese from the coast at that time. One must view the situation differently today from what he did at that time. Then we had an emergency situation, a situation in which there was some hysteria and a great deal of concern regarding the defence of our coast. We cannot justify our peacetime action on the basis of what we do under the urgent necessities of war.

Before going farther, may I say that not only because I believe in the principles of the Regina manifesto, but because I believe in the principles that Canada has supported in the united nations charter, I support the proposal made by the previous speakers.

I served in the first great war for three years, and I remember that on many occasions chaps like myself had discussions. That war was, in some respects, more bloody and more costly in loss of infantry than was the one through which we have just passed. The Canadian troops in the first great war suffered some ghastly experiences.

I remember one occasion when, along with some others, we captured a trench, and occupied it. To be specific, it was Regina trench, on the Somme. At that time we captured a German officer. Then we had to clear up the trench, and bandage the officer. That was the first time I began seriously to consider this question. We sat in that trench for the remainder of the night—that wounded German officer, along with wounded Canadians and others who were not wounded—discussing this whole situation. All of that small group of men that night decided that, whatever happened in the future, they would do what they could to prevent the recurrence of such a disaster to mankind.

After the first great war, along with many others I heartily supported the league of nations. We saw its ghastly failure, not through lack of interest of the little man or the common people, but through betrayal of those at the top. We have now gone through another war, and this time the united nations organization has been set up. Under it, certain principles have been established, and Canada has confirmed and endorsed those principles.

Now, right in this House of Commons tonight, we hear the Minister of Veterans

Affairs rationalize or try to justify—and he is a minister of the cabinet—a desertion of those very principles, and at this early stage.

Canada is pledged to the principles of the united nations, including article 55, paragraph (c) of which reads:

> Universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language or religion.

Because we have pledged ourselves to that, I take the stand as I do tonight, with other hon. members who have spoken. After listening to the Minister of Veterans Affairs rationalizing his point of view toward the charter of the united nations, and his attitude toward the Japanese situation, I would presume that that is what he would call a compensated argument.

Mr. GREEN: May I ask a question? What about paragraph 7 of article 2 which reads:

> Nothing contained in the present charter shall authorize the united nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the members to submit such matters to settlement under the present charter; but this principle shall not prejudice the application of enforcement measures under chapter VII.

This last chapter, as the hon. member knows, applies only to war.

Mr. HERRIDGE: In answer to that, I would say that the whole spirit of the principles of the united nations would indicate that questions of race, colour and creed were international questions, and not national questions within the confines of a nation itself.

We have heard the argument advanced which would indicate that the great majority of people in the coastal part of British Columbia are opposed to the return of the Japanese. I shall try to be as brief as possible, but in that connection I would quote from the Vancouver *Daily Province* of February 21, 1946. I shall quote only a portion of the editorial, but would ask hon. members to bear in mind that daily papers are not in the habit of publishing unpopular editorials.

This deals with the Japanese situation. It is a newspaper which, I believe, supports hon. members to my extreme right, and it has this to say when dealing with the Japanese question:

> There are certain rights which are vital and fundamental. They should not be subject to revocation or destruction or interference. They should be sacred. Citizenship is one of these rights. The people of the United States long ago, saw to it that their fundamental rights were safeguarded. They placed a Bill of Rights in their constitution, and no president, no state or federal administration, no congress or court can interfere with them.

We have no such Bill of Rights in Canada, and incidents have arisen repeatedly in the past few years to show that we should have one. There was the padlock law in Quebec. There was the attempt of the Alberta government to destroy the freedom of the press. There was the bid of the present federal government only a few months ago for unheard-of powers under the Emergency Powers Act. And now there is this judgment.

> Seven hundred thousand Canadians fought recently to protect fundamental rights. Tens of thousands laid down their lives. Are we going, now, to allow these fundamental rights to go by default? Or are we going to do something to guarantee them?

That is why I take the position I have taken tonight. I believe it is time we did something about guaranteeing them, and this is a step in the right direction.

The hon. member for Vancouver South I believe was born in a small city in my constituency, the city of Kaslo. Unless I am misinformed, when the matter of bringing the Japanese into the interior was first mooted the hon. member for Vancouver South used every effort to prevent the Japanese from being sent to Kaslo. The hon. member will correct me if I am wrong in my statement. That was done because it was stated to be in opposition to the wishes of the residents of Kaslo.

Mr. GREEN: Some of the people wanted them, the merchants for example, because of the business that would be done; the legion did not want them, it was about fifty-fifty.

Mr. HERRIDGE: That is the point I was about to make. As in other small districts, there was a minority opposition, and that opposition was based upon what they had read in certain papers and what had been said by certain gentlemen. After they came to know these people better, after they had cooperated with them they began to understand them. I can understand that because of what happened in my own small unincorporated village of some 750 people. There was a minority opposition to their coming to that place but, after they had worked in various households, in the mills and on the farms—quite a number of farmers took them —and after some of them joined the Canadian Legion, that attitude changed and it has largely disappeared. I should like to read an editorial from the *Kootenaian* published in Kaslo, B.C. Weekly newspapers are not in the habit of publishing editorials which are against the general opinion of their subscribers, because most weekly papers published in small districts exist on a very narrow margin. If it were not for advertising and things of that sort they

could not exist. This is what was said in the *Kootenaian* of December 27, 1945, when the movement first commenced:

No wholesale deportation of our Canadian Japanese

We have lived with our Canadian Japanese in Kaslo for nearly four years, and we have seen them maintain their homes calmly under conditions that would have been the subject of much protest by any of the rest of us. We have watched neat, well groomed school children emerge daily from cramped, crowded family quarters, and we have noted the respect and companionship of our own school students for their Japanese classmates. We have worked in the same shop with a group of Japanese Canadian men, and have noted how naturally many of these have fitted into the business, industrial and athletic life of our city. We have seen professional and university trained men and women submit patiently to extraordinary restrictions in the war-time emergency just passed. We have noted the difference between the federal government's dispersal attitude toward our Japanese (as enunciated by Premier King in September of 1944), and the apparent total deportation policy of the coast men, entrusted by Ottawa with the handling of Japanese affairs in B.C. We have heard otherwise sane white residents of Victoria and Vancouver declare that every Jap should be driven out of Canada by force. And we have also read that excellent, fair and unanswerable letter which appeared in a recent issue of the Nelson *News*, where a Christian citizen, without bias in one direction or the other, points out our obvious duty as Canadians to fight any such Hitlerian action in connection with our Japanese, or any other racial minority.

Mr. GREEN: Is the hon. member aware of the fact that the editor was one of those who urged that the Japanese be brought in?

Mr. HERRIDGE: I am quite aware of that.

Mr. GREEN: And he came from the prairies.

Mr. HERRIDGE: I might say that this editor is a Liberal.

Mr. COLDWELL: With a small "l"?

Mr. HERRIDGE: With a small "l" as well. The editorial continues:

We review the issues which precipitated the war just over in Europe, and we wonder if these race haters actually think they can get away with such sectionalism in our young Canadian democracy. We look across the line to U.S., and note the comparative fairness of treatment of American Japanese, many of whom have been given full citizenship privileges, and all of whom were given an opportunity to enlist and to fight for the country of their adoption.

We note all these things, and many more, and we have decided that the anti-Japanese party in B.C. have never learned to view this as a national problem; their experience with Japanese competition, and their resultant dislike, has clouded their national vision.

[Mr. Herridge.]

The Canadian Japanese are ready to fight for their rights, and no less an authority than the Winnipeg *Free Press* sums up an editorial championing their fight against deportation, in the following paragraph:

"Neither the naturalization nor the immigration acts would appear to permit a general indictment to be made against Canadian citizens of Japanese birth, or even Japanese nationals resident in Canada. Each man, unless willing to go, must be tried and pronounced unfit to remain in this country."

Well informed Japanese Canadians have long since decided that their future as Canadian citizens depends on a dispersal throughout Canada. And the federal government should assign so many to each of the provinces with B.C. of course taking her quota. We firmly believe that their industry, thrift, cleanliness and adaptability will quickly win them friends wherever they go, and as a result our Japanese problem would solve itself.

I have had letters from people of all political faiths. I have received letters from dozens and dozens of members of the Progressive Conservative party in my riding, some of which expressed disappointment at the attitude taken by many of their own members. I have had letters from members of the Liberal party and from members of church groups, labour groups and from many other people. The point of view expressed by some hon. members is not a fair presentation of the situation. In the coastal region there are substantial numbers who are opposed to the return of the Japanese, but I would say that a great majority of the people in the interior would like to see the Japanese treated as Canadian citizens.

I wish to quote one or two authorities tc hon. members opposite, particularly the Minister of Veterans Affairs who is so oratorical when it comes to the principles of Liberalism.

Mr. MACKENZIE: I have never deserted them, as my hon. friend did.

Mr. HERRIDGE: I never deserted the real principles of liberalism, with a small "l". The first authority I should like to quote from is, "Liberalism. Its principles and proposals." By Herbert Samuel, one of the great authorities of the Liberal party in Great Britain. I do not think anyone will question the authority of so prominent a Liberal. He has this to say on an issue like this:

That it is the duty of the state to secure to all its members, and all others whom it can influence, the fullest possible opportunity to lead the best life.

And again:

The trunk of the tree of Liberalism is rooted in the soil of ethics.

The next authority is, "Liberalism" by L. T. Hobhouse, and I quote:

So far as elementary rights are concerned there can be no question as to the attitude of Liberalism.

It stands for the freedom of the subject.

In conclusion, I appeal to the government and to hon. members opposite to return to the principles of Liberalism. I appeal to them to be liberal in every sense of the word and give these people justice, give these people their rights. During the whole debate this evening the face of the Minister of Labour has been beet red and I am sure he has been uncomfortable.

Mr. MITCHELL: The speech my hon. friend is making would not turn any man's face red; it would turn it green.

Mr. HERRIDGE: My speech was not the occasion of the minister's face turning red; it has been red since nine o'clock. I ask the members of the government—and there are a lot of men on the opposite benches who think differently from some of the members from British Columbia—to consider this problem from the point of view of the Liberal principles which they profess.

Progress reported.

It being three minutes after eleven o'clock, the house adjourned, without question put, pursuant to standing order.

Wednesday, April 23, 1947

The house met at three o'clock.

REPORT OF COMMITTEE

Second report of the standing committee on railways, canals and telegraph lines.—Mr. Breithaupt.

CANADIAN NATIONAL RAILWAYS

REFERENCE OF BUDGET TO RAILWAYS AND SHIPPING COMMITTEE

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, I wish to lay on the table the budget of the Canadian National Railways and the Canadian National (West Indies) Steamships Limited for the calendar year 1947. By leave of the house I move:

That the budget of the Canadian National Railways and the Canadian National (West Indies) Steamships Limited for the calendar year 1947, tabled this day, be referred to the sessional committee on railways and shipping owned, operated and controlled by the government.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

INCOME TAX—EXPENSES INCURRED IN OPERATION OF MOTOR CAR

Mr. WEBB:

1. Has a general ruling been issued by the taxation division of the Department of National Revenue regarding the deductibility by a salaried taxpayer in ascertaining his net assessable income of expenses incurred in the operation of a motor car in connection with his business?

2. If so, what is such ruling?

Mr. McCANN: No general ruling has been issued.

CANADIAN CITIZENSHIP—APPLICATIONS FOR CERTIFICATES

Mr. TUCKER:

How many applications have there been for Canadian citizenship certificates under the new citizenship act?

Mr. GIBSON (Hamilton West): 9,250.

WAR ASSETS—PRIORITIES

Mr. RAYMOND (Beauharnois-Laprairie):

1. Does the war assets corporation grant priorities for the purchase of assets dealt with by such corporation?

2. If so (a) to whom; (b) in what order; (c) are there any formalities to be complied with in order to obtain such priorities; (d) are such priorities granted by right under the rules made by the war assets corporation?

Mr. McILRAITH:

1. Yes.

2. (a) and (b) Priority is given to requests received from Dominion Government Departments or Agencies; Provincial Governments; Municipalities; and Public Bodies; in the order stated, providing the requests cover only war surplus which

(i) is required by the claimant for its own use and is not intended for resale, and

(ii) is not required by the claimant for the manufacture of goods which are for sale in commercial markets.

There is one exception to the foregoing proviso:—

Government sponsored low-cost emergency housing projects are given first priority on certain buildings, lands and materials salvaged from demolished buildings.

(c) Yes, the priority claimant must provide satisfactory proof that it falls within one of the four priority groups listed above.

(d) No. Priorities in the order stated above were established on the recommendation of

the Crown Assets Allocation Committee and subsequently confirmed by the Right Honourable the Minister of Reconstruction and Supply.

DISTRICT DIRECTOR OF POSTAL SERVICES, MOOSE JAW

Mr. THATCHER:

1. Has the position of "District Director of Postal Services" at Moose Jaw been abolished?
2. If so, for what reason?

Mr. BERTRAND (Laurier): On Thursday last the hon. member for Queens asked about certain changes in postal service organization with particular reference to their effect on Prince Edward Island. I have also received an inquiry from the hon. member for Rosthern respecting the Moose Jaw postal district.

Briefly stated, we have set up positions of regional directors of postal service in an endeavour to promote increased efficiency. There are only five such positions of senior rank, obviously not enough to go around on a provincial basis. Actually it would be impossible to organize an efficient postal service on provincial boundary lines.

Thirteen positions of district inspector of postal service have been established to look after purely inspectional duties of former district directors. Inspectors will be maintained at Charlottetown and Moose Jaw.

At the same time we have restored the position of postmaster at the more important offices, including Charlottetown and Moose Jaw. This has meant changes in titles and a certain shifting of responsibilities, but I can assure my honourable friends that no harm will come to any province because of anything we are doing in our internal organization. Indeed, the changes are made, as I have already indicated, with a view to a better postal service.

DIRECTOR OF MERCHANT SEAMEN

Mr. HERRIDGE:

1. When did G. L. C. Johnson, director of merchant seamen, first enter Canada for permanent residence?
2. What is his citizenship status at the present time?
3. Was he granted citizenship? If so, on what date?
4. On whose recommendation was he appointed director of merchant seamen?
5. Were any seamen's organizations consulted previous to his appointment?
6. What marine certificates does he hold?
7. What seagoing experience has he had?
8. What administrative experience has he had?
9. What are his general educational qualifications?

[Mr. McIlraith.]

Mr. CHEVRIER:

1. April 29, 1941.

2. Canadian.

3. As a British subject, acquired citizenship through domicile in Canada.

4. On the recommendation of Mr. Arthur Randles, at that time director of merchant seamen, and approved by the Minister of Transport.

5. No.

6. Foreign-going master.

7. Through regular stages of cadet and officer to permanent master at age of 28.

Served in naval transports during war of 1914-18.

After several years in command became a maritime pilot in Chinese waters.

Acted as nautical assessor in admiralty division.

8. Manager and secretary of Tientsin and Takubar Pilot Association, North China, for 12 years.

Regional director, Montreal and Vancouver Manning pools, 5 years.

Director of Merchant Seamen—14 months.

9. Private and public schools in Staffordshire, England until commencement of sea career at age of 16.

PAN-AMERICAN UNION

Mr. CHURCH:

1. Has there been any change since last session regarding Canada joining the so-called pan-American union?
2. If so, what changes have been made in this policy since then?
3. Can Canada, as one of the overseas dominions, join this union without the consent of the governments of Great Britain and the other dominions?

Mr. ST. LAURENT:

1. No.

2. Answered by No. 1.

3. Yes.

QUESTIONS PASSED AS ORDERS FOR RETURNS

INCOME TAX—CAMPBELLTON, N.B., OFFICE

Mr. BROOKS:

1. Has a date been set for the opening of the proposed office of the Income Tax Department at Campbellton, New Brunswick?
2. Have offices been rented?
3. If so, from whom and what rental per month?
4. Are repairs and alterations necessary and what is the estimated cost for same?

EXAMINER OF PUBLICATIONS

Mr. KNIGHT:

1. Is an author or a publisher of a book printed or published in Canada compelled to submit it to any government department for censorship?
2. If so, under what circumstances, is he so compelled?
3. What is the name of the examiner of publications now on superannuation leave?
4. Whas are his background and training with reference to his work as a censor?
5. What is the name of the general executive assistant now carrying on the duties of censorship?
6. What are his background, standard of education, and training with reference to such duties?
7. Is the official mentioned in question number five responsible for the censorship of books entering Canada?
8. Does he personally read and pass judgment upon such books?
9. Is there a committee or group of assistants to aid this official in his work of censorship?
10. If so, what are the names of the members of such group or committee?
11. Are any individuals or groups of individuals ever (or customarily) consulted before prohibitive censorship is exercised in any given case?
12. If so (a) who are those individuals; (b) what are those organizations?
13. Is there any appeal from the decision of the Examiner of Publications?
14. If so (a) to what body is such appeal addressed; (b) what is the procedure followed in making such an appeal?

MILLTOWN, N.B., POSTMASTER

Mr. BROOKS:

1. Who is the present postmaster at Milltown, New Brunswick?
2. Does the present incumbent hold the office as a permanent or temporary employee?
3. Was a competitive examination held within the last year to fill this position?
4. If so (a) when; (b) what are the names of applicants; (c) who was the applicant obtaining the highest marks?
5. If present incumbent is a temporary employee, when will a permanent appointment be made?

CAPE BRETON HIGHLANDS NATIONAL PARK

Mr. BLACK (Cumberland):

1. Who is the superintendent or resident person in charge of the Cape Breton Highlands national park, stating his experience and qualifications?
2. What amounts were paid him during the years 1945 and 1946 in (a) salary; (b) travelling expenses; (c) car and other allowances or expenses?
3. Who were the park wardens for the years 1945 and 1946 stating where located, their duties, salaries, travelling and other expenses?
4. What was expended during the years 1945 and 1946 on the golf course for (a) improvements; (b) maintenance, stating the number of men employed in playing season?
5. What was the total amount expended on the park during the years 1945 and 1946 for (a) improvements; (b) maintenance, and on the highways?
6. Were any construction tenders called or contracts let in 1945, 1946 and 1947, and if so for what work, to whom let and for what amounts?
7. Who were the foremen in charge of the maintenance of highways, where located and remuneration and expenses paid?
8. Was J. P. MacMillan employed in 1945 and 1946 in connection with the park, and, if so, in what capacity and what remuneration and expenses were paid him?

COMMONWEALTH CONSTRUCTION COMPANY

Mr. KNOWLES:

1. Have any government contracts been awarded to the Commonwealth Construction Company, Limited, of Winnipeg?
2. If so, what are the dates thereof, what is the nature of such contracts, and what amount of money is involved in each?

MOTIONS FOR PAPERS

PASSPORTS

Mr. POULIOT:

For a copy of all regulations of the Department of External Affairs concerning the issue of passports?

Mr. ST. LAURENT: These are departmental regulations which are not intended for general circulation, but I shall be glad to table them and to table at the same time an order in council passed on March 6, 1947, which will require some modification of these departmental regulations with respect to diplomatic passports.

Mr. POULIOT: I thank the right hon. gentleman, but what I wanted mostly to know was why the applications for passports are considered confidential when the passport is a public document.

SURVEY OF FLUID MILK DISTRIBUTION

Mr. KNOWLES:

For a copy of the survey of fluid milk distribution in Canada, prepared by the accounting division of the wartime prices and trade board, for the year 1941, and any similar reports prepared for any subsequent period.

Mr. MAYHEW: The documents asked for in this motion are interdepartmental documents which are privileged. I must ask that this motion be dropped.

Mr. KNOWLES: May I ask the parliamentary assistant one question? Is he aware of the fact that some twenty copies of this report were made available to the counsel of the milk distributors of Ontario?

Mr. MAYHEW: I made inquiry as to that report and I find that, so far as the department

is concerned and so far as the government is concerned, there has been no official report circulated. If any has been released, it has been without the authority of the government.

Mr. COLDWELL: May I ask the parliamentary assistant if copies of the report were provided unofficially to the milk distributors, or got into their hands unofficially? If so, I think the house is entitled to what the milk distributors had.

Mr. MAYHEW: Not so far as we know. We have not recognized anything.

Mr. Knowles: Is it true that they got them?

Mr. SPEAKER: Order. Motion dropped.

BEAUHARNOIS LIGHT, HEAT AND POWER COMPANY

Mr. CHURCH:

For a copy of all correspondence, letters, telegrams, reports and other documents exchanged between the government of Canada or any department or officer thereof and any officer of the Beauharnois Light, Heat and Power Company regarding the company's application for the right to use additional water from the St. Lawrence river for light and power purposes of the said company, also a copy of all correspondence exchanged between the government of Canada and any of the provinces or the state of New York or the federal government of the United States of America, or any officer thereof with reference to the matters herein.

EMPIRE DEFENCE POLICY

Mr. CHURCH:

For a copy of all telegrams, cables and other correspondence exchanged since the last great war, between the government of Canada and the governments of Great Britain and the other dominions or crown colonies of the empire, regarding a common defence policy for the defence of the empire in the future.

Mr. ST. LAURENT: Mr. Speaker, there has been no correspondence since the great war between the government of Canada and the government of Great Britain and the other dominions or crown colonies of the empire regarding a common defence policy for the defence of the empire in the future. There are constantly exchanges between governments with respect to their respective defence forces, but none of this correspondence could be published without the consent of the other governments. It is the view of the Canadian government that it would not be in the public interest to publish these exchanges at this time and that we should not request the consent of the other governments to do so. I would ask the hon. gentleman if he would not withdraw his motion.

[Mr. Mayhew.]

Mr. CHURCH: May I say to the right hon. gentleman that I think we should have some papers connected with it. There are no meetings and no defence policies of any kind.

Mr. SPEAKER: Dropped.

INCOME TAX—FARMERS

Mr. COLDWELL:

For a statement showing the number of farmers filing income tax returns and the number assessed for the fiscal year 1945-1946, together with the number of farmers, by provinces, assessable, non-assessable, and assessed for the same year; and also the number of farms in Canada according to the 1941 census, together with the percentages, by provinces, of farmers filing returns and farmers assessable.

QUEBEC NORTH SHORE AND LABRADOR RAILWAY

Mr. CHURCH:

For a copy of all letters, telegrams, reports and other documents exchanged during the years 1946 and 1947 between the government of Canada or any officer thereof and the provisional government of Newfoundland and Labrador or their trustee and the government of Great Britain, with respect to the Quebec North Shore and Labrador railway company.

Mr. ST. LAURENT: There has been no correspondence between the government of Canada or any officer thereof and the government of the United Kingdom during the years mentioned, 1946 and 1947, with respect to the Quebec North Shore and Labrador Railway Company, or between the government of Canada and the government of Newfoundland or any officer thereof. The only thing that is on the file is a request from Canada's high commissioner in Newfoundland communicating to us a request made to him for a copy of Bill 106, which was passed as Bill "H" of the senate. I shall be glad to table a copy of the portion of the communication from our high commissioner dealing with that request.

Mr. SPEAKER: Carried with the reservation made by the minister.

UNITED NATIONS

SECURITY COUNCIL—DELIBERATIONS OF MILITARY STAFF COMMITTEE

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I wish to direct an inquiry to the Secretary of State for External Affairs. A report from Lake Success, dated April 20, indicates that the military staff committee of the security council has decided to limit in size the proposed international police force to one that would have power to punish only small international

wrongdoers and let wrongs committed by the larger powers perhaps go unpunished. Has Canada been invited, in accordance with article 47 of the united nations charter, to sit in on this military staff committee's deliberations? If not, how closely has Canada been kept informed as to the deliberations of that committee?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I am afraid that the report referred to by the hon. member as a basis for his question is rather speculative. As a matter of fact we are informed that no report has been made by the military staff committee of the security council, and that its sessions so far have been held in camera. Answering the other portion of the question, Canada has not been invited by the military staff committee to participate in its present deliberations.

LABOUR CONDITIONS

INQUIRY RESPECTING AUTHORIZATION FOR ADMISSION OF EUROPEANS TO CANADA

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I wish to direct a question to the Minister of Labour. Was an order in council passed authorizing Mr. Dionne's visit to Europe and for the admission of labour to Canada for employment in the textile industry?

Mr. GRAYDON: Which Mr. Dionne?

Mr. COLDWELL: Mr. Dionne, the hon. member for Beauce. If so, will the minister please table that order in council?

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, I do not know why, but I expected that someone would ask that question. I shall table the order, but I think I should read a few words from it so that they will be on record:

> . . . the Dionne Spinning Mill Company of St. George, Beauce, Quebec, have applied for the admission to Canada from Europe of one hundred women for training and employment as textile workers in the company's mills at wages as required by the law of the province of Quebec regulating the salaries and conditions of work of textile industries in that province.

Mr. COLDWELL: The minister is tabling the order in council?

Mr. MITCHELL: Yes.

PRIVILEGE

MR. DIEFENBAKER—ATTENDANCE IN HOUSE—JAPANESE QUESTION

Mr. J. G. DIEFENBAKER (Lake Centre): I was absent from the house last evening. I am seldom absent, but while I was away the hon. member for Vancouver East (Mr. MacInnis) made the following statement, as reported at page 2316 of *Hansard*:

> It is strange to me that the hon. member for Lake Centre, who talks so much about freedom, happens to be absent from the house every time this issue comes up.

My first point is that this statement is untrue; I have not been absent on previous occasions. Last evening I had an appointment that took me out of the house. Then there was a remark by the hon. member for Winnipeg North Centre (Mr. Knowles): "He was here at nine o'clock". For the first time this identifies that hon. gentleman as the head of the secret attendance police of the house; he mentions the hour I was still here. I am going to be absent this afternoon, Mr. Speaker, by reason of a prior appointment. I want to say that my attitude has never changed, and aspersions such as those do not detract from that fact. I am opposed to any discrimination against Canadians, regardless of their race or creed.

BUTTER

HOARDING IN ANTICIPATION OF INCREASED PRICES

On the orders of the day:

Mrs. GLADYS STRUM (Qu'Appelle): Will the Minister of Agriculture assure the house that steps will be taken to prevent firms who are hoarding butter from profiteering at the expense of the Canadian people, in view of the rumoured increase in the price of butter?

Right Hon. J. G. GARDINER (Minister of Agriculture): Action was taken some time ago to make that impossible.

Mrs. STRUM: Will the minister please tell us just what that means, and how it is to be applied?

Mr. GARDINER: I should not like to attempt to go into all the details at the moment. I think it can be applied very effectively by means of operations that will be carried out by the Department of Agriculture and the prices board.

VETERANS AFFAIRS

INQUIRY AS TO AMENDMENTS TO WAR VETERAN'S ALLOWANCE ACT

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): Will the Minister of Veterans Affairs say whether consideration is being given by the government to amending the War Veteran's Allowance Act to provide an

increase in the amount of the allowance both for veterans and for the widows of non-pensioned veterans?

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): It is not the intention of the government to introduce at the present session of parliament any amendments to the War Veteran's Allowance Act.

FOREIGN EXCHANGE

DISCOUNT ON CANADIAN BONDS AND STOCKS IN UNITED STATES MARKET

On the orders of the day:

Mr. ALAN COCKERAM (York South): In view of the fact that Dominion of Canada bonds are selling in New York at a discount of approximately 11½ per cent, and interlisted stocks at a discount of 15 per cent will the Minister of Finance inform the house what steps the government propose to take to cope with the increasingly adverse and critical exchange position as between Canada and the United States of America?

Hon. DOUGLAS ABBOTT (Minister of Finance): I do not think that is a question to be asked on the orders of the day, but appropriate action is being taken. I suggest that my hon. friend's friends sell their bonds in Canada.

CHEESE

NEGOTIATIONS WITH THE UNITED KINGDOM AS TO PRICE

On the orders of the day:

Mr. G. J. TUSTIN (Prince Edward-Lennox): Several days before the Easter recess the Minister of Agriculture stated in the house that negotiations were going on between his department and the food ministry of the United Kingdom in regard to the price of cheese for this year. I wonder if he is in a position to make a statement as yet.

Right Hon. J. G. GARDINER (Minister of Agriculture): I think at or about the same time I said consideration was being given to the possibility of adjusting the prices of all dairy products around May 1, in order to carry out the announced policy of doing something in regard to subsidies. I also made the statement about the same time that the whole matter was being considered by the advisory committee, which represents the provincial governments and farm organizations across Canada. We received the recommendations of that committee just this morning. Consideration is being given the whole matter, and an announcement will be made in accordance with the previous statement.

[Mr. Knowles.]

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Tuesday, April 22, consideration in committee of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war—Mr. Ilsley—Mr. Golding in the chair.

The DEPUTY CHAIRMAN: Last evening we were dealing with the labour department, and discussing order in council P.C. 946, and also P.C. 251, P.C. 1665, P.C. 469 and P.C. 7355.

Mr. POULIOT: I rise to a point of order. On April 1 the Right Hon. Secretary of State for External Affairs said, speaking of the consolidation which has been debated and discussed for the last three weeks, as reported at page 1919 of *Hansard:*

> . . . an office consolidation, which has no probative value whatsoever but is a compilation of the orders as they exist now, with the amendments made thereto. That consolidation is not a part of the bill. It is merely a document and one that could not be received in court, that would be no evidence of the orders in council.

I submit that according to the description given by a jurist of the experience and fame of the right hon. gentleman, it is evident that this committee has been engaged in a futile and frivolous discussion for the last three weeks. I entirely agree with the right hon. gentleman that this compendium has nothing to do with the bill, but it is precisely what has been discussed in vain by all hon. members who have taken part in the discussion. I do not see the use of members of parliament wasting their valuable time discussing something that will be of no value before the courts. Therefore, under standing order 59 I move that the committee rise and report progress.

Mr. ST. LAURENT: I think the hon. member is omitting to take into consideration some pertinent and important facts in connection with this matter. The first of those is that the orders in council mentioned in the schedule annexed to the bill are in force at the present time, are the law of the country and are to remain in force until May 15. They are orders in council which have been promulgated and published in the manner in which the law requires that that be done. The list of them is mentioned in the schedule to the bill and, for the convenience of hon. members, the orders in council were tabled before the second reading of the bill. The compendium or office consolidation was a convenient docu-

ment prepared so that hon. members would not have to have recourse to the various issues of the official gazette, or to the wartime orders publications, to have before them the text now in force.

The hon. member is right when he says that in the bill we are not dealing with the office consolidation. In it we are dealing with certain orders in council which are in force, which have been published and promulgated as required by law and with respect to which parliament is considering whether the expiry date should be May 15 or some subsequent date.

The DEPUTY CHAIRMAN: The hon. member for Temiscouata has moved under standing order 59 that the committee rise and report progress. The motion is not debatable. All in favour will please say yea.

An hon. MEMBER: There is no seconder.

Mr. POULIOT: Yea.

The DEPUTY CHAIRMAN: Those opposed will please say nay.

Some hon. MEMBERS: Nay.

The DEPUTY CHAIRMAN: In my opinion the nays have it.

Motion (Mr. Pouliot) negatived.

The DEPUTY CHAIRMAN: I might add that we have before the committee an amendment by the hon. member for Moose Jaw. At the adjournment last night the hon. member for New Westminster was about to speak.

Mr. REID: Mr. Chairman, it was not my intention to enter into the debate at this moment because I was waiting until the order in council having to do with Japanese fishing licences was before the committee. However, since an amendment has been moved I feel it incumbent upon me, particularly in view of some speeches made last night, to make some remarks now which would be pertinent to the five or six orders in council and the amendment before the committee.

Let me say first of all, with the hon. member for Vancouver South, that what we have to say in the matter is not influenced by nor does it emanate from racial hatred, a cry which is thrown at us so often when we speak about the Japanese question. The situation in this respect reminds me of the condition in some quarters of the country where certain individuals will not allow one even to mention the name of Russia. They raise their hands in holy horror if the name of that country is even mentioned. I do not know whether that pertains throughout all the provinces, but I do know that in British Columbia I have been challenged at times for even mentioning the name of that country, and because I have asked questions about it the accusation has been made against me that I am out to engender bad feeling between the two countries. I deprecate any such accusation. I want those in the house and outside of it who do not see eye to eye with me at least to recognize that my views are just as fair and as sincere as are their own. And if they are out to uphold this great democracy, then surely they will grant us at least that concession.

With respect to racial hatred I shall say something now which I do not think I have mentioned in the House of Commons before. I wonder, however, if one were out to arouse hatred—and I am not—which of the two would be worse, class hatred, of man against man, or racial hatred. I remember that in British Columbia in 1935, long before some hon. members came to the house, there was a reign of fear and intimidation. That took place previous to and in the 1935 election campaign throughout the Fraser valley and was engendered by supporters and adherents of the C.C.F.

An hon. MEMBER: No.

Mr. REID: And I say that without fear of successful contradiction. Two or three people around my own home town said, "We are afraid of what may happen to us." I had even to take my children out of school on one or two occasions. Oh, the hon. member for Vancouver East can laugh, but I hope he will allow me to say the things I have to say in all sincerity. I did not interrupt him when he was speaking.

Mr. MacINNIS: I did not interrupt my hon. friend. He went out of his way to make reference to me.

Mr. REID: But there was just the fear that he would. It was, as I say, a reign of fear and intimidation, and engendering of class hatreds; for they were pitting class against class.

Mr. MacINNIS: The hon. member did not like my sinister silence.

Mr. REID: The hon. member was talking last evening about racial hatred in this country. Well, I come from a land where a man can stand on a platform or a soapbox and say what he likes. They believe in the good sense of the people there, and I am one of them who believe the same.

An hon. MEMBER: A good Labour government.

Mr. REID: I will have something to say about that at the proper time, when probably I will discuss the hon. member's remarks. But the people of that country leave it to the good sense of the citizens. I am one who would like to leave it to the good sense of the people here. As a matter of fact, I should like to leave this entire question to the people of British Columbia.

The suggestion has been made by hon. members opposite that at least fifty per cent of the people of British Columbia, and perhaps a majority of them, are against what we stand for. I am going to ask those who take the opposite view to answer some questions when their turn comes to speak. For the past fourteen or fifteen years I have been asking certain questions in the House of Commons about the Japanese. I have also asked the civil liberties league, and I have even gone so far as to ask the Japanese themselves these same questions.

When the debates were on in the house last year and in the previous year the periodical known as the *New Canadian,* which I believe is sent to most members of parliament—free of charge, of course—printed excerpts from all the speeches on the Japanese question made by hon. members in the house. The excerpt they printed about my speech was this: "Tom Reid, the member for New Westminster, says that we are an unassimilable race, and that we owe allegiance to Japan." There were no further remarks. I then wrote them saying, "You have made that quotation; do you deny it? Do you deny that you owe allegiance to Japan in the first instance, that your first loyalty is to that country, and that each one of you is registered with it?" There was no answer. One would have thought surely that those of Japanese stock, those who were born in this country, those who were educated in our schools, would have something in their make-up similar to that which we ourselves have. Having quoted from my speech in the House of Commons it was passing strange that they would not reply to my inquiry.

Then we have the civil liberties league, another of the leagues which have sprung up lately. I am sorry to see so many prominent persons in this country getting mixed up in that group. They held a large meeting last year, and another one this year. I suppose most members of parliament have received a communication from an organization at the university of British Columbia called the Christian brotherhood. They were commenting upon the fact that the provincial government had granted the right to vote to Indians and Chinamen but not to those of the Japanese race. I wrote to them also and I said, "Would you place before your organization this question: Can a person be truly a Canadian when he has a dual citizenship and whose allegiance in the first instance is to Japan, which government claims him?" The second question I asked was, "Why is it that no one of the Japanese race has yet come forward and openly stated, either in the press or on the public platform or privately, that he had no allegiance to Japan?"

Surely I cannot be accused of racial hatred when I ask those questions. They are practical questions. The oriental has a different psychology and make-up from ours. I do not understand them, and perhaps they do not understand us. If we were in the same position I do not think we would have any compunction about getting up and saying, "I was born in this land and I owe allegiance to no other government or to no other country than Canada. We owe no allegiance to Japan." I believe that many people might be prepared to accept such a statement from the Japanese. I ask this of the members of this house: Why, then, the silence? It is significant and it has a bearing upon the matter before us.

I am not going to take up much time trying to visualize what might happen in the future, but I believe that the Japanese nation, with its 95 million people, a nation which rose to great military heights prior to the war, is not yet finished. It is my belief that they are waiting until General MacArthur goes. When statements are made that the Japanese in this country have not said anything, it is my belief that they are acting just the same as the Japanese in Japan. There is some high authority saying to them, "Keep quiet, say nothing, do nothing, the time for us will come later." I think I am on fairly sound ground when I quote from an authoritative dispatch which was sent from Admiral Halsey's flagship some time ago. It reads:

> Asked to comment on the "new democracy" now being hailed by the Japanese press, Carney said:
>
> "The people who are going through this new process are exactly the same people who were guilty of atrocities during the last four years. There is no reason to think that under the same circumstances they wouldn't do it again."

He warns the democracies, especially the United States, to beware of what might happen in Japan once General MacArthur has left that country. I am going to propound one or two more questions and those who oppose our views can probably answer them after I sit down. Will anyone deny that Japan did not embark on a long range scheme or plan to conquer the countries fronting on

the Pacific ocean? Will anyone get up and say that that is not correct? I do not think any man would be foolish enough to do that. Will anyone deny that the Japanese government saw to it that her nationals were placed in every country fronting on the Pacific ocean?

Mr. MACKENZIE: And in key positions.

Mr. REID: And in key positions. Will anyone deny that the Japanese government financed them, and that in turn the Japanese who came here were obligated to return those loans? I looked up the Japanese year book for 1934 and I found that the Japanese in British Columbia had returned something like 23,000,000 yen during 1932. That figure is not quoted from our records; it is from a Japanese year book issued in Japan, and it can be found in our library. Will any one deny that large numbers of military and naval men were sent by Japan to this country? Let me ask this question: Why did she send military officers to train young Japanese? In 1936 I visited a large hall owned and operated by Japanese. I had been told what was going on there and I went down one evening and found fifty or more young Japanese being taught by a military strategist and expert from Japan. It is true they did not have guns, but they were using fencing sticks. They were being taught to march up and down, and to carry out all the tactics incidental to military life. Will anyone say that that was being done just for fun, or to make them better Canadian citizens? In those years these military men were coming from Japan at the expense of the Japanese government, and they were being sent here for a special purpose.

There has been criticism of the government because in one fell swoop 1,100 Japanese fishing vessels were picked up. I have some idea of what would have happened if 25,000 Canadians had been living in a group in Japan. I have some idea that they would not have been allowed to go round as these people were. After all, there is some good in democracy. To those who sometimes point the finger of scorn at this country, to those who point to another country as an example, may I say that instead of democracy being on trial, communism is on trial. We are waiting to see if they can produce in communistic countries what we have produced here, if they can give their people the kind of life that our people here enjoy.

Be that as it may, will anyone now say that it was unwise to move the Japanese from the danger zone on the Pacific coast? No one will deny that. As the hon. member for Vancouver South pointed out when he read the wire which had been sent by men in prominent positions, men of all parties, including high ranking members of the C.C.F., urged the removal of the Japanese. Bear in mind we now know the plans of the Japanese. It was well that our government took the action they did at the time. We now know that in Japan there was a fight between the naval and military groups. The military group wanted to land in Alaska where there was no protection and nothing to stop them from coming right down our coast. But the naval and air force groups in Japan were too strong, the plans were changed, and so they struck at Pearl Harbor. We know what happened from then on.

What would have happened had the Japanese landed in Alaska when there was no protection there, or on our Pacific coast? Will anyone say that in these 23,000 or 24,000 Japanese there were not scores who would have been ready to help them? I suppose if we were in Japan and the same thing happened we too might be prepared to help the Canadian authorities. I am not altogether finding fault with them, but I do know that some of them were blatant about it when they were in the camp at Hastings Park. Complaints were made that they were not being properly treated, and those complaints were investigated by a representative of Switzerland. During the tour through Hastings Park prominent Japanese came boldly forward and said, "We want to be taken back to Japan." Some of them openly admitted that they were military men and that they had come to this country for that avowed purpose. Hon. members will remember that I mentioned in the house that during the war I was prevented from seeing guns that were located in Steveston, and yet inside the military area a Japanese family was living. Oh, yes; they said, this Jap was a school teacher and could be trusted. But strange to say, two months later the authorities had to pick him up and put him in an internment camp. Many stories of that kind could be recited. Why British Columbia is perturbed over this matter can be summed up thus.

For at least forty years prior to the war the people of British Columbia had been crying to Ottawa to do something about the Japanese but without avail. The people of Ontario and other provinces may think at the moment that the Japanese are all right. The people of British Columbia thought exactly the same at first, just as I did when I first came to British Columbia. As a rule they were good

workers; they worked hard; they were obedient; they caused no trouble. It took quite a number of years before we realized that the Japanese were not the Chinese, who are a different race entirely. Once there were enough of them in British Columbia they began to assert themselves. With some as long as they worked for John Jones it was fine, but the minute they started up in business against John Jones, these same people wanted them taken back to Japan.

Since I came here in 1909 I have never changed my views on the oriental question in British Columbia. What we in British Columbia fear is that when Japan rises again, not today or tomorrow or a few years hence but at some time in the future, these Japanese will be useful to Japan because they will all be back in British Columbia once the restrictions are removed. Some people are advocating the lifting of all restrictions. They do not want the Japs in their province and this is a fine move to get them out without being accused of being pro-Jap. The Japanese, it is true, have been tried out in the beet fields in certain provinces and some of the people there are beginning to find out that they are not just the fine little fellows they were thought to be at the beginning when they came into the province to help out. As I say, the views I hold I have held right from almost the first days I came to this country, and that was away back in 1909.

I am going to speak for a few moments on the fishing industry in British Columbia. The question was raised last night by the hon. member for Vancouver South, and I want to compliment him on the speech he made. There are not many members who were in this house when I spoke here in 1933—not many. I hold in my hand the *Hansard* of 1933—and bear in mind that in those days there was never any question raised as to the Japanese being Canadian citizens; there was no question then of racial animosities. It is strange that this has all started since the inception of the C.C.F. party. Before that, no such accusations were made. When I spoke in the house in 1933 I was advocating that the number of fishing licences issued to the Japanese be curtailed, if not eliminated. I will tell you why. When it came to my knowledge that at Steveston no white Canadian could throw a net into the Fraser river and fish except at the peril of his life I made up my mind that so far as I was concerned I would bend my efforts to taking back that heritage and restoring it to our own Canadian people rather than having it in the hands of a people who were here for a special purpose and whose first allegiance and loyalty —this is on record—was to Japan. No cry went up then that I was raising a racial question. There was then no cry of Japanese being citizens of Canada and of their being deprived of their livelihood.

I want to quote what I said in this house on April 24, 1933. That is going quite a long way back. I think I am now one of the fifteen members who have been in this house before and since 1930. Parliament has changed a lot since then. I said at that time:

> As I have stated, the Japanese are becoming very arrogant on the Fraser river, and last fall I had drawn to my attention a case whereby they threatened bodily harm because a white man dared to go around one of the little islands in the mouth of the Fraser river endeavouring to catch some fish with a line.

Mind you, on a Canadian river! The Japanese were protesting against Canadians fishing in Canada's own waters! I went on:

> Another case occurred in the same year up north where a Japanese boat ran through a white man's boat and the two white men would have been drowned had they not been picked up by another fishing boat which happened to be near by. The Japanese use people of their own race all the time.

I went on to show that the Japanese were in complete control of the cod fishery of the Pacific coast. That was away back in 1932. Let us look for a moment at the fishing industry today. Here briefly is the record so far as fishing licences are concerned. In 1938 a total of 13,805 fishing licences were issued in British Columbia, and of that number 2,033 were Japanese and 3,144 were Indians. In 1941, the last year in which the Japs were fishing a total of 13,422 licences was issued, and of that number 8,023 were whites, 3,305 were Indians and 2,095 Japanese.

It was stated at one time that if the Japs were driven out of the fishing industry and out of the canneries in British Columbia the whole fishing industry of the province would collapse. Let us see just what happened. In 1946, last year, the number of fishing licences had increased from 13,423 in 1941 to 20,022, and no licences were issued to Japanese.

Mr. MacNICOL: How is production?

Mr. REID: The production is not always a guide, because there might be a good run of salmon in some years and a poor run in other years, but production in 1946 was very good. The runs sometimes fall off in certain seasons and so production is always a sound guide.

A good number of our returned men have gone into fishing in British Columbia. I have the honour to represent a place called

Steveston, where there were more Japanese resident at one time than in any other part in British Columbia. It was known as Jap town. Before the war in a fourteen-room school thirteen rooms were occupied entirely by Japanese and one room by mixed pupils. That town, since the Japanese went, has gradually been coming back as a white man's town. I attended a meeting of the fishermen there. I did not make any remarks but just asked for their opinion about the Japanese. To a man they said that if the Japanese came back there would be serious trouble. "Never again", they said, "will we allow the Japanese to come back".

At the moment there are far too many in the fishing industry. Only a certain quantity of fish come up the Fraser river and only certain quantities can be caught off shore. As I have said, 20,022 fishing licences were issued in 1946. Where is there room for the Japanese to come back to fish? It is true that the Japs work long hours. A white man lives like a white man. He works eight or nine hours a day and then takes a rest. But the Jap takes his boy or his wife along with him and by taking turns they work day and night. It is contended that they are better fishermen than the whites, but that is not true. They fish longer hours because they bring their families into the work of fishing.

If this amendment passes and the Japs are brought back into British Columbia I prophesy that all who can come back will come back. In that event you cannot deny them a livelihood. But are we going to allow them to come back with their methods of work, with their long hours and with their families working, and with their low standards of living? Are we going to encourage them to come back into the fishing industry of British Columbia to the disadvantage of our own men, particularly numbers of veterans who have recently started up in the fishing industry? So far as I am concerned I am taking my stand right now, and I say no. I know that the member for Vancouver East says that we are taking the popular stand and that he is taking the unpopular stand. But opinions are changing. The civil liberties league is getting a lot of converts and getting a lot of help against those who like myself endeavour to point out to the country that the Japanese are an unassimilable race in this country and should not be allowed to congregate in any one province. Who, may I ask, has given authority to members to get up in this house and speak for the Japanese and say the things they do? I have before me a copy of the *New Canadian* of January 26, 1946, in which the editor says:

> The Japanese problem in Canada can and should be solved through a dispersal policy.

Now there is the voice of the Canadian-born Japanese themselves, and yet there are those in this house who will support this amendment which would nullify that proposal of the Japanese and once again allow all the Japanese to go back into British Columbia. I am putting this to the members from other provinces, both in the Progressive Conservative party and in the Liberal party as well. I ask them to realize that this matter is a serious one to the people of our province. I believe that if a vote of the people were taken there would be no question about it. Too little attention has been given to the plea that we from British Columbia have made. British Columbia should not have been called upon as a province to carry, and to have within that province, ninety-nine per cent of the Japanese who entered Canada.

Lest it may be said that it is the whites who are complaining against the Japanese, let me assure you that as a member of the committee on Indian affairs I know that there are Indians who have been complaining that the Japanese have deprived them of their livelihood, and these Indians have been endeavouring to get back into industry since the Japanese went out. During my travels last year I saw these people. In one part of the country that I visited I found that a group of Japanese had taken over four or five large farms, and what was the complaint of the Indians? The complaint was, "We had lots of work here as long as the white men owned these farms but the moment the Japanese took them over we were denied even a day's work"—and that was in the centre of British Columbia.

I am not particularly surprised that the member for Kootenay West champions the Japanese. It is not generally known to members from other provinces that the Japanese were located in the interior in many of what we call the ghost towns where buildings had been idle. No one was living there and those who owned property and had stores took the Japanese into their arms. They are making money out of them and they would hate to see anything happen to these good customers. Hence the member representing Kootenay West says, "We want them there". Of course they want them there, for the almighty dollar.

I have tried to keep this speech of mine free from rancour. I have put the argument before the committee and I trust that when the vote is taken we shall have full support for the government's order in council.

Mr. GIBSON (Comox-Alberni): I believe this is the proper time to take the opportunity of expressing the views of my constituents in Comox-Alberni in regard to this Japanese problem. First of all, I think it would be only fair for me to congratulate the Minister of Labour on the excellent job he has done in handling this difficult problem. I believe he has done it with justice and, may I say, humanity. I should like also to congratulate the C.C.F. members on the extreme versatility they show at times in this house. They are authorities on every subject. I noticed the member for Regina City (Mr. Probe) the other night cast the usual C.C.F. innuendoes at the lumber industry in British Columbia. I assure you, Mr. Chairman—

Mr. PROBE: To keep the record straight, may I say that all the figures I gave with respect to the hon. gentleman's lumber friends were taken from Moody's Manual of Investment, 1946, and every word can be substantiated. I put that on the record before and I can put it on again.

Mr. GIBSON (Comox-Alberni): The innuendo was still there. There is one thing I can assure you of, Mr. Chairman. Never in the history of the House of Commons was so little known by an hon. member about so large an industry. The hon. member for Moose Jaw (Mr. Thatcher) led off the debate for the C.C.F. party. At times I have been enthralled listening to his addresses on immigration—

Mr. CRUICKSHANK: And water.

Mr. GIBSON (Comox-Alberni): And probably water. As the house listened with rapt attention one could have heard a tap drip. But when the hon. gentleman ventures into a field such as the Japanese problem in Canada, particularly in British Columbia, I think he is a little out of his province. He would be the first to admit, I believe, that he could not tell a Japanese from a Hottentot. I sincerely hope that the C.C.F. members are far better informed on other subjects than they are on the Japanese.

Mrs. STRUM: Now we hear the drip.

Mr. GIBSON (Comox-Alberni): There is one drip in your party who should probably be heard in this house.

Mrs. STRUM: One is enough in any house.

Mr. GIBSON (Comox-Alberni): He is strangely silent at times, though he represents a fishing riding. He had a lot of time during the war to look around and see what conditions were. I refer to the member for Skeena (Mr. Archibald). I should like to hear him today.

Mr. MacINNIS: Only one can talk at a time.

Mr. GIBSON (Comox-Alberni): The next time he speaks I hope he will not weasel around the question whether he wants the Japanese back in British Columbia. I want to be fair to him, and I am quite sure his constituents would very much like to hear his definite views on this subject, instead of saying that the real enemies of the fishermen are not the Japanese but the fish packers. Let us have his views on this subject, because that is not a real statement. You can weasel around on that question, but I say to him: Tell us whether you want the Japanese to return to the fishing industry on the west coast. If you do, I admire you for your stand. But in fairness to the house and to your constituents you should tell us.

I have been much impressed by the C.C.F. members over there. They make a loud plea for justice, tolerance and pity. There are many men of good will in this house and I am sure they are greatly impressed by those sentiments, but I wonder if my hon. friends are really expressing the views of their party generally in Canada. I have here a newspaper quotation of a statement made by Mr. Colin Cameron, who is president of the C.C.F. party in British Columbia. It is a masterpiece, but it does not quite tie in with the pity and tolerance they speak of all the time. Let me quote what Mr. Cameron said on Monday, April 14, as reported in the Vancouver *Province*. He is the leader of the party in British Columbia. He is a headache to you, I know, but let us be fair. He said:

> The bold and ruthless removal from private hands of the means of production will have to be the role of the C.C.F. party in this province.

Mr. IRVINE: What has that to do with the Japanese?

Mr. GIBSON (Comox-Alberni): I was quoting it by way of illustration, because I was surprised at the word "ruthless" there. It startled me, and I went to Webster's International Dictionary and looked it up. I find that "ruthless" is there defined as "cruel, pitiless, merciless." I wonder how my hon. friends can reconcile those two points of view. I know the member for Skeena is itching to get on his feet and he can tell us. It makes it very hard to reconcile what the hon. member for Moose Jaw said in that classic speech of his in Moose Jaw last month.

How is he to reconcile this bold, ruthless removal from private hands of the means of production? I imagine that means from the farmers. They produce the odd thing. He said at that time that they were just going to take over about five per cent and were going to leave 95 per cent to these farmers here. In this case I am afraid he should have a chance to tell us how he reconciles the two viewpoints. Of course this man, Mr. Cameron, comes from my riding. I am not particularly proud of that fact.

Mrs. STRUM: Neither is he.

Mr. GIBSON (Comox-Alberni): I think he is. He tried to do a lot about it, but he could not. I should like to extend my personal sympathy to the leader of the C.C.F. party, the hon. member for Rosetown-Biggar. It must be hard, as a matter of fact, to talk to a person in Saskatchewan and to have to reconcile Mr. Cameron's views with those of his good friends on the prairies. I feel that when he goes home at nights he must say to himself, "Forgive my enemies, but deliver me from my friends."

The hon. member for Vancouver East is also a man for whom I have a high regard, and I say that sincerely.

Mr. MacINNIS: I am now beginning to doubt myself.

Mr. GIBSON (Comox-Alberni): I think he is one of our able M.P.'s. He comes from Vancouver East. He was connected with the B.C. electric railway company there. He was a member of the union, and he and his friends were successful in making sure that this was an entirely white industry. What I particularly object to his doing is keeping his own union free from all oriental competition, but he says, "Fine; go over with Gibson in Comox-Alberni and work in the woods or work in the fisheries over there." I would hardly think that is fair. But when he was a respected alderman in the city of Vancouver I never heard him or any of his political friends there advocating that we should take Japanese or orientals of any kind into the police or the fire department. That sounds to me like rank discrimination.

Mr. CRUICKSHANK: Hear, hear. It is tough to take, but you have to take it.

Mr. GIBSON (Comox-Alberni): Last night he implied that possibly the evacuation of the Japanese from the west coast was prompted by war hysteria, but he would not commit himself definitely on that.

Mr. MacINNIS: There is no doubt about it.

Mr. GIBSON (Comox-Alberni): I do not think the hon. member is in any position to know anything about the matter. The people of Vancouver felt reasonably safe, I should think. I myself was living with my family on the west coast of Vancouver island in a Japanese settlement. We were particularly glad when the Canadian navy moved in there, impounded all those vessels and moved all those people away from the coast, because at that time we were patrolling the beaches there in anticipation of a Japanese landing. I know something of what actually happened out there, and I do not think it was prompted by war hysteria. I think it was an excellent job when we moved the Japanese away from the coast when we did. The secretary of the Tofino Japanese troller association, whose wife was a schoolteacher in the Japanese language school there, conveniently disappeared and went back to Japan just two months before war broke out. I can hardly bring myself to believe that this was entirely a matter of coincidence. Hon. members from Saskatchewan do a tremendous amount of talking about the Japanese. They certainly take up a lot of *Hansard* in talking about this matter, even more, I believe, than the British Columbia members. But I think Saskatchewan has done the least of any of the major provinces in the whole dominion with regard to assisting Canada and this government in relocating these people. It should be possible for the Saskatchewan government to offer some jobs to these Japanese people. They could pack filet mignons of horsemeat for them, or maybe they could be talked into working in these brickyards. There are also some fisheries up there.

Mr. BLACKMORE: And box factories.

Mr. GIBSON (Comox-Alberni): They could probably use the Japanese.

Mr. BENTLEY: They could, if they wanted to. It is a free country.

Mr. GIBSON (Comox-Alberni): These Japanese are clever people. I think they would take one look at Saskatchewan and decide, "Oh, no."

Mr. BENTLEY: That is their choice.

Mr. GIBSON (Comox-Alberni): I think I should take this opportunity of congratulating the Minister of Veterans Affairs on the stand which he took in this house yesterday and the stand which he has consistently taken with regard to this problem. I think he has led the whole British Columbia membership here, representing the members of all parties, with certain definite exceptions which he mentioned yesterday. I have some-

times heard rumours around this house that probably certain other cabinet ministers were just a little lukewarm about this Japanese problem in British Columbia. They have probably been listening to too much of this prattle from across the way. I should like to remind them that when the minister won his campaign in Vancouver and brought back four Liberals along with him, he won it on the basis that the Japanese were not returning to the British Columbia coast. I never heard any of the cabinet ministers or even the Prime Minister repudiate that stand during the election. We play for keeps in this game; if you win and want to keep, there are some liabilities involved and you must accept them. I might also say that the five Liberals from British Columbia are some of those who keep these hon. members in their position of drawing this motor car allowance. I should think the cabinet has had very good support from British Columbia.

I have heard some criticism of the disposal of the assets of the Japanese. I believe that in some cases they have suffered injustices and hardships in this regard. My own observations along the west coast were that their boats were, as a matter of fact, sold at inflated war prices. Their country created the war, and created the situation which raised the prices on those boats; and I think they have got out of the situation very well financially. I would, however, really urge the government that if any cases of hardship are shown, we should treat them with justice and with equity.

These restrictions on the Japanese are not bad. There are many eastern people among hon. members here, and they do not want to go to British Columbia. They are satisfied with the place where they live. If the Japanese want to re-enter the fishing business, I think they could go and fish for some of the whitefish in Saskatchewan and Manitoba. I should like to see them go there. Strangely enough—and I say this in all sincerity—they would teach the people there many things about the fishing business. I have often thought that is really true. The Japanese are able fishermen and able boat builders. I have often thought, since I was in the maritimes—and I notice there is a province there where they have one Jap—the fishing industry there could very well use some of these skilled Japanese fishermen. If they go there I think they might contribute some modern methods to the fishing industry.

Mr. CRUICKSHANK: They do not like that.

Mr. GIBSON (Comox-Alberni): This distribution of the Japanese is a major national problem; and of course the C.C.F. attitude toward it is typically that of the C.C.F. Those gentlemen over there are theorists, but this is a practical problem. I appeal to all hon. members to realize that the government has a big job to do here. We want to distribute these people fairly across the dominion, and I think every member in the house ought to provide this government with time to do that. In my life I have found that time cures very many things. Today we are bickering about a problem which I believe time will solve. If we would leave them alone; if the Japanese themselves did not think they were getting such substantial support from one party in this house, they might well say, "If we disperse ourselves across Canada this whole matter will be dropped and by and by we may be able to go back to British Columbia if we still want to go there." Actually I believe if we would tell these people they would not be allowed to go back to British Columbia for five or ten years, the difficulty would be ended. Perhaps later we may be able to modify that, to temper justice with mercy; but if they were made to understand this, I believe they would scatter across Canada, settle down and become useful members of any communities to which they went. So I believe it would be in the best interests of Canada to tell them definitely they would not be allowed to go back to British Columbia for five or ten years.

Mr. IRVINE: I believe what is most lacking so far in this discussion is some sound reasons for the continuation of the order in council now before the committee. I propose to say a few words on this question, not that I think I can say anything someone else has not thought of already, but because I am deeply interested in the problem involved and I consider it my duty to express my views on one side or the other. In doing so I want to make it clear that I make no innuendoes and offer no aspersions against any hon. member who holds an opinion which may differ from my own. I have no hesitation in joining in the congratulations to the Minister of Labour on the way he has handled this matter. I understand that it was a very serious and difficult problem indeed. I would never think of myself charging the minister with any inhumanity. I know he is not inhuman. Neither do I think he would for a moment deliberately do anything unjust to anyone. I do not think that is part of this discussion. Therefore I am not going to follow the remarks of the hon. member for Comox-Alberni. In the first place, he made a clever and humourous speech, which I enjoyed very much, and in the second place, the body of

his remarks was directed at the C.C.F., not at the issue at all. The C.C.F. does not need any defence by me, so I shall not bother to say anything about that.

I was somewhat interested in the remarks of the hon. member for New Westminster. His reasoning was strange. Indeed that is somewhat typical of those who have so far risen on the side of maintaining the present order in council, because I believe they are just as freedom loving as I am, and I believe they feel in their hearts that this cannot be justified under those principles of liberty with which this nation has been associated and which all its leaders have professed for many generations. I do not believe they can conscientiously square the continuation of this order in council with their own deep belief, and that is why their arguments are not very good.

Before I deal with these points, let me say that it is not a question of whether this or that should have been done during the war period. That has been cleared up by a number of speakers from this side of the house. We know very well that the situation was critical during the war. We know very well that no government charged with the responsibility for the protection of this nation could take any chances or afford to make a mistake. Under war conditions that may often mean that in the interests of the nation the individual has to be forgotten. I think that is true in all the countries of the world; and I have no doubt that, as a result of the action taken, many innocent people among the Japanese suffered, just as many innocent people in other parts of the world suffered through the actions of our enemies with respect to our people, the people of the United States and the peoples of other nations engaged in the war. That is all past; we all understand that. But now this is peace time; and we are asking that, since the war is over, with our enemies outside Canada, we should not continue war practices with our own citizens within Canada.

The hon. member for New Westminster took the view that he would rather see expressions of racial hatred than see man set against man, which he said would happen were we to cancel this order in council and extend to our citizens of Japanese origin the same rights we have taken unto ourselves. But strange to say, he went on to state that he had had serious struggles and fights with some C.C.F. members; and even his children at school had experienced some difficulty. That would be a man-to-man fight, I suppose. Then would the hon. member go so far as to advocate dispersal of the C.C.F. on political grounds in order to prevent a struggle which he thinks is worse than expressions of racial hatred; that is, a man to man fight? If he follows his own logic that is what he would advocate, and I know of no reason why he should not continue to do that if this principle is good. If this principle is adopted in this country no man can say where it may end. If this is a solution for a racial problem it may be accepted as a solution for a political problem, for an economic problem, for a religious problem, or for any other problem, and it is not a solution for any problem at all.

Then the hon. member went on to ask a question. I may be rushing in where angels fear to tread when I attempt to answer the hon. member when he asked: Why this profound silence on the part of a Japanese when I ask him if his greatest loyalty is not to Japan rather than Canada? Let me suppose that the hon. member for New Westminster had been an immigrant to Japan. Suppose they had taken all his goods out of his home and sent him, with his bagpipes, under guard to the top of a high mountain. Suppose they told him to stay there, told him how much he was to get for his daily work, how many hours he had to work, and all the rest of it. Then suppose a year or two later they came along and said, "Now, Mr. Reid, will you tell us to whom you owe your greatest loyalty? Is it to Canada or is it to Japan"? I am not sure the hon. gentleman would have remained silent. I think he would have replied unhesitatingly, "My greatest loyalty is to Canada, because I don't like the kind of treatment you are giving me". How does he expect a Japanese, as a human being, to give an answer different from what he himself would give under similar circumstances? So I think that very well disposes of the silence problem seems to have been bothering the hon. gentleman.

Then he went on to ask in his next question whether it was not so that Japan had a long-range plan to conquer Canada, the United States and the Pacific coast countries. I imagine she had. But I think it is also true that Germany, too, had long-range plans to conquer. Yet, so far that has not affected our attitude toward Canadian citizens of German origin. Neither do I suggest that we alter our present policy toward them. But I do say that, because the Japanese had a similar idea concerning world conquest, we should not treat them differently.

I say to my hon. friend there is only one logical conclusion to which we can come from his argument, and that is that in the one instance we deal with them on racial grounds,

and that in the other we do not; that the German people are white people and that, therefore, we should accept them, while the others are yellow and that, therefore, in respect of them we must have a different rule.

Then he concludes by saying that if we pass this amendment we are virtually saying that all the Japanese must go back to British Columbia.

Mr. REID: That is where they will go.

Mr. IRVINE: That is a prophecy which may not be true. As a matter of fact, if the attitude of the majority of people in British Columbia be that of the hon. member for New Westminster, I do not believe they would want to go back. I do not know what the majority of people in that province think in the matter. However I am only expressing what I think when I vote for the amendment, and when I vote for it I do not vote to send all the Japanese back to British Columbia. Rather I am voting to give the Canadian citizen of Japanese origin the same right to stay in British Columbia that I have, the same right to stay in any other province of Canada that I have. If he has not that right, then he has not the rights of a Canadian citizen. And I want to know by what authority even this parliament dares to tamper with its own principles in respect of citizenship.

I come now to the argument advanced by the Minister of Labour and the Minister of Veterans Affairs. I say that so far no acceptable reason has been advanced from the government side of the house why in years of peace legislation of this kind should be continued. The Minister of Labour referred to the treatment given Canadians by Japanese. I have no doubt that that treatment was very bad, and certainly I will not try even to excuse it. But he implied in his argument that because of that practice we were justified in treating citizens of Japanese origin in a manner that would be in violation of our own accepted principles.

Mr. CRUICKSHANK: He never said that, though.

Mr. IRVINE: I am giving a true interpretation of his remarks.

Mr. CRUICKSHANK: He did not say that.

Mr. IRVINE: The hon. member is there, and the record is on *Hansard*.

Mr. MITCHELL: I will say to my hon. friend that I never implied that; and I say it sincerely.

[Mr. Irvine.]

Mr. IRVINE: If my hon. friend did not mean to imply it, then I suggest that he ought to read his own speech. If he can find any other meaning in it, I should like to know what it is.

Mr. MITCHELL: I have no objection to the inference the hon. member takes from it.

Mr. IRVINE: I am not trying to impute any wrong motive to my hon. friend; but I am saying that, at least to my mind, that is the only inference I can take from his remarks.

I say in that connection that our citizenship rights and principles must not be determined by what Japanese may do to Canadian citizens anytime, and particularly under war conditions. What we do to our citizens, no matter what their country of origin may be, must be an expression of those principles of which we boast so highly. That is the thing I want to emphasize.

The Minister of Veterans Affairs went on to say that the present treatment of citizens of Japanese origin in Canada was based on the security of the Pacific coast. That takes us back to the war situation. But the Pacific coast is a part of Canada. British Columbia is not responsible for the protection of the British Columbia coast. The government of Canada has the responsibility for the protection of that coastline, as well as the Atlantic coast. Knowing what he does about military matters —undoubtedly a great deal more than I ever knew or am likely to know—I am sure the Minister of Veterans Affairs must know very well that in the next war, if ever there be such a calamity, it may be more dangerous for Canada to have enemy aliens in Montreal, Toronto or Regina than it would be to have them in Vancouver. For if the atom bomb continues its threat to world peace, perhaps an aggressor would not even attempt to land on the Pacific coast. If we disperse these people and deprive them of their rights of citizenship, nursing in their hearts a canker of resentment against the people of Canada, then surely, if ever another war came, they would be more likely to be disloyal. And their disloyalty in a war in an atomic age might be even more serious for us if they were in the interior than if they were on the coast.

I suggest, too, that since they are human beings the Japanese will respond to human treatment, the same as we will. If we treat them as human beings we will develop in them that loyalty which some have asserted many of them have not got. I suggest, therefore, that the carrying out fully of our own principles will be the best way of solving this Jap-

anese question. The whole question it seems to me is this: Shall we have one law for citizens of Japanese origin and another law for the rest of us? That is the real issue before parliament. And all the circumlocutions of my hon. friends opposite have been in an endeavour to side-step facing that definite issue. They cannot defend it. They do not want to defend it, because they are too honest. Yet they are retaining that thing which is an insult to their own souls and intelligence.

There can be no ifs, ands and buts when applied to the principles of freedom extended under Canadian citizenship. Every citizen must be treated equally. And as for dispersal by order in council—well, that is neither Canadian nor is it freedom, nor is it democracy, nor is it a solution of the problem we have brought upon ourselves. I notice that some of the provinces are beginning to shout to the government here, "You put these people in here for a while; you said you were going to take them out; take them out because we want to get rid of them."

Mr. CRUICKSHANK: Saskatchewan.

Mr. BENTLEY: No, not Saskatchewan.

Mr. CRUICKSHANK: Oh, yes.

Mr. BENTLEY: Oh, no.

Mr. IRVINE: Mr. Chairman, I think you will have to stop this argument until I finish. It does not matter which province it is. I am not criticizing Alberta, because I think Alberta was justified in asking the government to do what it said it would do.

Mr. BLACKMORE: To fulfil their contract.

Mr. IRVINE: That does not settle anything. There are a lot of people in Alberta who would like to disperse the Social Crediters from Alberta.

Mr. LOW: They have already done that with the C.C.F.

Mr. IRVINE: There are a lot of Social Crediters who would like to disperse the C.C.F.

Mr. LOW: We have done that.

Mr. IRVINE: That will not solve the problem at all. There is no use in going back and saying that this is what should have been done ten, fifteen or twenty-five years ago. We are faced now with a difficult situation, a situation disruptive in character, a situation which is challenging our own principles. I say to the committee: Let us stay by our principles in this case. It may be that some slight difficulty may follow, but we shall be right in following them and the solution will ultimately come. But if we continue to violate our principles the problem will grow in magnitude rather than diminish.

I am arguing now not so much in the interests of our citizens of Japanese origin, although I have every respect for them, although I have every interest in them as I have in all human beings I am urging the repeal of this order in our own interests. We just cannot afford to do a thing like this. If it were merely the Japs who were involved we might be able not to say anything about it, but we are involved. It is more important to me that we do this thing in accordance with our own convictions, our own philosophy and our own democratic principles, than it is for anything else that may be considered in connection with the question.

In the next place, I am arguing for this because of the international implications which have been emphasized by several speakers, particularly by the hon. member for Kootenay West. As he pointed out, we are already pledged to respect all basic human rights, regardless of creed, colour or religion. That is the very soul of the Atlantic charter. I would not like to embarrass our representatives in the international court by making it necessary for them to defend anything of this kind, because it would be no more easy to defend it in that court than it is to defend it here. I think it is a credit to hon. members that so far they have not tried to defend it. They have not tried to give a reason why we should violate these principles of human rights, to which we have subscribed.

I suggest that the course we are now following cannot be defended logically. I am opposing it now, first, in our own interests; second, because of its international implications; and, third, because I am interested in keeping Canada's record clear and Canada's name clean. We cannot defend this course. I do not know whether we are supposed to bring up an ethical argument in parliament. I do not claim to be particularly ethical, but I think most of us like to have some claim to having certain principles from which we will not move. I believe we all have such principles and I believe we hold to them in a matter of this kind.

In conclusion, I should like to refer to a little bit of satire by one of our Canadian writers. Perhaps we can see a thing when it is put before us satirically, when the best kind of logic will not make an impression. This is an article by Bruce Hutchison which appeared in the *Fress Press* and I intend to quote only one small passage. In order to give point to

the passage I want to tell what leads up to it. The Japanese who were sent from Canada have arrived in Japan and they have been telling the Japanese that they have come as missionaries of Canadian Christianity. By the way, this article is entitled, "Onward Christian Soldiers." They are saying, "We have come to preach to you Canadian Christianity." They go on to tell why they became missionaries. They said: "We have come because we were thrown out and kicked out—"

An hon. MEMBER: Left out.

Mr. IRVINE: Yes, left out. The Japanese at home say, "Well, there is nothing new about that; that is what we have been doing all the time." But these Canadian Japanese say, "You do not understand Canadian Christianity," and I quote:

"Ah, but you do not understand the Christians," the missionaries will explain. You pagans persecute minorities and hate other races because you believe in it. The Christians do the same thing because they don't believe in it and constantly denounce it. It is no sacrifice for you to behave in this barbarous fashion. But for a true Canadian Christian it is a deep and bitter sacrifice. It means sacrificing all his principles and all the teachings of his religion. Therefore, it is very noble of them. Greater love hath no man than this, that a man lay down his principles for his friend."

Mr. MATTHEWS (Kootenay East): I have been following this debate closely, and I believe the time has come for me to participate in it and to express my viewpoint and take a definite stand on the issues involved. Yesterday, when speaking in this debate and addressing the hon. member for Moose Jaw, the Minister of Labour said it was easy for the hon. member to talk as he was talking. With that statement I disagree entirely. I do not think it ever is easy for a man to take a definite stand in a cause that is not popular, and certainly the cause of the Japanese is anything but popular at the present time. I take my stand with them, not because it is hard but because I believe in justice. I believe in the fullest expression of humanity, especially as far as minority groups are concerned.

I should like hon. members to allow their minds to range back over the years and think of how many wars have been fought in this world because of the oppression of minority groups. When you allow yourself to think along that line you will be amazed at the result of your thinking. I happen to represent a British Columbia constituency situated in the interior of the province. That does not mean to say that all my life in British Columbia has been lived in the interior. I have come into contact with the people of the Japanese race both on the coast and in the interior as much, I venture to say, as any other member of the house. I have a great deal of sympathy for the way British Columbia feels in this matter. The settlement of the Japanese has been allowed to become a provincial problem, when it never should have been. It should have been regarded as a federal problem.

In a recent debate in this house the hon. member for Comox-Alberni, on February 11, said, as reported at page 323 of *Hansard:*

We have a solemn responsibility towards the generations that come after us to see that we keep this Canada white.

I contend that the time for doing that is long since past if it ever existed. There was a time when such a policy might have been achieved, but it was definitely lost when the first oriental infiltration was permitted by the bringing in of cheap oriental labour because let us not forget that is why they were brought in. Today we have Chinese, Japanese, Hindus and negroes residing in Canada. We cannot get rid of them even if we would, unless we become definitely anti-social and do things of which Canadians might well be ashamed. The sooner we make the people of all these different races Canadian citizens and give them the full rights and responsibilities and privileges of Canadian citizens, the better. I would make not only everyone of these peoples a Canadian citizen but make him swear allegiance to our king and make him honour and recognize our Canadian flag—when we have one. The hon. member for New Westminster said this afternoon that he had addressed a question to people of Japanese origin again and again: To what country did they owe their allegiance. I did not want rudely to interrupt the hon. member but, if he were in his seat now, I would ask him this question: Has the privilege ever been given to these people to swear allegiance to Canada?

Mr. CRUICKSHANK: Of course.

Mr. MATTHEWS (Kootenay East): If we look at this matter in a reasonable light and be realistic, if we will use these people as we would like to be used ourselves, I believe that many of our difficulties will vanish.

In the debate yesterday the hon. member for Calgary West asked a question about the Japanese working sixteen hours a day. Surely he knows that thousands and thousands of Canadian farmers are working fourteen, fifteen and sixteen hours a day because they are working for themselves. But today we have

laws in Canada which prohibit men of any race from being made to work fourteen, fifteen or sixteen hours a day. I have listened carefully to the arguments put forth by hon. members from British Columbia against the Japanese and, while I do not accuse those hon. gentlemen of race prejudice, I wish they would come out into the open and admit that the question is not merely a racial one, but that it has its economic side. British Columbia objects to the presence of the Japanese because in the fishing industry, in logging and in agriculture, they hold down jobs which white men need.

I believe that a federal labour code setting forth hours of labour and standard wages for labour would go far toward solving this problem. In the past, employers of labour have been permitted to pay a lower rate of wages to an oriental than to a white man, with this result, that when work becomes scarce and men must be let out it is only natural that the employer of labour lets out the higher paid wage-earner first, and often the oriental has been permitted to keep his job because he works more cheaply. This should not be possible at all. Put them all on the same basis and a good deal of this discrimination will fade away.

During the war years I supported the action of the dominion government in handling the Japanese situation as they did and I too would like to pay my tribute to the Minister of Labour for what I consider the humanitarian and equitable way in which he tried to discharge that difficult task. I believe that the removal of the Japanese from the coastal area was a wise one. I go farther and say that their dispersal into all the provinces was a wise move, and I hope that the Canadian-Japanese for their own good will not insist on flooding back to the Pacific coast, for I for one am opposed to that. I fully agree with the policy which the Prime Minister announced on August 4, 1944, and I say, let us adhere to that policy. The war, thank God, is over now and I think hon. members will have noticed that, after the collapse of Japan, a lot of this war hysteria died down, because, after all, it was war hysteria, chiefly against the Japanese. Let us not revive or stir it up.

It is acknowledged on all sides that in this matter there is a strong division in public opinion. If we do not lose our heads, and lose our tempers, time will enable us to look at the situation in a dispassionate way and will keep us from making regrettable mistakes.

I cannot forget that in world war I the Japanese people were our allies, and monuments to Japanese who fought by our side in that great struggle and gave their lives are to be found in some of our Canadian cities.

In this more recent struggle the Japanese government supported the wrong horse and they have been made to pay for that error in judgment. I believe that they no longer constitute a menace to the peace of the world. I do not think we in this parliament should go out of our way to visit the sins of the fathers upon the children. I am sure that Canada is big enough and wise enough to take this problem in her stride, and deal with it justly and equitably; but if the continuation of this order in council is part of a move to fasten a permanent discrimination upon these people, as I think it is, then I will have none of it and will oppose it with all the power that God has given to me. As a minister of the Christian church I can do no other.

Mr. FULTON: The discussion of this order in council and the amendment moved by the C.C.F. has taken an interesting turn, and we see on the part of most speakers in that party the assumption to themselves of the quality of being the only ones who have been consistent throughout this debate in the stand they have taken. Last night the hon. member for Winnipeg North threw down a challenge to this party. He challenged us to make a declaration of policy, since, he said, we profess to be so sincere in our devotion to liberty. This afternoon we heard the hon. member for Cariboo talk about principle, and the implication of his remarks was that all others, certainly those who favour the continuation of this order in council, are "laying down their principles for their friends", while the C.C.F. is the only party that remains true to principle.

But if we look at the position with regard to this particular group of orders in council we can see what the true situation is as regards consistency. This is an emergency measure. It is one of those orders in council which are being continued as an emergency measure, and the C.C.F., which prides itself on its consistency, has asked throughout for the continuance of emergency controls. Yet when it comes to this group of controls, which does not happen to coincide with their policy, they say that we should remove them, and they introduce an amendment to bring it to an end at once. And in the face of this they say that they are the only consistent party in the house.

If these hon. gentlemen want controls ended why do they not take a consistent stand? Which way did they vote on the bill? They voted for the bill and we voted against it. By voting for the bill they auto-

matically continue these measures. We have always pressed in this party for the discontinuance of war-time controls. Since I have been here, from 1945 on, that has been the one stand which this party has taken above all others. Every time we have taken that stand the C.C.F. have opposed us bitterly and, at times, somewhat violently.

We have contended that, the war being over, the rights and liberties of the Canadian people should be restored, and every time we have done so we have been attacked and vilified by the C.C.F., who accuse us of having certain questionable motives in our stand. What support have they given the hon. member for Lake Centre in any of his moves to have war-time restrictions removed and to have the rights of the Canadian people—for example, the right of recourse to the courts—restored to them?

The C.C.F. have never supported this move to restore freedom to the Canadian people, to take off war-time restrictions and to hurry the government along the path of restoring these liberties. We have had no support from the C.C.F. in that direction, and yet I would read the words of the hon. member for Vancouver East, spoken last night with regard to the Japanese, to be found at page 2317 of *Hansard:*

> The war being over, we contend that it is time that the restrictions on these people were removed, that they were allowed to take up their rights and privileges as Canadian citizens.

Unfortunately the hon. member is not in his seat at the moment. If he were I should like to ask him why it is that he confines his efforts in that direction exclusively to Canadians of Japanese origin. I think, if we look closely into the question of consistency, we shall find that the C.C.F. is the most inconsistent party in this particular regard. I wrote down some of the words of the hon. member for Cariboo this afternoon. He said: "This is peace time and we are asking that, now that the war is over, we should not continue war-time practices with our own citizens". We contended that the whole principle of Bill No. 104 was the continuation of war-time controls and we accordingly voted against the bill. The C.C.F. voted for it, but on this particular measure that party, which claims to be the only consistent party in the house, adopts the opposite attitude because it finds it not in accordance with its policies.

When we come to the consideration of this particular question under the orders in council which are now before us I think we should examine the facts of the situation, and it appears to me that here is a problem which

requires to be settled on the basis of reason, namely, the problem of relocating the Japanese. It is a continuing problem. We cannot just let them all go back to British Columbia. We cannot dispossess all those people who are now doing fishing which the Japanese did before the war. We certainly cannot dispossess one lot of people, largely veterans, to put another lot of people back; nor on the other hand can we take off the orders in council and abandon the Japanese to their fate.

It seems to me that the government has to deal with this problem and to carry through this matter of relocating and resettling the Japanese in Canada. It therefore requires certain powers for the purpose, and I certainly could not find it consistent either with reason or with principle to vote that this particular order should be revoked.

In his speech this afternoon it seemed to me that the hon. member for Kootenay East was the only one of his party who recognized that problem and faced it in a manner which was consistent with the practical issues involved, and I was glad to hear him say that he recognized that not all members of other parties were motivated by race prejudice in approaching the question. Certainly the telegram read by the hon. member for Vancouver South last night did establish conclusively that the problem as it arose in the first place was not a result of one-sided action, nor was it a result of mass hysteria. It was the considered opinion of all parties in British Columbia at that time that the removal of the Japanese was in the best interests of Canada. That decision was taken deliberately as a matter of policy, and I suggest that we cannot now just revoke the order in council and leave the Japanese to shift as best they can. We have to carry that policy through to its logical conclusion and resettle the Japanese. In carrying that plan through, in carrying out the resettlement, we should not be motivated either by hysteria, nor should we allow any prejudice to enter into our decision as to how the settlement should be effected.

With deference, I should like to put forward a suggestion which I think might have some value in working out that settlement. The suggestion is very much in accordance with the idea advanced in his concluding remarks this afternoon by the hon. member for Comox-Alberni, and I am glad to find that he and I have been thinking along the same lines on this question.

The first fact which I think we should bear in mind in dealing with the question of

resettling the Japanese is that they have not yet been assimilated; they have not yet become Canadians in the sense that you and I, Mr. Chairman, think of ourselves as Canadians. I am not trying at the moment, to apportion any blame for that fact, but I think it can be taken as a fact that they are not, as yet, like the majority of Canadians in outlook and standards.

That being so, I suggest that our policy should be directed toward bringing about conditions under which the Japanese at present in Canada can most readily be assimilated, and that is where the dispersal policy should be followed through to its logical conclusion. That is where again the hon. member for Kootenay East and myself appear to feel the same on that matter at any rate. I suggest that for a limited period—a period to be decided after investigation of the whole question and perhaps in consultation with the leaders of the Japanese groups in Canada—the limitation on their return to British Columbia should be continued, and that the Japanese should be dispersed throughout the provinces of Canada in proportion to the employment available in those provinces, and to the population of those provinces, in accordance with the total number of Japanese in Canada.

This would have two advantages. First, it would mean that British Columbia would not be called upon to reabsorb all the Japanese in Canada and, second, it would mean that there would be no resettlement in a single large community of this group of non-Canadians or of people who are not as yet assimilated in Canada. Surely experience with regard to immigration in the past has shown that it is not desirable for foreign groups to come in and settle in large community groups in Canada. They do not become assimilated. They continue their own language and their own customs, and they do not become Canadians. We passed a citizenship bill last session, and in the course of the debate on that bill it appeared to be unanimously felt by the house that the most desirable thing to bring about was that all people should regard themselves as Canadians pure and simple, and not in any way as hyphenated Canadians. This practice of settling in community groups is one which is calculated to prevent people from regarding themselves as Canadians. They will inevitably tend to regard themselves more as Japanese, or, at the best, as Japanese Canadians, if they are permitted to continue in a single community. There would thus be a twofold advantage to the policy of dispersement. It would be fair to the people of British Columbia and it would have the result that the people of Japanese origin would be more rapidly assimilated, would more rapidly become Canadians.

However, it seems to me we have to read this in the light of the admitted difficulty which is felt by all those who are considering this question, and that is that we all—and not only the C.C.F.—consider it desirable that there should be no racial discrimination, that there should be freedom and equality as between all those who live in Canada. Therefore, to continue a limitation upon the residence of the Japanese would be a denial of that principle or a postponement of the realization of that principle. That is certainly the difficulty which is present in the minds of all those of this party who are considering the question, just as much as it is present in the minds of members of the C.C.F. party. But we are prepared here to face the problem. We say that the Japanese are not as yet assimilated, that they should not be permitted again to settle in a community group. It would not be fair to them to send them all back to British Columbia and allow them to shift for themselves and it would not be fair to British Columbia to put her in a position where she may again have to absorb all those of Japanese origin.

Facing those two conflicting problems, I suggest that this is one way of reconciling the difficulties. Disperse them for a period to be fixed and let them know that if, during that period, they conduct themselves in such a manner as to indicate that they wish to become true Canadian citizens, then at the end of that period this restriction will be lifted and they will be regarded as Canadian citizens. If the period is adequate and the treatment of the Japanese is proper, it is surely reasonable to assume that they would settle down in other parts of Canada and, if they are going to become Canadian citizens, would enter into the life of the communities where they are settled and become Canadian citizens in those other provinces. When the restrictions were lifted there would therefore be no tendency for the Japanese to congregate again exclusively in British Columbia. I put that suggestion forward to the Minister of Labour as a method which he might consider in working out the final details of the policy which is now being carried on under this order in council. I suggest, however, that it would be desirable not to implement that policy by order in council but rather by a statute of the Canadian House of Commons so that the Japanese can know—

Mr. MITCHELL: May I ask the hon. member a question?

Mr. FULTON: Yes.

Mr. MITCHELL: Is he suggesting that we should have a quota basis for the other provinces by act of parliament?

Mr. FULTON: No, I am not suggesting that. What I am trying to do is to put forward a principle, the details of which might be subsequently worked out and on the basis of which this problem might be settled. I am certainly not saying that we should pass an act of parliament that Ontario, Quebec or Manitoba, let us say, will absorb so many Japanese. That is not the way we do things in Canada. I am surprised at the minister making that suggestion. It is obvious that the matter would require rather to be solved by consultation between the dominion and the provinces, and between the provinces.

Mr. MITCHELL: If the hon. member reads *Hansard,* he will find he has been talking about a quota basis.

Mr. FULTON: It is the principle I am suggesting. Application of the principle must, of course, be left to negotiation. But it is a principle which I think reconciles the two difficulties, the difficulty of imposing a limitation or restriction on persons of Canadian nationality and, on the other hand, the unfairness of allowing all those of Japanese origin to congregate again in British Columbia.

I hope that, in the rest of this debate my hon. friends of the C.C.F. party will not continue to assume for themselves either the sole rights to consistency or the sole rights to interest in the preservation of freedom and equality as between Canadian citizens.

Mr. ARCHIBALD: I should like to contribute a few words to this debate. The hon. member for Comox-Alberni suggested that I give an answer, yes or no, to a given question. It reminds me of that old question, "Do you still beat your wife, yes or no?" I will explain the question in my own way.

The oriental problem in British Columbia is not a new one. It is not new in Canada or, for that matter, on the North American continent. When the hon. member for Cape Breton South was speaking the other day he was telling us about the difficulties in the steel mills in the early days which were caused by the immigration at that time and the importing of large numbers of one given group, from a backward country, and throwing them into the steel mills. Then they would have to fight them in order once again to make the union work and build up conditions which were worth while living under. Years ago, along the boundary country among the miners the western federation of miners had to arm themselves with 30-30 Winchesters in order to keep out Chinese scabs. At that time the mine owners wanted to bring them in. It looks as though we are going into the same form of immigration at the present time when we allow industrialists to go over and pick up their own form of cheap labour, so that we can look for the same policy as we have had in the past.

During the depression the whole thing boiled up on the coast until it became absolutely impossible. To a large extent we have a monopoly in the fishing out there. H. R. MacMillan runs the major part of the packing companies, as he does the lumber industry out on the coast. Those packing companies played up to the Japanese. They gave them special conditions under which to live; they gave them equipment with which to work. No wonder they had good boats. I noticed the hon. member for Vancouver South spoke as though they had exceptionally good equipment, including boats in which they could sail over to Japan. Any 60 or 70-foot boat will sail over to Japan if you put enough oil in the hold.

Mr. GREEN: If I may ask the hon. member a question, is he in favour of allowing Japanese to come back and fish on the Pacific coast?

Mr. ARCHIBALD: I will answer my own questions in my own good time, and when I see fit. I do not need any instructions from the hon. member for Vancouver South.

Mr. GREEN: I was not giving instructions; I was asking a question.

Mr. ARCHIBALD: I will answer it in time.

Mr. GREEN: If you are afraid to answer it, O.K.

Mr. CRUICKSHANK: He is afraid to answer it.

Mr. ARCHIBALD: Don't use the word "afraid". I am not afraid to answer the question. I answered it very well during the time of the election. I have heard various members from the other side of the house speak as though the Japanese question was just a matter of defence. Oh, no; they could not be accused of race hatred. When I think about it I sometimes wonder if the last election was just a bad dream. That is all we had to fight on the coast, the Japanese question. The Liberal party even brought an American woman who had been in a Japanese concentration camp up to Prince Rupert to speak of the horrors she had encountered in that camp.

Mr. CRUICKSHANK: There are worse horrors in Prince Rupert now.

Mr. ARCHIBALD: One thing about it, that little attempt boomeranged, because she was such a hard-looking case it did not go over.

Mr. CRUICKSHANK: They have a harder looking case now.

Mr. ARCHIBALD: As I say, during the depression, with the companies playing up to the Japanese, giving them special concessions and at all times a better break than the white fishermen got, the white fishermen were driven down to poverty stricken levels. At that time even the halibut fleet, which is normally quite a stable industry, was driven down to the point where the men would make only $200 in the season. That condition was prevalent all through the fishing industry at that time. It became a political football. All the hatred and suffering of the fishermen were turned on the Japanese, quite consciously, because of political necessity. Now the fishermen are becoming well organized. They have their cooperatives; and what is happening now? At the last session of the provincial legislature an amendment to the cooperative act was put through, providing that fishermen on company-owned boats could not allocate their share of the catch to the cooperatives. They are paid in shares, a definite portion of the fish from the boats, and now they cannot allocate their share of the fish to the cooperatives. The large fish packing companies have declared war on them, and they are going to be driven right back into the same position they were in during the depression. They are beginning to find out where the real Japs are.

This Japanese question will not save the Liberal and Conservative parties at the next election, because they are both on the spot. We have a coalition government putting through that anti-fishing legislation. I grant that it may be Tory domination; I do not know whether the Liberals out there are weak-kneed, but that is what is happening. Furthermore, they are starting to get together in the federal field. In Skeena they are crawling into the same bed; they cannot stand on their own feet. The hon. member for Fraser Valley had better look out. The hon. member for New Westminster pointed to the terrific increase in the number of fishing licences issued since 1941. That industry has been changing; the gill net method of fishing is becoming antiquated. The struggle between the seiners and the gill netters is boiling up once again.

Mr. CRUICKSHANK: What does the hon. member mean by that?

Mr. ARCHIBALD: Just this; that the gill net method of fishing is becoming antiquated, as I had it explained to me during the recess by the fishermen out in Prince Rupert. The point is they are going to be driven right back where they were. At the present time, thank goodness, the Japanese are not on the coast. Otherwise the fishermen would be taking out their hatred once again on those Japanese.

Mr. CRUICKSHANK: Would you permit a question?

Mr. ARCHIBALD: Certainly.

Mr. CRUICKSHANK: Are you in favour of giving the Japanese fishing licences?

Mr. ARCHIBALD: Do I still beat my wife?

Mr. CRUICKSHANK: I asked you a question.

Mr. ARCHIBALD: I will answer the question to my fishermen, not to you. I can understand and sympathize with the position of the Minister of Fisheries, of whom I think a great deal personally. He faces a difficult problem.

Mr. CRUICKSHANK: What about the question?

Mr. ARCHIBALD: When did you become my conscience?

Mr. CRUICKSHANK: I don't think you even have one.

Mr. ARCHIBALD: In the halibut fleet at the present time, for instance, the large companies are ramming in boats so fast that the independent fishermen are being squeezed to the wall. I have a letter here from the deep sea fishermen's union and, as I understand it, they are asking for that allocation per boat. They want that put through at this session of the house, because they are running into difficulties. There will be no independently owned fishing fleet on the coast, either in the salmon or in the halibut, unless the question is cleared up.

I want to just make my position clear at the present time. I believe this Japanese issue was used consciously by the large economic interests on the coast to sidetrack the main issue. It was picked up by those who had no basic idea of how to solve the problem, and they used it for their own political ends.

Mr. FULTON: Are you suggesting a solution now?

Mr. ARCHIBALD: Certainly. The solution is quite clear; the fishermen take over the whole fishing industry ruthlessly, and that does not call for any apology.

Mr. FULTON: Does that settle the Japanese problem?

Mr. ARCHIBALD: Yes, it settles the Japanese problem in this way, that the fishermen will control their own destiny and their own meal tickets, and will not be pushed around.

Mr. CRUICKSHANK: Would you give the Japanese licences?

Mr. ARCHIBALD: I will consult and work with the fishermen; they will control the licences and the fishing, and you will not have anything to do with the matter. That is the way to solve it. I heard the hon. member for Comox-Alberni criticize Colin Cameron for talking about taking over industry ruthlessly. We have only three basic industries in British Columbia: fishing, lumbering and mining. The fishing and lumbering are controlled by MacMillan; mining is controlled by Consolidated Mining and Smelting, and we will take it over.

Mr. CRUICKSHANK: And now you want the Japanese in there too

Mr. ARCHIBALD: We will solve the problem of the fishing industry by working in consultation with the fishermen, and by turning the fishing industry over to the fishermen themselves. That will solve the Jap issue, and it will take the only talking point you are capable of expressing right out of your mouth.

Mr. MERRITT: Perhaps I should say a few words on this matter, particularly in view of the speech we have just heard. The hon. member for Skeena has left no doubt in the mind of anyone in the house that he does not base his stand on this question on any of the high and moral grounds advanced by his party in support of their opinion.

Mr. ARCHIBALD: I am basing it on my stomach.

Mr. MERRITT: And I respect the hon. member for being much more practical and facing facts much more clearly than his colleagues. But I want to call the attention of the committee to some of the things the hon. member has just said, and these from a member of the party of sweetness and light, who would have us think they are furthering great human ends by advancing this policy on behalf of the Japanese. Apparently the hon. member would permit the Japanese to go back to the Pacific coast and into the fishing business. At the same time he would ruthlessly dispossess white Canadians of their property.

Mr. ARCHIBALD: I rise to a point of order. The hon. member is interpreting my words, and taking them out of their context. I said I would turn the fishing industry over to the fishermen, and take it out of the hands of H. R. MacMillan.

Mr. CRUICKSHANK: That is not what you said.

Mr. ARCHIBALD: Yes, it is.

Mr. MERRITT: We can leave it to *Hansard*. I wrote it down at the time, and the words I wrote were that he would ruthlessly take over the industry. He made an interesting remark to the hon. member for Fraser Valley, telling the hon. member in no uncertain terms, "You will not have anything to do with fishing licences."

So that apparently the idea of the C.C.F. is that there is room for discrimination and room for class hatred in this country, but there is no room for racial differences. I think the hon. member pretty well summed up the attitude of his party on this question.

Mr. ARCHIBALD: Tell that to the fishermen.

Mr. MERRITT: I do not think it is an attitude which will have much appeal for practical men in this country.

Then, I should like to say one or two things about what other members of that party have said. Last night the hon. member for Kootenay West said that the present members in the Liberal and Progressive Conservative parties were not truly representative of the people of British Columbia. If we believed that we did not truly represent the feelings of British Columbians I do not think we would have witnessed so consistent a stand over so many years by the members of the two old-line parties, parties which, whatever one says against them, have their feet on the ground and do not always have their heads in some rosy clouds.

I do not want to take any stronger position than was taken by the hon. member for Vancouver East who, I am sorry, is not in his seat at the moment. Last night he was asked a question by the hon. member for Fraser Valley, and the discussion is reported as follows at page 2316 of *Hansard:*

Mr. Cruickshank: Did you object to their being withdrawn from the coast?
Mr. MacInnis: No. I took the stand—
Mr. Cruickshank: Thank you.
Mr. MacInnis: —that it was desirable and perhaps necessary because of public feeling.

If in 1942 it was desirable and necessary, because of public feeling, that the Japanese should be removed from the Pacific coast, I would not like the committee to be under any misapprehension as to the present feeling. After all, those of us who are members from British Columbia are in the best position to know it is desirable and necessary, because of public opinion, that the Japanese should not be allowed to return.

Mr. MATTHEWS (Kootenay East): Is the hon. member trying to give the committee the impression this afternoon that all the people of British Columbia are opposed to the return of any Japanese to that province?

Mr. MERRITT: Oh, no; and I am glad the hon. member asked that question. I will say emphatically that I believe a large majority of the people in British Columbia do not want the Japanese to return to that province. I should not like to state any definite percentage, because, for instance, no Gallup poll has been taken. The hon. member and I may differ in our opinions. However I am giving my opinion, and it is that a very large percentage do not want the Japanese back.

Mr. NICHOLSON: Why do they not want them back?

Mr. MERRITT: That is a good question, too. I think this afternoon the hon. member for Comox-Alberni has stated sensible and practical reasons why they do not want them back. I would commend to the hon. member who has asked the question the commonsense speech of the hon. member for Comox-Alberni, which will do more to formulate a wise judgment in the mind of the hon. member than talking to his colleagues.

I might add a word to what the hon. member said. He has spoken from the intimate day-to-day point of view and has given incidents within his knowledge. I should like to call the attention of the committee to a major reason why the people of British Columbia feel the way they do. The attitude of the people of British Columbia is not confined to that province. One sees the same attitude in Australia and on the Pacific coast of the United States. It is all very well for hon. members to rise in their places and say, in such an airy fashion, that we should hate those who manage industry, but that we should love the Japanese.

The practical fact is that those who live in the van, if one may so describe it, and who immediately face the orient, have always felt a measure of insecurity and uncertainty in their position. I believe they feel it principally because the continent of Asia is heavily populated, and the standard of living of peoples on that continent is much lower than the one we follow. We know the theoretical position, carried to its ultimate, simply means a mass influx, a lowering of our standard of living and a changing of Canada from what we all want it to be to something quite different. It is not based upon any racial hatred or any such theory. It is a perfectly practical view, based upon long experience and after many examples of exactly what would happen if those airy theories were applied in the way hon. members of the C.C.F. want them applied. This would not be Canada; it would be a totally different country.

The time may come when the ideal which the hon. member has expressed, without tying it to anything practical, will be accepted throughout the world. But I say to hon. members, in all sincerity, that it is not accepted now. There is no use in trying to force that point of view upon people who do not want it. That is not the way to bring people around to one's point of view.

There is no use in bludgeoning them or criticizing them, following the tactics which some newspaper editors in the east seem to be developing. If you want to bring people over to your view you must educate them. Continue pressing your ideas upon them, in the proper democratic way; but refrain from this attempt to influence the house to do something which would be considered coercion by another minority, about whom the hon. member does not seem to think very much. I refer to the people of British Columbia who, from the practical point of view, would have to bear the brunt of what he has suggested. They are a minority in this country. This is not the way in which one deals with minorities in a democratic country. You do not just put through parliament a law which is entirely against their wishes and to which they cannot give support. If you are so advanced in your thinking as you seem to consider you are, then you should go and win over the people of British Columbia to your side. Do not come here to this chamber, which consists, in the main, of people who do not know this problem because they do not live with it, and try to get strangers to the problem to follow you, on a straight ideological basis, to a conclusion which could not be accepted by your fellow Canadians in British Columbia.

Mr. KNOWLES: Are you charging for the lecture?

Mr. MERRITT: No, I make no charge for the lecture; I make it gladly and freely and I hope it will have some effect upon the hon. gentleman.

Mr. GARDINER: The C.C.F. always charges fifty cents.

Mr. MACKENZIE: Especially on Sundays.

An hon. MEMBER: They usually get more than that.

Mr. MERRITT: I have tried to explain how I feel about this problem in the way of a lecture to my hon. friend which I hope he will take to heart. I want to try to offer, along with the other members of the old parties who have spoken in this debate, some practical answer to the problem. The suggestion I am going to make simply amplifies what has been said by the hon. member for Kamloops and the hon. member for Vancouver South.

During the forty years that we in British Columbia have been dealing with this problem we have not had a great deal of support from Canadians living east of the Rockies and who did not know the problem as we knew it. Naturally that has solidified public opinion in British Columbia against the oriental much more than would have been the case had the people there felt certain that they had the people of Canada behind them. We have always had to take a strong stand. We have always been left up in the air; we have always been uncertain as to when we would be able to check large-scale immigration. When we did succeed in checking that we were uncertain as to how long we would be able to hold it under control. So long as you live in that state of uncertainty, so long will public opinion in the west remain in the state it is in today, the state which members of the Liberal and Progressive Conservative parties have outlined.

In addition to there being a continuation of the policy of the dispersal of Japanese in Canada; in addition to their being prevented from returning to British Columbia for a period of years, we should have from the government a definite statement on oriental immigration. We should know what their policy will be and whether it is one which could be accepted in British Columbia. If we could feel sure that that policy would not be changed against the will of the people of British Columbia, then there would be a lessening of the pressure which exists and the problem of those Japanese who remain in Canada would become much easier of solution.

[Mr. Knowles.]

I think there is another way of handling the oriental problem in Canada, one which is not restrictive, one which is the reverse. If the number of white people in British Columbia were so much greater than the number of orientals there would be removed from our minds the fear that our standards might be challenged by that oriental group which unfortunately does not assimilate. You would then find us more ready to fall in with theory. With that addition I stand by what has been said by the hon. member for Kamloops in connection with a solution of this problem.

Mr. KNOWLES: Would the hon. member permit a question for the purpose of obtaining information? He has said that he is endeavouring honestly to give this committee the feelings of the people of British Columbia in connection with this whole problem, as he sees it. In referring to the problem, he constantly used the word "oriental". Do I understand him to mean that there is still a feeling in British Columbia against all orientals, or is it just with respect to the Japanese? I am not expressing any views at the moment; mine are well known. I simply want to know what the situation is in British Columbia as the hon. member is seeking to report it.

Mr. MERRITT: That is a good question. The problem of trying to mix the yellow race and the white race or the white race and the black race, to be found in the United States, is not an easy one to solve. When I used the word "oriental" I was applying it to all those of the yellow race.

Mr. COLDWELL: Including Chinese?

Mr. KNOWLES: And East Indians?

Mr. MERRITT: Including Chinese; all people of a different colour from ourselves.

The CHAIRMAN: I do not wish to restrict the discussion, but the orders in council refer only to Japanese and I do not think we should get into a wide discussion on all orientals.

Mr. MERRITT: Since the hon. member has asked the question, I should like to make it perfectly plain. There is a difference in colour which makes assimilation almost impossible, but that does not suggest that the white people consider themselves superior to those of the yellow race. I am perfectly certain that the Chinese and Japanese prefer their own colour to ours. Simply because that difference does exist in fact need not result in charges of "discrimination" or anything like that against any of them or against any person.

There is one last thing I should like to say if it will go anywhere toward satisfying the people who follow an ideological view. We must apply any ideology to our time. Right at this moment there is not an hon. member who will not admit that rent control is an unwarranted invasion of the rights of the Canadian people. I do not think the Minister of Finance who administers it would try to justify rent control on any ground other than that of avoiding the social upset which would follow the removal of restrictions on evictions.

Mr. MITCHELL: I am enjoying my hon. friend's remarks, but I think it would be better if we stayed with the orders in council instead of getting off into rent control.

Mr. MERRITT: If the minister had not interrupted me I think I would have joined up the two to his satisfaction and would have been sitting down by this time. If the deprivation of the rights of all landlords can be justified for a period of one or two years I think we can, without hurting our consciences very much, allow these orders in council to run along so long as rent control remains. It might be that as the housing situation clears up and permits of rent control being released, so will this situation clear up and these problems of principle may not then seem so important in the minds of members who are not faced with the practical consequences of the situation.

Mr. MAYHEW: Mr. Chairman, I notice it is ten minutes to six o'clock but I think I can say what I want to say in that time. In fact I would not be speaking at all, except that I have refrained for a number of years from taking part in the debates in this house on the Japanese question and because of that some of my hon. friends have probably misunderstood my position.

In 1942, after Pearl Harbor, I was one of those who wired Ottawa in connection with the picking up of the Jap fishing boats on the coast. However, that was not necessary because the navy was ahead of everybody and did an excellent job in picking up some twelve hundred fishing boats and bringing them into harbour.

I later tried to persuade the government that the Pacific coast area should be cleared of Japanese for defence purposes and I spoke on that in both 1942 and 1943. I asked that the Japanese be removed from the Pacific coast area in units of families, because I believed that was the most humane way of treating them and the best plan also so far as the government was concerned. By the removal of them in units of families into the interior of the province and to the prairies and to the central provinces they could help to feed our armies and our allies, but if we put them in concentration camps we had to feed them. One way they would have been helping us and the other way they would have been helping Japan.

Later on, when the Japanese were moved to camps along the Canadian National right of way I objected to their staying in that position because it was not a safe position. Since that time I have refrained, as I said, from taking part in the debates on this question. I refrained for two reasons. One was that Canada has treated the Japanese better than any other of the oriental races. We have permitted practical slavery among the Chinese people due to our laws, which I think should be cancelled just as soon as possible. We have not allowed them to come in with their wives, nor have we allowed the Hindus to come in with their wives. But the Japanese were allowed to bring their wives in and to set up homes and live like the rest of us, although they have failed to do that in a number of places.

When our security commission wanted to move the Japanese people to other provinces in Canada, what did we find? The other provinces immediately started bargaining with the security commission for these Japanese. They said, yes, you can move in men who are capable of working and earning a living, provided that, when the war is over, you move them out again. Furthermore, that was practically the attitude of all the provincial authorities and we have seen the same attitude in other places. The hon. member for St. Paul's said in this house that no Japanese would come to the city of Toronto if he could avoid it. The mayor of this city is reported to have said that no Japanese are going to come to Ottawa, and other people in responsible places have said the same thing. What has that meant? It has meant that the rest of Canada is trying to put British Columbia in the position where she should shoulder the whole blame, and I refuse to do that. They are trying to make out, because we in British Columbia say we do not want the Japanese back, that the people of British Columbia are un-Christian and a heathen people, implying that people in this part of Canada are all saints. I say, let the people in the other parts of Canada come forward and say: We will not force anything on you, but we will welcome these Japanese people and treat them as Christians, thereby proving our Christianity. I am quite sure that British Columbia will then say the same and will go as far as they will in our Christian treat-

ment of the Japanese. One Christian act never made a Christian, and one act of felony never made a felon, but if people in other parts of Canada will adopt that principle of Christianity and invite the Japanese and treat them as they say they want British Columbia to treat them we shall not have any difficulty in handling the Japanese.

I had a good deal I wanted to say, but I will be content with what I have said.

Progress reported.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, April 24, 1947

The house met at three o'clock.

REPORT OF COMMITTEE

Third report of the standing committee on railways, canals and telegraph lines.—Mr. Breithaupt.

REPORTS AND PAPERS

TABLING OF ORDERS IN COUNCIL UNDER EMERGENCY POWERS ACT

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I wish to table copies in English and French of orders in council, including minutes of council and of the treasury board, passed under the authority of the National Emergency Transitional Powers Act, 1945, for the month of March, 1947, and copies in French for the month of February, 1947.

ST. LAWRENCE WATERWAY

CONCURRENCE IN PROPOSAL FOR TOLL CHARGES

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): In view of the fact that the St. Lawrence seaway agreement has been resubmitted to the United States congress for approval, it is felt that it would be useful to provide a brief statement of the present position for the information of members of the house.

The Great Lakes-St. Lawrence basin agreement was signed on March 19, 1941. Since that time the agreement has been regularly submitted to congress, but has never been approved. In 1946 the senate foreign relations committee, after extensive hearings, made a favourable report on the bill but the matter never came to a vote in the senate.

The Canadian government was recently approached by the United States authorities regarding the possibility of reaching agreement in principle that the seaway be made self-liquidating through an agreed system of tolls the details of which could be worked out at a later date. The Canadian government has now concurred in principle with the proposal to make the St. Lawrence seaway self-liquidating by means of toll charges subject to the conclusion of arrangements satisfactory to both governments for the implementation of this principle.

[*Later*]:

Mr. JOHN BRACKEN (Leader of the Opposition): The minister referred to an agreement which had been made with respect to the seaway agreement. Can the correspondence be made available?

Mr. ST. LAURENT: The consent of the United States government would be required. I am not sure how much of this was covered by correspondence. I know that there were negotiations which were conducted orally between the United States ambassador and the Department of External Affairs here, and there were other negotiations conducted orally between our ambassador in Washington and the state department there. There possibly has been an exchange of notes; if there has been, they will of course be tabled.

Mr. BRACKEN: The minister referred to an agreement in principle on a system of tolls. If there is an agreement could we have its exact terms?

Mr. ST. LAURENT: There was a statement made that Canada would not object to the principle of tolls provided they could be arranged in such a way that there would be genuine benefit to transportation in a reduction of charges by the construction of the seaway. I am not sure that there was a formal exchange of notes, but if there was I shall be glad to see that the notes are tabled.

Mr. ADAMSON: Was the legislation introduced in congress in the form of a bill, or in the form of a treaty? Will it require a two-thirds majority or a simple majority?

Mr. ST. LAURENT: I should not like to express an opinion as to what is required constitutionnally, but my opinion is that a bill has been introduced.

EAST INDIANS

FRANCHISE IN BRITISH COLUMBIA—EXCHANGE OF TELEGRAMS BETWEEN OTTAWA AND NEW DELHI

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): There is a statement I should like to make to the house in explanation of the fact that a release to the press was made this morning at eleven o'clock of an exchange of telegrams between Ottawa and New Delhi with respect to the amendment of the Franchise Act of British Columbia and its effect upon the franchise of East Indians. The reason the release was made this morning instead of being communicated first here in the house was that it was desired to have it released simultaneously here and in New Delhi. Because of the difference in time even eleven o'clock this morning meant something like 9.30 p.m. in New Delhi. The telegrams are as follows:

Right Hon. Louis S. St. Laurent,
Secretary of State for External Affairs,
Ottawa.

I would like to convey to Prime Minister of Canada, to Premier of British Columbia, and to yourself, my appreciation and thanks for action taken by legislative assembly of British Columbia in passing bill enfranchising Indians. I hope this is forerunner of increasingly friendly relations between Canada and India.

Jawaharlal Nehru,
Minister for External Affairs and
Commonwealth Relations, India.

To which the following reply was sent:

Pandit Jawaharlal Nehru,
Minister for External Affairs
and Commonwealth Relations,
New Delhi.

Greatly appreciate your kind telegram regarding enfranchisement of Indians in British Columbia which has resulted from action by legislative assembly of that province. I join with you in hope that friendship between India and Canada will be strengthened by this action.

Louis S. St. Laurent,
Secretary of State for External Affairs.

Mr. CHURCH: I take it from the Hindu statement with respect to votes for these Hindus in British Columbia that the government is automatically recognizing the new Nehru provisional Indian government.

CANADIAN NATIONAL RAILWAYS

REPORT OF AUDITORS REFERRED TO RAILWAYS AND SHIPPING COMMITTEE

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, I wish to table the report of George A. Touche and Company, auditors of the Canadian National Railway system for the year ended December 31, 1946. Copies in English are being distributed to the members this afternoon and I expect to be able to table the French edition in a day or two. By leave of the house I move:

That the report to parliament of George A. Touche and Company, auditors of the Canadian National Railway System, for the year ended December 31, 1946, tabled this day, be referred to the sessional committee on railways and shipping owned, operated and controlled by the government.

Motion agreed to.

SUPREME COURT ACT

AMENDMENT TO ABOLISH APPEALS TO PRIVY COUNCIL

Mr. F. E. JAENICKE (Kindersley) moved for leave to introduce Bill No. 154, to amend the Supreme Court Act.

Some hon. MEMBERS: Explain.

Mr. JAENICKE: Mr. Speaker, on the 13th January, 1947, the judicial committee of the privy council decided that the dominion parliament may, in the exercise of the wide amplitude of power conferred by section 101 of the British North America Act, vest the Supreme Court of Canada with final and exclusive civil and appellate jurisdiction within and for Canada and may accordingly deny any appeal to his majesty in council either from the supreme court or from any provincial court and regardless of whether the matter in question is within the exclusive legislative authority of the dominion or of the provincial legislatures.

The purpose of the present bill is to give effect to this decision of the privy council, and also to a previous decision respecting appeals in criminal matters, namely, British Coal Corporation *v.* the King in 1935.

Section 54 of the Supreme Court Act, which it is proposed to repeal by this bill, reads as follows:

54. The judgment of the court shall, in all cases, be final and conclusive, and no appeal shall be brought from any judgment or order of the court to any court of appeal established by the parliament of Great Britain and Ireland, by which appeals or petitions to His Majesty in council may be ordered to be heard, saving any right which His Majesty may be graciously pleased to exercise by virtue of his royal prerogative.

The right of appeal to His Majesty in council has been regulated in certain statutes of the parliament of the United Kingdom of Great Britain and Ireland, of which two are important: the Judicial Committee Act,

1833, and the Judicial Committee Act, 1844. Both these acts are proposed to be repealed by this bill. The act of 1833 recites that:

. . . from the decisions of various courts of judicature in the East Indies and in the plantations, colonies and other dominions of His Majesty abroad, an appeal lies to His Majesty in council.

And proceeds to regulate the manner of such appeal. The act of 1844 recites that:

. . . the judicial committee, acting under the authority of said acts (the act of 1833 and an amending act) hath been found to answer well the purposes for which it was so established by parliament, but it is found necessary to improve its proceedings in some respects for the better dispatch of business and expedient also to extend its jurisdiction and powers.

The first section of the act of 1844 enacts that it shall be competent to Her Majesty by general or special order in council to:

. . . provide for the admission of any appeal or appeals to her majesty in council from any judgments, sentences, decrees or orders of any court of justice within any British colony or possession abroad.

This bill is in accordance with the decisions of the privy council here referred to, which themselves were based on the provisions of the Statute of Westminster, 1931.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

REPATRIATION OF CANADIANS FROM JAPAN

Mr. BLACK (Yukon):

What public moneys have been expended or advanced to repatriate Canadian civilians from Japanese prison and concentration camps?

Mr. GLEN: The actual amount expended to date by the immigration branch in payment of accounts received is $73,780.04.

"HOUSING PROGRESS ABROAD", BI-MONTHLY REVIEW

Mr. FRASER:

1. How many copies of each issue of Housing Progress Abroad, Bi-monthly Review, are printed and issued by the Central Mortgage and Housing Corporation?

2. How many people are employed to compile and edit this review?

3. What is the total monthly salaries, or wages, of the above employees?

4. What is the total cost of printing and mimeographing this review?

Mr. McILRAITH:

1. During 1946 five issues of "Housing Progress Abroad" were mimeographed (March 1, May 1, July 15, September 10 and November 7) averaging three hundred copies per issue.

2. One person was employed to compile and edit this review with part time assistance from other employees.

3. As nearly as can be estimated the total monthly salaries paid to compile and edit the review would not exceed $200.

4. $312.50 for 1946. This amount is made up of the cost of paper, stencilling and mimeographing.

WAR ASSETS—WOMEN'S SHOES AND SOCKS

Mr. FRASER:

1. Did war assets corporation, eastern division, receive within the last two months, about 5,000 pairs of women's white socks and about 15,000 pairs of women's oxford shoes?

2. If so, from what branch of the armed services were these received?

3. Will these socks and oxfords be sold by auction or through the firms that manufactured same?

Mr. McILRAITH:

1. No. The eastern division (maritime region) of War Assets Corporation, during the last two months, received, on national distribution, no women's white socks and only 2,553 pairs of women's oxford shoes.

2. Department of National Defence (Army).

3. No. They will be sold to jobbers, wholesalers, and direct buying retailers.

PEACE TREATIES

Mr. PROBE:

1. With what enemy countries during world war two has Canada signed peace treaties to date?

2. Will these treaties be presented to parliament for ratification? If so, when?

Mr. ST. LAURENT:

1. Italy, Roumania, Hungary and Finland.

2. It is anticipated that the treaties will be presented to parliament for approval at an early date, dependent on progress made with urgent legislation which must be given priority.

WEST NOVA SCOTIA REGIMENT

Mr. WINTERS:

1. Where are the headquarters of the West Nova Scotia Regiment?

2. For military purposes, is Halifax considered to be in the west Nova Scotia area?

3. Who is the commanding officer of the West Nova Scotia Regiment, when was he appointed, and where does he live?

Mr. LAPOINTE:

1. Kentville, N.S.

2. Yes.

3. Lieutenant-Colonel T. M. Powers; appointed: 1st April, 1947. Resides at Halifax, N.S.

INDIANS AND ESKIMOS—CITIZENSHIP

Mr. CHURCH:

Has any action been taken to give by grant of letters patent to the Indians and Eskimos of Canada under the prerogative powers of the sovereign full citizenship in Canada, and to include their right to all social services now extended to all citizens of this country?

Mr. GLEN: Indians and Eskimos are natural born Canadian citizens and enjoy, subject to the disabilities and liabilities provided for in the Indian Act, all the rights and privileges of such citizenship; as well they enjoy certain special rights and privileges under the said act not enjoyed by other citizens. It is understood this matter will be the subject of consideration by the special joint committee of the Senate and the House of Commons.

WEYMOUTH, GROSSES COQUES, BELLIVEAU'S COVE, ST. BERNARD, N.S., MAIL SERVICE

Mr. BLACK (Cumberland):

1. Has the contract for conveying mail from Weymouth, Grosses Coques, Belliveau's Cove and St. Bernard, Nova Scotia, been up for renewal and have or will tenders be called for, stating date?

2. Who are the tenderers, stating the amounts?

3. Has the contract been let, and if so, to whom and at what price?

4. Have or will returned men be given preference?

Mr. BERTRAND (Laurier):

1. As the services of the contractor are satisfactory and the contract rate reasonable, arrangements have been completed for the renewal of the contract for a period of four years under the existing terms, dating from the 1st July next.

2, 3 and 4. See answer to No. 1.

NORTHERN WEATHER STATIONS—PERSONNEL

Mr. COLDWELL:

1. Have steps been taken to recruit Canadian personnel for the projected far northern weather stations?

2. If so, what salaries are being offered to (a) officials; (b) senior technicians; (c) junior technicians?

3. What salary schedules are being offered by the United States for similar positions at the same weather posts?

4. What other inducements, if any, are offered (a) by Canada; (b) by United States?

Mr. McILRAITH:

1. Yes.

2. (a) $4,500, officer in charge; $3,300, forecaster; (b) $2,580; (c) $1,980.

3. Information not available.

4. (a) $1,200 isolation allowance; free board and lodging; all essential winter clothing and equipment; (b) information not available.

GRATUITIES TO RED CROSS PERSONNEL WITH OVERSEAS SERVICE

Mr. CHURCH:

1. Has anything been done since last session to grant gratuities and other benefits to the Red Cross personnel who served overseas in the last war since it was before the 1946 committee on veterans affairs?

2. Will any action be taken in the matter?

Mr. TUCKER:

1. No.

2. This question relates to matters of policy and it is not the practice of the government to disclose policy in giving answers to questions.

QUESTION PASSED AS ORDER FOR RETURN

MILITARY SERVICE—ALIENS—RIGHT TO NATURALIZATION

Mr. WHITE (Middlesex East):

1. How many aliens during the period of the war (a) received notice of call up; (b) thereafter agreed to serve in the Canadian army; (c) thereafter refused to serve on the ground that they were aliens?

2. Was an alien who refused to serve required to sign an undertaking that in doing so he was forever deprived of the right to be naturalized as a British subject?

3. If so, how many signed such an undertaking?

4. Have any of said aliens who declined to serve been naturalized since May, 1945 as (a) British subjects; (b) Canadian citizens?

5. If so, how many in each category?

6. Has consideration been given to allowing such aliens who signed such declarations to become naturalized?

FOREIGN EXCHANGE

DISCOUNT ON CANADIAN BONDS AND STOCKS IN UNITED STATES MARKETS

On the orders of the day:

Mr. ALAN COCKERAM (York South): Mr. Speaker, I should like to ask a question. Yesterday I directed a question to the Minister of Finance (Mr. Abbott) inquiring as to what steps the government proposes to take to cope with the increasingly adverse and critical exchange position as between Canada and the

United States of America. The minister's reply was indefinite, and I now ask him to make a full statement to the house, informing us of the action which the government proposes to take to remedy this situation.

Hon. DOUGLAS ABBOTT (Minister of Finance): The minister's answer is exactly what it was yesterday. That is a matter of government policy which will be announced in due course.

Mr. ROSS (Souris): He is an isolationist.

Mr. COCKERAM: Mr. Speaker, this is twice the minister has refused to answer the question.

Some hon. MEMBERS: Order.

Mr. COCKERAM: No "order" at all. I have a right to speak in this house.

Some hon. MEMBERS: Order.

Mr. COCKERAM: The minister has declined to answer the question and has reverted to his usual facetiousness. I wanted an answer by Abbott the minister, not Abbott of Abbott and Costello.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. ABBOTT: He did not like the answer yesterday and could not think of a come-back quick enough.

Mr. SPEAKER: The minister has answered the question.

LABOUR CONDITIONS

INQUIRY RESPECTING AUTHORIZATION FOR ADMISSION OF EUROPEANS TO CANADA

On the orders of the day:

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, I should like to ask the Minister of Labour this question: is special permission being granted to any other manufacturer in Canada to bring in workers from Europe, under the present immigration regulations?

Hon. HUMPHREY MITCHELL (Minister of Labour): My understanding is that there is, although I have not the figures in front of me. I shall be glad to give them to my hon. friend.

Mr. COLDWELL: May we have the facts?

Mr. MITCHELL: Yes, surely. I meant to have brought the memorandum in with me, but I forgot to do so. I met a delegation and did not leave them until the first house bell rang.

[Mr. Cockeram.]

BUTTER

SUGGESTED SHIPMENT TO BRITAIN OF SUPPLY IN STORAGE

On the orders of the day:

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I should like to ask a question of the Minister of Agriculture. Will he be prepared to do something to provide the people who are suffering in Great Britain with some of the butter we have in storage? I should like an answer.

Right Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, there is not as much butter in storage in Canada as there has been on previous occasions. It will eventually all be required here. But I will take into consideration the suggestion made, and I may have something to say later.

NATIONAL DEFENCE

CIVILIAN EMPLOYEES IN ARMED SERVICES

On the orders of the day:

Mr. R. H. WINTERS (Queens-Lunenburg): Mr. Speaker, I should like to ask the Minister of National Defence if the figures given by Arthur Blakely in a dispatch in the Montreal *Gazette* of today showing that there are 18,000 civilian employees in the army, 5,997 in the Royal Canadian Air Force and 8,131 in the navy, are correct?

Hon. BROOKE CLAXTON (Minister of National Defence): No; they are not correct. What the *Gazette* has given are the figures for December 31, 1946. At March 31, 1947, the number of civilians employed in the army was 11,535 instead of 18,000; for the R.C.A.F. it was 3,015 instead of 5,997 and for the navy it was 5,581 instead of 8,131. So instead of a total of 32,128, the total is 20,131, or a reduction of 11,997 or 37 per cent in the last four months.

ST. GEORGE'S DAY

CELEBRATION IN TORONTO—TRIBUTE TO GREAT BRITAIN

On the orders of the day:

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I would call your attention and that of the four leaders in the house to the fact that St. George's day was celebrated yesterday. I waited for the leaders to speak, but nothing was said. There is a St. George's day celebration in my city today, and at this time I should like to pay tribute, as a private member of the house, to what Great Britain did in the war, and what they have suffered.

They starved themselves at that time, and they are starving themselves today to help feed their enemies.

RADIO BROADCASTING

REGINA CHAMBER OF COMMERCE BROADCAST

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I should like to ask the Minister of National Revenue what decision the Canadian Broadcasting Corporation has come to in reference to the request of the government of Saskatchewan for a ban against certain programmes put on by the Regina Chamber of Commerce, on the ground that they were of a political nature, dealing as they do with private enterprise.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member knows perfectly well that the purpose of a question is to get information from the government, not to give it to the house.

Mr. COLDWELL: That is what the question did.

Mr. SPEAKER: I suggest that the hon. member do that.

Mr. DIEFENBAKER: That is my question, Mr. Speaker. I asked what the Canadian Broadcasting Corporation is going to do with regard to the objection raised by the government of Saskatchewan, the objection being that the broadcasting of—

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: I understand the hon. member has put his question.

Hon. J. J. McCANN (Minister of National Revenue): I have had no notification of the question, but the matter will be given consideration and an answer made in due course.

Mr. COLDWELL: May I ask this further question of the Minister of National Revenue? In view of the fact that the broadcasts to which the hon. member for Lake Centre referred are practically political broadcasts put on by a non-political organization, and the further fact that the next one goes on on Sunday, will he look into the matter and inform the house so that action may be taken before Sunday—if these are illegal broadcasts?

Mr. McCANN: If the hon. member is anxious to listen to the broadcasts, we shall try to let him know in sufficient time, so that he may do so.

Mr. COLDWELL: I do not want to listen to it.

Mr. McCANN: It is the policy of the Canadian Broadcasting Corporation that political broadcasts are not to be dramatized on Sunday.

Mr. McIVOR: Or any other day.

Mr. McCANN: If it is considered that this is a dramatization of a political subject, then I am quite sure it will be banned.

Mr. COLDWELL: Even by a chamber of commerce.

EXTERNAL AFFAIRS

HIGH COMMISSIONER TO INDIA—APPOINTMENT OF HIGH COMMISSIONER TO CANADA

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Mr. Speaker, I should like to ask a question of the Secretary of State for External Affairs.

Mr. BRADETTE: Once a day.

Mr. GRAYDON: I could ask a lot more.

Mr. GIBSON (Hamilton West): Put it on the order paper.

Mr. GRAYDON: That is about the only contribution the Secretary of State (Mr. Gibson) can make. From time to time he introduces the same theme. However, I am not easily discouraged. I should like to ask the Secretary of State for External Affairs whether the Canadian High Commissioner to India has left Canada as yet. I asked this question some time ago, and the minister indicated he had not yet left. Has the minister any further information in the matter?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, the High Commissioner to India was in early this week, either Monday or Tuesday, to take leave of me just before proceeding to his post. He told me the date he was embarking, but I would not venture to repeat it from memory. He was in, however, to take official leave before proceeding to occupy his post.

Mr. GRAYDON: May I ask whether the Indian appointment has been made of a high commissioner to Canada?

Mr. ST. LAURENT: When the government is notified officially of the appointment the announcement will be made in the house, without any delay.

Mr. GRAYDON: There has been none yet.

Mr. ST. LAURENT: No; no official announcement has been communicated to the government as yet.

RAILWAYS AND SHIPPING

REFERENCE TO CONTROL OF SPECIAL COMMITTEE

On the orders of the day:

Mr. F. E. LENNARD (Wentworth): Mr. Speaker, I should like to ask a question of the Minister of Transport with respect to a motion moved by him yesterday and passed. Since when has the sessional committee on railways and shipping been owned, operated and controlled by the government?

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Wednesday, April 23, consideration in committee of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war—Mr. Ilsley—Mr. Macdonald (Brantford City) in the chair.

The CHAIRMAN: When the committee rose last night it was considering the schedule to the bill and orders in council 946, 251, 1665, 469 and 7355, along with an amendment moved by the hon. member for Moose Jaw.

Mr. STIRLING: The question before the committee is whether the five orders in council which have to do with Japanese in Canada should be continued for the life of Bill 104, roughly another year. The amendment moved by the hon. member for Moose Jaw suggests that P.C. 946 be deleted. P.C. 946 is the order in council which empowers the minister to exercise certain control over the movement of Japanese in Canada. It is obvious that if that order in council were deleted from Bill 104, no such power would continue, any settlement still being operated by the government would cease, any money being paid for the subsistence of Japanese in Canada would cease to be paid, and there would be nothing to prevent Japanese from moving about Canada at will.

The Minister of Labour referred in passing to the fact that an administrative order had been passed recently which modified order in council 946. That administrative order No. 5, new series, begins by describing the coastal area. I take it that the description which follows is the description of what was hitherto known as the restricted area.

Mr. MITCHELL: As the protected area.

Mr. STIRLING: The boundaries are the same?

Mr. MITCHELL: Yes.

[Mr. St. Laurent.]

Mr. STIRLING: It sets out for the purposes of this order the boundaries of the restricted area. The order then goes on to say:

> (a) enter or reside in the coastal area; or
>
> No person of the Japanese race shall
>
> (b) enter the province of British Columbia; or
>
> (c) travel a distance of more than fifty miles within the province of British Columbia; or
>
> (d) if resident in any place in the province of British Columbia, take up residence elsewhere in the province of British Columbia;
>
> unless such person has obtained a permit in writing to do so from a member of the Royal Canadian Mounted Police.

So that any restriction on the movement of Japanese which had hitherto been applied under order in council 946 ceases east of the rockies. It seems to me that it would have been a simple matter to deal with these five orders in council on their merits, realizing that they are merely for the purpose of carrying on certain powers for a limited period. However, hon. members have seen fit to open up the whole Japanese question and to debate the whole issue, and that being so I feel it is necessary to restate once more in as few words as possible the position which I take on behalf of those whom I represent.

Those whom I represent inhabit that portion of British Columbia lying immediately east of the restricted area. Long before the war a certain number of Japanese, perhaps between five and seven hundred, had resided there for a considerable time. It is not easy to say exactly what the number is today.

Mr. MITCHELL: 6618.

Mr. STIRLING: I am speaking of the area which I represent.

Mr. MITCHELL: Oh, I am sorry.

Mr. STIRLING: The best check I have been able to make is to watch the issuance of ration cards in the last few years. The last figure I have for the district of which Kelowna is the centre is 665. At the beginning of the session I put on the order paper certain questions in connection with the number of Japanese residents, and in reply I received certain figures which have since been modified somewhat. As of January 31 there were 84 Japanese in the restricted area of British Columbia. I am given to understand that these were made up of infirm and sick persons in institutions and Japanese who had married white people and who were permitted to continue to reside in the coastal area. In the New Denver departmental project, one of the Japanese settlements in the southern interior, there were 949 persons. Those are the figures given to me and which appeared

in *Hansard* at the beginning of February. Elsewhere in the interior of British Columbia there were 5,727 Japanese.

I suggest that that is altogether too high a number of Japanese to expect British Columbia willingly to accept if the solution of the Japanese question is to depend upon their distribution throughout the nine provinces. As I pointed out, in the one portion of the Okanagan valley from which I come a total of 665 ration cards were issued to Japanese. In the mining city of Greenwood, whose population has sunk to about one-tenth of what it was forty years ago, a settlement was arranged and paid for by this government, but I have not been able to get the exact number of Japanese located here. Besides that, there is a total of between 5,000 and 6,000 in what might virtually be described as one-quarter of the province of British Columbia. It is obvious therefore that that province is being asked to assume a larger part of the total than is reasonable. The province with the largest number of Japanese at the present time is Ontario, and that figure is in the neighbourhood of 7,000, between 7,000 and 8,000.

Mr. MITCHELL: Just under 7,000.

Mr. STIRLING: Then one-quarter of British Columbia, in the southeastern portion, is asked to accommodate, to retain, pretty nearly as many as the whole province of Ontario, and that surely is not reasonable. I consider that those whom I represent, suffering as they have from this Japanese intrusion, have taken an extremely reasonable and restrained view of the matter. It should be remembered that even before the restricted area was set up by the British Columbia security commission, Japanese were beginning to trek out of what would be described as the restricted area, and in the Okanagan valley as well as in the valleys neighbouring thereto the Japanese population began to increase in considerable numbers.

It is true that the British Columbia security commission accepted the view of the inhabitants of those towns that as these people had moved out of the restricted area it was reasonable that they should be dealt with by the commission and put into the restricted areas which they set up, the camps or settlements or whatever they were, and to a large extent they were so removed.

To place the matter in more or less official wording, as from those whom I represent, I wish to quote a resolution which was adopted by the Okanagan and main line associated boards of trade meeting in Revelstoke in January. The text of that resolution was:

That this association point out to the dominion authorities the danger of an influx of Japanese into the interior of British Columbia, following the expiry of the Emergency Powers Act on March 31, and urge legislation to prevent such a situation developing.

At that time the executive of the Kelowna board of trade wrote a letter similar to that which was addressed by the other boards of trade to the Prime Minister. I want to read a couple of sentences from that letter:

We have been advised that after March 31, 1947, all restrictions on the movement of Japanese in Canada will be removed and we are writing at this time to ask what action is being taken to implement the promises and assurances given by various government department heads that the Japanese would never again be allowed to congregate in one area. We strongly recommend that some government action should be taken to ensure that these people are evenly distributed, on a per capita basis, across Canada or some plan that will prevent them from again congregating in small areas in British Columbia. The people of this part of the Okanagan consider that there are already too many Japanese in this area and are most emphatic that no more be permitted under any circumstances. It is felt by this board that the government has had sufficient time to have formulated some plan, and I would respectfully request that we be informed of this at once. If nothing has been done, I would request that we also be informed of this.

To that, the replies from Ottawa appear to have been non-committal. The British Columbia cabinet ministers, including Premier Hart, replied sympathetically. Attorney General Gordon Wismer had written a strong supporting letter. That places the situation, so far as those whom I represent are concerned, in as succinct a light as I can put it.

The basis of their objection to the further intrusion of Japanese into that area is that they do not consider that the Japanese are assimilable. There are two courses which may follow the return of the Japanese to those areas. One is that they may nest themselves in cells, and that, I believe, the majority of Canadians who think realize is not a desirable way to deal with the future unity of this country. The other one is that there will be assimilation, that there will be intermarriage, that there will be children born of a type different from either of the two races who go to make up the marriage. Surely, looking at the world all over for two centuries past, there have been a sufficient number of dreadful examples of what has resulted from the creation of an Eurasian cast.

Mr. DAVID CROLL: I am enough of a realist on this particular question to recognize that this is a vexatious prob-

lem in British Columbia, but the implications concern all of us in Canada, and for that reason we have a responsibility to help British Columbia to solve the problem. It is not enough for us merely to discuss it; we have to do something about it. It is our duty to see that each of the provinces carries out its responsibility.

I appreciate that the great concentration of Japanese in British Columbia was unfortunate. The Japanese were not entirely responsible for that. They were brought there to a great extent. In any event, the concentration led to discrimination, to persecution in some instances—

Mr. SINCLAIR (Vancouver North): Where?

Mr. CROLL:—both on racial grounds and sometimes on security or on economic grounds.

Mr. SINCLAIR (Vancouver North): In fairness to British Columbia the hon. member should cite those instances of persecution; for certainly there has never been any charge of persecution in our dealings with the Japanese.

Mr. CROLL: I have no instances of persecution at hand with me.

Mr. GREEN: Why say it, then?

Mr. CROLL: Instances have been brought to my attention from time to time, but I have not got them here at the moment. Looking at the picture generally, I do not think there can be any denial of it, but if the hon. member says it did not happen, perhaps he is in a better position to know.

Mr. GREEN: You just don't know the picture; that is the trouble.

Mr. CROLL: With respect to the government's position on dispersal, it has been charged, and I admit that it was harsh and in many instances the Japanese have said that it was cruel. But it is argued that it was necessary in the public interest. As a matter of fact I think dispersal has had a beneficial effect, because it has introduced the Japanese to the rest of Canada. For a long time they thought that British Columbia alone was Canada, and it has introduced Canada to the Japanese. They have been accepted; in many instances they have been welcomed. They have set up new homes; they have started their lives anew. Yesterday the hon. member for New Westminster quoted the *New Canadian* as saying that the Japs are advising their people that dispersal is in their own interest, and if my voice is of any use at all, I too think it is in their own interest. I agree with those who advise that course of action, but I am not at all convinced, as are other hon. members of this committee, that if this restriction is lifted the Japs will immediately flock back to British Columbia. There are just as many fish in the Atlantic, I am told, as there are in the Pacific.

Let me refer to an article which appeared yesterday in the Toronto *Star*, written by Edward Yoshioka, a young man who studied at Emmanuel college in Toronto and had to return to Vancouver to be ordained. In part he says:

> It does not seem right that Canadians have to go through all that.

He has to have a permit in order to go to Vancouver. He says:

> My parents even had to get permits just to travel from Kelowna to Vancouver to attend my ordination.

The paper goes on to say that he is the winner of three prizes this year for theological studies. He was born twenty-four years ago in Vancouver, of Japanese parents. His father, Reverend Yoshinosuke Yoshioka, is a United Church minister at Kelowna. He came to Canada in 1919 on a scholarship won in Japan. He also studied in Emmanuel college. These are the significant words. Speaking of Ontario and the university of Toronto particularly, where he completed his studies, he said:

> It has been wonderful here, and even during the war not one unkind incident occurred. Of course, conditions are more ideal here, but if only people would realize that though we may look different, we are just as good Canadians as they are, then life would be happier for everyone. These regulations and restrictions really don't work severe hardship, but it's the principle of the thing.

That is my theme too. I could go along with the government during the war by backing the action that they took because they felt it was in the national interest and a matter of national security. They made a good case on that point; but in time of peace I see no justification for this order in council. On the grounds of principle I protest, because this puts an abnormal restraint on a Canadian citizen. It is tinged with racial discrimination and must outrage the conscience of all Canadians. What is more, this is a precedent, a precedent which will plague us for many years to come. So far as government policy is concerned today it is the Japs; tomorrow, well, who knows. Therefore we must be on guard and be awake to the dangers inherent in this order in council.

It is well to call the attention of the committee that racial discrimination is a phobia. It is just as essential to control as is atomic energy, because it too can destroy but from within. I am impressed by the speeches that were made here by the various members from

British Columbia. No one sitting here and knowing the men who spoke could be less than impressed.

Mr. SINCLAIR (Vancouver North): How much impressed were you by the member for Skeena?

Mr. CROLL: I am afraid I took in too much territory. In any event let us forget the racial part of it. I am prepared to forget the economic part of it. One distinguished member of the committee put it on the basis of security. He said: "We shall make sure this does not happen in British Columbia once again." The committee was impressed by that argument. Let me prick the conscience of the committee. A hundred and thirty-one Japs served in the Canadian army. A hundred and thirty of them were Canadian born; one was a naturalized Jap. Some of them were wounded, and I believe some of them were decorated. We deny them the right to go back to British Columbia, to go back to a particular zone, though they may have come from that zone. That is going a very long way, and I point out to the committee how serious a matter this is. Certainly we are ahead of the United States with respect to that particular confinement. The most obnoxious racial laws which were ever passed in any country in the world, which were passed in nazi Germany, exempted for a time soldiers who fought on the battle front. Yet in endorsing this order in council we go farther than they ever went. I do not compare my government with them; I do not intend to make that comparison with any other government in this country, but on this Japanese question in all the democratic countries in the world we are now the foremost in racial discrimination. There is no rhyme or reason in refusing to these men, who served and fought for this country, the right to go where they like in Canada, though there may be administrative reasons for doing otherwise with respect to other people. I am whole heartedly and everlastingly opposed to discrimination on the basis of race or creed, or to any other discrimination, I feel that there is enough unofficial discrimination without my giving approval to what appears to me to be official discrimination.

Mr. MITCHELL: I shall not detain the committee long, but I cannot let the previous speaker's words pass without an answer. Originally it was my intention to get the views of a cross-section of the committee but when words such as "persecution, harsh and cruel" are used, and when this country is described as the foremost in the world when it comes to racial discrimination, I cannot let these words go unchallenged. It is all very well for an hon. member to rise in his place and make statements of that kind, but they should be backed up. In cold print I wonder what it would look like in Germany or in Russia. I know something about racial discrimination, because I visited these countries. I wonder how it would look in Great Britain or in South Africa. That is not the language to use in describing a movement of this kind, for the carrying out of which I have been charged with the responsibility. Let me say to my hon. friend that I do not take second place to him or to anybody in the country when it comes to treating my fellowmen in a humane way.

Mr. NICHOLSON: So long as they are not Japanese.

Mr. MITCHELL: Will my hon. friend wait just a minute? I come from a country which is pre-eminent in that regard, which has given shelter to people of all races and creeds.

Mr. MacNICOL: As no other country ever did.

Mr. MITCHELL: Yes, as no other country ever did. Let me say this to the hon. member for Spadina. Like myself, he was not born in Canada. The only nations in the history of the world that ever fought for a principle were the nations comprising the British commonwealth of nations.

Mr. MacNICOL: And they sacrificed everything for it.

Mr. MITCHELL: Of course they did. And when they accuse this government, or this nation at the head of which this government stands, of persecution, of being cruel, of being foremost in the policy of racial discrimination, the charge is not true, Mr. Chairman; and nobody knows that better than the hon. member for Spadina. This whole policy has been conducted in a manner which stands out preeminently, when one considers the movement which is necessary under war conditions of certain people of certain racial origins. I saw part of the liquidation of the Kulaks in Russia not far from where my hon. friend was born. I was in Germany when Hitler put over his revolution. I was in that part of the world when the Turks sent the Greeks from Asia Minor into Greece. I have been in most of those countries, and I think I know something about what persecution is and what cruelty is. Our policy was investigated by a representative of the Japanese government. I think it was done by the Swiss or

the Spanish, but it does not make much difference which it was. The point is that the policy was investigated and no complaint was found. I should like to know of any other government in the world which, when these people went back to Japan on a voluntary basis, would have paid their fares and given each grown-up $200 and each child $50. I should like to know of any other country which would have moved these people and taken care of them as they were taken care of under the jurisdiction of the Department of Labour. Let me say this to my hon. friend, with all the sincerity of which I am capable. I believe that our policy is in the best interests of the Japanese people themselves. My hon. friends over here who have been critical—

An hon. MEMBER: What about over there?

Mr. MITCHELL: All right; my hon. friend over here too, but he was at the war and is in a somewhat different position from that of some of my hon. friends.

Some hon. MEMBERS: Oh, oh.

Mr. MITCHELL: That is all right.

Mr. MATTHEWS (Kootenay East): I think every veteran in this house should stand up and repudiate that statement. There is no question of our loyalty. We had members in the forces. We served.

Mr. MITCHELL: Just wait a minute. I want to say to my hon. friends that they have not got a first mortgage on the defence of liberty and freedom.

Mr. FULTON: They think they have, and are trying to foreclose it.

Mr. MITCHELL: That is the trouble with them. They think they have a first mortgage. We have sat here for a day and a half and listened to some harsh criticism, and we have taken it.

Mr. MacNICOL: You have not replied to the hon. member for Spadina.

Mr. MITCHELL: The trouble with my hon. friends is they are so self-religious that they think they are the only people who are right; and when it comes to the expression of an opinion different from their own, they just cannot take it.

Mr. MacNICOL: You should reply to the hon. member for Spadina.

Mr. MITCHELL: Let me say this. Before the interruptions took place—

An hon. MEMBER: Make way.

[Mr. Mitchell.]

Mr. MITCHELL: My hon. friend does not need to try to be funny, because he is funny enough anyway. Let me say that I would have felt in much better humour, if I can put it on that level, if the hon. member for Cariboo, who is an old friend of mine, and some of the other hon. gentlemen—with all the trials and tribulations which have been the lot of the Department of Labour in the past five or six years—could have stood up in their places and said they had formed committees in their communities east of British Columbia to receive these people of Japanese race and get them settled there. I should have felt in a much better frame of mind if they could have done that.

The hon. member for Victoria probably made the best speech, and the shortest one, on this problem. It reflected the basic principle of Christianity in everyday life. I think this—and I think it sincerely, Mr. Chairman—that our policy has been in the best interests of the Japanese. The hon. member for Spadina vindicated that today when he said he had read—I think it was in the Toronto *Star*—about a minister of the gospel of the Japanese race who spoke in glowing terms of conditions in Ontario. I do not have to live in British Columbia—I sometimes think, thank goodness.

Mr. MacNICOL: You cannot beat Ontario.

Mr. MITCHELL: But I do know something of the history of the intermingling of the orientals with the white people in that province. I say that not in a critical sense; but it has been a problem for a good many years. I believe in the early days the present Prime Minister went out under the direction of Sir Wilfrid Laurier and investigated it for the government of Canada.

Mr. MACKENZIE: With Sir William Mulock.

Mr. MITCHELL: Yes, with Sir William Mulock. I am speaking now from memory. But there is no question about it, the information I get from my officials is that the people of Japanese race who have come east are much happier than they were in British Columbia. Is it not the sensible thing to do, to continue that policy—because in time, when we have them spread across this dominion, they will play their part in all its institutions and activities. I think it is much better than what I myself saw in British Columbia prior to the outbreak of the war, where there was a highly concentrated section of the community in the city of Vancouver which if I remember rightly they used to call Little Tokyo. What I should like to be able to do is to continue this policy

of dispersal—not by direction but by persuasion—which has been so successful up to the present time.

Notwithstanding the opinion of any man in this house or anyone outside of it without responsibility, if I had it to do over again in the light of the conditions which existed in 1942 I would do exactly the same thing, use exactly the same policies and treat our Japanese friends in the same humane way as that in which they have been treated under the jurisdiction of my department.

Mr. KNOWLES: Mr. Chairman, despite the fact that there have been moments of heat, I think that those who have sat back and listened to this debate will recognize that it has been one of the best we have had on this subject for a good many years. Even though we have taken opposing stands and have got into some warm arguments, it seems to me that there has been a tendency to recognize sincerity and earnestness on both sides, which indeed befits a debate of this kind. Complimentary remarks have been made of some of those in this group who have stood firm on this matter through the years. I recognize likewise the sincerity and the earnestness of some of those who have taken a position with which I thoroughly disagree. I go even further and say that I take at their word those who support this order against Japanese citizens and who tell us that they are not doing so on the basis of any race hatred. I confess that in some cases as I listen to their speeches and read in *Hansard* the remarks that have been made it is a little difficult to believe that, but I take these members at their word. In particular when a member like the hon. member for Vancouver South stands up and speaks in the gentlemanly manner in which he did it is pretty hard to imagine that in his heart there is any hatred towards anyone.

I think too it is to be noted that there have been many efforts by those who have participated in this debate to make constructive suggestions. There has also been noted on the part of those on the other side a tendency to refer, as the minister did just now, to the Japanese as our friends. The hon. member for Vancouver South the other night made a plea for arrangements to provide restitution where the property of Japanese Canadians had been despoiled. All that is to the good. It suggests that in this parliament we have a reflection of the heart of the Canadian people, which is disturbed about this matter and which recognizes, as the hon. member for Spadina suggested, that the problem is a vexatious one but also, as he suggested, that there is a principle at stake and that we are determined to move toward the achievement of that principle with all that it means.

I think it is significant that those who have spoken in favour of the continuance of this order, P.C. 946, have all felt that they had to make a case for the position they were taking. A few years ago that was not necessary. All one had to do then was to throw out a few inflammatory slogans and the case was taken as established, because in those days there was much more bitterness about the subject than there is now. Today members make their case on various grounds. Sometimes it is on defence, sometimes on race but allegedly without race hatred, as the hon. member for Vancouver-Burrard suggested last night. He was quite forthright in saying that from his viewpoint the problem goes beyond the Japanese and includes the Chinese and East Indians. I respect him for the honesty with which he made that statement, but as I say, when I look at it in print and realize its implications I must state my disagreement with him.

Mr. MERRITT: Surely the hon. member realizes that the question he asked me was what the problem was, not my views on it. Is not that his recollection?

Mr. KNOWLES: Yes. If that correction needs to be made to make everything perfectly clear, I am glad to make it. He said last night that he was endeavouring to give us what he believed to be the problem as British Columbia saw it, and he stated it in those terms. But you will notice, Mr. Chairman, that when he did so he was not throwing out slogans or telling us hair-raising stories, as was characteristic of previous debates on this subject, but was trying to make a reasoned basis for the position that he takes.

I want it to be perfectly clear that I disagree wholly with the members who are supporting this order, but I also want it to be clear that it seems to me that hon. members have made progress in their attitude toward this matter, and it provides a good basis from which to move on in the hope that even yet we shall achieve the full measure of the principle of which the hon. member for Spadina spoke a moment ago.

I do not blame the Minister of Labour for reminding us, as he did immediately following the remarks of the previous speaker, of the way in which the light of freedom burns in the United Kingdom, and that compared with other countries Canada has done a pretty fair job. I would be fully satisfied if we had in Canada the freedom so firmly established in the United Kingdom, but what we are con-

cerned about, and this is what makes the difference in a democracy, is not how well we have done in comparison with other places, especially lands where conditions may be a lot worse, but how well our achievements match our ideals and our principles and the things that we espouse. As the hon. member for Spadina said, we have been in a bit of a dilemma here in this house in discussing this matter. I have felt in listening to the radio reports about this debate that the vexatiousness of the problem has been made clear and also the compulsion of the ideals that are in the minds and hearts of most of us who are here.

Having said all that, I wish we could realize that what we are voting for in this order in council is not the sincerity or earnestness that may be in the hearts of hon. members; it is not the hatred or lack of race hatred that may motivate our speeches or our votes. This is a specific order which does specific things, and the fact is that this order in council does deny to certain Canadian citizens rights which other Canadian citizens are permitted to enjoy. I feel that all of us have to look at this thing very closely and in that light. The members from British Columbia have the right to ask those who do not live in that province to try to look at this thing from their viewpoint, and I think we all were impressed by the appeal which the hon. member for Victoria made last night. I may say to the Minister of Labour that I had the privilege of being on a committee of the Winnipeg city council in 1942 which arranged to bring some Japanese Canadians from British Columbia to that city, and I imagine that others of us in this house have done that sort of thing. I have also had the privilege in a personal way of extending my welcome to some Japanese Canadians now living in my riding, and I can say with the member for Spadina that I know that some of them are quite happy to be there. But after we have done all that, after those of us east of the rockies have met the request that the people of British Columbia make to us and tried to look at things from their point of view, I think that they also should realize that what is at stake here is a principle affecting the whole of Canada and our interest in that principle is a matter of supreme importance. You cannot divide Canada into different sections and have one principle obtain in one part and another somewhere else. We in this group applauded with eagerness the exchange of telegrams which the Secretary of State for External Affairs read today expressing the appreciation of the government of India for the action of the British Columbia legislature in doing away with one bit of discrimination which has obtained out there all too long.

Speaking on this whole question of the principle of citizenship and of its being extended without any qualification to all people, I should like to make a brief reference to a recent book which has already been quoted in this house, the author of which has received a well deserved award. I refer to Arthur Lower's "Colony to Nation". In that book Professor Lower makes the statement that Canada is a supreme act of faith, and he goes on to underline that statement by pointing to the fact that normally one would not expect a nation such as ours to gain the position of strength it occupies, because of the difficulties we have had in welding various races together. But we have done so, he says, as a supreme act of faith.

He goes on to say that without tolerance, magnanimity, generosity and devotion to high principles, Canada just does not exist. I am deeply concerned that when we come face to face with a basic principle like this, always admitting that there are difficulties—and certainly there are in carrying out any high principle—we realize how fundamental it is to the very existence of this nation.

There are many principles without which Canada just does not exist. One of them, which is basic, is that there shall be no discrimination as between our citizens on the basis of race. There came to my desk today, as I imagine there did to the desks of all hon. members, a letter from the civil liberties association in Manitoba. The hon. member for Lake Centre, Mr. B. K. Sandwell of Toronto and I had the privilege not long ago of addressing a large meeting in the city of Winnipeg, held under the auspices of this association, when we discussed the whole question of civil liberties. I believe all will agree that this association has done a good job in the presentation of its six-point programme, each point of which is extremely important at this stage of our national life.

The first point, which is the only one I shall read at this time, because I am afraid the others would be out of order in this debate—although they are equally important—reads, under the heading "Declaration of Rights":

> No Canadian citizen shall be exiled, nor deprived of his citizenship in any part, nor be discriminated against in the exercise of his citizenship because of race, religion, colour, sex, language or political beliefs.

I know the Minister of Labour is likely to say it is easy to make speeches about these

high-sounding principles, but that actually one has to face up to the difficulties. That is right. And so are we right; and so is the hon. member for Spadina right, and so is my friend Arthur Lower right in suggesting that, without loyalty to principles like this, Canada just does not go on.

It seems to me it is extremely important, when a principle of this kind is being discussed, that we have a discussion of this kind in which hon. members express, in an honest and straightforward manner, the views they hold, as has been done in this instance. However I think it is also important, if at all possible, that the major political groups in the country give some definite and responsible expression as to where they stand on an issue of this kind.

Last night the hon. member for Vancouver-Burrard said he was reporting to the house what he felt to be the views of his constituents. I am not quarreling with the statement he made as being a report on the situation as he sees it, but I should like hon. members to read for themselves a paragraph from page 3 of a letter from the Vancouver consultative council, under date of March 25, 1947, which was addressed to all of us. I will read only a sentence or two to indicate the tone of the letter:

> We are indignant that an impression has been spread that the citizen body of British Columbia is with substantial unanimity favourable to the perpetuation of such discriminatory measures. His Grace Archbishop Duke of this city selected a Catholic clergyman to act on the executive committee of this council and to serve as a member of a delegation which waited upon the Premier of British Columbia to protest against racial discrimination.

And then he goes on to refer to similar support given by private members and the responsible courts of other leading church bodies and leading persons in various political parties. The paragraph closes by saying:

> The mere fact that hundreds of citizens of British Columbia, without regard to their various religious and political affiliations, have together made financially possible the work of this consultative council is itself evidence that the section of British Columbians sharing the views reflected in this letter is far from negligible.

I accept the statement of the hon. member for Vancouver-Burrard to the effect that he believes that the views he expresses are those of the majority of his constituents. But they are not the views of all the people of British Columbia. As this letter, over the signature, by the way, of Doctor Norman F. Black, would suggest, there is a considerable body of people in British Columbia who feel as we do.

Mr. GREEN: I suppose the hon. member knows that Doctor Black is a leading C.C.F'er. I just wish to have it on the record.

Mr. KNOWLES: Yes. I could go through and give the names of the members on that council and in the Vancouver branch, Canadian civil liberties union, but I shall not take the time. I am proud of the fact that members of the C.C.F. are found in groups of that kind. But there are people from other groups as well, particularly a large number of church and university leaders in British Columbia.

What I want to say to members like the hon. member for Vancouver-Burrard, who tell us about the views of their constituents, is that members of parliament and political parties have a duty in a country like Canada, not only to report what they believe to be the views of their people, but to give a lead when matters of high principle are at stake. That is so in the present instance.

I suggest that it should not be left to the hon. member for Vancouver East and other C.C.F. members from British Columbia to go against the tide, if that is the case, so far as British Columbian opinion is concerned. This is a principle which is of concern to the whole of Canada; and I would say that members of parliament in the different political parties, even though they may think the views of their people back home are in one direction, should try to give a lead in support of a principle which means so much to this country.

I was genuinely pleased yesterday when the hon. member for Lake Centre stated his position in the matter. I say to him right now that if the night before in my reference to his being here at a certain hour I gave offence to him, then I apologize. The fact of the matter is that what counts, to some of us, is the advancement of a principle.

Mr. HACKETT: You always know where he stands, if you do not know where he is.

An hon. MEMBER: We do not know where his party is.

Mr. ROSS (Souris): Why not?

Mr. KNOWLES: I am serious about this. It was a real thrill to us yesterday when he said clearly that he stands for there being no discrimination against any Canadian citizen on grounds of race. I hope I am not going too far if I take from that the understanding that he would be opposed to continuing this order in council.

It seems to me that there ought to be other statements from the Progressive Conservative party. I may be accused of something when I say this, but frankly—

Mr. HACKETT: Sit down and give us a chance.

Mr. KNOWLES: I say honestly that I am not now trying to divide the Progressive Conservative party into two camps.

Mr. ROSS (Souris): Not you; the last thing in your mind!

Mr. KNOWLES: My hon. friends can arrange their own divisions; I do not need to help them on that. But I do feel that, in view of the commendable statement of the hon. member for Lake Centre, it would help the advancement of this principle if the leader of the Progressive Conservative party would make a similar statement in that connection. Surely that is not asking too much.

Then, too, I feel we should have still something more from the government side, and particularly from the ministry.

I should like to hear from the Minister of Justice. I should like to hear from the Secretary of State for External Affairs who leads Canada's delegations to meetings of the united nations. I should like to hear from the Minister of National Health and Welfare, or from any other minister for that matter.

An hon. MEMBER: How long do you want to stay here?

Mr. KNOWLES: When a principle is at stake, time does not matter.

Mr. SINCLAIR (Vancouver North): We should like to hear from the hon. member for Skeena as to where he stands.

Mr. MITCHELL: He was a pretty fair roller skater yesterday.

Mr. KNOWLES: May I try to state what seems to be the position so far as the government is concerned in connection with this matter. The only definite thing we have before us is a group of orders in council and our amendment to have P.C. 946 deleted. That amendment has been opposed, either the Minister of Labour or the Minister of Justice having stated that the government cannot accept it. In other words, the government's position is that this order in council must stay on the statute books of Canada for at least another year. We have had no indication from the Minister of Labour or the Minister of Justice or the Secretary of State for External Affairs as to what is to be the policy after the expiry of this bill which we are now passing. The only views from the ministerial benches that we have had with regard to the future are those that were expressed by the Minister of Veterans Affairs. If I do him any injustice he is quite capable of correcting it.

Mr. MACKENZIE: The Minister of Veterans Affairs will not mind what you do.

The DEPUTY CHAIRMAN: I would suggest that the hon. member deal with the item before the committee.

Mr. KNOWLES: Speaking the other night, and also during the debate at a previous stage, the Minister of Veterans Affairs made it clear that, so far as he personally is concerned, he wants at least some of these restrictions continued for a long time, if not for all time.

Mr. MACKENZIE: It is essentially Liberalism to have a variety of opinion within a party, not the regimentation that you have over there.

Mr. KNOWLES: Did my right hon. friend say that it is the essence of Liberalism to continue these restrictions?

Mr. MACKENZIE: I did not say that and I do not wish any duplicity from my hon. friend.

Mr. KNOWLES: I would be glad to have my right hon. friend restate his position if I am not stating it correctly. It seems to me that it is pretty clear what he wants is a continuation of at least some of the restrictions now in existence for a considerable period, if not for all time.

Mr. MACKENZIE: At the proper time my opinion will be communicated to my colleagues and my colleagues will take action according to the responsibility of government.

The DEPUTY CHAIRMAN: I appeal again to the hon. member to deal with the item before the committee and not attempt to forecast what will happen in the future.

Mr. KNOWLES: I agree with your ruling, Mr. Chairman, and I shall refer only to such remarks as have been made on the future of this matter by the Minister of Veterans Affairs. Speaking on it some time ago, he told the house that if his views on this subject should ever differ from those of the government, he would no longer be a member of the government. The Winnipeg *Free Press* of April 7, 1947, had this to say about that situation:

This would not be so formidable a disaster that the people of Canada, the government and

the Liberal party could not endure it. If Mr. Mackenzie's retirement could be borne with fortitude, the principle which he seeks to perpetuate is much more serious. It could be justified in war time only on grounds of national security. It cannot be justified in peace time. It cannot be maintained without establishing a precedent dangerous to all civil liberties in Canada and contrary to Canada's obligations under the charter of the united nations.

It is hardly necessary to point out that the Winnipeg *Free Press* is a strong supporter of the Liberal party. In other words, some Liberals do not accept the minister's views on this subject. I have said this because I feel that there should be some statement as to future policy made in connection with this matter. The Minister of Labour has said that all we are passing now is an order to continue for another year what he has been doing, but we have learned from experience that if you want to win something a year or two from now you have to start working for it now. If there had not been this debate I doubt very much if there would be much change in policy a year from now. Strange as it may seem, I take my stand in this instance with the Winnipeg *Free Press,* that the time to abolish these restrictions is right now. The time to save freedom is before we lose it. In the face of the government's stand against our amendment, we have taken the time to fight for this principle, in the hope that by so doing we shall make possible its achievement at as early a date as possible.

Mr. MACKENZIE: Is that your policy with regard to all restrictions?

Mr. KNOWLES: We are discussing a particular order in council, P.C. 946, which places definite restrictions on Canadian citizens. That is quite different from orders in council which impose restrictions upon economic forces, prices and so on in the interests of the Canadian people. The two things are in different categories, and the minister knows it very well.

Mr. HACKETT: Mr. Chairman, the government made it quite clear through the Minister of Justice that this legislation rests squarely on a national emergency—that if the government is seeking to enact legislation which for the time being sets aside the constitution and gives it power to invade a jurisdiction which normally is exclusively that of the provinces; if it seeks to legislate by order in council where normally only parliament can; if it seeks to suspend the rights and privileges of the individual and the rights of citizenship, it is because a national emergency exists.

I voted against the second reading of the bill because in my opinion no national emergency exists. I brought forward all the normal criteria by which the existence of an emergency is detected in peace, order and good government as well as in the realms of finance, industry, employment and trade. I canvassed the whole field, and no one attempted to contradict me when I showed that times are good, that employment is plentiful, that production is greater than it has ever been before; that foreign trade, both in imports and exports, is greater than it has ever been. Finding no vestige of evidence of the existence of a national emergency, I was forced to vote against this bill. I shall now say a few words about the orders in council which affect the Japanese.

The people of British Columbia are aroused over this question. They did not wish orientals to land on their shores. As I recall, it was in 1907 that the late Mr. Lemieux, once a much respected speaker of this house, went at the instance of Sir Wilfrid Laurier to Japan and there entered into some kind of understanding with the government of that country. It was called a gentleman's agreement, whereby the number of Japanese to come to Canada would be greatly restricted. Later, as some of us remember, there arrived off Vancouver a ship in which there was a large number of Indians, and although some of them bore on their breasts military decorations which showed that they had fought courageously and frequently in the defence of the British realm, they were not permitted to land. There were other instances in which the people of British Columbia expressed their wish that orientals should not come to their shores, but orientals did come. We are told that at the present time there remain in Canada about 23,000 Japanese, of whom about 17,000 are Canadian citizens.

The war was the occasion for the removal of the Japanese from the British Columbia shores of the Pacific. Some were moved to the interior of British Columbia, some to the eastern provinces. Now, two years after the cessation of hostilities—and I am dealing only with the Japanese who are British subjects—parliament is asked to continue the restriction and curtailment of the rights of these British subjects because of a national emergency.

In my view, Mr. Chairman, there is no national emergency. There is a keen desire, as manifested by many members from British Columbia—in fact, I think, by all members who represent constituencies which have returned followers either of the government or of the opposition—that these Japanese be not permitted to return to their former homes on the shores of the Pacific. Judging from the unanimity of Liberal and Conservative members, there must be a pronounced if not

unanimous feeling among the white population of the coast. I submit that that hostile sentiment is largely economic in its origin. It may be tinged by racial feeling but judging from what I have heard in the house, it is almost entirely economic; it is because the Japanese work harder and longer hours, live more cheaply and have made inroads upon the normal vocations and profits of the white population that they are not wanted in British Columbia.

That hostile sentiment may create a crisis but not an emergency. It probably does create a political crisis; but I submit to you, Mr. Chairman, that the constitution of a country may not be suspended because of a political crisis. When there is a national emergency, when the life, the very existence of the country as a whole is in peril, then the constitution must yield to the doctrine of survival. But a political crisis is a mere incident in the every-day life of a country. A constitutional, representative government like ours comes in and is bound to go out, and it almost invariably goes out in a crisis, a political crisis. A political crisis is just as natural to our form of government as are three meals a day to a normal Canadian.

I submit that to contend that a national emergency has arisen because of this political crisis in one province is to make a travesty of our constitution and to endanger harmony among our people. Why does not the government deal with this crisis? Why does it not take this problem, which comes to it as a possible by-product of the war, if you will—

Mr. SINCLAIR (Vancouver North): Long before the war.

Mr. HACKETT: My hon. friend will remember that I have said I know the people of British Columbia never wanted the orientals. They came, and the war provided the people of British Columbia with an opportunity to get rid of them. They were moved away, and now the people of British Columbia are doing all in their power to prevent their return. The point I am trying to make is that that is not a national emergency. It is a political crisis, and I say to the government, why not deal with it as such?

If it is desired that there should be no more orientals in Canada; to be specific, if it is desired that there be no more Japanese in Canada, we are masters here in this Canadian land. Let us enact legislation to prevent other Japanese from coming here. I see no difficulty in that course. This is our home land; we alone may determine who shall enter here. I have heard it said, not by one but by half a dozen hon. members, that the Japanese have some loyalty other than a

loyalty to Canada. If that can be established —and it must not be established in the mass— if a Canadian citizen of Japanese origin has been a traitor to Canada, then the law provides a means for dealing with him.

Last year the hon. member who was formerly secretary of state put on the statute books the Canadian citizenship act, of which he was very proud. He conducted his bill through the house with great aptitude and persistence. By section 21 of this act Canadian citizenship can be revoked from anybody except a natural-born Canadian. How many of these 17,000 Japanese are natural-born Canadians I do not know, but let us divide the group in two. If any of these who have been naturalized have misconducted themselves, have been traitors to Canada, their Canadian citizenship can be withdrawn. The act provides the means, and they can be sent back to Japan. Their naturalization can be taken from them; they will cease to be Canadian citizens and will be sent back to the land of their origin. If there be Canadian-born citizens who are traitors, the law provides a summary way for dealing with them. But I submit that it is not wise, it is not well, to make wholesale charges of disloyalty against a national group. I am convinced that there are many Japanese, men and women, who are loyal Canadians, industrious and hard working, who are good citizens. If there be among the Japanese— and it is always well to remember that one of the twelve fell—one who has been unworthy of his citizenship, let him be detected, tried and dealt with in consequence.

I am reasonably certain that if the government were to say that no more Japanese were to be brought to Canada, much of the disturbance among the deputation from British Columbia would cease, and much of the unrest and worry which is being felt on the coast today would disappear. The difficulty is that the government is still waiting for something to happen. It is relying upon a fiction. It is creating an artificial emergency that it may shield itself behind its shadow and like Micawber wait another year in the hope that something will turn up. If the government would accept its responsibility and meet the problems which confront it rather than try to put them off for another year under the assertion that a national emergency exists when none in fact does exist, we would be farther along our way to stability and order.

It is right and natural—and I am certain that if some hon. members from British Columbia speak after me they will do so—for hon. members to ask, what do you know about the Japanese? My answer is, nothing. They

may then say to me: It is very easy for you to be magnanimous and altruistic; it is very easy for you to be censorious of us; it is very easy for you to attempt the role of the statesman. We are under the harrow at home; our people are disturbed. They do not like this competition; they do not want the Japanese back. Under their breath they may say—they may tell me in intimacy, whether they are on this or the other side of the house: Our folk will vote against us unless we do as we are doing. I have been in parliament occasionally; I have been out of parliament a great deal. I do not know a great deal about the Japanese. I know a good deal about the irate electorate, and I have a great deal of sympathy for hon. gentlemen who are under its lash. But I want to make it clear that my experience with problems of this kind is not altogether negligible. I live, as do many hon. members of this committee, in the great metropolitan city of Montreal. Do not let British Columbia think it is the only province in the dominion which has had perplexities arising out of the meeting of races. Do not let British Columbia think that it is the only province in Canada which has to meet the perplexities arising out of the meeting of races.

It has been said that we cannot assimilate the Japanese, that they congregate in groups and should be dispersed. I must say that I do not like these words. People come to this land not to be assimilated, not to be dispersed. They come because they believe it is a haven in which they can live their lives, worship their God and bring up their children in the best that is in their own tradition, and in the respect and love of the land which gives them the right to lead their own free lives.

I open a book. It is not a law book; it is not a treatise on government. It is a record called "The Census of Canada." I open it at a page which gives the population and the racial origin of the great metropolitan area of Canada. I turn to the city of Montreal, the home of thirty-odd national groups. I find that in 1941 it had a population of 1,139,921 people. Of that number 281,875 were of British extraction. There are 850,000 others. The French people represent the largest group, a little over sixty per cent of the total population of Montreal. The remainder come from the four points of the compass, from the seven seas and the five continents. They have come there and learned how to accommodate themselves to a common life. It has not always been easy. The French came first and they made it a little uncomfortable for the Indians. Then the English came, and the Scotch came with them to see that the English did not get too rich. The Scotch were very mighty until the redistribution committee got after Muskoka-Ontario and levelled that fortress. Then there came from the mists of that green isle of the Atlantic, from that land of saints, scholars and fairies, the meek, the mild Irish. They did not inherit the earth this time, but they came to Canada about one hundred years ago, and some people did not like them. But they were woven into the Canadian web. Later, within my time almost, there came another element, an industrious element, thirsting for knowledge, a stiff-necked element, an element with an unquenchable spirit, one that has suffered in the last ten years as no race of men has ever suffered before, which indeed has been almost entirely exterminated on one or two continents. They came to the metropolitan centres and competed. They made it hard for the older races already there. They arrogated to themselves whole strata of business and drove out the English and the French. It was not easy to bear. Then after them came other central Europeans. This problem is not a new one. British Columbia has not made a great find. British Columbia is having just the kind of worry and embarrassment that the older centres have known and have endeavoured honestly to accommodate themselves to during the centuries.

Let me just say this in passing. It is the peoples who have learned to accommodate themselves to the presence of him who may not be his brother in colour and creed who have made of this land what it is. Oh, we have done great things. We have fought battles; we have developed a continent; we have manufactured; we have traded; we have won ourselves a status in many realms. But there is one thing of which we can be justly proud, and that is that we have found the way of making everyone who has come here feel that he had a dignity which everybody respected, and that once having acquired our citizenship he was inviolate in his rights. There have been no Jim Crow cars in Canada.

Mr. REID: May I ask the hon. gentleman a question?

Mr. HACKETT: Yes.

Mr. REID: Do you think we in British Columbia did wrong by not marrying with the Japanese?—because the hon. gentleman spoke about what took place when there was intermarriage. That is the crux of the question.

Mr. HACKETT: I would say to the hon. member for New Westminster that I do not believe in a mixture of race and race of different colours.

Mr. REID: In Montreal that happened, though.

Mr. HACKETT: It may have happened.

Mr. REID: The Scotch married the French and improved the race.

Mr. HACKETT: I will not go into that.

An hon. MEMBER: Improved which one?

Mr. HACKETT: I am not going to say what happened. The point that I am trying to make, and I deal with the hon. member's question as a serious question—

Mr. REID: It is.

Mr. HACKETT: —is that the Japanese came here. I do not know that we invited them, but they came.

An hon. MEMBER: The Canadian Pacific brought them.

Mr. HACKETT: They served their apprenticeship. We issued to them a certificate which made them Canadian citizens. That may have been a great mistake. I am not debating whether it was a mistake or not; but if it was a mistake, it was our mistake. We did it. Having issued that document, having made all those people Canadian citizens we should respect their rights. In Canada there is no dominant element. Canada, after all, is a country of minorities. The French are in a minority; the English are in a minority; the Irish are in a minority and the Scotch are in a minority. We are a people of minorities. The test of the government of a country is the way it treats its minorities. It is only if we can respect the dignity which is inherent in the human soul, if we can respect that divine thing which makes us brothers in God, that our country can be great and we can be worthy of the reputation which it has achieved. After that most terrible conflict in South Africa when the Britain and the Boer had fought each other and hated each other for years, when some measure was sought whereby harmony might be brought to these tortured peoples, where did they go? They came to the Dominion of Canada to find out how we had solved their problem. More than that, when, after 500 years of conflict, it was determined at last that there should be an understanding between Ireland and Britain, it was written into the preliminary document which preceded the treaty that the Irish should have what?—the kind of freedom which Canadians have.

We have achieved a great reputation in many fields, but the reputation which we have achieved in accommodating ourselves to the necessity of a common citizenship is the highest and most glorious of all. I do not wish to be understood as saying that I favour admitting to Canada this race or that race. I am for excluding any race that cannot fit into our national life. But there are some things that cannot be undone. If there are Japanese in this country today, it is not their fault. If they are Canadian citizens, it is because we placed the badge of Canadian citizenry upon them; and bearing that badge, it behooves us in honour to respect it. Possibly if I had had more courage I would not have made this speech; there are no Japanese in my constituency. No pressure is on me. I have no one to reproach me but myself.

An hon. MEMBER: You are lucky.

Mr. HACKETT: I stand for the integrity of Canadian citizenship. Today it is the Japanese, tomorrow it may be the Jew; the next day it may be the Irish, and the next day somebody else. Citizenship is a very sacred matter. Neither the few nor the many should be permitted to undermine it. For the first time we are being asked to depart from those things which have made of us, I was going to say, a free people; for the first time we are asked to depart from the principles which the genius of two great races has evolved and which they have had the courage and the grace till now to apply.

I do not now say how I shall vote; I am waiting for somebody to deliver me from the necessity of separating myself from many whom I cherish and whose wisdom I admire and frequently rely upon. Unless I can be rescued from the position as I see it, I shall find myself forced to support the amendment, and I shall do so proudly.

Mr. SINCLAIR (Vancouver North): Mr. Chairman, I believe I am the last British Columbia member to speak on this series of orders in council affecting the Japanese. I do not intend to try to begin to match the eloquence of the hon. member for Stanstead who has just finished a very fine speech. I wish to speak briefly about what the order in council in its present form will do. I need not recapitulate the speeches which have been made about the attitude of British Columbia to the Japanese. I think it is a fair statement, however, to say that most of us did want the entire Japanese population of British Columbia sent back to Japan because we have found that, though they are a decent, hard-

working people, they do not become part of our life. But we cannot do that now because the supreme court of this country and the privy council have ruled that those Japanese remaining have the right to remain here, and so, faced with that, our task is to see that they are made into Canadians. In that task we failed before, and they failed even more than we did. They have hived together and sent their children to Japanese language schools or sent them back to Japan. It is true that there is not one British Columbia member who went to school in the province who did not sit in every classroom with Japanese students. But once they became adults, the gap started.

The only problem that I as a member of parliament am faced with today in regard to the Japanese is what is the best way to see that these Japanese do become real Canadians, Canadians not just by act of parliament but Canadians in thought and action and in loyalty to our way of living. All parts of this house are agreed that the old policy of the Japanese hiving together in Steveston and on the west coast of Vancouver island was bad, bad for us and bad for the Japanese too. Again and again in this house it has been said that the dispersal of the Japanese, spreading them all across Canada, is the only practical way of getting rid of the hostility towards them and of making them Canadians. The suggestion is that they should be allocated to the various provinces. That has been suggested very loosely by various speakers, but how are we to do it? Are we to take a roster of the Japanese and say that so many are going to Prince Edward Island, so many are going to New Brunswick and so many are going to Nova Scotia. Obviously that is impossible. It would take an order more restrictive than the present order in council to accomplish that.

The hon. member for Spadina rather loosely used the word "cruel" in speaking of the movement of the Japanese. I think it would be a real cruelty to force the Japanese to live in certain parts of Canada, and I say that as a British Columbian.

The second suggestion was that it be done by persuasion. But any of us who know the Japanese well know they are just as fond of the coast of British Columbia as every one of the nine members from that coast province is. Only last fall I spoke to a meeting of the Japanese in the coast town of Greenwood, where a large number of them had been relocated. A few of them came from my riding. They all want to go back to the coast of British Columbia and they were looking forward to March 31 when these orders in council expire, so that they could return. Therefore, if we remove this order in council and leave it to the persuasion of people who are in public life and to the good sense of the Japanese we shall find in a year that the Japanese will all be back on the coast and back in those two industries in which they work so well, fishing and farming. If, however, the Japanese are given to understand, as they are by this order, that they are free to go anywhere in Canada and can pass freely back and forth except in this one narrow coastal strip for a period of years they will disperse. The Japanese in Winnipeg, it has been said, are very happy; the Japanese in Ontario are very happy. I know they miss the mountains and the sea just as we who are here miss the mountains and the sea. But they are surrounded by people who, I think, are treating them a little more kindly than they have been treated in recent years in British Columbia because of the old feeling there. I say that this order in council is the simplest and most effective way of seeing that the Japanese will disperse and will become the good Canadians that the Chinese have become in exactly the same way. We have never had the feeling against the Chinese in British Columbia that we have had against the Japanese, and for this reason, that the Chinese are spread right across the country. There are more Chinese in the city of Toronto, I am informed, than there are in the city of Vancouver, and when that situation applies to the Japanese they will be gladly accepted right across this country. So I have no tangle at all with my conscience in voting for the continuance of this order in council restricting the Japanese from that little coastal zone in British Columbia, because I believe that this is the only practical way in which these Japanese can be dispersed and can have the chance to become good Canadians.

In closing, I wish to say just one word in defence of the Minister of Labour. I listened with the greatest of interest to the speech of the hon. member for Spadina. He spoke well, but he used two words I think just a little loosely. He used the word "persecution." I defy him to bring forward in this house one instance of Japanese being persecuted in British Columbia. There has been hostility against the Japanese; there has been perhaps indifference, perhaps an unwillingness to accept the Japanese into our homes as we accept other people. But persecution, no.

Then the hon. member for Spadina reflected on the way in which the Japanese had been handled. He said that their movement was a cruel movement. Any movement of people away from the homes where they have

lived must involve heart-burning. When your people left the old land and my people left the highlands of Scotland there was heart-burning at giving up the old associations and leaving the old home. There is bound to be that. But there is a great difference between that and cruelty.

Lastly, on this matter of high principle of which the C.C.F. have spoken so often, there is one member of that party who knows the Japanese really well, because he represents the north coast of British Columbia. He represents a great number of fishermen in the Queen Charlotte islands and elsewhere. But we have not found much principle in the way he has weaseled—to use the word of the hon. member for Comox-Alberni—against taking a stand as his colleagues have done. My point in voting against the amendment is that if it carried automatically we go back to the days before 1939 and we should find ourselves in British Columbia saddled with a problem which should be a national problem. Once again we would have the Japanese hiving in colonies in my riding, in Comox-Alberni and in New Westminster, and once again we would have hostility developing between that group and all other Canadian groups. And so, as the only practical way to ensure the dispersal of these Japanese across Canada, I am going to support this order in council.

Mr. MACDONNELL (Muskoka-Ontario): If I may ask the hon. member a question, it seemed to me that he confined himself to the one order in council which deals with the coastal situation. Does he regard that as a complete solution of the problem from the British Columbia point of view?

Mr. SINCLAIR (Vancouver North): Certainly from my point of view, and I was only giving my own outlook. So far as fishing licences in British Columbia are concerned, if the Japanese are excluded from the coastal area the question of granting them fishing licences does not arise. I should like to join with the hon. member for Comox-Alberni in saying that I think the Japanese have a great future in fishing in the maritimes. I see no reason why they should not be given a licence there. But so far as fishing licences in British Columbia are concerned, if the Japanese are restricted from the coastal zone the matter of licences does not arise.

Mr. MACDONNELL (Muskoka-Ontario): Does the hon. member put that restriction partly on the ground of security?

Mr. SINCLAIR (Vancouver North): Not I, no. The hon. member for Vancouver South mentioned it, but I do not. My point is that we are now faced with the job of making Canadians of these Japanese. We cannot deport them, as many of us would have liked to do. We have them here; and the best way to make them Canadians is to spread them across Canada. And it is the only proper way for years ahead to assure security.

Mr. MACDONNELL (Muskoka-Ontario): I should like to ask another question, with no desire whatever to embarrass the hon. member. How can he suggest excluding them wholly from the coastal areas of British Columbia, if to some extent they are to be allowed in the coastal areas of Nova Scotia?

Mr. SINCLAIR (Vancouver North): That was my point. I am sorry if I failed to make it, because I should be able to speak the same language. My point is that, because Nova Scotia is open to them now—I think there is one Japanese there—the moment the coast of British Columbia is opened we shall have 23,000 of them, less those who have been deported. It is the difference between the two coasts.

Mr. MICHAUD: The order in council under discussion involves a principle which, to my mind, is far-reaching, and for that reason cannot be treated lightly. I listened to most of the speeches in the debate, with the exception of a few made yesterday afternoon when I was unavoidably out of the house. I have taken the trouble to read some of them, particularly those of the hon. member for Cariboo and the hon. member for Kootenay East. I must say that, after listening to the debate in what I consider an impartial manner, I have not as yet been convinced to change the views I held originally in the matter.

The hon. member for Stanstead has expressed eloquently and ably the views I should like myself to express on this question. Today it is the Japanese; tomorrow it may be the Jews, and another year it may be another minority. I consider it is a dangerous precedent to carry on this order in council.

I must say I have a good deal of sympathy with hon. members from British Columbia who have expressed their views with great sincerity and their usual ability. As one hon. member from that province said, no one should cast any reflections upon them by imputing to them improper motives or accusing them of racial discrimination. I honestly believe they acted according to their conscience. They have expressed the views of their constituents, and that is what they were sent here for.

In this matter of racial discrimination I think it is fair to assume that nobody con-

siders himself guilty of such an attitude of mind. Hon. members who spoke in favour of retaining P.C. 934 have done so through a sense of duty. For us from the other provinces outside British Columbia I feel it should not be difficult to make up our minds as to what is the right thing to do in the matter.

The majority of those men who have been restricted in their freedom are Canadian citizens. The others are residents of this country, legally admitted to Canada; and as such they should enjoy the protection and freedom of other residents, as long as they abide by our laws. The reasons advanced by those who would have the Japanese kept away from the British Columbia coast have not impressed me. In the first place, there is the economic reason. Frankly I am somewhat dumbfounded that such an argument should have been invoked. It boils down to this, that in order to solve a simple economic problem we must deprive Canadians of elementary human freedom and fundamental rights. This, in my humble opinion, is unfortunate and an admission of incompetence. For that reason I do not think I should endeavour to answer the economic argument.

Then there is the security problem. Here again I fail to see what we should have to fear. There will always be traitors within our ranks, and they may not always be Japanese. There were none of them involved in the espionage inquiry, and I feel that the most subversive elements of our people are not Canadians of Japanese origin. So why single them out among possible disloyal citizens?

So far as the alleged disloyalty of these people is concerned, I would rather take the word of the Prime Minister of Canada (Mr. Mackenzie King) than that of other hon. members who have thrown aspersions against them. Doubtless there is some truth in what has been said. But, after all, what does it amount to? What proportion of Japanese have been disloyal? Some of them fought on our side, and that should help to vindicate them.

As the hon. member for Vancouver-Burrard (Mr. Merritt) has said—and in this he was supported only a short time ago by the hon. member for Stanstead—the problem of the Japanese would be more easily solved if we knew exactly what our immigration policy is to be, and particularly as regards orientals.

Bear in mind that I do not find fault with the manner in which our immigration policy has been carried out to this date. I think we are going about it in the right way. To my mind, the doors of this country are as wide open as we can afford to open them at this time. One thing is certain, and it is this, that we do not have to open the doors to oriental immigration just now. If at some future time we should have to do so, we could impose a number of restrictions which would not aggravate the situation in British Columbia. But let us deal with each problem as it comes before us. We are now facing the problem of Canadians who are restricted in their freedom. Those restrictions were very likely justifiable in time of war, for the same reason that it was then justifiable to send prominent citizens of this country into concentration camps, because of their political views. I think we are all agreed on this point. I understand that those who have been sent to concentration camps have now been released.

What about restrictions against Japanese? Is the present legislation to be continued, to be made permanent? If not, when is it to be abandoned. We have a duty toward those Canadians, but as yet we have no duty toward possible future immigrants of oriental races. So let us restore to our fellow Canadians their full rights as citizens; and when we deal with immigration of orientals in due course, we shall do it in the light of the solution we give to the present problem.

Speaking as a member of a minority group in the house, I make a special appeal to other hon. members who may represent minority groups, or who may belong to them. I want to appeal particularly to hon. members who come from Quebec and urge them to search their consciences carefully and to think twice before voting on this important matter.

I submit that it would be a dangerous precedent to maintain P.C. 946 one day longer than it is necessary to do so. Some hon. members have referred to the charter of the united nations. I am not particularly interested in that charter, but inasmuch as it embodies some of the principles of the great charter of Christianity which does not need to be defended in any deliberative assembly, I wish the charter of the united nations all the success it can possibly achieve.

Mr. NICHOLSON: I should like to congratulate the hon. member for Stanstead and also the hon. member for Restigouche-Madawaska. I think, if views such as they have expressed had been advocated in this parliament during the past fifty years we would not have many of the problems that are

now on our doorstep. On reading the debates on matters of this sort which have occurred in previous sessions, I feel that we are making some progress. Hon. members from British Columbia who have spoken in support of retaining this order in council have moderated their opinion considerably since the question was dealt with previously. I have a great deal of sympathy with them in the problem they must face when they return to their constituencies and have to meet public opinion, but I think they are asking the rest of us to take a very serious step.

I spent the first twenty years of my life in a home where Liberal principles were taken seriously, and I can hardly believe that we now have to argue with a government which is resisting so stubbornly the proposal to remove P.C. 946. Take this clause, for instance, which gives the minister the power to:

(viii) make orders, rules or regulations respecting persons of the Japanese race as defined in these regulations, or of other persons resident anywhere in Canada who are wholly of the Japanese race, or who have a father or a mother who is or was wholly of the Japanese race, to prohibit such persons of the Japanese race or such other persons from moving or travelling anywhere in Canada, or from residing in any place or area in Canada, except subject to a permit issued by or on behalf of the minister and on such terms and conditions as may be prescribed by him or by any person authorized to act on his behalf under these regulations.

As the hon. member for Restigouche-Madawaska pointed out, when we pass a statute of this kind which selects one minority group on racial grounds, a group which has not been charged with having committed any crime, and states that their liberties are to be interfered with, we are taking a backward step. At this stage I should like to ask the ministry this question: In view of the opposition that has come from all sections of the house, will they be prepared to ask for a free vote on the amendment moved by the hon. member for Moose Jaw?

Mr. MITCHELL: I can answer that right away. Perhaps the hon. member's judgment is better than mine and perhaps the judgment of the hon. members who have spoken is better than mine, but I ask them to consider the confusion that would result if 23,000 Japanese moved back into Vancouver. Let us be practical about the matter. I think we have been reasonably successful in the reallocation of these Japanese and have done it to the distinct advantage of them as individuals and of the nation.

I ask my hon. friend to take his mind back to 1942 when this matter was first placed under my direction. I think it was the hon.

member for Vancouver South who read a wire addressed to the Prime Minister of this country by a number of people in all walks of life in British Columbia. If my memory serves me correctly, Mr. Winch was one of those who signed the wire, as was Mr. Birt Shewler, president of the trades and labour council. I do not know the people in British Columbia perhaps as well as do my hon. friends.

Mr. GREEN: And Grant MacNeil.

Mr. MITCHELL: I know Grant MacNeil; I know Mr. Shewler and I know Mr. Winch, but I do not know the other people. I remember quite vividly the discussion that took place within the government and outside the government. They were fearful of the possibility of bloodshed unless this movement was undertaken. Frankly I believe it was the sound thing to do. I should like to think, when it is completed, there will be a reasonable reallocation of these people right across the dominion, but I shudder to think of what may happen if this amendment is carried. Assuming it is carried tonight; tomorrow morning these people could start back to the coast and no doubt many of them would.

In Ontario there are, at the moment, close to 7,000 Japanese. I have never noticed them around because they constitute only a pebble on the beach in a population of 3,500,000. They have more or less moved into the life of this province. In Quebec there are well over 1,200 and they have moved into the life of that province. The same applies to Manitoba and the other provinces. We have to be careful and not get away from the principle involved. I have the figures in front of me but I do not want to clutter up the minds of hon. members with them. You do not need figures when you are dealing with a principle.

I have known the hon. member for Vancouver East for a good many years and I know he has never changed his opinion. When he expresses an opinion, it is a matter of conviction. I listened to the speech of the hon. member for Stanstead. Let us not lose sight of the practical feature of this matter. There is a possibility of something almost like a trek back to Vancouver and one or two other centres in British Columbia. Many of us in eastern Canada have never seen a Japanese and it is all very well for us to get up and talk about them when we are not confronted with this problem.

Mr. NICHOLSON: The minister interrupted to answer my question and he has gone on for ten minutes. I did not expect the minister would make a second speech.

Mr. MITCHELL: I was going to make another speech anyway and I might just as well make it now.

Mr. COLDWELL: All right, go ahead.

Mr. MITCHELL: I am charged with the responsibility for this matter, which is an entirely different matter from just making speeches. As I say, there will probably be a trek back to Vancouver and other centres in British Columbia where the Japanese were highly concentrated. I agree in the main with the hon. member for Stanstead, but you have to look at the other side of the medal. I think it is far better to attempt to establish the Japanese across this country than to be faced with the condition that might arise in some of the centres of British Columbia if this amendment were allowed to pass. That is the practical thing to consider.

I wish to say this to my hon. friend who has just spoken and to the hon. member for Stanstead. I take second place to no one when it comes to defending the freedom of the individual, and so far as we are concerned we are prepared to take the vote at any time. I cannot speak for the government but I cannot have any objection to any member arguing the question from the point of view of principle. I must point out, however, that, as the minister administering the department, I am faced with a practical situation and I would rather face up to it courageously. There is an emergency, whether you like it or not. You may argue, if you will, that there is no emergency, but I would ask my hon. friends this question. Suppose you had a tremendous influx into the city of Vancouver, in short order, if this amendment carried, would they consider that an emergency? Would you not call upon the government of the country, or upon the province or the municipality to face up to the problem?

In a broad and general way we have used every measure of common sense in approaching this problem in the interests not only of the people of British Columbia but of the Japanese themselves. I have studied the discussions that have taken place in this house ever since it was decided that their movement from the Pacific coast was necessary, and I hope we shall use the same good sense on this occasion as we have shown in the past, so that in the passage of time a point may be reached where everyone will be more or less satisfied.

Mr. NICHOLSON: I do not wish to delay the putting of the question. I simply want to say that my position has been clearly outlined by the members of this group who have spoken. We are against this sort of legislation and must protest.

Mr. BLACKMORE: There are several questions I should like to ask the minister, and then there is a statement which I think it is fitting should come from this group. I will not ask the minister to answer the questions as I put them. He can do so afterwards.

It would be well for the committee to have these questions answered, however, before this general debate is concluded. Can the minister tell us the number of Japanese from whom property was taken as a result of the exigencies of war? What measures did the government employ to ensure that each unit of the property was appraised at its full financial value? What precautions has the government taken to see that the Japanese owners shall not be permitted to suffer financial loss? Has the minister prepared a detailed report on all financial relations between the Japanese and the government?

My reason for asking these questions is that, in my opinion, the members of the house should have a report as a result of the perusal of which they can determine for themselves whether or not we have been in any way unfair to the Japanese in a financial way.

In my judgment, no Japanese must be allowed to sustain any financial loss as a result of any exigency of the war for which that Japanese was in no respect personally responsible. I believe that is a sound principle upon which the members of the house ought to act and to act sternly and justly. It would indeed be a reflection on this country if it were to be proved that Japanese had suffered financial loss.

May I turn now to the matter of discrimination. Much has been said about racial discrimination. Social creditors are unalterably opposed to all forms of racial discrimination. But social crediters are aware—and let some hon. members bear this in mind, for it is a thing which they are overlooking—that certain forces are designing to discriminate against the white race.

Some hon. MEMBERS: Oh, oh.

Mr. BLACKMORE: Yes. The light-minded and the superficial will laugh, but those who realize the truth of what I say will not. They realize that there is much behind the statement. Are the white Canadians in British Columbia and elsewhere to be the only people in Canada to be discriminated against? Have white Canadians no right to protection against racial discrimination? Will anyone seriously argue that the Indians of British Col-

umbia, whose fishing rights were infringed upon by the Japanese, were not being discriminated against, right under the eyes of this government? How is it that we have heard no voice raised in this house in defence of the Indians against such discrimination?

Mr. LOW: They have no vote.

Mr. BLACKMORE: Now is the time to show whether certain hon. members mean all this talk about their support of the Indians. Here is their chance to be practical, as the minister says. The trouble is that a good many superficial theorists are unable to think through far enough to see the practical application of some of the principles they preach.

Mr. ARCHIBALD: Take a look at the canneries and see what conditions they have to live under.

Mr. BLACKMORE: I do not think the hon. member's question has any bearing on my general contention.

Mr. ARCHIBALD: It never has.

Mr. BLACKMORE: My position is clearly established. Will anyone seriously argue that the white people of British Columbia, who have seen the Japanese invading the British Columbia small-fruit industry, are not being discriminated against? Can it be successfully maintained that when Canadian governments in the past short-sightedly admitted Japanese to British Columbia soil, against the protests and pleading of the people of British Columbia, they did not discriminate against the white people of British Columbia?

We must be realistic in these matters. It is easy enough for the white race to stand up so straight that it falls over backwards, and that is what a good many members would seem to wish to do today, so that their children and their grandchildren will wake up some day and find their rights as Canadians destroyed, given away in a moment of foolish sentimentality. Can it be denied that the present government, if it permitted Japanese to return to British Columbia and multiply there, and extend their economic, social and political strength in that province, would not be guilty of rank discrimination against the white people of British Columbia?

Social crediters are opposed to discrimination against the white race in Canada as well as discrimination against every other race. Social crediters are opposed to discrimination against the people of British Columbia, and social crediters are opposed to discrimination against white Canadians yet unborn, generations and generations of them.

[Mr. Blackmore.]

Now may I stop here to make a comment in support of the minister's remarks regarding those people who never saw a Japanese. Why, the men and women in this country who have never seen a Japanese, who have never lived near Japanese, have no right to pronounce upon the subject at all. Let them listen to the people who know about the Japanese, the people who have lived near them and have seen what happens, the people who understand. How is it that men fail to appreciate this truth? What sort of intelligence or logic would there be in my rising to pronounce upon problems peculiar to Prince Edward Island when I have never been there? I listen to Prince Edward Island people on those problems. Let Canadians listen to British Columbians on British Columbia's problems.

Mrs. STRUM: Aren't they Canadian?

Mr. BLACKMORE: There are certain great fundamental principles which go down beneath the question of being Canadians. Bear in mind that the white people in Canada who sought out this land, who developed it and who fought and bled for it, are Canadians too; they have some rights—a thing which a number of hon. members are completely overlooking. Social crediters therefore propose to stand by British Columbia members and the minister in their courageous effort to safeguard and guard the rights of the white race in British Columbia. Social crediters will therefore vote against this amendment.

Some hon. MEMBERS: Question.

Mr. MACDONNELL (Muskoka-Ontario): Nobody is fond of speaking when he is not wanted to speak, but I wish to make a few brief comments. I find myself so much in agreement with the hon. member for Stanstead—we always like to vote together—that I find it difficult to vote against this amendment. But I intend to vote against it and I wish to say a word or two to explain why. I like to believe that I am a supporter of civil liberties, and I should like to challenge what the hon. member for New Westminster said yesterday. I do not think he intended to talk as if he felt that civil liberties were a thing that should be disregarded. I am sure he did not, but he spoke in a way that intimated he thought that people who had taken part in civil liberties associations were a lot of cranks. I should like to suggest to him that that is not so, although there was a tendency that I am very well aware of for all kinds of people to crowd into civil liberties associations and, in some cases, turn them from their original and valid purposes.

I wish to say two things about this resolution. It seems to me that, while it is not correct to say we have a war emergency at this time, at any rate we have a hang-over from a war emergency. It seems to me that we have not yet found a way to deal permanently with this situation. I am not going to take up the time to discuss whether it is the fault of the government or not. We should have been farther on the way, but we do not seem to be at the point where we can make a wise decision. To me there is great force in what is said by the people from British Columbia, that if this thing is decided in this way, if it is brought to an end now it means that the other provinces push back on them this whole problem. I do not think that is fair. I remember once the late Lord Tweedsmuir said the difficulty was not when you were faced with right as against wrong but when you were faced with one right against another right.

I find myself in genuine difficulty; nevertheless, for the reasons which I have given, while having full respect for the principles laid down by the hon. member for Stanstead which have to guide us in our eventual dealing with this matter, at the moment I do not think we are right in pushing it back on British Columbia. Therefore I shall vote against the amendment.

Amendment (Mr. Thatcher) negatived: yeas, 31; nays, 105.

Mr. MacINNIS: There is a specific case which I wish to bring to the attention of the committee to show the committee exactly where it has put itself by its vote on this amendment. This case may not be an isolated one. If the committee can find some way of justifying this treatment there may be some reason for having voted against the amendment. Yesterday I received a letter from Vancouver, written on behalf of a Japanese Canadian veteran of the last war who was evacuated from the west coast defence zone. The name of this man is Inouye. His regimental number is 228458-S. He was wounded and received an honourable discharge. Before evacuation he had a small farm near New Westminster, the legal description of which is given in the letter. For some reason or another, perhaps because he was a veteran, the farm was not sold. It is rented. The war being over for two years, this man is now seeking permission to return to his farm, but permission is refused. Permission cannot be refused on the score that he is disloyal. He has proved his loyalty by fighting for this country, as a matter of fact by offering his life in defence of the country. He had worked on this farm. It is the work of a lifetime. He was deprived of his farm, not because he was disloyal but because it was deemed necessary in the interest of Canada that for a certain time persons of the race to which he belonged should be moved from the Pacific coast. As a matter of fact this man comes in the category of persons who were referred to in 1920 by Captain Mackenzie, who is now the Minister of Veterans Affairs, when he said in the legislature at Victoria that these British subjects have vindicated the fundamental essentials of citizenship and an acceptance of that principle lay in the extension of the franchise. If that was right—and I submit it was right—by what process of logic or reason or of justice can this man now be denied the right to return to his farm?

Mr. MACKENZIE: What is his name?

Mr. MacINNIS: Inouye. It is not material; the name can be found. This may be an isolated case, but it may not. It demonstrates so clearly what this parliament, representing the principles of liberalism and the principles of freedom which the British people represent, denies to a man who fought for this country. Now I want to ask the committee this: what are you going to do with this man? Where stand all your professions of freedom, liberty and justice now?

Mr. IRVINE: On the practical problem.

Mr. MacINNIS: Yes, in a practical problem. Can anyone suggest that the return of this man to his farm in the Fraser valley, in British Columbia, is a danger to the security of Canada? Let us not forget that German submarines came up the St. Lawrence river; and yet we debar no person of German descent, regardless of what his loyalty or otherwise to this country may have been, from the normal freedoms of citizenship. As I mentioned before, here you have a man who was willing to make the supreme sacrifice for the country of his adoption, and you tell him, "You must remain in a concentration camp while somebody else lives on your farm."

Mr. GIBSON (Hamilton West): He is not living in a concentration camp, surely?

Mr. MacINNIS: Well, what do you call those relocation centres?

Mr. Chairman, it is after six o'clock. Since that point has been raised, I should like to say a few more words about the matter.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MacINNIS: Just before the dinner recess I was saying a few words in regard to the case of a veteran of world war I which came to my attention. I thought I had just about finished, but the Secretary of State made an interjection which caused me to decide to say a little more. During the past two or three days I have listened to so much rationalization in this chamber that I really have had to keep fairly good control over myself in order not to get excited about it. I have listened to people who know their position is wrong trying to rationalize themselves out of it. You cannot rationalize yourself out of a wrong position. I have lived long enough to realize that the only way one can do right today is to have done right yesterday, and the only way you can do right tomorrow is to do right today.

I shall try to give expression to the few words I have to say tonight without rancour, without racial prejudice or anything of that kind. As a matter of fact I feel quite sure I do not harbour any racial prejudice myself. I believe the Scottish race is the finest race on earth.

Mr. MITCHELL: I object, Mr. Chairman.

Mr. MacINNIS: I have come to that conclusion because so often I have heard them say so, at Caledonian societies banquets and Burns suppers. The Secretary of State took exception to my saying that the veteran of world war I, to whom I referred before the recess, who cannot now get back to his farm at New Westminster, was in a concentration camp. Perhaps that was an extreme statement of the case, but the fact of the matter is that he cannot travel beyond a certain radius without a police permit, and a person who cannot do that is pretty close to being in a concentration camp. Certainly he is not a free Canadian; certainly he does not enjoy the freedoms for which he fought between 1914 and 1918. I am informed that Mr. Inouye, the man I referred to, has written many times to the authorities in Ottawa, and cannot get anywhere. The party in Vancouver who wrote to me in regard to this case said he saw Mr. Mackinnon, the commissioner or placement officer, who told him there was nothing he could do about the matter; that at the present time there were some four or five war veterans in Vancouver but they were there under special permits, and they either had to leave when those permits expired or had to have the permits renewed.

I should like to know what would be the attitude of the war veterans in this house if a white war veteran could not go to Nova Scotia, for example, without a permit. I am quite satisfied that every war veteran here would rise in his place and object to that sort of thing. If that is the case, as I am sure it is, the only reason there is not the same concern in this instance is that this man's skin is brown, and that he is of the oriental race. That is not good enough for the members of this house, nor, in my opinion, is it good enough for this government.

I am going to refer for a moment to the dispersal policy, and I hope the Minister of Labour will not take what I am about to say as personal criticism of himself. On more than one occasion I have made the statement in the house, and in letters to the minister I have said on several occasions, that I thought, under the circumstances within which he had to work, he did a good job. But I am going to say that in dealing with this matter the Minister of Labour was not a free agent. I am going to say that the cabinet itself did not give him the support he should have had to deal with this matter, that the cabinet allowed itself to be blackmailed into dealing with these people as it has done. That is why we are in our present position. Certain political promises were made that these people would never return to British Columbia. Then, once we got them out of the province, every attempt was made to make conditions so tough for them that not only would they not go back to British Columbia, but they would leave the country altogether. I am not blaming the Minister of Labour for that, but I am surprised that in the cabinet there were not men who loved freedom enough to insist that these people should have a fair deal.

As to the dispersal policy, is it any wonder it was found difficult to disperse these people, since we tried to disperse them and at the same time attached to them the stigma of disloyalty? They were sent out of British Columbia as enemy aliens. Is it any wonder that other provinces did not want to take enemy aliens? The first thing the government should have done in its dispersal programme was to make clear to the provinces and the Japanese themselves that they were not enemy aliens. As a matter of fact, as the Minister of Labour has indicated, they were removed, not only for the protection and security of the west coast, but also for their own protection. And they should have been treated, not as enemy aliens but as wards of the state. Their property and persons should have been scrupulously protected.

But that is not what has happened. Their property has been despoiled. The minister suggested today that they would rush back to the coast. Very few of them can go back to the coast, because there is nothing for them to go back to. And I am not at all in agreement with him that they would suffer any violence if they went back. The same thing was said with regard to the Japanese evacuated from the Pacific coast in the United States if they returned. But they went back, and there was no violence; there were no disorders. A few people did try to make trouble. But the good sense of the people in the Pacific coast states of the United States recognized that these people were American citizens, and should receive the protection of the government of the United States. I am satisfied that Canadians are even more law-abiding than our American neighbours, and I am quite sure that nothing serious would happen if the Japanese should go back to British Columbia.

But I do not want them to go back. In so far as I have been able I have urged them to settle in other parts of Canada. I have numerous letters on file from those who did go to other parts of Canada, and who have told me that they are getting along well.

If the government wanted them to settle in the other provinces, would not the logical thing be that, as soon as they went into those provinces, all restrictions with the exception of returning to British Columbia should be removed? But what happened? They went into these provinces, but they could not buy property. They could not move from place to place. They could not make long distance telephone calls. People who are placed in that sort of position cannot acquire the social and economic roots which are necessary for permanent settlement. And it is only quite recently that those restrictions have been removed.

All this talk about dispersal is, in my opinion, too late. It is far more difficult today than it was during the last three or four years. In regard to irksome restrictions, I have in mind a particular case, which I mentioned in the house before. The government of Saskatchewan took into its employ a young Canadian-Japanese lawyer who had graduated from Dalhousie university in 1942. Because of conditions prevailing at that time, although he was ready to be called to the bar, the bar association in Nova Scotia, decided it was not desirable that he should be admitted to the bar at that time. He returned to Ottawa and did his best to get into the armed services. He could not do that. Then he got work somewhere in Saskatchewan, and a year or so ago was taken into a position of responsibility in the civil service of that province. Then he learned that, the war being over, he could now be admitted to the bar of Nova Scotia. But could he go to Nova Scotia as an ordinary Canadian citizen would? No; he had to have a permit from the mounted police to move from Saskatchewan to Nova Scotia to be admitted to the bar of that province.

Is it possible to get people to settle under conditions of that kind? It is folly and nonsense to think that can be done. So I say the first mistake that was made by the government when these people were removed was that they were designated as enemy aliens, and treated as such when there was no question whatever as to their loyalty.

I listened with pleasure and admiration to the great speech made this afternoon by the hon. member for Stanstead (Mr. Hackett). There was one part of it particularly which appealed to me, and that was where he said that if a person were disloyal or subversive the thing to do was to bring him before the courts of the country and determine his guilt or innocence through those courts; but that the innocent should not be punished indiscriminately with the guilty.

We have been promised a loyalty commission. On August 4, 1944, speaking in this house on the same question, the Prime Minister (Mr. Mackenzie King) said this, as reported on page 5916 of *Hansard*:

> What is clearly needed is the establishment of a quasi-judicial commission to examine the background, loyalties and attitudes of all persons of Japanese race in Canada to ascertain those who are not fit persons to be allowed to remain here. The commission I have referred to should, I think, be established in the fairly near future, in order that it may begin what will be a large and important task. The result of the work of the commission would be to establish a list of disloyal Japanese persons some of whom will be Japanese nationals, some British subjects by naturalization, and some British subjects by birth. The government's intention would be to have these disloyal persons deported to Japan as soon as that is physically possible.

That was on August 4, 1944. But no commission has yet been appointed to do the work proposed. Then in December, 1945, when the three famous, or infamous, orders in council were passed, one of them provided that a loyalty commission should be appointed. But the commission was not set up under that order in council. In December, 1946, it was again mentioned that a loyalty commission, or some sort of commission, should be appointed to look into the loyalty of these people. But no commission has yet been appointed for this purpose, although it

is nearly three years since the Prime Minister said that what was clearly indicated was the appointment of such a commission.

In my opinion there is only one reason why no such commission was appointed, namely, that there was no disloyalty to investigate. And because no such commission was appointed, after several promises were made, the government should now say to people of Japanese origin in Canada, Canadian citizens as most of them are, and to those who are not Canadian citizens that, no fault having been found with them, they should now be allowed to take up their place in this country as citizens and as residents. That is what is indicated by the actions and words of the government itself.

I was glad that the hon. member for Vancouver North, when speaking this afternoon, made it quite plain that he was not basing his claim for the exclusion of the Japanese from British Columbia on the score of the security of the province. If I understood him aright he based his reasons for wanting to keep them out of the province squarely on economic grounds, on the ground that if they were permitted to return to the province they would interfere with the employment of white residents. All I can say to that is that if economic conditions in this country are such that a mere handful—there are only about three or four thousand men, women and children—of people coming into British Columbia will upset the equilibrium of the economic situation in that province, then this government must be making a bad job of rehabilitation. However I am convinced that his economic fears are as baseless and as groundless as are the security fears of the Minister of Veterans Affairs.

When an effort was made to disperse these people across the country, not only were they considered as enemy aliens but everything that could be said in their favour was suppressed and their opponents were allowed to carry on their vilification without restraint. I have in my hand a report which appeared in the *News-Herald* of Vancouver under date of February 8, 1946. Under the heading, "Suppressed report says Japs save beet sugar crop", the report states:

> There can be little doubt that unless Japanese labour had been recruited, the great bulk of the crop would not have been seeded, with the consequent loss to Canada of many thousands of tons of beet sugar. The Japanese performed an important and essential function in maintaining sugar beet production in Manitoba and Alberta. In 1943 it was estimated the Japanese in Alberta alone provided at least $750,000 worth of necessary labour.

[Mr. MacInnis.]

> The Japanese on the prairies have developed religious, cultural and recreational facilities in the areas where they settled. They have participated in community enterprises, church and youth organizations, sports teams, victory loan and Red Cross drives. While concentrating mainly on sugar beet work, the Japanese on the prairies also helped in general farm operations.

Why should a report like that be suppressed? Why not let the people of Canada know?

An hon. MEMBER: Who suppressed it?

Mr. MacINNIS: Evidently the government. I am accepting the report as it appeared in the paper.

Mr. MITCHELL: I have no knowledge of any report being suppressed. What report was it?

Mr. MacINNIS: It is special to the *News-Herald* from Ottawa, and it appeared in the *News-Herald* of Vancouver on February 8, 1946. The first part of the report reads:

> One of the two federal government reports dealing with the evacuation and resettlement of Japanese in B.C. and which were withheld from the public during the war, says—

Mr. MITCHELL: I know nothing about it. I am looking after a large department and it may be that I do not know everything that is going on, but I think I know most of what is going on and I have no knowledge of the suppression of any report. It is just a newspaper story, probably speculation.

Mr. MacINNIS: I do not think a newspaper would report a story of this kind if there were not some basis for it.

Mr. MITCHELL: I want to say frankly to my hon. friend that there is no basis whatsoever for that story.

Mr. MacINNIS: It is amazing to me that the government or the Department of Labour did not say so at the time.

Mr. MITCHELL: If I got up and denied all the stories in the news columns of the papers of this country I would be on my feet twenty-four hours a day.

Mr. MacINNIS: It is not necessary that that should be done; all that would be necessary would be for the Minister of Labour to send out a contradiction—he sends out reports every day—stating to the newspaper that the report of their correspondent in Ottawa was not true and should be withdrawn.

Mr. MITCHELL: Why did you not raise it in 1946 rather than now?

Mr. MacINNIS: I am in somewhat the same position as the minister. If I said everything that I should like to say on this question there would be no one talking but

myself. Since I have not that opportunity and since it would not be fair for me to exercise it if I had, I have to say these things when I get the chance. However I am going to leave the matter there. I am convinced as strongly as I have ever been convinced of anything that we are adopting the wrong attitude in this matter and that we cannot build, not only a united world but a united Canada, on a basis of that kind.

Mr. MITCHELL: I think in an evolutionary way my hon. friend's mind travels very much like my own. I think I mentioned it this afternoon, but I want to say to my hon. friend that he has certainly shown a degree of sincerity which the hon. member for Skeena did not show yesterday.

Mr. ARCHIBALD: I have shown as much sincerity as the minister ever did.

Mr. MITCHELL: There is one thing about my hon. friend, he has been consistent down through the years, even from before the outbreak of the war when he raised a question about a returned soldier. My mind goes back to 1941 or 1942 before the Japanese were in the war, when the British government, for reasons best known to themselves, insisted that the wives of all British subjects in Hong Kong should go to Australia. There were a great many resolutions passed by wives of British residents that they wanted to stay with their husbands, which is a natural thing for any woman to do. I remember the criticism of the British government at that time because of the action they had taken in regard to that matter, but time has vindicated their action.

My hon. friend speaks of enemy aliens. I had something to do with prisoners of war in this country, since those who worked in civilian pursuits came under my jurisdiction. At the outbreak of the war the British government, I would not like to say arrested, but took under their control many people of many races, and there were those in Great Britain, and possibly in Canada and in the United States as well, who contended that such persons should have been allowed their freedom. Well, that is the price you have to pay when war breaks out. The government is charged with the responsibility of the state, and you cannot conduct a war successfully from a soap-box or on the basis of sentiment. War is war, and you have to make decisions in the light of the conditions and circumstances as they exist at the time, irrespective of the complexion of the political party that happens to be in power.

I am still convinced that our policy was a correct one in connection with these people of Japanese origin. I recall flying to Vancouver when it was decided that this movement should be made. When I got off the train I met a certain group in that city and they spoke to me about a policy I was setting in motion. I said to them—I will not give the committee the whole story—"I don't know whether you know it or not, but you may be living in the twilight of a civilization, for I have had some experience with the Japanese. I served with them out in Singapore in the last war and they have merely the veneer of civilization. If they should come to the Aleutian islands or into British Columbia or further into western Canada they would, if necessary, wipe out every man, woman and child in that part of the dominion." There was a real threat at that time.

Hong Kong was lost in two weeks, Singapore in six weeks, and the Dutch East Indies in twenty-four hours. The Americans had lost every effective capital ship in the Pacific; the Australian army was in Syria, and the state of defence in Australia was of a character that would make even a courageous man quiver. That was the situation at that time.

My hon. friend speaks of enemy aliens. I do not think they were ever treated as enemy aliens.

Mr. COLDWELL: I thought my hon. friend was talking about a soldier.

Mr. MITCHELL: I will come to that. If you do not like the whole story you need not listen to it.

Mr. COLDWELL: Why do you not talk about that?

Mr. MITCHELL: My hon. friend made a forty-minute speech and I should like to go on with my speech now.

Mr. COLDWELL: I did not. I have kept quiet.

Mr. MITCHELL: For the first time in your life.

Mr. COLDWELL: If you want to hear me on this you can.

Mr. MITCHELL: This is a free country.

Mr. MacINNIS: For some people.

Mr. COLDWELL: Not people of Canadian-Japanese origin.

Mr. MITCHELL: There is no objection to my hon. friend making a speech if he cares to do so. He makes lots of them.

Mr. COLDWELL: I can make more.

Mr. KNOWLES: And to the point too.

Mr. MITCHELL: I am giving the background. Probably my hon. friends do not like to hear the background.

Mr. COLDWELL: We would like to hear it.

Mr. BLACKMORE: Go ahead.

Mr. MITCHELL: I was stating the position we were in. My hon. friend said that we treated these people as enemy aliens. If the hon. member for Rosetown-Biggar had been sitting in another place instead of over there he would probably have had to take the same position as the British government did in this regard.

The hon. member speaks of concentration camps. I do not like the words "concentration camps". The hon. member for Spadina used what I term European language in reference to a question of this kind. A concentration camp, as understood in Europe, is something entirely different from the sort of camps in which these people were housed in Canada. There is no comparison whatever. Do not let us use the jargon of the communist party when we are talking about Canada.

Mr. MacINNIS: Is not a concentration camp any place where you are put and which you cannot leave without a permit? The conditions may be bad or good, but if you cannot get out of it, it is a concentration camp.

Mr. COLDWELL: A place where people are concentrated.

An hon. MEMBER: What about a gaol?

Mr. MITCHELL: If that is my hon. friend's definition of a concentration camp, these people were not in any concentration camp because they could get out of it. Having been assembled in these locations in British Columbia, there was a constant movement of the Japanese to Alberta, Saskatchewan, Manitoba, Ontario, Quebec and, to a lesser degree, to the maritime provinces. I do not like to hear these words and phrases, which are jargon in Europe, used in reference to the Dominion of Canada. We have had no concentration camps as far as the Japanese in Canada are concerned, during the time they were under my jurisdiction.

I know what a concentration camp is. I have been to Europe and I have seen the countries where they existed. My hon. friend spoke of a young Jap who wanted to go to Nova Scotia, I believe. There is no law against that.

Mr. MacINNIS: The hon. gentleman beats all around the bush. There was no law against it, provided that he could get a permit from the mounted police. There was no difficulty in getting the permit but he had to get a permit.

Mr. MITCHELL: My hon. friend is putting up a straw man and knocking it down.

Mr. KNOWLES: Do you have to get a police permit to go to Nova Scotia?

Mr. MITCHELL: My hon. friend may have to get one if he wants to go there.

Mr. MacINNIS: Not unless he comes under you.

Mr. BENTLEY: Why would the hon. member need to get one?

An hon. MEMBER: It is a free country.

Mr. MITCHELL: Who said that?

An hon. MEMBER: You did.

Mr. MITCHELL: Let me say that this is the freest country on earth; make no mistake about it.

I say to my hon. friend that we have, in my judgment, the fairest system of judiciary of any country on earth, not excepting Great Britain; and when it comes to freedom of speech I do not make any exception either to that statement.

My hon. friend spoke of a loyalty commission. It is quite true that the statement he referred to was made by the Prime Minister, regarding the establishment of a loyalty commission. If the hon. gentleman's mind will go back, he will remember that, prior to the defeat of Japan by the allies, over 10,000 Japanese in this country wished to return to Japan voluntarily. After the defeat of Japan, that number was reduced considerably, but upwards of 4,000 went back voluntarily, which, in my judgment is, to speak the language of my hon. friend, a pretty fair vindication of the policy of the government, and an assessment of the loyalty of the Japanese individually.

Mr. MacINNIS: I do not agree with you.

Mr. MITCHELL: You are not asked to agree with that statement. I am putting forward that point of view. These people wanted to return to Japan and we paid their fares and gave them $200, on landing, for each adult and $50 for each child.

May I say this. I said it before and hon. members will forgive me for the repetition. I would like to think that our soldiers in Hong Kong, that the Canadian civilians in Japan or the Americans or the British were treated as well as we treated these people in the Dominion of Canada.

Let us be frank and honest about the matter. I said that my hon. friend himself is moving very much in the same direction as I am. During the dinner recess I looked up this quotation from a speech he made on August 31, 1946. It will be found at page 5722 of *Hansard* and reads as follows:

> These restrictions should be completely removed except as regards the return of persons to Pacific defence area.

These words were used less than a year ago. I say to my hon. friend that we are moving in an evolutionary way to meet this problem. Less than a year ago in this House of Commons my hon. friend said that the Japanese should not be permitted to return to the Pacific area. I agree with him absolutely that it is not in their best interests as a group; that they should be relocated across this dominion. I agree with him from that point of view. But it takes time to do these things. Since the policy was enunciated in 1942, the problem of the Japanese has not been such a difficult one so far as I and my administration are concerned, but I must say that it was intensified by some of the speeches which have been made in this house. I am frank to admit that some have to talk to the boys back home. I have no objection to that at all. I forgive them for it. I think I have covered all the points raised by my hon. friend, but I know he is thinking of this returned soldier.

Mr. MacINNIS: Before we leave this matter, I wish to ask the minister three questions. I am glad he forgives me for "talking to the boys back home". In regard to Mr. Inouye, will the minister investigate the case, and if he has any discretion in the matter will he see what he can do with it?

My second question is, has any official request been made by the government of Alberta for the removal of persons of Japanese origin who were moved to that province shortly after the evacuation? Has the position of these people in Alberta been clarified? Will they be removed from there, or may they stay there if they wish? If they have to be removed from there, what provision is being made for settling them elsewhere? This is an important issue, because they should not be removed when the beet growers have finished producing their beet crop and there is no work for them elsewhere. They should be removed, not at the best time for the beet growers, but at the best time for Japanese.

The third question has to do with the loyalty commission. I mentioned that there were three definite statements made in regard to the loyalty commission, one in August, 1944, one in December, 1945, and if my memory serves me rightly, another one in 1946. Surely either that commission should be appointed or a statement of the government made and publicized that there is no disloyalty to be investigated.

Mr. MITCHELL: The first question has to do with the soldier. I shall be glad to look into that matter.

The second question is the Alberta matter. At the moment no request has been received from the Alberta government. As I indicated yesterday, the Japanese there can move out at their will so long as they do not go back to British Columbia. Of course there is a problem in Alberta. The sugar beet crop in Alberta and in Manitoba and, to a lesser degree, in Ontario was saved by the fact that we had Japanese labour in those three provinces in the last three or four years. That is a matter of fact, not a matter of argument.

The third question had to do with the loyalty commission. I would think that when the order in council was repealed—I am merely expressing a personal opinion now—and the power of deportation was ended, the loyalty commission became unnecessary because there has been no suggestion to my knowledge of deportation by compulsion. All the people who have gone to Japan have gone there voluntarily. I hope that answers my hon. friend.

Mr. MacINNIS: One other question about Alberta; has any request come from the beet growers of Alberta that these people should stay there for another year? I believe there was a conference on the matter.

Mr. MITCHELL: I have met the beet growers from Alberta. I am speaking from memory now. I cannot be too sure about it, but I am under the impression that they have also made representations to the government of Alberta. It is obvious that you have to get the crop off. The Japanese people assisted materially in getting the sugar beet crop off in Alberta.

Mr. STEWART (Winnipeg North): I should like to ask the minister a question. I have two cases, one of which has already been referred to in the house, that of Sergeant Buck Suzuki. The leader of this party brought that case to the attention of the house last year. This man was born in Canada. I am told that his parents have been in Canada for thirty years. He served with great distinction in the Malaya cam-

paign. While he was fighting with the British forces overseas, presumably for democracy, his wife and children were moved to Toronto and his house and land, which were valued at $7,000, were sold for the sum of $1,963. I do not know whether Sergeant Suzuki received that amount or not.

The second case is that of Yasuzo Shoji. He was wounded twice with the Princess Pats in the first world war. In British Columbia he had a two-story house, nineteen acres of land, four chicken houses, at least 2,500 hens and an electric incubator. I am informed that everything was sold for the sum of $1,429.59. The cheque which was handed to this man, after deduction of expenses and taxes, was $39.32. We have heard expressions from every side of the house today that justice should be allotted to these people. We have done many things which I think afterwards we shall be ashamed of, if we are not now. The assets of loyal Canadians were seized and sold, and in many cases sold for a song. And now the demand is coming, as I say, from all quarters that justice should be allotted to these people. What plans does the government have to ensure that justice is meted out to them?

Mr. GIBSON (Hamilton West): I do not know the details of the cases that my hon. friend has raised. I have heard of some of them. The suggestion is made by him that the assets of these Japanese, the evacuees from British Columbia, were sold for a song. That is by no means the case. The custodian of enemy property was placed in charge of the Japanese property and set up two commissions in British Columbia, one in Vancouver and the other for the rural area, each commission being headed by a judge and having on the commission a representative of the Japanese race. Each commission considered the sales and recommended sales at prices that were equal to the value that had been put on the properties by responsible, reliable real estate valuators of Vancouver. The amount that the custodian received for properties was in excess of the valuations which had been placed on them by the real estate advisers. That is, the total sales or the amount received in total was greater. There are some instances in which the Japanese owners claimed that they did not receive as much as they should have received, and consideration is now being given as to what form of commission should be set up in order that those cases may be heard so that full justice can be done, as was promised by the Prime Minister, in any cases where a proper sale price was not received.

Where chattels were sold, they were sold by public auction. Large advertisements were published and the prices which were recevied for the articles were extremely good. Altogether the prices which were obtained by the sales were well up to the values of the property that came into the custodian's hands. There have been cases where chattels did not come into the custodian's hands. In some cases articles were stolen; in other cases they disappeared or they deteriorated, as in the case of fishing nets and other articles. Where the custodian was responsible, we are prepared to accept representations from the previous owners and have a commission or committee, whatever is appointed, investigate and find out to what extent, if any, the government may be responsible.

Mr. MacINNIS: Mr. Chairman, I did not know that we had passed on to the Secretary of State department in dealing with these orders in council.

The DEPUTY CHAIRMAN: I may say to the hon. member for Vancouver East that the committee agreed to consider these orders in council together: 251 on page 4, 946 and 7355 on page 5; and 469 on page 6, and that we would try to pass them all together.

Mr. MacINNIS: I do not think we agreed to that, Mr. Chairman. We agreed to discuss them at the same time, but I do not think we agreed that we would pass them all in one vote. We have been dealing with these orders in council, as far as I remember, as sections of a bill, and I think there should be a separate vote on each order. I think it would be better to deal with P.C. 946 before we went on to the others.

The DEPUTY CHAIRMAN: Is it the wish of the committee that we should deal now with these items separately?

Mr. COLDWELL: Put them one at a time, and we can see what happens.

The DEPUTY CHAIRMAN: P.C. 946. Is that carried?

Mr. KNOWLES: On division.

P. C. 946 agreed to.

The DEPUTY CHAIRMAN: P. C. 7355. Is that carried?

Mr. COLDWELL: On division.

P. C. 7355 agreed to.

The DEPUTY CHAIRMAN: P.C. 251 on page 4 of the bill. Does that carry?

Mr. MacINNIS: I do not intend to make any lengthy speech on this order in council, but I should like to draw to the attention of

the committee that on the west coast of the United States there is a situation which is similar to the one prevailing in Canada and they settled the matter some little time ago. The state of California passed a statute excluding Japanese residents from the commercial fishing business. That was in 1943. Objection to it was taken to the courts, and the superior court of the state dealt with the matter and decided that the statute passed by the state was ultra vires. I now make the claim that we have no right to deny to one citizen of this country any right that another citizen has.

The DEPUTY CHAIRMAN: Shall this item carry?

Mr. KNOWLES: On division.

P.C. 251 agreed to.

The DEPUTY CHAIRMAN: P.C. 1665, on page 6. Does that carry?

Mr. MacINNIS: I should like to ask the Secretary of State a question with regard to property which was owned by persons of Japanese origin who were removed from the coast. Is there still in the hands of the custodian any of that property which has not been sold?

Mr. GIBSON (Hamilton West): Yes. There are fifty parcels remaining which are vested in the custodian. Twenty-five of them belong to Japanese associations, either community halls or churches, and twenty-five parcels belong to individuals. Of those twenty-five parcels belonging to individuals, I think about twelve are up at a place called Port Essington, which is practically a deserted village, and there is no sale for them at the present time.

The DEPUTY CHAIRMAN: Shall this item carry?

Mr. MacINNIS: No, Mr. Chairman, I think we should have an assurance from the minister that no more of this property will be sold without the consent of the owner.

Mr. GIBSON (Hamilton West): I am quite prepared to give that consent.

Mr. MacINNIS: That consent being given, I think it should be satisfactory. Did I understand the minister to say a moment ago that a commission was to be appointed to look into the values received by the owners of these properties?

Mr. GIBSON (Hamilton West): That is under consideration at the present time. I know that we shall give an opportunity to the owners to make representations. Just what form that will take has not yet been decided.

The DEPUTY CHAIRMAN: Shall P.C. 1665 carry?

Mr. COLDWELL: On division.

Mr. FLEMING: On this item, may I ask the Secretary of State when the public accounts committee will be called to meet? The bill, together with the accounts of the custodian, was referred to that committee ten days ago. Could arrangements be made to call that committee at an early day?

Mr. GIBSON (Hamilton West): I understand that the chairman of that committee has been away. I am taking steps to find out if somebody else cannot call a meeting of that committee, because we desire to have that matter discussed as soon as possible since this is emergency legislation which we want to have passed before May 15, if possible.

P.C. 1665, P.C. 469, P.C. 7167 and P.C. 7168 agreed to.

On P.C. 6638.

Mr. BROOKS: This is just a matter of administration, I take it, in connection with post-discharge benefits for a man who joined the interim force. The only object of this is to see that, if he continues on in the interim force after leaving the other one, he will not lose his gratuities and other benefits except for misconduct before he joined the interim force.

Mr. LAPOINTE: That is right.

P.C. 6638 agreed to.

P.C. 3617 agreed to.

On P.C. 349.

Mr. HAZEN: I should like to know whether the claims commission set up under these orders in council dealt with claims made against the dominion government by the governments of other countries, arising out of the occupation or operations of the Canadian army in those countries during or after the war. If not, how were such claims dealt with? I have in mind France, Belgium and Holland. Did the governments of those countries make claims against the government of Canada, arising out of the occupation or operations of the Canadian armed forces in their countries during or after the war? If those claims were made, how were they dealt with? How much did they amount to in the case of Belgium, Holland and France, and how much has been paid to each of those countries?

Mr. LAPOINTE: My understanding is that the claims referred to by the hon. member were not dealt with under these orders in council but by the government, through repre-

sentatives who discussed the claims with the representatives of the foreign governments and arrived at a settlement. Those settlements were carried out by order in council but not under these orders in council which dealt only with claims resulting in injuries or damage caused through training, occupation, billeting, or manœuvring. The amount of each claim dealt with by this commission could not exceed $1,000, as my hon. friend will see.

Mr. HAZEN: I notice section 2(d) reads:

To function and cooperate with the British claims commission in the United Kingdom and any claims commission which may be set up under field service regulations, 1930 . . .

Of course I do not know what that refers to.

Mr. LAPOINTE: These commissions were set up for the purpose of dealing with claims similar to those with which this commission had to deal.

Mr. HAZEN: Is the hon. gentleman in a position to tell us the amount of the claims submitted by the countries I have mentioned, France, Holland and Belgium?

Mr. LAPOINTE: I am sorry I cannot say what they amounted to. I believe I can give the amount of the claims with which this commission has to deal. Those still outstanding under this order in council total £49,000. All told there are seventy-eight known claims outstanding in Britain at the present time, and it is expected that by June most of those will have been dealt with. Of course the number of claims is dwindling as the repatriation of our troops becomes complete.

Mr. HAZEN: There are seventy-eight claims totalling £49,000; is that right?

Mr. LAPOINTE: Yes, that would be right.

Mr. HAZEN: How many claims have been settled, and what did it cost to settle them?

Mr. LAPOINTE: I am sorry but I have not that information before me. I am sure the amount must be quite considerable, because during the time Canadian troops were in England claims resulting from manœuvres, training and billeting were quite numerous, and claims officers were appointed in various divisional areas, as a rule, who were kept busy settling these claims which came into headquarters. I am sorry I have not the figures.

P.C. 349 agreed to.

P.C. 363 agreed to.

On P.C. 6367.

Mr. GREEN: This order in council refers to old age pensions, and I take it there would be no objection to having the discussion cover the other three orders in council having to do with old age pensions. Is that correct?

The DEPUTY CHAIRMAN: I think the committee would agree that we might discuss all these items together, concerning old age pensions.

Mr. ILSLEY: Yes.

Mr. MARTIN: Might I point out to hon. gentlemen that it is the intention of the government to have the resolution preceding the bill dealing with old age pensions appear on the order paper on Monday next, so that perhaps some of the discussion contemplated tonight might be postponed until the bill has been brought in.

Mr. GREEN: Of course, while the bill to amend the act may be introduced on Monday, it may not be debated for some considerable time. In any event I have a few remarks I should like to make tonight, having to do with these orders in council and the general question of old age pensions. The four orders we are now considering deal, in the first place, with an increase of $5 granted on August 10, 1943, under the War Measures Act; a further order in council passed on May 29, 1944, which restored the privilege, existing before the passing of the first order, of having an annual income totalling $125 over and above the pension; the other two orders in council refer to pensions in the Northwest Territories. I have nothing directly to say about them this evening, though my general remarks will apply to them as well as to old age pensions in other parts of the country.

In my opinion, there has been an utter failure on the part of the government to realize the plight of the old age pensioners of Canada, our other older citizens, and our blind. This failure has been most noticeable with regard to the amount of the pension, which is too low for a recipient to live decently in many centres of Canada. In addition, the regulations are too severe, so that in some cases applicants are completely disqualified from receiving the pension, and in other cases where pensions are granted the amount is reduced by reason of the stringency of the regulations.

When old age pensions were first introduced in Canada the lead was taken by the dominion government. That was back in the twenties. At that time it was not a question of waiting for the provinces to move. The dominion government took the lead. The same was true in the early thirties, when the government of the Right Hon. R. B. Bennett increased the

proportion of the pension payable by the dominion from fifty per cent to seventy-five per cent.

But in recent years the dominion government has not been taking the lead in old age pensions matters. It has been hiding behind the provinces. In support of that contention I would refer hon. members to the statement of policy made by the present Minister of Justice (Mr. Ilsley) on November 14, 1941; at that time he was Minister of Finance. He admitted in this statement that there had been requests from various parts of Canada for the dominion to pay a cost of living bonus to the old age pensioners. But he declined to grant that increase. All that he offered was that if any province saw fit to make a special supplementary payment, the dominion, very graciously, would not as a result reduce the dominion's contribution to the regular old age pensions payments.

At page 4428 of *Hansard* for November 14, 1941, the minister is reported as follows; and here, I think, we have the basic policy of the government on old age pensions:

> The dominion must, I am convinced, take the position that old age pensions of the non-contributory type now in effect are primarily a provincial responsibility, the role of the dominion being that of a contributor financially assisting the province to discharge this responsibility.

In other words, the government then took the stand, in November, 1941, that the primary responsibility for old age pensions was with the provinces, and that the lead must come from them.

In the following year, 1942, the situation of old age pensioners in Canada had become so desperate that some of the provinces began to pay supplementary grants. The first one to do so was my own province of British Columbia. They made provision in January, 1942, for the payment of an additional amount of $5, bringing the maximum in our province up to a total of $25 a month for single pensioners.

The then minister of finance here in Ottawa was questioned about that situation in February, 1942, and in explanation of the British Columbia provision we find him stating this, as recorded at page 498 of *Hansard* for February 11:

> The dominion government makes no contribution to the additional $5 a month. The position of this government was made clear in a statement which I made to this house in November.

Then a few days later, on February 17, the minister quoted from a speech by the premier of British Columbia, made at the time the supplementary grant was passed in that province. The premier used these significant words; and, mind you, this was five years ago:

> The government of the province has given careful consideration to this matter and is of the opinion that conditions in British Columbia warrant the increase of old age pensions to $30 per month, and, pending appropriate action by the dominion to that effect, it proposes to supplement the pension now paid by $5 per month. Of this amount $2.50 is the provincial share of the increase recommended—

That is one quarter of the recommended total increase of $10, which would have brought the pension to $30 a month.

> —and the other $2.50 represents a war-time cost of living bonus, which will cease if the scale of pensions is increased by the dominion before the cessation of hostilities.

Subsequently other provinces demanded an increase in the general rate of pension. For example, in May, 1942, Manitoba demanded an increase, and I have here the statement of the then minister of finance with regard to that request from Manitoba.

I have here also a statement by the minister on April 1, 1943, when, again, he was being pressed with respect to an increase in old age pensions. He was being urged to have the dominion take some steps toward increasing the pension, and we find him taking this stand as reported at page 1769 of *Hansard*:

> Essentially the question is one of jurisdiction; and the position which this government has taken, and which I announced in November, 1941, is that we regard the responsibility for old age pensions as primarily one of provincial jurisdiction, just to the same extent as mothers' allowances, for example.

I have never been able to bring myself to the belief that old age pensions and mothers' allowances are in the same category. I think that the dominion then, in 1943, was still hiding behind the provinces.

Then, two or three months later, in July of that year—

Mr. ILSLEY: What does the hon. member mean by "hiding behind the provinces"? Why does he use language like that, which is opprobrious. My statement was clear, and I have nothing to take from it.

Mr. GREEN: I repeat it. The policy of the dominion government was and is that of hiding behind the provinces on this question of old age pensions.

Mr. ILSLEY: From the very beginning, under all governments, old age pensions were regarded as primarily a provincial responsibility.

Mr. GREEN: But in the beginning the lead was taken by the dominion. The question as to whether there would be old age

pensions in Canada was decided here; and now that the time has come, and long since passed, for an increase in the pension, the lead should come from here. It should have come from here, rather than having a dominion government sitting in Ottawa and waiting, waiting, waiting for action to come from the nine different provinces.

On July 23, 1943, a report was tabled in the house by a special committee on social security, in which report we find this recommendation:

> That the government review the existing regulations governing old age pensions, pensions for the blind, and war veterans' allowance, and consider the advisability of adjusting the eligibility age to a lower level and of increasing the amount of pension.

Someone on that committee must have known what was coming, because the next day the minister made a statement to be found at page 5355 of *Hansard* for 1943 to the effect that the dominion had finally agreed to let the ceiling for old age pensions be raised from $20 to $25, the difference of $5 being provided for by order in council under the War Measures Act. That is one of the orders in council we are considering tonight.

The provinces were still to be allowed to pay the supplementary grants. I think every province continued to pay those grants. I know my own province of British Columbia kept on paying the sum of $5, making the total amount in that province $30 a month.

On May 29, 1944, a further statement was made by the then minister of finance about old age pensions, and at that time the second order in council which we are considering tonight was passed, allowing a greater income over and above the pension; and there were also some improvements in the regulations.

On June 5, 1944, the Minister of Finance repeated the stand he had taken in November, 1941, that old age pensions were primarily a provincial responsibility. His words will be found on page 2632 of *Hansard* as follows:

> In November, 1941, I announced the government's policy to the house. I stuck to the principle that has always been preserved in this pension scheme, namely, that it was primarily a matter of provincial responsibility; I said that if any province wished to pay a supplemental allowance we would alter the regulations in such a way that they could do so without that supplemental allowance being regarded as income, and certain provinces did that.

The plight of the older people in Canada continued to be desperate. This year the province of British Columbia added a further $5 to the supplemental payment, so that they are now paying $10 over and above the national figure. Pensioners in our province may now receive a maximum of $35 a month.

[Mr. Green.]

The dominion maximum is still $25. The problem of old age and blind pensions is of great concern to the people of British Columbia and, I think, to the people of other parts of Canada as well. For example, a single pensioner living in the centre of Vancouver cannot get a proper room under $12 a month unless he is exceptionally lucky. It is practically impossible to get decent accommodation, that is without board, just the actual room, for less than $12 a month. Prices have been rising steadily and I do not see how these old age pensioners get along. In my opinion, it is practically impossible for an old age pensioner to exist in a city in Canada on the present pension, and I presume the situation is much the same in the smaller centres of the country.

I believe the people generally would be willing to pay the cost of adequate old age pensions. I have here the results of a Gallup poll which was taken on November 28, 1946, in connection with old age pensions. This question was asked:

> If it were your job to decide how much money old age pensioners with no other means of support should receive from the government each month, what amount would you set?

The vote was as follows:

	Per cent
$20 or less	1
$21-$30	12
$31-$40	21
$41-$50	27
$51-$60	15
$61-$99	13
$100 or over	6
No answers; no opinion	3
Qualified answers	2

The significant feature of that poll is that forty-eight per cent of the people were in favour of pensions between $31 and $50 a month. Another thirty-four per cent were in favour of pensions from $51 to $100. Sixty-one per cent of the poll favoured pensions over $40. A month later a poll was taken in connection with the age for eligibility, with the following results:

	Per cent
50 years	2
55 years	4
60 years	39
65 years	41
70 years	6
Miscellaneous	5
No answer; no opinion	3

In other words, eighty-six per cent of the people thought the age should be from sixty-five years down. These polls are significant, because they show clearly what public opinion on this question of old age pensions is at the present time.

It is a tragedy that there has been no increase in the four years since 1943. These people have only a few years to live and many have died who would have qualified if changes had been made.

Mr. BLACKMORE: And would have probably lived if changes had been made.

Mr. GREEN: Yes, and probably would have lived if changes had been made. The delay of the dominion government in facing this old age pensions problem is a disgrace to this nation and to this parliament. I daresay that there is not one hon. member who did not promise his constituents during the last election that he would have something done about old age pensions.

Mr. ST. LAURENT: There are several who made no such promise and I am one of them.

Mr. BLACKMORE: They ought to have made that promise.

Mr. GREEN: I am quite certain that in my province there was not an hon. member who did not promise to do something about old age pensions and who did not intend to do something about them.

Mr. ILSLEY: I presume that every member who did that also promised lower taxes.

Mr. GREEN: I do not know about that. They may have done so. Perhaps if the dominion government had not been quite so extravagant it would have been possible to have both.

Then in 1945, nearly two years ago, we had the dominion calling a conference with the provinces. The dominion got out for that conference a nice green book, a copy of which I hold in my hand and which, by the way, I understand was given out to the press before being given to the premiers of the provinces. This book is entitled, "Proposals of the government of Canada." In those proposals hon. members will find the admission that old age pensions are much too low. That is to be found right here in the dominion's own proposals. Of course that was only confirming what was contained in the report by Doctor L. C. Marsh, published on March 16, 1943. Both those government documents suggested that the minimum should be at least $30 a month, and both suggested that the age should be dropped from seventy to sixty-five years.

The main objective of the dominion in making those proposals was to persuade or force the provinces to give up certain taxation powers which the dominion government had enjoyed during the war by virtue of agreements made with the different provinces. One subtle way of bringing pressure to bear on the provincial governments to give up those taxation powers was to hold out to the Canadian people the attractive social security programme to be found in this green book, including increased old age pensions. The dominion was hoping all the time that Canadians, when they saw those proposals, would demand that the provincial governments accept them and hand over the taxation powers. In fact the dominion was using the old age pensioners and the older people of Canada who would be reaching the age of qualification, as a pawn in the dominion's game with the provinces. Let me put it another way—

Mr. MARTIN: I am sure the hon. gentleman is too much of a gentleman to really be serious in making that observation.

Mr. GREEN: The minister of National Health and Welfare need not put it on the basis of gentlemanly conduct.

Mr. MARTIN: That is the way it should be.

Mr. GREEN: I do not make statements in this house which I do not believe, and I believe the statement I have just made. For the benefit of the minister I will repeat it. In my opinion the dominion, in effect, was using the old age pensioners and the elderly people of Canada who would be reaching the age of qualification, as a pawn in the dominion's game with the provinces. Or let me put it another way: using them as a club to force the provinces to accept and to give up taxation powers.

In any event, be that as it may, it is clear now that there is no possibility of agreement at an early date and it does not help the elderly people or the blind of Canada one bit for the dominion to try to place the blame on the provinces. The onus is right back on the dominion government to give a lead in settling the old age pensions problem. The onus is right where it was in 1926 and 1927 when the Old Age Pensions Act was first passed.

Finally, a word about the regulations. These regulations are much too severe. I do not need to rely only on my own opinion in making that statement. It is found right here in both government reports to which I refer, the report of August, 1945, and the Marsh report of 1943. These regulations should have been eased long ago. It does not require any big dominion-provincial conference to ease them. Demands have been made in this house at every session. I made them

myself in 1945 and again in 1946, that the regulations be changed, and the Minister of National Defence, who was then Minister of Health and Welfare, promised on December 15, 1945, that he would call together a meeting of the representatives from the different provinces to deal with the regulations. He had not done so at the time the session of 1946 ended, but finally there was a meeting in December, 1946. As yet, however, there has been no announcement by the government of any change in the regulations. The minister from British Columbia, under whose jurisdiction old age pensions come, returned from Ottawa on December 6 of last year and I have here an interview with him upon his return. He hinted that the pension rules might be eased. He said that the committee which had met was purely advisory as to the dominion's Old Age Pensions Act. All the provinces apparently are waiting for the dominion to announce what changes are to be made in these regulations.

I do not need to go over the details of the regulations to show their unfairness. That is shown by the very fact that only forty per cent of the people of Canada over seventy years of age have been able to qualify under the regulations. That figure is taken from the dominion's proposals of August 1945, at page 37. Doctor Marsh gave the percentage as from forty to forty-five. There are some glaringly hard regulations. One is the method of computing income. Take the regulation under which an applicant can be deemed to have a certain income because he has certain property, whereas in fact he may not be getting one cent out of it. That has always been a most unfair regulation.

Then there are the residence rules. I suggest that the regulations should be changed so that twenty years in Canada after the age of eighteen would be sufficient to qualify, with perhaps three years' residence immediately preceding application. Why should not changes be made such as we made last year in the War Veterans Allowance Act? After careful consideration by a special committee on war veterans affairs last year, a recommendation was brought in that the recipient of war veterans allowance could have his own home of a value up to $4,000 without having it taken into consideration in applying for war veterans allowance. There should be the same provision for old age pensioners. Under the War Veterans Allowance Act there is provision for casual earnings up to $125 a year. I do not see why there should not be the same regulation under the Old Age Pensions Act. The two acts were supposed to be similar. The War Veterans Allowance Act was improved last year, and there was no reason why the Old Age Pensions Act could not have been improved at the same time.

In closing, may I emphasize the importance of the time element. Time means so much when one gets up to that age. Every member of this house regards time as very important right now. Those of us who are only fifty or forty years of age begin to realize the importance of time. Put yourself in the position of the applicant for an old age pension, who is seventy or sixty-five years old. Time is of the utmost importance, and there should never have been this long delay in meeting the tragic position of elderly Canadians and of the blind people across the country. I repeat that that delay has been a disgrace to the nation and, in particular, a disgrace to this parliament.

Mr. KNOWLES: Mr. Chairman, I am sure we all welcome the statement made by the Minister of National Health and Welfare, that the resolution preceding the bill to amend the Old Age Pensions Act will be placed on the order paper, I believe he said, by Monday.

Mr. MARTIN: On Monday.

Mr. KNOWLES: That is fine.

Mr. BRIDGES: Why talk about it?

Mr. KNOWLES: The Minister of Fisheries says, "Why talk about it?" Mr. Chairman, we shall reserve most of what we have to say about this matter until this bill that has been foreshadowed is before us. But it is only because some people have been talking about this question for years and years, even long before I ever came to this house, that it has been possible to persuade governments to move even as far as they have. According to some reports that get into the press, I am supposed to be one of those who have too much to say about this question, and as I look over the record, I find that I have risen to my feet to speak about the Old Age Pensions Act a good many times.

Mr. BROOKS: Sometimes unnecessarily.

Mr. KNOWLES: My hon. friend says, "sometimes unnecessarily." I am sure he would not want his name attached to that remark. I do not think anything is more necessary than persistence in the endeavour to persuade the government to move in connection with this matter, and when, like other members, I was at home during the Easter recess and found the amount of interest there is in this question, the amount of concern that is felt not only by our old people but by citizens generally, I realize that I have not talked half enough about it. Neither have

other hon. members, including my genial and now smiling friend the hon. member for Calgary West, risen often enough to demand action on this matter.

The orders before us have to do with continuing the basis as it now stands until the new legislation comes into effect. So far as I can see, no one will vote against these orders in council. One could not consider letting the present amount drop to the $20 provided in the act. But the point that some of us have been trying to make—and it seems to me it is important to make it now when the resolution is just about to appear on the order paper—is, in the main, the one that the hon. member for Vancouver South emphasized in his closing remarks, namely, that time is of the essence. It is not just a matter of the various ages which the hon. member for Vancouver South referred to; it is a matter of weeks and months in the lives of the old people who are now waiting for an improvement in their old age pensions. They certainly should not have to wait any longer; that is my plea to the government.

I rise particularly at this time to say to the Minister of National Health and Welfare that, unless the resolution which is to appear on the order paper on Monday really goes some decent distance in improving the needs of our old age pensioners, he had better use the time between now and Monday to redraft it.

There are some discouraging rumours abroad in the country at this time. One of them is that the new legislation is to provide for an increase in the amount of the pension to $30 a month. All the strong words that the hon. member for Vancouver South used will have to be applied to that figure. It simply is not enough for our old people to live on.

Earlier this session the Prime Minister made a specific promise that when the new bill was brought in it would cover everything that we now have in the order in council which is before us plus something more. I suggest that $30 a month now is not something more than $25 was when the Prime Minister made that promise on February 4. On account of the increases in the cost of living, $30 a month now for old age pensioners is actually something less than they were receiving at the time the promise was made. Therefore I urge the Minister of National Health and Welfare to consider seriously the effect upon the morale of our old people, the effect upon the spirit of our Canadian citizenry generally before he brings in that resolution for such a meagre amount. What is needed for our old people is a pension on which they can live in dignified retirement. We of this group say it should be not less than $50 a month. We say too that the time has come to lower the age; that the pension should be payable at an age not later than sixty-five. It is also extremely important, if this is to become a pension and not just a form of charity, that the means test with all its viciousness be removed. Further, if an old age pension is to mean what it should to our older Canadians there should go with it a cost of living supplement to fluctuate as the cost of living index moves up and down. There should also be with it a provision for hospitalization and medical care.

Almost every time there is a debate on the question of old age pensions, remarks, sometimes by way of an interjection, are passed around as to there being sympathy in all quarters of the house, sympathy on the part of all members for our old age pensioners. No one denies that for a moment. There is an abundance of it here. I am quite satisfied that at any time across the years had members had an opportunity to vote for improvements in our old age pensions legislation, had there been a free vote the majority would have been overwhelming, if not unanimous. But the point that really matters to our old people is not the sympathy that is expressed or any claims as to who has a monopoly on concern for the old people; what counts is definite action to improve their lot by providing a pension on which they can live.

I do not wish to go over the history of this matter again; it has been done quite thoroughly tonight by the hon. member for Vancouver South. I do not altogether concur in his contention that the dominion is hiding behind the provinces. Actually that is only one side of the picture. I think he has used the wrong figure of speech. Buck-passing is the proper phrase. The dominion has been saying that it is a provincial matter; but in the provinces, even those provinces that have made some increases, it is felt that the matter is one which is up to the dominion.

Mr. DIEFENBAKER: Does that apply to the Saskatchewan government?

Mr. KNOWLES: The Saskatchewan government, like the British Columbia government, both of which have made increases, as well as others, have done so out of practical sympathy for the old people in their provinces, but they feel that the final responsibility for a proper Old Age Pensions Act rests here in Ottawa.

Mr. DIEFENBAKER: What are the total pensions in these two provinces?

Mr. KNOWLES: The total pension in British Columbia is now $35 a month; the total pension in Saskatchewan is $30 a month, plus hospital, medical, optical and dental care free to all old age pensioners as well as to certain other groups.

Mr. DIEFENBAKER: In British Columbia it is the same.

Mr. GREEN: I believe they also get medical and dental care in British Columbia.

Mr. KNOWLES: Yes, there is something of that kind, but it is not as all-inclusive as in Saskatchewan. I am not concerned about pitting these provinces against each other. I say, as I have already said in answer to the hon. member for Lake Centre, that even the province of Saskatchewan, which is doing the best it can—and I am proud of it—for the old age pensioners, feels that the final responsibility for a proper Old Age Pensions Act rests with the dominion.

Mr. MARTIN: Would the hon. member permit a question? Is it not a fact that Saskatchewan is now paying less than some other provinces?

Mr. COLDWELL: It has come up quite a bit since the present government came into office.

Mr. KNOWLES: Saskatchewan is paying in cash to the old age pensioner less than British Columbia, but one has to take into consideration the value of the over-all medical and hospital care which is accorded to old age pensioners in Saskatchewan, and the relative economic position of the two provinces. It is also to be noted, if one is going to discuss Saskatchewan, that the average amount paid to the pensioners of Saskatchewan has come up since the present government came into power. Under the former government the average amount paid in Saskatchewan was about third in the dominion. It has since come up to the top.

Mr. MARTIN: The fact is that the hon. gentleman who advocates $50 a month supports the only government in the dominion where his political ideology is in power and which has not paid as much as some other provinces.

Mr. KNOWLES: I deny that. When you add to the cash payment the value of the hospital and medical care on an over-all basis which is given to the old people of Saskatchewan, they are right up with all the rest of them.

Mr. TUCKER: I should like to ask the hon. member a question.

[Mr. Diefenbaker.]

Mr. COLDWELL: We are not debating Saskatchewan, are we?

Mr. TUCKER: But I understood the hon. member's supporter was. He speaks about Saskatchewan as if he knew what was going on there. I wish to ask him this question. How much is taken off the old age pension when the old age pensioner in Saskatchewan has to go to the hospital. The hon. member speaks freely about Saskatchewan. I should like him to answer that question.

Mr. KNOWLES: So far as I know, nothing is taken off the old age pensioner.

Mr. TUCKER: That indicates you do not know anything about the matter.

Mr. COLDWELL: The hon. member had better go out to the Saskatchewan legislature and ask the question there. He had the chance to do it but he did not take it.

Mr. TUCKER: I know the hon. member would like to get me out of the house but, believe me, I shall stay here just as long as the Liberal party wants me. I am not taking dictation from the C.C.F. Why did you not get your own premier out there to go out and take a seat in the legislature when he was elected C.C.F. leader in Saskatchewan?

Mr. COLDWELL: He was not asked to take a seat in the legislature.

Mr. TUCKER: He never asked for a seat.

Mrs. STRUM: We took forty-seven seats out of fifty-two.

Mr. TUCKER: You will not do that next time.

Mr. KNOWLES: May I ask the hon. member for Rosthern if, as a citizen of Saskatchewan, he is not proud of the improvements in social legislation which have been made in his province in the last few years?

Mr. TUCKER: I dislike seeing the old age pensioners having to pay more than $5 for hospitalization—having their old age pension taken away from them in part when they go into the hospital.

An hon. MEMBER: They do not. You do not know what you are talking about.

Mr. KNOWLES: That is not correct.

Mr. SMITH (Calgary West): On a point of order, Mr. Chairman, may I ask if this is a private fight or a public fight? I really should like to listen to the hon. member. He is always interesting, even though he is usually wrong; but I want to know how far wrong he is.

The CHAIRMAN: I thank the hon. member for Calgary West for reminding me to remind the committee that all remarks should be addressed to the chair and that hon. members should not interrupt another hon. member who is speaking, unless they have his consent.

Mr. KNOWLES: I want it to be clear that, in the province of Saskatchewan old age pensioners and others receive, through the medium of a card which entitles them to it, their hospital and medical care and benefits free. These things were given them even before the general hospitalization plan was enacted.

Mr. COLDWELL: Old age pensioners and others.

Mr. WARREN: I do not often interrupt, Mr. Chairman, but may I ask if it is not true that the Saskatchewan citizens pay a per capita fee of $2 for that medical care?

Mr. COLDWELL: Not the old age pensioners.

Mr. KNOWLES: I am glad to know of this interest in the situation in Saskatchewan. I should be quite willing to go on answering questions, but I think I might leave it. After all, there are a number of Saskatchewan C.C.F. members in this house.

Mr. MARTIN: Let us get to the old age pensions bill as quickly as possible.

Mr. KNOWLES: Absolutely. What I was starting to say before I had these interesting questions was that the old age pensioners have been the victims of this game of tossing the responsibility back and forth from one place to the other, and we feel that the time has come to settle that responsibility where it belongs, namely, with the federal government. I was going to mention that in the province of Manitoba the issue has come up. The hon. member for Vancouver South spoke of the demands that province made a few years ago for an increase in the pension, and it is true that at one time they added $1.25 before the federal government made its $5 increase of 1943. No further increase has been made in that province, and only recently—in fact, this very month—a resolution introduced in the Manitoba legislature calling for that province to make a $10 increase, just for the period of time until the federal government increased its pension, was turned down. The resolution was introduced by Mr. M. A. Gray, a C.C.F. member for Winnipeg. It was the combined vote of Liberals and Progressive Conservatives that defeated the motion.

Mr. DIEFENBAKER: Why does the C.C.F. not raise it to $50 in Saskatchewan?

Mr. MARTIN: Is the hon. member aware that the leader of the Liberal party in Saskatchewan asked the Saskatchewan government the same thing that he says someone asked the Manitoba government today?

Mr. COLDWELL: Think of your own responsibility in these matters.

Mr. MARTIN: I will.

Mr. KNOWLES: I can carry this on just as well as anybody else, but all this is doing, Mr. Chairman—even my part in a free-for-all of this kind—is demonstrating the fact that the old age pensioners are the victims of the back and forth political talk that we have in this house, that we have between dominion and provincial governments, and that we have right across the country.

Mr. SMITH (Calgary West): The most political statement I have ever heard made here is the one you have just made.

Mr. KNOWLES: I am prepared to accept my hon. friend's remarks, provided that we can get down to the fact that the time has come for a government somewhere—and we contend that the responsibility rests with the government of the Dominion of Canada—really to do something about this whole question of old age pensions.

Mr. SMITH (Calgary West): I go right along with you there.

Mr. KNOWLES: That is fine. At last we have agreement. Now I want to say this, and I will sit down.

Some hon. MEMBERS: Hear, hear.

Mr. KNOWLES: I really should not get applause for that, because I have said it several times before and it always gets applause.

Mr. SMITH (Calgary West): Stay with it.

The CHAIRMAN: Order.

Mr. KNOWLES: The thing I am most concerned about now, in addition to the provisions of the act that the minister says will be on the order paper by Monday, is its effective date.

Mr. MARTIN: I said the resolution.

Mr. KNOWLES: Yes, the resolution. The hon. member for Vancouver South has referred to the importance of time. The promise to the old age pensioners of Canada that something specific would be done was made

in the speech from the throne on January 30, 1947. That promise was confirmed by the Prime Minister on February 4 when he said that the amendments forecast in the speech from the throne would include all we have now, plus something more. It may be all right for us in this house to let time slip by, but it is not fair to the old age pensioners. My hon. friends over there are laughing. They have had the opportunity, the right and the authority, from the day this session started, to put old age pension legislation on the order paper, but they put it off, for one excuse after another. When we first asked questions about it the Minister of Justice said that the matter was the subject of discussion with the provinces. Then a little later, when we began pressing for it, we were told that it was a matter of priority. Now we are being told that we must wait until we get this debate over; in other words, an attempt is being made to blame the house for the government's own delay in placing this matter on the order paper. The fact is that it could have been placed on the order paper any time after the day the speech from the throne was read. I say now that the proper thing for the government to do for the old people of Canada, when they do bring down this legislation, is to make retroactive to January 30 the payments that are to be provided under this act. Nothing less will be fair to the old people of Canada.

Mr. BLACKMORE: This is really the first opportunity members of the house have had to discuss the old age pensions question, and be thoroughly in order and thoroughly fair to the other members of the house. I believe that should be borne in mind when we are appraising the amount of effort that some members have made with respect to the old age pensions question. We have been in session since early this year but have not had a chance, except on the speech from the throne, to discuss old age pensions. That is unfortunate. I feel, however, that it is only fair to give credit to the hon. member for Winnipeg North Centre for the persistence he has shown in this matter.

I have no desire to occupy any great amount of the time of the committee, but I do wish once more to put our group on record with respect to old age pensions. Those who have been members of the house for some time will recall that, a good many years ago, I began to advocate $50 a month for people sixty-five years of age and over. There should be no means test. I do not intend to burden the committee with any amount of elaboration. I just wish to state the bare skeleton of the case, so that others may have the floor and speak also. There should, I repeat, be no means test. I consider that the means test today is a most irritating and unbecoming thing to be using in the Canadian system. To think that a man who is getting a meagre pension like $30 a month is denied the privilege of going out, even in his old age, and earning additional money without being in danger of losing his pension is a most discouraging, disheartening and altogether undesirable state of affairs. The means test should be abolished completely with respect to old age pensions. There should be no restriction whatever on the additional earnings of anyone who has gone beyond the age of sixty-five. Surely if a man or woman can go out and earn money in addition, after that age, he or she should be permitted to keep it.

Then I believe the pension must increase with the years. I know how unpalatable this will be to many hon. members who think in terms of orthodox finance, but we simply must face certain facts. The severe taxation structure in this country is rendering it harder and harder for anyone to save for his advanced years. It is at the same time rendering it harder and harder for young people to get enough money ahead to care for their parents. Consequently the pension simply must increase with the years.

Then the age at which people receive the pension must gradually decline. There is no use in making wisecracks about taxation and how it must be reduced. The simple, inescapable fact is, that the age at which people receive the old age pension must become lower and lower with the years, for the simple reason that it is becoming increasingly difficult for people over forty-five years of age to get jobs in this country as we begin to return to anything like normalcy. Let us face up to that situation and govern our thinking and planning in accordance with those facts.

In addition to the matters I have already referred to, hospitalization, medical and dental care must be given free to elderly people. I do not think I need say anything more about that; it is perfectly clear.

The question will be asked, where will the money come from? As the Minister of Justice indicated, it is obvious to every hon. member that it is going to be impossible to raise by taxation the money which will be necessary to give the elderly people what they ought to have, to provide the other social services the country ought to have, and to accomplish the many other things everyone in the house knows we should accomplish. It must be obvious beyond any shadow of doubt

that there will have to be such a change in the financial system of this country as will render financially possible that which is physically possible.

Now may I say a word or two as to what is physically possible. May I once more remind hon. members that in 1944 this nation produced $11·8 billion worth of goods which, divided among twelve million people, amounts to about $983 for every man, woman and child in the nation. Let me recall what other hon. members have pointed out, that at the time we produced that $11·8 billion worth of goods we had some 700,000 of our finest producers overseas, and a very large percentage of our productive capacity engaged in war work, purely for destruction. Now those 700,000 and more are back from overseas. There is no longer any need for that productive capacity to be used in war production.

Mr. MICHAUD: I wonder if the hon. member would permit a question.

Mr. BLACKMORE: Gladly.

Mr. MICHAUD: The hon. member mentioned that in 1944 we produced $11·8 billion worth of goods. What kind of goods were those, and how many of those goods are in demand by the Canadian people today?

Mr. BLACKMORE: That is a very logical and fair question, and I accept it. But surely the same energy that went into the production of tanks will produce trucks, butter—

Mr. LESAGE: Wheat.

Mr. BLACKMORE: Let us go through it point by point; there is no contention between us. I should like to spend a minute or two on this, since hon. members are very much interested. Into that $11·8 billion worth of production went the beef we were producing, the wheat we were producing, various kinds of grains, pork, eggs and all that sort of thing. Surely we can produce just as much of those commodities now that we have those 700,000 young men back again as we could when they were overseas; there will be no doubt about that. The same factories which were producing guns can now produce nails, wire and the other things we require. The factories which were producing battledress and clothing of other kinds for our soldiers can now produce civilian clothing. One could go right on down through the list and show that we could just as easily produce $11·8 billion, or probably $12 or $13 billion worth of goods and services in this country on a peace-time basis as we could on a war-time basis. Do I answer my hon. friend?

Mr. MICHAUD: Well, not quite.

Mr. BLACKMORE: Then let him ask more questions. I am completely prepared to give a reason for the hope within me.

Mr. MICHAUD: I am particularly interested in the things that are in short supply, the things we have to import. How would our capacity to produce affect those goods we have to import, those goods that are in short supply?

Mr. BLACKMORE: As far as I have been able to find out, there is no difficulty in getting the goods we need from outside, with very few exceptions. I will grant that bringing in goods from the United States is causing us a certain amount of embarrassment because we are finding it hard to get United States dollars. But if we look about in various parts of the world I think we shall find that we can obtain from elsewhere the goods we are now buying from the United States. I think we shall find it completely feasible to obtain the goods we need, but which we cannot produce in Canada, from countries that will be quite happy to accept our goods. I do not want to get out of order; I just want to use this as an illustration, and I draw the Chairman's attention to that fact. May I point out to the hon. member that, for example, under the sugar policy this country has been following for the last three or four years, the policy it is following today, there appears to be no anxiety whatever about getting goods from outside. We insist on bringing sugar from outside instead of producing it in Canada, where we could produce two or three times our total consumption if we began to use the resources at our disposal. I would say there is no doubt whatever that this nation can produce or trade for goods necessary to give every man, woman and child in the country a very high standard of living; and the fact that the $11·8 billion worth of goods we produced in 1944 would amout to $983 for each man, woman and child indicates quite clearly that what I have said is in moderation. The only problem we face is how to get the money and how to put the money into the hands of the people. We can produce the goods. The only difficulty with us is to distribute the goods.

I do not wish to go into this any farther at the moment, unless hon. members wish to ask other questions. However I will say to hon. gentlemen across the way who are interested in this matter that if they will bring up their questions when they will be completely in order, I will go to any degree

of scientific exposition to show that what I am saying is correct, and I can call to my support the best economic knowledge obtainable in Canada. Perhaps no more need be said tonight.

I should like to go on and repeat once more that this old age pension question is a dominion problem. The Minister of Justice has said that it is a provincial problem. We will grant that under the British North America Act such matters as the old age pension come within the responsibility of the provinces, but it has been clearly proved that the majority of the provinces are unable to find the money, because they do not have the taxation fields; and in many cases the taxation fields they were given under the British North America Act have been invaded by the dominion. The result is that there is only one authority that has the taxing power to get the revenue with which to do the things which ought to be done by way of social services.

One more matter must be borne in mind. What I have said indicates quite clearly that I believe that the money must ultimately be created by the federal government, as hon. members have heard me argue many times. Only one authority in Canada has that power to create money, and that is the dominion government. That is so because the British North America Act gave the dominion government control over banking, currency and coinage. From every angle and from every consideration it must be obvious that the dominion government must assume responsibility for old age pensions.

I say once more, in closing, that we should not even consider old age pensions of less than $50 a month at the age of sixty-five, without a means test, and with free medical, hospital and dental care.

Mrs. GLADYS STRUM (Qu 'Appelle): Mr. Chairman, I hope we do not make this a political issue. It would be a great pity, because I believe if I had before me the election literature of all parties—and I have not—I could show that every party promised better old age pensions. I do not think it is a political issue at all; and I hope that the Minister of National Health and Welfare is not so sensitive about what he is to bring before the house next Monday that he found it necessary to go out of his way to pick a quarrel with the hon. member for Winnipeg North Centre.

I believe the country must recognize the fact that, as the span of life is extending, people are going to live longer, and as our civilization proceeds and our industrial organization develops, people are not going to be able in the future to work as many years in industry.

The other day I had a letter from an old person in Vancouver who made the statement that a number of firms in that city had already given notice that, after a certain date, all persons of sixty-five years of age would be out of employment. The gap between the ages of sixty-five and seventy has already appeared. Where will people of sixty-five go to look for work, with all the veterans back, and when women are being dismissed because the veterans are back?

Every day letters come to my desk from able-bodied women who do not know which way to turn because they are being let out of government services and other kinds of employment. If those able-bodied young people cannot find work, where is the person of sixty-five years of age to go for his livelihood in the time before the old age pension becomes effective? In the face of rising living costs, I do not know what these old people are going to do.

A pensioner said to me today—and this was not an old age pensioner, but one in a different category—"It will not make any difference to me if butter goes off the ration, because at sixty cents a pound I am not going to be able to buy butter." Dry bread for old age pensioners will not be a very happy thing in this country. Appetites of old age pensioners are not good at any time; they require special diets. I submit that, with butter at sixty cents a pound and a pension of $30 a month, old age pensioners will be eating dry bread, and they are not going to be able to have much milk, meat or those other things which enter into an adequate diet.

We ought not to let this become a partisan issue. It is a problem which has to do with a very large section of our population, and one in which you and I are involved personally—because we are the people who raised our own salaries last year, and made $2,000 of it income tax free. I, for one, did not support this, and I served notice on my caucus that I would not vote for it. I think that last year we should have made provision for the old age pensioners before we made provision for ourselves. Last year, time and again the government stalled off dealing with this problem, saying that the time was not yet.

If this matter is to be brought up next Monday, with respect to the increasing of pensions, I trust that the government will see fit to do more than add $5 to the pension which is now so inadequate, in the face of rising living costs. Rents are up; milk is up;

butter is up; bread is going up; sugar is going up. How can these people live? How can their families afford to help them, when the sons and daughters of these people are going to have the greatest difficulty in meeting their food budget and their own family needs?

The government was to be commended last year when it decided to pay family allowances in cash to all parents in this country. That was a sensible and businesslike way of attacking the problem of family allowances. I say it should now do the same thing in respect of old age pensions. All persons over sixty-five years should be paid a superannuation allowance, and the income tax mechanism should be used to recover excess income, beginning on the same level with other persons who pay income tax. I do not know why we should segregate and treat as social lepers the people who did the pioneering in this country, and laid the foundation of our prosperity of today.

I was sorry the hon. member for Rosthern tried to confuse the issue in my province. We realize we are one of the poorest provinces in Canada; but in spite of our lack of provincial income we have done much more than the previous government did, and more than our resources warranted.

Again I say this should not become a political issue. And in order that everyone in Canada at the age of seventy may receive the same treatment, it should be paid on a federal basis, and not be left to the discretion of the provinces to decide how they shall treat their pensioners. We did not do that in respect of family allowances. We said that all children in Canada have an equal claim to security. I think that likewise the pioneers in Canada have an equal claim to social security.

This should be universal superannuation, and they should begin to pay income tax on the same level as other people. In that way we would begin to put a floor under the family income of even old age pensioners.

Mr. BENTLEY: Mr. Chairman, I should like to discuss briefly another angle in connection with old age pensions which has always interested me. I agree with what has been said by the hon. mmebers for Winnipeg North Centre, Lethbridge and Qu'Appelle. There is another angle I would place before the Minister of National Health and Welfare, the Minister of Finance and the government generally. It has to do with our whole system of living. I am assuming that we are earnest and sincere—and I believe we are—when we say we believe in the family unit. But the family unit presupposes that one member of the family will be the breadwinner; and, generally speaking, we look upon the man as being in that position. If he does not supply the necessities for his family, but is in a position to do so, we take the necessary court action to see that some of his earnings are diverted to that purpose.

There is another angle which enters into this matter. I do not know the percentage, but I should imagine it is a high percentage of the marriages which take place in Canada in which the man is several years older than the woman. If he is twenty-five and she is twenty-two we say to him, "Henceforth, and for the balance of your lives, you will be the breadwinner for the family, so long as you are able, and are earning. You must provide for your wife and family." Then, also, when a person reaches seventy years of age we say that we will pay an old age pension. So when the breadwinner becomes seventy years of age he—because in the majority of cases it is the husband—is entitled to the old age pension. He has a wife who is dependent upon him but he is told, "You must provide for this woman; while we recognize your needs and are going to pay you an old age pension, you will have to find some other means of carrying out your family responsibility and looking after your wife. Heretofore your earnings were supposed to do that but now your earnings have ceased. You are to receive from the nation for your pioneer work $30 a month—or whatever the amount will be; it varies in the different provinces—and either your wife will have to live on that with you, thereby reducing the standard of living for both of you, or she will have to go out and get a job." The wife is probably ill-equipped to do that. She will have spent all her life raising a family and will not be able to get a job except perhaps as a charwoman, and she would be too old to do that. The wife in many cases has not reached the age where she would be eligible for a pension.

It seems to me that that is manifestly unfair and uneconomical. It does not gibe with our belief in the family institutions of this country. When I have spoken of this I have heard it argued that if this is done there will be young women marrying these old age pensioners. I do not believe that is a sound argument, because most of the young women in this country are too sensible to do that. There may be the odd case and that may happen now and again, but it is not a major factor. I believe this government would be well advised to take this into consideration.

It is only fair that the wife and mother, who usually is younger than the husband, who

has spent her lifetime in assisting her husband in his work and in the responsibilities of raising a family, should be recognized as being entitled to a pension.

Mr. JOHNSTON: I think we might approach this matter in a different way from what has been suggested so far. Several of the hon. members who have spoken have advocated a definite amount in connection with old age pensions. We in this party have advocated for a long time that the old age pensioner should get $50 a month at sixty years of age.

The question of finance was brought forward a while ago by the Minister of Justice when he asked where we were to get the money, that it would have to come from taxation. I am not going to argue that point, but when some hon. members were speaking a while ago I was reminded of what was said a few days ago by the hon. member for Battle River. At that time he quoted a letter which had appeared in the Ottawa *Citizen*. I have that letter in my hand at the present time. The letter outlined the budget of a civil servant receiving $40 a week. I want to put this on record and then refer to it:

The following will give you some idea of what can be purchased for $40 a week:

63 meals per week at 30 cents	$18 90
(No extra meals for visitors)	
Rent	8 00
Heat	2 00
Light and power	1 00
Clothing and shoes	5 00
Insurance	1 00
Dentist	50
Doctor	50
Newspaper	18
Car fare	1 00
Church	50
Incidentals	1 42
	$40 00

No shows
No tobacco or drinks
No entertaining
No holidays
No savings
No happiness, only worry
How does it look to you gentlemen?

I think we should get at this old age pension question on a different basis from what has so far been suggested. It is possible that these figures are a little too high, but let us look at them again. He mentions sixty-three meals a week at thirty cents. Can one buy a meal in this city for thirty cents? He mentions rent at $8. I do not know anywhere in Canada, and certainly I do not know anywhere in Calgary where one could get a room for $8 decent enough to live in.

Mr. McCANN: That is $8 a week.

Mr. JOHNSTON: But this is for a family of three. Then heat, $2, for a family of three. Light and power, $1. I do not think one could minimize that in any way whether the family were three, two or only one. Clothing and shoes, $5, and insurance, $1. I do not think one could cut that down at all. Dentist, fifty cents; doctor, fifty cents; newspaper, eighteen cents, and carfare, $1. Surely older people should have that. Then church, fifty cents. As was pointed out by the hon. member for Swift Current, it is not a case of just one person living on the $30, it is often a case of two persons having to live on that amount. The budget I have just outlined was for a family of three persons.

I am going to suggest to the minister that before he brings down his old age pensions bill, before he sets an amount in that bill, he consider having the bill referred to a committee, probably after second reading. Then that committee should set up a budget for an old age pensioner, not to allow anything lavish, but just from a practical point of view. It has been suggested that perhaps some of the members of the committee might try to live on that budget for a month to see how it goes. I think in that way we could get some reasonable amount, and I am sure the Minister of Health and Welfare will see that no $30 a month can meet the requirements.

I join with the hon. member for Swift Current in what he said with regard to pensions paid to elderly people, especially when the man of the family is the only one receiving a pension. I have had instances of that kind brought to my attention, instances where two people had to live on the $25 or $30 a month which the husband was receiving. When we speak of $30 or $35 as being given in some of the provinces we must remember that that is not the amount of the old age pension being paid all across Canada. In fact, the pensions being paid in some of the other provinces are a great deal less than $30 or $35 a month.

We should look at this matter from a humane point of view, and not adopt the attitude taken by the Minister of Justice a while ago when he said, "Well, what about taxes?" A while ago we were talking about the Japanese and the freedom that Canada gives to her citizens. Let me tell the committee that there is no freedom or justice in forcing our own white people who are old to live on the paltry sum of $30 or less a month. I should like the Minister of Health and Welfare to look over the list I have put on *Hansard*, to pare it down as much as he likes, and then bring in an estimate for an old age pension that will allow so much for rent, so much for heat, so much for light and power, so much for insurance, medical care and so

on, and give them a little bit for food and clothing; then I think it is only fair and decent that we should allow them a little bit for recreation.

Mr. SMITH (Calgary West): Why should an old age pensioner have a family living with him at that age? I cannot understand that.

Mr. JOHNSTON: I did not suggest that he would have a family living with him at that age.

Mr. SMITH (Calgary West): You said three.

Mr. JOHNSTON: What I quoted was on the basis of a family of three, and that was $40.

Mr. SMITH (Calgary West): He is pretty good at sixty-five.

Mr. JOHNSTON: I am not taking issue with the hon. member for Calgary West if he wishes to criticize my remarks. I think this is too serious a matter. I cannot see for the life of me how people can possibly exist on what they are receiving, and I am serious in this. I do not know how they can exist on the amount we give them.

Mr. MARTIN: I know the hon. member has given this matter a great deal of thought, but I would point out to him that a bill will be introduced on the subject and that his present remarks could more properly be made when the bill is brought down. I say that in order to expedite the debate.

Mr. JOHNSTON: I appreciate the minister's suggestion.

The CHAIRMAN: Perhaps I should have pointed out to the committee before this that the present discussion is strictly not in order. What should be done on second reading has nothing to do with the present order in council. I have not asked hon. members to stay strictly within the rules, but I think I should point this out to them.

Mr. JOHNSTON: I appreciate your calling attention to the fact, Mr. Chairman. Possibly the whole discussion has been out of order and should have been directed more to the orders before us. However the discussion has gone on generally this evening, and I merely wanted to bring these suggestions to the minister's attention in the hope that he might take them into consideration, and that when he does bring down the bill he will bring down one that is really worth while.

Mr. NICHOLSON: There is one important aspect of this matter that I wish to develop before the order passes. In view of the fact that the cost of living is increasing rapidly and that the old age pensioners are in no position to protect themselves against such increase, I would suggest that the minister give serious consideration to including in these orders for their duration, if the bill is not to come into effect in the near future, the idea of a cost of living supplement in connection with old age pensions. I would remind the committee that Canada cannot afford to be niggardly with our elderly citizens. During the years of the war a very large number of young, able-bodied men and women from our farms, factories and mines served with distinction in the army, the air force and the navy, and those of us who remained at home were able to establish new records in the field of production on our farms, in the forests, in the mines and factories of the country. We were able to give away enormous quantities of our Canadian products. Now that the war is over, now that we have all our people available to produce goods and to perform services on the Canadian scene, I cannot think of any good reason why our people should find, in the year 1947, that they have to consume less food and wear shoddier clothing, and find it more difficult to visit the dentist—why in general they should have to put up with a lower standard of living.

I think the government deserves a great deal of credit for formulating, during the war, fiscal policies that distributed, on a more equitable basis than ever before, available supplies of butter, sugar and other commodities in short supply. We were able to supply the people with larger quantities of most commodities than they ever enjoyed before. I cannot see any reason why we cannot look forward to increasing our local consumption, and particularly by the people in the old age pension brackets.

The Minister of National Health and Welfare made some remarks regarding the treatment given old age pensioners in Saskatchewan as compared with other provinces. I would point out to him that he lives in a province where, throughout many years, the people have been able to organize the Canadian economy so that they can keep a lion's share of our national income here. Again I quote from one of the government publications. In Ontario you have only one per cent of the married men receiving incomes of less than $250 in 1942, whereas in the prairie provinces you have three per cent of the married people who reported that income in the same period. You cannot blame the C.C.F. government for the very low incomes that prevail, but the fact is that in the prairie provinces three per cent of the male wage-earners had an annual in-

come of less than $250, when these statistics were compiled. For the group receiving less than $1,000 you have only fourteen per cent in Ontario as compared with twenty-one per cent in the prairie provinces.

Obviously, where the income is on a much higher level in the wealthy province of Ontario, it should be possible for the people out of their consolidated revenue to provide more generous pensions and better social services than we can in a poor province like Saskatchewan. But I will not admit that the old age pensioners of Ontario are better off than those of Saskatchewan. The minister carefully refrained from specifying that conditions were better for them in Ontario than in Saskatchewan. Taking into account cash payable to the pensioner, hospital, medical, dental and optical services provided everyone receiving an old age pension, I think the pensioners in Saskatchewan are a good deal better off.

I hope the minister will take into consideration the rising cost of living and the need for seeing that, as the cost of living goes up, the old age pensioners shall not be required to do without butter. I find that on January 1, 1945, the cost of food, taking 1935-39 as basic 100, stood at 130·2. In January, 1946, it was 132·8 and in January, 1947, it was 145·5.

The old age pensioners are not like businessmen, who can anticipate what will happen to the market. They are at the mercy of the federal government, which controls the quality and quantity of what they eat.

Mr. SMITH (Calgary West): I wish to agree with what the hon. member for Qu'Appelle has said. I am sure that this is completely non-political and that all parties in the house will agree that we have to do something more than we have been doing for old age pensioners. So far as I am concerned, I do not want to enter into any auction sale of so much a month so much higher and so much higher and have the bidding go on in that way, because the minute we mention sums of money without knowing the adequacy of the taxes—and I use the same word the Minister of Justice used—to take care of our various problems, then we are not true either to the old age pensioners or to ourselves. There is no use in saying: Here is a great big pot of gold, let us dip into it and dip into it, without having some method of keeping the pot filled. I am sorry to speak in favour of the government the way I am doing, but it is just a simple economic fact.

Mr. NICHOLSON: Would the hon. member permit a question? Would he not agree that we should be able to increase the consumption of foodstuffs by our old age pensioners now that the war is over?

[Mr. Nicholson.]

Mr. SMITH (Calgary West): May I answer the hon. member directly? I would love to see the stomach of every old age pensioner enlarged by all the food he could consume. Do not let us have any doubt about that, but the hon. member asked me that question for a political reason. I am in favour—

Mr. KNOWLES: The point is it is food, not money, that counts.

Mr. NICHOLSON: The point I had in mind was that whatever is physically possible should be financially possible.

Mr. SMITH (Calgary West): I know a lot of funny stories too, but they are a lot funnier than that.

Mr. BLACKMORE: What are we lacking in?

Mr. SMITH (Calgary West): I did not think the hon. member would take me on, but still he lives away up in the north country; he does not see many people and perhaps not any newspapers and does not know what is going on. I shall tell him. I am going to answer all of you at once. What are we lacking? We are lacking in money which represents earning capacity. Do not let anybody have any doubt about it.

Mr. BLACKMORE: That is as clear as mud.

Mr. GIBSON (Comox-Alberni): Real money, not funny money.

Mr. SMITH (Calgary West): I am talking about earned money which is real money. The hon. member for Lethbridge says it is as clear as mud. He is the one man in the House of Commons who knows what he means; I do not. We shall just leave it at that. But sir—and with respect may I just say I am not earning any votes in Calgary West by what I am going to say—I realize that this is a practical problem. We all believe and we are sincere in our belief that certainly the old age pensioners are not getting enough now. There is no question about that. In the generosity of our hearts we want them carried to the highest point we can, but I want to say something about legislation in the province called Alberta from which the hon. member for Lethbridge comes. These sentimental appeals are splendid for our aged people who built this country. There are a lot of them who still have enough to live on and they did a good deal to build up the province from which he and I come. We have a law there that the children of any family are liable for the upkeep of the parents. I hope other provinces have a similar law.

Some hon. MEMBERS: We have it in Quebec.

Mr. SMITH (Calgary West): I am so happy to hear that. Therefore I am trying, sir, with respect to all those who support me, to reduce this to a practical problem. In so far as I and we of this party are concerned, certainly everything that can be done should be done. I am not going to say that what is physically possible is financially possible. I have three mentors to my right who are helping me, but unfortunately they disagree with one another; they are not even agreed on it.

Mr. KNOWLES: That is what we did in the war. We made financially possible the things that were physically possible.

Mr. SMITH (Calgary West): Let us talk about what we did. In the war we taxed ourselves for half of what we spent and we borrowed the rest of it. Do you think we can carry on doing that forever? If we do the country will be broke before we are through.

Mr. KNOWLES: With sufficient production it can be done.

Mr. SMITH (Calgary West): May I say that with sufficient production it can be done; but it will not be regimental production where I shall have a number instead of a name, even though Smith is the only name I have at the moment, and I would not use it if I had a better one. Coming squarely back—

Mr. KNOWLES: We like "Arthur" better.

Mr. SMITH (Calgary West): Practically I like myself, no matter what you call me, so we shall let things rest at that. The only dollar we have which is any good is the earned dollar, the production dollar, if you care to put it in that way.

It is time that we in this House of Commons stop bidding for the votes of the old age pensioners, because they are organized in Canada. In the town from which I come they are well organized, but I still refuse to go into any election auction sale of $50, $60, $70, $80, or whatever it might be. I simply say, let us do everything that this country can do. I do not know the sum; therefore I look with much interest to the bill which the minister says he will introduce on Monday.

Mr. MARTIN: The resolution on Monday.

Mr. SMITH (Calgary West): Yes. But may I also say, let us make it generous; let us do the best we can for these people. I agree with what someone said that they are in their present position through no fault of their own. They worked hard and in their later life they now find themselves in difficulty. Let us honour the people who helped to make this country. Let us go the limit that the finances will permit us to do.

Mr. JOHNSTON: Will the hon. member permit a question? Will he agree with the suggestion I made that possibly a committee of the house could make a budget and thereby ascertain correctly the amount that should be in the old age pension?

The CHAIRMAN: That question can be asked when the bill is before us.

Mr. JOHNSTON: I think the hon. member would like to answer it now.

Mr. CASE: We should approach this problem in a practical and realistic way. We should examine the weaknesses of the present act. I have listened to the discussion this evening and, in the main, I have noticed that the tendency is to treat our old people as paupers. Of course that is a weakness of the present legislation. Old people have to be reduced to a state of pauperism before they are eligible for old age pensions. Therefore my first thought would be to remove that cause. In other words, the method that we are employing is putting a premium upon thrift, and a thrifty nation is a worthy nation financially and physically, if I may use that term. I would suggest that in any approach to dealing with this problem we should remove the means test, so that these old people will be privileged to set something by for themselves in the days that are to come.

As the hon. member for Calgary West said, while we are all prone and glad to pay tribute to the pioneers who laid the foundation of this great country, yet we must constantly remember that others made a contribution who are not recipients of old age pensions at the present time. I would seek to remove the present stigma which goes with pensions. I do not know whether that is done or not, but I would remove all reference to old age pension and I would call it a retirement allowance. I would seek to emphasize the word "retirement", indicating, as it were, that when one reached the age of seventy he had reached the retirement age and that this was a retirement allowance. It must be remembered that when one receives a retirement allowance or an old age pension, even under the present regulations, no one can avoid admitting that one who has lived a lifetime must have made some contribution to the welfare o fthis country. It could be

considered a reward for services. On the other hand, if I were to compare the man who made himself a million with the other, it must be admitted that the former has taken more from the country in comparison with the other who has made his contribution throughout his life.

Those are the thoughts I have in mind. When the resolution is introduced I hope that the minister will take into consideration the one great weakness, as I see it, which does put a premium on thrift, and will still leave to the individual the hope that he can provide for himself, remove the means test and give the old age pension to everyone, and call it a retirement allowance.

The CHAIRMAN: Shall the item carry?

Mr. MARTIN: Having listened all night, I think that I should say just a word or two before the order is passed, but not with the intention of trying to cover everything that has been said. As I have already interjected, a bill will be brought in when there will be a full opportunity to discuss the measures which have thus far been discussed.

However there are one or two things I wish to say at this stage, in view of what has already been said. As the hon. member for Calgary West has just pointed out, no one in this committee has any monopoly on interest, not only in the aged but in all the people of this country. No matter in what part of the house we sit, let it be assumed that no one has a monopoly on interest in this important problem. I want to say this for one thing, and one does not like to say it, but sitting here as the minister responsible for this particular measure, I take second place to no one in this committee—not that I have any prior right over anyone—because of my own background, a background which is similar to that of so many members of this committee. None of us have had silver spoons in our mouths from the beginning. The vast majority of members of this committee came from poor beginnings. That is why I say that every man in this chamber is aware of the problem. When one is in government, one must consider the problem in all of its contexts. One has to consider the matter in terms of other measures of social security and not only in terms of a particular measure such as the one we are now considering. To the hon. gentleman who has just spoken I say that the government has given this matter a great deal of thought. I do not suspect for one moment that the measure to be brought in will meet the point of view of everyone, but in the light of all our responsibilities toward the aged, toward the young and toward other groups, it does represent what, under all the circumstances, seems most practicable for us to do at this time. The government that is proposing to bring in legislation is a government which has not been without great interest in social reform. It was this party which brought in old age pensions in the first instance. I am sure that will not be forgotten.

Mr. COLDWELL: Under a bit of spurring.

Mr. MARTIN: It was this party that brought in unemployment insurance, as a result of which we now have a fund of $400 million contributed to by employees, employers and by the state ,as a means of cushioning unemployment. It was this government that brought in family allowances, as a result of which some $260 million are being distributed among the families of the nation, reaching over 3,600,000 children every month and reaching over 1,600,000 families.

Mr. KNOWLES: That goes to everyone.

Mr. MARTIN: I am not saying we have done all of this by ourselves. Many hon. members of this house have collaborated in this great measure. I merely mention it so that the record will indicate that no hon. member or no group in this house has a particular monopoly in this important issue. I refrain from saying at this stage what I could say by way of reply to some hon. gentlemen, pointing out, not their particular record, but the record of their group in this house and in provincial fields; but I take it that there will be ample opportunity to do that sort of thing later if provocation is later given. What I say right now is what I said at the beginning, because the debate thus far has been put on this level. The government proposes to bring in a measure which is not final in form, but which is within the context of the fundamental proposals, not only with regard to old age pensions but with regard to the whole field of social security, which were made to the provinces in August, 1945. In the light of these facts, I assure every hon. member that the measure to be introduced represents, on the part of the administration, an honest attempt to deal with this problem as practicably as is possible in the light of all our obligations. When the measure is introduced I ask hon. gentlemen to realize these facts, and to realize that it is proposed by responsible men who have as deep an interest in human welfare, in the old and in the young, as anyone else. It is not easy to sit in one's seat—and certainly it is not easy

for me to sit in my seat when I think of my own personal experience and that of my own family not very far from here, an experience which every member in this house can duplicate—and have it suggested that only one particular group is concerned about the aged. No, that is not so. We are all interested, every one of us in this house. I suggest that when we come to deal with this measure we should approach it in the light of our common interest in the problem.

Mr. KNOWLES: May I ask the minister a question about the orders which we are now passing? They all involve agreements between the dominion and the provinces. We have had it made clear to us that these orders in council will stay in effect until they are superseded by the legislation to be brought in. Will the new legislation be dependent upon agreements with the provinces?

Mr. MARTIN: No.

Mr. KNOWLES: Good.

The CHAIRMAN: Shall the item carry?

Mr. HAMEL: I wish to say a few words before this carries. Because of the importance of the matter now under discussion for the welfare of our old citizens, I consider it my duty to put our stand on the record right now. Of course I do not intend to speak at length on the problem, especially because a resolution is announced for Monday. Nevertheless I want to say tonight that we favour a substantial increase in the old age pension, one which will cover the increase in the cost of living and will also assure an improvement in the condition of the old age pensioners. So far as the means test is concerned, we think it should, in principle, be abolished.

The last point I wish to make clear tonight is that the age of the pensioners should be reduced. For the future, as soon as unemployment seems to face our country, this age should be considerably reduced. But in the present situation, because of the tremendous needs of manpower, especially in housing activities, I think it would be fair to fix the age at sixty-five for a year or two, particularly for those who at this age are still able and willing to enter the regular labour market.

P.C. 6367 agreed to.

Progress reported.

It being three minutes after eleven o'clock, the house adjourned without question put, pursuant to standing order.

Friday, April 25, 1947

The house met at three o'clock.

REDISTRIBUTION

PETITION AGAINST ENLARGEMENT OF YUKON CONSTITUENCY TO INCLUDE MACKENZIE

Mr. GEORGE BLACK (Yukon): Mr. Speaker, I present to the house the petition of upwards of 400 Canadian and British subjects residing in the district of Mackenzie in the Northwest Territories, and in Yukon Territory. The petition reads:

To the Honourable the House of Commons in parliament assembled—

Mr. SPEAKER: Order. I would call the attention of the house to citation 713 of Beauchesne, 2nd edition:

Whilst a member has clearly a right to ask that a petition be read, it is a privilege, like many others, subject to the approval of the house itself. In case of opposition, the Speaker will put a motion formally to the house.

Is it the pleasure of the house that the hon. gentlemen shall have leave to read the petition?

Some hon. MEMBERS: Agreed.

Mr. BLACK (Yukon): The petition reads:

To the Honourable the House of Commons
in parliament assembled

The petition of the undersigned Canadians and British subjects residing in Yukon Territory humbly sheweth

That parliament is now considering Bill No. 18, which if enacted, will be The Representation Act 1947.

That it is proposed by said legislation to include with Yukon electoral district the district of Mackenzie and the electoral district so created shall elect one member of the House of Commons.

That in the opinion of your petitioners it is not desirable to include the district of Mackenzie with the electoral district of Yukon for the reason that it will create a constituency of the enormous area of over seven hundred thousand square miles in extent, unwieldy and impracticable in every respect.

That Yukon territory and Mackenzie district have nothing in common, no community interest of any sort. They are separated by ranges of high mountains. They have no direct intercommunication and are entirely foreign to each other.

Your petitioners therefore pray that the Mackenzie district be not included in or with the electoral district of Yukon and that the words in section 2 of Bill 18 "including the Mackenzie district of the Northwest Territories" be struck out; and your petitioners will ever pray.

I have a similar petition from residents of the Yukon, the signatures to date running upwards of 400. I should like to inform the

house through you, Mr. Speaker, that many more similar petitions to the same effect are on their way to Ottawa.

EAST MALARTIC MINE

INQUIRY AS TO RECENT DISASTER—EFFECTIVENESS OF SAFETY DEVICES

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, is the Minister of Labour in a position to give the house any information with regard to the Malartic mine disaster? Will an investigation be made, with particular reference to the effectiveness of the safety devices in use in that mine and other mines of the area? I regret I did not send notice to the minister.

Hon. HUMPHREY MITCHELL (Minister of Labour): Much as I am personally interested in the disaster at the Malartic mine, the hon. member probably knows that the question of safety measures in mines is under provincial jurisdiction. I have no doubt the provincial government concerned will make the necessary investigation.

STRAIT OF CANSO

BRIDGING PROJECT—PROPOSALS BY ENGINEERS

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, may I ask the Minister of Transport two questions arising out of numerous inquiries I am receiving? Is he in a position to make a statement to the house as to when his department may be expected to proceed with the project of bridging the strait of Canso?

Mr. FRASER: After the budget.

Mr. GILLIS: You fellows have been laughing at that since 1906; it is becoming serious. My second question is this: Have any companies or firms in Canada or the United States made proposals with regard to the bridging of the strait?

Mr. SPEAKER: Order. I really believe that is a question—

Mr. GILLIS: I have completed the question.

Mr. SPEAKER: —which should be put on the order paper.

LABOUR CONDITIONS

ADMISSION TO CANADA OF WORKERS FROM EUROPE

On the orders of the day:

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, yesterday the hon. member for Yorkton (Mr. Castleden) asked if there had been other arrangements for specific employers to bring labour from Europe to Canada, apart from the Dionne spinning mill at St. Georges, Quebec. I promised to give the information. It is as follows:

Under P.C. 371, dated January 30, 1947, provision was made for the admission of farm labour. As a result of this order, various sugar beet companies sought the admission of workers going to sugar-beet growing farms. Approval has been given for the admission of 571 men who will work for sugar farms under contract with the Dominion Sugar Company, Chatham, and 169 men who are destined to farms having contracts with the Manitoba Sugar Company. Application for the admission of a further 450 men has yet to be dealt with. In addition, it is believed that there will be applications for the admission of another 400 men to work on sugar beet farms in southern Alberta.

Mr. COLDWELL: I should like to ask a supplementary question. Are these persons coming in as regular immigrants for permanent residence, or under contract with the companies? If the latter, what are the terms of the contract?

Mr. MITCHELL: They are coming in as permanent residents. I have no knowledge of the contract that might be made with the companies.

Mr. GILLIS: The same old story.

Mr. FRASER: I should like to ask the Minister of Labour a question in connection with bringing immigrants to Canada. On April 22 he said, at page 2279 of *Hansard*, he would give his consent to the immigration of other people from any country in the world. Did the minister mean from enemy countries also?

Mr. MITCHELL: If I can say this to my hon. friend—

Mr. FRASER: In a kindly way.

Mr. MITCHELL: —just a minute now; we have had speeches on both sides of the house advocating immigration, and as soon as we set the policy in motion, you understand, there is a slight reservation on the part of some hon. gentlemen—some. I want to correct, if I said that—

Mr. FRASER: It is right here in *Hansard*.

Mr. MITCHELL: I know that "the world" covers a lot of territory, but my hon. friend can rest assured of this, that discretion and judgment will be used by this government in the question of immigration.

Mr. HOMUTH: I trust your discretion, not the government's.

SOAP

REQUEST FOR REESTABLISHMENT OF PROGRAMME TO SALVAGE FATS

On the orders of the day:

Mr. HAROLD W. TIMMINS (Parkdale): Mr. Speaker, since soap is in such short supply, and hospitals and housewives are protesting such shortage, and since there is a vast wastage of fats in every household, will not the minister reestablish the organization for the salvage of fats in Canada?

Hon. DOUGLAS ABBOTT (Minister of Finance): On April 15 I made a statement in connection with the alleged shortage of soap. It is true that during the war an organization for the collection of fats from domestic establishments did function under the Department of National War Services. We have in effect in Canada an order, which is not in force in any other country, requiring packing houses to defat carcasses before they are sent to butchers. In that way a very substantial amount of animal fat is obtained.

It was found that the practice of collecting fats from domestic establishments or houses did not produce a great deal of fat. The difficulty is that in large centres adjacent to soap manufacturing plants the collection is feasible, but in smaller places, where it is collected in tins and all kinds of odd receptacles and then turned in to butcher shops, the condition of the fat and the smell after it had been in process of collection for a short time brought forth violent protests from people who were asked to collect it. In the result it accounted for only a fraction of one per cent of the amount of fats we use.

While I am glad the hon. member has brought up the question, I think better results can be accomplished by individual householders conserving as much as possible their use of fat, and I take this opportunity of appealing to housewives to do this. But from the point of view of effecting any substantial increase in the amount of animal fats available for the production of soap, collection would not be worth while.

PRIVILEGE

MR. JAQUES—REFERENCE TO PRESS REPORT OF A VOTE IN HOUSE

On the orders of the day:

Mr. NORMAN JAQUES (Wetaskiwin): Mr. Speaker, I should like to correct a statement which appears in today's press, as follows:

> The C.C.F. party voted solidly for the amendment. They were supported by four Liberals, two members of the official opposition, several independents and—strangely—Norman Jaques, Social Credit member for Wetaskiwin.

May I make the correction, Mr. Speaker? I did not vote, because I was paired with the hon. member for Matapedia-Matane (Mr. Cote). Had I voted I would have voted with the Social Credit group against the amendment.

CIVIL SERVICE

SUPERANNUATED EMPLOYEES—COST OF LIVING BONUS

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): I should like to ask a question of the Minister of Finance. On February 17 the house was informed that the government was giving consideration to the request of superannuated civil servants for a cost of living bonus or other supplement. Can the minister indicate what progress has been made in connection with this matter?

Hon. DOUGLAS ABBOTT (Minister of Finance): This matter has been brought to my attention several times, particularly by the hon. member for Ottawa West (Mr. McIlraith). The matter is still under consideration, but I am not in a position to make a statement at this time.

UNEMPLOYMENT INSURANCE

TRANSFER OF SASKATOON OFFICE

On the orders of the day:

Mr. R. R. KNIGHT (Saskatoon City): I should like to ask the Minister of Labour if he is contemplating the transfer to Winnipeg of the employment offices now located in Saskatoon. In view of the inconvenience to the public and employees generally will he reconsider this move?

Hon. HUMPHREY MITCHELL (Minister of Labour): The public will not be inconvenienced by the transfer. The transfer of the division of the unemployment insurance commission to which my hon. friend refers is being

made on the basis of efficiency and economy. If there should be any inconvenience to the public at Moose Jaw—

An hon. MEMBER: Saskatoon.

Mr. MITCHELL: I am sorry; I did not mean to cast any reflection on Saskatoon. My hon. friend can rest assured that there will be no inconvenience to the people of Saskatoon. When the move is made we shall be glad to consider the situation in the light of our experience, and if it is found necessary to make a further change, it will be done.

HOUSE OF COMMONS

NEW CLOCK AT SOUTH END OF CHAMBER

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): I should like to direct a question to the Minister of Public Works. I notice we have a new clock at the south end of the chamber, but it seems to be smaller and harder to see than the one that was there before. I should like to ask the minister if this clock will go as fast as its predecessor.

Hon. ALPHONSE FOURNIER (Minister of Public Works): I suggest that we give it a trial.

HEALTH AND WELFARE

BRANDON MILITARY HOSPITAL—CARE OF TUBERCULAR INDIANS

On the orders of the day:

Mr. J. E. MATTHEWS (Brandon): I should like to direct a question to the Minister of National Health and Welfare. In the early days of the war a hospital was erected in Brandon by the Department of National Defence. It was operated for some time and then it was turned over to the Department of Veterans Affairs. Recently that department has transferred it to the Department of National Health and Welfare. Since the situation is urgent I should like to ask the minister what immediate steps are being taken to complete repairs and replace equipment destroyed in a bad outbreak of fire that occurred in the hospital a few weeks ago.

Hon. PAUL MARTIN (Minister of National Health and Welfare): Arrangements have been completed between the Department of Veterans Affairs and the Department of National Health and Welfare for the transfer of the Brandon military hospital in order to look after the hospitalization of tubercular Indians. The terms of the transfer have not yet been completed but it is expected they will be within a short time.

RADIO BROADCASTING

REGINA CHAMBER OF COMMERCE BROADCASTS

On the orders of the day:

Hon. J. J. McCANN (Minister of National Revenue): Yesterday the hon. member for Lake Centre (Mr. Diefenbaker) and the hon. member for Rosetown-Biggar (Mr. Coldwell) asked questions with reference to the Regina chamber of commerce broadcasts. The station which carried the broadcast about which the question was raised is the privately-owned station CKCK at Regina. The question involved is not one of C.B.C. regulation, but of whether these programmes offend section 22, subsection 3 of the Canadian Broadcasting Act, which prohibits dramatized political broadcasts. On receiving the scripts of the series the corporation has found that it already has a legal opinion on the first five when broadcast at another point. According to the legal opinion, these scripts are not dramatized political broadcasts in the meaning of section 22(3) of the act. In view of this, the corporation is not considering making any request to stop the series.

The corporation has also asked for legal opinion on the rest of the scripts of the series. It will take no action unless the opinion on the remaining scripts is different from the opinion already given.

Mr. HOMUTH: That was in the newspapers this morning.

Mr. McCANN: I did not know you could read.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Thursday, April 24, consideration in committee of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war—Mr. Ilsley—Mr. Macdonald (Brantford City) in the chair.

On P.C. 1609.

Mr. HAROLD W. TIMMINS (Parkdale): Mr. Speaker, P.C. 1609 was enacted in war time. In the beginning, regulations with respect to construction materials were passed in the interests of the war effort. The government decided to curtail the amount of material which might be used in building construction, as well as the amount of labour which could be made available. In the same way the types of houses and the cubical content were

rationed, so to speak, to fit the national war economy. That was the purpose for which these regulations were passed.

During the war we had in Canada a priority system with respect to building materials. It did not work very well, because it was tied in with the regulations in the United States and some of the commodities which it was sought to regulate could not be regulated. As a matter of fact the priorities system broke down and was practically discarded.

The priorities officer who regulates construction materials was appointed in 1942, so as a matter of fact we have had almost five years of experience under this order in council, to know whether it works in the interests of the people of Canada, or not.

At the present time P.C. 1609 is being used for the purpose of channeling building materials under a priorities system to certain special groups of government controlled housing. No provision is made for the control and regulation of construction materials for any other purpose. In opening the debate in respect to P.C. 1609 my purpose is to say to the government, that it must show cause as to why these regulations should be continued.

The minister has told us on many occasions, that there are five groups of government controlled agencies which get priorities on building material. We know those groups to be Wartime Housing Limited, Integrated Housing, Veterans Land Act, Housing Enterprises Limited, and Emergency Housing. I propose to analyse these various housing groups to show what purpose they serve in the national economy, having regard to the regulation of construction materials.

I have before me a return brought down by the minister in reply to a question of mine in respect of housing in Canada in the year 1946. I had asked how many houses were completed under these several housing groups. I have given these figures before, but for the purpose of this discussion I should like to give them again.

Under Wartime Housing there were completed in Canada 6,816 units; under integrated housing, for the whole of Canada, 566 units; under Veterans Land Act, 2,599 units; under Housing Enterprises, 28 units; and emergency shelters, 1,643. That makes in all 11,652 units. That was the total of all the houses that were completed in Canada in 1946, according to the minister's own figures, by housing agencies with which the government had direct connection.

During that same year, 1946, according to the bureau of statistics, there were created in Canada 59,846 housing units. It is clear therefore that the housing units built through government agencies amounted to only a small part of the over-all housing picture for 1946—about nineteen per cent.

It is evident that so far as building materials and their regulation are concerned the end does not justify the means when only 11,652 housing units were built under the priority system, while 48,000 houses were being constructed by builders and private owners who had to compete in the open market and get their materials where they could.

The 566 housing units created under integrated housing is not very much of a showing in a whole year—1946. In the Toronto area only 9 builders out of 450 are building under the integrated housing plan. It seems to be the attitude of the Central Mortgage and Housing Corporation that these are the only builders who are entitled to consideration. In fact the minister himself has said on more than one occasion that if you want to build you should get into one of these government priority groups. Otherwise he is not very much concerned whether you get the materials you need. I will read his statement on that in a moment.

Under the integrated housing plan the intention was that the houses in the first instance should be sold to veterans and at ten per cent below the market price. The builder gets a priority to enable him to get his construction materials, and he is protected by the government in case his house does not sell. I have a clipping here from the last issue of the *Financial Post* a day or so ago, to the effect that already the integrated housing plan is not working out in the interests of the veterans. I am told that in the city of Toronto a builder is required to advertise the house only once in a newspaper, and then if it is not bought by a veteran within ten days, the builder is allowed to sell it to a civilian. The *Financial Post* says:

> The official Central Mortgage and Housing Corporation in recent days has lifted its "veterans' preference" restriction from larger houses (in a few centres of declining demand) under the government's "integrated" construction programme. Under this plan, builders are selling to veterans at 10 to 15 per cent below the general market, in return for supply priorities and a sale guarantee.
>
> This, the first official recognition of a break in the market for veterans housing, is considered by many in the building industry as forerunner of possible complete withdrawal of the "veterans' preference" stipulation from "integrated" contracts by next fall.

I presume that that means that this integrated housing plan was first and foremost for the veteran. But apparently the veteran is not taking advantage of the plan and is not in

sympathy with it, as it does not meet his ideas in acquiring a house for himself. So the veterans are dropping away from the integrated housing plan, and the government is now telling the builder under that plan that he does not have to sell to the veteran, that he can sell to the civilian. The answer which I received in respect to this particular housing group was to the effect that it was to help the veterans first and foremost, and it seems to me that the department must now consider whether this integrated housing plan is going to succeed in the interests of the veteran, or whether it should be dropped. As I have said, in the Toronto area only nine builders are building under the integrated housing plan, as compared with 450 builders who are building under other plans.

Housing Enterprises Limited is an organization which is being carried forward by the loan companies of Canada. I know from having sat in at some of the earlier meetings some years ago that the loan companies did not go into this plan just because they wanted to. They got a considerable amount of prodding to go into it, and it was good business on the part of the government to see that the loan companies bore their share of the responsibility in respect to constructing housing units in Canada. The price and the rentals of these houses are subject to the control of Central Mortgage and Housing Corporation. But Housing Enterprises has caught up with the same conditions facing all other housing groups, that cost prices and rents are getting too high to suit the pocketbook of the veteran.

I am satisfied that in the city of Toronto, and more particularly in Montreal, rentals of housing units in this group are going to be beyond the reach of the veteran, and under these circumstances I see no reason why Housing Enterprises should have a priority over the ordinary builder, who as a matter of fact is building most of the houses being built in Canada today. According to a recent departmental statement, some 48,000 houses were built by ordinary private owners in Canada last year.

Furthermore, Housing Enterprises Limited is entitled to a ninety per cent loan, so the company has only ten per cent of an investment in the project. That is a very attractive proposition for a building corporation. In addition they are guaranteed some 2½ per cent interest on the capital they put into the venture. That makes it an attractive proposition for a building corporation, and I am sure that if the same opportunities were offered to the veteran who wishes to have a house built by a private builder the veteran would get a better deal all around.

I come now to emergency housing. I said a few moments ago that the emergency shelters built in 1946 numbered 1,643. So far as emergency housing is concerned I am satisfied that the government is doing all it can, and is entitled to do all it can, to help out this emergency situation throughout Canada. As a matter of fact emergency housing is a stop-gap; it is only a beginning of things; it is only a hold-over in the meantime until we get better housing. Therefore when 1,643 emergency housing units were constructed in Canada in 1946 it added nothing to the over-all picture; it was a temporary expedient.

We all know that building material is in desperately short supply in Canada. Lumber yards are working from hand to mouth to turn out the material. I have been in lumber yards and have seen the president of the company working at a lathe turning out the small bits of material which the builder had to take away to finish up small parts of his houses while the builder waited right there. They are desperately short of material, particularly trim, doors, sash, and all the material that goes into the woodwork of a house. In addition there is a great shortage of nails. Today I intend to refer to the question of nails, because I think we are in for a bad time and I should like the minister to help the people of Canada to solve this problem, which will stifle building in Canada during the next two or three months if we do not do something about it. Gyproc lath, window sash, doors, trim, bathtubs, hardwood flooring and sewer pipe are all in short supply. But the greatest cost of building is the loss of time. It matters not how high the cost of the material or the cost of labour may be; that is not the big factor in the cost of housing at all today. The big factor is the loss of time. A house which used to take four months to build now takes eight months to a year. The loss of time all the way through the picture is what runs up the cost of building in Canada.

From time to time during the session the Minister of Reconstruction and Supply has told us something about nails. In answer to a question of the hon. member for Vancouver South on March 4, 1947, the minister said, as reported at page 994 of *Hansard*:

I have not heard of a shortage of nails in any part of Canada during the past two months.

On March 6, having received letters from people in my own constituency, I asked this question, as reported at page 1061 of *Hansard*:

Is the minister not aware that in the Toronto area the shortage is so acute that the builders cannot complete the houses started in 1946, and will he make a statement in regard to the matter?

As a matter of fact the minister did not make a statement. I was not permitted to have the question answered. Following the asking of the question I did receive from builders in Toronto a large number of telegrams and letters which I offered to show to the minister. I wish to place on *Hansard* a record of the desperate position in which builders in Toronto find themselves in respect of nails. Having heard the hon. member for Peterborough West and the hon. member for Vancouver South say something about the matter, I am perfectly satisfied that the situation is general throughout Canada and has to be faced. The first telegram I received reads as follows:

Cannot start spring housing programme. Need nails to finish last year's work. Desperate dilemma. Please do something.

I happen to know that builder. He is building in the Etobicoke district. He has land on which to build some thirty houses. He is a progressive builder and is erecting a small type of house. He is stifled in respect of his building in 1947. In fact he has not yet finshed his 1946 houses.

I received a telegram from another builder in the Toronto district which reads:

I am roofing balance of twelve houses started last April with very slow progress owing to shortage of all materials. I intended starting fifteen more last fall but have been unable to do so. Very discouraging. Am I to quit or continue? Approximately 75 per cent of my business has been with veterans.

Mr. HOWE: What was your reply?

Mr. TIMMINS: I asked the minister for his reply. I offered to show him the telegrams.

Mr. HOWE: He wired to the hon. member; I reply to mine.

Mr. TIMMINS: I have not replied to them. I am expecting that the minister has the matter under control because I have it on good authority that his department has made a survey of the whole situation. They must know what the answer is. I am expecting the minister to give me the answer this afternoon.

Mr. FRASER: Nail the minister down.

Mr. TIMMINS: The next telegram is from the superintendent of a large building enterprise which is being carried on in Toronto by no other than Connie Smythe, manager of the Maple Leaf hockey team. It is a big enterprise. The telegram reads:

Fifteen houses, six carpenters, one keg of nails; no sign of more.

Here is another telegram from a builder who says:

Have been to five hardware stores; could only secure five pounds of nails of any description.

Here is another one from a man who builds up in North York. He is a man who in ordinary times would build anywhere from ten to twenty houses. Last year he probably built ten. His telegram reads:

Have been to seven hardware stores today; cannot buy one keg of nails. Job held up.

Another telegram reads:

Jobs absolutely held up for nails. Brought three kegs home from Chicago while attending builders convention; otherwise will have to stop building.

I am not going to go through all these telegrams. They are almost all from men who are building small houses. They are almost all from builders who have been in the business for a number of years and most of whom are building 75 per cent for veterans. They are building small homes which the veterans can buy, but they are not able to make delivery. Here is another:

Have eight houses under construction. Have no nails or plumbing. The situation is serious.

Here is what another builder, a returned man, has to say:

I wanted to start ten in February. All staked ready to go. Cannot buy nails. Project abandoned until situation clarified. Nine out of last thirteen houses built for veterans. Shall we build houses or close up shop?

I have given enough of the telegrams to indicate to the committee that the shortage of nails is desperate. I wish to have you understand, Mr. Chairman, that I am not holding any brief for the private builder in this matter. I do not act for any of these people, though I happen to know a number of them. I am speaking in terms of houses for Canada. Here is a letter I have received from a man who is really heart and soul in the house-building business. He is building a large number of houses in the Toronto area, and he says:

We have found it impossible to obtain nails throughout Ontario. We normally employ upwards of one hundred men, and because of the nail shortage, we have found it necessary to stop jobs and lay off valuable men.

Here is another from a man and his sons who build a number of houses in the east end of the city:

. . . situation in nails is terrible. It is no worse than other items such as plumbing, heating, lumber and doors. Frankly, building is not worth the headache that you get these days, but we are sticking to our guns in the hope that some day, someone, will do something about it. We seem to be powerless.

I will not read more of these, but I shall be glad to let the minister or his department have the file to look through, if he wishes to satisfy himself that the people are telling a story which is true and which would indicate that building throughout Canada will be stifled if something is not done about nails.

What worries me is the fact that the minister seems to think that if you are not a builder under any one of the five government groups you are not doing essential building. In my view these independent dealers are doing much the better job in building houses in Canada; but the answer which the minister gave to the hon. member for Peterborough West (Mr. Fraser) on March 18 last would indicate that if you are not in one of these groups you are not doing essential building. Let me quote what the hon. member for Peterborough West said, together with the minister's reply, at page 1471 of *Hansard*. The hon. member said that hardware stores, contractors and carpenters in his riding had not been able to get nails, and he said he would like to ask the minister where they could get a few kegs of nails because there were none in the Peterborough district. The minister replied:

The production of nails is high as compared with any previous year. Hon. members are well aware that during the steel strike stocks of nails became exhausted, and, at present all pipe lines have not been filled up. I realize that Peterborough may be pretty well out on the pipe line; nevertheless I can assure my hon. friend that there is no real reason why any builder, for priority construction particularly, should have any trouble in getting nails. If my hon. friend refers to so-called non-essential building which hon. members opposite say should be stopped, then I am not particularly worried about whether nails can be had or not. But for any priority work, or for any essential purpose, nails are now available.

I say to the minister that the ordinary building of houses is essential work, and that there are no nails to be had for these men. Apparently, however, the minister is not too much concerned about whether these people who are outside the priority groups get nails or not.

So far as nails are concerned—I have said this before—if we are going to continue this order in council, which regulates building materials in Canada, and if we found it necessary, in respect of soil pipe, to give an incentive bonus in order to keep the industry going—because after all soil pipe is only a small though necessary part of building—then in the same way some incentive should be given the nail manufacturers so that they can produce a larger quantity of nails, in order that building may be kept going for the year 1947.

The minister was good enough to answer a question of mine with respect to the production of nails. I have given these figures before, but I will give them again. He indicated that there were seven firms who produced nails in Canada, and in 1946 production by the ton was 58,843, while in 1947 the estimate was 70,170 tons. Apparently we are coming to a bottleneck, and I suggest to the minister—I hope he has already done it; perhaps he has—that some incentive should be given to the manufacturers in this industry to see that the production of nails is stepped up. It may be the same in the steel industry as it was in the soil pipe industry, that being unable to produce and make enough money out of nails, the manufacturers have turned to other lines in which more money could be made.

I do not think an increase of 20 per cent in production of nails in 1947 is sufficient to take care of the needs of the country, and I know, from clippings I have from newspapers and from the minister's utterances on the subject, that he too is seized of the necessity for stepping up the production of nails in 1947.

One of the things that I find bothersome in these regulations is the fact that industrial building seems to have stepped away ahead of house building, in 1946, and is still going ahead. If we are to have regulations controlling construction materials in Canada, and if one of the most desperate needs at the present time in Canada is housing, then we should be doing something about the fact that industrial construction is outstripping the building of dwellings.

I have here a clipping from the Ottawa *Citizen* of January 24, 1947, which reads:

MacLean building reports, which are accepted as authoritative by the construction industry in Canada, indicate that whereas the dollar-volume of residential building in Canada increased in 1946 by only 8·8 per cent over the 1945 figure, business construction soared by 116 per cent, this despite the fact that countless thousands of Canadians, including those who have money to build reasonably-priced homes, are without accommodation. Under these circumstances, whose is the responsibility for controlling non-residential building?

I have another clipping from the *Globe and Mail* in which the minister is quoted as follows:

Resistance in some cities to low-cost housing was cited by reconstruction minister Howe today as one of many handicaps under which the department had been working in its housing programme.

And later on:

Mr. Howe declared the government could not afford not to capitalize on the present enthusiasm in industry for expansion. The objective at the moment was to keep both industrial and housing construction going at the same time.

I agree that it is necessary to keep industrial and house-building construction going at the same time, but I say that the ratio of 8·8 per cent increase in 1946 for residential housing as against an increase of 116 per cent for business construction is away out of line. If we are to have these regulations continued then it is time that the department which has control of the situation through the priorities officer did something about it.

I am not unmindful of the fact that the director of Central Mortgage and Housing is seized of the situation, because he said on March 20 last:

Non-housing construction may be a "restraining influence" on residential building this year, D. B. Mansur, president of Central Mortgage and Housing Corporation, declared in his 1946 report, tabled in the Commons today by reconstruction minister Howe.

That brings us back to the crux of the situation, that as a matter of fact the department does realize that industrial construction is out-stripping home building in Canada. The minister speaks of 80,000 houses for 1947. I do not see how Canada will reach 80,000 or anything like that number because, if the government touched only 11,000 housing units in 1946 under the circumstances that obtained, it shall certainly not touch more than 11,000 in 1947.

Now all this business of priorities is governed and controlled by the priorities officer. He has been in the job since June, 1942, and so he should know his job. The fact is, I suggest, that the priorities officer has too many jobs. He is timber controller, steel controller and priorities officer. I am not criticizing him, but I am not so sure that he has a grip of the situation, and I say that for this reason. At a meeting of the National House Builders' Association, held some time ago, one of the officers of the priorities branch had the temerity to tell the National Builders' Association that they need not be worried in the year 1947 about the amount of priorities they would get; as a matter of fact, he said, if they were building under the integrated group they would get their priorities off the top shelf. And he said, "In order to show you just how we are able to give you priorities off the top shelf I want to tell you that in one month this year"—that was in 1946—"we were able to pass on to integrated housing builders 91 per cent of the total material available of a scarce article". That is hardly playing the game, with 91 per cent of all the material available in Canada going to one small group of builders. This national association of house builders is a small group spread across Canada in various centres. As I said, in Toronto there are probably nine who belong to the association; there are a number of them in Hamilton, and so on across the country. They are building under this integrated housing plan, or a good number of them are, but apparently they are not satisfied because here is what they have to say in an extract from the minutes of a meeting of the National House Builders' Association held in Winnipeg last December:

The priorities officer, Mr. Uren, announced that there probably would be 30,000 priorities for housing in Canada for 1947, and Mr. Mansur stated that Central Mortgage and Housing Corporation would do its utmost to develop housing under the integrated housing plan.

Present indications are that construction proposed under the integrated housing plan will fall far short of meeting the country's needs. Many builders were so dissatisfied with the priories last year that they hesitated to attempt any more houses than that built last year and many are very sceptical about the priorities system as a whole.

These are the people who are building under the integrated housing plan; these are the people who are saying that they are skeptical of the ability of the priorities system to keep them going in the year 1947. As a matter of fact I asked a question of the department some little time ago with respect to priorities. It occurred to me, having had something to do with the building industry for a matter of twenty-five years, that if there was a priorities system working in Canada, I might ask the department how these priorities were working out, and how much material was passing under them, and might be able to get some information that would be useful to the house and to the construction industry generally. So on March 6 I asked this question:

How much building material was moved under priorities in 1946, in respect to the following groups: Wartime Housing Limited, integrated housing, Veterans' Land Act, and Housing Enterprises Limited, of: lumber, nails, building hardware, roofing, soil pipe, tile, plumbing material—

I need not give the whole group of materials, but this was the answer:

The information desired is not in the possession of the dominion government. Priorities for

building materials are issued for government sponsored projects designed to provide primarily homes for veterans and their families. Priorities for building materials are issued to contractors and home owners for selected building material items essential for the completion of government approved projects. In order to assemble the information it would be necessary to survey several thousands of contractors who have made use of 25,788 priorities issued during 1946. Although the survey would take several months its results would be uncertain because of the incompleteness of the records kept by some contractors.

So in the first place apparently the priorities system is unscientific, since proper records are not kept. As I understand it, these priorities certificates are for the minimum requirements of those building particular groups of houses and I suggest to the government that as a matter of fact some of these groups who are getting materials, though of course they have to pay for them, are getting more than their share. There has been a bootleg market in existence. I have heard of many cases of nails being bought on the black market in various districts surrounding the city of Toronto. We all know that nails disappear from warehouses, where, as I suggest, too many nails have been stored for the specific projects. It seems there is a great deal of hoarding going on. I know this because six or seven months ago I had in my office an official of Wartime Housing who told me they were stockpiling then. He said they were not going to get caught in 1947 as they did in 1946, and I do not think that is the proper way to carry on. I see no reason why all other building should be stifled until some of these groups have built up their stocks. This priorities system is unscientific; it does not give us a picture of what is going on in Canada, and apparently that picture is not in the hands of the government.

Then, quoting further from the minutes of the meeting of this association in Winnipeg last December, I find this:

Mr. Mansur said that the Central Mortgage and Housing Corporation was not only willing but anxious to do anything to help build more houses on an orderly basis. He also said that he was making a survey of occupancy in Canada and that the Central Mortgage and Housing Corporation has a fairly good knowledge of the housing needs of Canada. When the survey is finally completed they will have some information along these lines.

That was in December of 1946. Probably that survey has been completed long before this, so now the government should know the needs of this nation for 1947. They must know the great bulk of the building is going to be done by the private builders, but at the moment I am sure I do not know how those private builders are going to get the material with which to carry on. Some little time ago, as many hon. members know, a group of fruit growers came down here from British Columbia. Some of them were in to see me. I said to one of them, "You people package all your fruit out there, and you must need nails for that packaging. How do you get on for nails?" He replied, "Oh, we have that all arranged. We can get all the nails we want. We get a commitment in respect of nails." I don't know where they get their commitment; perhaps the minister can enlighten me. There is nothing in this order in council with respect to nails for fruit growers. It is a regulation in respect of construction material only. If the return that has been brought down showing the production of nails in 1946, has to do with nails for the furniture industry, for the fruit growers and for many other industries, then of course this picture does not help us very much in respect to nails for the building industry, because it indicates quite clearly that the amounts shown are not at all sufficient to meet the needs of Canadian builders and the Canadian people.

The minister has suggested to me, not only in the house but also in a letter, that builders should be using aluminum nails, which are available in certain quantities. I followed up that suggestion to the best of my ability. I found there were some aluminum nails in Toronto, but they were expensive and the builders felt they were beyond their reach in respect of building. Further than that, however, they found that as the wet lumber began to dry out and shrink, these aluminum nails popped right out. Apparently they do not have the bond or bind they should have, in wet wood. The result is that, having put up a panel of wood with aluminum nails, it was not very long before they were springing out, and of course for this reason they were unsatisfactory. Having regard to the fact that industrial building far outstripped residential housing in 1946, and is going to outstrip it in 1947, if the government intends to continue these construction regulations, something will have to be done to give more direction to the building industry.

I have been reading reports respecting building in Canada, and without making a survey in other cities I have looked into the situation in Toronto. According to the *Daily Commercial News* of April 22, tenders are being called for a skating and hockey arena in North Toronto, at a cost of $300,000. I do not know that that work is to be undertaken immediately, but whether it be this year or next, I see no reason

why permission should be given to build hockey arenas in these days when our people need houses.

As I walk through my own district, out through Sunnyside, I see an expensive and ornamental refreshment booth which has been built recently. A large amount of lumber was required for the building of that place, I suggest that this building was not necessary, having regard to the great demand for houses. There should be some sort of permit system as previously, so that only essential building would be permitted. A directive could be sent out by the minister under his authority, because if he has authority under emergency legislation to pass these construction regulations he has authority to direct the provinces and the municipalities as to the kinds of buildings which shall be constructed. A directive that such and such construction is essential and such and such are non-essential would fit the picture. Commissioners of building in cities and towns, with such a directive before them, could chart their way fairly well in 1947.

While I cannot say which building would be essential and which non-essential, I am sure that if a group of builders across Canada were to meet for two or three days they could frame such a directive. I know perfectly well that a skating rink or hockey arena is not essential. And I do not see any reason why the Toronto Transportation Commission should begin their $800,000 project in 1947—until we have more houses for our people. These are factors which occur to me and which, I am sure, must also occur to the minister.

The CHAIRMAN: I must inform the hon. member that his time has more than expired.

Mr. TIMMINS: I should like a minute more. The epitome of what I have said appears in *Maclean's Magazine* of March 15, 1947. I am sure the minister has read the article. It says that "the real problem of housing in this country has not yet been faced, and there is nothing to indicate the government has any intention of facing it".

The CHAIRMAN: I would draw the attention of the committee to the fact that when considering other orders in council we have considered at the same time those which have been related. We are now discussing the orders in council which come under the Department of Reconstruction and Supply, and it occurred to me that orders in council 1609, 9439, 7502, 245 and 1997 are directly related to the building industry.

Mr. LENNARD: The steel regulations would not be.

Mr. GREEN: No.

The CHAIRMAN: The steel regulations could be related in connection with nails. I believe they would come directly under the steel regulations. The work of the committee would be facilitated if all these regulations could be considered at one time.

Mr. GREEN: I agree that orders in council 9439 and 7502, both of which deal with emergency shelter regulations, could well be considered together. But I suggest it would be impossible to consider properly orders in council dealing with construction materials with those dealing with steel. We should go through these orders in council one at a time, with the exception of the two dealing with emergency shelter. They might be considered together.

Mr. HOWE: It is difficult to discuss them separately. For instance nails, which come under the steel control regulations, are distributed under priority regulations. My suggestion is that the chairman might allow considerable latitude in the general discussion, provided that the subject being discussed is covered by one of the several orders in council. Then we can pass them separately, if that is agreeable.

The CHAIRMAN: I wanted to mention the fact that there was some relationship, so that I would not have to abide too strictly by the rules and call hon. members to order. It is the understanding, then, that an hon. member will be allowed to speak to any of the regulations, but that they will be passed separately.

Mr. GREEN: Which ones are to be included?

The CHAIRMAN: When the regulations are called for approval, I shall call them individually. If, for instance, when considering regulation 1609 an hon. member discussed nails, I would not call him to order and tell him that he should reserve his remarks until we reached order in council 245.

Mr. HOWE: The difficulty is that so far as order is concerned these are not well arranged. The two relating to emergency shelter are preceded by one relating to controls and regulations respecting construction materials, and are followed by two or three others having to do with construction materials. I believe they could be placed in two classifications. The two dealing with emergency shelter could be discussed together, as could the four others dealing with materials. I do not know that any formality is required, other than a ruling from the chair to the

effect that any of the four orders in council dealing with materials can be discussed without infringement upon the rules.

Mr. NICHOLSON: I should like to congratulate the hon. member for Parkdale (Mr. Timmins), who has just taken his seat. All hon. members welcome the addition to our assembly of a member who is vitally concerned with this problem of housing. It is my opinion that housing is still the number one domestic problem confronting the federal government.

I think it must be agreed that wartime conditions have seriously aggravated housing conditions in most of our metropolitan areas. The Minister of Reconstruction and Supply is very largely responsible for the dissatisfaction existing in Canada in respect of Canada's housing performance. It was under the minister's direction during the war that Canada established so many new records in the field of shipbuilding and in the construction of tanks, planes and all forms of armament. The leadership given by the minister in Canada's production performance at that time created the impression that when the war was over and materials became available, along with a sufficient supply of man-power, we would have similar leadership in the field of house construction.

The hon. member for Parkdale accurately described the situation which exists in all parts of Canada. People who fought to save their homes are finding that houses are not available. Any man who served in the air force knows that machines such as Catalinas were provided by the Department of Munitions and Supply. These machines cost $250,000, but if one was lost or destroyed and the young man escaped with his life, another was available. Some of the bombs used cost up to $10,000. Young Canadian airmen are now finding it difficult to understand how it was possible to use Canadian money and man-power to produce a bomb costing $10,000, ship it by boat and then drop it on Hamburg or Cologne, when in 1946 and 1947 we are unable to use the same Canadian labour and materials to drop $10,000 houses in Hull or Halifax or Sturgis.

An hon. MEMBER: Do not forget Regina.

Mr. NICHOLSON: I suppose Regina requires some too.

An hon. MEMBER: Not bombs.

Mr. NICHOLSON: We do not need bombs, but we do need houses. If the minister of reconstruction would use the same technique and the same imagination in peace time that he used in war time, we would have an entirely different picture.

The hon. member for Parkdale made reference to the small percentage of our man-power and materials which were going into residential construction. I should like to quote some statistics from Maclean's building reports for October, 1945, and October, 1946. Residential construction in October, 1946, increased 42 per cent as compared with October, 1945. In the same period business construction increased 180 per cent; industrial construction, 266 per cent, and engineering, 391 per cent. In the first nine months of last year only $32.50 out of every $100 spent on construction went into housing.

Everywhere you go in Canada you find that materials and man-power are being made available for the building of theatres, billiard halls, bowling alleys and such buildings. I am not criticizing the proprietors of these enterprises for wanting to use some of their cash to build a money-making structure, but I am concerned about the minister of reconstruction allowing such a large percentage of our tight materials to be used in non-essential construction. If the minister of reconstruction would face the housing problem of Canada and guarantee a housing programme for the building of 100,000 new houses every year for the next ten years, he would capture the imagination of the Canadian people and would assure a market for our lumber manufacturers, our cement producers and those who are turning out the hardware and other things necessary for such buildings. If he took the trade union people into his confidence in connection with such a programme there would be no question at all about the outcome. There is sufficient additional personnel in Canada to undertake such a programme. An analysis was made some time ago to find out whether we had the labour and material available to carry out a programme of 100,000 houses per year, and it was found that we could carry out such a programme and still have left over some 73,000,000 bricks, some 2,000,000 barrels of cement, some two billion feet of lumber, a great deal of glass, and plenty of nails.

I think people in all parts of Canada will agree that the building of 100,000 houses would be a much more useful programme for the minister of reconstruction to promote than the building of new theatres in Ottawa, Vancouver or any place else that you go. I know the minister has given the local authorities the responsibility of deciding what is essential and what is non-essential, but I want to tell him that when a law-abiding citizen asks for a permit to build a store, the local authorities find it very difficult to refuse, because a

new store is going to produce tax revenue. They have nothing against the man, and although some members of the council may be in a similar business, they do not like to take a stand that would prevent someone else from going into it. I submit that since the minister gave the local authorities the responsibility of making that decision, the results have convinced most people that the local authorities cannot decide how tight materials are to be used.

In the part of Ottawa in which I have been living, two new hardware stores have been built. There were two hardware stores serving that particular community and now we have four where a year ago there were only two. I understand that two returned men are running one of them, and I know that most people in the community would like to see the returned men get a break. But, if we have a depression, as most people think we soon will, these young men will probably lose all they have. They will probably be unable to survive the crash.

Mr. McILRAITH: What would you have the young men do?

Mr. NICHOLSON: I think we have to provide something for the young people in addition to letting them go into fields which are already overcrowded.

Mr. McILRAITH: Is the hardware business in Ottawa overcrowded?

Mr. NICHOLSON: You cannot get nails anywhere.

Mr. McILRAITH: Just keep to the point: is the hardware business overcrowded?

Mr. NICHOLSON: I should think so, judging by the amount of stock these particular hardware stores are offering. It would appear that you have more hardware stores in Ottawa than you require.

Mr. McILRAITH: Just check up on the number of hardware stores in Ottawa since 1940. I do not think the hon. member is fully familiar with the hardware situation in Ottawa.

Mr. NICHOLSON: I am sufficiently familiar with it to know that two new hardware stores have been built and they have not been able to get supplies of hardware and building materials. No doubt they are able to make a living now when prices are high and people have more money, but when the depression comes those who have not the right type of connection or have not been able to accumulate enough to see them through may lose all their money. Ex-service people who put all their worldly possessions into stores and other new businesses may be the first victims.

I think the minister of reconstruction and his assistants should have the responsibility of deciding what type of construction will be considered as essential, and they should retain this responsibility until greater progress has been made in solving our housing problem. When I was discussing the question of housing a year ago I made a number of suggestions which unfortunately were not taken very seriously by the administration. I suggested that the federal government should formulate an over-all housing plan for Canada, that they should take into their confidence the provincial and municipal authorities and work out such a programme around the table. This has not been done, and the trade recession is coming much closer. You cannot work out a housing formula in six days or six weeks or six months. You require enabling legislation to be passed by the provincial legislatures. You must enlist public opinion at all levels of government. The federal government is open to severe censure for having failed up to April 25, 1947 to call a conference of all authorities on housing in this dominion. Until the federal government gives that lead it is not going to be possible for the city fathers in a city like Toronto to make plans for the future development of the metropolitan area. They have no indication as to how much assistance, if any, they may get from the federal authorities.

The other day I mentioned one of the new booklets put out by Central Mortgage and Housing Corporation entitled "Sixty-seven homes for Canadians." I was particularly interested in the results of the competition recently sponsored by the Central Mortgage and Housing Corporation. I think anyone reading this will feel that it has been a most disappointing performance, and there is a perfectly good explanation. The architect has no incentive to take up the planning of houses for people in the lower income brackets. Until some authority makes the necessary gestures, the architect who might do some planning for people in the lower income brackets will be able to sell his wares elsewhere. In the meantime he is only wasting his time. The government's own statistics indicate that in 1942 twenty per cent of the married men in Canada, exclusive of those in the armed services and in agriculture, had incomes of less than $1,000 a year. Taking into account the fact that the people in this income bracket have to have food and clothing, it will be seen that they cannot afford to pay more than $12 or $16 a month in rent

Mr. HOWE: They are getting a bit more income now.

Mr. NICHOLSON: Yes, but not twice as much, and even if they were getting twice as much they could not go into the market now and rent a very attractive place for $24 or $32 a month. The only people to whom the federal government is giving assistance in housing are those in the top income brackets who can make provision for their own housing. For two-thirds of the people in Canada the present housing legislation is of practically no help. Nothing is being done in the way of slum clearance or to provide subsidized housing so that people who are getting only $1,000 a year and can afford to pay only around $12 a month for rent can have decent living accommodation with running water and electric light.

Mr. HOWE: Can my hon. friend answer a question that I have asked before? What is the nature of a man's employment who earns only $1,000 a year?

Mr. NICHOLSON: I think I have the Dominion Bureau of Statistics figures—

Mr. HOWE: Never mind the bureau of statistics. Just mention one trade.

Mr. NICHOLSON: A great many people in the textile industry are getting less than $1,000 a year, and caretakers in our city schools, and carpenters—

An hon. MEMBER: That is part time work, caretaking.

Mr. NICHOLSON: Carpentry is a full time job, but seasonal; you cannot get employment the year round. I checked only the other night the last report of the Department of Labour after the minister had raised this question, and I found that in the textile industry many people are getting less than $1,000 a year. One of our troubles is that our housing programme has been formulated by people who have never had to live on $1,000 a year but are more accustomed to thinking in terms of living on $1,000 a month. A great many people in the towns and villages in my constituency never receive $1,000 a year in cash, such as those clerking in stores or working in restaurants, or carpenters, plumbers, and tinsmiths.

Mr. HOWE: Is that so in the province of Saskatchewan, with its minimum wage law?

Mr. NICHOLSON: The minimum wage law does not provide employment twelve months in the year.

Mr. HOWE: I am astonished that you have that situation in Saskatchewan.

[Mr. Nicholson.]

Mr. COLDWELL: Many are engaged in seasonal work.

Mr. NICHOLSON: It is not as bad in Saskatchewan as it is in New Brunswick and Nova Scotia. The fact remains that two-thirds of our Canadian wage earners are getting less than enough to pay for a house under the Central Mortgage programme, and they cannot afford to pay the rents set out in this new booklet.

Mr. HOWE: The rents of the wartime housing units run from $21 to a maximum of $32 a month.

Mr. NICHOLSON: The lowest one given on page 5 of this booklet is $25 a month, which of course includes taxes, insurance, water, maintenance and repairs. That $25 will buy a house on a fifteen-year mortgage with a building value of $2,150, and the maximum loan is $2,020. The minister is experienced in the construction business, and he would be performing a great service for the Canadian people if he would have one of his companies embark on the building of $2,500 houses in Canada in 1947. You cannot build such a house today and comply with the specifications of the National Housing Act, because the costs of plumbing and materials are too high. I have no quarrel with that, but with materials in short supply and building costs what they are you simply cannot build the type of house that is listed here under Central Mortgage and Housing Corporation. The minister will agree that he is not getting houses built this year that will be available for $25 a month.

Mr. HOWE: I am offering for sale thousands of houses, the wartime houses—

Mr. NICHOLSON: Built for sale?

Mr. HOWE: Yes, and they can be purchased on the basis of payments of from $21 to $25 per month. My hon. friend knows the rental scale of wartime houses, of which we have built 27,000 and are building 6,000 or 7,000 more. The rental runs from $21 to about $32 a month.

Mr. NICHOLSON: I have argued with the minister before on the whole wartime housing programme. In the first place I argued that he was constructing potential slums.

Mr. HOWE: I know you did.

Mr. NICHOLSON: At that time the minister promised that these houses would be demolished within six months after the end of the war. I predicted then that these houses would never be demolished so long as people were living in less desirable houses. I am not saying that these are slum houses now, but

they are potential slums and never should have been built as part of a long-term government housing programme. I am not saying that they should be torn down—not at all; but they were not the type of permanent house that the dominion authority should build—houses like peas in a pod, crowded together.

Mr. HOWE: There is no wartime house now being built on a lot with less than a fifty-foot frontage. Is that considered crowding in your city of Regina?

Mr. NICHOLSON: I admit that wartime houses are a good deal better than those occupied by a good many Canadian citizens.

Mr. HOWE: How wide should they be spaced so as not to be crowded?

Mr. NICHOLSON: If any hon. member will visit communities where there are wartime houses I think he will agree that you have there a potential slum area.

Mr. HOWE: I will agree with nothing of the sort.

Mr. NICHOLSON: The houses are all of the same colour, and built on the same plan, with their chimneys all in line.

Mr. HOWE: That is not a description of wartime housing. Has my hon. friend never seen wartime housing?

Mr. NICHOLSON: I have.

Mr. HOWE: Where did he find the chimneys all in line and the colours all the same?

Mr. NICHOLSON: I have seen a number.

Mr. HOWE: Tell us one.

Mr. NICHOLSON: There is one at Wrightville which I visited when it was under construction.

Mr. HOWE: We do not build them with the chimneys all in line.

Mr. NICHOLSON: They are a pretty poor looking lot compared with what the minister was able to produce in the way of planes and munitions plants during the war. Apparently wartime housing is a permanent housing programme, and a great many of these houses will be here as long as the minister lives.

Mr. HOWE: I was told only about two months ago by the top officers of the Legion that the only satisfactory housing being built for the veterans in Canada was wartime housing, and that the hope of the veterans depended on wartime housing. That is the other side of the picture. You might as well have both sides.

Mr. NICHOLSON: If wartime houses are the best that Canada can build for the veterans of world war II, they are pretty cheap looking compared with the planes and munitions plants which the minister constructed during the war, when he built in an imaginative way.

Mr. HOWE: I should like to have a view of my hon. friend's own town when he says that these houses are cheap looking. Compared with what are they cheap looking?

Mr. NICHOLSON: I hope the people of Canada are not always going to live in wartime housing. I was born in a log house and I do not apologize for it. But as soon as my father could afford it he wanted a better house for his children. A great many of my people lived in log houses. A great many of the ex-servicemen came from log houses, but they do not want to go back to them if they can avoid doing so. The housing programme of 1947 must be better than that which the minister has visualized in his wartime housing programme.

I am not going to enter into a discussion regarding the merits of wartime houses versus the veterans housing programme. The veterans are being compelled to pay outrageous prices for the property they will have, but it is a matter of getting a house and they have to pay what is demanded. The fact is that at the present time the Minister of Reconstruction and Supply is failing to give leadership which will result in a housing programme being worked out to make use of the raw materials we have in this country and which will ensure employment for the workers in the building industry over the next five or ten years. It is true that more houses were built last year than were built ten years ago, but the houses that are being built do not take into account the needs of the people or the population. I find that in the Toronto area, for example, around Forest Hill 116 permits were issued last year for houses having a total value of $2 million, or an average of $18,035 each. There are not many veterans who can take advantage of a house costing $18,000. One of my quarrels with this type of housing in this period when we are so short of many materials is that there are two or three bathtubs going into these luxury houses. If the minister had acted on the advice I gave last year he would have continued the responsibility he had of deciding what was essential housing.

Mr. HOWE: Perhaps my hon. friend can tell me what is essential housing. He complains about wartime housing being too cheap

and of substandard construction. He quarrels about the $18,000 house being too good. What does he require as a reasonable house?

Mr. NICHOLSON: That is a fair question. I think somewhere in between the two would be a reasonable one. Before one house has four bathrooms every house should have one.

Mr. HOWE: An $18,000 house does not usually have four bathrooms.

Mr. NICHOLSON: According to my information, quite a few of them have. I saw some houses built in Regina last year and I understand that they were not able to get bathtubs for many of them.

An hon. MEMBER: Do you want four?

Mr. NICHOLSON: No, I do not. If we are to grant half a million dollar production subsidy to Crane's, then the taxpayers of Canada have some interest in knowing where these bathtubs are to go.

Mr. FULTON: In bathrooms.

Mr. NICHOLSON: Some should go to Regina. They should not go to Forest Hill and Toronto, because the people there are able to pay, on the average, $18,000 for their houses. I suggested last year that the minister should formulate an over-all plan. He should convene a conference of people who are interested in the problem of housing on the provincial and municipal level as well as on the federal level. That conference should be called immediately. It is the minister's responsibility to make sure that subsidies are provided for all those municipalities or provinces which will go along with him in providing housing for the people in the lower income groups. No private builder, no life insurance company, no group of philanthropic people is likely to go into the construction of housing in Canada with a view to providing houses for a third of the people who are living in the lower income groups or even the middle groups. The only housing that we are likely to get under our present programme is for the people in the upper third, who have a good deal of financial security and who, in all probability, would be able to build their own houses regardless of any help from the federal authority.

Before the order in council passes, the minister should make some commitment as to whether or not in the near future he will take the responsibility for calling together a conference to try to get an agreement and work started with a view to providing housing for the people in the lower income brackets.

Mr. McIVOR: I like to speak about what I am sure of, and I am sure of certain things about the wartime houses in Fort William. The committee will expect me to know something about them. Several hundred houses have been built. I visited many of them. When they were built the criticism was that, while we had these houses in the first year after the war, two years after we would be asking ourselves what was to be done with them. Many of the people who were living in these houses at the time they were doing war work now want to buy them. That is the finest argument in favour of the judgment of the minister of reconstruction in building these houses. Some of these people want to buy them and put a foundation under them. I visited over a hundred of these houses and I found only one individual who was not satisfied. He moved from a shed away out in the country. He had a large family. He said: "This house should be bigger." I said, "Yes, in the same way that your family should be bigger." But when he came to find out what his rent was as compared with rents in other places he was grateful.

I should like to say another word about the wartime houses in Fort William, and especially about the work which the contractors have done. There has not been one word of criticism. Instead of pulling to pieces the work which has been done by this department, we should at least say one or two kind words.

Mr. SINNOTT: Courtesy is a splendid thing. If a little courtesy had been shown by the minister this afternoon I would not be on my feet at the moment. I asked him a friendly question about nails and what he was going to do about them, and he said: "Go away; do not bother me about nails." I said that I was going to bother him on the floor of the house this afternoon.

I wish to congratulate the hon. member for Parkdale. He covered the situation pretty thoroughly. The hon. member for Mackenzie has had a good deal to say on the situation and in many instances he was correct. I myself have visited a great many of these houses. In most cases the ones built by the minister are all right. There is a block of houses in Windsor which were built on wood blocks which do not meet with my approval at all. I also saw many houses in Vancouver and I saw quite a few houses which were built just west of the Red river. In most of these places the average returned man finds the cost of the houses too high.

The hon. member for Mackenzie was alert when he was asked a question by the minister about the cost of the houses, when he said that somewhere in between was the happy medium.

That is right. In order to purchase one of these houses, a man has to show that he has practically steady employment so that he can keep up his payments. I do not know how long the employment will continue but the payments run over a long period of time. Unless the veteran is assured of employment over the period that the payments run, he is not in a secure position.

At the moment the whole problem is nails. For two months we have heard the hon. member for Peterborough West asking about nails, and he is right. In my town I do not think you could get twenty-five cents worth of nails. How is it possible to build eighty thousand houses if we have not the nails? The Minister of Reconstruction and Suppiy is still our guiding hand and we are still under war measures. Therefore I say that he has the right to instruct the companies which are making nails to increase their production and do nothing but make nails. If that were done the problem would be solved in a short time.

So far as people in the low income brackets are concerned, there are a number of people in Ottawa and in every other city in Canada who are in that position. I have been through the city of Ottawa and it is a disgrace to see where many of these people are living. We do not need to go any farther than across Wellington street to see it. These men in the low income tax brackets are working only part time, and they are certainly not going to be able to purchase homes such as many of those that are being built at the present time, and at their present cost. I would urge the minister to use his authority at once to see that the nail supply in Canada is increased one hundredfold, I would say, because if we do not have an increased supply of nails within the next month or six weeks there is no possibility of building 80,000 homes this summer.

Mr. JOHNSTON: A year ago when I brought up the question of housing we had a rather rough time, as I recall, just before the session ended; but, despite that fact we got some results, and since that time almost everything that I said on that occasion has been verified by other members who have looked more thoroughly into the question. I remember that, when speaking on this question last year, I drew to the attention of the Minister of Reconstruction and Supply some of the facts in connection with wartime housing. If I remember rightly—and I am speaking from memory now—I told the minister then that, while I had not seen any of the houses under construction, I did, a day or two before coming to Ottawa prior to the last session, visit the building plant where the Shoquist Construction Company was building parts of houses which would be transferred from there to the location, wherever it might be, where they would be required. I said that in my opinion, judging from the way the houses were being constructed, the sides and so on, they would not stand up very well under the conditions to which they would be subjected.

Today I wish to discuss some of these houses. Some time ago I put some questions on the order paper in regard to these houses and I wish to quote from the questions and answers. This was in reference to the Shoquist Construction Company of Calgary:

1. How many houses has the Shoquist Construction Company contracted to build and/or has built for the Department of Reconstruction and Supply, and/or Central Housing and Mortgage Corporation?

The answer was:

Three hundred houses for Wartime Housing Limited.

The next question was:

Where are these houses located?

The answer was, in Calgary. The third question was:

How many types of houses are there being built and/or have been built by this company?

The answer was:

Three types.

4. What is the total amount of money paid to this company to date?

The answer was:

At February 10, 1947, $398,073.31.

Then under the (b) part of the questions:

What is the total amount of money yet payable under the contract?

The answer to that question was:

At date, $334,377.21.

That makes about three-quarters of a million dollars and that is a lot of money, but that is the answer. The next question was:

5. What is the contract price for each type of house?

I am not sure about this and I would ask the minister to explain it. The answer is:

Four-room house (asbestos shingle siding), $1,900.41.

Am I to take it that the complete house with asbestos shingle siding would be $1,900.41? Then there appears in brackets "wood siding, $1,942.41". There must be something wrong there, or I am misinterpreting it.

Mr. HOWE: Certain materials were being supplied. The answer is correct. That was not the cost of the house. The hon. member asked for the amount of money we paid the contractor.

Mr. JOHNSTON: The question was: "What is the contract price for each type of house?"

Mr. HOWE: That is right.

Mr. JOHNSTON: I take it that is the labour, the contractor's labour.

Mr. HOWE: It is the contract price, but there was a certain free issue there that would not be in the contract price.

Mr. BENTLEY: A certain what?

Mr. HOWE: The hon. member asked his question and we answered exactly in the terms in which he asked it. You cannot ask for more.

Mr. JOHNSTON: I have learned that unless one is very careful in asking questions he sometimes does not get the information he is after. I do not blame the department in that regard. They read the question carefully and they answered it, I would not say exactly to suit themselves.

Mr. HOWE: The practice of the department is to answer exactly what is asked and that is what they did in your case. You could criticize us if we adopted any other policy.

Mr. JOHNSTON: I accept that.

Mr. HOWE: Why cast aspersions, then?

Mr. JOHNSTON: I am not finding fault with the minister; he does not need to get excited about the matter. I asked for information to clarify the question.

Then I find that a six-roomed house, asbestos shingle siding, is $2,443.56, and wood siding, $2,491.56; and a five-roomed house, asbestos shingle siding, is $2,307.13, and wood siding $2,355.13. This information is given in this connection:

The above contract calls for sheet rock, masonite, asphalt shingles, asbestos shingles, rough lumber, hardwood flooring, mineral wool insulation and paper and felts being supplied by Wartime Housing Limited.

6. What provision is made in each type of contract for the payment of fair wages to employees?
7. What provision is made in each type of contract for the payment of fair wages to subcontractors' employees?
8. What provision is made in each type of contract for the payment of fair wages in the case of piece work by (a) contractor; (b) subcontractor?

The answer to these three questions reads:

6, 7 and 8. In all cases, the main contract specifies that wages and working conditions shall conform to the requirements of provincial legislation and to current practice for the trades in the area. Subcontractors are bound by the labour requirements of the main contracts.

[Mr. Howe.]

The next question:

9. Does the contract specify that outside painting be done by brush or by spray gun or both?

The answer:

9. Contract specified first coat—brush; other two may be sprayed.

I have not personally visited these houses that have been constructed but I have had some communications and personal interviews in the matter. One of the first complaints I had was in regard to the agreement of sale, and I wish to read a letter that I received in this connection, with a view to soliciting some information from the minister. Later on, I shall speak of other things that I know more about because of the evidence I have. I quote from this letter:

The enclosed is a cutting of an editorial in the *Journal* of yesterday's date. It speaks for itself and the subject matter is one it is thought should be brought up in the House of Commons. It is certainly a one-sided agreement and the price of the houses suggests the government is emulating the tactics of Scrooge—

He has not been very careful in his wording.

Fancy a five-roomed house—a none to elaborate one at that—costs the purchaser $9,370.

When you compare that with the price I quoted a moment ago, there is a discrepancy.

Mr. HOWE: The government never sold a single unit, so far as Central Mortgage or Munitions and Supply are concerned, for $9,000.

Mr. JOHNSTON: I will go on and read it.

Mr. HOWE: Why read a thing as wild as that?

Mr. JOHNSTON: This is from a man who apparently knows what he is talking about, or should.

Mr. HOWE: What is his name?

Mr. JOHNSTON: He says:

If the purchaser lives in the house for a full five years at first there is a reduction of $1,000.

Is that correct?

Mr. HOWE: Yes.

Mr. JOHNSTON: He goes on:

If the tenant does not buy he may be in immediate danger of being turned out on a mere technicality in order to sell the house to some other—

He has the words "poor sucker" here.

As a war veteran and tenant of one of these houses, the action of the government is most condemnatory.

Mr. HOWE: My hon. friend has read the letter; now will he lay it on the table?

Mr. JOHNSTON: Yes, certainly I will, and along with it I will send the clipping which is enclosed. I should like to read that clipping so that it will appear in *Hansard,* because to some extent it verifies the letter I have just read:

Tenants of wartime houses would be well advised to have a lawyer approve the agreement of sale before they decide to purchase. After reading one of these documents, which set forth the terms under which the Central Housing and Mortgage Corporation will transfer one of the wartime housing dwellings to tenants, the impression is left that the crown company is taking no chances.

One clause, for instance, stipulates that, if any of the terms of the agreement are not carried out, the purchaser will give up possession "without any notice to quit and without the vendor bringing any action for ejectment,"—

I think that is true in regard to the contract. I do not have the agreement of sale before me. but I have it upstairs, and as I recall it that is one of the clauses of that agreement.

—and that the purchaser is to be "without any recourse whatever . . . either at law or in equity" against the vendor, for the recovery of any moneys paid. Further, it says that in the event of any breach of the agreement all payments already made "shall be retained by the vendor as and for liquidated damages and not as a penalty."

That, too, I think is one of the clauses in the agreement of sale, as I remember it. I read this, subject to the minister's correction, but I looked up the agreement of sale when I read this article, and that is as I recollect it.

Another clause announces that in the event of any breach "the purchaser shall forthwith become a mere trespasser upon every part of the said lands, and may be forcibly ejected therefrom by the vendor or his agents without any of them being in any way responsible for damages."

These clauses appear to the layman to be harsh and arbitrary. In excluding any appeal to the courts of the land, they violate one of the fundamental rights of a Canadian citizen. Although the vendor is a crown company, it cannot be allowed to set itself above the law.

To represent such a document as "between His Majesty the King in the right of Canada" is to libel the crown itself. It has been charged that the bureaucratic mind is prone to arrogate to itself supreme power and authority. This agreement of sale certainly appears to be a manifestation of such a tendency.

I believe these references to the agreement of sale are correct, because I checked them when I received the article?

Mr. HOWE: May I just get this clear? This was built as a wartime house; is that true?

Mr. JOHNSTON: Yes.

Mr. HOWE: Now being sold by the crown?

Mr. JOHNSTON: Yes, that is what they are referring to.

Mr. HOWE: Sold at $9,000?

Mr. JOHNSTON: That was the amount stated in the letter.

Mr. HOWE: Is this two houses the hon. member is talking about, semi-detached?

Mr. JOHNSTON: The letter says:

Fancy a five-roomed house, a none too elaborate one at that, costs the purchaser $9,370 over a period of twenty years.

That would be the total amount paid over a period of twenty years in monthly instalments, and would include the interest.

Mr. HOWE: Oh, this is a social credit transaction?

Mr. JOHNSTON: No, these are the proposals of the minister of reconstruction to the veterans.

Mr. HOWE: I didn't know what the hon. member was talking about. Now I understand.

Mr. JOHNSTON: I am very glad the minister brought that point in, because he has referred many times to social credit as being a kind of screwy thing, but now he acknowledges that this is a screwy contract. Had I said that, the minister would have been a little irritated, but I am glad he has placed that interpretation upon it. I do not think the minister will deny that the clauses referred to as being in the agreement of sale are there, and it seems to me quite unfair that if a veteran has put money into a house; if he has paid for a certain period of time and then, for some reason or another, misses a payment, which violates a clause in the agreement, he should be liable to be ejected without any recompense in regard to the money paid in. It seems to me that, with the economic conditions under which we are living, it would be only fair for the agreement of sale to be modified to give the veteran a little leeway, in case he should lose his position, until such time as he might become reinstated in employment and be able to carry on. The minister may say, well, the company might agree to that, that no man would be kicked out just because he happened to fail to make one monthly payment. But that is not in the terms of the contract, and, after all, when one is dealing with matters of this kind one must confine himself to the wording of the contract. That is the thing we should complain about now.

For a few moments I should like to speak about the construction of the houses. Referring to this matter a moment ago, I mentioned that I had visited the place down by the railway tracks in Calgary where the

Shoquist Construction Company were putting together the sides of the houses, and so on. Young fellows were working there who, in my view, did not have any practical experience. I am not saying it takes men with practical experience to nail two by fours together; I do not think that is necessary, provided that they are under proper supervision. When I was speaking of wartime houses last year the Minister of Veterans Affairs said one of the reasons those houses were so poorly constructed was that they did not have first-class workmen. That was all so much tommyrot, because you do not require every man to be a first-class workman in order to build a house properly, provided that you have proper supervision. I think the minister will agree with that.

But I want to come to this clause I read a moment ago in regard to fair wages. This was brought to my attention about a day before I came to Ottawa. One of the labour unions in Calgary telephoned and asked me to come to their office to discuss this matter of labour relations with wartime housing. At that time I pointed out to them, as I want to state to the minister now, that I had not actually visited one of these houses; and, believe me, I do not go around looking for trouble, but when trouble is brought to me I have never run away from it. That was true in connection with these veterans' houses. I never went around snooping to see what I could find out. These people came to me and asked me to see these conditions, and I went. I visited this labour organization and talked to some of the men working on these houses. I have before me an affidavit to support what I am saying. I said to these men, "This is a swell time to bring this question to me. I have not even time to go down and visit the houses, to see whether what you are saying is the truth." Then I said, "I won't do anything in this matter unless you fellows will give me an affidavit that what you are telling me is true." They did so, and I have that affidavit here in my hand.

I put the question on the order paper in regard to fair wages, because I wanted to find out whether in the contracts with these companies there was a stipulation that the men working on these buildings should receive fair and decent wages. According to the answer received from the department, that is so; under the contract they are supposed to pay decent and proper wages. What I am going to say is in relation to the Shoquist Construction Company; as far as I could find out the Bird Construction Company, which I believe is building wartime houses in Calgary—

Mr. HOWE: I don't know.

Mr. JOHNSTON: I believe they are. I have spoken to the men working on those houses, and they tell me the houses are being put up properly, so that I want to give credit where credit is due. But in regard to these other houses which I mentioned first, the condition is that when the contract is let the contractor does not necessarily do all the work himself. He sublets the contract, and in some instances it is sublet two or three times.

In this particular instance to which I would direct the minister's attention, I come to the place where a contract for hardwood flooring was being sublet. I am not sure whether it was sublet once or twice; but in the final analysis the men who were working on the job were getting three cents a square foot for laying hardwood flooring. My contention is that a man cannot earn decent wages, if he does a decent job, if he is paid only three cents a square foot. I do not believe it can be done.

Mr. HOWE: Did the hon. member ever look into that?

Mr. JOHNSTON: I have laid quite a little of it.

Mr. HOWE: I can tell him that probably fifty per cent of all the hardwood flooring laid is laid under contract and, as I remember prices, three cents a square foot is the prevailing price.

Mr. JOHNSTON: That might have been so a few years ago. Is the minister referring to recent times?

Mr. HOWE: I have not had the figures for some time, probably ten or twelve years.

Mr. JOHNSTON: I agree that wages ten or twelve years ago were different from what they are today. And the cost of living was a lot different ten or fifteen years ago from what it is now.

Mr. HOWE: My hon. friend maintains that three cents a square foot is a substandard price, does he?

Mr. JOHNSTON: Yes, I think it is.

Mr. HOWE: Are you sure of it?

Mr. JOHNSTON: It depends upon your—

Mr. HOWE: You are entering a complaint in the House of Commons of Canada. I assume it is a serious complaint.

Mr. JOHNSTON: I am saying this, that I do not think a man who lays hardwood flooring properly, if he nails it properly, and puts paper in between, can make decent wages at three cents a square foot.

Mr. HOWE: That is a matter of your opinion.

Mr. JOHNSTON: It is a matter of my opinion, yes, against the minister's opinion. He said he thought it could have been done for that, and I think he said it was ten or twelve years ago. I say that under present-day conditions I do not think a man can lay flooring, and do it properly, at that price, because it is a different matter to lay hardwood flooring from laying softwood. I do not think he can do it at three cents a foot.

I have evidence to prove this. I was talking to men who were working for another company in Calgary at the same type of work, and who were getting five cents. These men explained to me that they could make fairly good wages at five cents. But three cents is little more than half of that, and it makes a considerable difference.

Mr. HOWE: I do not understand why the men would take a contract, if it were not profitable. Why did they not work at $1.20 an hour with the carpenters on the job?

Mr. JOHNSTON: Because the contractor would not let the work out on an hourly basis. He let it out on a sub-contract basis, and therefore they could either take it or leave it. If the minister is sure that hardwood flooring can be laid at three cents a square foot, then what was the price in the original contract? What does the government allow for laying hardwood flooring, to the original contractor? I may be wrong—and I admit it—but my estimate is about nine cents a square foot.

Mr. HOWE: I made no statement. My hon. friend said it used to be the price. I do not know what the price is. But I would not think a price of three cents a square foot is prima facie evidence that it is unreasonably low; because it seems to me, prima facie, that if the men are anxious to take the work on that basis it must be more profitable than working on an hourly basis.

Mr. JOHNSTON: The point is this; when the subcontractor is able to put that out at three cents a square foot, what did the original contractor get?

My suggestion is this—and it it merely an assumption—that I believe the original contract must have called for something around eight or nine cents a square foot. If that is so, then there is too great a spread between the price for laying the hardwood flooring, in the original instance, and in the sublet price. You have to see how it works out.

Mr. HOWE: You are putting up a straw man and knocking him down. You say the price was nine cents?

Mr. JOHNSTON: I know that every time a contract is sublet there is a profit made on it by the original contractor. That was proven all the way through veterans housing. In this particular instance, where I have evidence to support what I am telling the minister, in these houses in Calgary the flooring was being laid at three cents a square foot. Let me read part of it:

> We the undersigned have made verbal statements to Mr. Charles E. Johnston as to quality of work being done on wartime housing by the Shoquist Construction Company Limited, Calgary, and we now make these statements under oath, and do declare that subfloors are improperly nailed, having in many cases boards with only one nail and many places none, where two nails are required. In laying hardwood floors many places have up to three boards laid without nails in them, and some floors (hardwood) are laid without paper between.

That just means this, that when you are going to chisel on labour—and I do not mean the government in this instance; I mean the contractor—where they come to the point where they are chiseling on labour and are paying unfair wages, then you will get inefficient work.

I do not make any mistake about it; these men who are qualified carpenters are going to see to it that they do make a fair day's wages. It was pointed out to me that in some instances they would leave the job at night, and that there would be two or three rolls of paper left on the job. Then they would come back in the morning, ready to go to work—and, mind you, they were getting three cents a square foot. They said: "What would you do if, when you went back to work in the morning, there was no paper. Would you stand around a half a day, waiting for paper?" I said, "No, I would not." They said, "Neither did we. We laid the floor, because we had to earn our money."

But the point is that the original contractor should now be responsible for this job. If this is true, and if these floors are being nailed so that three or four boards contain only one nail, where there should be three or four nails, then I say the original contractor should be compelled to take up that flooring. If the specifications call for paper between the floors, and that has not been supplied, then the original contractor should be compelled to lift the flooring and put the paper there, without any additional cost.

Mind you, it cost us $1,500,000 under veterans housing to recondition these houses, just because of such mistakes as are taking place in the contracts to which I have referred. Anyone who has had any experience in building must know that these floors will last for six months or probably a year and a half.

Mr. FRASER: Unless dampness gets in.

Mr. JOHNSTON: But when dampness creeps in and the boards begin to dry out, then will come the squeaks and cracks in the floor, and the boards will pull up. That is when the veterans will have a complaint.

We have a logical complaint. I am pointing it out to the minister at this time, without any desire to be injurious to him, or to impede the work he is endeavouring to do. That was not my intention last year, either, when I brought this matter up before the veterans affairs committee in connection with veterans housing.

I am just pointing it out in this regard because, as was indicated in the letter, the returned men are being forced to pay high prices for these places; if so, they should be getting value for their money. And if these houses are being constructed in the manner in which I have indicated—and I do not think these men would take an oath to a false statement—then I think an investigation should be made.

If these suggestions are found to be true, then the proper place for the government to claim would be against the original contractor. I would object. and object most strenuously, if next year this House of Commons were asked to pay another million and a half dollars to replace the improper work that these contractors have done.

As I said in the beginning, I have not visited the houses personally. I made that clear to the minister. But I will also say that I am going to visit them this summer, because I want to see what they are like.

Then, in regard to paint, I have had information given me in regard to it, that the paint was being put on completely by spray guns.

Mr. HOWE: In other words, my hon. friend now says that he is addressing this House of Commons in connection with houses which he has not seen; that he does not know whether these statements are true or not.

Mr. JOHNSTON: I did not say that I did not know whether they were true or not.

Mr. HOWE: How can you know they are true?

[Mr. Johnston.]

Mr. JOHNSTON: Because I have affidavits to support them.

Mr. HOWE: Does my hon. friend want to make a charge in connection with this? If so, we will certainly go in and take the paint off.

Mr. JOHNSTON: That is the same kind of argument the Minister of Veterans Affairs gave me last year. I am not trying to find fault with the minister as the minister of reconstruction, I simply thought he would appreciate it if these things were pointed out to him. I assume, or I will make it as strong as to say that I do assume that the minister of reconstruction is endeavouring to build the best kind of houses he can under the circumstances. I would have thought he would appreciate having these matters brought to his attention.

Last year, when I brought this question before the Minister of Veterans Affairs he found, on investigation, that the things I had referred to were true. This year I could have brought statements and photographs of some of the veterans houses in Calgary to which I was referring and which were in worse condition than they were last year when I was talking. However I could see no use in doing that, because some repairs had already been made. Since I had been given no further complaints I let the matter drop. But I have the evidence in my office now in regard to those veterans houses.

I am pointing out these things to the minister so that he can take some precaution. He may say that there has been proper supervision, but may I say that I think the greatest defect in connection with veterans housing was the lack of proper inspection. I am inclined to think we are going to run into the same trouble in connection with wartime housing. I do not blame the minister personally for these floors being laid in the manner in which I have indicated, because I know he cannot run around and personally inspect all these buildings. He must have competent inspectors to do this job, and I think that is where the fault lies. If the work is not done properly the one who suffers is the returned man. I am sure the minister does not want that condition to exist, and neither do I. I hope the minister will look into the matter and see that proper adjustments are made.

Mr. MURPHY: I am going to make some brief remarks regarding the subject under consideration and, in doing so, I should like to refer to *Veterans Affairs* of January 15, 1947. This is a magazine published at Ottawa by authority of the Minister of Veterans

Affairs. This particular article is headed, "Priorities aid Edmonton vets build homes." It reads:

> Edmonton veterans building their own homes have obtained through the priorities committee of the national house builders' association the following materials, as reported on November 5 of last year:
>
> Number of applications received, 636.
>
> Number of applications being attended to immediately: first group, 356; second group, started on November 6, 252.
>
> Amount of material received to date: two carloads of brick; one carload of flue lining; two carloads of sewer tile;

I do not intend to refer to all the items, but the list continues:

> One carload of wood lath; three carloads of wallboard and plaster lath.

Then comes the item to which I wish to direct specific attention:

> Material en route: Two carloads nails (4,000 kegs).

My criticism of the priorities system is linked up with the enumeration of the different materials in the former paragraphs. For instance, we have some materials that might be sufficient to take care of ten, twenty or one hundred homes as the case may be. I know this is only part of the materials; yet, with the project under way for these veterans, I would assume from that, that there may be fifty or one hundred homes under construction. I may be wrong in that, but my complaint is that the priorities system is wrong when it permits the tying up of so much material of one kind and very little of another. It is evident to me that other builders might be able to use any surplus which this group might have. So much material should not be tied up.

As I said, some of this material would be required to erect eight, ten, fifteen or twenty houses. We have heard a great deal about the shortage of nails. If there is any veracity in the statement made in this magazine the point I would make is this: Here we have an allotment of 4,000 kegs of nails for an apparently small project. If they were to use 4,000 kegs of nails to complete this project it would mean there would be in the neighbourhood of 1,300 to 1,400 homes of the type which I assume these veterans are building. I would assume that this particular project would not need more than 200, 300 or 400 kegs of nails. We all know it does not require more than two and a half or three kegs of nails for the ordinary small home.

My argument is that somewhere along the line a defect, so to speak, has developed in the priorities system, whereby there has been permitted an accumulation of items which should be more equitably distributed. In this particular case it would look as though 4,000 kegs of nails will be tied up for probably one or two years. Even if a total of 500 homes were under construction there would still be a surplus of about 2,500 kegs of nails.

I should like to refer briefly to a return tabled recently in answer to a question which I had put on the order paper. This return was tabled April 16, 1947, as sessional paper 1351. The first question I asked was:

> What is the total cost of each home constructed under the Veterans' Land Act in (a) Sarnia township, Lambton county; (b) Roseland and Oliver farm areas, Essex county?

Mr. HOWE: On a point of order, how does my hon. friend associate the Veterans' Land Act with the orders in council under discussion?

Mr. MURPHY: I am glad the minister raised that point and I think I can answer it. The priorities system we are now considering was set up under P.C. 1609, which covers construction materials regulations. This is listed under the Department of Reconstruction and Supply. My contention is this, that under this priority system which has been in vogue for some time, it would appear, as was explained this afternoon by the hon. member for Parkdale, that those who are engaged in building projects such as those under the Veterans' Land Act or under other government supervised schemes are able to get priorities and no doubt are able to build at a lower price because of their being able to get the materials more easily than can the ordinary contractor competing in the same field. Because of this material being more easily available to them, I want to enlarge upon the argument made by the previous speaker that they should have been able to build these homes at least at a fair price.

Mr. HOWE: Mr. Chairman, I humbly submit that these orders have nothing to do with building houses and certainly nothing to do with the building of houses by another department of government. The order under consideration has to do with the furnishing of materials under priority. But if my hon. friend proposes to discuss the subject of houses built under the Veterans' Land Act I must take exception, because I know nothing about that subject and have no reason to know anything about it.

Mr. GREEN: Mr. Chairman, thus far the hon. member has been discussing priorities.

He is citing instances where priorities have resulted in tying up material unnecessarily. I think the minister is being a little too hasty in asking that the member be ruled out of order. I submit that his remarks are in line with the very order in council we are considering, which deals primarily with priorities.

Mr. HOWE: If that were all he was discussing, the tying up of material unnecessarily, I would agree, but I understood he was going into a dissertation which we have heard him give several times before on the Veterans' Land Act.

Mr. GREEN: I think the minister had better wait until the hon. member does go into a dissertation and then raise his point of order.

The DEPUTY CHAIRMAN: I think the hon. member would be in order if he deals directly with the question of materials, but he would not be in order in going into details of building under the Veterans' Land Act.

Mr. MURPHY: I did not intend, Mr. Chairman, to deal with all features of the homes constructed under the Veterans' Land Act. I dealt with that subject on February 4, but I dealt with the defects and not with the prices. In this instance I purpose confining myself to prices upon various government projects while we have this priorities system in effect. In my opinion, because of that system the prices are excessive. When I spoke in the house on February 4, I mentioned the cost of the small homes, at page 107 of *Hansard,* and said that in Sarnia township eight homes were built, of four different types, two of each type. One was 18 feet, 9 inches, by 32 feet, one and a half storey with basement; the second was 24 feet by 30 feet, one storey; and the third one was 25 feet by 31 feet, 8 inches, one storey. These are all small homes. They are not in the class with the $18,000 homes mentioned this afternoon as being suitable for veterans. These particular homes, according to the answer I received in a return, cost two at $7,759.36 each; two at $7,928.57 each; two at $7,081.95 each, and two at $8,200.54. The figures which I have just quoted from the return are the cost of house construction only. They do not include the land or public services such as roads, hydro, water mains and so on.

My other point with respect to building under these conditions is that those who did get this contract were building under a handicap. Question No. 6—and this is very important—which I asked was:

What was the cost per unit of project overhead and how was the same made up?

[Mr. Green.]

The answer brought down in the return was:

Average per unit at Sarnia $1,736.22.

That is an amazing figure. I am sorry I did not have these figures when I spoke in the house on February 4 and demanded a royal commission.

Mr. HOWE: May I ask what controller under this bill is responsible for that? In other words, how does that relate to the item under discussion?

Mr. MURPHY: I am very glad that the minister asked that question, because the answer is, I think, found in this return. I want to be perfectly fair about this. I do not think any of us wants any more controls than are necessary, but here I think is the answer to the minister's question. It is given in the return:

Average per unit at Sarnia $1,736.22.
Project overhead includes the following items: temporary buildings, salaries of staff located on the project including superintendents, accountants, bookkeepers, stenographers, timekeepers, material checkers, first aid attendant, watchmen, and water boys. Miscellaneous expenses incurred at job office in direct relation to the project include travelling expenses, telegrams, and telephone calls.

The DEPUTY CHAIRMAN: I do not think the hon. member would be in order in discussing the items he has just mentioned on the item now before the committee, but if he confined his remarks to the cost of material I think he would be in order.

Mr. MURPHY: I appreciate your ruling, Mr. Chairman. My only argument has been that the cost of these homes has been increased because of the controls dealt with in these various orders in council which we are now considering. With respect to that type of home built under these restrictions, and with priorities as they were, the costs are, I would say, a great deal higher than they would have been if the material were more easily available and had contractors not had to contend with various controls and restrictions.

I had referred only to the cost of the houses in the Sarnia area. The ones in the Windsor area are in the neighbourhood of $7,000 to $7,891.96. The cost there enters into this particular picture. If we are to assume that the answer given to question No. 6 and the unit overhead at Windsor is the same as at Sarnia, then the cost of building these veterans homes in the Sarnia area would be around $9,900, and in the Windsor area, $9,500, on the house only. When the house is completed the veterans holdings would be in the neighbourhood of $12,000 each.

The DEPUTY CHAIRMAN: I do not believe the hon. member is in order in discussing the cost of veterans houses except in so far as it relates to material which is in the order before us. I should like to remind the hon. member that he will have full opportunity to go into the matter when the estimates of the Minister of Veterans Affairs are before the committee.

Mr. FLEMING: May I remind you, sir, of one or two things in this connection? Before the committee left the consideration of the general order of the wartime prices and trade board on Monday last, a question was asked by the hon. member for Vancouver-Burrard specifically with reference to the timber regulations which we are discussing in part along with this order. He asked if he might have the assurance of the Minister of Justice at that time that if the wartime prices and trade board general order were allowed to pass it might be on the understanding that questions of price would be open for discussion when we came to these later orders, particularly with reference to timber control. The Minister of Justice, who unfortunately is not in the committee at the moment, gave the explicit assurance that price controls might be discussed along with these other forms of control when we came to these orders. In the light of that, and with great respect, Mr. Chairman, I submit that it is perfectly proper for the hon. member to discuss the question of prices in relation to control. As a matter of fact, with great respect, I do not see how you can extricate one from the other; the two things are tied so closely together. If we are to try to hew a line and separate references to control of priorities from control in reference to prices under this order and on the timber control order or some other we shall be hopelessly bogged down. I think you should permit the discussion to proceed in keeping with the understanding assented to by the Minister of Justice on Monday last.

Mr. HOWE: May I suggest to my hon. friend that there is no price control on houses. Certainly I have no knowledge of veterans houses. We are not discussing housing; we are discussing priorities orders. This discussion might reasonably be in order on the bill to amend the Housing Act that I hope will succeed this discussion. Certainly the present order deals with nothing but priorities on materials.

The DEPUTY CHAIRMAN: The point the hon. member for Eglinton should keep in mind is that the hon. member for Lambton cited the costs involved in many things other than materials. What we are dealing with specifically is the cost of materials. The Minister of Veterans Affairs is not in his place at the moment. His department has to do with veterans houses. I appeal to the hon. member to try to keep in line with the item before us.

Mr. MURPHY: I see the fairness of your ruling, sir, and I for one am not going to try to prolong this debate or try to debate something which should be discussed at some other time. While the Minister of Veterans Affairs is not in his place, there is no reason why we cannot discuss building which may come under his department or under the department of any other minister. In view of the fact that there will be opportunities later to discuss some other phases which I did not intend to bring up at this time, I shall not continue along that line.

In closing, I do think I have been fair in bringing consideration of these veterans houses to the attention of the committee, because the cost of these houses was increased considerably by reason of the controls and priorities.

Mr. PROBE: I should like to confine my remarks to two paragraphs of P.C. 1609 which have to do with priorities, namely, sections (a) and (b) of paragraph 2 of the office consolidation, which read as follows:

> The priorities officer shall have power,
> (a) to prohibit, control and regulate the making of or dealing in construction materials;
> (b) to order or require any person owning or having power to dispose of or being in possession of or making or dealing in construction materials or having facilities for making or dealing in construction materials to make or deal in such construction materials in such manner as may be specified.

Through the medium of this order in council the Minister of Reconstruction and Supply has a wide and ample allotment of powers for his purpose. I think even he will admit that the construction of houses is a most desirable and necessary thing in Canada at the present time. I think too that it would be rather a bold person who, checking back over the minister's record as Minister of Munitions and Supply during the war, would say that the minister had been inefficient or was likely to prove inefficient in the administration of the construction of housing in Canada. It would be just as serious a charge to say that he was insincere or did not wish to go ahead with this most necessary construction. The minister's war record is an admirable one. I believe he is a respected engineer and administrator, but I wish to tell the committee that the minister is definitely on the spot now because of the fiasco that he has made of the powers which have been

allotted to him and to the officials under him in giving housing to the Canadian people. That is not a personal opinion; it is not an opinion confined to this group. I would say that it is the opinion across Canada, and I am sure that the minister himself would be the first to admit that there is some basis for that opinion.

The two sections which I read from P.C. 1609 describe all the powers that the minister needs to get on with the job. He has the details right there and it is up to him to proceed. From time to time in this house he has given us statistics which, I presume, are prepared by the admirable economic research group in the department of Central Mortgage and Housing Corporation, to whom I wish to pay a tribute, because they do prepare statistics in a form that I, as a layman and not a technical expert, as the minister is, can follow and understand. Unfortunately, however, one does not get all the information that one wants from the answers that are given to questions asked; for instance, the answer given by the minister to the questions asked by the hon. member for Bow River with regard to the cost of housing under certain conditions, and to the questions that I myself have asked with regard to certain items on which I wanted information. I do not blame the minister for sticking to the point of the question that is asked, but many of us are not lawyers and cannot see the implications of a question when we ask it, and we have received answers that do not give us the information we seek, though answers may be technically in accordance with the terms in which the questions are drawn up. I suggest, however, that the minister errs in not assisting us to get the information that we want.

Mr. SINCLAIR (Vancouver North): How can he know if you do not ask the question properly?

Mr. PROBE: I will give an example of the sort of thing I have in mind.

Mr. SINCLAIR (Vancouver North): You say you got a proper answer.

Mr. PROBE: I got an answer technically in accordance with the wording of the question. I asked this question:

How much lumber of various kinds or grades was bought by or for any federal housing agency during each of the months of 1946 in each of the federal constituencies of Pontiac and Nipissing?

The answer is:

No lumber was purchased by or for Wartime Housing Limited during 1946 from any supplier in these two constituencies.

[Mr. Murphy.]

I am sure that question is answered in accordance with the way in which it was framed, but the intent of the question—

Mr. SINCLAIR (Vancouver North): You have to smarten up. That is your trouble.

Mr. PROBE: I am just as smart as the hon. member for Vancouver South.

Some hon. MEMBERS: Oh, oh.

Mr. MacINNIS: North.

Mr. PROBE: Vancouver North.

Mr. SINCLAIR (Vancouver North): I take it you are not as smart as the hon. member for Vancouver South.

Mr. PROBE: At the moment I will defer to seniority in stature or age over here, but that does not apply to the hon. member. I wanted information in all sincerity and it could have been furnished by a telephone call from the minister's department. They could have said, "Tell us exactly what you want and we will get it for you". I did not get that information, however, and the result is that the intent of the question remains unanswered. But that is the general situation in the Department of Reconstruction and Supply.

I do not think the minister is a lawyer; I understand he is an engineer; but he has under him people who are far more clever than a lot of the lawyers I hear carrying on dissertations in this house, especially when we are pressing for necessary information which we ought to have. From time to time, both in the house and outside, the minister has made statements about the building boom in Canada, and housing progress. We are told that the rate of building exceeds anything we have ever known in the history of Canada. But in his press releases there are suggestions that are not strictly in keeping with the statements that he should make as head of his department. Here is an example. In the report of Central Mortgage and Housing Corporation there are some excellent tables, and the minister could have quoted from that booklet the statement that under part I of the housing act, for example, only 6,927 loans were made in 1947, or that there were loans made for the purpose of rental housing, by Central Mortgage and Housing Corporation, in 1946, for only 4,836 houses. These represent the two major classes of housing sponsored by his department on the lending basis. I am ignoring for the moment Wartime Housing Corporation. I have not the same criticisms to offer of Wartime Housing Corporation that have been expressed by some other members.

I was glad that the minister said we could now buy these houses in Regina. I fear the policy is a new one declared within the last day or two, because it was not in effect when I was home at Easter. The minister also spoke about the fifty-foot lots. If he is referring to fifty-foot frontage, that is not true of every house we have in Regina. However, on the whole I am happy that these buildings are there, and the veterans living in them are for the most part satisfied. To that extent, therefore, I wish to make my acknowledgments to the minister as head of the department.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

TORONTO, HAMILTON AND BUFFALO RAILWAY COMPANY

The house in committee on Bill No. 73, respecting The Toronto, Hamilton and Buffalo Railway Company—Mr. Cleaver—Mr. Golding in the chair.

On section 1—Trust indenture confirmed.

Mr. CHURCH: Perhaps the sponsor of the bill would give us an explanation. This is largely a matter of a trust deed given by the Toronto, Hamilton and Buffalo Railway Company in favour of the Royal Trust Company for $2,000,000 worth of notes of the railway company, which notes were issued under the deed. There seemed to be some doubt as to whether the railway company and the trust company had power to make the agreement, but the committee passed this bill the other day; they found this money was required for betterments, so that I have no personal objection to the bill.

Section agreed to.

Section 2 agreed to.

Preamble agreed to.

Bill reported, read the third time and passed.

QUEBEC NORTH SHORE AND LABRADOR RAILWAY COMPANY

The house in committee on Bill No. 106, to incorporate Quebec North Shore and Labrador Railway Company—Mr. Rinfret—Mr. Golding in the chair.

On section 1—Incorporation.

Mr. CHURCH: At the meeting of the railway committee the other day I asked for an explanation of this bill, and I am far from satisfied that this parliament has power to pass it. In the first place, this is largely a power proposition. They do propose to construct a railway, as set out in the bill; and, mind you, I believe the gentlemen who are the proposed incorporators deserve a great deal of credit for what they have done in New Ontario. I have only a few observations to make about this bill.

The other day the Secretary of State for External Affairs announced that in the near future a conference would be held between representatives of this country and Newfoundland in regard to that country becoming part of Canada. In view of that fact, I think it is against public policy for us to liquidate any of our assets in that part of the country. While I appreciate what these gentlemen have done in other parts of Canada in connection with the development of our resources, still we as individuals have a public duty to perform.

The names of the incorporators are set out in the preamble. They propose to construct a railway to be known as the Quebec North Shore and Labrador railway, only part of which is to be in Canada. As you know, Mr. Chairman, a large part of the huge debt of this country was incurred in days gone by in connection with our railways. We have had overcapitalization, duplication and waste; branch lines were built all over Canada paralleling other branch lines, and private ownership made such a mess of the whole thing that a royal commission had to be appointed to recommend certain principles to be followed in future in connection with new railway construction. That was in 1917; and it was recommended that the board of railway commissioners, now know as the board of transport commissioners, should be consulted and should make recommendations before any more branch lines were constructed.

When our railways were built the companies came to the dominion government and were paid so much a mile to construct the lines. Then they were given rights of way, land, mineral rights and all that sort of thing right across Canada. Not satisfied with that, some of them went to the provinces and obtained further grants. For that reason, and in view of the conference to be held with Newfoundland, I believe that we should mark time until the cabinet has had a chance to look into the situation; then this bill might be brought in a little later in the session. This company proposes to construct a railway

from the St. Lawrence river in a northerly direction to the southern boundary of Labrador, thence in a northerly direction to a point on the northern boundary of Labrador in the vicinity of Ruth lake, and even on the Ungava bay, Hudson strait and so on. The company is making provision to go through another country, because Labrador does not belong to Canada. Labrador was given to Newfoundland, and during the war the provisional government appointed by the British government for Newfoundland automatically looked after Labrador.

In view of the coming conference, I fail to see why we should give the terms asked in this bill. True it is that this company did apply to the Newfoundland government, and simply got permission to go on with the railway. We note the words, "provided that authority be obtained from Newfoundland." What power have the incorporators of a railway company to go to a country which is not part of Canada and negotiate, over the heads of parliament, for the building of a railway?

In addition to the railway, they are to have permission to issue securities, and other things besides. They are to have power facilities to develop. They are to be placed in control of aeronautics, something which is under the control of the Minister of Reconstruction and Supply (Mr. Howe), as he pointed out when the aeronautics bill was passed.

Then, they are to have power over certain amalgamations, and they are given power to generate, acquire, use, transmit and distribute electric and other power or energy, arising from the water power up there. That is a pretty wide departure fom the Railway Act. If it is to be a power corporation, and not a railway, why do they come under the Railway Act? Further, it is not for the general advantage of Canada, because no doubt when they come to parliament they will want a grant of so much a mile for the construction of the railway, despite the fact that it is through a first-class mining district.

Then, they will have to erect telephone and telegraph poles, and they will require wharves for purposes of navigation on the ocean and on inland lakes and rivers. They will have the right to build docks and warehouses, and act as wharfingers. Many other things enter into this contract. They may construct, acquire, charter and navigate steam and other vessels for the conveyance of passengers, goods and merchandise; and may construct, acquire and dispose of wharves, docks, elevators, and so on.

It is an omnibus bill; they are given everything. Further, they are allowed to construct

hotels and parks, and all that kind of thing. They are given jurisdiction over motor buses and motor cars for collecting, carrying, transporting and delivering freight, goods and passengers, and may collect rates and charges therefor; but no rate or charge shall be demanded or taken until it has been approved of by the Board of Transport Commissioners for Canada.

Another power they are given—and I have never seen this placed in a railway bill before—is that of building a pipeline for oil, so that they may transmit via pipeline right through a country which does not belong to Canada. Why, we might as well pass a bill here to do these things in the state of New York or the state of Maine.

We do not own Labrador; we have nothing to do with it. Yet, here, over the head of the cabinet and the government, there is a proposal to go through all this, to go through an outside country, with the authority of Newfoundland. While Newfoundland is in the empire, it is still another part of it, and is now placed under British trusteeship. I should think that would be the proper way to describe it, for Great Britain has the responsibility.

I shall point out one further fact, and then I shall have concluded, because, having said this, I have done my duty as a member of parliament. I have attempted to look into the situation to see that we are not guilty of giving certain things in a haphazard fashion. It will be noted this bill was initiated in the other end of this building. There were no reporters at the meeting, and what was said was not put on the record. As I said in committee, "You have money to spend, to take down divorce proceedings; but you have not money to spend to report the proceedings of the railway committee, when you are giving away a franchise, and all that kind of thing." I objected to it. We should have had a record of it, so that we would know what they are asking. But somehow or another, everyone ignored it.

We might as well be handing over the whole of Labrador, a place we do not own, to a lot of private people. Do not forget the mistake that was made in New Ontario. I would suggest that we look at "Moody's Public Utilities"—"Huston's" used to be the national financial book—and see who owns the natural resources of Canada. Look over the natural resources of this country, the gold, silver, copper, nickel and other minerals, from the Ottawa river to the Nipigon, and you will find who owns it—Americans and other foreign

capitalists. You will see who they are; they do not live in this country at all. And they are not Canadian citizens. I object to that.

I am one who has always supported private capital, because we owe a great deal to capitalists from all over the world who helped develop this country. But if you pass this bill to enable them to obtain this franchise, they will have the power to spend money. I do not object to these men personally; they are fine citizens of Canada, and have done a great deal for Canada and themselves. They have a good record in other places. But I believe that in the public interest it would be unwise for us in this haphazard fashion under this omnibus bill, to part with natural resources we do not own in another part of the empire.

We have squandered the natural resources of this country at a great pace and Canada is going to be a poor country with its debt. To a large extent we have given away our natural resources to mostly a lot of outsiders, and some insiders. The result is that rates for power are away up to a point three times what they should be. That is about all I have to say about the matter. These are good people; but I fail to see that this bill should pass, allowing them to receive this handout for largely nothing.

Another point I wish to make is that we are committed to a 99-year lease on bases, from Newfoundland to British Guiana, between Britain and the United States. That lease was given with the consent of Canada. We have given to the United States leases on all the bases in the Atlantic ocean, including some on the shores of Newfoundland and Labrador. The bases are not all out in the ocean, because some are on Greenland, Iceland and other places in the north country, including Newfoundland and Labrador, the territory under the joint defence board and the atomic board.

This proposed agreement is ultra vires of the dominion. At the end of the bill it is brought under the Railway Act by saying that it is declared to be for the general advantage of Canada. Let me say that it is for the general advantage of the promoters; that is what it is, and not for the general advantage of Canada by any stretch of the imagination. That is so, because of the decisions in the law courts. All these properties are not even in Canada. In this bill they are being handed everything from the heaven above, the earth beneath and the waters under the earth, in Canada, Quebec, Newfoundland and Labrador. They are being handed all this by parliament in a haphazard manner, and we have no power to do it.

That lease which was given for ninety-nine years is practically a freehold. In Washington, in congress and the senate, they are urging that Newfoundland and Labrador be given to America, although the lease for ninety-nine years was to protect United States shores in the battle of the Atlantic, and that it should be cancelled and charged up to lease-lend, because that is what it was for, to defend America's shores from invasion. When the enemy was threatening Newfoundland and Iceland, Labrador and all the Atlantic seaboard, and when they were right up the St. Lawrence we met in secret session, and the case was stated by a former able minister, who is now the premier of Nova Scotia.

For these reasons I believe the government should lay down a policy in connection with this bill. What is the government's policy regarding handing out this property? We have no power to do it, because if we go to the law courts it will be found that this is outside altogether, and not for the general advantage of Canada. We might as well put railways in Spain or Greenland, or any other part of the world, under our Railway Act, as to say that this property belongs to Canada, and it is for the general advantage of Canada. Take a look at this book, Who's Who, "Moody's Financial List of Mines and Natural Resources of the World". My hon. friends to my left used to look it up, years ago. Who owns the natural resources of this country? We had a big fight about that in Ontario from 1905 to 1914 when Sir James Whitney came into office. Our friends on the other side of the house gave the water power in the Niagara River to private owners, with the result that the rates were top heavy. The greatest mistake Sir James Whitney made was when he did not electrify the Temiskaming and Northern Ontario Railway in 1909 or 1910, so that they could have had cheap light and power in that part of new country. Gold production, silver production—the production of all the great minerals—could have been carried on with cheap hydro power. If Ontario men had electrified the T. and N.O. railway and brought the joy of cheap light and power to the great mines of all New Ontario and cheapened prospector and development costs as Sir Adam Beck wanted to do then, it would have been then $9 or $10 a horse-power instead of having to go up as high as $35 or $60 a horse-power at Cochrane and other mining centres under private ownership.

That is something we should consider when dealing with a bill like this. As far as I am concerned, it means nothing to me and I do not care a snap of the finger further if you want to pass such a handout under this bill as I might as well rather go home, if you do.

While I appreciate that these are great Canadians, that they have done a great deal for the country as well as for themselves, still I believe it is not the time for us to part with natural resources thus. I say this because of the statement made by the Secretary of State for External Affairs, that a meeting is to be held to consider a new province, Newfoundland. Newfoundland is badly enough off now with her debts because of the money that was squandered there and because of the way the natural resources were handed out. If Canada is going to pull them out of debt she will have to pay a lot of money out of her own pocket, especially with regard to Labrador. I am a member of the railway committee, and I consider it my duty as a member of the House of Commons to make that statement in the public interest and object to the bill, and having said this, that is all the objection I have to the bill.

Mr. MacNICOL: I shall be brief because I do not want any remarks of mine to hold up the passage of the bill through committee. Some eight years ago I tried to persuade the commission government of Newfoundland to provide guides for myself and three engineers of the Hanna company of Iron River, Michigan, to permit us to go up what was then called Sawyer lake in Labrador. At that time the engineering journals were filled with glowing accounts of the iron content of the iron ore in that area and of the magnitude of the deposits. I have some good pictures of that area.

This bill does not call it Sawyer lake, it refers to it as Ruth lake. The maps of that time showed it to be some considerable distance inside Labrador whereas this bill says it is about on the boundary between Labrador and Quebec. However, that is neither here nor there. If this company goes on to develop the iron ore in this area I wish it every success. We can certainly do with a lot more iron ore in Canada and in the United States. We all know that the great Mesabi ore beds west of Duluth in the United States are being rapidly depleted, so much so that the United States government is setting aside I have read certain iron ore areas for future defence purposes. I hope there is a large bed of iron ore in Labrador and northern Quebec. We are in the iron age, and if the ore in this area is of good quality and in a sufficient quantity it will be a grand thing for Canada. I have always been one who has advocated the opening up of the resources of this country.

The description in the bill is not clear as to whether the iron ore beds are near Grand falls on the Hamilton river.

Mr. HOWE: About 300 miles away.

Mr. MacNICOL: The map shows Grand falls to be about 150 miles from the location of the ore beds. I would hope that power could be developed at Grand falls in order that this ore could be smelted down to pigiron. They do that in Sweden and I do not see why it could not be done in Canada. That would obviate the necessity of taking large tonnages of coal into the country. There is alleged to be a vast power potential at Grand falls. The river is said to be only about 200 feet wide right at the falls, but the water drops 316 feet and there is a very large volume. All the reports I have read state that there is a potential of four or five million horse-power. Whether that is so, I do not know, but if the falls are no more than 150 or 200 miles from the ore deposit I would hope that power can be developed and used to smelt iron there. That would be a grand thing for Canada.

I do not know of anything that would tend to develop Canada more rapidly than the smelting of large tonnages of iron ore in this country. I have not any comment to make on the various sections of the bill. I just wish to say again that if this bill goes through I wish the company every success. As the hon. member for Broadview has said, the promoters are all well known and successful miners and if anyone can develop this area they ought to be able to do so.

Mr. McIVOR: This bill comes from the upper house and it was well examined by the people who are there to act as a check on hasty legislation. When this bill was before the committee there was no effort made to drive it through. Questions were asked from all sides and the hon. member for Outremont was not in any hurry. The dominion government is not running any risk, because the company is just asking for permission to spend money to develop these resources. This would provide a good deal of work.

Mr. COCKERAM: I rise tonight to support this bill. In 1929 and 1930 I was connected with a company that sent prospectors into this area where the original discoveries of iron ore were made. I was surprised to hear the hon. member for Broadview refer to this as a branch line. This line will open up a com-

pletely new area in Canada, an area that has great promise. Section 20 of the bill provides:

The works and undertakings of the company are hereby declared to be for the general advantage of Canada.

I believe this bill is worthy of the support of every hon. member in this house. It will certainly open up a vast new mining area in Canada and provide employment in a part of the country which is devoid of opportunities for employment at the present time.

Mr. HAZEN: Is there any dominion legislation which provides for the payment of a subsidy to a company that constructs a railroad declared to be for the general advantage of Canada?

Mr. CHEVRIER: I know of no such subsidy paid under conditions set out by my hon. friend. At one time assistance was given for the construction of branch lines, but that was many years ago. That certainly is not the policy of the government today.

Mr. HAZEN: Is there any legislation on our statute books about it?

Mr. CHEVRIER: None that I am aware of.

Section agreed to.

Sections 2 to 6 inclusive agreed to.

On section 7—Line of railway described.

Mr. MacNICOL: Is either the minister, the hon. member who introduced the bill or the minister of reconstruction in a position to say whether it is the Marguerite, the Moisie or the Wacouno—

Mr. RINFRET: The Moisie and the Wacouno.

Mr. MacNICOL: That is a tributary of the other river?

Mr. RINFRET: That is right.

Mr. MacNICOL: Why is the Marguerite mentioned, because it is ten miles west?

Mr. CHURCH: I should like to ask a question of the Secretary of State for External Affairs. This section gives authority to the company to construct and operate a line of railway running into Labrador, which is not a part of Canada. I would ask the minister what is the meaning of these words:

provided that authority be obtained from Newfoundland for the construction and operation of this section of the railway—

Note this:

—thence northwesterly to a suitable port on Ungava bay.

There is no port there at the present time. Will this interfere with the negotiations between Canada and Newfoundland as to the latter joining Canada, announced in the house the other day by the Secretary of State for External Affairs? And where is the port on Ungava bay? Do the words I have quoted mean that this company can negotiate with another government over the head of the government of Canada? Can a private company and private people do this? I should like to know from the Minister of Transport whether the Canadian National Railways has abandoned this territory on the St. Lawrence and in Labrador.

Mr. ST. LAURENT: I will try to answer some of the questions involved in the request made by the hon. member. What is being done here has two aspects. One is the incorporation of a company which thereby gets the right to act as a person; the second is the grant to that company of the right to build a railway in Canadian territory. Under our system no one, neither a company nor an individual, can build a railway without a charter from the government of Canada if it is to be interprovincial or if it is to connect Canada with another country, or from a province if the railway is to be entirely within the province. This parliament can grant no rights to build a railway outside its territory, but it can give a company the capacity to receive such rights from the appropriate authority. That matter came before the privy council several years ago. One was a case concerning the John Deere Plow Company, and the other was a case concerning the Bonanza Creek Mining Company. The capacity to receive powers can be granted by this parliament in creating a corporation, and that is all that this parliament can do with respect to any portion of the railway that would be outside Canadian territory. It can have the capacity to receive a franchise from the sovereign of the territory outside Canada where it may operate. I do not think that would be dealing with a foreign government over the head of the Canadian government any more than it would in the case of a United States company that gets a charter here for the operation of a subsidiary in Canada. There does not appear to be any international conflict here. All states assert the right to give companies the capacity to receive powers from whosoever may be willing to grant powers to them.

With respect to the port on Ungava bay I have no information whatsoever. I do not know whether there is a port there or whether one can be developed there. But reading the bill I gather that the intention is to have a

railway that would go out of Canada, through Labrador, then come back into Canada and proceed through Canadian territory to Ungava bay. But the company will not be able, under this charter, to do anything outside Canada without getting a franchise from the sovereign of the territory outside Canada where it may desire to operate.

Mr. CHURCH: We are a party to Great Britain's granting of a ninety-nine year lease, binding Canada with America, which is practically a freehold of all the Newfoundland bases, and that includes Labrador inland as well as on the ocean. In view of that agreement, have we the power as a parliament to go into Newfoundland and give away, not only the bases, but the land and the bay where they are trying to develop a port? Ungava bay is a big bay and they have no port there yet, and the bill is in the dark on it. Have we the power to do this in view of the ninety-nine year lease made by the British government with the United States for the use of all these bases in Newfoundland and right down to British Guiana, which is the size of Great Britain? You know, Mr. Chairman, that in the last war German boats came right up the St. Lawrence and we had a secret meeting of parliament in connection with that. I contend that Canada is bound by that ninety-nine year lease and that we have no power to part with this property.

These people told the railway committee that they had dealt with a former Newfoundland government before the war. I would ask the Minister of Transport, what was the nature of the arrangement, if any, the said company made with the old provisional government of Newfoundland? What form did it take? Was it just an act of the provisional government? If it was, no wonder Newfoundland went bankrupt. I think the committee is entitled to this information. Does not the agreement with the United States for a ninety-nine year lease of bases include not only the bases on the ocean but the bases on the land and in Newfoundland and all of Labrador, and all the inlets on the coast? In the last war German boats were up near Iceland and Greenland, off Newfoundland, and in the St. Lawrence and Hudson strait, and we had to send ships up there. It cost a lot of money and lives.

The House of Commons is passing this bill blindly, and we shall regret it in the days to come if we hand over all this territory to private ownership forever. It is not a work for the general advantage of Canada. It is not even within Canada. So how can it be for the general advantage of Canada when the territory and inlets are not in Canada at all? We might just as well claim that inlets and coves in China are works for the general advantage of Canada. I should like to know if the legal department of the crown has been consulted about this bill. I do not like to worry the Minister of Justice. I shall not ask him for his legal opinion, but I think he should have been consulted as to whether this bill is worth the paper it is written on. It goes over the heads of the Canadian and British governments and over the head of the provisional government of Newfoundland. Great Britain had a temporary trusteeship over the whole country of Newfoundland while the war was on. I should like to know who drafted and recommended this bill. I think all that information should be on the table. So far as I am concerned I do not think it makes any difference. I feel that I have done my duty as a member of parliament in calling the attention of the committee to what is involved in this omnibus bill.

Most of the people are fine people. They are not being criticized personally at all. I do not blame them for coming to parliament and asking for this legislation, because this is a pretty easy institution which we have assembled here. Nobody would give away that property in this way if they owned it themselves. What we are dealing with here is the mining industry.

Mr. McKAY: On first view this bill appears to me to be a virtual monopoly. If that is so I should like to ask the Minister of Transport whether it will prohibit the operation of any other railway company in that particular area. If it does not I cannot see that there should be any real objection to the bill. On the surface it does appear to me, though, that it would prohibit all other railways from going into that district.

Mr. CHEVRIER: I do not think there is any difficulty in answering the hon. member's question. This bill, no more than any other bill which is approved by a committee of the house, creates a monopoly. Any other corporation or company which seeks similar rights can apply to parliament in the same way as did this company, and its application will be dealt with by the committee on railways, canals and telegraph lines. While I do not know what the answer would be, I am sure that the committee would want to give such corporation similar rights to these. The answer is, therefore, that this bill does not preclude another company from making application.

Mr. GILLIS: I do not think the minister's interpretation is correct. This bill gives the company a lease on the whole area. It precludes any other company from going in there.

Mr. CHEVRIER: That was not the question of the hon. gentleman. He shakes his head now and agrees with me.

Mr. GILLIS: The question as I understood it was, does not this bill preclude the possibility of any other company going in there and getting concessions similar to these?

Mr. CHEVRIER: The answer is, no.

Mr. GILLIS: It definitely does, because the whole area is being leased to this company and precludes any other company from going in there. But worse than that—

Mr. CHEVRIER: May I interrupt the hon. gentleman? He says that the whole area is leased to this company. This parliament and the committee on railways, canals and telegraph lines are not concerned with that. Parliament has the right only to grant certain privileges so far as the railway, docks and wharves are concerned. It has granted this company the right to build docks, wharves and a railway line extending from the north shore of the river to Quebec and Labrador. With reference to the resources, the deposits of iron ore, water power and the like, that is a matter which does not concern this parliament.

Mr. GILLIS: Nevertheless, as I was saying when the minister interrupted me, this bill not only gives the company control over bus lines, transportation and all the rest of it which is included in the bill—if it is a provincial matter it should not be in the bill—but it definitely delegates these rights to the company. The worse feature of it, as I see it, is that the company is not obligated to begin operation of the road for five years, which can serve the purpose of keeping someone out if they want to go in and develop that territory in that time. If at the end of ten years the job is not completed, then. under the bill, the government has the right to rescind it. So far as the development of the resources and the railway line in there are concerned, it is definitely gone, because the company can do what they like with it for the next ten years. They are not obliged to do anything about it. The bill precludes anyone else from going in there and developing the area. This bill looks too much like the merger of Dosco in Nova Scotia.

Mr. McCULLOCH (Pictou): Oh, oh.

Mr. GILLIS: There the authority was delegated innocently. So far as I am concerned, the powers contained in this bill are too sweeping to be passed by this House of Commons without a more thorough explanation of what it means to the Canadian people in the future in the development of the resources in that territory. Not only does the bill do that, but it wipes out the Railway Act in two or three places. Two or three sections of the Railway Act are set aside to make provision for the rights and privileges which are being extended to the proposed company. Whoever is sponsoring this bill—the Minister of Transport has only a slight interest in it because of the functions of his department—should give a more thorough explanation of it than has been done up to the present time. The bill itself is, in my opinion, an iniquitous piece of literature, to say the least.

Mr. RINFRET: The hon. gentleman who preceded me got mixed up in the various companies that are interested in this project. It is true there is a company which has obtained a concession from the provincial government to make explorations, but it has no mining rights over the territory in the northern part of Quebec. There is another company which has obtained certain exploration rights from Labrador or Newfoundland, but has yet no mining rights. It is making explorations at the present time. These two companies have nothing in common with the company that is applying to build a railway from Seven islands to this territory. This company is asking only for the incorporation of a company which will have the right to build a railway from Seven islands, following the Moisie river and Wacouno river, and from there going to Labrador and coming back to the province of Quebec. By this bill we are not giving to a new company any natural resources which are ours. Whatever has been done so far as concession leases are concerned has been given away or leased by another government than ours. We are not here to discuss whether that was a good thing or not. We are now faced with one problem, namely, to give a company the right to build a railway.

Section 7 which we are discussing says:

> The company may lay out, construct and operate a railway.

That is a permissive section only. It does not say, as it should have done, if my hon. friend is right, that the company will have exclusive right to build. It says, "the company may." That is a permission which is given to the company. Any other company

can ask for a similar bill to build another railway line one mile or two miles to the east or to the west.

Mr. GILLIS: Running parallel to this one.

Mr. RINFRET: Yes.

Mr. McKAY: I should like to ask the Minister of Transport a further question. Is there any likelihood of the Canadian National being given rights to tap this area?

Mr. SMITH (Calgary West): They are losing enough money now.

Mr. McKAY: The Canadian National needs operating revenue. From the information at hand we are told that the company which is developing the area is not prepared to go ahead with the project until it has laid out 300,000,000 tons of iron ore. That is a large quantity of ore, and it would seem to me that the railway should pay if it transports that ore to the St. Lawrence basin. In view of that fact, has consideration been given to the Canadian National Railways tapping that area?

Mr. CHEVRIER: Consideration has been given the suggestion that the hon. member makes. The Canadian National Railways is not interested in the territory. When the Canadian National seeks to build a line—and I presume the same applies to other railways—it looks, not only at the natural resources which exist in the territory, but also at the population. In this particular instance there is no population in that territory. However the Canadian National Railways might be interested in connecting its line from Murray Bay down along the north shore to make a line of junction with this line which will be built northerly into the province of Quebec. But there would be no purpose in the Canadian National Railways spending tremendous sums of money such as this, because I am informed that it will cost in the neighbourhood of $100 million, not only to build the line, but to set up the plant and equipment, the terminal docks and boats required for this huge undertaking.

May I say a word with reference to the remarks of the hon. member for Cape Breton South? The Department of Transport is not interested in this bill, except to say whether it has any objections to it, and it has already indicated, through its solicitor before the committee, that it has no objection to the bill. The departmental officials study applications such as this and when there are objections they raise them. In this instance they found that there were no objections, except as regards section 16, which was amended at the suggestion of the board of transport commissioners.

Speaking, not as the Minister of Transport, but generally, it would strike me that this undertaking is of such considerable importance to the development of the country that all hon. gentlemen should be in favour of it, not because of this particular corporation, but because of the development that will be consequent upon the undertaking.

Mr. CHURCH: I have not received an answer to the question I asked.

Mr. BENTLEY: The words of the Minister of Transport now put a somewhat different construction on the policy of the Canadian National Railways today as he announces it, in comparison with what it was a good many years ago when it was the Canadian Northern railway together with a jumbled-up aggregation of others. He said that the Canadian National was not interested in going into places where there was no population. Am I correct in that statement?

Mr. CHEVRIER: I added something more. I said that the Canadian National Railways, when they decide to build a branch line or a main line into new territory, make a survey and determine whether or not the natural resources are such, the population is such, and the revenue which may be derived from traffic is such that it will make the line a revenue producing line. I have repeated that many times and I attempted to paraphrase it quickly this evening. I may not have put it in the same words as before; to summarize the situation briefly, that is the position.

Mr. BENTLEY: That is a sound way of doing it. I am not arguing against what the minister said. Nevertheless, until the resources of the country are known and surveyed, it is hardly likely that population will be a factor. I remember well working at the time of the construction of the Canadian National Railways. I scowed on the old Fraser river from Tete Jaune Cache to what is now Prince George, and there was no population except the workers engaged in construction and the odd settlers in the Moose river area, and so on. It was the natural resources at that time that captured the attention of the Canadian National, as well as the potential earning power of the railway. This one may have an equal potentiality, and if it has, then the development of these resources will build up the population. If a private company such as this feels that its survey indicates the possibility of the undertaking being profitable, then it seems

to me that it is a proper thing for the Canadian National Railways and its owner, the Canadian people, to give careful consideration to the question whether it should not go into this development as a public enterprise, rather than leave it to private enterprise.

Mr. GIBSON (Comox-Alberni): Cheaper for you to take them over when you are the government.

Mr. BENTLEY: That is a possibility; we will keep that in mind. The hon. member for Comox-Alberni has given us an idea there, and we will write it down in our little black book and in a few years' time look into the question.

Mr. CASE: Don't put it in the red book.

Mr. BENTLEY: That is one of the things we should not like to do, to take over a $60 million or $100 million concern that is worth only $5 million in intrinsic value.

The hon. member for Cape Breton South made a good point when he suggested that the bill should not go through but be given further study. I attended one of the meetings of the committee on railways, canals and telegraph lines. One of the witnesses was there—I have forgotten his name—but no record was kept of the meeting, and I asked the chairman if we could not have a written brief from the promoters so that we could examine the position. We were not given that brief. Whether we shall get it I do not know, but certainly there was nothing at that meeting to suggest that we would get it, and I have heard no more about it. I think it would be a good thing to supply the members of the house with a brief from the company so that we can understand the situation exactly and know what the known resources and possibilities are. If that were done we could give the matter more intelligent consideration and come to a better decision. I believe that would be the right thing to do.

Mr. CHURCH: The joint defence board and the atomic bomb board have been in this territory and I think we ought to know what the policy is. They have been roaming all over the territory, all over Labrador, Newfoundland, Ungava bay and Hudson bay, but we have no report from them. There is another board there, the atomic board, from which we have received no reports. Since it is nine o'clock now, Mr. Chairman, I suggest that further consideration of the question be held over until the next occasion when the bill comes up. This is not the first time I have come to the relief of public ownership, to protect our natural resources, and it may not be the last.

Some hon. MEMBERS: Carried.

Mr. CHURCH: Nine o'clock.

Progress reported.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed consideration in committee of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war—Mr. Ilsley—Mr. Golding in the chair.

The DEPUTY CHAIRMAN: Before the house rose at six o'clock we were dealing with P.C. 1609 on page 6 of the schedule to Bill No. 104.

Mr. PROBE: As I indicated before the dinner recess, the order in council that we are discussing at the moment gives the minister of reconstruction wide powers, permitting him to look after the urgent needs of the Canadian people for housing. As I intimated this afternoon, I think it is the general feeling of the Canadian people that the minister, whose record as Minister of Munitions and Supply was so brilliant, has failed dismally in doing the job that we as Canadians expect of him, and in taking such steps as would render that job easier in the exercise of those powers that parliament has delegated, as contained in this order in council with respect to the construction of large-scale housing to satisfy Canadian requirements.

I just wish to indicate again that in 1946 the Central Mortgage and Housing Corporation, with all the fanfare that has accompanied the various bills and amendments, with the National Housing Act, which has been on the statute books for so many years, provided less than 12,000 housing units for ownership by the occupants or for rental. That figure was made up of 6,927 houses for ownership, on which the corporation gave loans, and 4,836 rental houses for which the corporation lent money. I am prepared to admit, of course, that there are other agencies working in this country to provide some measure of housing; but in view of the wide powers granted the minister under P.C. 1609 I think it is fair to say he is not only a super-optimist in his statements about housing but he is optimistic beyond all reason.

The two sections I read before the dinner recess indicate the power given the minister

with respect to prices of building materials, and I would ask the minister for an accounting of his stewardship in regard to the price situation. I have listed a few ordinary building materials mentioned in the *Canada Gazette* as being under price control and either this evening or the next day I should like the minister to place on record the trend of retail prices for these five commodities, covering 1939, when there was no Department of Reconstruction and Supply, perhaps 1944 as another year, and 1947. He might give the retail prices in my own city of Regina, which he will be able to obtain, for B.C. fir, rough or surfaced, No. 2, and will take a specific stick; 2 inches by 4 inches by 16 feet long. Then he might give the same information for spruce and jackpine, rough, No. 2, 2 x 4 x 16 feet; dressed white pine, No. 2, 2 x 4 x 16 feet; birch flooring, mill run, 13/16 inch thick; oak flooring, mill run, 13/16 inch thick. If the minister will be good enough to put those figures on record I am sure he will prove to the satisfaction of the Canadian people that the priorities officer mentioned in the order in council, who controls the building commodities mentioned, has not taken his duties at all seriously.

Further than that, last year the minister indicated that he was going to delegate to the municipalities the power to issue permits for building construction. Undoubtedly that system has failed because, as has been pointed out a number of times, roughly one-third of the building in Canada in 1946 was housing, while two-thirds was industrial. Let us compare that with other governments that are in the business of building on a state-wide basis, with no more powers than the minister has. In the excellent report put out by his department, "Housing Progress Abroad" for February, 1947, I find, for instance, that last year New Zealand constructed housing to the value of £12,500,000, New Zealand currency, while other construction combined amounted to £4,600,000, or a little more than one-third the amount allotted to housing. In Sweden, last year housing construction amounted to $354,000,000. That is a country which already has its population housed on a standard that would put Canada to shame; and its industrial construction for 1946 amounted to $161,000,000. The minister painted a glowing account of the progress Canada was making in housing in comparison with other countries; yet, as I have said, the figure in Sweden for 1946 was $354,000,000, while in Canada, according to the minister's own figures, housing contracts let totalled $213,000,000.

[Mr. Probe.]

I also notice that there has been some talk with respect to the shortage of building craftsmen in this country. It is interesting to note that in the January bulletin of the Central Mortgage and Housing Corporation called "Housing in Canada", the figures of unfilled vacancies and unplaced applicants in construction occupations in Canada are given for the years from 1944 to 1946; and during four months of 1945 there were actually more unplaced applicants than unfilled vacancies in the various branches of construction, such as bricklayers, carpenters, plasterers, plumbers, pipefitters and other skilled, semi-skilled and unskilled workmen.

Mr. HOWE: May I ask my hon. friend which months those were?

Mr. PROBE: Yes. I know what the minister is driving at. They were the winter months; December of 1944, and January, February and March of 1945.

Mr. HOWE: How is bricklaying in Regina in January?

Mr. PROBE: That is not an unusual situation in itself, but what was the situation in 1946? Since housing needs have not diminished, one would expect the picture to be a little different in that year. However I do not believe the minister has changed the balance between the number of houses needed and the number under construction by one solitary housing unit since he took office; I am quite convinced of that. In 1946, instead of four months during which there were more unplaced applicants than there were unfilled vacancies, the period was seven months: January, February, March, April, May, November and December. From this it would not seem that the minister has gone about his job in connection with housing with the vim and vigour with which he is credited with having undertaken Canada's war effort.

The cost of building material has gone up, as I have said, not only in connection with the kind of lumber for which I asked the minister to provide figures, but in connection with most of the other articles that go into the construction of houses. In that regard one would imagine the minister would use some incentive, other than the kind he gave Crane's recently, to increase the production of building materials, since there is going to be a demand for them for a considerable length of time.

I notice in the report to which I referred a minute ago, "Housing in Canada", we find at page 44 that the production of cement for 1946 is over that of any of the years from 1939 to 1945. The same applies to the

production of bricks, warm air furnaces, asphalt shingles and gypsum wallboard. But with respect to sawn lumber last year, despite all its requirements, there was less sawn lumber produced in Canada than in either of the years 1941 or 1942. Then, in respect of glass, which is an imported article, but which, nevertheless, I have no doubt the minister has sufficient power to do something about, in 1946 we secured less glass than we did in 1939, 1942 or 1944.

In connection with castiron soil pipe and fittings we dropped below the high record of 1941. Then, referring to steel pipe tubes and fittings, we were beaten last year by all six years from 1940 to 1945 inclusive. In wire nails and spikes, about which we have heard so much, we had the lowest record last year of any year from 1939 to 1945. Last year we produced 58·9 thousand tons, and the lowest previous year, during the war, was 1944, when we produced 64·9 thousand tons.

I should like to conclude by putting on record the approach to the housing problem in terms of a country which, I believe, does lead the world. Canada does not, despite what the Prime Minister and the Minister of Reconstruction and Supply have said. I should like to set out here the Swedish housing budget for the fiscal year 1946-47.

The DEPUTY CHAIRMAN: Order. I do not think the Swedish programme has anything to do with the item before the committee.

Mr. PROBE: I respectfully submit, Mr. Chairman, that the object of this debate is to give the minister power—

The DEPUTY CHAIRMAN: Order.

Mr. PROBE: May I not speak to the point of order?

The DEPUTY CHAIRMAN: The object of the debate is to deal with this item, and speeches in committee must be strictly relevant to it. I am sure the hon. member will not argue that the Swedish programme has anythink to do with this item.

Mr. PROBE: Right. We are conferring on the minister wide and sweeping powers to go ahead with the job of building his houses. We are extending those powers for another year.

The DEPUTY CHAIRMAN: Order. The plea the hon. member is now making is not one which deals with this specific item. The programme of housing is another thing. We will deal with this specific item, please.

Mr. MacINNIS: May I point out, Mr. Chairman, that, however right you were when you referred to the Swedish figures, when you last stopped the hon. member he was dealing with the powers conferred upon the minister by this order. Since that is the purpose of the order, I submit that what the hon. member was saying is strictly in order.

The DEPUTY CHAIRMAN: If the hon. member for Vancouver East was following carefully he would have seen that the hon. member for Regina City was dealing with the housing programme. We are dealing with construction regulations under this item.

Mr. PROBE: I am quite prepared to bow to your ruling, Mr. Chairman. I think you are always fair, and I just want one more minute to tell the Minister of Reconstruction and Supply that we are conferring on him powers he has possessed for some time to provide us with construction material, and all that goes into the job of housebuilding. I now ask him, through you, Mr. Chairman, will he please take off the gloves and get on with the job?

Mrs. STRUM: Mr. Chairman, I am not going to talk about veterans houses, nor am I going to talk about wartime housing. I wish merely to present the case of the small town. I think the private builder who wishes to build his own house, not for sale or rent but rather for his own occupancy, is the forgotten man in the housing programme. I have been trying to find out just where he fits in. I have been reading the minister's speech of February 7, in which he spoke about the new ruling in connection with housing. He points out rightly that we have not been able to construct as many rental units as we had hoped, and points out, further, that during 1946 seventy-five per cent of the completed residential units were built for sale. I think all will admit that most of those were built for speculative purposes.

I believe the minister is right in trying to promote the building of units for rental purposes. But in the small towns there does not seem to be any place for the priority of the man building his own house. If there is a large-scale building programme under way, and a contractor is building a group of houses for veterans or wartime housing, or on any other kind of project, there seems to be a way of getting materials. If you are building 100 houses you can get bathtubs, plumbing, flooring and finishing materials; but if you are only an individual in a small town you will find it difficult to secure materials.

I made a survey of the requirements in my constituency, and I shall set out some

of the replies I received to the questionnaire. The first one is from the town of Moosomin. The board of trade of that town states, through its secretary:

> The housing situation in town is very difficult. I believe that there is need of from 30 to 50 new houses at least. If material were easily available, I am sure that there would be that many homes started almost immediately.

And so on, right through the list, from all the towns in my constituency. Broadview is a divisional point on the main line of the Canadian Pacific railway. Many hon. members will remember it. The board of trade in that town tell me that not only are they short of construction materials for the building of houses, but they lack finishing materials, plaster board, Donnaconna board, masonite, ten-test and wall boards of all kinds, casings, baseboards and flooring. One further thing of which they are in short supply is nails. However I shall not touch upon that, because someone else has already done so.

Then, at Rocanville they have no community centre, except an old hall, which is in very bad condition. They have tried to raise money for a memorial hall. I submit that this is much more important than a new cocktail bar or a new bowling alley, because they have no other place in which to hold a community gathering of any kind. But they have been held up for over a year through lack of cement and lumber.

Then, the Grenfell board of trade, through its secretary, tell me that they have not been able to honour permits to veterans to build, because they have not been able to get the lumber to fill the permits.

And right through the whole catalogue of towns in my constituency we find the same story. Some need more than others. At Indian Head, for instance, the town in my constituency where the experimental farm is located, the situation is so bad that building of any kind has practically come to a standstill. The lumber dealer at this point was able to obtain only three cars of lumber during all of 1946, and only two cars so far this year. It goes on to say:

> Those connected with the building trade in the town state that at least eight cars of lumber, including two cars of flooring and finishing lumber could be immediately disposed of to private parties wishing to build their own homes.

This is one of the few towns with running water and it is only because of their hook-up with the experimental farm that they have running water. They say that plumbing supplies and sheet metal are also in very short supply and difficult to obtain and that this shortage will have to be overcome before normal building can take place. I am not suggesting to the minister how he is going to do this, but I understand that the priorities officer has jurisdiction. I again plead with the minister to give consideration to these people who are not carrying on large construction projects which might have a claim on the basis of great volume. I am sure, when he thinks about the matter, he will realize the handicap these people face in presenting their case in connection with supplies.

Mr. FLEMING: I am sure the committee recognized in the speech delivered this afternoon by the hon. member for Parkdale a valuable contribution to the knowledge of this committee in deliberating on P.C. 1609. I should like to offer my congratulations to my colleague upon an outstanding and valuable contribution to this debate.

The order before the committee confers wide powers upon the minister, which, by a later order, were transferred to the Central Mortgage and Housing Corporation. Powers were conferred not only with respect to the distribution of construction materials but also with respect to their manufacture.

We have had reports from the Minister of Reconstruction and Supply from time to time concerning the manufacture of construction materials. It is perhaps only natural that, in view of the unsatisfactory situation which exists, the attention of the committee should be directed principally to the aspect of the distribution of these materials rather than to the subject of their manufacture. Actually some improvement has been shown in the past year in the rate of manufacture of building materials, although the steel strike of last summer created a disastrous set-back to the manufacture of certain building products. Whatever may be said about the improvement—it is not a great or general improvement—in the picture with respect to the manufacture of construction materials, the picture represented with reference to the distribution of construction materials is not a bright or happy one.

It is just over a year ago that the Minister of Reconstruction and Supply came into the house and sought to wash his hands of his responsibility for the channeling of construction materials into home building. On April 1, 1946, the minister announced that order in council P.C. 1184 had been passed on March 27, 1946. In the acompanying statement he referred to the fact that on December 5, 1945, construction control was abolished, but that subsequently a special committee from the Canadian construction association, as well as a large number of municipal and other organi-

zations, including veterans' organizations, had recommended that all types of construction other than housing be prohibited or controlled. In the face of that, the minister proceeded to announce an order in council, the effect of which was to divest himself and the federal authority of all power of directing the use of construction materials by simply handing responsibility over to the municipal authorities.

Whatever might be said about the situation in normal times, what was done by the minister of reconstruction on that occasion was to part with the effective means of ensuring that the available supply of construction materials in Canada should be devoted to home construction. That kind of passing the buck offends the conscience of the Canadian people. Here we were with a limited and quite inadequate supply of construction materials, and the power rested in the hands of the minister to channel that supply, inadequate as it was, into home construction. But he publicly washed his hands of the problem and simply threw it over into the hands of the municipal authorities.

Mr. HOWE: Is this the same hon. gentleman who, no later than last autumn, demanded that all controls be abolished?

Mr. FLEMING: I do not know to whom the minister of reconstruction refers when he says, "the hon. gentleman who, no later than last autumn, demanded that all controls be abolished". I do not know to whom he refers; he certainly does not refer to me.

Mr. HOWE: I heard him state vehemently over the radio during the course of the Parkdale by-election that all controls should be abolished.

Mr. FLEMING: I am afraid the minister is basing that statement on erroneous information, as is too often the case as far as he is concerned.

Mr. HOWE: I think I heard something like that said at that time.

Mr. FLEMING: I expect that the minister has obtained his information from a source he should not rely on.

Mr. HOWE: I like the versatility of my hon. friend, who can denounce controls one day and ask that more onerous controls be put on, the next.

Mr. FLEMING: I have not any hope of emulating the ability of the minister of reconstruction to say one thing one day and then reverse himself the next.

Mr. HOWE: If my hon. friend is so anxious to get controls, let us pass this bill and get on with something else.

Mr. FLEMING: If I may now proceed with my remarks, the minister had in his hands the power to channel construction materials into home construction.

Mr. HOWE: He still has that power.

Mr. FLEMING: And he divested himself of that power. I am sure the committee would be interested if the minister were to announce now that he is going to revive the permit system. That is the one effective means of channeling construction materials into home construction. It is the one means that would work whereas the priorities system has broken down.

Mr. HOWE: What method is my hon. friend advocating? Will he please explain?

Mr. FLEMING: If the minister would be content to let me make my speech I think he will find the answer to his question.

Mr. HOWE: Get on with your speech.

Mr. FLEMING: I will get on with my speech as soon as the minister ceases to interrupt. I do not mind his asking questions and I am quite prepared to answer them.

An hon. MEMBER: Answer them then.

Mr. FLEMING: The answer will come; make no mistake about that. There was a means at hand.

Mr. HOWE: Where?

Mr. FLEMING: The permit system; that was an effective means.

Mr. HOWE: Permit for what?

Mr. FLEMING: If the minister is going to ask a question I hope he will ask it loud enough for me to hear.

Mr. HOWE: For what does my hon. friend want to issue permits?

Mr. FLEMING: A permit plan would have helped greatly in seeing that construction materials were channeled into home construction, and that power was available to the minister at the time. The power was available at the time to see that construction materials were denied to projects which were postponable or not essential, in order that all available supplies might be used in home construction. The minister did not do that and the priorities system which he set up has since proven itself quite inadequate. A permit system would have provided a means which would have been effective for this purpose, but the minis-

ter passed the buck to the municipalities. As everyone knows, a municipal body is not equipped, nor is it a proper body to deal with this problem. As everyone knows, municipalities are competing with one another to attract industries. They are not going to refuse permits to concerns which wish to come in and build. The result has been that there is no effective control by the municipal permit system. Municipal councils have not been applying any selective method to channel construction materials into the building of houses. What has been the result of this washing of the hands on the part of the minister of reconstruction and divesting himself of his responsibility in the situation? Let us look at the number of permits granted in 1945 and 1946.

In 1945 the permit system was in effect for the first eleven months of the year, and here are the figures issued by the dominion bureau of statistics and to be found in *Hansard* of February 17 of this year. Let us just see how the proportion of permits for home construction bulks in the total of permits issued. In 1945 permits for house construction totalled, in round figures, $117,000,000 out of a total of $197,000,000 of building permits. In other words, about sixty per cent of the permits in terms of value were for home construction.

What happened in 1946 when we did not have the permit system? Permits for home construction totalled $200,000,000 out of a total of $383,000,000. In other words, the percentage of construction materials going into non-residential construction is growing, and that is bound to be so. Every member of this house has seen for himself the effect of allowing industrial construction and all forms of postponable construction, non-essential construction, to compete with housing construction for the limited supply of building materials. Let me remind the committee of what Brigadier Storms, general manager of Housing Enterprises Limited, had to say about this matter. He was dealing with this very situation and with the excuses sometimes offered on behalf of the minister that industrial construction and other forms of construction do not take the same kind of materials as residential construction and do not absorb labour of the same kind. Here is the answer to that kind of talk. This is what Brigadier Storms is quoted in the Toronto *Globe and Mail* of October 10 last as having said on this subject:

> Bricks, cement, plumbing, electrical fixtures and other materials which should be going into housing are being used for millions of dollars' worth of non-essential building. Douglas H. Storms, general manager of Housing Enterprises of Canada Limited, asserted yesterday in an interview.

[Mr. Fleming.]

> "This country has gone berserk on building of the wrong kind," he said. "Everywhere you see plant extensions, theatres, garages, stores, summer cottages, dance halls and hot-dog stands under construction. You can't tell me those buildings don't take material away from housing because they do. What is more, they are absorbing thousands of workmen who should be building houses.
>
> "At the same time, people are living in the worst distress for lack of houses. On one street of small houses in New Toronto, we found that each house was occupied on the average by 19 people. All this non-essential building goes on and we cannot get houses built for homeless people."

He added with reference to the subject of control by the municipalities:

> "If you can show me a municipality in Ontario which is exercising the slightest selective control over building I'll buy you a new hat," Mr. Storms exclaimed.
>
> During the war and the ensuing control period building was restricted, he said. Once the restrictions came off business corporations and individuals, all with money to spend, had rushed in to build. Firms were now building big plant extensions which, he said, would stand empty a few years hence "when the honeymoon is over."

The honeymoon is not yet over. It is going on full blast today. On every hand you can see people proceeding with construction that might well have waited until the imperative needs of home construction have first been met. It is a sad commentary on the record of the present government that it has to some extent been participating in the honeymoon. In the city of Ottawa we had the remodeling of the Ottawa theatre of the national film board, a government agency, and this was done at a time when people are living under conditions such as Brigadier Storms described—nineteen people to a house, veterans living in hovels, garrets and cellars, whole families housed in a room or two. Yet the government of Canada feels free to participate in this honeymoon of building.

These are not the only unhappy, deplorable results of the way in which the government has been mishandling the control of construction materials. A black market is flourishing today. Distribution has been disarranged; the normal channels have all been upset; stock-piling has been going on, as was related this afternoon by the hon. member for Parkdale, on projects which have enjoyed favour under the present priorities system, and the private builder, who is still expected by the government to carry the brunt of the load, must scramble for what is left.

Last year we were told by the minister of reconstruction that there were built in Canada, through original construction or reconversion, 60,000 housing units. We have been told, in a return filed recently in the house, that a

total of 10,009 of these housing units were built under various forms of government housing, most of them under Wartime Housing, some under the Veterans' Land Act, some under integrated housing, and a very few by Housing Enterprises Limited. The number completed in 1946 by Housing Enterprises Limited was, according to a recent return, only twenty-eight housing units. Housing Enterprises Limited started off in 1946 with an objective of 6,000 housing units. In the middle of the summer that objective was dropped to 3,600, and at the end of 1946 only twenty-eight had been completed. Subtract 10,009 from 60,000 and you will find that 50,000, or five-sixths of all the houses that were built last year in Canada were built by private enterprise builders. The government is still counting on them to carry the load. It would be difficult, after a year has gone by since the government passed this buck to the municipalities, to resume the permit system. But the present priority system has proven quite inadequate and quite unsatisfactory. The government divested itself a year ago of the means it had at its disposal of ensuring that the available quantity of building materials was channeled into home construction.

Mr. HOWE: I think I should say just a word in reply to the speeches we have heard this evening. The speech of the hon. member for Eglinton indicates the state of utter confusion in which the official opposition finds itself on the matter of controls. It spent six or seven weeks of this session demanding that all controls be removed, and now we have the hon. member for Eglinton insisting that new controls be put on, especially the one control which, throughout the war years, was found to be unworkable and exceptionally unfair under any administration we could operate. Hon. members suggest that, while cities insist on competing for new industries, they would be quite content to have the government decide that one should be built and the other should not. It seems to hon. members quite simple for anyone to sit in Ottawa and decide what is essential. I perhaps might give an example. To my mind, the building of a plant in Saskatchewan to process horse meat would not be an urgent project, and yet I got not only a demand to grant a permit but a demand for priority assistance in doing so.

Mr. NICHOLSON: You thought it was, did you not?

Mr. HOWE: We granted the permit, but we did not give priority assistance. You can take as many projects as you like. What is one man's meat is another man's poison.

A great deal has been said about the scandalous waste in building bowling alleys. Yet we have had the most pathetic requests, during the period of controls, for permission to build bowling alleys in towns in northern Ontario, and elsewhere in Canada, where bowling is the one recreation of a considerable body of people in a small community.

We have looked into building control thoroughly and found that it was difficult of administration. We found that violations of the control were not punished in the area, because people in the area would say, "Nonsense; this is essential building. They can say it is not essential in Ottawa, but we know it is essential and we are not going to punish this man for violating the order." That is one of the reasons why building control was one of the first controls to be abolished. Nothing can be built in a city unless some civic body decides that it should be built in the interests of the city. Any city has the right to refuse to have anything built, and I may say that some cities have refused. For instance, the city of Kitchener have been most punctilious in choosing the type of construction that can be built in that town. The city of Regina has also cooperated in that regard. I could name other cities which have done their part to see that the material supplied to that area was channeled into housing construction.

Mr. FRASER: Did Ottawa ask for permission for the Capital brewery to put up their new building?

Mr. HOWE: I cannot say. My department does not issue building permits.

Mr. FRASER: They required permission to put it up. Did they have sanction for it?

Mr. HOWE: The city?

Mr. FRASER: Yes.

Mr. HOWE: I am sure I cannot say.

Mr. FRASER: They have nails, lumber and everything else.

Mr. HOWE: That may be so. The control of priorities has been gradually relaxed, as have all controls. Starting two years ago, we had much more insistent demands than today to abolish controls and to get back to the normal law of supply and demand. It would appear that by the time we are ready to let go controls the opposition will be full out for a completely new system of controls. That is the only conclusion I can reach after listening

to their performance this evening. However we are maintaining controls on two basic commodities, lumber and steel, and we do maintain a system of priorities for limited classes of house building; that is, buildings under government sponsorship, which includes wartime housing, integrated housing, veterans housing and Housing Enterprises Limited, the insurance company project which is supported by government finance. Furthermore we issue priorities to houses being built for individual veterans after the house is fifty per cent completed. The reason for the fifty per cent rule is to prevent the requirement for a priority for material which may be diverted into less essential types of construction. We feel that there is no great difficulty about getting the material which goes into the first fifty per cent of the building; that the need for priority really exists only in the second stage of building.

Reference has been made to the small number of houses built last year by integrated housing. The reason for that is that the plan was started only last year. A great many houses under the integrated plan were not completed at the end of the year and therefore did not appear in the 1946 figures. It is estimated that there will be at least 10,000 houses built under the integrated plan in 1947 and probably about seven or eight thousand houses under the wartime housing programme, which is about the same size as the programme of last year.

Reference has been made to the individual project in the small town. It is very difficult indeed to devise a priority system for that type of building. The builder buys at retail from the local hardware store. Of course, when material is supplied to that hardware store there is no way that we know of, of guaranteeing that it will go to housing rather than to the building of farm properties or less essential building. However we do try to see that each small town gets its fair quota of building materials. Constant study is being made to create efficient means for encouraging house building in the small town. I may say that government housing projects are available to small towns as they are available to larger towns and to cities and that no request for housing under government plan from the small town is being turned down.

The supply of building materials has been improved this year as against last year. Reference has been made to nails. The production of nails this year is the largest in recent years. They are being produced at the rate of 1,400,000 kegs, which is larger than any year since 1938.

[Mr. Howe.]

Mr. BLACKMORE: Per month, or—

Mr. HOWE: That is for the year. Priority requirements for these nails are about 180,000 kegs, or approximately fifteen per cent. Eighty-five per cent of the nail production goes into non-priority construction; that is, outside of government priorities. The demand and supply are not far apart, really. Everyone gets nails after a little delay. Really I think production is ahead of consumption at the present time and the shortage is only a temporary one.

Mr. BROOKS: Can the minister say what quantity of nails we export?

Mr. HOWE: We export no nails and have not done so for some months.

We have been asked why we cannot make more nails. The reason we cannot make more nails is that we are using all the wire that the Canadian mills can produce in a way that seems to be the wisest way to use it. When discussing one problem people are apt to forget all other problems. If we use all the wire that Canada produces in this country to make nails, there will be no wire to make agricultural implements; there will be no wire for baling purposes on the farms and no wire for a number of essential uses for wire. We have cut the supplies to these other uses down to the finest point that we believe possible and are using the remainder of the wire to make nails.

Mr. BROOKS: Do we export any wire?

Mr. HOWE: None at all.

Mr. FRASER: The minister said no nails were exported in the last eighteen months. According to the bureau of statistics, last year we exported $300,000 worth.

Mr. HOWE: To where? To Newfoundland, perhaps.

Mr. FRASER: They got a few, yes.

Mr. HOWE: We have been taking care of Newfoundland.

Mr. FRASER: There are other places also, according to the bureau of statistics.

Mr. HOWE: I expect some to historic markets; but none are being exported at the moment. I do not know that I have any further points that should be mentioned. However we are trying to limit the extent of the controls as gradually as possible. We assume that hon. gentlemen do not want us to start expanding controls again. We are gradually working out of controls in an orderly way, and whenever a supply situation

becomes satisfactory the control is dropped. There are controls of two basic commodities we believe to be essential to permit industry to develop at a maximum rate, and the purpose is to continue to control steel and steel products, and to control timber until we can make the supply situation adequate in both these fields.

I said before that, through a tight control of steel, we are producing about twenty per cent more steel products in this country than would be possible without the control. We are taking excess raw products away from steel plants that have capacity for producing a greater supply of raw products than finished steel, and turning them over to other steel plants that have finishing capacity in excess of capacity to produce raw materials. We are bringing slabs and billets from Algoma into the Hamilton area; we are moving pigiron from Algoma into all foundries in Ontario and Quebec; we are moving billets from Nova Scotia into Montreal and Hamilton; we are moving pigiron from Dosco back into central Canada, a movement that was unheard of until the past year. We are using all the productive capacity of the steel mills and, by using all that capacity, we are keeping the finishing capacity of the steel mills and foundries going at full capacity, and have brought about a balance. That requires rigid control and a careful juggling of the raw materials.

As far as lumber is concerned, we find that the use of this commodity is exceeding the requirements of the last year, and we are taking orderly steps to decrease the proportion of exports of lumber and to divert greater supplies of Canadian production to the Canadian market. Further announcements will be made of progress in that direction within the next week or ten days.

It is difficult to administer controls at the present time, far more difficult than during the war years. In the first place, we have not the personnel available in peace time that was attracted to the government service during the war. We also find that people were much more amenable to instructions from government in war time than in peace time, which is quite understandable. However, such controls as we have left are reasonably effective and we believe they are amply justified by the results being obtained from them.

Mr. WRIGHT: I wish to endorse what the hon. member for Qu'Appelle said earlier with regard to the desirability of channeling a little more of the material available toward the small towns and rural areas to encourage building there. The minister will find that type of building will give him fewer headaches than almost any other type of building in Canada. We have a large number of veterans returning to towns in the rural areas and they are desirous of building homes for themselves. They cannot afford to build a five or six thousand dollar home but can afford to spend a couple of thousand dollars on a home, and to do that they must do a lot of construction work themselves. You will find that type of people in every small town across Canada.

I know of no better way that material can be used than to encourage these people to build and own their own homes, and they can do that only when material is made available to the small towns. The minister should give serious consideration to channeling a larger proportion of that material in that direction at the present time. I know there is a large demand in the areas in my constituency and through the northern parts of Saskatchewan, Alberta and many parts of Nova Scotia and New Brunswick, and there is one particular regulation which people have resented in these years. That is the regulation which was put into force eighteen months or two years ago, preventing the individual from going direct to the small mills to secure his building and other material. That had been customary through large areas, in the maritimes, the northern areas of the prairies and certain parts of British Columbia. The people in the rural areas and in the small towns have gone direct to the small mills to secure a large proportion of their building material direct from these mills, thus saving the retail commission on such materials. It is a real saving to many of these people.

Mr. HOWE: There is no regulation against it.

Mr. WRIGHT: When was it withdrawn?

Mr. HOWE: We never had a regulation.

Mr. WRIGHT: It was there until a short time ago. You could not go direct to a sawmill in Canada and purchase building material. All sawmill material had to be channeled through wholesale outlets to the retailer. If that is no longer so, I am glad to hear it, because that was one thing which caused a lot of dissatisfaction in certain areas in our part of the country.

With regard to the other matter of channeling as much as possible, or at least a fair proportion of material to the smaller towns, the minister should give it his consideration. In fact I know he is giving it consideration.

Mr. FULTON: I did not intend to get into the question of the merits of any of these controls, because I felt that would be more adequately handled by those who have been following these particular controls more closely than I have, but I cannot help making one or two comments on the minister's last statement when he dealt with the question of handing over to the municipalities the issuing of permits with regard to these building materials upon which priorities still exist.

Mr. HOWE: May I set my hon. friend right. He is about the tenth man who has said that we handed over to the municipalities the right to issue building permits. The municipalities always had the right to issue building permits; they have had it since confederation. The only thing we handed to them was the right legally to refuse building permits, and we did that as a result of a case in Toronto where the city refused a building permit. The man to whom the permit was refused took legal action and the court ordered the city to grant the permit. But to say that we handed over the granting of building permits to municipalities is ridiculous.

Mr. FULTON: If the minister wants to split hairs and enter into a fine argument we can go on with that for the next hour. But in effect what he did was this. Having taken to the federal government the authority to say that this or that building should be built and this or that building should not be built, he then gives back to the municipalities, if he prefers to use those words, the right of issuance. But he did not at the same time part with his priority system of controls with regard to building materials. The only point I am making here is that it is not proper; it is putting an unfair burden on the municipalities, and particularly the small municipalities, to do the one without doing the other. If the minister maintains, as he appears to, that priorities on building materials cannot yet be abandoned; if he is going to retain that measure of control, he should retain the other measure of control in order to make the whole scheme effective.

Mr. HOWE: I should like to understand my hon. friend. Is he advocating that all priority controls be dropped? Is that what he is advocating?

Mr. FULTON: No.

Mr. HOWE: Then what is he talking about?

Mr. FULTON: I suppose, having listened to the argument all day, consciously or unconsciously the minister may be arriving at the point where he may not wish to follow it farther, but the point I am making is that if you are going to maintain control over building materials by means of priorities, as the minister is doing, then it would be logical and fair particularly to the small communities if you would retain control over building permits. I know that in the case of a municipality such as the one I come from, where a small industry wishes to become established it can bring tremendous pressure to bear on that municipal council. They come along and say, "We wish to get a permit to construct this building". The municipal council wish to give priority to housing, and they reply, "We are sorry, but we are giving priority to houses. We are giving all our permits to those who wish to build houses and for the moment are denying them to those who wish to build garages, recreational centres and other types of buildings". Then the industry comes along and says, "We are sorry, too; we imagine we shall have to go down the valley and put up our plant somewhere else". So that the municipality is in an almost hopeless position. If it denies that permit it may lose an opportunity to provide employment for its residents, while if it grants the permit it means that materials which otherwise might be used for the construction of houses will be denied, for the time being, to those who wish to build homes. So I say it is placing an unfair burden on the municipalities to put them in that position. As long as it is necessary to maintain priorities in regard to building materials—and at the moment I am not entering into the merits of that case—it would have been fairer to retain control over the granting or denying of building permits, because half a measure is worse than no measure at all.

When I rose this evening I said I had not intended to enter into that part of the discussion until the minister made the remarks he did in reply to the hon. member for Eglinton. My purpose in rising this evening was to draw attention to those provisions of this group of orders in council which are similar to the provisions in the wartime prices and trade board order, which the Minister of Justice indicated he would be prepared to amend in the same way that the other order was amended.

Mr. HOWE: Yes, I have an amendment for that.

Mr. FULTON: If I may summarize those provisions, they are paragraph 6 in P.C. 1609, paragraph 9 in P.C. 9439, and paragraph 7 of P.C. 245, to be found at page 149 of the consolidation. Then I would refer to P.C. 3, at page 139 of the consolidation, and I wonder

if the minister would consider an amendment to paragraph 15 of that order, which provides in subsection 6 that a person may be prosecuted for an offence at any place in Canada where he may be found. Carried to its extreme application, this would mean that a person who carried on business in Vancouver, let us say, and who was on a visit to Toronto, could be arrested and held in custody and prosecuted in Toronto, where he could not obtain his documents, his books and so on. This might have been necessary in war time, but it seems to me that it is an extreme power which is not necessary nowadays. So I wonder if the minister would consent to strike out the last words of subsection 6: "or is found or apprehended or in custody". If those words could be struck out it would go a long way toward meeting the views of those who think these powers are too wide.

Mr. HOWE: There is no objection to the three amendments first mentioned by the hon. member, and we have those amendments prepared. I think the purpose of subsection 6 of paragraph 15 of P.C. 3 was simply to be able to bring the offender before a magistrate quickly. Usually speed in prosecution is effective in stopping an offence. I do not quite understand my hon. friend's objection to that clause.

Mr. FULTON: As I say, carried to its extreme limit it would mean that a person carrying on business in one part of Canada, let us say in Vancouver, whom the board suspected of having committed an offence, while taking a holiday and visiting Toronto—and I should say that would be the only reason I could imagine a person from Vancouver going to Toronto—could be arrested there, and this provision gives them power to hold him in custody and prosecute him in Toronto, which would be putting him at an unfair disadvantage, inasmuch as all his books and records would be in Vancouver.

Mr. CRUICKSHANK: He would be at an unfair advantage anyway if he were in Toronto.

Mr. FULTON: I quite agree with my hon. friend, but this would be an additional disadvantage.

Mr. ILSLEY: If the hon. gentleman had raised this question before, I could have given it some consideration. This same provision is in the other orders, and we shall get out of line with those other orders if we make this change. I am advised that there has never been any complaint of any hardship under this provision, so that I do not think I could accept the amendment on the spur of the moment in this way.

Mr. FULTON: I hesitate to disagree with the minister, but I have not noticed it in any of the preceding orders. I may have overlooked it.

Mr. ILSLEY: You did. It is on page 26.

Mr. FULTON: Had I noticed it, I would certainly have drawn it to his attention. Where is it?

Mr. HOWE: It is on page 26; paragraph 11(2).

Mr. FULTON: Yes, I see it now. I have to confess that it was an oversight on my part. What great disadvantage in the enforcement of these regulations would be involved if this were dropped at this stage?

Mr. ILSLEY: I do not know. I would have to send for the enforcement officers and find out. Probably there is some good reason for its being there. The hon. gentleman does not point out any case where it has worked any hardship, and unless he does I think he is making a case against it that is purely theoretical. What I do not like to do is, on the spur of the moment, accept an amendment at this time without making some inquiry as to the usefulness of the provision.

Mr. FULTON: The minister has said that I had not brought a case to his attention, and that he does not know of any instance of hardship. That is a fairly good argument upon which we could conclude that the section has never been used. If it has never been used, then presumably it is not necessary. And if it is not necessary, then I suggest that it might be dropped without doing any harm. The mere fact that it is a theoretical case is not sufficient ground to say that it should be kept; because, since it is there, it permits abuse of power by placing a person at an unfair disadvantage. Even though it might never be used, it is one of those excessive powers which I think should be got rid of at this time without actually imperilling the enforcement of the whole order. Perhaps this section might be allowed to stand.

Mr. NICHOLSON: When the Minister of Reconstruction and Supply was on his feet he overlooked commenting on the suggestion I made this afternoon that he should take the initiative in calling a conference of representatives from the different levels of government. In some of the publications from his department I gather that he is depending a good deal upon housing to provide employment during

the next few years. I think he will admit that housing which is available at $70 a month is not going to meet the need. I suggest that it is important there should be some consultation between the federal government and provincial and municipal governments. Could the minister indicate what consideration he has given to that, and what plans there are to confer with the different governments I have mentioned.

Mr. HOWE: The department is conferring with cities every day. I think not a week goes by when some officer of the department is not conferring with almost every city in Canada. Some cities are more cooperative than others, but all have worked with the government to a greater or lesser extent in providing housing.

The attitude of the provinces is definite. They say, "The dominion has accepted the problem, and it is the dominion's problem. Just carry on. We are not interested." I might point out that the dominion is in the housing field simply as a result of the maladjustment of population which occurred as a result of the war. It is quite out of its jurisdictional depth, and it has no business in housing. Housing is in the field of the provinces and the municipalities.

However we have entered the field, first by making ample money available for privately built housing; and, further, we have sponsored certain government plans for housing, which are being helpful. But we should like very much to see the provinces show a little more enthusiasm. And if we can confer any more with the cities to advantage we would be very glad to do so.

Mr. NICHOLSON: But I wonder if some agreement cannot be reached some day. The minister has said that housing is not a federal responsibility. I believe that the provinces in turn will say it is not a provincial responsibility. The municipalities stated, during the thirties, that they could not cope with the problem. I think, within the framework of the British North America Act, or by some device, we can manage to bring those three governmental authorities together and place the responsibility somewhere. We are going to go into another depression, and judging from the minister's comments no governmental authority will take any responsibility.

Mr. HOWE: The purpose of building houses is to get houses; there is no other purpose at the present time. My hon. friend thinks, if we got a great many people at a meeting, it might build houses; but it does not work that way. If we knew of any way of meeting people which would produce more houses, we would meet those people, and meet them very quickly. I believe, if my hon. friend stops to consider, he will agree with me that the dominion government is doing more toward creating houses in this country than any other governmental authority. We would like others to enter the field. If we can help them, as they have helped us, we would be glad to do so.

Mr. MILLER: I should like to ask the minister of reconstruction, or possibly the Minister of Justice, a question, and possibly make a suggestion. However I would be more apt to be governed in the matter by what the Minister of Justice might say.

In most of the orders in council which are being considered here, the priorities officer or the controller, as the case may be, is given power to delegate his power. This is done, for instance, in section 5 of P.C. 1609. It seems to me that the wide powers these controllers are given should not be passed around like, for instance, hot cross buns, or something like that. These are important powers; they are extensive, and extend over the freedom of the people. There should be some limitation in the delegation of such wide powers.

Would the Minister of Justice say that it is essential for the proper carrying out of the duties of the officers in question that they should have the power to delegate the extensive powers they have. If this delegation of power is necessary, then I suggest to the Minister of Justice that the people to whom the powers can be given should be limited.

Another point I would raise, while I am on my feet, is one which arises under section 12 (2) of P.C. 3, at page 141. Perhaps it is because we do not like to see the ordinary freedoms which have been set up for years affected or infringed upon, but it does seem to me that a controller should not have the power he is given in that subsection. Where a controller believes that any person has failed to produce books and records, under this subsection he can authorize in writing a police officer, police constable or other person to go in and make seizure of the books. Such officer may enter by force, if necessary, and carry those books, not to a court, or to a place where they would be in the custody of the law, but he shall carry them before such controller.

It seems to me that, in the first place, the controller should have no licence whatsoever to give a warrant or order under his hand to authorize a police officer to enter the premises of a person. In the second place, if that power is necessary, and is given to such controller, any records seized should be placed in

the custody of the law, and not retained in the archives or under the control of some controller; because any lawyer knows that anything taken in that fashion, which might be used in evidence, should be kept in the custody of the law, if it is to be produced in a court of law against any person in any subsequent charge.

Mr. ILSLEY: With regard to these amendments, I find that there are precedents in other legislation for the type of section objected to by the hon. member for Kamloops. In the first place, section 57 of the Foreign Exchange Control Board Act is as follows—

Mr. FULTON: Passed last session.

Mr. ILSLEY: Yes.

Mr. FULTON: We objected to that sort of provision then.

Mr. ST. LAURENT: That does not make it bad.

Mr. ILSLEY: I do not think the hon. gentleman objected to this section, nor do I think it was objected to in this house, in the other house or before the banking and commerce committee. The section, which is identical with the one in question, reads:

> For the purpose of the prosecution of a person for an offence under this act, the offence shall be deemed to have been committed either at the place where it was actually committed or at any place in Canada in which the offender resides, or is found, or is apprehended, or is in custody.

The Customs Act, which is an old act, provides for certain classes of offences by section 263, which reads:

> If the amount of any such penalty or forfeiture does not exceed two hundred dollars, the same may also be prosecuted, sued for and recovered in any court having jurisdiction to that amount in the place where the cause of prosecution arises, or where the defendant is served with process.

Mr. BROOKS: That was in connection with the smuggling of goods?

Mr. ILSLEY: That is in the Customs Act. I should not like to agree to that in the absence of evidence of abuse. With regard to the other matter raised by the hon. member for Kamloops and the hon. member for Portage la Prairie, we had in mind proposing an amendment to the section giving the controllers the right to authorize police officers to enter and search. The words which we proposed to insert were these:

> . . . with the approval of a judge of the Exchequer Court of Canada or of a superior or county court, which approval such judge is hereby empowered to give upon the ex parte application of the controller . . .

Perhaps we had better get the amendment before the committee.

Mr. GREEN: We have not passed the first order in council as yet.

Mr. HOWE: Let us pass it.

The CHAIRMAN: We should consider all the orders in council relating to the Department of Reconstruction and Supply, and then an amendment could be moved to any one at this time.

Mr. ILSLEY: I understood that they were being discussed together and that it was competent for any hon. member to move an amendment to any order.

The CHAIRMAN: It is agreed that we are discussing all the orders relating to the Department of Reconstruction and Supply.

Mr. GREEN: They are to be passed individually later.

The CHAIRMAN: If they are to be passed individually later I do not see how an amendment can be moved now.

Mr. HOWE: I suggest that we pass P.C. 1609, and then we can pass on to the next.

Mr. ILSLEY: I will defer that amendment until we reach the order.

Mr. ADAMSON: I have something to say on this matter of priorities and the control of building material. I come from the constituency which was mentioned three times this afternoon, by the hon. member for Parkdale, by the hon. member for Eglinton and by another hon. member, as being perhaps the most congested area in the entire Dominion of Canada. There is probably more industrial and housing construction going on in that district at the present time than in any other in the country. There is a desperate need for houses in that district at the present time.

Private builders who are doing eighty per cent of the construction of small houses, small apartments, veterans houses, houses being built for the low income group of citizens, complain about one thing, that they cannot get building materials. Tile, nails, shingles, brick—the whole group of building materials comes into the picture. I do not wish to go into the reasons for this shortage or to reargue the case that was presented so ably this afternoon by the hon. member for Parkdale, but I want to give the committee some information because I have some first-hand knowledge of the matter. A year ago tomorrow I had the misfortune of having my own home burned to the ground. I am now in the position of trying to obtain building material. The con-

tractors come to me and say, "We can get you building materials but we must charge you the imported price." They do not use the word "black market price"; they say the imported price.

I should like to give the committee two or three of the prices that were quoted to me over the week-end. I understand that the ceiling price in Canada for gyproc lath is $30 per 1,000 feet; it was offered to me at $47.75 per 1,000 feet. I understand that the Canadian ceiling on metal lath is forty cents a yard; it was offered to me at fifty-four cents a yard. I was offered cement at $1.25 a bag and nails at $20 to $25 a keg. I was informed that the supply was abundant and that I could get materials at those prices.

Mr. HOWE: May I suggest to my hon. friend that he try dealing with somebody on the other side of politics and he might get the right prices.

Mr. GREEN: That is pretty cheap.

Mr. ADAMSON: I am dealing with two contractors, but unfortunately I have not inquired into their politics. All I wanted to know was whether they could build a house. Here we have an apparent abundant supply of building materials, abundant at what they call the imported price. It is reported to me that these building materials have been imported from the United States, but I do not know whether that is so because I have not examined into it personally. I am simply taking the word of my contractor, who is a large contractor and knows what he is doing.

This is the story I get not only from my own people but from other contractors throughout the district; they can get the material but they have to pay these extra prices. The building industry tells me that these extra prices are the result of the priorities system imposed on the building trades by the government. In other words, they say that if the Canadian building material industry were allowed to ration or sell on a completely open market without having to meet certain government priority commitments, the prices the average man is now asked to pay would not be charged because there would be a greater supply of building materials. There are many hundreds of houses being built. Not only do they take four or five months longer to build than they should under normal circumstances, but some take even a year longer, and I am told by the same builders quoted by the member for Parkdale this afternoon that that is entirely because they cannot get building materials since they are held up by the priority system imposed by the present government.

I do not want to quote my own case and I do so merely because I happen to have specific information. I know, because I am interested in the building business, exactly what people are up against in the city of Toronto today. Material is simply not available unless the builder or the owner is prepared to pay extortionate prices. Perhaps these prices that have been quoted to me are the proper prices to pay. But then why go through the fantasy that control and a priority system do exist? Why not free the whole thing and let the building industry do its own rationing of materials? Here we have hundreds of houses in a semi-finished state, over sixty per cent finished. They may or may not be finished this summer because of the inability to get materials. When you have a house under construction the time element is infinitely more important in many ways from the point of view of cost than any other. When you have a gang working and they are held up for two or three days waiting for materials the cost of labour soon goes up.

Mr. GLADSTONE: If you have to wait for materials it is because you are building so many factories in your riding.

Mr. ADAMSON: I do not think that is the reason at all. It is true that industrial development has been great, as it has been throughout Canada. As was stated this afternoon, the industrial development is several times the domestic house development in dollar value. If, as the government says, the main problem is the building of dwelling houses, why does it allow industrial construction to exceed domestic construction by several times? That was one of the problems which was discussed this afternoon by the hon. member for Parkdale.

But my point is not the question of industrial development versus domestic housing. My point is this. How is it that material can be obtained at these excessive prices or above the ceiling prices and cannot be obtained at the ordinary prices? Either the government by its policy has thrown a monkey wrench into the production of building materials, or something in the economic system is very wrong, and I suggest through you, Mr. Chairman, to the government that serious consideration and study be given to this business of producing building material. Either the building material industry in Canada cannot produce the building materials required, or the government by its action is stultifying the production and distribution of building materials. Building materials are simply not available for private building.

Mr. FRASER: The hon. member who has just taken his seat has just mentioned lath and sheeting. I have a memo here from the Department of National Revenue regarding export permits. I notice that export control was imposed on gypsum wall board, lath and sheeting on April 3. How much of it was shipped out before that date?

Mr. HOWE: I could not say.

Mr. FRASER: After export control comes in, the permits issued before that date still run for another six months. Is the minister allowing these permits on building material to run for an extra six months? On nails, export control was imposed on February 2, 1946, but the permits which had been issued before that date were allowed to run for a further six months. The minister suggested that the hon. member try to deal with other people besides those of his own party. On March 31 the hon. member for Middlesex East asked a question regarding nails and I said a couple of words on the subject. I was out in the hall here a few minutes after and was offered ten kegs of nails at $14 a keg, and I refused. The man who offered me them was not of our party.

An hon. MEMBER: That happened in this building?

Mr. FRASER: Yes.

Mr. HOWE: I have the figures here on nails for 1946. They show that we exported 25,410 hundredweight, practically all to Newfoundland and the British West Indies. We imported in the same period 13,605 hundredweight, chiefly from the United States. I would say that that is a very tight control, having in mind our historic obligation to look after the West Indies.

Mr. FRASER: That was wire nails. You also exported iron nails to the amount of about $500,000.

Mr. McKAY: After listening to the minister and others taking part in this debate, I am more convinced than ever that if we are to provide homes for the Canadian people controls of building construction must be not only maintained but extended. I note, under "Powers of Priorities Officer", that he has power to order any person in possession of or dealing in construction materials or having facilities for making or dealing in construction materials to make or deal in such materials in such manner as may be specified. I would suggest that in this respect, "in such manner as may be specified", more restriction should be applied. I think most members of the house and most right-thinking Canadian citizens will agree that the production of homes for Canadians is an urgent matter, and particularly so because so many young veterans are looking for homes. We do not have to go very far afield to find them. I think it is much more important to provide for the construction of homes than for the construction of theatres, despite what the minister said tonight. It is much more important to provide houses for our people than to provide theatres, bowling alleys, hot-dog stands, breweries and luxury hotels such as are being built in Montreal at the present time.

An hon. MEMBER: Where are they being built?

Mr. McKAY: You do not have to go very far. I was there the other night and I saw it. There is a lot of building material in that one hotel which, if spread around, would provide houses for hundreds of veterans.

Mr. HOWE: That is housing also.

Mr. McKAY: If there is insufficient building material to meet the demands for house construction it is quite unfair to permit the building of structures such as I have named. Furthermore it is a bit unfair to place the onus upon the municipalities to decide what type of construction should be permitted. The reason is that there may be areas in Canada where the housing situation may not be as serious as in others. In such cases the municipal authorities may feel quite justified in authorizing the construction of buildings which would use up the available supplies of materials. That is why the federal authorities are the ones best able to assess the situation throughout the country and the only authorities able to channel the material into the type of construction that is most needed. It is the governing body which should exercise that control. Restriction should definitely be placed at this time on non-essential building if we are to provide the houses that are so badly needed.

Mr. GILLIS: A few moments ago the hon. member for York West made a serious statement, particularly with the Minister of Justice listening. The hon. member for York West said quite definitely that there is a black market in building materials operating in Ontario. He also said that the contractor with whom he is dealing in the purchase of lumber knows where to secure lumber on the black market. If that is true it should be investigated by the government. I am not sure whether it is true. I have another opinion on it. I know there is a shortage of materials across Canada. The minister will remember

that I wired him last November about eight veterans houses which were tied up for some months because of lack of certain materials. The contractor was a veteran. He could not get materials. These houses were standing for months. Across the street from him another contractor who was building luxury houses had all kinds of material. There was no difficulty, but the veteran contractor told me that the reason for that was that those who were building the luxury houses were paying black market prices. At that time I tried to find out who operated the black market, where the material came from and so forth. I did not succeed in running it down. If the hon. member for York West knows who is operating that market in Ontario, or his contractor knows, it should be checked up.

Perhaps something else is happening. We may find out that all our weeping about material shortages may be caused by a hold-up. There may be a hold-up by manufacturers and lumber dealers in Canada to make building materials unavailable, for the purpose of breaking price ceilings. If there is lumber available for a black market that lumber is in Canada and should be on the market. That lumber can come only from legitimate dealers in this country and they know where it is. If it is held up for a squeeze in order to break price ceilings so that they may get whatever price they want for the lumber, the chances are, if the ceilings are taken off, you will not be able to buy that material, the cost would be so high.

As regards this fellow that we are crying about, the veteran and the chap who wants to build low-priced houses and the contractors who want to build low-priced houses for rental, which today they may be able to build under the ceilings for $3,000 or $4,000, similar houses will cost $10,000 with the ceilings off. If that takes place the fellow who is making lumber available on the black market will be able to charge whatever price he wishes. On the other hand, if you remove controls altogether the chances are there will be no lumber in Canada at all if they will pay higher prices for it in the United States, in South Africa or in some other countries.

Mr. FULTON: Will the hon. member permit a question? Does he know of any place today where you can build a house for three or four thousand dollars? I have been trying to find one.

Mr. GILLIS: Yes, I know of a number of places. The first determining factor is the kind of house you want.

[Mr. Gillis.]

Mr. CRUICKSHANK: He wants a luxury house.

Mr. FULTON: In Kamloops?

Mr. GILLIS: I can take the hon. member to a section of the country that is quite a distance away from here and show him many cooperative housing projects that were set up under a provincial government act where you can get a seven-roomed house with a good basement, complete radiation, all modern conveniences for $1,800.

Mr. FULTON: When?

Mr. GILLIS: In 1938 and 1939.

Mr. FULTON: I mean today.

Mr. GILLIS: Today that same house could be built for about $2,500.

Mr. FULTON: Is it being built?

Mr. GILLIS: A contractor would not build it. A private enterprise contractor would charge about $6,000 for the same house.

Mr. FULTON: Can you build them for that today?

Mr. GILLIS: That is the thing we are trying to avoid.

Mr. FULTON: The question I asked the hon. member was, can you get them built today for three or four thousand dollars?

Mr. GILLIS: I said that under the same scheme, the cooperative housing groups, you can build them for about $2,500.

Mr. FULTON: Today?

Mr. GILLIS: Certainly you can, but, as I said, you would be eliminating free enterprise. That would be the people working for themselves. Under these circumstances I do not think the hon. member would ever get a home.

An hon. MEMBER: Or a carpenter.

Mr. GILLIS: What I am trying to find out, Mr. Chairman, is whether the accusation made by the hon. member for York West is correct or not. If it is not correct I am suggesting that perhaps the minister should probe the field of where lumber is available at certain inflated prices and find out whether the private enterpriser and lumber dealers in this country are putting on the squeeze in the building of houses. I feel sorry for the minister in this matter of housing. It is pretty bad in the end of the country from which I come. Perhaps lumber is in shorter supply in that part of the country than in any other part of Canada.

Mr. BOUCHER: You are lucky if you can get them built for three or four thousand dollars.

Mr. GILLIS: I said, under certain circumstances. A moment ago I said that lumber is short there. I realize that in the maritime provinces, if it were not for the control of lumber, there would be no lumber in that part of the country. At least we are getting some kind of quota, because there are some regulations on it. I suggest that in this matter of controlling lumber and maintaining ceilings in this country the government should carefully consider the proposition from our free enterprise friends. They all have good houses. They are not worrying. This crying on your shoulder about veterans not having homes and all that sort of thing is so much bunkum.

Mr. GREEN: We are just as much interested in the veterans as you are.

Mr. HARKNESS: We are not so much interested in veterans' politics as the hon. member is.

Mr. GILLIS: They have not fooled me for one minute. I have seen these salty tears and I have seen section 98 passed and all that kind of thing the minute they got in power.

Mr. GREEN: We have done much more for veterans than you have.

The CHAIRMAN: May I remind the committee that it is almost eleven o'clock. There is an order in council before the committee for consideration.

Mr. ILSLEY: Could I wind up some amendments tonight?

Mr. GILLIS: I am about through, but I intend to follow this up, because an investigation is due on the part of the government into the accusations made tonight by the hon. member for West York. If there is a black market and he knows where it is operating it is up to the government to find out, and if a black market is not functioning, then it is a disgrace to break the price ceilings. Where is this lumber coming from which is available for a black market? It is produced by the legitimate industry of the country and it must be coming from there. If it is coming from there, then there is a squeeze to smash the price ceiling and get back to free enterprise.

Mr. HOWE: The department takes great interest in low-cost housing for people of small means.

Mr. CASTLEDEN: When the people of Canada agreed to price controls with regard to building materials they were under the impression that the government itself would carry out a housing programme to provide houses at the lowest possible figure. In my particular section of the country, if I may be permitted a personal reference, Wartime Housing started operating in the city of Yorkton and in September, 1945, there was a contract for the construction of ninety houses, but after eighteen months there are still about twenty-five of these houses to be finished. The people are told that it is a matter of supplies of materials. During the winter there was a small fire in which the contractor lost some material. At any rate, these are not low-cost houses; because some six-roomed houses cost up to $5,000, and they are built without basements. After eighteen months there are still many houses not ready, and veterans in my constituency have been living in trailers all winter. Some people told me that one had to go to a contractor on the other side of politics. That is a rotten state of affairs. The people of Canada expected that government controls would provide houses, but we still find that there are those who cannot get houses, though materials are available for building hotels and similar structures. Hotels in the city of Montreal have been mentioned. That sort of building does not go down very well with people who cannot get homes. They are looking to the government for action, because it is the government's responsibility, and when the people do not get action they feel peeved about it, particularly when they find that contractors can get materials for building theatres and the other kind of buildings that are being put up. What does the government intend to do? Does it intend to tighten up, or is it going to throw the whole thing over the wall?

Mr. HOWE: How long has that contract been going? It sounds as if there should be a change of contractor.

Mr. CASTLEDEN: The contracts were signed in September, 1945.

Mr. HOWE: For 125 houses?

Mr. CASTLEDEN: No; ninety.

Mr. HOWE: And how many have been built?

Mr. CASTLEDEN: They have moved into sixty-five now, I believe. That was the situation at Easter when I was at home. The rest are not yet occupied.

Mr. GARDINER: Why did the Saskatchewan government not build them instead of making boxes?

Mr. ILSLEY: I move:

That the following be inserted in the schedule to the act in the column entitled "Amendments" so as to pertain to order in council P.C. 1609 of 23 April, 1946, as amended:
"Section 6 is revoked."

Amendment agreed to.

The CHAIRMAN: Shall the order in council carry?

Mr. MILLER: What about section 5 in the same order in council, with reference to delegation of powers? I think the minister should consider an amendment to that.

Mr. HOWE: We cannot consider an amendment to that.

Mr. MILLER: Will the government give a reason? I cannot see why the great powers given to the controller should be delegated without even designating to whom they are delegated.

Mr. HOWE: One man cannot give decisions from coast to coast. He must delegate power to outside officers. That has been necessary over a period of several years, and we could not operate without it for the rest of the time the order operates. The office would be meaningless if we did.

Mr. MILLER: Could not the minister at least limit the people to whom these powers may be delegated? Could they not be limited to responsible senior officers, instead of being made applicable to "any person or persons"?

Mr. ILSLEY: I move, Mr. Chairman, that the following be inserted in the schedule to the act in the column entitled "Amendments"—

Mr. GREEN: The hon. member for Portage la Prairie asked a question and he should receive an answer.

Mr. HOWE: We cannot operate without the power to delegate. That is self-evident. It does not require an elaborate debate at this stage of the evening. It has always been in the act. The power to regulate involves the power to delegate.

Mr. GREEN: May I point out that this is a very wide power.

Mr. HOWE: It is a power we have always had.

Mr. GREEN: It says that the priorities officer shall have power to delegate from time to time, to any person or persons, any power vested in the priorities officer under these regulations, including any power involving the exercise of a discretion, and any order made in the exercise by any such person of a power so delegated shall be final and binding unless and until it has been varied or vacated by the priorities officer. The hon. member for Portage la Prairie has asked if it would not be possible to restrict to senior officers the group of people to whom the power might be delegated. The way it is worded, the power could be delegated to any employee at all, and that is going much too far.

An hon. MEMBER: Even for a Tory.

Mr. HOWE: What officer would my hon. friend suggest? Would he want to select them?

Mr. GREEN: The minister has mentioned that there will have to be officers in different parts of the country. I can see the need for delegating powers to the man in charge in Vancouver or in Halifax. Why not say that? Why is it necessary to take power and delegate it to the newest clerk? The minister does not contend that a wide power of that sort is necessary.

Mr. HOWE: My hon. friend realizes that the controller has responsibility as well as authority, and he must exercise both. I do not think hon. gentlemen opposite would attempt to lay down rules for the exercise of his responsibility.

Mr. GREEN: This is power of a sort that should not be put in any legislation passed in this house or in any other house in the British empire. We have no objection to having the order in council go through tonight, but I would ask that the Minister of Reconstruction and Supply and the Minister of Justice over the week-end see if there cannot be some more definite description of the officers to whom that power is to be given.

Mr. HOWE: I can assure my hon. friend that care is exercised by all concerned before power is delegated to any officer; we make sure the officer is capable of administering that power. That statement is supported by the fact that since 1941, when many of these powers came into existence, committees of this House of Commons have examined the work of these controllers, and they have never brought to light any misconduct on the part of anyone to whom power has been delegated.

Mr. MILLER: Some of the officers under these different boards, administering these controls in Winnipeg and other cities, have a great idea of power. I do not think some of them ever had any power before, and that is the type of people to whom I do not believe such power should be delegated. If that is the

type to which it is going to continue to be delegated, then I shall not cease to object every time I possibly can rise in my place. When you delegate these powers to people who have never had responsible jobs before, they certainly exercise them. I do not consider it fair that the rights and almost the freedom of the people of this country should be dealt with in such loose fashion.

Mr. ILSLEY: Can we get these amendments through, or shall we stop now? I thought I would try to have the technical amendments cleaned up tonight.

Mr. GREEN: There is no objection, if the order in council is not being carried.

Mr. ILSLEY: The first amendment is:

That the following be inserted in the schedule to the act in the column entitled "Amendments" so as to pertain to order in council P.C. 9439 of 19th December, 1944, as amended:

"Section 9(1) is deleted and the following substituted therefor:

9(1) No member of the board, administrator or other person employed or appointed by the board or acting under the authority of the board shall be liable for any act or omission in the exercise or performance or purported exercise or performance, in good faith and on reasonable grounds, of any power, discretion, authority or duty conferred or imposed by or under these regulations."

Mr. KNOWLES: This applies to P.C. 9439?

Mr. ILSLEY: Yes.

Amendment agreed to.

Mr. ILSLEY: The next amendment is:

That the following be inserted in the schedule to the act in the column entitled "Amendments" so as to pertain to order in council P.C. 9439 of 19 December, 1944, as amended:

"Section 9(2) is deleted and the following substituted therefor:

9(2) No proceedings by way of injunction, mandatory order, mandamus, prohibition or certiorari, shall be instituted against any member of the board, administrator or other person employed or appointed by the board or acting under the authority of the board for or in respect of any act or omission of himself or any other person in the exercise or purported exercise of any power, discretion or authority or in the performance or purported performance of any duty conferred or imposed by or under these regulations or otherwise heretofore conferred or imposed by the governor in council."

Mr. FULTON: Were not the words "in good faith and on reasonable grounds" to be inserted there?

Mr. ILSLEY: No, not in this one. This follows the others exactly.

Amendment agreed to.

Mr. ILSLEY: The next amendment is:

That the following be inserted in the schedule to the act in the column entitled "Amendments" so as to pertain to order in council P.C. 3 of 4th January, 1944, as amended:

"Section 7(2) is deleted and the following substituted therefor:

7(2) No controller, deputy controller, deputy priorities officer or other person acting on behalf of or under the authority of a controller, deputy controller or deputy priorities officer shall be liable for any act or omission in the exercise or purported exercise, in good faith and on reasonable grounds, of any power or authority conferred by the governor in council or any order."

Amendment agreed to.

Mr. ILSLEY: The next amendment is:

That the following be inserted in the schedule to the act in the column entitled "Amendments" so as to pertain to order in council P.C. 3 of 4th January, 1944, as amended:

"Section 12(2) is deleted and the following substituted therefor:

12(2) Where a controller believes that any person has failed to produce books, records or documents, or to give full and complete information as required by such controller under the authority of any regulation, he may, with the approval of a judge of the Exchequer Court of Canada or of a superior or a county court, which approval such judge is hereby empowered to give upon the ex parte application of the controller, authorize in writing under his hand a police officer, police constable or other person employed for the preservation and maintenance of the public peace, together with any other person named therein, to enter and search, if necessary by force, any building, receptacle or place, for books, records or documents which may contain information required by such controller, and to seize the same and carry them before such controller or such other person as such controller may direct, to be held at the discretion of such controller for such uses as he is authorized by any regulation to make."

Mr. GREEN: I would suggest that the minister let this stand. It is not like the other amendments and does not go as far as the hon. member for Portage la Prairie requested, in that it does not require that the books and other documents seized must be taken to the court. We would like to have further time to consider the amendment.

Mr. ILSLEY: Very well.

The CHAIRMAN: Amendment stands.

Mr. ILSLEY: The next amendment is:

That the following be inserted in the schedule to the act in the column entitled "Amendments" so as to pertain to order in council P.C. 245 of 23rd January, 1946, as amended:

"Section 7 is revoked."

Amendment agreed to.

Mr. ILSLEY: The last amendment is:

That the following be inserted in the schedule to the act in the column entitled "Amendments" so as to pertain to order in council P.C. 1997 of 21st March, 1944:
"Section 6 is revoked."

Amendment agreed to.

The CHAIRMAN: Is the committee prepared to carry the orders in council as amended?

Some hon. MEMBERS: No.

The CHAIRMAN: I shall call the first one. Does order in council 1609 as amended carry?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

The CHAIRMAN: Carried. Does order in council 9439 and order in council 7502—

Mr. FLEMING: I have just a question to ask.

Mr. KNOWLES: Could we not call it eleven o'clock?

Mr. FLEMING: I just want to give the minister notice so that he might bring before the committee a statement of the areas declared to be congested areas and the dates on which they were so declared.

Mr. HOWE: Very well.

The CHAIRMAN: Shall I report progress?

Mr. COCKERAM: I rise to a question of privilege. There is a gentleman in the official gallery of this house, I presume an official of the department whose affairs we have been discussing this evening, who has been acting in a manner which I do not think is becoming to anyone sitting in the official gallery. I merely want to draw this to your attention, Mr. Chairman.

The CHAIRMAN: I have noted what the hon. gentleman has said, but I did not notice anything out of place myself, and it was not brought to my attention previously.

Mr. COCKERAM: When the hon. member for West York was speaking, this gentleman in the front row of the gallery was performing great antics and certainly was not observing the decorum that should be observed in the galleries of this house.

Some hon. MEMBERS: Order.

The CHAIRMAN: All I can say is that the hon. gentleman should have brought that fact to my attention at the time. However I have noted his remarks.

Progress reported.

On motion of Mr. St. Laurent the house adjourned at 11.12 p.m.

Monday, April 28, 1947

The house met at three o'clock.

HOUSE OF COMMONS

ORGANIZATION AND ESTABLISHMENT OF PERMANENT POSITIONS ON STAFF

Mr. SPEAKER: I wish to lay before the house a list showing the organization and establishment of the permanent positions on the staff of the House of Commons.

THE PRIME MINISTER

RETURN TO THE HOUSE AFTER ABSENCE THROUGH ILLNESS—ANNOUNCEMENT AS TO VISIT OF PRESIDENT OF THE UNITED STATES

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, with your permission I rise to speak on behalf of my associates; indeed, on this occasion I trust I speak for the whole house when I express to the Prime Minister (Mr. Mackenzie King) a warm welcome upon his return. I am sure we are all pleased to see him looking so well, and we trust that he is as well as he looks. If either now or in the future he should require any further rest, I am sure also that it will be readily given by every section of the house. Judging from his appearance, I gather he does not need one. His ruddy complexion would indicate that the sunshine of Virginia has done him more good than the storms in the House of Commons have done the rest of us.

I am happy to be able to assure him that in his absence the house was most competently led by the Secretary of State for External Affairs (Mr. St. Laurent). Sometimes he and his associates were right in their attitude toward the public questions which came before us; always, when they were right they had the support of those of us on this side of the house. But sometimes both he and his associates were wrong, and on those occasions we did our best to get them back on the right trail.

I am sure I speak for all hon. members when I say we are glad to see the Prime Minister back, and we trust his condition is such that he may carry on his duties here without any danger of further impairment of his health.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I rise not because the leader of the opposition (Mr. Bracken) is not speaking in this matter for this group as well as for his own, but to add my expression of personal pleasure at seeing the Prime Minister back in his place, and to express the hope

that he may long be spared to fill that position, or, if not, some other position in the house.

I would also associate myself with the leader of the opposition in his reference to the acting leader of the house during the Prime Minister's absence. I think I am not speaking too strongly when I say that during that time he has endeared himself to hon. members in all parts of the house.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I am sure we share the sentiments expressed by the leader of the opposition and the hon. member for Vancouver East (Mr. MacInnis). We are happy to see the Prime Minister (Mr. Mackenzie King) back in his place.

During his absence I believe we did a pretty good job; the amount of business transacted was, I should think, quite satisfactory. Of course we are not hoping that the Prime Minister may have to go again soon, so that we can do more; but I am suggesting that we took his advice and carried on quite well in his absence. We hope his health will continue to be good, so that he may not be forced to go away again.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, may I thank most warmly my hon. friend the leader of the opposition and the hon. gentlemen who have spoken for other parties on the opposite side of the house and the members of their parties, for the kind welcome they have extended to me; and may I also extend to all my fellow members on this side of the house my warmest thanks also for the manner in which they received the words of hon. members opposite.

I need not say how delighted I am to be back in the House of Commons. My little trip to the south has done me a lot of good. I felt considerably in need of a rest before going away; but I have come back feeling greatly benefited by it, and I hope from now on in the proceedings of the house I shall be able to pull my full weight in the boat.

While the weather in the south was a bit inclement, I gather it was not quite as bad as it was here. However that is all more than compensated for by what hon. gentlemen opposite have been saying about the progress that has been made in the business of the house in the last few weeks.

May I join with those who have spoken of my colleague, the Secretary of State for External Affairs, in expressing to him my warmest thanks for the manner in which he has led the house during my absence and for the example which he has set to all its members, including myself.

I should like also to express a word of warm appreciation to the members of the press gallery and other friends who greeted me so cordially on my arrival back in the city on Saturday afternoon, and a word of very sincere appreciation of the many courtesies extended to me while I was in the United States, particularly by the government of the United States.

I am happy to be able to inform the house that the President, Mr. Truman, has definitely accepted the invitation of the Governor General and the government to visit our capital, probably in June, and that Mrs. Truman will also accompany him. The President expressed to me the hope and expectation that he and Mrs. Truman would be accompanied by their daughter. I gave to the President the assurance, which was unnecessary, that he and the members of his family would receive a very warm welcome from the citizens of Canada.

CHEESE

RECORD OF HASTINGS COUNTY, ONTARIO, IN 1946

Mr. G. H. STOKES (Hastings South): On a question of privilege, Mr. Speaker, I desire to call your attention and that of hon. members of this house to a report recently issued by the Ontario department of agriculture to the effect that in 1946 the county of Hastings produced 8,148,821 pounds of cheese, which surpasses the record of any other county in the province of Ontario.

REPORTS OF COMMITTEES

PUBLIC ACCOUNTS—RAILWAYS AND SHIPPING

Mr. GORDON B. ISNOR (Halifax) presented the first report of the standing committee on public accounts, and moved that the report be concurred in.

Motion agreed to.

Mr. GORDON B. ISNOR (Halifax) presented the second report of the standing committee on public accounts.

Mr. S. M. CLARK (Essex South) presented the first report of the sessional committee on railways and shipping owned, operated and controlled by the government, and moved that the report be concurred in.

Motion agreed to.

TRANS-CANADA AIR LINES

REFERENCE OF ANNUAL REPORT TO RAILWAYS AND SHIPPING COMMITTEE

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I desire to table the annual report of Trans-Canada Air Lines for the year ended December 31, 1946, in English and French. The report is being distributed this afternoon.

By leave of the house I move:

That the annual report of Trans-Canada Air Lines for the year ended December 31, 1946, tabled this day, be referred to the sessional committee on railways and shipping owned, operated and controlled by the government.

Motion agreed to.

AIR TRANSPORT BOARD

REVIEW OF LICENCES RESPECTING COMMERCIAL AIR SERVICES

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I desire to lay on the table the report of the air transport board, being a review of licences respecting commercial air services pursuant to section 13 of the Aeronautics Act.

I desire also to table a copy of P.C. 1337, being an implementation in part of the recommendations of the air transport board.

CIVIL AVIATION

MEETING OF INTERNATIONAL AUTHORITY IN MONTREAL—CANADIAN DELEGATION

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I wish to call the attention of the house to the fact that the first assembly of the international civil aviation authority will be held in Montreal commencing next week. The delegates from Canada will be myself, as chairman; Mr. A. C. McKim, Canadian representative on the ICAO council; Mr. R. A. C. Henry, chairman of the air transport board; Mr. J. P. R. Vachon, member, air transport board; Air Vice Marshal A. Ferrier, member, air transport board and S. Graham, superintendent of air regulations, Department of Transport.

The alternates will be Mr. J. R. Baldwin, assistant secretary to the cabinet; Mr. G. P. Kidd, Department of External Affairs; Mr. C. S. Booth, secretary, air transport board, and Mr. W. M. Sharp, Department of Finance.

(Translation):

REPORT TABLED

CANADIAN NATIONAL RAILWAYS—AUDITORS' REPORT

French version of the report submitted by George A. Touche and Company, auditors for the Canadian National Railways, for the year ended December 31, 1946.—Hon. Mr. Chevrier.

(Text):

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CIVIL SERVICE INSURANCE

Mr. BRYCE:

1. What were the total premium receipts under the Civil Service Insurance Act for the 25 years ending December 31, 1946?
2. What were the total losses in the same period?
3. What amount of insurance was in force under this act on December 31, 1946?

Mr. MAYHEW:

1. The total premium receipts under the Civil Service Insurance Act for the 25 years ending March 31, 1946, were $10,687,110.74.

2. The total losses (death claims paid) in the 25 years ending March 31, 1946, were $4,785,024.41.

3. The total amount of insurance in force under this act on March 31, 1946, was $30,691,755.32.

The above figures are given with respect to March 31, 1946, as all of the records regarding the operation of the act have been kept by fiscal years. No figures are available with respect to calendar years.

MARINE INSURANCE BROKERAGE—COMMODITY PRICES STABILIZATION CORPORATION

Mr. FLEMING:

1. What broker holds the marine insurance on Commodity Prices Stabilization Corporation Limited?
2. When was this insurance placed through him?
3. What brokers previously held this insurance, and on what terms?
4. Why was it placed through the present broker, and on what terms?
5. What other insurance, if any, does such broker hold for other crown companies and government departments and government boards, and what premiums have been paid for such insurance?

Mr. MAYHEW:

1. Messrs. Dale and Co. Ltd., Montreal, P.Q.
2. March, 1942.
3. None.
4. Because they were a reputable firm in the business with excellent connections in the United Kingdom, United States and Canada, and could give the essential security required. By its very nature bulk purchasing requires

that marine insurance should be concentrated under one open cover policy. The corporation's risk on any one steamer was very considerable at times and to assure insurance "lost or not lost" an open cover was essential. Furthermore, the single open cover policy assured that the corporation received the lowest rates with the broadest terms and the maximum security.

5. No information.

SUGAR STABILIZATION CORPORATION

Mr. BLACKMORE:

1. On what date was the Sugar Stabilization Corporation Limited formed by the government?
2. For what purpose was this corporation formed?
3. Who are the directors and officers of this corporation?
4. Which of these was appointed by or through the civil service commission?
5. Which of these was not appointed by or through the civil service commission?
6. In each of these latter cases, why not?
7. What background and experience in the case of each director or officer justified his appointment?
8. At how much is the yearly cost of administration of this corporation estimated for (a) salaries, fees; (b) rent; (c) travelling expenses; (d) postage, telegraph and telephone; (e) office supplies; (f) publicity and advertising; (g) all other expenses not elsewhere provided for?

Mr. MAYHEW:

1. By supplementary letters patent dated March 14, 1947, the name of Wartime Food Corporation Limited was changed to Canadian Sugar Stabilization Corporation Limited and its corporate powers were changed to purchase or otherwise acquire, export, import, exchange, charge, sell or otherwise dispose of, distribute, store, transport, process and generally deal in sugar, sugar syrups, liquid sugar, molasses and other sugar products.

2. To perform certain of the functions of the sugar administrator under the regulations respecting sugar established by P.C. 3223 of October 21, 1939.

3. (a) Directors: T. A. Climo, D. Crowley, S. R. Noble, K. W. Taylor, W. T. Wilson.

(b) Officers: S. R. Noble, President; T. A. Climo, Vice-President; D. Crowley, Secretary-Treasurer.

4. None (see answer to question 6.)

5. All five (see answer to question 6.)

6. These men were already officials of the wartime prices and trade board and were designated by the Minister of Finance, under authority P.C. 328 of January 28, 1947, to act in this additional capacity.

7. S. R. Noble.—Mr. Noble was appointed sugar administrator of the wartime prices and trade board in October, 1939, and has remained in that capacity since that date. He therefore has acquired an extensive knowledge of the industry in all its phases throughout the whole dominion. He was previously assistant general manager of the Royal Bank of Canada. Mr. Noble serves both the wartime prices and trade board and the Canadian Sugar Stabilization Corporation Limited without remuneration.

T. A. Climo.—Mr. Climo has been with the sugar administration since February, 1942, first as director of sugar distribution and latterly as deputy administrator, which position he still holds. Before joining the wartime prices and trade board Mr. Climo was vice-president of Robinson and Climo, grain and freight brokers, Montreal.

D. Crowley.—Mr. Crowley was released to the wartime prices and trade board by H. E. Hodgson & Company, sugar brokers, with whom he had acquired a detailed knowledge of and experience in the sugar business. Since February, 1946, Mr. Crowley has served as executive assistant to the sugar administrator and latterly as director of raw sugar.

K. W. Taylor.—Mr. Taylor, previously professor of economics at McMaster university, is chairman of the wartime prices and trade board, with which he has been associated since September 1939 as secretary, foods coordinator and deputy chairman prior to his present appointment as chairman of the wartime prices and trade board. Mr. Taylor serves the Canadian Sugar Stabilization Corporation Limited without additional remuneration.

W. T. Wilson.—Mr. Wilson is deputy chairman and comptroller of the wartime prices and trade board and a vice-president and director of Commodity Prices Stabilization Corporation Ltd. He has had extensive experience in government accounting, administration and finance. Mr. Wilson serves the Canadian Sugar Stabilization Corporation Limited without additional remuneration.

8. Estimated administrative expenses: (a) salaries, $209,000; (b) rent, $16,500; (c) travelling expenses, $9,000; (d) postage, telegraph and telephone, $13,000; (e) office supplies, $4,000; (f) publicity and advertising, nil; (g) other expenses, $10,000; total, $261,500.

JAPANESE CANADIANS

Mr. THATCHER:

1. Do Japanese Canadians still require permits to travel in Canada?
2. If so, do such regulations apply to Japanese Canadian war veterans?
3. What purpose is served by the continuance of such regulations?

Mr. MITCHELL:

1. Permits are still required by persons of Japanese origin for movement or change of residence within British Columbia, or for movement into that province.

2. Japanese who served in the Canadian armed forces in world war I or II, and their dependents, do not require such permits except to enter or reside in the British Columbia coastal area.

3. These travel and residence restrictions are retained to facilitate the government's dispersal and reestablishment programme for persons of Japanese origin who were evacuated from the Pacific coastal area in 1942.

HOUSING—INSPECTION OF PREMISES

Mr. CHURCH:

Has any action been taken to turn over to the provinces or municipalities under the housing orders in council as amended the authority to inspect the premises dealt with under the orders in council and to investigate complaints as to undesirable tenants, or for a national system of inspection on these matters through municipal authorities?

Mr. MAYHEW: No, in so far as the wartime prices and trade board is concerned.

VOCATIONAL SCHOOLS ASSISTANCE AGREEMENTS

Mr. PROBE:

1. What total sums of money have been allotted by the federal government by provinces for capital expenditures under the vocational schools assistance agreements, authorized by the terms of P.C. 1648 of March 8, 1945?

2. What sums were spent by provinces as federal grants under the terms of these agreements in each of the fiscal years 1945-46 and 1946-47?

3. Have representations been made that expenditures during the final year of the agreements be deferred until the building emergency for family housing has been met or become less acute? If so, from what provinces?

4. What action has the Minister of Labour taken or alternatively what action does he propose to take to meet the requests for deferment of capital expenditures under this agreement without loss of federal assistance?

Mr. MITCHELL:

1. Under the provisions of order in council P.C. 1648 of March 8, 1945, agreements were entered into by the dominion with all provinces for financial assistance by the dominion for vocational training at secondary school level, including provisions for a grant towards capital expenditures made by the provinces between April 1, 1945, and March 31, 1948, for buildings and equipment, equal in amount to that subscribed by the provinces, up to a maximum of $10,000,000.

2. Total amounts contributed by the dominion to the provinces pursuant to the agreements entered into under P.C. 1648 by years covering operational costs and capital expenditures are as follows:

	1945-46	1946-47
Prince Edward Island	$ 50,300 00	$ 45,000 06
Nova Scotia	32,324 71	28,024 37
New Brunswick	81,598 35	71,035 99
Quebec	550,719 77	461,498 47
Ontario	589,000 00	589,000 00
Manitoba	10,000 00	—
Saskatchewan	64,460 00	31,513 71
Alberta	100,003 21	132,974 76
British Columbia	80,356 85	10,000 00

3. Representations have been made that the period for dominion contribution towards special capital expenditures should be extended beyond the present date of March 31, 1948, by British Columbia, Alberta, Saskatchewan, Quebec and New Brunswick.

4. No action has been taken on such requests. The matters involved in the requests are matters of future government policy on which no decision has yet been made.

INTEREST ON OVERDUE TAXES

Mr. DIEFENBAKER:

1. What rate of interest is being charged on overdue (a) excess profit tax; (b) personal income tax, for each of the years 1940 to 1945?

2. Is interest compounded? If so, at what intervals?

Mr. McCANN:

1. The following interest rates apply both to excess profits tax and personal income tax for the years 1940 to 1945.

1940 to 1943

Five per cent interest on (a) balance of tax estimated by the taxpayer from the due dates to the date of payment; (b) additional tax assessed from date of filing the return to date of payment.

Three per cent additional interest on (a) instalments in default from due dates to date of payment; (d) additional tax assessed remaining unpaid one month after issuance of the notice of assessment to date of payment.

Note: The 3 per cent additional interest on instalments in default does not apply to personal income tax or personal excess profits tax in 1942 and 1943, and to corporations in 1943.

1944 and 1945

Four per cent interest on (a) balance of tax estimated by the taxpayer from the due dates to the date of payment; (b) additional tax assessed from date of filing the return to date of payment.

Three per cent additional interest on tax unpaid one month after issuance of notice of assessment to date of payment.

Note: No interest is payable upon unpaid taxes for a period beginning twenty months after the date of filing a return and ending one month from the date of issuing the notice of assessment with respect to taxes of the year 1945.

2. Interest is not compounded.

WARTIME PRICES AND TRADE BOARD—PERSONNEL

Mr. DORION:

1. What are the names and the addresses of the following personnel of the wartime prices and trade board (a) chairman; (b) deputy chairman; (c) members of the board; (d) administrators of the board; (e) deputy administrators of the board; (f) coordinators of the board; (g) deputy coordinators of the board; (h) persons to whom the board has delegated some powers?

2. In what capacity are they acting?

Mr. DORION:

1. How many persons are employed in the wartime prices and trade board?

2. How many of such employees are of (a) Canadian; (b) British; (c) German; (d) French; (e) Russian; (f) American, origin?

Mr. MAYHEW: Mr. Speaker, I have discussed these questions with the hon. member for Charlevoix-Saguenay (Mr. Dorion) and in view of the difficulty and cost and time involved in answering these questions he has agreed to drop them on the understanding that he will place a further question on the order paper which will give him the information required.

Questions dropped.

FLOODS AND STORMS IN GREAT BRITAIN—FOOD PARCELS

Mr. CHURCH:

1. What aid, if any, has been given towards alleviating the food shortage and famine in Great Britain caused by recent floods and storms, and to the economic strain brought about by the recent war?

2. As large numbers of municipalities and private community organizations are sending parcels of food as well as provincial and municipal governments, could not these parcels be forwarded by the government free of charge for delivery there, and the sum total charged up to lend lease?

3. What is the rate charged per ton delivery for food parcels if based on average cost of pound parcel charges?

Mr. ST. LAURENT:

1. The need for special help from overseas to alleviate shortages caused by the recent floods and storms in the British isles, is a matter which the United Kingdom government will wish to consider itself. Up to the present time the Canadian government has no information which would indicate that the United Kingdom is contemplating any request for such help. For the purpose of alleviating economic strain brought about by the recent war, the Canadian government in 1946 extended a credit of one and one-quarter billion dollars to the United Kingdom. In addition, the long term contracts entered into by the United Kingdom and Canadian governments will do much to facilitate the import of foodstuffs into the United Kingdom.

2. The advisability of charging the cost of privately dispatched relief parcels against the Canadian dollar credit is a matter for the United Kingdom government itself to decide.

3. The postage charges on parcels to the United Kingdom are made up of three separate arrangements: (a) Charges for conveyance in Canada which are paid at so much per pound; (b) Charges of the shipping companies for conveyance at sea, which are paid on the basis of cubic space occupied; (c) Charges of the general post office in the United Kingdom, which are paid at so much per pound.

Parcel post shipments are not calculated on a bulk basis, and no comparison is possible.

JOHN GRIERSON

Mr. FULTON:

1. Has Mr. John Grierson asked the government, or any member or department thereof, for help in obtaining a visa to enter the United States?

2. Has any decision been made with regard to such request? If so, what was the decision?

3. Was Mr. Grierson's appointment as adviser to the director-general of UNESCO recommended by or on behalf of the Canadian government, or by or on behalf of any member, department or official thereof?

4. Was his appointment subsequently approved by or on behalf of the Canadian government, or by or on behalf of any member, department or official thereof?

5. Did the United States delegation in UNESCO make any representations against this appointment either before or after it was officially approved by UNESCO?

Mr. ST. LAURENT:

1. No.

2. Answered by No. 1.

3. No.

4. No.

5. No information is available.

IMMIGRATION—POLISH SOLDIERS

Mr. CHURCH:

1. Does the British government provide shipping space as well as fares for another batch of Polish soldiers for whom a team has already gone over?

2. Did any of these soldiers fight against Britain in the last war and where?

3. What branch of the Polish army did they belong to, and did any of them fight with Germany in the last war on the western or Italian front?

4. What check is there by Canada of these soldiers and what is the nature of the agreement with Britain to accept them, and to what number, and on what terms, and to what provinces will this contingent be assigned and for what work?

Mr. ST. LAURENT:

1. Yes.

2. Some of them were conscripted into the German army and fought on the Italian front and in north west Europe.

3. They belonged to those formations of the Polish army serving under British command. The question whether any of them fought with Germany on the western or Italian front is answered by Nos. 2 and 4.

4. Selection is made by a team of Canadian government officials composed of representatives of the Departments of Agriculture and Labour and the R.C.M.P.

The Canadian overseas medical immigration service provides the necessary doctors to carry out the medical examinations. Only those are accepted who are medically fit, took part in active hostilities against the axis powers and also qualify under the terms of the agreement with the United Kingdom. Those who participated voluntarily in hostilities on the side of the axis, or who have criminal records, are rejected.

The agreement with the United Kingdom provides that Canada will permit entry into this country of 4,000 Polish veterans who served with the allied forces engaged in hostilities against the axis powers, who are single and who are qualified for and willing to undertake agricultural employment in Canada. The United Kingdom has agreed that the Canadian government will make the selection of those who have applied and an undertaking will be signed by the successful applicant by which he agrees to accept farm labour at current wage rates and in accordance with living and working conditions prevailing in the locality of his employment, and will continue in agricultural employment for a period of two years. There is provision in the agreements for the return to the United Kingdom within two years of any individual who might be found to be unsuitable.

Further details are contained in the statement made to the house on this topic by the Secretary of State for External Affairs on July 25, 1946, and reported in *Hansard* pages 3836 and 3838 and in order in council P.C. 3112 of July 23, 1946, which was tabled at the same time.

[Mr. Church.]

The second contingent of approximately 1,124 Polish veterans has tentatively been assigned as follows: Maritime provinces, 50; Quebec, 100; Ontario, 374; Manitoba, 200; Saskatchewan, 100; Alberta, 300.

IMMIGRATION—DISABLED PERSONS

Mr. WINKLER:

Is consideration being given by the government to cases where entire families are desirous of migrating to Canada, and where due to war injury one member of the family is not physically fit to qualify for admission to Canada and to make provisions that when guarantees or bonds are furnished in Canada that such disabled person will never become a public charge, then such disabled person may proceed to Canada with other members of his family?

Mr. GLEN: Cases as described are dealt with in accordance with provisions of the Immigration Act. Section 3 thereof provides as follows:

3. No immigrant, passenger, or other person, unless he is a Canadian citizen, or has Canadian domicile, shall be permitted to enter or land in Canada, or in case of having landed in or entered Canada shall be permitted to remain therein who belongs to any of the following classes, hereinafter called "prohibited classes":—

(a) .....

(b) .....

(c) Immigrants who are dumb, blind, or otherwise physically defective, unless in the opinion of a Board of Inquiry or officer acting as such they have sufficient money, or have such profession, occupation, trade, employment or other legitimate mode of earning a living that they are not liable to become a public charge or unless they belong to a family accompanying them or already in Canada and which gives security satisfactory to the minister against such immigrants becoming a public charge.

NATIONAL HOUSING ACT—ASSISTANCE TO LOW-RENTAL HOUSING PROJECTS

Mr. MacINNIS:

1. Since the National Housing Act was passed in 1944 have any requests been made by municipalities for assistance with low-rental housing projects by (a) legislation to provide loans directly to municipal housing authorities; (b) legislation to provide rent-reduction subsidies to such authorities; (c) legislation or regulation to provide loans to local, non-profit housing corporations; (d) legislation or regulation to provide rent-reduction funds to local, non-profit housing corporations?

2. If so, by what municipalities?

3. What arrangements, if any, arising out of such requests, have been made to enable the carrying on of low-rental housing projects within such municipalities?

Mr. McILRAITH: The answer to this question in its present form would disclose no information, but there is some information relating generally to the subject and I have arranged for this to be made available to the hon. member, who may be agreeable to dropping the question on that understanding.

Question dropped.

EXPORT OF SOAP

Mr. HATFIELD:

1. Did Canada export any soap during each of the years 1944, 1945 and 1946?

2. If so, what quantities were exported and to what countries?

Mr. MacKINNON:

1 and 2. See statement attached.

Statement showing Canadian exports by countries, of soap during the calendar years 1944, 1945 and 1946

	Toilet soap			Soap, other than toilet		
	1944	1945	1946	1944	1945	1946
Country	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
United Kingdom	266,300	143,981	....	....	226,748	2,100
Eire	....	....	60	....	....	....
Br. East Africa	3,600	....	7,200	112,120	....	....
Br. South Africa	12,584	....	3,079	....	4,081	....
Southern Rhodesia	....	10,407	3,888	....	....	....
Gambia	456	....	....	....	....	....
Gold Coast	....	949	1,800	....	....	....
Sierra Leone	462	....	....	....	....	....
Bermuda	16,332	68,645	18,557	....	134,139	132,648
British India	26,475	535	....	....	39,319	....
Ceylon	52,968	23,965	31,500	....	20,000	....
Sts. Settlements	....	....	630	....	....	....
Br. Guiana	73,075	190,358	276,369	254,457	113,150	147,285
Br. Honduras	55,558	104,878	156,404	6,055	26,428	31,675
Br. Sudan	....	....	....	979	....	....
Barbados	149,845	103,543	49,198	163,300	16,539	23,503
Jamaica	237,104	487,890	271,325	20,144	34,138	27,842
Trinidad	490,806	346,924	411,639	278,738	240,561	185,427
Br. W. Indies, other	312,874	254,461	234,149	498,620	623,356	506,163
Hong Kong	....	....	390	....	....	52
Malta	120	....	....	9,788	....	....
Newfoundland	475,072	435,168	255,455	2,458,752	3,065,146	2,215,160
Australia	....	18,200	....	....	....	....
Palestine	15,000	1,300	396	14,062	....	....
Austria	....	....	....	....	....	1,971,800
Argentina	....	96	....	....	....	....
Belgian Congo	31,620	85,302	53,923	....	....	....
Chile	36	....	....	....	....	....
Costa Rica	....	....	131	....	....	....
Cuba	....	195	410	....	....	....
Czechoslovakia	....	759,960	100,020	....	5,546,674	2,017,634
Egypt	174,885	3,286	41,289	9,000	13,725	....
France	25,068	13,064	....	102,424	744,793	....
French Africa	30,895	....	....	213,167	380,444	....
French Oceania	92	....	....	....	....	....
St. Pierre & Miq.	6,658	6,355	8,018	42,377	21,865	52,880
Germany	....	1,700	31,335	....	408	816
Greece	....	338,555	....	....	2,794,168	514,800
Hayti	13,059	18,568	38,559	3,055,575	3,033,553	1,944,350
Iceland	....	95	....	12,625	....	....
Iraq	9,180	....	5	36,000	4,230	....
Italy	48,588	17,485	231,720	417,868	3,243,819	1,256,080
Italian Africa	....	....	....	3,700	....	....
Mexico	....	....	100	....	....	5,730
Neth. Guiana	23,603	13,754	15,454	87,342	93,344	71,636
Neth. West Indies	....	22,000	45,324	57,413	543,458	304,970
Panama	26,625	20,813	11,251	18,562	2,500	....
Poland	....	636,240	80,700	....	8,162,218	1,699,200
Soviet Union	....	....	15,440	....	....	108,120
Alaska	....	....	50	....	....	33
Venezuela	....	....	60	....	....	100
Yugoslavia	....	315,055	....	....	8,767,323	4,283,351
United States	403	78	3,163	6,080	2,942	471
Totals	2,579,343	4,443,805	2,398,995	7,880,148	37,899,069	17,503,826

WHEAT BOARD—SALES OF CLASS 2 WHEAT

Mr. DIEFENBAKER:

1. What is the highest and lowest price at which the wheat board has sold class 2 wheat since November 1, 1946, and what were the dates of such sales?

2. How many bushels of said wheat were sold during the said period? To which countries were such sales made and the amounts sold to each respectively?

Mr. MacKINNON:

1. Highest price at which wheat board sold class 2 wheat since November 1, 1946 (to April 23, 1947);

March 27, 1947—No. 3 Amber Durum $3.01 per bushel, basis in store Fort William/Port Arthur;

Lowest price at which wheat board sold class 2 wheat since November 1, 1946 (to April 23, 1947);

December 2, 1946—No. 4 Northern $2.11 per bushel, basis in store Fort William/Port Arthur.

2. Sales of class 2 wheat November 1, 1946 to April 23, 1947 8,310,233 bushels; Countries to which sold as follows:

	Bushels
Antigua	44
Barbados	633
Belgium	1,975,191
Brazil	345,100
Br. S. Africa	539,257
Colombia	7,466
Ecuador	166
Eire	204,361
France	698,459
Jamaica	11,728
Netherlands	2,352,435
Newfoundland	798
Norway	1,157,521
Peru	11,200
Portugal	655,180
St. Pierre	641
St. Vincent	25
Switzerland	335,462
Trinidad	2,704
United States	4,661
Total	8,303,032

WAR VETERANS ALLOWANCES

Mr. KNOWLES:

1. Have any representations been received by the government calling for an amendment to the War Veterans' Allowance Act so as to include within its provisions, as a matter of right, all veterans who served in any of the allied forces in the first great war, and who served in the Canadian forces during the second great war, and are now permanent residents of Canada?

[Mr. MacKinnon.]

2. If so, has consideration been given to such representations, and what is the present status of the matter?

Mr. MACKENZIE:

1. No such representations have been received on behalf of veterans who served in the forces of His Majesty's allies in world war I and in the Canadian forces in world war II.

2. Answered by No. 1.

IMMIGRATION—EUROPEAN WOMEN

Mrs. STRUM:

1. Are women now being recruited in Europe by the Labour Department of the Canadian government? If so, for what purpose?

2. On what basis are they being selected?

3. What agencies are being used to make the selections?

4. What standards are being established for the employment of these women in regard to (a) wages; (b) hours; (c) working conditions; (d) training in Canada?

Mr. MITCHELL:

1. No.

2, 3 and 4. Answered by No. 1.

LUMBER—JOHN B. SMITH COMPANY

Mr. MENARY:

1. Is any lumber being held by the government in the yards of the John B. Smith Company, Toronto?

2. If so, for what purpose is it being held?

3. When will any of this lumber be released for sale?

Mr McILRAITH:

1. No.

2, 3 and 4. Answered by No. 1.

PICTOU COUNTY, N.S., INDIAN RESERVE

Mr. BLACK (Cumberland):

1. Has the Indian reserve or land held for Indians in Pictou county, Nova Scotia, been taken over recently by the government or sold to private parties?

2. If so, what acreage, what price was received and who were the purchasers?

Mr. GLEN:

1. No.

2. Answered by No. 1.

PASSPORTS—CANADIAN-BORN CHILDREN

Mr. SMITH (Calgary West):

How many passports have been issued to Canadian-born children on the application of Mr. C. B. Hill, Superintendent of Child Welfare of the province of Alberta (a) in 1946; (b) in 1947 to date?

Mr. ST. LAURENT:

1. (a) 64; (b) 11.

INTERDEPARTMENTAL PANEL ON SECURITY

Mr. IRVINE:

1. When was the committee on the loyalty of civil servants set up and what is its correct title?
2. Under what authority was it set up and what are its terms of reference?
3. To whom does it report?
4. Has any report or recommendation been made?
5. Has any report or recommendation been made in regard to any individual case and if so has this recommendation been acted upon?
6. What departments or agencies of government are represented on this committee?
7. Who are the representatives on the committee of each such department or agency?
8. What are their special qualifications for this work?
9. Will the work of the committee involve the expenditure of money and has any budget for the work of the committee been drafted or approved?
10. Can the government give an assurance that applicants for jobs in civil service will not be examined on their political affiliations?

Mr. MACKENZIE KING:

1. There is no committee on the loyalty of civil servants.

On April 14th, in reply to a similar question by the hon. member for Winnipeg North, the Acting Prime Minister stated, *Hansard*, page 1993, that among interdepartmental committees established by the government was a standing interdepartmental panel on security.

2. The panel on security was established by cabinet authority in May, 1946, and, as indicated in the answer referred to in paragraph one, its terms of reference are to advise on the coordination of the planning, organization and execution of the security measures which affect government departments.

3. To the cabinet.

4. From time to time, reports and recommendations have been made with respect to appropriate security practices in government departments.

5. As indicated in the answer referred to in paragraph one, the panel does not deal with individual cases.

6. Any department or agency of government, as and when concerned with the matters under consideration.

7. As designated from time to time under authority of the ministers responsible.

8. Experience in the government service.

9. No.

10. Yes.

P.E.I. CAR FERRY

Mr. MacNAUGHT:

1. Have contracts been awarded for the erection of the new car ferry terminal at Borden, Prince Edward Island?

2. If so, what are the names of the firms to whom the contracts were awarded and the amount of each contract?

Mr. CHEVRIER:

1. Yes.

2. The Canadian Dredge and Dock Company—Tender $747,512 (for the construction of the outside jetty extension and the fill for the comfort station);

The Foundation Maritime Limited—Tender $1,409,571 (for the rehabilitation of the existing main jetty).

BRANDON MILITARY HOSPITAL—CARE OF TUBERCULAR INDIANS

Hon. PAUL MARTIN (Minister of National Health and Welfare): I wish to supplement a reply that I made to the hon. member for Brandon (Mr. Matthews) in reply to a question which he asked me on Friday last and which I did not fully answer. He asked as to the transfer of the Brandon military hospital to the Department of National Health and Welfare. Since last Wednesday one of our investigators has been sent out to Brandon to investigate the cause and the nature of the damage resulting from the fire in that hospital a short time ago. A special investigator is now in western Canada and has been instructed to look into this matter and submit a report on what repairs or alterations are necessary. It is understood that the fire was confined to the administration wing. It is presumed that the administration work can be carried out in another wing of the building without rebuilding and with only a relatively small reduction in the future bed capacity of the hospital.

QUESTIONS PASSED AS ORDERS FOR RETURNS

VETERANS LAND ACT—HOUSING—LAMBTON AND ESSEX COUNTIES

Mr. MURPHY:

1. What is the cost of repairs since January 1, 1947, to each home constructed under the Veterans' Land Act in (a) Sarnia township, Lambton county; (b) Roseland and Oliver farm areas, Essex county?

2. Are repairs made prior to January 1, 1947, included in the cost of above homes? If not, what is the amount of such repairs?

3. What capital or other costs in addition to repairs to above homes, since January 1, 1947, have been paid, or are payable or will be payable for work now being done in (a) Sarnia township, Lambton county; (b) Roseland and Oliver farm areas, Essex county?

VETERANS LAND ACT—HOUSING—LAMBTON AND ESSEX COUNTIES

Mr. MURPHY:

1. What is the cost for each home constructed under the Veterans' Land Act in (a) Sarnia township, Lambton county; (b) Roseland and Oliver farm areas, Essex county, for (1) land; (2) roads; (3) sewers or drainage; (4) water mains (5) hydro and any and all other capital charges?

2. Is there a cost per unit of project overhead for each said home which includes (a) inspectors' supervision; (b) regional or district office expense?

3. If so, what is same per unit?

4. What amount has the government expended to date in (a) the Sarnia township area project; (b) the Roseland and Oliver farm areas?

5. What amount, if any, remains unpaid?

6. Are any claims by or against the government in dispute? If so, what are the particulars?

7. Have veterans in any part of Canada obtained contracts for purchase of homes under V.L.A. at a lesser price than the cost to the government? If so, what are details in full?

HOUSING—VETERANS—MONCTON AND SACKVILLE

Mr. EMMERSON:

1. What is the total estimated cost of repairs to (a) the 20 veterans' houses at Moncton, New Brunswick; (b) the 8 veterans' houses in Sackville, New Brunswick?

2. Are the costs to be borne in each case by the government or by the contractor?

HOUSING—VETERANS—FIRM OF BENNETT AND WHITE

Mr. FULTON:

1. What is the total amount paid to the firm of Bennett & White for the construction of V.L.A. houses (a) in British Columbia; (b) in Alberta?

2. Is there any amount owing but still unpaid for construction completed (excluding any sums owing for repairs or alterations)? If so, how much?

3. Give breakdown of figures under 1 and 2 for each project, by name.

4. Of these sums, how much was paid or is owing to cover actual cost of construction, materials, etc., and how much was paid or is owing by way of management fees, cost-plus percentages, etc., in each case?

5. Of these various projects which ones have been accepted as satisfactory?

6. If any have not been accepted as entirely completed satisfactorily, how many houses in such projects have been accepted as satisfactory?

JACQUES GREBER—OFFICE SPACE

Mr. COCKERAM:

1. What is the square footage of the office space occupied by Jacques Greber and his staff?

2. Where is it located?

3. What does it cost the government per year for this space?

[Mr. Murphy.]

FEDERAL DISTRICT AND PLANNING COMMITTEES

Mr. COCKERAM:

1. What are the functions of the following committees or boards: (a) federal district commission; (b) national planning committee; (c) federal area planning committee; (d) transportation committee?

2. What moneys have been paid by the federal government to each of these committees in each of the past five years?

3. What has been paid during 1947 to date?

4. What is the personnel of each committee or board?

JACQUES GREBER—FEDERAL DISTRICT AGENCIES

Mr. COCKERAM:

1. What is the relationship of Jacques Greber to the dominion government on behalf of the federal district commission, national capital or federal area?

2. What compensation has been paid to Mr. Greber by the dominion government or through any of its agencies in each of the last five years?

3. What expenses has he received?

4. What are the terms of his employment?

5. What other persons not permanent civil servants are engaged in a technical or consultative way by the government or any of its agencies for work on any federal area scheme?

6. What compensation and expenses have been paid to each during the past five years?

FEDERAL DISTRICT

Mr. COCKERAM:

What moneys have been spent by the dominion government within the last five years for the purchase of real estate for purposes of the federal district or area?

HOUSING—VETERANS—NOVA SCOTIA

Mr. WINTERS:

1. How many houses were built or are being built under the Veterans' Land Act in Nova Scotia?

2. Were repairs necessary on any of these houses before taking them over from the contractor?

3. What is the estimated cost per house of effecting repairs?

4. Is the repair cost borne by the federal government or the contractor?

YUKON TERRITORY—TERRITORIAL INCOME

Mr. BLACK (Yukon):

1. From what sources was the territorial income of Yukon territory during each of the years of 1944-45, 1945-46 and 1946-47 so greatly increased that it was unnecessary for the federal government to make any payment to the territorial council?

2. How much was it increased in each of said years?

3. How much was it increased from each of said sources in each of said years?

MOTIONS FOR PAPERS

NORTHERN WEATHER STATIONS

Mr. COLDWELL:

For a copy of agreements between United States and Canada relating to the establishment of far northern weather stations in Canadian territory.

Mr. ST. LAURENT: Mr. Speaker, I communicated with the hon. member this morning and informed him that following a cabinet decision to establish a number of weather stations in the Arctic, which was communicated to the United States authorities on February 13, a joint meeting of officials of the two countries was held in Ottawa at the end of February to work out detailed arrangements for the weather station programme. It is expected that these detailed arrangements will shortly be embodied in an exchange of notes between the two governments. As soon as the exchange of notes has been completed, copies will be tabled in the house in the usual way. The Arctic weather station programme was the subject of a statement in the house by the Minister of Reconstruction and Supply (Mr. Howe) on March 4. Pending the time when I can table the exchange of notes it is my understanding with the hon. member that this motion might be dropped.

Motion dropped.

IMMIGRATION—ARTHUR MOEN

Mrs. STRUM:

For a copy of all correspondence in the possession of the government, dated since January 1, 1944, with reference to the case of Mr. Arthur Moen and his application to emigrate to this country.

UNITED FARMERS OF CANADA, SASKATCHEWAN SECTION—NON-DELIVERY STRIKE

Mr. ARGUE:

For a copy of all correspondence, letters, telegrams, reports and other documents exchanged between the government of Canada or any department or officer thereof and the United Farmers of Canada, Saskatchewan section, from August 15, 1946, to March 31, 1947, regarding those demands of the United Farmers of Canada, Saskatchewan section, as set forth at the time of the non-delivery strike and negotiations resulting therefrom.

OLD AGE PENSIONS

INCREASES IN AMOUNTS AND INCOME ALLOWABLE MODIFICATION OF ELIGIBILITY REQUIREMENTS

Hon. PAUL MARTIN (Minister of National Health and Welfare) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Old Age Pensions Act which will enlarge the scope of the act by providing increases in the pension payable and the income allowable to pensioners and by modifying certain of the eligibility requirements for pension.

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

Motion agreed to.

NATIONAL REVENUE

REPORTED RESIGNATION OF DEPUTY MINISTER

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of National Revenue based on a report appearing in various sections of Saturday's press to the effect that the deputy revenue minister and income tax commissioner, Mr. Frank H. Brown, has tendered his resignation. I have spoken to the minister with respect to this question and he intimated to me that it was a matter on which he did not have undivided jurisdiction. However, I think the question is so worded that he can answer it. Is this report true, and if so, is there any basis for the further report that the department is many years behind in its work?

Hon. J. J. McCANN (Minister of National Revenue): Mr. Speaker, the matter of the resignation of Mr. Brown is one which would come before the Prime Minister. Mr. Brown has intimated that for reasons of health he might not be able to continue in his present position. As a matter of fact when he accepted the position on the first of December he intimated then that he would have to consult his physicians to see whether or not he should continue.

With reference to the second part of the question, the further report that the department is many years behind in its work, that is not so. There have been great inroads made within the last few months in catching up with back assessments. The work of the department has very greatly increased. In one office alone, the office at Toronto, in the fiscal year 1946-47 there were 100,000 more returns than in the fiscal year 1945-46. During the past four months there have been more than 850,000 individual assessments made. Therefore inroads are being made on the backlog of work which accumulated. During the war years there was an enormous increase in the amount of work which had to be done in the department. We were short staffed. A

lot of our actuaries, assessors and the like went into private business. That condition is being remedied and throughout the country efforts are being made successfully to catch up with the backlog of work.

Mr. LOCKHART: They are behind, then.

Mr. McCANN: Certainly they are.

AGRICULTURE

REQUEST FOR EXTENSION OF PRICES SUPPORT ACT

On the orders of the day:

Mr. J. W. BURTON (Humboldt): I should like to direct a question to the Minister of Agriculture, notice of which was sent to him this morning. Has the government given consideration to the joint request made by the United Farmers of Canada, Saskatchewan section, and the Alberta Farmers Union, dated April 10, in which they urge the extension of the Agricultural Prices Support Act? If so, what action is contemplated?

Right Hon. J. G. GARDINER (Minister of Agriculture): The two organizations referred to asked the government to bring the act in for amendment this session. It has been stated to them that it was not the intention of the government to bring the act before the house this session.

VETERANS AFFAIRS

DISTRIBUTION OF CAMPAIGN LITERATURE

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I should like to direct to the Minister of Veterans Affairs a question which is prompted by my great personal admiration and friendship for the leader of the opposition, together with the fact that I have his picture on a matchbox. Is the minister aware that the young women's Progressive Conservative association, in the course of visiting patients at the veterans pavilion, Ottawa, has been distributing campaign literature in the form of match boxes bearing the portrait of the leader of the opposition?

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): I had not heard of this matter until a few minutes ago. It seemed to me to be a harmless and ingenious method of public propaganda and campaigning. I think it is a matter of good taste. Veterans in the hospitals themselves will be the best judges of that. As usual we shall out-match them and out-box them.

COUNT ALFRED de MARIGNY

QUESTION AS TO DEPORTATION

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Minister of Mines and Resources. It has to do with Count Alfred de Marigny, formerly of the Bahama islands, who has been resident in Canada for some time. Is he about to be deported? If so, what are the reasons for that decision?

Hon. J. A. GLEN (Minister of Mines and Resources): The hon. member spoke to me before I came into the house regarding this matter. This man came to Canada's shores some time ago—I have not the date, and I had no opportunity of looking at the file. He came as a seaman or second officer on board ship, landed in Canada, and said that he was here for the purpose of reshipping, which he did not do. After some time he made application for permanent landing in Canada. His case was heard and refused. He appealed to me and I again refused, because he is not admissible under the regulations. He has been in Canada for some time. The reason he has not been deported is simply that we have not been able to get transportation which would take him to the country of his origin.

SUPPLY

INCOME TAX—SUGGESTED INCREASE OF EXEMPTIONS

Hon. DOUGLAS ABBOTT (Minister of Finance) moved that the house go into supply.

Mr. J. H. BLACKMORE (Lethbridge): I have a few words to say before the house resolves itself into committee of supply. The government is asking the house to vote supply of funds. In accordance with established British custom, I rise to voice a grievance, to make a request for redress, and later perhaps to offer an alternative. My grievance is that the income tax in my riding of Lethbridge and throughout the other 243 ridings of Canada is an irksome and injurious burden. A tax on all income between $660 and $3,000 is destroying the incentive of Canadian youth to acquire additional education, to marry and make homes and to have babies urgently needed in Canada. It is destroying incentive to be loyal and stable citizens devoted to Canadian democracy, and confident in Canada's future.

Income taxes are destroying the incentive of all Canadian producers to produce both goods and services. Income taxes are impairing both incentive and ability of Canadian consumers to consume both goods and services. Furthermore income taxes, by decreas-

ing purchasing power just exactly where purchasing power should be increased, are greasing the skids and preparing for a headlong plunge of the Canadian economy down the ways into the gloomy seas of depression.

The redress I request is that in his forthcoming budget the Minister of Finance exempt from income tax for single people all incomes of $1,500 and under; for married people all incomes of $3,000 a year and under.

The last speech I delivered in the house was on old age pensions. In that speech I requested that $50 a month be given to people sixty-five years of age and over with no means test, with free hospitalization, medical and dental services. I can conceive that the Minister of Finance may say: Where is the money coming from? How, he will say, can the hon. member claim to be consistent when he makes speeches of this kind so close together?

May I repeat what the people of Canada and this house must learn, that our ability to produce goods and to provide services determines our ability to pay old age pensions or to do anything else we choose to do. Our ability to have money ought to depend on our productive capacity as to goods and services. During the war it was commonly said and generally accepted in government circles that Canada's performance in the war would depend entirely upon her resources, human and material. The same thing should be true in time of peace. Our ability to perform should depend on our ability to produce goods and services.

I suggest to the minister that he should begin to consider an alternative to the financial methods which he is using which are doing so much damage to the Canadian people. I suggest that the minister so change the financial system of Canada as to enable that financial system to render financially possible for Canadians, that level of living standards which Canada's resources, human and material, make physically possible. Such a change can be discovered, Mr. Speaker. It can be made by the government of the day. Such a change ought to be made forthwith before serious deterioration, threatening us at the present time in Canada, sets in in real earnest. Such a change must be made if Canadians are to avoid disasters in the near future.

I have no need to draw hon. members' attention to the rapid development of communism in this country. I have no need to point out how restless labouring people are becoming, considering the dangerous rise in prices. I have no need to hint at disruptive disorders which might follow. We might have far worse than all of these unless something is done, and done soon.

The change, if efficacious, must go far deeper than any possible expansion of Canada's foreign trade policy. It must go far deeper than any modification or combination of modifications of heretofore accepted principles of trade, either external or internal, or both together.

How it has come about that the peoples of the Anglo-Saxon world have become so much obsessed with the idea that the only thing they can do to increase their prosperity is to trade more is something which it is beyond my ability to understand. Take the United States for example, consisting of forty-eight states. In effect they are forty-eight nations. Now, if trade could solve their problems they could trade among themselves and solve those problems. But they do not find themselves able to do so. That fact ought to be sufficient to warn all hon. members that the mere expansion of trade will not provide the remedy we must have for the economic ills that beset us.

The change which is necessary in our system must be widely different from any kind or degree of governmental or social ownership of the means of production such as our socialistically inclined friends seem to be enamoured of. The change must comprise a fundamental change in technique in our financial system.

I suggest to the minister that he earnestly study "Economic Tribulation" by Vincent C. Vickers, published in 1941, and printed by Stephen Austin and Sons Limited in Hertford, England. So that all those who are interested may realize that there are men not such crackpots as social crediters are supposed to be—that there are really men of affairs who have achieved a standing who are confident that something can be done with the financial system, may I quote from this book. Vickers, in his foreword, at page 1, has this to say:

> Ever since that day in 1926 when, not in arrogance but with humility, I felt it my duty to explain to the governor of the Bank of England, Mr. Montagu Norman, that "henceforth I was going to fight him and the gold standard and the Bank of England policy until I die"—(and well I remember the words of his reply!)—I have been an ardent money reformer. Some few years afterwards I resigned my long directorship of Vickers Limited; since when I have spent much time and money in advocating the necessity for a reform of the monetary system.

Further on in the foreword he says:

> I bear no ill-feeling towards my own class or any other class. I seek neither notoriety nor kudos. If someone can change my convictions I shall be only too ready to alter them. But in

fifteen years nothing whatever has occurred to make me alter my views. I still believe that the existing system is actively harmful to the state, creates poverty and unemployment, and is the root cause of war. This personal confession is merely to demonstrate that I have seen both sides of the picture. My opinions are based upon my own experience and knowledge. I am today in the unique position of being absolutely and entirely devoid of animosity and wholly disinterested. I feel myself no longer under any restrictions whatsoever, except to guard against doing harm to my country or giving offence to anyone.

May I say a word or two regarding this man. Here is a man who had been a director of the Bank of England, who had been high in the directorate of Vickers, a great industrial organization. Here is a man who certainly ought not to be disregarded when he speaks so learnedly and so earnestly concerning a matter of such vital importance.

I will not detain the house longer except to read two or three statements which Vincent Vickers makes in the concluding chapter of his book, at page 74, in the chapter headed "The Direction of Future Policy". In recommendation No. 1 he advocates:

State control and state issue of currency and credit through a central organization managed and controlled by the state.

I see the Minister of Justice (Mr. Ilsley), the former minister of finance, in his place. I think the present Minister of Finance (Mr. Abbott) would be well advised to read that book and to avoid thinking all the things that the present Minister of Justice has said about inflation resulting from debt-free money created by the state. Here in Mr. Vickers is a man of high orthodox authority who solemnly advocates debt free money. I will not read all his recommendations because I wish to save the time of the house. Recommendation No. 4, however, reads:

Any additional supply of money should be issued as a clear asset to the state; so that money will be spent into existence, and not lent into existence.

Whereby, of course, anyone can see that this man advocates what social crediters have advocated these many years, namely, debt-free money:

5. The fluctuating quantity of gold lying in the vaults of the banking system should never be permitted to govern the volume of credit and currency needed by the country.

6. The elimination of slumps and booms; and more direct procedure for eliminating unnecessary poverty.

7. The abolition of the debt system where all credit is created by banks and hired out at interest to the country.

May I now revert for a time to the question of income tax? To show how widespread is the anxiety about income tax, and the demand for the reduction of it, may I refer to certain evidences which have appeared in Canada during the last two or three months? I turn to an article appearing in *Saturday Night*, the issue of March 8, 1947, under the title "Taxing the Wrong Thing". I quote:

It is beginning to be realized that the heavy taxation of income has the effect of destroying a great deal of the incentive to produce goods and services, and that, in the world's present situation, that incentive needs to be left as effective as possible, because we certainly need all the goods and services which are currently being turned out, and a lot more.

Further down, under the heading "Killing Incentive", this passage appears:

It is production rather than consumptive demand that needs stimulating; and production is certainly not stimulated by a tax system which begins whittling away at the incentive to produce as soon as the annual income has reached $660, and reduces it practically to zero long before that income has become really substantial. For the incentive to produce is simply the income which actually comes into the control of the producer as a reward of his efforts. Money taken from the producer by the government has no incentive value; even if it is paid back to him by that government in welfare expenditures it is still no incentive, for he gets the benefit of those welfare expenditures, whether he produces or not.

I think I am safe in assuming that this organ speaks more or less for business, for what we might call capitalism.

Now may I turn to a periodical representing labour. I refer to the *Canadian Unionist* of April, 1947. Everyone in the house will recognize this paper as having a moderate, scientific and realistic approach to all matters of public concern. On page 76, column 2, I find an article entitled "Income Tax is Too High". I will not read the whole article; I merely direct the attention of those interested to the beginning of paragraph 2 in which these words appear:

In its recent memorandum to the government, the congress called for a reduction of income taxes in order to provide exemptions for single persons earning $1,500 per year or less, and married persons earning $2,000 per year or less. Such an amendment is highly desirable because the income tax bears with a special severity upon workers with comparatively low incomes.

I think that is sufficient to represent labour. Much more could be referred to but I have no desire to use an undue amount of time.

And now I wish to refer to periodicals representing agriculture in Canada. Having done so I shall have cited expressions of opinion of the three main divisions of Canada's economy. In a periodical entitled *"U.F.C. Information,"* of January 1947, I find an account of resolutions passed by the forty-

sixth central convention of the United Farmers of Canada. On page 5 we read the following resolution:

Whereas the present income tax exemption on single and married persons respectively is inadequate for a decent standard of living,

Therefore be it resolved that this convention demand that the income tax exemption be raised to $1,500 and $3,000 for single and married persons respectively, and

Furthermore be it resolved that the first $800 the farmer derives from the production of livestock and poultry be also exempt and the taxable income be spread over a five year period.

There is little doubt about the attitude of the people who passed that resolution. I turn now to page 11, where we have the minutes of district 4 convention, another group of farmers. At the bottom of the page I read as follows:

That this convention go on record as favouring an amendment to the Income Tax Act to allow for exemption of $1,500 for single status and $3,000 for married status.

I turn now to page 12 of the February 1947 issue and read the following statement at the close of an article called "Excerpts from a Farm Survey":

Another feature that was brought to our attention in answer to our question as to why they had changed to grain farming from mixed farming, was, "Why should I work my head off raising cattle and feeding hogs and pay the greater part of the earnings in income tax?"

I think those are enough quotations and references to show clearly that my remarks about income tax are, in a broad way, representative of the people of Canada.

In closing I urge upon the minister that he forthwith bring in such modifications of the income tax regulations as will exempt all incomes of single persons of $1,500 and under and all incomes of married people of $3,000 and under.

PRAIRIE FARM ASSISTANCE ACT—RECOMMENDATIONS FOR AMENDMENT

Mr. J. G. DIEFENBAKER (Lake Centre): There is a matter which I should like to bring to the attention of the house and through you, Mr. Speaker, to the Minister of Agriculture (Mr. Gardiner) in connection with the Prairie Farm Assistance Act. While this act has brought great benefits to the western provinces, I feel that it should now be submitted to a committee of the house with a view to having brought to the attention of the house certain recommendations for amendment of it. Members receive more correspondence on the Prairie Farm Assistance Act than on any other subject; and that can be understood when a short resume of the statistics is placed before the house.

The Prairie Farm Assistance Act has been in effect since 1939. Considerable areas in Saskatchewan and Alberta have been in receipt of payments under this act in seven out of the eight years during which it has been in effect. Recently a return was brought down in the house, sessional paper No. 7B of March 14, 1947, in answer to certain questions which I placed on the order paper. The questions asked were:

1. What is the number of full townships in each of the prairie provinces which have received prairie farm assistance payments the following number of times: (a) 7; (b) 6; (c) 5; (d) 4; (e) 3; (f) 2; (g) 1?

2. What was the total sum of payments received by each individual township and what was the total number of individual farmer payments in 1 (a)?

3. What was the total acreage of cultivated land in 1946 on the farm which received prairie farm assistance in 1 (a)?

The answers to these questions, which show the extent to which drought has affected crop conditions in the prairier provinces, are as follows:

	Number of Townships		
Years	Manitoba	Saskatchewan	Alberta
(a) 7	Nil	34	48
(b) 6	Nil	173	223
(c) 5	3	478	368
(d) 4	4	910	469
(e) 3	17	1,469	619
(f) 2	87	2,028	838
(g) 1	283	2,618	1,239

For the townships which have received payments of prairie farm assistance for seven years, the number of farmers paid during that period in Saskatchewan was 4,260, and the total amount paid to them was $1,031,170.24. Those statistics indicate the extent to which drought has affected large areas, not for one year but over a period of years, and the extent to which this act has been beneficial.

The act originally was passed in 1939 and there were amendments in 1940, chapter 38; in 1941, chapter 24; and in 1942, chapter 5. It was to be expected that in the operation of the act difficulties and anomalies would arise. In any event they are revealed only as a result of experience. The general objections which are raised to the act as it is at present constituted are as follows—and I suggest that these objections be placed before a committee representative of the western farmers, to the end that the act may be amended in accordance with the results of its operation.

First, it is contended that payment should be on the basis of the individual farmer. Whether or not that be so, I think there should be some change so that at least a por-

tion of a township, even though not contiguous to another township, might come within the terms of the act.

Second, the act should be broadened so as to include some payment for hail damage, on an individual basis. The minister in his reply may say that insurance can be had against that risk.

Mr. GARDINER: They pay on hail now.

Mr. DIEFENBAKER: I appreciate that it operates, in part, under the act as it is being administered.

Mr. GARDINER: It operates on all townships once the act is declared.

Mr. DIEFENBAKER: Yes. The point I make is that so far as hail is concerned it should be applicable on an individual basis. The objection ordinarily raised to placing the whole act on an individual basis certainly does not apply to hail damage. If all payments were placed upon an individual basis, the argument might be advanced that a premium was being placed upon indifferent farming, or farming on submarginal lands. That argument is not applicable so far as hail damage is concerned.

The third point is that present payments are insufficient. They are beneficial so far as they go. They could not be expected to go as far as a system of crop insurance. But the general feeling expressed by farmers in western Canada is that, if the act were revamped and certain changes made, they would have no objection to an increase in the amount now deducted from their production.

The next objection is that the act discriminates against larger farmers. While I realize that a certain unit must be established, nevertheless I feel that the maximum amount payable should be increased, and that that maximum should be fixed at least at the sum of $1,000.

There is considerable criticism of the regulation which provides that an applicant, to be entitled under the act, is required to live on his land, or at least to devote himself solely to agriculture. Numbers of farmers over the years have paid the one per cent deduction compulsorily, yet from year to year they have been denied any return, irrespective of whether or not they have suffered drought damage. Some change should be made in the act whereby a man who operates his business in conjunction with another business should not be denied payment under the act.

I shall now refer specifically to two cases, although the four or five points to which I have directed attention are discussed generally by farmers throughout the west. I wish to bring to the attention of the house two examples in support of my argument that a change in the act is necessary.

One has to do with the rural municipality of Dufferin, in Saskatchewan. Year by year a portion of that municipality, by reason of a valley which runs alongside of it, must suffer continuing drought; yet because it is not contiguous to a municipality declared eligible under the act, the farmers there resident are denied any consideration. From year to year contributions are made; from year to year the contributors are denied any return. While I am familiar with the difficulty of changing the act in order to meet individual cases, only a small amendment will be necessary to bring this and a number of similar cases within the provisions. After all, the purpose of the act is to ensure that a farmer shall not be denied some return from a crop which he had expected but which was destroyed by drought or some other climatic condition.

I should like to refer to another case in support of my argument that the act should be amended so as to provide for the inclusion of a portion of a township, if the individual basis already suggested be not accepted. This has to do with the rural municipality of Craik, but one of many. Here certain farmers in an area not contiguous to a township eligible under the act, find themselves denied any payment. The suggestion comes from the council of the municipality, and states that the farmers generally would favour the necessity of providing for the placing of townships, if necessary, within the system. It states:

> At present the provisions are too rigid to do other than make for great unfairness in practically all partial township considerations.

And then the secretary treasurer of this municipality says:

> It is an absolute miscarriage of the basic underlying principle of the Prairie Farm Assistance Act if they in great need, do not get the bonus when their neighbours immediately south do get same because their area extends two miles further east to the boundary of the township.

The general attitude of rural municipal officials throughout western Canada is summed up in this letter, a copy of which I understand was sent to the minister, and which states:

> In whole the act needs a spring-cleaning and the human equation, which is the equation aimed to be aided, given consideration instead of the present equation of townships and blocks being the factor in main consideration to the detriment of many human beings—

—who should be qualified.

I am suggesting the minister should give consideration to changing the act. Hon. members representing constituencies from the three western provinces have all had experience with its operation, and would all be in a position to make suggestions to the government. In order to cover situations such as I have mentioned, which cause an injustice and certainly develop a feeling of resentment on the part of those who are disqualified because of the rigidity of the act as it now stands, the act should be amended. I am asking the minister if he will give hon. members an opportunity to place before the committee on agriculture the changes which they believe to be necessary. I understand of course that the adoption of those recommendations would remain a matter of government policy, but I think an opportunity should be given hon. members to express their views and to place before the government the picture of conditions prevailing under the act. I believe their recommendations would be beneficial not only to the government but to the country as a whole.

IMMIGRATION—DISPLACED PERSONS AND REFUGEES—DOMESTIC AND OTHER WORKERS

Mr. F. S. ZAPLITNY (Dauphin): Mr. Speaker, I wish first of all to associate myself with the remarks of the hon. member for Lake Centre (Mr. Diefenbaker) in connection with the Prairie Farm Assistance Act. What he has advocated today is substantially the same as my colleagues from Saskatchewan and I urged last year in the discussion on the estimates of the Department of Agriculture.

Perhaps I will be pardoned if I now leave that subject in order to bring to the attention of the house and the country a matter which seems to me to be one of urgency and of considerable public interest and concern. I refer to the question of immigration. From time to time we have had debates in this house referring in part to immigration. We have had several statements from the government side on various phases of immigration, but I do not think it would be overdrawing it to say that there is a great deal of confusion and bewilderment in the minds of the people as to the exact policy of the government on immigration.

The particular phase of immigration which I want to emphasize today is not the general or long-term policy, which I understand is still in the making, but the immediate and urgent question of what is to be done so far as we in Canada are concerned about the displaced persons and refugees now in Europe. This question is not new in the house, and unfortunately it is not new in Europe. The matter is becoming more urgent every hour.

The action we have had in the past has been, to say the least, disappointing to the public mind. On August 13, 1946, a committee of the senate which was dealing with immigration and labour presented its report, and I should like to quote from page 311, as follows:

> Immigrants who come to Canada on the responsibility of relatives or friends already here enjoy a real advantage over those who arrive as complete strangers. The right to bring relatives and friends here is a privilege which our government may well extend to Canadian citizens.

Then further down reference is made to order in council 2071 passed on May 28, 1946, as follows:

> The order in council has meant nothing to date, for practically no immigrants are being admitted, whether relatives or otherwise, nor are any steps being taken with a view to future admission.

That was August 13, 1946, and we are now well into 1947. That last statement seems to be substantially true today. The Minister of Mines and Resources (Mr. Glen) has stated in this house on several occasions that the regulations dealing with the admissible classes of prospective immigrants are being widened and relaxed.

Mr. SPEAKER: I would call the attention of the hon. member to item 5 on the order paper which reads:

> Resuming the adjourned debate on the motion of the Minister of Mines and Resources for the second reading of Bill No. 10, an act to amend the Immigration Act and to repeal the Chinese Immigration Act.

I do not think the hon. member should take advantage of this opportunity to debate a matter which will come before the house when item No. 5 is called.

Mr. ZAPLITNY: Mr. Speaker, if I may refer to what you have just said, I have Bill 10 before me, and it deals only with two phases of immigration, the repeal of the Chinese Immigration Act and the entry of service men's dependents into Canada, neither of which matters am I referring to today. Your Honour may recall that when Bill 10 was being discussed in a previous debate and some hon. members attempted to deal with the matter with which I am now dealing, they were prevented from doing so. The ruling was that the bill did not deal with the matter I am now discussing. I think the Minister of Mines and Resources was one of those who advised that under the bill to which I have referred the matter I am now discussing could not be discussed.

Mr. SPEAKER: The hon member knows that on the motion to go into supply hon. members have an opportunity to discuss matters which could not be discussed otherwise because they are not before the house. As I have just stated, we have on the order paper an item dealing with Bill 10, and when that bill is being discussed the hon. member will have an opportunity to make submissions to the minister or to the government on the immigration policy. I do not think he should take this opportunity to discuss what he will be able to discuss when that item is called.

Mr. MacINNIS: May I draw to your attention, sir, the fact that earlier today the hon. member for Lethbridge (Mr. Blackmore) discussed the matter of income tax. This is a matter which will come definitely before the house tomorrow night when the budget is introduced, and it will be before the house for a considerable time thereafter.

Mr. MACKENZIE: It is not there yet.

Mr. MacINNIS: In my opinion if there was any question which should have been ruled out of order it was that one. Then the hon. member for Lake Centre (Mr. Diefenbaker) introduced a matter which I think will come definitely before the house when the estimates are being dealt with. Those questions were no more closely associated with anything now before the house than is the matter referred to by the hon. member for Dauphin. I submit to you that the matter he is referring to would not come before the house under Bill 10, or under any other measure that is now before parliament or that we know is to be before parliament.

Mr. GLEN: I think the argument advanced by the hon. member for Dauphin is sound. The bill now before the house deals only with two items, that of dependents and wives who are still overseas and the Chinese Immigration Act. So far as I have heard the hon. member's remarks, he is dealing now with displaced persons in Europe, which would not be a subject to be discussed under that bill. I submit that the hon. gentleman is entitled to speak on the matter to which he refers.

Mr. ZAPLITNY: I was about to say that the action taken so far in connection with bringing into Canada relatives and friends of those already resident in Canada has been disappointing, and that the lack of action which was indicated in August, 1946, seems to continue. A delegation interviewed the government on February 7 of this year, and in order to indicate that there was a lack of action in connection with this particular phase of immigration I should like to quote from a pamphlet entitled "The Refugee" which reports the visit of this delegation. One of the things mentioned in their brief was this:

> The plight of at least 800,000 refugees, displaced persons and orphans is so desperate that quick action is necessary if any considerable numbers are to obtain a haven of refuge in Canada. So we respectfully plead for immediate action on our request.

I am not attempting to go into all the ramifications of the government policy; I simply am trying to urge upon the government that the time has come when something substantial will have to be done about this question of refugees and displaced persons. I should like to point out that the delegation to which I have just referred represented a large number of people. For example, the following organizations were represented:

> Ukrainian Canadian committee.
> Ukrainian Canadian veterans association.
> Canadians citizens of Polish origin.
> Mennonite board of colonization.
> Lutheran world relief.
> Committee for the relief of democratic refugees.
> Monsignor Basil Markle, representing Most Reverend P. J. Monahan in the name of the Catholic bishops of the prairie provinces, and Catholic immigration aid society.

Those organizations represent hundreds of thousands of people in Canada. All they were asking the government to do was to take action as quickly as possible in permitting persons for whom applications had already been made, or were being made, to enter this country at the earliest opportunity.

We were disturbed to find that recently the government has been following a new sort of immigration line in allowing certain industries to bring in workers under contract as cheap labour. I hope that is not the type of policy that is to be followed as an alternative to bringing into Canada the relatives and friends of persons resident here. The senate committee definitely recommended in favour of the policy of giving priority to persons who would be received here by friends and relatives and be given a start in the Canadian way of life in preference to the bringing in of cheap labour.

When I speak of displaced persons or refugees I want to make myself clear so that there will be no misunderstanding of what I mean. I shall quote from the constitution of the International Refugee Organization the definition of a displaced person and the conditions under which such persons should be given refuge in other countries. In this same booklet from which I have been quoting

refugees are described as persons who objected to returning to their former countries of residence because of—

,(i) persecution, or fear, based on reasonable grounds or persecution because of race, religion, nationality or political opinions, provided these opinions are not in conflict with the principles of the united nations, as laid down in the preamble of the charter of the united nations . . .

In other words, persons who find themselves in displaced persons camps in Europe for one reason or another and who have no criminal record or anything which would disqualify them from becoming good and respectable citizens. I believe that the majority of the members of this house would agree that such people would make desirable citizens for Canada.

What is to be the policy of the government? We have heard on several occasions from the Minister of Labour (Mr. Mitchell) of one type of immigration policy. For example on April 25, on Friday last, he was referring to the bringing into Canada of labour for the sugar beet farms and for a textile mill in Quebec. I quote from *Hansard*:

Mr. Mitchell: If I can say this to my hon. friend—

He was interrupted and then he went on:

Mr. Mitchell: —just a minute now; we have had speeches on both sides of the house advocating immigration, and as soon as we set the policy in motion, you understand, there is a slight reservation on the part of some hon. gentlemen.

What intrigued me was his remark "as soon as we set the policy in motion." To what policy was he referring? If the government has already decided on a policy it is something the members of the house do not know about, because the house has not yet been taken into the confidence of the government and told what its immigration policy is.

We also had the experience of reading in the press that the hon. member for Cartier (Mr. Hartt) who was then a candidate in the by-election, had announced the government's immigration policy in the course of that by-election. That announcement was later denied by the minister responsible for immigration. All these different announcements and denials and different steps being taken have created a feeling of confusion and bewilderment in the minds of the people, who are hoping for quick action in connection with their applications for the admission of relatives and friends.

May I add this for the benefit of the minister of immigration, that even if there is not transportation available for those persons on whose behalf application has already been made for their admission to Canada, I feel that the government should take steps to issue visas to those who are within the admissible classes and who would make desirable citizens, so that they will have something tangible to show that they are to be given an opportunity eventually to come to this country. The worst feature of the whole situation in Europe is that these persons who have been in displaced persons camps some for two years, and some for much longer, are deteriorating in morale—I do not think that is too strong a statement—because they do not know what is going to happen to them. They cannot say for certain that they will be allowed to come to Canada or to one of the other western democracies, and they do not know that they will not be forced to return to their country of origin or what will happen to them. Every day that we procrastinate and delay, their morale and their usefulness further decreases, and they will make that much less desirable citizens for Canada. The government might well consider the issuing of visas in advance to persons in these displaced persons camps who are found to be in the admissible classes, so that they will have something to live for, some ray of hope that at some future day when transportation is available they can come to Canada.

I want to refer to a recommendation made by the delegation which interviewed the government on February 7 in connection with the regulations governing "relatives". Under the regulations the term "relatives" is very restricted in its meaning. The delegation recommended that a change be made in P.C. 2071 and P.C. 371/47, to include all the immediate relatives of any persons legally admitted and resident in Canada who are in a position to receive and care for such relatives. By immediate relatives they mean "up to and including first cousins and their children".

I would also refer to a meeting held in Toronto earlier this year at which the hon. member for Trinity (Mr. Skey) and I were present at which fifteen hundred people passed a resolution dealing with this same question, advocating the widening of the regulations to include all immediate relatives rather than just some restricted classes. There is a good reason for that, because often it is found that if the present regulations were to be followed strictly there would have to be a division of families. In some cases the father might be allowed in to the country but other members of his family might be barred. This works a hardship and an injustice on people who have already suffered more than their share of hardship and injustice.

I hope that the minister will find it possible to announce to the house today the specific

things which the government has in mind in connection with admitting displaced persons and refugees say within the next six months. We have been told again and again that transportation is not available and other things are not as they should be. That is possibly quite true. But if we look at it from the point of view of humanity and realize that we are not dealing with a cargo of dry goods which can stand waiting on the European shore for the next three or four years, we shall realize that our immigration policy is a question of real urgency. Surely transportation and shipping can be made available if this country desires that it should be made available at this time.

Mr. T. L. CHURCH (Broadview): Before the house resolves itself into committee of supply, I wish to complain about the great scarcity of ships for bringing people out from the old country. I have been in touch with some of the shipping companies and have been told that shipping is practically sold out for the next year, with the result, as the hon. member said a moment ago, very little can be done about securing shipping.

I object to the government bringing out Polish soldiers. As was said in the British House of Commons, they were not all conscripted; most of them were volunteers. They were told that if they enlisted on the side of Germany they would have food and clothing and might not have to fight. They obtained better conditions than if they had stayed at home and done their duty as good citizens of a great Polish country. I object inasmuch as the British government is paying the fares of these people to bring them out. As was announced in the house last week, a team from this country has gone over there to prepare the way for these people to come to Canada. We were not told what parts of this country they were to come to. At the same time we find that it is difficult for citizens of the old country to get to Canada because there is no shipping space.

I object to the government bringing out these people because in Italy they were fighting against the British forces and against our own forces. That was shown in the British House of Commons. Shipping space can be found for these people, but for the British, who bore the heat and burden of the day during the war, no shipping space can be found.

I have had a lot of correspondence with one shipping company which has ships on the seven seas, and they tell me that shipping space has been sold out for almost a year. There will not be anything available until the

fall and there may not be anything then. Charity should begin at home. We should think of these people, our own kith and kin, who protected our shores against invasion during the difficult days of the war.

I was surprised at the reply which has been given us here by the government regarding these Polish soldiers and others, because the real facts are set out in a return which has been tabled in parliament in the old country. Objection has been taken to that policy here. A large number of these men fought against us in Italy and in other parts of Europe. They were not all conscripted; a large majority of them were volunteers. They gave up their Polish citizenship, and when the Germans came through their country they welcomed the Germans with open arms and tried to get into the German army.

Perhaps we should not do everything that the British government asks. They pay the fares of these men. God help this country if we have to depend on everything that the present Labour government is doing at the present time in the old country. They are stifling private initiative and private enterprise. They have made a mess of their internal situation with regard to coal, floods, food and electric power, and their foreign affairs. They are giving away and scattering parts of the empire for a song. We hope that there will not be such a state of affairs in Canada.

I object to the policy of the government regarding shipping and its immigration policy. It is well known that hardly anybody from the old country can come to this country; they cannot get shipping, or comply with the immigration regulations. Conditions are not what they should be. The result is that most of these British people are going to New Zealand and Australia, particularly the soldiers who fought for the country. They did something for the dominions and for the old country. Instead of sending a large delegation to Lake Success—it should be called Lake Failure or Lake Farce—to look into the Palestine problem which will be nothing but tower of babel; we should give some consideration to immigration from the old country. The same thing applies to the united nations. It is nothing but a tower of babel. What useful purpose will be served by inquiring into conditions in Palestine when we know as has been charged in the British House of Commons, that wealthy Jews of New York city and other parts of the United States are the people who are supplying the money to bring these bandit, illegal, underground gangsters into Palestine. This charge has been made by the opposition in

the old country. Wealthy people of the United States belonging to one race are financing what is going on in Palestine. These terrorists are murdering in cold blood officers of the Eighth army and others. In the face of that we are sending delegates to Lake Success to inquire into the Palestine situation, with which we have no connection whatever. We should release shipping to bring immigrants from Great Britain. A large number of ships were leased to us by the United States government during the war. I hope the head of the government, who has charge of this, will take up these matters to see if some shipping cannot be provided during the next two or three months for our kith and kin in the old country, and not leave it until it is too late.

From the information I have received from shipping companies, it is clear that shipping space has been all sold for the next year. The practical result is that people who want to come out here with their families or brothers or sisters, fathers and mothers are not able to do so. Some want to go to the prairies, and some want to go to other parts of the country to be with their kith and kin. I do hope that the government will take the matter up and that we shall have some reply, because I do not want to see all the people in the mother country who served in our forces have to go to New Zealand and Australia. That is where they are going. The minister did some good work. He opened some shipping immigration agencies in Belfast and Liverpool. We had one in London and in Glasgow one was opened. Tens of thousands of people want to come to this country but they cannot get the shipping space. Surely the government must have some ships. Then there are the private companies, the merchant marine and other ships which could be utilized by lease or charter parties to give us space for the next six months, so that people of the mother country could migrate here instead of having to go to New Zealand and Australia.

Mrs. GLADYS STRUM (Qu'Appelle): I wish to raise the question of the treatment of women workers being admitted to Canada to work in the textile mills and in domestic employment. We are all alarmed at the trend that government policy has taken. We have been told for the last two or three years, and during the three sessions since I have been a member, that the government had a policy and that under that policy certain people could be admitted; but we found that it was a restricted policy. It applied only to the immediate relatives of persons who were already in Canada. When we tried to get in cousins, uncles or inlaws, we were denied the right to bring them in. Now we find that the industrialists of this country are being given permission to set our immigration policy, because in effect that is how it is working out. If someone wants so many workers, by order in council he is given the right to go and bring in so many hundred people. I for one object to having any section of our economy set the immigration policy of this government. I think I voice the sentiments of every hon. member in that regard. If we are to bring people in by the hundreds and allow others to add to that number we should consider the field of immigration as a whole.

We should remember that the whole question of retaining population in Canada itself is an important one. In the thirty years preceding the war, between 1901 and 1931, our record was not very good in that respect. We find that in those thirty years the natural increase was three and a half million. In the same thirty years we brought in 5,100,000 people. So that our total population should have grown by eight and a half million people. But at the end of thirty years our population was not up to the extent of eight and a half million people. The real increase was only five million people. Therefore we had lost three and a half million people during the time we were bringing in 5,100,000 immigrants. When you break down that figure you find that, of the 3,500,000 people who left Canada, 1,000,000 were Canadian born and 2,500,000 went somewhere else, or asked to be sent back to their own country. This included many British people who applied for repatriation during the depression. This total meant that half of our immigrants moved on and a million of our own people who moved out.

I submit that this is a serious condition. We find that not only do our own people move out, but the people who are most expensive to train leave us. Our scientists, teachers and medical men move out. I have here the review of Canadian Health Needs and Health Insurance Proposals, which tells us that while no precise figures are available, a national health survey estimated that the loss in immigration is the equivalent of not less than ten per cent of our medical school output. In other words, ten per cent of our young doctors move out, so that we are losing the most highly trained and valuable people at the top, while we are recruiting people to come in on the lowest occupational level.

Let me assure the house that I am not against bringing in either immigrants or

refugees, but we must separate the two, because we have a definite responsibility, which we have shirked, in regard to the need of displaced persons to find refuge in sanctuary. We have been very selfish, for many people must have died because we refused to take seriously our responsibility in this regard. The question of displaced persons and refugees must not, however, be confused with the problem of immigration, and our industrialists must not be permitted to determine our immigration policy through an operational move out the back door. That is what I object to.

In connection with refusals, I suggest that there are many worthy cases that are being denied all the time. I have here a letter with reference to a Norwegian who escaped from Norway and joined the merchant marine of the resistance forces. He was in the British command and shipped in and out of Canadian ports all through the war. He came to Little Norway and became engaged to a Canadian girl. This man is young and healthy, earning his own living, and is engaged to a Canadian, having been in the Canadian merchant marine, but he is now told that he cannot come to Canada. Just last week I saw a letter from the Immigration branch telling him that he could not come here, but an industrialist can get permission to bring in 100 or 500 textile workers from somewhere else.

That is what we must object to as members of parliament, the denial of our responsibility to persons who have already proved themselves worthy of admittance, while we grant a permit to someone to go and drag in so many hundred people to fill a textile mill.

In regard to this particular question, I wish to talk about the status of those women who will be brought to work in the province of Quebec. So far as the move to bring in workers is concerned, I think it is unfortunate that the order in council dealing with textile workers, which I have before me, and which permits their entry under the auspices of the Dionne Spinning Mill Company, is framed in the way in which it is. There is an application for admittance from Europe of 100 women for training and employment as textile workers, and they are to be paid at wages as required by the law of Quebec regulating salaries and conditions of work in the textile industry of that province.

As members we must bear in mind that the textile industry is one of the most poorly paid in Canada. I have that on the authority of the year book for 1946 which gives the wages paid in every industry and the average wages for each province. I find that the maritimes and Quebec are the worst employers and have the worst wages; and of all the industries, the textile is one of the very worst in the matter of wages. It is therefore unfortunate that we should bring these women in and put them in the worst industry in the worst province. If we are to do that we should give them at least as much protection as we give the Polish veterans. The Polish veterans who are being brought in under the national employment office contract will have exactly the same treatment wherever they go in Canada—the same wages, the same contract. The Polish veteran will not be the victim of any one province or the victim of any low-paid industry. The government is to be complimented on working out a national agreement with the Polish veterans, but I would ask it to do the same for the women workers who come in to take employment in Canada. If we are to bring in men and women we must give them equal protection under the laws of the country.

I wish to discuss now the question of the domestic worker, which is of interest to everyone, because, according to the James report on reconstruction, the home is a valuable institution. I do not think any of us have any quarrel with that. We all agree that help for the mother in the home is necessary. Here is a paragraph that all hon. members should be interested in. I think it is relevant:

> In any measure of social policy in which regard is had to fact, the great majority of married women must be regarded as occupied in work which is vital though unpaid, without which their husbands could not do the paid work and without which the nation could not continue.

If we are to bring in people to work in our homes we must have regard for the homes in which they will serve. I think it is regrettable, but it has been accepted that the stupid people who could not get work in anything else could always do housework and could look after children, and we have paid them accordingly. That stigma which we have put upon housework has made it almost impossible to get girls to work in homes now that there is work to be had in other industries.

I have here a table from the 1941 census which shows how poorly paid the domestic worker has been, although the domestic worker has had an important part to play in the question as to the number of women who work in domestic employment in comparison with the number of teachers, office workers and others. Office workers are only five per cent of the women workers, teachers only eleven per cent, whereas the women who did housework in 1941 constituted 24 per cent of all women workers. So that from the point of view of numbers they are important, because they are more than twice as numerous

as the teachers and five times as numerous as the office workers. But here are the wages they were paid in cash, and many of them did not get board and lodging. Charwomen, cleaners and cooks did not get board and lodging in many cases. Cleaners and charwomen get an average of $358 a year; cooks get an average of $447 a year; housekeepers and matrons range from $235 to $364 a year; and in the domestic and allied trades the wages were from $285 to $366, according to the dominion bureau of statistics, 1941 census.

Mr. PARENT: They are wrong. We pay more than that.

Mrs. STRUM: Maybe, but they are your own.

Mr. PARENT: You do not get a maid at $300 a year today. You pay $75 a month with board.

Mrs. STRUM: That was 1941.

Mr. PARENT: You pay $75 a month with board.

Mrs. STRUM: If we are to bring women in we should inquire whether or not there are openings in this field. Last Tuesday I attended, in the railway committee room in this building, a meeting which was called by the Department of Labour and attended by the mayor of this city and representatives of all the national women's organizations. We were told that there were 2,700 women looking for work and that there were between 400 and 500 positions open to them. So that does not indicate to me that in Ottawa at least there is any great shortage of domestic help. But the conditions of employment and the social status that goes with domestic employment have, I think, made women and girls reluctant to enter this field.

The government has a responsibility to the homes of this country, to the mothers and to the women who would do that kind of work if it were put on the basis of a profession and were paid decently. The recommendations of this commission are useful as a guide to the government in undertaking that sort of thing. This report recommends that training schools for domestic workers be set up. If the government is to admit girls from Europe, this is especially important, although it is also important from the point of view of our untrained workers here or the people who should be doing domestic work. This suggestion of a training programme is a sensible and useful one. The recommendation is that the training be part time and that, while the girl is training, she work part time. That is, the girl would go to school perhaps in the morning and would work in the afternoon. She would also earn at the same time as she was training, and there would be less of a load as far as the expense of conducting these schools is concerned; she would gain self-respect and she would immediately begin to realize that her work would be useful, necessary and worth while.

The government should consider carefully this suggestion made by women who are representative of women's organizations, and I think there are national women's organizations which would be only too happy to assist the Department of Labour in setting up these schools. I am sure that the Young Women's Christian Association and the National Council of Women would help. These women were at the meeting last week; they are to have a meeting tomorrow in the same place, and they are anxious that we raise the standards not only of the workers, but of the women who employ them, because the women who employ them have been guilty of a faulty attitude in regard to their employees. I see no reason why these girls should not have hostels. Many of them are not going to be able to live in. The modern house is small. The modern apartment is cramped and there is not room to house the worker. In addition to that, the worker herself would much rather have living accommodation outside the home of her employer. As I mentioned last week at the meeting where we discussed this matter, I think the day is past when the maid should be relegated to the attic and be given the use of all the cast-off furniture. If this is to be a respectable and respected occupation, the girl has a right to a nice room in an attractive hostel and should be paid enough so that she could pay for her room on a reasonable basis. This was the approach which the people in New Zealand were using when I was there a few years ago. They were experiencing an industrial boom, and they found that their girls were very happy to flock out of the homes and into the factories, although many of them would have preferred to do housework. Therefore the people of that country were establishing minimum wages and hours legislation and were building hostels, so that the girls could have a social life of their own among people who were in a like occupation. That was a great improvement on the original status of the household employee.

I am going to ask the government that, if we are to bring in women, we do two things. I ask that the industrial worker coming from Europe be given the same protection as the Polish veteran, under a national labour code and contract; and that household workers, if we bring in household workers, be given the advan-

tage of training and the advantage of protection by law. I urge that, because we still have many people in Canada who believe that to be different is to be inferior and who will treat these people as inferior persons because they speak a different language, have a different kind of dress, and are not accustomed to eat the same kind of food. It is a common fallacy, one into which all of us easily drop, to look on people who are different as not being as good as we are, and to treat them accordingly. We must not permit that to happen. I am going to ask the government to see to it that we give this protection to our women immigrants.

Mr. DEPUTY SPEAKER: It is not my desire to curtail discussion unduly or to say that there should not be wide latitude, in view of what has already been stated, afternoon. I feel, however, that I should bring to the attention of the house the rule under which we are proceeding, and I refer hon. members to Beauchesne, third edition, reference 467, where it is stated that when a motion is made for the Speaker to leave the chair for the house to resolve itself into committee of the whole, then on the question—

. . . it shall be permissible to discuss any public matter within the powers of the federal parliament or to ask for the redress of any grievance . . .

—it goes on to say:

. . . provided that the discussion . . . shall not relate to any decision of the house during the current session, . . . nor to any matter placed on or whereof notice has been given in the order paper.

The discussion for at least a portion of the afternoon has been with regard to immigration. I find on the order paper today, No. 5 is:

Resuming the adjourned debate on the motion of the Minister of Mines and Resources for the second reading of Bill No. 10, an act to amend the Immigration Act and to repeal the Chinese Immigration Act.

Therefore most of the discussion today could have taken place on that order. It also occurred to me that all the discussion today could take place in the debate on the budget which will be before the house very shortly. As I said when I opened my remarks, it is not my desire in any way to curtail discussion, but I did feel that I should bring the rule to the attention of the house and it occurs to me that future speakers should be guided by the rule unless the house from day to day decides otherwise.

Mr. STIRLING: When Mr. Speaker was in the chair, the question of immigration was raised, and the Minister of Mines and Resources (Mr. Glen) drew attention to the fact that, although Bill No. 10 is on the order paper, it deals with three matters in connection with immigration, definitely stating them. In consequence of that, these matters of immigration which hon. members have been talking about this afternoon could not possibly have been discussed under Bill No. 10. I suggest to Your Honour that no restriction was placed upon the number of matters which might be brought up. True, whoever might be occupying the chair would of necessity curb such discussion as dealt with matters already on the order paper. But when the hon. member who was leading the house suggested that on Mondays we should be permitted to discuss matters on the motion for supply, no restriction was offered as to the number of matters which could be raised.

Mr. KNOWLES: Mr. Speaker, on the point of order: When Bill No. 10 was under discussion on February 11 some hon. members were going a little outside the provisions of the bill. At that time the Minister of Mines and Resources (Mr. Glen) took the position that the discussion on that bill should be confined to its provisions. I find that Your Honour, as Deputy Speaker, was in the chair on that occasion, and that you said this, as reported at page 314 of *Hansard:*

The bill does allow considerable latitude, but I hope the house so far as possible will limit discussion to the provisions of the bill, and leave a general discussion of immigration to a later date.

I suggest that if these wider matters in respect of immigration could not be discussed under Bill 10, they should be in order now.

Mr. DEPUTY SPEAKER: I recall the debate to which the hon. member for Winnipeg North Centre has referred, and my recollection is that a number of hon. members did not see fit to accept my advice and limit their remarks. I have not that bill before me, but I believe one section in it deals with the arrival of immigrants in Canada, and their travel across the country. It is my recollection I expressed the opinion that under that section immigration from almost any country could be discussed. And when I say that, I do not want to encourage hon. members to discuss immigration too widely when that bill comes before the house again. If I said I hoped hon. members would reserve their remarks for some future occasion, I did not think it would be one such as this, when grievances were brought before the house, but rather at a time when the minister's estimates were under consideration.

I agree with what has been said by the hon. member for Yale (Mr. Stirling). The house

is the master of its procedure; but, as he has said, I shall be bound by the rules unless the house decides otherwise.

Mr. H. W. HERRIDGE (Kootenay West): Mr. Speaker, I feel I should say a word or two about immigration, seeing that you have permitted a few members to speak previously this afternoon on that matter. A number of my constituents have written to me about immigration and they are concerned about the government's policy. I want to say that I and those who support me are in favour of admitting to this country as many as possible of those people who fought for us or were on our side or who have our ideals. I think we have to do the best we can for refugees in Europe and other countries.

I want, in a few words, to express opposition to certain things. The first matter I should like to mention is the bringing into this country of former members of the second Polish corps. I think the Minister of Labour (Mr. Mitchell) has said that this was one of the finest immigration schemes that had ever been evolved in Canada, but when there are so many people in dire need wishing to come to this country I do not think there is any necessity of bringing in any more of these soldiers under the present terms. I have here a paper called *The Commonwealth* of April 25, 1947. This is a leading Catholic weekly, and I should like to quote as follows:

> Cardinal Sapieha has recently appealed to Poles abroad to return to Poland, assuring them that all who have not lost their citizenship can return without fear. . . .

I am sure that, in view of a statement like that being made by such high authority, large numbers of these men will want to leave England and other points for Poland. I have no doubt that among the former Polish soldiers who were admitted there are many splendid men, many democrats, but in my opinion there are others who are not. I understand that we have brought in something in the neighbourhood of 150 who formerly served in the German army. I want to express my opposition to that. There are so many hundreds of thousands of people who are unquestionably suitable immigrants and, when that is so, I do not think we should bring to this country anyone who has rendered service in the German armed forces during the last war.

I wish to speak briefly with reference to the Ukrainians. I know there are thousands of democratic Ukrainians who wish to come to this country, and I would be one who would welcome all who are thoroughly democratic in their outlook. But we must not forget that there were four divisions of Ukrainians who fought as volunteers in the German army, and we must be very careful that we do not let any of those birds into this country. When it comes to a question of selection I am sure that when our officers come to examine these people they will find that they all claim they are democrats.

In addition, I want to express my opposition, as did the hon. member for Qu'Appelle (Mrs. Strum), to the bringing in of contract labour under the circumstances under which they are apparently being brought in to work in the textile mills. I have had a number of letters in that connection and I am quite sure that will be a most unpopular procedure with Canadian labour throughout Canada.

I know it is very easy to talk on this subject. Immigration is a difficult question and I admit the difficulties. I am of opinion that if this government is to work out an immigration policy which will find general acceptance in this country it can do so only on the basis of having discussions with leaders of the veterans organizations, labour organizations and farm organizations. If the government is willing to do that and get their varying points of view I believe it will find that there is a measure of common agreement among them and that an immigration policy can be worked out which would be satisfactory to and supported by a large majority of the Canadian people, one which would at the same time assist great numbers of these refugees and other worthy people who wish to come to this country from Europe.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, what I have to say is along the line taken by the hon. member for Kootenay West (Mr. Herridge). People generally across Canada are much concerned over the difficulty in having relatives admitted to this country. They write to the department and to their member of parliament and are told that there are certain regulations governing the matter. My personal experiences during the past year have been most revealing. They reveal, first of all, that there is apparently no fixed policy on immigration and that the government is no nearer to formulating one than it was a year ago. Canada is probably the greatest country of all potentially for receiving immigrants. Great Britain has a population of 500 to the square mile; the United States, 44 to the square mile, and Canada, only 3½ people to the square mile. Yet Britain has taken in 200,000 refugees in the past year.

There are 800,000 refugees degenerating on the continent of Europe today, located either in camps or in controlled areas, and thousands of them are begging to be granted admission

to this country. People in this country with relatives in Europe are urging that their relatives be admitted to Canada. Delegations have waited on the government urging the government to do something, and committees have been set up for the same purpose. I want to quote from the proceedings of the senate committee on immigration and labour which sat last year and presented some fine recommendations to the government. The people of Canada are asking what is wrong with our national economy when at a time like this we are not attempting to fulfil our obligations to the world and particularly to those persons in Europe displaced by the war, and why at the same time we have people in this country who cannot find employment. They believe that something must be radically wrong. I quote from the senate committee on immigration and labour, at page 300 of their proceedings:

> As to the possible increase in domestic demand through improved dietary standards, Dr. W. C. Hopper, of the economics division, Dominion Department of Agriculture, finds out that to raise the diet of every Canadian to the standard established by the Canadian Council on Nutrition would require an increase of about 2,000,000 acres to provide feed for dairy cattle and the necessary additional fruits and vegetables. This is about equivalent to the acreage that would be freed if our annual exports of pork and bacon to Great Britain were reduced by two hundred and seventy-five million pounds. It is equivalent in amount to approximately 8 per cent of our estimated available unused agricultural lands. Clearly, any major impetus to agricultural settlement in the dominion, if it is to come from improved nutritional standards, must come through increased export demand arising from improving dietary standards in other countries.

We have the fact that immigration is desirable and also available. Then where is the wisdom in Canada withholding from the crowded peoples of Europe access to her broad acres?

Mr. SPEAKER: I am sorry to interrupt the hon. member, but I must again call attention of hon. members to order No. 5 on today's order paper:

> Resuming the adjourned debate on the motion of the Minister of Mines and Resources for the second reading of Bill No. 10, an act to amend the Immigration Act and to repeal the Chinese Immigration Act.

It is the duty of the Speaker to call the attention of hon. members to the fact that they should not debate the subject matter of a bill which is not before the house.

Mr. CASTLEDEN: Mr. Speaker, I would point out that twice already this afternoon this matter has been threshed out, and it was pointed out that the Immigration Act does not permit of a discussion on the general policy of immigration because it is confined to Chinese immigration and to the admission of dependents of veterans.

Mr. SPEAKER: The hon. member will admit that he is discussing immigration and that he will have an opportunity a few days from now to discuss that matter. I have no alternative to asking hon. members to abide by the rules.

Mr. KNOWLES: On the point of order, Mr. Speaker, it was ruled when Bill No. 10 was before the house that we could discuss on the bill only such matters as were specifically covered by it, and attempts at that time to discuss general matters of immigration were ruled out. It was ruled that we must stick to Chinese immigration and to the admission of dependents of members of the armed forces.

Mr. SPEAKER: The hon. member knows it is the practice and the rule on the second reading of the bill to discuss the principle of the bill and, in committee, to discuss the details. What is the title of Bill No. 10? It is:

> An act to amend the Immigration Act and to repeal the Chinese Immigration Act.

That is the subject which is being covered by the hon. member who has the floor.

Mr. KNOWLES: Are we to understand, Mr. Speaker, that when Bill No. 10 comes before the house for second reading we shall be permitted to discuss immigration generally?

Mr. SPEAKER: When this bill comes before the house the rules will be applied to it the same as to any other bill.

Mr. SHAW: Mr. Speaker, in view of the fact that the greater part of the past two hours has been devoted to discussing immigration and it is now approximately half-past five o'clock I would suggest that for the rest of the afternoon we be permitted to continue to discuss immigration.

Mr. CASTLEDEN: I should like to refer to that portion of the proceedings of the senate committee on immigration and labour which deals with refugees and displaced persons in Europe. The Canadian national committee on refugees has made certain requests of the government:

> 1. That Canada should state her policy on displaced persons immediately without waiting for decisions of the united nations. Australia has already made known her intention to take 70,000 immigrants annually.

Mr. SPEAKER: Order. I would ask the hon. member to abide by the rules, or I must ask him to resume his seat.

Mr. CASTLEDEN: Mr. Speaker, I am referring now to the displaced persons in Europe problem as it affects the Canadian people. Am I not permitted to discuss that? to come to this country.

Mr. J. A. ROSS (Souris): Mr. Speaker, I wish to endorse what has been said this afternoon by the hon. member for Kootenay West (Mr. Herridge) and the hon. member for Broadview (Mr. Church) with respect to priorities for people seeking admission to this country. The hon. member for Broadview, in answer to a question today, was told that many Poles now being admitted to this country had served with Italy under German command against our own forces. I have had a great deal of correspondence lately with regard to passages for British people who want to come to this country,

Mr. SPEAKER: The hon. member will realize that I cannot take one attitude toward him and a different one toward other hon. members. Therefore I would ask him to abide by the rules of the house. If he desires to discuss immigration he should wait until the immigration bill is before the house.

Mr. ROSS (Souris): May I refer to the matter of transportation for a moment or two? This afternoon several hon. members have discussed at length the matter of immigration and I should like to deal with transportation for a moment.

Mr. SPEAKER: If several hon. members have spoken on that subject time should not be taken up on the question now. I would ask hon. members to abide by the rules and discuss their grievances, and not subject matters which are covered by other motions.

Mr. ROSS (Souris): On the matter of transportation, I have been informed that passages from certain parts of the old country are booked up solid for a year. Many people of good British stock in this country are much concerned about that matter. I was surprised to hear an order in council referred to today which certainly looked to me as if special privileges were being granted by the government when they passed an order in council making special arrangements for some one hundred people of a certain nationality to be transported to this country.

Mr. SPEAKER: Order. I am sorry, but I would ask the hon. member to resume his seat. If it is the wish of the house to give unanimous consent to permit this matter to be discussed I would have to call on the hon. member for Yorkton (Mr. Castleden). Is the house ready for the question?

Mr. ALISTAIR STEWART (Winnipeg North): There is a matter which I should like to bring to the attention of the minister. It has to do with what the hon. member for Dauphin (Mr. Zaplitny) mentioned this afternoon. In Europe there are some 800,000 displaced people, many of them wondering what the future has in store for them.

Mr. SPEAKER: Order. I would ask the hon. member to be kind enough to abide by the rules. Hon. members know the rules perfectly well. They know I could not ask an hon. member for such and such a constituency not to talk about immigration or refugees coming into this country and have another hon. member who is clever enough to use certain words to continue to discuss the matter. It would be unfair to those who have tried to debate the question and were called to order by the Speaker. I would ask the hon. member not to discuss the question of immigration.

Mr. STEWART (Winnipeg North): I had no intention of discussing the subject of immigration. I do not know how you came to that conclusion on the basis of the few remarks which I made, sir. What I wanted to say was that a suggestion was offered by the hon. member for Dauphin to the minister and I think it is one which should be taken into consideration. All that these people have over there is hope. What will give them more hope than anything else is this government granting to those who are eligible to come to Canada, a visa, a document or a letter which will ultimately permit them to come.

Mr. SPEAKER: Order. Is the house ready for the question?

MARINE INSURANCE BROKERAGE—REQUEST FOR REINSTATEMENT ON ORDER PAPER

Mr. DONALD M. FLEMING (Eglinton): Mr. Speaker, the matter I should like to discuss for a moment is one which has many of the characteristics of a question of privilege. To the third question appearing on today's order paper I was furnished with some answers, but not all of them. These questions relate to marine insurance carried by the Commodity Prices Stabilization Corporation, and I believe the answers were tabled by the parliamentary assistant to the Minister of Finance (Mr. Mayhew).

The first four questions relate to the brokers who hold the present insurance, when it was placed, and the reasons it was placed through those brokers. Those questions are answered with more or less sufficiency.

To the fifth question, which asks—

What other insurance, if any, does such broker hold for other crown companies and government departments and government boards, and what premiums have been paid for such insurance?

—the answer given is, "No information."

I submit that is not an answer, and that the question has simply been ignored. The matter of where insurance is placed is one of government record, as is the information respecting the names of the brokers and the premiums paid for such insurance. It is within the knowledge of any government department as to what particular insurance is placed for it through a broker; in this instance it is Dale and Company of Montreal. I am entitled to be told what premiums have been paid for insurance through that brokerage firm.

The question has definitely not been answered, and no reason has been given for its not being answered. I would ask that the question be restored to the order paper with an order that it be answered.

BUSINESS OF THE HOUSE—PROCEDURE IN DEALING WITH ESTIMATES—HOURS OF SITTINGS

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I sometimes marvel that your eyesight is so good as to see me rise away back here, especially when so many of my hon. friends in front of me are so much taller and broader than I am. When I rise I usually find myself hidden behind someone.

The matter I should like to bring before the house is one which could not very well appear on the order paper, nor could I ask a question concerning it when the orders of the day are called, because it involves some explanation. Then, I cannot put a question on the order paper in respect of it because it is a matter dealing with the house itself. I have been at a loss, therefore, to know when to bring it up, and I appreciate the opportunity afforded this afternoon.

The matter I have in mind is in respect of a revision of parliamentary procedure, something which I suggest is long overdue. We have come to a stage in our governmental and parliamentary history when we have become something more than legislators, and when governments, through the very nature of our nation's business, find that parliamentary sessions are lasting longer and longer. It is in this connection I have one or two suggestions to make.

In the last two years special committees have been appointed to make some few recommendations in respect of house procedure. I was a member of the committee last year, and we sat just once. For some unknown reason—at least unknown to me—we did not meet again. There seems to be some sort of influence radiating from some place or another which defeats our progress in the matter of revising our rules of procedure. This year no committee has been set up.

I am not going to take up the time of the house this afternoon to go into all the ramifications and regulations as to what procedure could be revised, but I have a suggestion to make, one which has been made before, but about which nothing has been done. We make it again; and if we have to make it again we will keep on making it, until something is done. The suggestion is that much time could be saved in the house if, through common consent, hon. members would permit the estimates to go before the various parliamentary committees, there to be discussed and from there to be brought back to the house for final vote.

Mr. KNOWLES: To be discussed all over again.

Mr. HANSELL: No; I think that would cut down our discussion in the house. We could try it, anyway; there is no reason why we should not. Some may say that it would not cut down the time of the session at all. Well, let us try it, and see; that is the way we shall find out. The very nature of the country, with its diversified industries, makes it such that members of parliament have to be here when certain things which may be of no particular interest to their respective constituencies are under discussion.

For instance, there is the Department of Fisheries. There are very few things in that department which might interest my constituents, but there is an afternoon's discussion on lobster traps. My goodness, I have not any lobsters in my constituency; I am not interested in that, and yet I have to be here. If those estimates could be given to a committee and perhaps notice of the vote numbers that are to be taken up published in *Votes and Proceedings*, then if there is a particular item in which I am interested I would know it would be brought up on a certain day and I could go before the committee and get off my chest what I have to say and not take up the time of parliament.

I figured out the other day how much it costs per minute to run parliament. My figures may be subject to a good deal of interpretation, but it costs just $100 a minute to listen to a man's speech. When a man

takes forty minutes to make a speech it costs this country $4,000. I do not think my speeches are worth quite $4,000.

Mr. JOHNSTON: That is a matter of opinion.

Mr. HANSELL: The hon. member for Bow River says that is a matter of opinion. I think they come pretty close to being worth $4,000, but not quite that. I say with all sincerity that the time of our sessions could be cut tremendously, and at the same time each and every hon. member would have all the time he needs at the proper time to discuss, as adequately as he requires, any item coming before parliament.

There is one other matter I should like to deal with, a matter which I think is being considered favourably by a good many members. I refer to the hours of our sittings. I do not know whether hon. members find what I do; but, as the months go by, I find it rather a grind to get to my office at ten o'clock in the morning and stay here until eleven o'clock at night. That is a pretty good sized day. By the time I get to my sleeping quarters, which is not my home, and do the one or two things I have to do before retiring, such as brushing my teeth, I find that it is about one o'clock before I can turn in. I am quite confident that hon. members would find their work much more pleasant if the hours of sitting were rearranged.

I suppose a dozen different suggestions could be made respecting change in hours, but I am going to suggest that we do not sit on Monday nights, on Wednesday nights or on Friday nights and that the hours in the afternoon be from two o'clock until six o'clock. That works out to just one hour less per week than what we are putting in now. It would mean that the only nights we would sit would be on Tuesdays and Thursdays. I do not see how the cabinet ministers stand the grind of attending to their departmental work, being responsible for their own legislation and seeing to the administration of their departments. When their estimates are up they have to sit here until eleven o'clock at night and they have as much responsibility for being here as any other hon. member. I do not know how the Prime Minister (Mr. Mackenzie King) stands the grind. Perhaps he goes home in the evening and I am quite willing that he should because he has a tremendous responsibility, but there are some others who would like to go home in the evening as well. I am suggesting that, for this session at least, the estimates be referred to a committee and that the hours of sitting be revised. Let us try it to see how it works, and I am sure we all would be much happier.

ALLOWANCES TO WIDOWS OF NON-PENSIONED VETERANS

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, there is an entirely different matter that I should like to speak on for a few minutes. I address my remarks in particular to the Minister of Veterans Affairs (Mr. Mackenzie). On April 23 I directed a question to the minister as to whether consideration was being given by the government to amending the War Veterans Allowance Act to provide an increase in the amount of the allowance both for veterans and for the widows of non-pensioned veterans. The minister made a forthright reply, and I appreciate the fact that he gave a clear-cut answer to my question. He said, as reported at page 2332 of *Hansard:*

> It is not the intention of the government to introduce at the present session of parliament any amendments to the War Veterans' Allowance Act.

The grievance that I raise is to protest against that decision and to make an appeal to the minister and to the government to reconsider the matter at an early date. I do so in particular on behalf of non-pensioned veterans' widows.

As hon. members know, the dominion council of the organization representing these widows was in Ottawa last week. Most members are familiar—the matter is fresh in our minds at the present time and that is why I raise it now—with the situation in which these women find themselves. It is true that in recent years the government has taken certain steps in favour of these widows by establishing a special allowance for them. But—particularly with rising prices, the effect of which is being recognized in that the old age pension is to be raised—these widows feel that the time has come for the government to give consideration to their request for an increase in the amount. They now receive a maximum of $30.41 a month. The amount they are asking for is the modest sum of $40 a month. There are a number of other requests but I shall name just two of them. The second request is the matter of providing for hospitalization for these widows when they require it. The third matter is that of making this allowance available to widows of all non-pensioned veterans of the South African war and the first world war rather than to the restricted group which is now the case because of the definition of an actual

theatre of war. That is all one needs to say on the point at this moment, for surely it is not necessary to emphasize the plight of these women in view of the meagre amount that they now receive.

As I say, the minister has made a definite statement as to the intention of the government this year, but I do make a plea to him to reconsider the matter and see if the government cannot, before the session is over, either in the estimates or in some other way, improve the position of these deserving widows of Canada's non-pensioned veterans.

Mr. J. R. MacNICOL (Davenport): Although the Minister of Veterans Affairs (Mr. Mackenzie) did say on April 23 that the government had no intention of increasing the allowance to non-pensioned widows, this year, I think he deserves credit for the legislation now on the statute book with regard to these widows.

Mr. MACKENZIE: The hon. member for Winnipeg North Centre wants all the credit. You were the real author of it.

Mr. MacNICOL: It is about ten years ago that the matter was first brought into the house, and I have had the pleasure on many occasions of saying that the present Minister of Veterans Affairs deserves credit for what these people are getting. I have been hoping, however, since the statement he made on April 23 that there would be no increase, that perhaps before the end of the session, in his generosity of heart, he would be able to convince his colleagues in the cabinet of the desirability of increasing the allowance to non-pensioned widows. The cost of living to these widows has gone up, just as it has to everyone else. They are now advanced in years, compared with the time the allowance was first made, and they need all the money they can get now. I know a number of these ladies residing in my constituency and they often come to see me about the matter, just as a number of ladies came last week to call on different members.

I wish to thank the minister for what he has done. It would never have been done but for him and I wish to give him that credit. However I will ask him to reconsider the matter with a view to allowing these widows something more. At their time of life they are often in need of medicine, and $30.41 is not much to clothe them and enable them to live properly. On their behalf I appeal to the minister's generosity, and would ask him again to reconsider the status of non-pensioned widows.

[Mr. Knowles.]

ALLOWANCES TO DISABLED VETERANS ATTENDING UNIVERSITY

Mr. D. G. ROSS (St. Paul's): There is one matter I wish to bring to the attention of the Minister of Veterans Affairs (Mr. Mackenzie). When a veteran goes to the university, if he is single he gets an allowance of $60 a month. If a veteran goes to Osgoode Hall he is allowed to make $40 as well, which brings his amount up to $100. If a veteran receives a pension of $50 a month, all that he receives in the form of an allowance is $10. I have in mind a veteran who is a disability case, and all that he is getting from the government in the way of an allowance is $10. Of course he has his pension, but he is not in as good a position as the other chap at Osgoode Hall who is able to make $40 in addition to his allowance of $60. The chap to whom I refer also goes to Osgoode Hall, but because he has lost a leg he is not able to make $40 a month. It seems to me a great pity that a man who has a disability should suffer the loss of part of his allowance. This allowance should be given to him as of right and he should have his pension free. It is much more difficult for the chap who is pensioned to get along and make a few dollars than for the other fellow. It does not seem right that the allowance which he gets for his education should be deducted if he receives a pension.

I have received several letters along the same lines from these chaps, and I think something should be done about the matter, because there is a grave injustice if this is the case. It is particularly hard on a lad who is going to university when he is suffering from a disability of any kind, because he cannot get around in the same way as the others. It is a pity that he should be penalized and his pension taken from him when that pension is for a definite purpose. If a man goes out and makes $60 or $100 a month you do not cut out his pension because he is earning money. Suppose he makes only $50; you do not deduct the pension from the amount of money he makes. Why should you deduct the amount of his pension from his allowance? I suggest that his pension is something that should be considered apart from any allowance he receives. I wish the minister would look into this matter.

I should like to endorse what the hon. member for Winnipeg North Centre said in regard to the widows. Some of these women are older now and they need all the money they can get. It seems to me that $30 a month is a pretty small allowance for them.

DAYLIGHT SAVING AND RURAL COMMUNITIES

Mr. R. J. HENDERSON (Lambton-Kent): I wish to register a mild protest against daylight saving, which came into effect this morning. I wondered what was wrong when the maid rapped at my door at the unusual hour she did. I had to alter the clock and get up an hour earlier. I make this complaint not for myself, because I have enjoyed daylight saving. When I was younger it was harder for me to get up an hour earlier; but I find, as age is creeping up on me, it is no bother for me to get up at any time in the morning. I am speaking for the rural people, the farmers particularly. They are definitely opposed to the adoption of daylight saving piecemeal as we have it at present. When the war was at its height and daylight saving was standardized throughout Canada we got used to it; we worked by it and it was all right. Now that the decision has been left to the individual municipality, the situation is different. In the town in which I live they have adopted daylight saving to the detriment of the rural people, upon whom they depend for their prosperity. I was at a municipal gathering not so long ago where the officials of every municipality in the county were gathered and they definitely passed a resolution opposing daylight saving.

I do not know whether this matter comes under dominion jurisdiction, but I suggest that if we are to have the new time it should be in effect throughout Canada. We ought to have some heart for the rural people. Here it is, almost the first of May. The weather is cold; the farmer has seeding to do; he will be working his head off—I had almost said his fool head, because that is pretty nearly what it will mean—in order to raise crops to feed a hungry world, and we are making it harder for him by adopting daylight saving time.

The farmer has to get casual labour from the urban municipality and quitting time comes at five or six o'clock, so that his hired help leaves him at the very time when, as those of us who have been brought up on farms know, the farmer is most in need of assistance. When the afternoon sun is shining, and toward evening, then the farmer needs all the help he can get. Once more I protest on behalf of Lambton-Kent, where I live, against the adoption of daylight saving. I protest on behalf of the rural people.

EAST MALARTIC MINE DISASTER

Mr. REAL CAOUETTE (Pontiac): All Canada was shocked to learn of the tragedy that struck my constituency of Pontiac in the accident at the Malartic mine. We had all hoped that the eleven men trapped in the mine would be rescued, but the latest news has dashed our hopes. It now appears that eleven families are bereaved. I wish at this time to express my sorrow at the accident and my sympathy with these stricken families. At the same time I would call the attention of the Canadian people to the necessity for greater vigilance and a more rigid enforcement of safety regulations in the mines of Canada, so that tragedies of the kind at Malartic may be of less frequent occurrence in the future.

Mr. G. A. CRUICKSHANK (Fraser Valley): Every hon. member will undoubtedly agree with the remarks of the hon. member for Pontiac and join him in the expression of sympathy to the bereaved.

I wish to associate myself, Mr. Speaker, with what the hon. member for Davenport (Mr. MacNicol) has said and I hope the minister will give serious consideration in the reasonable request that has been made by the women's delegation. I should like to say to the hon. member for Winnipeg North Centre (Mr. Knowles) that I agree with his sentiments in behalf of the women.

TAXATION OF COOPERATIVE ASSOCIATIONS

Mr. T. J. BENTLEY (Swift Current): The matter I wish to raise is really a grievance of some urgency at this time, because the prospect or the possibility of discussing it under a specific order will likely be some days or maybe weeks away; I do not know when the opportunity will come. It is in the matter of a ruling of the Department of National Revenue in its application to the taxation of cooperative associations. The recent ruling has been that cooperative associations, when making up their accounts and the allocation of dividends for the year, must differentiate between those which are paid for provident purposes and those which are paid for productive purposes.

The patron of a cooperative association who receives a dividend on consumer or household goods that he has bought, does not have that apply to his income for taxation. But a dividend on what he buys for productive purposes —that is in the field of gasoline or those things for power work and so on—becomes part of his income and is taxable. Whether there is much quarrel with that particular division is a matter of opinion, but I should like to draw to the attention of the minister concerned that it is practically impossible for the cooperative associations to carry out that ruling. For instance, suppose a farmer comes in to buy some lumber from a cooperative that handles lumber. He takes away his truckload of

lumber. Some of the lumber may be for building a granary or for repairs on the barn. Another part might be used for some little repairs or patchwork on the steps leading into the house, the porch, or something of that kind. The same thing applies with regard to gasoline. Much of the gasoline may go into the tractor, or it may go into the car when the car is being used for the operation of the farm. Then, in the same car, the gasoline may be used when the car is operating for domestic purposes, purely for pleasure, or for household use. The same thing applies in the field of groceries. It is difficult to separate that part which is used to feed the farmer's family from that part which is used to feed the hired men who are used for productive purposes.

I have given only a few instances here, but I think I have given enough to indicate to the minister that this kind of accounting is going to put the cooperative associations in a bad position. They will try to be honest; yet they will have to be the judges as to what particular purpose or use their patron has put the particular goods he has bought in that store or on that association's premises in the past year. That is a difficult job for any cooperative manager to undertake.

Mr. MACKENZIE: Mr. Speaker, we have discussed a great variety of grievances this afternoon. I wonder if we could get into supply before six o'clock, and call just two items?

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Motion (Mr. Abbott) agreed to, and the house went into committee of supply, Mr. Macdonald (Brantford City) in the chair.

Mr. MACKENZIE: As announced by my colleague the other evening, two new departments will be called, not for discussion, but just to get them into supply. The first is the Department of Justice, vote 95, administration.

DEPARTMENT OF JUSTICE

95. Departmental administration, $224,092.

Mr. MACKENZIE: Stand.

Item stands.

DEPARTMENT OF LABOUR

108. Departmental administration, $701,576.

Mr. MACKENZIE: May the item stand?

Item stands.

Mr. MACKENZIE: Mr. Chairman, I move that the committee rise, report the resolutions and ask leave to sit again.

[Mr. Bentley.]

Mr. KNOWLES: Report progress, you mean?

Mr. MACKENZIE: No, report the resolutions, when discussing items in supply. My hon. friend might learn something more about procedure.

Mr. KNOWLES: Did we pass these resolutions?

Mr. MACKENZIE: We only called them.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Friday, April 25, consideration in committee of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war—Mr. Ilsley—Mr. Macdonald (Brantford City) in the chair.

The CHAIRMAN: When the committee rose on Friday night it had passed order in council P.C. 1609 as amended, and certain amendments had been carried with respect to other orders in council under the Department of Reconstruction and Supply. It is my recollection that the committee was considering orders numbers P.C. 9439 and P.C. 7502 as amended. Do the two last-mentioned orders in council carry?

Mr. GREEN: Mr. Chairman, the hon. member for Eglinton asked the following question as reported at page 2458 of *Hansard*:

> Mr. Fleming: I just want to give the minister notice so that he might bring before the committee a statement of the areas declared to be congested areas and the dates on which they were so declared.
>
> Mr. Howe: Very well.

Is the parliamentary assistant able to give that information this evening?

Mr. G. J. McILRAITH (Parliamentary Assistant to the Minister of Reconstruction and Supply): I have those dates available. In the early stages this operation was done by municipal areas, which were declared to be congested areas as follows: Ottawa, by order 474 of January 13, 1945; Hull, by order 480 of

February 19, 1945; Toronto, by order 481 of February 16, 1945; Hamilton, by order 482 of February 21, 1945; Vancouver-New Westminster, by order 484 of February 10, 1945; Victoria, by order 483 of February 10, 1945, and Winnipeg, by order 529 of July 5, 1945.

In September practically the whole of the dominion was included within the terms of the section as follows: On September 1, 1945, all of British Columbia, except the Peace River block; the province of Manitoba and the province of Ontario; on September 6, 1945, Saskatchewan, Alberta and the Peace River block; on September 13, 1945, New Brunswick, Nova Scotia, Prince Edward Island and Quebec.

Mr. GREEN: The whole country is in now, then?

Mr. McILRAITH: Yes.

Mr. GREEN: Within the last few days I have had a letter from the Vancouver zone council of the Canadian Legion. No doubt the same letter has reached the minister. In it they ask if something can be done to make available for emergency shelter some of the barracks buildings at Jericho, Kitsilano, Little Mountain and the Seaforth armouries in Vancouver. There are quite a few buildings there which are not in use. Evidently they were inspected by the Minister of National Defence when he was visiting the Pacific coast in April. The understanding was that upon his return here he would look into the question of making some of these buildings available for emergency shelter.

The letter suggests that the hutments which are not in use could be converted by Wartime Housing into emergency shelters for veterans and their families. As the parliamentary assistant knows, the situation in Vancouver with respect to housing for veterans is serious. Some 1,200 veterans and their families are in the old Vancouver hotel. I think altogether about 4,700 veterans are looking for homes. Can the parliamentary assistant tell us whether there is any possibility of having some action of the type suggested taken at this time?

Mr. MacINNIS: I suppose all hon. members from Vancouver received a letter similar to the one to which the hon. member for Vancouver South has referred. From the letter it would seem that a considerable number of emergency shelters could be provided through the reconversion of these hutments. The barracks of Jericho alone, as the letter states, would provide for approximately thirty families. Then there are the others the hon. member has mentioned. If at all possible these hutments should be made available and work started on them at the earliest possible moment.

Mr. McILRAITH: The practice is that the emergency shelter programme is worked out in connection with the municipal authorities. Perhaps I could deal with these different areas separately. At Jericho the medical and dental buildings are, I understand, owned by the province, not by the dominion government. The other buildings there are not declared surplus and I am of the opinion that it is the intention of the department to retain them. At Kitsilano there are no surplus buildings. There are surplus buildings at Little Mountain and a programme is being worked out to make them available. It is intended to use them for university students.

Mr. GREEN: How many will be accommodated?

Mr. McILRAITH: There are six buildings at Seaforth, but they have been found to be unsuitable and I believe the city shares that view. Little Mountain should provide fifty family units.

Mr. GREEN: Jericho was the headquarters of the Pacific command for the navy, army and air force. As the Minister of Veterans Affairs knows, there are quite extensive barracks there, some of the buildings being three stories high. Under the present defence arrangements there is only an area command in British Columbia for the army and a small command for the air force, while the navy headquarters have been moved to Esquimalt. Surely the Department of National Defence will not require all these buildings. Would it not be possible for the department of reconstruction to take up with the Department of National Defence the possibility of getting at least some of these buildings for emergency shelter? Has the question been discussed with the Department of National Defence?

Mr. McILRAITH: The question has been discussed at some length with the Department of National Defence and the last information I have is that they will not be declared surplus by those departments. The hon. member will realize that the declaration of surplus is not a matter exclusively within the jurisdiction of the department. I can have the matter looked into to see if there is any possibility of having any part of these buildings declared surplus.

Mr. GREEN: When all the barracks are on land held by the dominion is it necessary to have any huts that could be used for

emergency shelter declared surplus and sold? Is there no procedure by which the dominion government can use the huts for emergency shelter for a time and then, when the emergency is over, let them be used again by the Department of National Defence? I can quite understand why the army would not want to sell the huts because they are on army property; they are really permanent buildings but not required by the Department of National Defence under present conditions. Is there not some method by which buildings not required at the moment could be used for emergency shelter?

Mr. McILRAITH: Perhaps I should have explained the use of the words "declared surplus." I was referring to buildings being declared surplus by the department now having them. That does not mean that the buildings are declared surplus or disposed of by the crown. I used the term merely to indicate that the department now having custody of the buildings would be the one to declare them surplus under the Surplus Crown Assets Act. Once they are declared surplus by the department now using them, the emergency shelter authorities or the crown may retain the ownership, and does.

Mr. GREEN: It so happens that my home is right across the street from this Jericho property. It is an old golf course that was taken over and buildings were put up by the government. Many of the buildings are empty and there would seem to be no reason why they should not be made available for emergency shelter.

Mr. MACKENZIE: I do not speak with immediate authority, but I notice that the Vancouver press state that Jericho will actually be used for the purpose my hon. friend has mentioned. I may say that, as far as any influence of mine is concerned, all available property there will be used for emergency housing. I know every inch of Jericho, and so does my hon. friend. The only building being held for defence purposes is the large air force building immediately after you cross the bridge. I understand that they will want that for three or four years. That is now part of the negotiations taking place in regard to the disposal of Kitsilano. There is, in my opinion, no reason in the world why the other barracks that are vacant should not be made available immediately for emergency housing purposes in greater Vancouver, and I shall lend all my support to that purpose.

Mr. ISNOR: I should like to inquire from the parliamentary assistant whether the same policy is being followed on the east coast as the hon. member for Vancouver South has suggested should be followed on the west coast? I ask that question because of negotiations which have been carried on by the city of Halifax through His Worship J. E. Ahearn. Apparently the mayor of Halifax is a little more aggressive than even that well known personage who represents the city of Vancouver at the present time.

Mr. McILRAITH: Exactly the same policy is being followed on the east coast. I think it is fair to say that, as far as emergency shelter is concerned, the position is a little more happy in Halifax, because at the moment there is no demand on the part of the municipal authorities for additional emergency shelter. I believe they have what will reasonably meet their requirements at the moment.

Mr. ISNOR: Do I understand the parliamentary assistant to say that there was no need or no demand for emergency shelter in Halifax?

Mr. McILRAITH: No; I did not put it quite in that way.

Mr. GREEN: That is what it sounded like over here.

Mr. McILRAITH: I pointed out that emergency shelter had been provided to meet their immediate, urgent needs as indicated by the municipal authorities. A considerable amount has been made available in that area.

Mr. McMASTER: The matter of emergency shelter is one to which I have given considerable attention for some years, and I have often wondered whether the government remembers that there is such an act in force. According to figures received from Toronto, the number of persons per unit in that city in January this year is only slightly greater than the number in 1940, and undoubtedly is considerably less than the number during the depression. Some people wonder why that is, but the fact is that in Toronto there are many large homes with only a limited number of people living in them.

I never could understand why a fairly well-to-do man with a family of only one or two could occupy a large house and the government neglect or fail to take possession of that house and do something with it, or at least with part of it, in order to provide accommodation. At the same time the government will keep a small home of six rooms away from an owner—generally speaking it is small homes that are involved—when that home is being rented for $20 or $25 a month. The next house is rented for perhaps $35 a month simply because it did not come under the provisions of the ceiling imposed on October 11, 1941.

There is something wrong. I know of seven-roomed houses in which one person is living. I know of some nine-roomed houses with two people living in them. A year or so ago a great furore was raised because a large house in a good part of the city was to be taken over by the city or the government and re-rented. That was not done, but the owner of the house thought it was a terrible thing for the government to suggest putting a hand upon his property. The government is constantly putting its hand upon the homes of the small people, houses with six rooms or less; and people cannot get possession of their own homes.

I should like the hon. gentleman to say what has been done in the city of Toronto in order to ascertain the amount of space available in the larger houses. While I am on my feet, I should like to say something I had not expected an opportunity to say. On the lake front just east of Yonge street there were many large buildings owned by the Royal Canadian Air Force. Some person has said they were not in condition to be used as living quarters, but I am told that was not so, that they had all the necessary plumbing and other fixtures; that they were well heated, and, in fact, provided everything people who were without homes might require. Yet those buildings were torn down and sold about a year ago. Now as I pass on the train I see a large excavation there, as though some commercial or industrial plant is to be erected. I do not see why these buildings could not have been made available to the people of Toronto, and I should like to know what attempt the government has made to ascertain the possibility of obtaining space in some of the larger homes in the city of Toronto.

Mr. CRUICKSHANK: Casa Loma.

Mr. McMASTER: I was not speaking of Casa Loma.

Mr. McILRAITH: Two main points were raised by the hon. member for High Park. In the first place, I understood him to urge that the government should start a policy of compulsorily billeting persons in homes.

Mr. McMASTER: Oh, no.

Mr. McILRAITH: That has not been done so far, and I should think hon. members on all sides would hesitate before embarking on a policy of that sort. It is drastic treatment to commence at this stage, to begin forcing additional persons into the premises of home owners or home occupiers. I am, quite frankly, a little amazed at this suggestion coming from a member of a party which seems to favour the removal of controls as rapidly as may reasonably be possible.

The second point raised by the hon. member, as I understand it, has to do with the R.C.A.F. equipment depot in Toronto. That question was explored, and the city health authorities would not permit that property to be used for housing purposes. I understand that it did not have the proper type of flooring or plumbing accommodation. Therefore it was not suitable, and was dismantled.

Mr. McMASTER: If the hon. member will give me the report from the civic health authorities to that effect I can take up the matter in the proper place. As far as forcing people into private homes is concerned, I do not see much difference between putting people in part of someone else's home, and refusing to let a man get possession of his own home. I do not speak about rehabilitating these houses; I suppose the parliamentary assistant has heard about shared apartments before this.

Mr. CAMPBELL: I have been wondering to what extent the emergency shelter authorities have cooperated with the municipalities and provinces in providing shelter in the sort of buildings about which the hon. member for High Park had been speaking. In the city of North Battleford, Saskatchewan, the provincial government was able to purchase the airport buildings from War Assets Corporation, and they provided some eighty suites, which meant that every veteran in that city was given an opportunity to have a suite of rooms last winter. Perhaps North Battleford is the only city in Canada in that position. I believe a great deal more of that could be done if we had the right kind of cooperation between the housing administration and the provincial and municipal authorities. Those airport buildings were located just a mile outside North Battleford, and they were turned into nice, comfortable suites renting at a reasonable figure. They have provided playgrounds for the children, a recreation hall for the people living there, a store of their own, and all the rest of it; they have a bus line into the city, and they are really enjoying life. It seems to me that more of that sort of thing could be done with some of these airport buildings in other parts of Canada.

Mr. MacNICOL: When I was home over the week-end I drove quite a few miles around the city of Toronto taking a look at buildings under construction. I know the appalling housing situation in Toronto, particularly in my own part of the city where so many thou-

sands of the working people live. I know how they are crowded, with two or three or four families in a small six-roomed house. I asked myself if the government had a tabulation made of the millions of bricks being used in the construction of theatres, churches and all sorts of other buildings in Toronto. I am not finding any fault with the fact that these other buildings are being constructed, because permits must have been obtained for that construction. But I thought not only of the millions of bricks being used in those buildings but of the thousands of kegs of nails and the millions of feet of lumber; and as I drove around I asked myself which was the most pressing demand on the government: to permit the construction of theatres and churches, which of course are necessary, and many other buildings of that kind which require vast quantities of building materials and the services of many expert bricklayers, carpenters and so forth, or the demand for the construction of houses. I just asked myself whether the government could be conversant with the appalling housing situation in our large cities and, if so, why they permitted these other buildings to be constructed. I am not opposed to their construction. but surely housing comes first in the situation under which the people are struggling to live at the present time.

Mr. McILRAITH: To deal, first, with the points raised by the hon. member for North Battleford, some nine different municipalities in Saskatchewan now have emergency shelter units. The number of projects is larger than that, but nine municipalities are involved. The whole programme is worked out in conjunction with the provincial and municipal authorities, and I should be very much surprised if any of those municipalities said they had received any other than excellent cooperation from the emergency shelter authorities. I believe they have.

Mr. CAMPBELL: I am willing to give them credit for that.

Mr. McILRAITH: I thank the hon. member for that. Cooperation is a two-way proposition. It varies with one municipality and another. It is fair to say that, in general, cooperation with municipalities has been very good.

With respect to the points raised by the hon. member for Davenport, it is really a matter of building materials covered under the order in council which is already passed. I would point out to him that in the production of colourless window glass it would appear that the supply in 1947 will be adequate. I have the figures available with respect to brick but perhaps there is no point in giving them.

To go back to the question which was debated before, namely, construction permit control and the other controls, the matter of construction permits rests with the municipal authorities. I do not know that there is much need to elaborate on that at this time since the order is already passed. If permits were granted for these buildings they were granted by the municipal authorities. I assume the municipal authorities gave the matter complete and proper attention before they granted them.

Mr. MacNICOL: I really cannot understand it, if the municipal authorities, particularly the city of Toronto, are harassed to death for accommodation, and they are. The eviction court in Toronto is a sad place to enter. I go there frequently and listen to the arguments put forward by those who want eviction and those who do not want eviction to take place. It seems to me strange that the municipal authorities would not try first to house their people. To provide homes for the multitudes who are now packed almost like sardines—that is all we can say about it—in unhealthy and dangerous conditions of every description, should be the important thing. I do not want to think the city council and the city authorities in Toronto would give preference to I do not know how many theatres—I passed by a number of them—which have men working on them and piles of lumber and building materials of every description around them. I am not finding fault with their being built, but I am trying to say that housing should have No. 1 priority over everything else to give the people a chance to live under decent conditions.

Mr. MacINNIS: Before we leave this order in council, there is a question I wish to ask the parliamentary assistant. When the members for Vancouver were in that city during the Easter holidays they met the city council and, among other things, discussed with them the project of buying certain houses in Bremerton in the state of Washington. Some 1,600 houses were to be floated on barges to Vancouver. Has that deal gone through?

Mr. McILRAITH: I have some information on that point. There are two or three things about it. First of all, the municipal authorities in the city of Vancouver will not make a contribution to that project. I understand that they are unwilling to do so. They want it done, if it is done, by the dominion government alone. I might add one other

thing. There is no evidence whatever that the United States authorities would permit these houses to be taken out of the United States and into Canada. That is another difficulty.

Mr. GREEN: Have inquiries been made about the matter?

Mr. McILRAITH: There is one other difficulty. The municipalities will not administer the project. These are the difficulties in the way at the moment. I think I am justified in saying it looks as if they will not be having Bremerton houses.

Mr. MacINNIS: Surely there must be something wrong here. I had a copy of a letter which was sent by the corporation council of Vancouver to the Minister of Reconstruction and Supply, I think. From that letter my understanding was that the city was asking for financial assistance from the government. I understand that to a certain amount that financial assistance was offered; whether it was sufficient or not I do not know. I am greatly surprised to hear that the city wanted the government to pay all of it. I am almost sure that is not the case.

Mr. McILRAITH: I am sorry I have not the letter and the reply here. The letter was received and replied to in considerable detail by the minister. As I understand it, the city takes the position that it has no authority to expend money on that project. I understand further that the dominion government made the city an offer under which the dominion government would pay $500 per unit of these houses. I am sorry I have not the letter. If I had I would have more detail.

Mr. GREEN: Have inquiries been made of the United States authorities by the Department of Reconstruction and Supply since Easter?

Mr. McILRAITH: No such inquiries have been made since Easter. The position is that there is no point in making such inquiry until someone assumes the responsibility by bringing these houses in and financing them.

Mr. GREEN: The parliamentary assistant said he believed the United States authorities would not release the houses.

Mr. McILRAITH: No, I did not express it in that way.

Mr. GREEN: How did the parliamentary assistant express it? What did he mean to convey?

Mr. McILRAITH: I said there was no evidence that the United States authorities would permit them to be exported to Canada.

Mr. GREEN: Why does the department not find out whether or not they can be obtained from the United States?

Mr. McILRAITH: The reason is—

Mr. GREEN: Are the city authorities and members of parliament just wasting their time trying to have this deal put through? The government should at least find out from the United States government whether or not these buildings can be made available.

Mr. McILRAITH: The United States government have a prohibition against the export of building material. The reason they have not been approached since Easter to change that and to make a special exception or do whatever is required under their law to vary it is that no one here is in a position to take the houses. It is still a hypothetical question because no authority here will assume responsibility for taking the houses and putting them in the city of Vancouver and operating them. That question has to be settled first.

Mr. GREEN: Was an approach made to the United States government before Easter? If so, what was the answer given?

Mr. McILRAITH: Perhaps I can restate it with a little more detail. The situation at the moment with respect to these Bremerton houses is simply this: the Canadian government or the department is not in a position to make such an approach to the government of another country until it has a bona fide application to import these houses. Such is not yet the case. There is no bona fide application to import these houses.

Mr. GREEN: I suggest that the lead should come from Ottawa. The people on the Pacific coast have found that these houses are available. They have inspected them and are satisfied with them. They cannot go farther until they know whether or not the houses can be obtained. If they cannot be obtained there is no use in wasting more time on the project.

Mr. McILRAITH: Perhaps I could state it in another way. There is no use in determining a hypothetical question about an import permit from a foreign government until there is some evidence that someone will import houses. So far, in this talk about Bremerton houses, there is no evidence that they are available, and we have been unable to get any real cooperation in the way of working out an arrangement with the municipal authorities to provide for paying for and operating the houses. That is the situation and the difficulty.

Mr. MACKENZIE: I wish to speak as the member for Vancouver Centre and not as a minister. I happened to go into the matter thoroughly when I was at home during the Easter recess, though unfortunately I was detained from attendance at the meeting at which my hon. friend the member for Vancouver East and others were present, with the city council, to discuss the situation; but the evidence I received was definitely to the effect that the houses were available, provided that the government of Canada gave assurances to the government of the United States that the houses were required and that they would give their blessing to the enterprise, as these houses could be transported to Vancouver, British Columbia. I happen to know Canada fairly well and there is no place in Canada that requires housing to the extent that Vancouver, British Columbia, does. The conditions there are truly and definitely emergent, and I understand that the hon. member for Vancouver East and two of my colleagues, the hon. member for Vancouver North and the hon. member for Vancouver-Burrard, were at a conference the other day. My understanding from dispatches which I saw was that one of two officials of the Department of Reconstruction and Supply was to be sent immediately to Vancouver to confer with the Vancouver city council in regard to this condition.

I wish to impress upon the committee the fact that this condition is a truly serious one in Greater Vancouver and that the negotiations, as far as I know, were proceeding most satisfactorily. I am therefore nonplussed, I must say, by the evidence I have heard tonight, because the Vancouver press has continually carried dispatches, and one or other of these two officials is on his way to Vancouver now to discuss these negotiations with the city council of Greater Vancouver in regard to terms for transporting these houses from Bremerton to Vancouver.

As far as I am concerned, I want to have some further explanation, which I shall ask for in the usual constitutional manner, in regard to the lack of progress with reference to these negotiations, which I had hoped would be successful for the sake of people who today need housing, most of them being ex-servicemen, with their dependents, in Greater Vancouver. Our understanding was, after investigation that these houses could be obtained at prices which were from one-third to two-thirds of the prices for which one can build houses today in Canada, including cost of transportation.

I must agree with the hon. member for Vancouver South—I am afraid I am doing it too frequently nowadays—in his representations in regard to this matter, because after all we represent a great city, a great centre, and in this case a great cause, and anything I can do to assist in this way I shall be most happy to do.

Mr. MacINNIS: I do not want to pursue this matter further; but, as I have indicated, I am in the same position as the hon. member for Vancouver Centre. My understanding was that these houses were for sale by the government authorities. They are war surplus, I understand, or something of that kind, and no question of the authority for selling them was involved. There are sixteen hundred of them. According to the figures I saw, the price, set down on a serviced lot in Vancouver, was $2,160, which it was said would enable good accommodation to be provided for ten years. I am very much surprised at the information or lack of information which the parliamentary assistant has given us tonight.

Mr. McILRAITH: Perhaps I should come back to one point in this discussion. First of all, as to the price, I am not in a position to argue that one way or the other. It is wholly unproven figure and is certainly very much below the cost of moving some houses from Dawson Creek to Edmonton. I am not, however, in a position to argue that in detail one way or the other. The whole crux of the matter is very simple. It comes to this, that the municipal authorities in the city of Vancouver took the position that they have no authority to expend municipal funds for the purpose of providing this type of emergency shelter. Whether they have or have not is a question of law, but certainly it is one that they themselves must assume the responsibility for deciding. We here cannot decide it. That is their position. They take the position that the dominion government should pay all the cost. The dominion government has not paid all the cost of these projects with other municipalities, and just what is the position if the dominion government now goes to British Columbia and pays all the cost in Vancouver, after having worked out satisfactory and reasonably workable arrangements with a great number of other municipalities across the dominion where the municipal and dominion authorities cooperated and contributed their portions of the cost and had the buildings made available, and so on?

That is the crux of the whole situation. As for the urgency in Vancouver, no one at all familiar with the situation will fail to agree at once that there is great need for emergency shelter in that city. That is not in issue at all

and is not the point. I think the departmental officials are as well aware of that as anyone, and I can do nothing other than wholly agree with the remarks made by hon. members here about the need for shelter in Vancouver. But we must, I think, come to the real difficulty and deal with it. We must face up to it, and it turns simply on the inability to get cooperation from the municipal authorities either to pay for any part of these buildings made available for emergency shelter or to contribute to their cost.

Mr. GREEN: That is another case of passing the buck from the government to the municipality. The municipality will pass it back again, and in the meantime the veterans have no place to live in. The parliamentary assistant has said that the city will not underwrite the scheme—

Mr. McILRAITH: I went farther than "underwrite"; I said, "will not contribute."

Mr. GREEN: Is the department prepared to make an agreement with a private firm or a private individual if they will underwrite the project?

Mr. McILRAITH: The policy of the emergency shelter authorities has always been to deal with municipal authorities only. When you get to a matter of local administration, and so on, most people will agree that it is absolutely necessary to have the municipal authorities in it. That cooperation has been forthcoming from practically all the municipalities in the country. It has never been the policy to deal with a private individual in making emergency shelter available on the unit basis.

Mr. GREEN: The press report of the interview that was held here with the minister of reconstruction last week by three of the Vancouver members—unfortunately I was unable to return to Ottawa in time for the interview —was as follows, and I am quoting from the Vancouver *Province* of April 19:

> Previously, the Ottawa government had offered to put up $500 per Bremerton house, if Vancouver would underwrite the proposition. Today, Vancouver M.P.'s drew from Mr. Howe the undertaking that the dominion would put up the same amount even if the project were not handled by the city but through a non-profit corporation, with the accent on non-profit.

Is that statement correct, or is it not, because this evening the parliamentary assistant has said that his department will deal only with the municipality?

Mr. McILRAITH: All I can say about that is that the policy has been quite clear in the past. There has always been municipal management of these emergency shelter projects. This is the first I have ever heard of any suggestion that there would be other than municipal management of the project. That, if it were true, would, of course, involve a complete change of policy and would be something which the minister would have to deal with. I could not authoritatively bind the minister on a matter of policy like that. But it certainly is the first suggestion I have ever heard that we have other than municipal administration of this emergency shelter.

Mr. GREEN: The university of British Columbia is administering some emergency shelter.

Mr. McILRAITH: Yes, that is quite true for special university projects; the provincial university is doing that.

Mr. PEARKES: Is not the Canadian Legion doing that?

Mr. McILRAITH: In Victoria there is a project where the legion takes part in it. They do not administer it themselves. They take part in it with the municipal authorities. There is one other project of a similar nature.

Mr. MACKENZIE: I wish to ask my hon. friend a question. He has made a statement —and no doubt he has made it quite sincerely and honestly—that the municipal authorities of Vancouver rejected this cooperative enterprise. I should like to know how that communication was received and by whom it was signed. Was it signed by the mayor of Vancouver or by any of the civic aldermen of Vancouver? I am entitled to know, I think, as a representative from Vancouver.

Mr. GREEN: And is it since Easter or before?

Mr. McILRAITH: I can perhaps help to clarify that. I believe there was an amendment proposed to the city charter which was brought up before the Vancouver city council, a suggested amendment that they were to put forward to the provincial authorities giving them the authority to spend money for purposes like this and the city council rejected it. I think that would be a matter of record in the city council.

Mr. MACKENZIE: May I ask who that communication came from? Was it the city clerk of Vancouver who made that communication to my hon. friend?

Mr. McILRAITH: I cannot say who it was that communicated that to the department. I think it will be found that the amendment was beaten by a very close vote of thirteen to twelve, if my memory serves me correctly.

Mr. NICHOLSON: Have you the date?

Mr. McILRAITH: I am not sure of the date, but I think it was about the middle of April.

Mr. SINCLAIR (Vancouver North): As one of the three members who attended the meetings with the Vancouver city council and with the minister, I must confess that I am a little surprised at hearing the difference in the parliamentary assistant's version of this and what the minister told us. It is apparently in the press, so in speaking I am not breaking any confidence. This Bremerton deal is a most unusual one, because I am quite sure there is no other place on the North American continent where there is a surplus of 40,000 houses, which is the surplus of wartime houses that there is in the state of Washington and Oregon, which were put up for the shipbuilders. They are two and three-bedroom houses. The houses are available at Bremerton in the state of Washington for $400; that is, the house itself, in its present situation, complete with stove, refrigerator and heating equipment. The joker in it is that the houses are not pre-fabs. They cannot be knocked down except for salvage. There is little sale for them because it is not allowed to move such houses along the highways of either the state of Washington or the state of Oregon. The only way whereby these houses can be moved is by sea on a scow. Quite a number of United States communities on Puget sound have obtained those houses at $400, floated them to their new location, brought them ashore and established them there. Here is the situation in Vancouver. A group of veterans did go down to examine these houses, did get a commitment that 1,600 can be made available if an official approach were made to the United States housing authorities by the proper authorities. None of the prefabricated houses could be bought because obviously the Americans wanted them themselves, but 1,600 of these other houses could be bought for $400 each. The figures quoted by the hon. member for Vancouver East were to the effect that a total of $2,160 would remove these houses from their sites in these wartime industries at Bremerton, float them up the sound to the Fraser river to the city of Vancouver and put them on these lots provided by the city at $100 apiece. Far from these figures not being certified, the city engineer and the city building inspector of Vancouver have checked these figures and agreed that that is a fair estimate. It is all very well to say that the government has not done this in the past. This is certainly an unusual situation, surplus houses available for the one place in Canada where the housing situation is more extreme than it is in any other. We met the Vancouver housing association, that excellent group of citizens who have so well managed the hotel Vancouver where 1,227 veterans' families are now finding shelter.

Mr. MERRITT: That is the citizens' rehabilitation council.

Mr. SINCLAIR (Vancouver North): Yes, which has done such fine work. It is quite true, that unlike Wartime Housing, these Bremerton houses when set up will not be the type of housing that could be sold to the tenants as can Wartime Housing. I have gone over these matters carefully with the alderman who is most concerned, Alderman Cornett, and these young veterans, and I think this project should be publicly underwritten. If the city cannot do it, then it should be done by the federal government.

As far as the statement made by the parliamentary assistant is concerned, that the Vancouver city council rejected the scheme, that is not quite true. Six out of eight councillors were extremely anxious that the city should take advantage of this unusual offer. Two of the councillors, however, when this matter was brought up before the council, insisted on the regular two-weeks' notice before a charter amendment could be proposed. By that time the provincial legislature had prorogued, so that there was no opportunity. It is interesting to note that the mayor of Vancouver who is such an authority on spending other people's money did not raise his voice to try to help the six aldermen get this housing authority through. In fairness to the Vancouver aldermen, six of these aldermen did try very hard to get the city to purchase these houses. I suggest, like the other Vancouver members, that this is a most unusual situation where these good houses are available at such a low price, and that certainly no buck-passing between the federal government and the city council or any other group should be allowed to stand in the way.

As far as the statement of the parliamentary assistant is concerned, I was present at the meeting when the minister of reconstruction did say that he had made an offer of a grant of $500 per unit if these Bremerton houses were brought in by the city so that there must have been some pretty definite plan submitted to him before he would make such an offer. On the question raised by my colleague, the hon. member for Vancouver East, the hon. member for Vancouver-Burrard and myself, as to whether that offer would be extended to a non-profit group, he

did not quite commit himself. He said he was inclined to recommend it if it were a responsible non-profit organization, but that he would have to consult his colleagues before committing the government. I think at that time he suggested the Vancouver housing association or the rehabilitation league, who have done such excellent work. Far from saying no, I think it is a fair statement to say that he was inclined to approve if some responsible group would take over the importation of these houses.

This does not immediately concern me, because I am not a Vancouver member, although my constituency is called Vancouver North. It does, however, concern every member from British Columbia to see an offer like this of 1,600 houses, with stove, heater and refrigerator, available at $400, with an estimate of a total cost of importation and erection of between $2,000 and $2,500, slide by, because of some jurisdictional quarrel over who should pay for emergency shelter.

Mr. MERRITT: I have listened to this discussion in silence, but with a great deal of interest. Here we have a case where, as I understand it, the city council is afraid of getting into subsidized low-rental housing all alone, without any help from the province or the dominion. We have heard from the parliamentary assistant and from the other hon. members for about half an hour, that the dominion and the city council cannot find a basis for agreement. I believe that is what worries private members from Vancouver—the fact that agreement cannot be reached.

There is no question in the world that we must have a large number of houses built this year in Vancouver by Wartime Housing, and probably we should have the Bremerton houses, too. I do not care what agreement is come to, but I wish to say to the parliamentary assistant that very soon now these houses must be made available. This very same dispute between the dominion and the city had held up the opening of the old Vancouver hotel as a veterans hostel for some six months. The need was most acute. Many hon. members—and I was one of them—were active in trying to get it open. Late in January it was opened, but because certain veterans took forcible possession of the hotel. When that was done all the difficulties were resolved, satisfactory arrangements were made and the hotel was opened. While I am not sure of my dates, I believe it was six or eight months later the Little Mountain camp was declared surplus and evacuated. It, like the old hotel Vancouver, remained vacant for a considerable period of time, while this same dispute was going on. The inevitable happened there, too.

I could liken the inevitable to air rushing into a vacuum. There were empty houses on the one hand, and veterans' families in sore need on the other. The veterans simply moved in to Little Mountain. Had it not been for the university authorities, and had not the university branch of the legion come to the rescue very smartly and taken over that project on a management basis, at the same time straightening out the difficulties caused by the "squatting", if I may use a term which has been widely used, there would have been trouble at that point. The people of Vancouver have not liked the experience in these two instances.

I have risen at this time, at the end of this long and indeterminate discussion, to express my view that the government cannot let that happen again. I do not care what the arrangement is. I do not care even if the management is provided, without a detailed agreement with the city having been reached, such agreement being left to be decided after.

I should like to impress upon the government that this contract for the old hotel comes to an end early in 1948. There are at least 2,500 veterans' families urgently requiring housing at once. We cannot let any more emergency shelter become vacant without having management ready to take it over on the very day it becomes vacant. And we cannot let these 1,600 Bremerton houses go by, unless we are prepared next April to have a sufficient number of houses on the ground so that no one will miss the 1,600 we might have got from Bremerton.

I know Wartime Housing is working much faster now, as it acquires what is called the know-how of building. I am much concerned about the 2,000 houses mentioned in the newspaper report. The first contract was for 1,200 houses, and that was signed in the summer of 1945. I believe the last few houses are either just now coming into occupation, or have just come into occupation since the beginning of the year. I do not believe we have a period of even one or two months to play with before some actual work must be done to get wartime housing or Bremerton houses into Vancouver.

My suggestion to the parliamentary assistant is this: You have reached an impasse with the city council. They are on ground on which they consider they are entitled to stand. You are on ground on which you consider you are entitled to stand. We shall never get anywhere that way. You will both have to give way to some extent, in the interests of

the people who need those houses, no matter what it may do to your other arrangements, and no matter what it may do to the city's responsibility for housing in the future. Both sides will have to come together, prepared to give way, so as to get those houses started.

Mr. McILRAITH: One or two things I think should be said about this point, although some of it may be repetitious. First of all, I think I made it clear in answer to the Minister of Veterans Affairs that there is no doubt at all about the need for emergency shelter in Vancouver. It was said tonight that the need in that city was the most extreme in Canada. That is not quite accurate. In any event it is extreme, and there is no doubt about the urgency.

The term buck-passing was used in reference to the negotiations in an effort to get emergency shelter in there. I think the kindest remark I can make about that term is that it is most unhelpful.

Mr. GREEN: It is most true, too.

Mr. McILRAITH: It is most untrue, as well as being unhelpful, notwithstanding the hon. member for Vancouver South. When a dominion authority, which has a responsibility to all the people of Canada in all the municipalities, finds an arrangement that is satisfactory to all the municipalities in Canada, with possibly one exception in addition to Vancouver, an arrangement into which almost all municipalities have seen fit to enter, and about which they have been satisfied—and have so expressed themselves in many instances—surely it is not buck-passing to ask the municipality of Vancouver to enter into a similar type of arrangement, and to start off the suggestion by offering them a cash contribution, right off, in the first letter, for each housing unit. Surely it is not buck-passing to suggest that the municipality look after the local administration of an emergency housing project? If all other municipalities have seen fit to enter into this arrangement, how can we now be accused of non-cooperation when we are asking the city to enter into the same type of arrangement. It just is not logical or reasonable.

Something was said about the private feelings of the city councillors. I am sorry, but I am not in position to tell hon. members what are the feelings of the city councillors because I do not know their private feelings. I merely know the position they have taken publicly in the course of their duties; I merely know the position they have seen fit to maintain, rightly or wrongly, as city councillors. I have not even suggested that they were wrong; I have merely stated the position they took, and that is their affair. They have their responsibilities; they have their own jurisdiction, and I have not been critical of it at all. I have merely pointed out what it was.

It will be seen from the discussion tonight that, notwithstanding the speeches of hon. members, notwithstanding their intense interest in having emergency shelter provided for needy cases, we come back to the same point, that not one of them has dealt with the key problem, whether or not it is possible to do anything without the cooperation of the municipal authorities.

Mr. MERRITT: I most certainly have done so.

Mr. McILRAITH: I do not want to enter into a detailed discussion. I should like to ask hon. members who controls such things as water connections, the distribution of water and the disposal of sewage in the corporation limits?

Mr. MERRITT: The city is not raising any trouble about servicing.

Mr. McILRAITH: They will not give the services that all other municipalities give in connection with wartime housing. By the way, there are a great many of these units going into Vancouver. Their proposition at the moment is that the city be paid $400 for each lot upon which wartime houses have been built.

Mr. SINCLAIR (Vancouver North): That is what Wartime Housing promised to do and now you are reneging on it.

Mr. McILRAITH: No, I am not reneging on anything; I am merely stating the fact. That was in addition to requesting that full taxes be paid on all these lots.

Mr. SINCLAIR (Vancouver North): Why not?

Mr. McILRAITH: That is the difficulty there. The emergency shelter authorities are fully aware of the difficulty in Vancouver and are most anxious and willing to cooperate. However the government has a duty to other persons residing outside the city of Vancouver, and it has to defend what it does in one municipality when it is different from what is done in other municipalities.

Mr. SINCLAIR (Vancouver North): As a member on this side of the house and also as a member who is not representing a Vancouver seat, perhaps I can be expected to make a little more impartial reply. One of the points raised by the parliamentary assistant explains

why the Vancouver city council feels so dubious about going on. Wartime Housing made an agreement with Vancouver by which they got these lots very cheaply and for low taxes. The signed agreement was that if any house was sold to tenants within five years the city would get $400 as tax sale price of the lot. Now when the houses are beginning to be sold Wartime Housing is attempting to renegotiate the contract, which the city accepted in good faith, to give only $100.

When three of the Vancouver members met the minister we said that one of the first things that should be done to establish the right atmosphere for negotiation between council and government was for Wartime Housing to live up to their present agreement and pay the $400 they had agreed to pay.

The second point in connection with these negotiations came out in the words of the parliamentary assistant when he said that there were a very great number of wartime houses in Vancouver. That is quite true. In my own riding of Vancouver North we have a great number of them which were built on lots that were obtained for $1 a lot. Twenty-five dollars was paid in lieu of taxes, which means that the citizens of Vancouver North, who were paying $75 or $80 more taxes on a similar type of house on lots in the immediate vicinity, were making up the difference.

The three Vancouver members made it quite clear to the minister that they did not believe in going on giving special subsidies to veterans in wartime houses by continuing to pay $25 in lieu of taxes. We felt that the veteran who bought a house privately should receive some protection. Why should he pay full taxes on his house and then share the cost of the reduction in taxes to veterans in wartime houses? The three of us, despite our different political outlooks, agreed that the Vancouver city council was right. I would suggest to the parliamentary assistant, as we suggested to the minister of reconstruction, that one of the first things Wartime Housing had better do in Vancouver is to live up to the deal that they have made.

Mr. McILRAITH: As far as the contract between Wartime Housing and Vancouver is concerned, Wartime Housing is perfectly willing and ready and anxious to live up to its contract in detail. If the hon member want to pursue the point any farther he will find that there has never been the slightest suggestion that they do other than live up to the contract.

Mr. SINCLAIR (Vancouver North): Apparently the parliamentary assistant is right and the mayor and the council are wrong, or Wartime Housing is doing something of which the parliamentary assistant has no knowledge. The first point brought up by the Vancouver members—there were four of us at that meeting—was the fact that Wartime Housing were trying to renegotiate that stipulation, and I ask my colleagues to substantiate that statement.

Mr. MERRITT: That is true.

Mr. McILRAITH: I think I can clear that up very quickly. If the city wants full taxes on these houses it must renegotiate the contract with Wartime Housing, because the contract provides, among other things, for a much smaller fixed payment in lieu of taxes. If the city wants its full taxes it must, of course, renegotiate the agreement. It cannot have both sides of the same coin face uppermost at the same time.

Mr. MERRITT: All this discussion just goes to show that there is need for people to reach an understanding. I must say that I would rather not thresh over this old straw: I would much rather hear from the parliamentary assistant that he realizes that these houses must go into Vancouver this year and that he is prepared, through Wartime Housing, to see that they do go there and that an agreement is reached by such negotiation as is necessary. If the city proves intractable, as the parliamentary assistant seems to suggest, then the suggestion the Vancouver members have already made should be adopted, that is, that the rents be set slightly higher to take the difference into consideration. There is no good in trying to allot the blame, and it would not be necessary if we could be satisfied that the government was intent on getting these houses started. If that were the case we would not have to discuss this matter at all.

Mr. GREEN: Two subjects have become mixed up in the discussion. One is the ordinary wartime houses and the other is this Bremerton project. I have my notes covering Wartime Housing which I took at the meeting with the city council, and we were certainly told by the city council that the original arrangement was that if the houses were sold within five years the city would get $400 a house.

Mr. McILRAITH: That is correct.

Mr. GREEN: We saw them during the Easter recess and they told us that the government was then taking the stand that, instead of paying $400, only $100 would be paid.

I also took some notes with regard to the Bremerton project. The parliamentary assist-

ant has said the city would not give any help at all. The councillors told us the city would open up the district in which the Bremerton houses would be placed, at the expense of the city, which I presume meant roads and water, at least; and they also said they would either give or rent the lots to the Central Mortgage Corporation, whichever the corporation wished. So that there is no question about the council being willing to cooperate. It is just a matter of the two authorities getting together.

I would ask the parliamentary assistant whether his department will now find out from the United States government whether these houses are available for sale to Canada. That has not been done as yet, and I suggest that it should be done just as quickly as possible. Perhaps it will have to be done through the Department of External Affairs. The minister of that department is here this evening, and he can tell us whether that step will be necessary. Is the government willing to find out at once whether or not these houses are available? And is the Department of Reconstruction willing to have the houses, when they are brought in, operated by an organization such as the citizens' rehabilitation council or some other non-profit organization? If those two points were cleared up, first, whether or not the houses can be obtained at all from the United States, and whether, if they are brought in, they could be operated by a body such as the rehabilitation council, we would be getting somewhere.

Mr. McILRAITH: The hon. member for Vancouver-Burrard raised some questions about the speed with which these problems are handled. I believe the emergency shelter authorities and the department are fully equipped to deal very quickly with these matters; the difficulty does not lie in that direction at all.

Mr. MERRITT: May I ask the parliamentary assistant when you would have to commence in order to have 2,000 wartime houses completed by next April?

Mr. McILRAITH: I cannot answer that question accurately; too many factors are involved, so that any answer I might give would not be worked out carefully enough.

Mr. MERRITT: That rather destroys the value of what the parliamentary assistant just said.

Mr. McILRAITH: No, it does not destroy it at all; it just shows the need of cooperation on the part of all parties concerned. The situation is still the same on this point as I previously stated it to be. The question has been raised of the application to the United States authorities. I will bring the matter before the minister, but for myself, with what little influence I have, I certainly would not suggest that an application be made to a foreign government to import houses on a hypothetical question like this, when no one is ready to import them and the authority is not clarified.

Mr. GREEN: You would not even ask whether the United States would consent?

Mr. McILRAITH: Surely we must have some evidence of a bona fide application to import before a foreign government can be approached on a matter like this. However, as I said, I will bring forward the point in any event. The question was narrowed down by the hon. member for Vancouver South in his concluding remarks in regard to the management of these houses, assuming the other difficulties were worked out in conjunction with the city. He asked whether the citizens' rehabilitation council could administer them, or whether that might be done by some other authority. In the first place, "some other authority" is perhaps pretty vague, and I think we can just leave that aside for the moment. As far as the citizens' rehabilitation council is concerned, I should think possibly some satisfactory arrangement could be worked out for the management of this project by them, if all the other difficulties could be satisfactorily solved in cooperation with the city. I do not think there is any use in beating over the other point of where the city councillors stand or do not stand. The fact remains that they claim they have no authority to spend any money on getting these houses in, and the further fact remains that they have declined to apply for that authority. As I said before, I have been careful not to state whether they are right or wrong in that; I merely give it as the fact.

Mr. NICHOLSON: The members from the Vancouver area have I think, done a very good job. I was in Vancouver at the time the discussions took place between the Vancouver members and the city council, and the statement by the parliamentary assistant tonight comes as quite a surprise to me. In reading the Vancouver newspapers, one got the impression that the city fathers were prepared to cooperate fully in carrying out a project of this kind. I believe Vancouver deserves special consideration. My information is that a larger percentage of ex-service personnel have settled in Vancouver than in any other

city in the country. I think it is well established that building materials are going to be very short for the next couple of years, and with the situation described by the hon. member for Vancouver North, where 1,600 houses can be placed on lots in Vancouver with very little trouble, I believe, while this government has this emergency power, it should go out of its way to see that something is done. I believe the hon. member for Vancouver South made a reasonable request when he suggested that the minister of reconstruction should consult with the United States authorities to find out whether or not these houses can be made available. If the Vancouver newspapers were reporting the conferences at all accurately I am sure public opinion in Vancouver will force the city fathers to go along with the federal authorities in reaching some agreement. The whole discussion thus far this evening emphasizes the point I made on Friday, that we do need to have consultation at all levels of government; and I think the parliamentary assistant should give some assurance that machinery will be set up to enable us to deal with this sort of problem.

Mr. MacNICOL: I was in Quebec last September making a survey in regard to the question of a free port, and on the docks there I saw a number of prefabricated houses. On inquiry I was advised that they were being shipped to France, and I was very glad to learn that France was getting some assistance from us. I understood that we were sending a thousand or more prefabricated houses, each having about four rooms. They were neat little houses; as a Canadian I was very proud of them and was glad to think our allies were getting some assistance. At the same time I wondered if we had so many houses in Canada that we could afford to ship a thousand or so abroad in that way.

Mr. McILRAITH: The hon. member for Mackenzie raised a point as to cooperation. Perhaps the best answer to that is that we have approximately 120 of these emergency shelter projects, and we get very good cooperation in connection with at least 117 of them. I think that emphasizes the degree of cooperation the authorities are prepared to give in this matter. There is no doubt at all that the utmost cooperation is required on the part of all the authorities, whether dominion or municipal.

Mr. JOHNSTON: Can the parliamentary assistant say anything about prefabricated houses being shipped from Vancouver to England?

Mr. McILRAITH: To deal with the second point raised by the hon. member for Davenport about prefabricated houses, it is quite true that prefabricated houses were being exported, but they were only shells with the lumber in them. They had none of the finishing materials in them.

Mr. MacNICOL: No stoves; no plumbing.

Mr. McILRAITH: No, nothing of that kind at all; no wiring or anything of that sort; just the lumber shells, and the lumber in them is actually taken out of the lumber export quota. It is part of the export quota of lumber.

Mr. ROSS (St. Paul's): Something has been said about the question of houses in the city of Toronto. So far as emergency shelter and shared accommodation are concerned, many people in Toronto would be glad to take people in.

Mr. MACKENZIE: They generally do.

Mr. ROSS (St. Paul's): I know, but you are easy to take in. People in Toronto are willing to take persons in and give them shelter. A great deal of that is being done at the present time, especially in connection with university students. But you have to be careful who they are. They have to be compatible. That is to say, they have to be people who can get on together. There are two reasons why the people would like to do it. We realize the appalling situation we have in Toronto. If hon. members were there they would realize it too. It is easy enough to get these people into your houses. They will come; there is no doubt about that. All you have to do is to ask them to come and they will come in; but they will stay there, and it is quite a problem to get them out, particularly when you think of the regulations in connection with evictions and all the long processes which have to be gone through. The average person who has a house is going to be just a little bit careful before he takes anybody in. My suggestion is, make some change in the law in connection with eviction. Make it easier for a person to get rid of these people if they are not liked. Change it so that they can be evicted for cause. At the present time it is difficult to get rid of them for cause. I know of home owners who have been trying to get rid of these people for cause and they have not been able to get them out.

I suggest that if we have some sort of written agreement between a person who owns a house and the person who wishes to come in, which would be binding and which could not be overriden by the present order in council with regard to agreements, it will be

found that a great many people in Toronto will be glad to give accommodation to those who need emergency shelter. That is an important factor. People will not take persons into their homes and give them shelter today because it is so difficult to get them out. Unless they are almost crooks you can hardly get them out of your house. That is the suggestion I have to make. I do not like the idea of blaming Toronto for lack of shelter or the citizens for not giving shelter to these people because it is not the fault of the citizens. It is the fault of the regulations governing evictions.

An hon. MEMBER: It is the fault of the government.

Mr. ROSS (St. Paul's): It is the fault of the government, yes. The hon. member did not think I was speaking on behalf of the government. Perhaps I have not expressed myself clearly but I think I have made my point. My suggestion to the parliamentary assistant is to do something about these regulations and he will find that a great many homes will be opened up.

Mr. SMITH (Calgary West): In games it is often wise to get an out-of-town referee who is unprejudiced toward these aristocrats from British Columbia. They assume that position with the rest of Canada all the time. In the private quarrel which has been going on between them and the parliamentary assistant to the minister I am trying to analyse the facts. I accept it on all sides that in Bremerton, which is not far away, there are 1,600 houses available, which could be brought to Vancouver and set up—they contain a refrigerator and a stove—for approximately $2,000. That seems to be the basic fact. If that can be done it is the cheapest housing in the world for Canada, infinitely less than we are paying under any other government scheme. What is the reason for this debate and what is the position of the parliamentary assistant? Merely one of frustration, saying we cannot do it because of some people—I was going to use the word "stupid"—perhaps stubborn people on the Vancouver city council. Here we sit in this House of Commons which is assumed to be a responsible and deliberative body. That last word is certainly true. Here we sit with a thing at our doorstep which should be done, and we find the parliamentary assistant—all the committee wants it done—saying we cannot do it because of a technical—and it is a technical—difficulty with the Vancouver city council. That being so, it is not good enough for the parliamentary assistant to tell us that our hands are tied for that reason, without giving us some constructive suggestion as to how this difficulty can be solved.

Then I turn to the second question which was asked by all the Vancouver members as to the present status of these houses. By "status" I mean whether or not these houses can still be purchased. The parliamentary assistant takes the position—where he gets the authority or the precedent for it I do not know—that he will not ask the government of the United States—I assume from that remark that the houses are governmental owned—whether they are available until he has had the detail of purchase and movement worked out. If business were conducted in that way we would never get anywhere. Surely there is no object in fiddling with the city council of Vancouver. There is no object in blaming them for being stubborn if these houses are not available. All we have to do is ask a very simple question. I understand from the hon. member from Vancouver North that the only reason we can get them is that you have to float them. They are not prefabricated, and Vancouver is one of the places to which they can be floated. With the greatest respect to the parliamentary assistant, his every answer, his whole speech tonight, was simply that of frustration, saying, "blame it on the other fellow," without a single constructive suggestion as to how we can get the 1,600 houses which are so badly needed by men returned from this war. In other words, the answer is not good enough.

Mr. PEARKES: Most of the debate this evening has centred around houses to be built in the cities. I have on previous occasions pointed out the desirability of erecting houses where there is work for men to do—in the country. As far as British Columbia is concerned, we need to erect houses near the logging camps and sawmills. I understood last year that the regulations were made more elastic, so that logging, mining and fishing companies might be able to get assistance in the construction of houses in those areas away from the city. I was concerned with the remarks made by the parliamentary assistant this evening, as far as I could hear him, and his voice at that time did not carry very well to these back benches here. Did he say that only the municipalities could administer houses built under these schemes?

Mr. McILRAITH: Under the emergency shelter.

Mr. PEARKES: I was under the impression that, according to the regulations amended last year, logging, lumbering, fishing and min-

ing companies would be able to erect and administer houses, assisted in the financing by this federal government.

Mr. McILRAITH: I was speaking about emergency shelter.

Mr. PEARKES: I should like to ask the parliamentary assistant how many such projects have been started since these regulations were passed last session.

Mr. McILRAITH: The hon. member for Nanaimo has been, I am afraid, inadvertently confusing what is before the committee at the moment. We are now dealing with the emergency shelter regulations and my remarks were confined to them. The point he now raises has to do with the National Housing Act and administration of Wartime Housing Limited. There is on the order paper a resolution concerning the National Housing Act and I hope we shall reach it soon, when the information he asks for can be given to him. The question he asks does not pertain to the emergency shelter regulations.

The CHAIRMAN: Will the two orders in council referring to emergency shelter carry?

P.C. 9439 and P.C. 7502 agreed to.

The CHAIRMAN: With regard to order in council No. 3, an amendment has been offered but not accepted. There have however been amendments offered and accepted to No. 245 and No. 1997. Will these two orders in council as amended carry?

Mr. FULTON: This afternoon the parliamentary assistant was kind enough to promise me that he would make inquiries into a situation which has already considerably vexed the house and, I understand, the minister, and that is the matter of nails. Since the matter was last discussed in the house, I have had telegrams from farmers and ranchers in my own constituency saying that they require to do their spring work on their flumes for irrigation purposes. Unless they get nails to repair these flumes the water will not reach the land, and in that dry country it is essential that irrigation be started now. It is absolutely impossible to obtain nails. There is, we are advised, no priority for such purposes as repairing flumes; the only priority that exists is with respect to the building of houses, but I am told that, even after this priority is satisfied, there are nails left over. Although we are advised of all these factors, I had a second telegram today informing me that no nails are available except on the black market, and on calling this matter to the attention of the department I am given to understand that there exists an unexplainable situation in British Columbia with regard to the disappearance of nails from legitimate markets. Has the parliamentary assistant had those inquiries made which he promised, and is he in a position to tell me how I can assist these farmers in getting nails which they require for the repair of their flumes?

Mr. McILRAITH: The hon. member for Kamloops did speak to me about this matter this afternoon. I gave what information I had and I was to speak to him further before six o'clock. I told him I would see him this evening but I have not had an opportunity of doing so, as hon. members will appreciate.

Mr. FULTON: I appreciate that.

Mr. McILRAITH: The situation is this. The priorities given for nails are limited to the low-cost houses under the Veterans' Land Act, Wartime Housing, integrated housing, and veterans housing of that sort, and it leaves between eighty and eighty-five per cent of the gross nail production in the country available for distribution through the normal channels of trade. Apparently there has been a severe difficulty in some parts of British Columbia in getting nails through the local hardware stores. I do not think there is any doubt about that difficulty and the acuteness of it. There is no control of the distribution down through the retail outlets. There is simply control over all production and the nails required for priority projects. The steel controller is at present in western Canada. Perhaps all I can usefully say on the point is that the difficulty spoken of by the hon. member for Kamloops will be looked into.

Mr. FULTON: I appreciate the position the department is in and also the spirit of the remarks made by the parliamentary assistant, but I think he on his part will appreciate my difficulty. These people want twenty-five kegs of nails in Ashcroft. They need them urgently for this work, because if they do not get the water in that country in the spring, and get it on the land, they will not have any crops at all. All the flumes are knocked to pieces every winter by the snow and ice; they are only wooden structures which have to be made watertight every year. The people on whose behalf I am speaking want twenty-five kegs of nails, and the sympathetic and courteous remarks of the parliamentary assistant, while I sincerely appreciate them, will not help me to tell them how to get nails. Surely the department can bring some pressure to bear upon those who are in charge of the wholesale distribution of nails in that province. I am not one to do any capitalist-baiting or business-baiting, because business as a whole is, I believe, respectable, and has been pushed

around too much; but there are two firms—McLennan, McFeely and Prior and Marshall-Wells—who largely control or influence the wholesale distribution of hardware in that province, and I am quite sure they would be anxious to adjust the situation which is portrayed by the parliamentary assistant, who says that only fifteen per cent of the nails are allocated on a priority basis, which means that eighty-five per cent are available for normal trade. If these firms had it brought home to them that nails are going astray I am sure they would make twenty-five kegs available to those in Ashcroft who need them. As a matter of fact, I have no doubt that if it were brought to their attention that people all through the interior of the province, the retail hardware stores, cannot get nails except on the black market, these responsible firms would look into the matter and make sure that hardware stores in the interior of the province get their fair share of nails direct from their warehouse. Will the parliamentary assistant say whether the department can use their influence—I hate asking them to use it, but the nails are needed—and send a telegram to Marshall-Wells and McLennan, McFeely and Prior, asking them to make twenty-five kegs of nails of the specified size available to the Ashcroft Ranchers' Association?

Mr. McILRAITH: I intended to do something more than express myself sympathetically to the hon. member for Kamloops. I do not feel myself in a position to send a telegram to the wholesaler. I did indicate that the steel controller, who is also the priorities officer, is in the west now, and we also have a regional officer in Vancouver. I meant to imply that we would certainly look further into the difficulty raised by my hon. friend. I refrained from saying that any priority order will be issued, because it will not be issued. What we can do is to make an inquiry to see where we are likely to get the nails, to find out where they have been trying to get the nails and get all the other relevant information. We simply have not all that available here at the moment. The best I can do for the hon. member is simply to indicate that the matter will be looked into further by the appropriate officer, with a view to helping him and indicating where the nails should be available.

Mr. FULTON: Can the action be initiated by telegraph now, so that the investigation will start first thing tomorrow morning?

Mr. McILRAITH: I may be overcautious, Mr. Chairman, but I do not care to tie myself down as to the method or the time. I do not know whether certain officials in the department will be talking by telephone with the steel controller tomorrow or not, or how it will be done.

Mr. FULTON: Have his secretary dictate a telegram.

Mr. McILRAITH: I suggest to the hon. member that he leave the matter just with the statement I made, that we would have it looked into. That means precisely what it said. If he would just leave it that way, perhaps he would get done by me what he is hoping to get done. I can only say that I can direct the inquiry to the proper officials who can get the facts, find out what the situation is and try to be as helpful as they can.

Mr. FULTON: Mr. Chairman, this atmosphere of frustration is spreading.

Mr. REID: I suggest to the parliamentary assistant that he go a little farther because, when I was back home at Easter time, it was drawn to my attention that farmers who were living close to the boundary and who were unable to get nails, were able to buy across the line all the Canadian nails they required at more than double the price. This is an aspect which has never before been brought to the attention of the committee, and I am doing it now. These farmers living within about ten or twelve miles from the border, who were unable to find nails in Canada, went across the border in their cars and, lo and behold, in the hardware stores in the cities and towns close to the border there were kegs of Canadian nails. It is well known that the United States authorities have withdrawn about thirty-four customs officers. I know the department cannot stop the taking of nails across the line, but this is what is worrying us: How did these bootleggers get the nails in the first instance? How were they able to get kegs of nails which are now in the United States and being sold at two and a half times the price?

Mr. MacNICOL: Are they Canadian nails?

Mr. REID: Canadian nails. They went across the border under cover, but how were they obtained? What wholesaler supplied these black market men with Canadian nails so that they were able to do this nefarious business? It is galling now for Canadians, when they cannot get nails in their own country, to go across to the United States and find Canadian-made nails right in the shops in the United States.

I had another case of a young veteran who could not get nails, where a contractor said to him, "I can get you some;" and the

contractor sent to the province of Saskatchewan and got him two kegs of nails. How have they a surplus in Saskatchewan? He told me that on good authority. He said, "It is true that I paid double the price for them, but I wanted those nails and I got them." When the parliamentary assistant is having the matter looked into I suggest that he find out, or have instructions given to find out, first, how these nails are slipping across the line and, second, who is responsible for handing out nails to these men who are carrying on this nefarious business.

Mr. MacNICOL: Were the Saskatchewan nails black market nails?

Mr. REID: No. So far as I know, the Saskatchewan nails were not; but the Canadian nails across the line were black market nails.

Mr. FERGUSON: I have heard some hon. members say that they realize the government's difficulty. I can say that I understand the government's muffing. We hear about nails for veterans' homes, but we hear nothing very much about the shortage of steel for ships, of which this country is badly in need. When we cannot build ships we have unemployment, particularly in Collingwood, Kingston or any other city in Canada where ships are being constructed. This entire situation has been laid at the feet of the government and blamed on them. Possibly we should extend the numbers who are granted O.B.E.'s and a few other honours, to make this government wake up and do the job which they did during the war when shortages occurred. There seems to be a lack of incentive to get down to earth and get busy.

An hon. MEMBER: More controls.

Mr. FERGUSON: We do not need controls. I have had hundreds of men working for me, and I always found that if you talked to them as men, on a commonsense basis, they would increase their working hours and produce the goods; and it was not C.C.F. controls that did that. There must be a solution. I have found this to be true of union officials, union men, labouring men and women all over this country: if appealed to properly and if the shortage was actually demonstrated to them conclusively, they would get down to work and produce the goods. I believe that is applicable to any plant in Canada producing any commodity.

We continually harp from day to day on the shortage of nails—bootleg nails made in Canada, bought in the United States and used in Canada. You skip over the shortage of steel for all purposes, and that is due to the government's negligence prior to the cessation of hostilities. Eighteen months before this war was over, when the Germans were retreating in France, the minister of reconstruction knew that the war would be over very shortly; and if he can point his finger to any preparation that he, his department or this government made to meet the exigencies which exist today in any commodities, I should like him to do so. The people of Canada are being hoodwinked about the shortage of nails. But in every single commodity there has been no preparation made to alleviate these shortages. We are spending days here trying to extend the powers, for what? Powers to procrastinate. That is what we are doing. Let us get down to earth. We have spent an hour tonight listening to members from Vancouver who could not get a concrete statement out of the parliamentary assistant about what he was actually going to do or what this government was going to do, so that there could be a concrete and definite comeback from the officials of Vancouver city. Talk about buck-passing! It is all buck-passing. Possibly we should offer more O.B.E.'s, and then we might get somewhere with the production of all the shortages which exist today.

Mr. WINTERS: I should like to say a very few words about the position of Nova Scotia in respect of timber control. That will get us off steel for a few minutes.

Mr. FULTON: Let the parliamentary assistant go out and send my telegram first.

Mr. GREEN: On a point of order, may I ask what we are discussing.

The CHAIRMAN: I called the orders in council with regard to both the steel and timber regulations, because the amendment with respect to both regulations had been approved. However, if the committee would prefer to dispose of the steel regulation first, we can do so.

Mr. GREEN: You have not yet disposed of order in council P.C. 3.

The CHAIRMAN: That order in council stands until we dispose of 245 and 1997, because amendments in respect of those two orders in council have been passed. I thought the committee should come back to pass the amendment to P.C. 3.

Mr. GREEN: It was my understanding that we would pass these one after another, and P.C. 3 would follow the emergency shelter orders in council.

The CHAIRMAN: It is immaterial, so far as the chair is concerned. I shall read the

amendment. It is moved by the parliamentary assistant to the Minister of Reconstruction:

That the following be inserted in the schedule to the act in the column entitled "Amendments" so as to pertain to order in council P.C. 3 of 4th January, 1944, as amended:

"Section 12(2) is deleted and the following substituted therefor:

12(2) Where a controller believes that any person has failed to produce books, records or documents, or to give full and complete information as required by such controller under the authority of any regulation, he may, with the approval of a judge of the Exchequer Court of Canada or of a superior or a county court, which approval such judge is hereby empowered to give upon the ex parte application of the controller, authorize in writing under his hand a police officer, police constable or other person employed for the preservation and maintenance of the public peace, together with any other person named therein, to enter and search, if necessary by force, any building, receptacle or place, for books, records or documents which may contain information required by such controller, and to seize the same and carry them before such controller or such other person as such controller may direct, to be held at the discretion of such controller for such uses as he is authorized by any regulation to make."

Amendment agreed to.

The CHAIRMAN: Shall P.C. 3 as amended carry?

Mr. FULTON: I asked the Minister of Justice if he would accept an amendment to section 15 (6) of P.C. 3. The minister pointed out at that time that there were certain objections to the amendment, one being that the same provision occurred in an earlier order in council, and that the amendment had been omitted when that order was discussed.

Mr. McILRAITH: Would the hon. member for Kamloops let us have the section of P.C. 3 to which he is referring?

Mr. FULTON: It is 15 (6). The amendment which I should like to move is as follows:

That the schedule to the bill be amended by inserting in the column headed "Amendments" the following:

"Order in council P.C. 3 dated January 4, 1944, as amended, is further amended by deleting from section 15 (6) the words "or is found or apprehended or in custody" where they occur in the last line thereof."

The purpose, as I said the other night, was to provide that a person must be sued or proceeded against in the place where he carries on business or where he resides. That ensures that there will be no abuse of the power of prosecution in taking action which might result, as the section is at present worded, in a man's being apprehended in one part of the country, although he carries on business in another part, and being held and proceeded against at some point thousands of miles away from his place of business without his books and records available.

[The Chairman.]

The Minister of Justice pointed out that a similar provision existed in the Foreign Exchange Control Board Act which passed the house last year. He said we had not taken specific objection to that section, and upon investigation I find that is true. However I do not think the fact it is in that act makes it necessarily good. The Secretary of State for External Affairs pointed out that it does not make it necessarily bad, but I think he will agree it does not make it necessarily good. It also exists in the Customs Act. But there it is clearly confined to cases where the penalty will not exceed $200. The penalty here may be as high as $5,000.

The government says it is making an effort to do away with controls as rapidly as possible. In many instances it has consented to restrictions on wide and possibly excessive powers within the framework of the main control measures. It is on this ground I would ask that the amendment be accepted.

Mr. McILRAITH: I am afraid I am in a position of not being able to accept the amendment offered by the hon. member for Kamloops. These words have been contained in the section for some years. We are now dealing with an extension for a limited period of time. So far there has been no complaint about this section. If the words are taken out we are faced with the possible administrative difficulty of having to go to the expense of transporting an accused person back to the place where the offence was committed, or where he carries on business, even though the accused might be prepared to plead guilty.

Mr. ST. LAURENT: The same provision is in the order which was passed with regard to the wartime prices and trade board. If the hon. member will look at page 26 of the office consolidation and refer particularly to section 11(2) of that order, which was passed by the committee the other day, he will find exactly the same language.

Mr. FULTON: I admit that, but I pointed out that it was an oversight. Had we noticed it, we would have moved a similar amendment when that order in council was before the house. As to the matter of expense, if an accused is prepared to plead guilty, surely it would not cost any more to commence the action in the court where the accused resides or carries on business. If he is going to plead guilty, presumably he would not

object to that being done. It would not cost any more, or present any administrative difficulty.

Mr. McILRAITH: Earlier this evening hon. members raised questions about breaches of these orders. By deleting these words the hon. member is making it more difficult administratively to determine where offences take place, and permitting the raising of jurisdictional defences to prosecutions in what is already a difficult administrative position. I can only reiterate that this is an inopportune time to make that administrative change.

We have precedents of this sort in the permanent legislation, and I do not see why we should be expected to make the exception in this temporary short-term order in council, when we have it in permanent legislation. There has never been any suggestion that it has been in any way abused, in the number of years when there were a great many control orders outstanding.

Mr. MILLER: I do not think it can be said that the principle of British justice was ever based on the theory that the government or the crown would be fair to an accused person. I realize that in modern legislation, particularly in the regulations being made from time to time, the old theory of protecting the accused is being sacrificed to the principle of making it convenient for the crown, not necessarily to convict but to prosecute. It seems to me that, if the crown authorities desire, under the provisions of subsection 6 they could try a man, perhaps 600 or 700 miles from where he lives, from where his witnesses might be or from where his records might be. It may be said that that is fantastic, that no government would be so unfair, but I repeat that British criminal jurisdiction has not been built on the foundation of trusting the crown authorities; it has been based on the rights of an accused person, on the principle that his rights will never be infringed. Those battles for liberty of the person and the right to make a full and free defence were fought long ago, and the onus or a heavy part of the burden has always rested on the crown. It should not be made easy for the crown to proceed at the expense of an accused person. I suggest that we should get back to the theory of protecting the accused, and therefore the amendment moved by the hon. member for Kamloops should be accepted by the government or carried by this committee.

Amendment (Mr. Fulton) negatived.

P.C. 3 as amended agreed to.

On P.C. 245.

Mr. CASE: I think it would be a mistake to let this opportunity pass without driving one more nail into the coffin.

Mr. FULTON: Where will you get it from?

Mr. CASE: I have been told where I can get one to finish the job if I can just hit the nail on the head. There are two schools of thought in connection with this scarcity of nails. One is that the fault lies with the manufacturers, and the other is that there is a bottleneck at the wholesale level. I agree with the hon. member for Kamloops that it is impossible for the retail trade to secure nails.

It should be emphasized that not only is it difficult to secure nails for construction purposes but, as has been indicated from my riding, it is difficult to obtain them for other purposes. A fish-box manufacturer at Penetang has had his factory closed down for six months because of a lack of nails, with the result that 150 to 175 men have been out of work. They have made a strong appeal for nails, and they say they are willing to use any kind if they can get them to put into motion an industry which affects our entire food supply. I have had communications from the retail hardware dealers' association complaining that they are unable to obtain nails. They contend that there is a bottleneck at the wholesale level, that nails are being passed out to large users.

I consider this matter of sufficient consequence and importance that the department or the steel controller should take notice of it. The excuse is made that if more nails are manufactured there will be no wire fencing, that it is a question of deciding which is the most important. It seems to me that there has been a lack of planning. When nails were first mentioned in this house we never thought for one moment our national economy would depend on this ordinary article.

The ratepayers of the town of Meaford voted to build a new public school to cost $160,000, but they were unable to obtain the nails required to start this public building. Building, particularly in the smaller communities, will be at a standstill, while people who are building huge skyscrapers and constructing places of amusement will be able to obtain all the nails they need. I do not think it is a matter of more controls. I am one of those who believe that the controls should have been removed long ago, particularly on industries of this kind. There would then have been a greater incentive to produce. It is all right to argue about price, but if you are unable to

obtain an article at any price it creates a graver situation than if you can obtain it at some price.

It is interesting to note that those who are willing to patronize the black market are able to secure these items that should be sold through the regular trade channels. It must be accepted that it is the controls which drive legitimate dealers to carry on through the black market. This evidence was well supported by the minister of reconstruction when he stated, in effect, in this house that they had discovered there were more used cars being sold through the black market than through any other source and that for that reason controls were being removed.

I think we shall have to grapple with this problem in some realistic manner in order to meet the demands of those engaged in the construction industry and the production of goods and services so necessary to the general economic welfare of the country. I wanted to put these remarks on the record even though nails have been spoken of so often. However I think this is the first time I have mentioned them in the house. I do hope that the steel controller and those charged with responsibility will give immediate consideration to one of the greatest problems we have to contend with at the present time.

Mr. GILLIS: I want to get a little information, and perhaps I might even get that causeway built across the strait of Canso before I am finished. I am sorry the minister of reconstruction is not in his place at the moment, but I shall leave a few thoughts with his parliamentary assistant. During the last war the federal government rehabilitated a plate mill at Sydney, Nova Scotia. That mill had been built by the Canadian government at the time of the first war at a cost of $11,000,000 to the taxpayers of Canada. It did not go into production because the war was finished before it was ready. My information is that the company sued the government for breach of contract because the mill did not produce and they secured some more money.

During the period between the two wars all the machinery from that mill was moved by the then existing corporation to Ojibway in Ontario. When the last war broke out, all that was left was the shell of that mill which had been erected at a cost of $11,000,000 to the taxpayers of Canada. I raised the matter on several occasions in 1940, and finally the present minister of reconstruction made a statement to the house that the government intended to rehabilitate the mill. This meant that for the second time the taxpayers of Canada would equip the mill at Sydney and put it into production.

During a part of this war that mill employed some 600 men and produced steel plate for shipbuilding purposes. As soon as the war ended, the mill went out of production and it stands idle today in Sydney, Nova Scotia. The federal government has been requested by the city council and other bodies in Nova Scotia to do something about putting that mill back into production. I wrote the minister asking whether it could not be used for the production of steel plate; and only a few days ago, on April 11 to be exact, he informed me quite definitely by letter that the mill was not going back into production. The general manager of the Sydney steel plant, Mr. C. M. Anson, replied to the inquiry of the city council as to whether this mill might be put back into production, and this is what he said:

> . . . in his reply to the council advised that the plate mill was obsolete and too costly to operate in comparison with the modernly equipped mills in Upper Canada.

I would draw to the attention of the committee the fact that in 1941 this mill was reequipped by the Canadian government, and I would ask the minister or his parliamentary assistant to inform the committee whether the work done at that time and the equipment put into the mill were supervised by representatives of the government, and what kind of equipment was put in that became obsolete and out of date within four years, as far as the production of steel plate is concerned. Or did the government merely provide the money and allow the Dominion Steel and Coal Corporation to put old, obsolete equipment in that mill, with the government paying first-class prices? My reason for asking the question is that the taxpayers of Canada have an investment of approximately 16,000,000 in that mill. At the present time we are importing most of our steel plate from the United States. There is a serious unemployment problem in that end of Canada. Is it the intention of the government to try to use that mill and put it back into production? If not, since the Canadian government and the taxpayers of Canada own that mill, will the government consider selling the mill to people I have in mind, who might put it into production?

Mr. McILRAITH: I am sorry I am not in a position to give the hon. member full information on the subject. On one point, however, I can do so; that is, we will consider an offer to sell very quickly and thoroughly. As to the other part, I believe it worked out

in this way; that it was the rehabilitation of an old plant which was not equipped. That was done by the company, but they obtained a loan for the purpose from the dominion government. Part of the loan was repaid; a settlement was then made, and the plant was turned over to the crown in settlement of certain balances outstanding. I believe that is the way in which the transaction was carried out. With my lack of information I do not think it would be useful for me to extend my remarks on the subject.

Mr. STEPHENSON: I was perhaps the first in this house to inquire about nails something over a year ago. I am still inquiring about nails, and it seems to me that the answer given tonight was no better than the answer given a year ago in regard to the nail situation. I do not believe the answer which has been given is good enough, and I think the government should do something immediately to see that nails are made available to the people of Canada, not only for building purposes but for urgent repairs on the farm. If only fifteen per cent of the nails produced are being held on priority for housing purposes, where are the rest of the nails going? I believe the people of Canada should be given an answer to that question. Especially do I think something should be done for the farmers. Here is a quotation from a letter from a hardware dealer, showing what happens when farmers come in and ask for nails:

> As a parting shot the farmer customer will venture the assertion that "had the farmers been as completely indifferent to the appeals of the government during wartime, as the government now is to the needs of the farmer, a totally different production picture would have resulted." He will further state that in his humble opinion the primary industry of the nation should at least have some consideration.

The farmer today is still being asked to produce the things we need so badly. During the war he had to let his buildings and his equipment go. Now, when he may have a chance to repair them, he cannot get a nail in the hardware store. I believe it is time nails were made available, somehow or another, to hardware stores, so that the farmers and the people of Canada generally who need nails so badly may procure them.

Mr. SINNOTT: This nail subject has been going on now ever since I hit the nail on the head in the *Citizen* on Friday, and I believe enough pressure has been brought to bear on the government. At least we have been told by the parliamentary assistant that the steel controller is looking over the situation in western Canada. I am as anxious as anyone else to pass the rest of the orders in council so that we may hear the budget tomorrow night. It does not matter whether we talk on this subject for another two days; enough light has been thrown on it now, and I believe the minister is taking steps to remedy the situation at once.

Mr. CAMPBELL: We have heard about nails tonight, and we heard about nails last week. I remember that in answering some members on this side the minister made the statement that today nails are under the control of private enterprise. It has been suggested several times this evening that there is a black market in nails. I do not know whether or not that is true, but if it is there is only one source nails can come from; that is, from the people who make them. We have just passed P.C. 3, which gives the minister all kinds of power to examine books, sales and so on. I would suggest that the government examine the books of the firms making nails to find out whether or not there is a black market, and if there is, that it should take the necessary action to see that this practice ceases.

Mr. LENNARD: I am not going to talk about nails, but I should like to ask the parliamentary assistant a question. What are the regulations in regard to the export of steel?

An hon. MEMBER: Including nails?

Mr. LENNARD: No; leave the nails out of this. What are the regulations controlling the export of raw steel?

Mr. McILRAITH: Dealing with the export of steel, there is no export of nails at all.

Mr. LENNARD: I was not talking about nails.

Mr. McILRAITH: I should like an opportunity to answer the hon. member's question. I reiterate what I said; there is no export of nails at all and has not been since February of last year. As to steel generally, manufactured products requiring steel are exported. That is controlled under export permit. Steel in any semi-finished form is not exported at all. None of it is exported at this moment.

Mr. FERGUSON: I should like to ask the parliamentary assistant whether, speaking as a representative of the people of Canada, he will say that from the point of view of the government this steel mill in Nova Scotia can turn out steel for shipbuilding purposes on a basis that would be profitable or otherwise. Have the government determined that that mill should remain idle when steel for shipbuilding purposes is so essential? If they believe they can work that mill on a basis

where they will not lose money have they the power to take it over and start it in operation?

Mr. McILRAITH: The difficulty there is that you cannot go back of what can be supplied by your blast furnace. You have to keep your production balanced all the way through; you have to relate one to the other. At the moment I know of no way of increasing that over-all production. I have the figures of production of all the various types of steel products, which information was tabled a few days ago in the House of Commons, and perhaps there is no need to repeat them. I am sorry that I cannot give the hon. member fuller information on the subject he inquired about.

On the question he raised earlier this evening about production generally I should like to give him the figures for steel ingots in millions of ingot tons. For the year 1947 the projected production is 3·1 million. That is larger than any wartime production and more than twice as large as any production in the years 1938 and 1939.

Mr. FERGUSON: May I remind the parliamentary assistant that I am not interested in what we are doing today or in 1939. I am interested only in the fact that what we are doing is not enough.

Mr. McILRAITH: In his earlier remarks I understood the hon. member's whole criticism to be on what we were doing over 1939 and that it was not enough.

Mr. FERGUSON: What the government are doing today to meet the demand is still not enough.

Mr. McILRAITH: The point is simply this. If you relate all the different types of steel products together we are making all we have capacity to make. You can get into an argument about the allocation of one type of steel product and another, and you can argue about it at great length. I am afraid I am not an expert on the different types of basic material which go into the various end products. You can argue about whether that productive capacity should be put into one type of product or into another. The plan has been to arrange production to get the maximum possible production for the over-all needs, and that is what has been done.

Mr. CRUICKSHANK: The other day I listened to the C.C.F. and the Conservatives congratulate the Minister of Reconstruction and Supply and say nothing but praise him. They told him he was a great industrialist and that he won the war single-handed. Tonight I want to do a little praising on my own. I wish to tell the parliamentary assistant that we won the battle of British Columbia tonight and also to tell him that he has done a magnificent job as parliamentary assistant, but when do we get some nails in Fraser Valley?

P.C. 245 agreed to.

On P.C. 1997.

Mr. WINTERS: I have forgotten, Mr. Chairman, whether I was at a comma or a semicolon when being ruled out of order a few minutes ago; therefore I had better start over. Under this order in council I wish to say a few words with respect to the situation regarding supplies of lumber in Nova Scotia. My point in this regard was raised as a result of the statement made on April 22, 1947, by the Minister of Reconstruction and Supply. In that statement he said that the retail price of lumber in internal British Columbia and in the prairie provinces was to be raised to encourage the production of lumber. I believe that regulation does not apply east of Manitoba.

The Nova Scotian situation with respect to the supply of lumber is somewhat unique as is Nova Scotia's situation with respect to the supply and availability of a good many products. With regard to lumber we have what one might call a three-cornered situation. There is practically no demand in central or western Canada for Nova Scotian lumber. There is a great foreign demand, but in this direction the amount of export is limited by the amount of lumber put on the domestic market. In the local domestic field we are also limited in the amount of lumber we can put on the market, because of the retail prices. Our retail dealers, who form a substantial part of our economy in lumber, are forced, if they adhere to the ceiling, to put lumber on the local domestic market at a loss. With the export market limited and in some cases unavailable to retailers, there is a definite limit as to how far these retailers can or will go in serving the public at a loss.

From the discussion in the committee one would gather that there is a substantial market in Canada for lumber produced in Nova Scotia. In fact, when the hon. member for Davenport earlier this evening mentioned the manufacture of prefabricated houses in Quebec I could have said that in Nova Scotia also we have manufactured a substantial number of prefabricated houses of the same type. It is true they were for emergency shelter. They did not contain any of the normal conveniences except wiring. Wiring was supplied

in the form of a kit. However they were quite good houses; they were made for the export market and I understand that they served the purpose well. In Nova Scotia we have tried our best to interest the Canadian government in purchasing these houses, particularly after seeing in papers all over Canada that there was an urgent demand for emergency shelter. But we have never been successful in having any of these prefabricated houses used elsewhere in Canada. Therefore, because there is no demand for our lumber products elsewhere in Canada, we look to the local domestic market and here we are restricted by the selling price. We are limited on the export market, where there is a great demand, by the quota system. We feel that we are squeezed from all sides.

There is a further aspect with respect to British Columbia fir, which is almost totally unavailable for private enterprise. Recently, through the good offices of the Minister of Reconstruction and Supply and the timber controller, we have been able to get a fair allocation for all government projects, but for private projects Douglas fir is simply not available, and that in itself is quite a restraint on production and construction. It has happened, as it has happened elsewhere in Canada, that the ceiling price on lumber has not been too carefully adhered to in many instances, with the result that lumber is not as easy to get as it might be because of black market dealings; but I believe that the availability is increasing. The Nova Scotia and Prince Edward Island lumber dealers' association met last week, and in a press report the following appeared:

> A committee, appointed by the association, to study the supply and distribution of certain commodities, reported they were highly satisfied with the results achieved thus far and a very cooperative spirit had been displayed by the manufacturers.

On the other hand, in the same report of the association's proceedings it was stated:

> Most members reported that lumber stocks were down to a minimum and it continued difficult to build up an inventory, particularly in spruce. Doors and hardwood flooring were also in short supply as well as cedar shingles, wood lath and other building materials.

I have heard from lumber dealers that the situation is easing and that the distribution is good. My own limited experience is to the effect that the situation internally is easing. So that in the light of the minister's announcement with respect to western Canada and our own particular situation in Nova Scotia and, I believe, in Prince Edward Island—I think I am safe in saying that, having regard to the fact that the meeting I referred to was a joint meeting of the Nova Scotia and Prince Edward Island lumber dealers' association—we are now at the point where one of three things should be done, probably jointly in some instances. First of all, if there is an over-all shortage in Canada there should be a greater opportunity for putting our lumber and lumber products at a profit on Canadian markets other than the maritimes. Second, the time, I believe, is arriving, if it has not already arrived, when the domestic ceiling price should be raised. Third, I believe the time is at hand when full consideration should be given to increasing export quotas, and I should be pleased to hear the parliamentary assistant make some statement in that regard.

Mr. BROOKS: I want to second what has been said by the hon. member (Mr. Winters) with reference to maritime lumber. He spoke particularly about Nova Scotia, but what he said would apply, I believe, with even greater force to New Brunswick. The lumber dealers and people generally in New Brunswick are greatly interested in the lumber industry, because it supplies work for nearly one-third of our people. The people there were greatly concerned at the report of the minister a few days ago that the price of domestic lumber from British Columbia and in the prairie provinces was to be increased from fifteen to twenty per cent. Our people in my own province and, I am satisfied, in other maritime provinces, are at a loss to understand why there should be an increase in domestic lumber from fifteen to twenty per cent from British Columbia and the west and not from the maritime provinces as well. I sometimes wonder whether British Columbia has more pull with this government than we from the maritime provinces have. As I listened tonight and heard the minister from British Columbia, and all the members from that province, join forces in the matter of housing in the city of Vancouver, the thought occurred to me that where there is unity there is strength; and possibly it is in this unity which we find among the members from British Columbia that their strength lies. I would suggest to my colleagues from the maritimes—and I do so in all sincerity—that we from the maritimes should take a lesson from British Columbia members, and in matters of this kind, when they affect our provinces, we should all stand together, irrespective of whether we are opposition or government members and try to see that whatever government is in power, whether Liberal or Conservative, shall do justice to our section of

the country. We have not done that in the past. I sometimes think we play too much politics in the maritimes. If we played politics less and united more, probably we would not be in the position in which we find ourselves today in many matters.

An hon. MEMBER: They are mostly Liberals from the maritimes.

Mr. BROOKS: There are mostly Liberals from the maritimes—

An hon. MEMBER: Good.

Mr. BROOKS: —and possibly that is the reason we are not getting the results.

Mr. WINTERS: Don't play politics.

Mr. BROOKS: I am quite sincere. This is a serious matter to my own province and to show how serious it is, I have here a newspaper item in the Saint John *Telegraph-Journal* of Saturday of this week, the heading being "Timber controls threaten our lumber industry." In other words, the timber controls threaten the industry in the province of New Brunswick.

I am sorry the minister himself is not here tonight, because I should like him to tell me just why there is this discrimination, and it is rank and unfair discrimination, that we are getting in New Brunswick and other maritime provinces today in respect of lumber. The minister is a very busy man and I am not reflecting on his not being here, because he is here on all occasions when it is possible for him to attend, and if he is away tonight I am satisfied it is for a good reason. However I wish he were here tonight to answer that question why there is this discrimination.

The hon. member for Queens-Lunenburg pointed out just why the lumber industry and why the controls have a great effect on our maritime industry. He said we mostly export our lumber, and that is a fact. Some years ago, I believe it was under the empire trade agreements, we exported our lumber for the most part to Great Britain. We developed a splendid market there, and anyone who has been in the port of Halifax or Saint John or in any of the other ports in the maritime provinces and seen in the past ten or twelve years ships loading for the British market will realize what a splendid industry it is. But what are these controls doing as far as our industry is concerned?

It was pointed out that we have a small quota, and today we see the hand, not of the British Columbia politician, but at least of the lumber industry of that province. The quota for export lumber is controlled mostly by British Columbia and we in the maritime provinces have a very small quota. We are allowed to ship lumber to the United States, but for every carload of lumber that is shipped across the border in to the United States we must sell two carloads in Canada. There is a price ceiling on our lumber, and I am told on good authority—other members from the maritime provinces can correct me if I am wrong—that the price ceiling on lumber produced in the maritimes is $8 less than cost of production. When, therefore, a lumber exporter sends his one car of lumber to the United States or his quota to Great Britain he has to make enough on that exported lumber to pay his loss on lumber sold on the domestic market.

What is the effect of this? Well, the effect is this. We are asking high prices from countries to which we export and we are asking a high price in the British market. We are taking advantage today of the people in Great Britain in their great famine for lumber. We are taking advantage of them in making them pay for the loss we sustain in this country in selling lumber below cost of production. There is no question about that, and we in New Brunswick and in the other maritime provinces feel that this will have a detrimental effect on future trade, this great business which has been worked up over a long period of years. What are the people of Great Britain going to say in years to come when they can get lumber in other parts of the world instead of from Canada and the maritime provinces? They will say, "In the time of our greatest need, when you should have sold us lumber cheaper than you did, you took advantage of our stress and sold it at prices much higher than you were selling in your own country". The result will be, I am sure, that when Russia gets back on her feet, when great exporting countries get back, when Finland is exporting to Great Britain and when Sweden is again shipping lumber, we shall lose that splendid market in Great Britain in consequence of what they regard as the unfair treatment which we gave them in the time of their greatest need.

You speak about black markets. I am satisfied that there is a black market in lumber in the maritime provinces. As I said, the price of lumber is $8 below the cost of production. The natural result of that is that the producer is going to hold the lumber and sell it at the highest price, if it is at all possible. It is being done, and it is being done in a widespread manner. You talk about a black market in nails. There is a black market in lumber, I think, not only in the maritime provinces but here in Ontario. The reason

is that we are selling lumber in this country today at below cost of production. In discussing this lumber situation, and particularly our loss of foreign markets and foreign customers, the *Telegraph-Journal* had this to say on April 26:

> This is unfair to our foreign customers.
>
> It is doubly unfair to our producers. On one hand, they are strong-armed into selling in Canada at a loss—a thing which is almost incomprehensible and is certainly not in accord with sound business practice or sound government administration. On the other hand, they see their foreign markets being shattered by a short-sighted and ruthless policy.
>
> They know how stiff competition is under ordinary conditions. Here in New Brunswick, for instance, they have seen lack of markets knock the bottom out of prices, throw thousands of workers out of jobs, and drive wages in the woods and mills down to a shocking and pitiful level.

That statement, Mr. Chairman, is correct; and I am sure it is a well-considered statement. I should also like to quote from the *Telegraph-Journal* of February 15, and that is some months ago. This was not only the feeling a few days ago when this regulation was changed, but for many months the people in the maritime provinces have felt that these controls and regulations were most unfair to our lumber industry, which is the most important one we have in our province. On February 15 of this year, the *Telegraph-Journal* had this to say:

> Our timber trade with Great Britain is traditional. More than that, it is essential to our prosperity. Our position, if we lost it, would be utterly hopeless. Yet today men who are ignorant of the timber trade are in the driver's seat and . . . are whipping this vital industry toward destruction. This we can't afford to tolerate.

The same article goes on to refer to other commodities that we are selling to Great Britain. Take wheat, for instance. We are not selling wheat to Great Britain at a much higher price than we are selling it in this country. We realized that the people of Great Britain needed wheat and needed it badly. The policy we adopted was this, that we sell wheat to Great Britain as cheaply as we possibly can in order to help those people who so much need our help. Why do we have one policy for lumber, as to which there is also a famine in Great Britain, and another policy for wheat?

There were many other things that I had intended to say, Mr. Chairman, but I see that it is nearly eleven o'clock and I shall take only a few more minutes of the committee's time. I thought possibly the hon. member for Lunenburg might have mentioned the situation with regard to birch woods in the maritime provinces. We have in the maritime provinces almost a billion feet of birch wood lumber which today we are not able to cut and export. Why? Because our quota will not allow us to do that. What is happening to this birch wood lumber? There is a disease known as dieback disease, which is gradually wiping out all these birch wood forests. In five years' time, we are told, all this splendid birch wood will be ruined and will not be fit to export unless a special quota is given to the maritime provinces and we are allowed to cut and export this birch wood. Because of controls and the quota, what is happening? We are not allowed to cut it. It is going to waste. Yet it is worth millions of dollars to us. It gives employment to thousands of our men. In spite of the fact that Mr. MacQuarrie, minister of lands and mines of Nova Scotia, has made special representations to this government, no extra quota has been given, and this great loss has been inflicted on the people of Nova Scotia and the people of New Brunswick.

Mr. Chairman, I will take no more of the time of the committee, but I hope that the minister will reconsider the treatment which he has given to the maritime provinces and will endeavour to correct what we consider to be very great wrongs.

Progress reported.

BUSINESS OF THE HOUSE

Mr. MACKENZIE: Mr. Speaker, with the unanimous consent of the house, in order that the budget may be presented at eight o'clock tomorrow evening, I would move:

> That the order of the house to resolve itself into committee of ways and means be proceeded with at eight o'clock on Tuesday, April 29, and that the provision of standing order 15 dealing with private and public bills be suspended in relation thereto.

Motion agreed to.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, April 29, 1947

The house met at three o'clock.

(Translation):

READJUSTMENT OF REPRESENTATION

PETITION FROM FOUR PARISHES PROTESTING AGAINST THEIR REMOVAL FROM THE CONSTITUENCY OF TÉMISCOUATA

Mr. JEAN FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, I have the honour of tabling a petition signed by Reverend E.

Guimont, parish priest of Saint-Jean-Baptiste de l'Isle Verte, by the mayor of the parish, Mr. Willie Talbot, by Messrs. Léon Thériault and Auguste Côte, and by 881 voters of that parish, who object to the removal of the said parish of Saint-Jean-Baptiste de l'Isle Verte from the dominion constituency of Témiscouata.

I have another petition signed by Reverend Philippe Blais, parish priest of Notre-Dame-des-Sept-Douleurs de l'Isle Verte, by Mr. Joseph Michaud, former mayor, and the present mayor, as well as by 123 voters of that parish, who object to the removal of the parish of Notre-Dame-des-Sept-Douleurs from the dominion constituency of Témiscouata.

I have a third petition signed by Reverend Camille Lachance, parish priest of Saint-Emile-d'Auclair, by Mr. Adolphe Lavoie and by 214 other voters of that parish, who protest against the removal of the said parish from the dominion constituency of Témiscouata.

Finally, I have a petition signed by Mr. Alphonse Migneault of Saint-Paul-de-la-Croix and by 304 voters of that parish, who object to the removal of the said parish from the dominion constituency of Témiscouata.

(Text):

ELDORADO MINES

SETTLEMENT OF CIVIL ACTION IN NEW YORK STATE

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): On March 13, in reply to a question by the hon. member for Lake Centre (Mr. Diefenbaker) referring to the Eldorado Mining and Refining (1944) Limited, I advised the house that a civil action was proceeding in the state of New York. I would now advise the house that on the recommendation of Mr. J. H. Tully, New York counsel, a settlement has been made of the civil action. I should like to table the letter received from Mr. Tully in this connection.

Mr. DIEFENBAKER: Would the minister object to a question arising out of the settlement in connection with the Eldorado matter and the terms set forth in the papers just tabled? Will the minister say what the terms were, and whether any proceedings were instituted against certain Canadians against whom a prosecution was taken and subsequently withdrawn?

Mr. HOWE: I am sorry, but I have tabled the letter from Mr. Tully which sets out the over-all settlement. It was a payment of about $2,000,000 to Eldorado, partly in cash and money's worth and partly in the return of metals. The exact terms of the settlement cannot be given, for the reasons I stated before; they involve the purchase by other governments of fissionable material. I think my hon. friend will get the information he wants from Mr. Tully's letter.

Mr. STEPHENSON: Criminal charges were made against civilians in connection with Eldorado. Will the minister state whether Marcel Pochon was completely exonerated or not?

Mr. HOWE: I do not know just how a man is exonerated. If a criminal charge is withdrawn it is a clear indication that the state has no charges against him. I do not think you prove a man not guilty.

Mr. STEPHENSON: In view of the fact that charges were laid against him and have been dropped, it puts him in an unfortunate position—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. The hon. member knows that the purpose of a question is to elicit information and not to give it. The hon. member has put his question and the minister has replied.

Mr. DIEFENBAKER: I have before me the letter which the minister has tabled, and I should like to ask this question. The letter sets forth that a settlement was made with the following defendants: Boris Pregel, Carl B. French, Canadian Radium and Uranium Corporation, and International Rare Metals Refinery, Inc. The letter says that there were two other defendants—

Mr. SPEAKER: Order. The hon. member knows that it is against the rules to read telegrams, letters or newspapers as the basis for a question. If the hon. member wishes to ask a question, I would ask him to do so.

Mr. DIEFENBAKER: Mr. Speaker, may I put it this way. What action is to be taken against Radium Luminous Industries Limited and Marcel Pochon for any balances allegedly due to Eldorado, or are these actions completed as well?

Mr. HOWE: Civil settlement was made with all parties to the dispute, and the matter is closed.

Mr. DIEFENBAKER: That is the reason I asked these questions.

Some hon. MEMBERS: Order.

Mr. DIEFENBAKER: That is what the letter does not say. The letter says—

Mr. HOWE: It was a letter to me, not to the hon. member.

Mr. DIEFENBAKER: The letter reads:

Radium Luminous Industries Limited and Marcel Pochon were not named as defendants in the above suit because of our inability to obtain service of process upon them in this jurisdiction.

Will any proceedings be taken in Canada against these two defendants following the settlement made against other defendants, even though they were not parties to the action?

Mr. HOWE: All parties mentioned in the letter took part in the settlement of the civil action.

Mr. DIEFENBAKER: No.

Mr. HOWE: I am telling the hon. member that they did.

Mr. DIEFENBAKER: The letter does not say so.

Mr. HOWE: That is all I can say; all actions are terminated.

AIR SERVICES

AGREEMENT BETWEEN CANADA AND PORTUGAL

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): Mr. Speaker, I wish to announce that the government of Canada and the government of Portugal have concluded an agreement for air services between their respective territories. This agreement, in the main, follows the form of previous bilateral civil aviation agreements which Canada has already concluded. It makes provision for an air line designated by each government to operate a return service originating in its own territory and terminating in, or passing through, the territory of the other country, and includes an exchange of the first four freedoms.

The route to be operated by the designated air line of Canada is specified as Montreal via such intermediate stopping places as may be mutually agreed to the Azores and/or Lisbon, and thence to the United Kingdom and countries beyond in both directions. The route laid down for the designated Portuguese air line is from the Azores and/or Lisbon via such intermediate stopping places as may be mutually agreed to Montreal and countries beyond in both directions.

TRANS-CANADA AIR LINES—MISSING PLANE EN ROUTE VANCOUVER

Hon. GROTE STIRLING (Yale): Has the Minister of Reconstruction and Supply any information to give the public with regard to the missing TCA plane en route from Lethbridge to Vancouver?

Mr. HOWE: I received the following message this morning:

Station manager W. Wells advises flight 3 TCA No. 53 CF-TDF due Vancouver 2300 PST not heard from since cleared to Vancouver tower at 23.17 PST. Crew captain Pike and first officer Stewart and twelve passengers. Air sea rescue all marine craft and police department and company have organized search. Will keep you advised.

I have inquired for any later information and I find there is none.

Mr. SMITH (Calgary West): May I ask the minister a supplementary question? Was it an eastbound or a westbound flight?

Mr. HOWE: It was a westbound flight going into Vancouver.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 155 for the relief of Marjorie Winnifred Bearman Smeall.—Mr. Maybank.

Bill No. 156 for the relief of Mary Winifred Joyce Dick Dunford.—Mr. Maybank.

Bill No. 157 for the relief of Eileen Ardis Locke Thompson.—Mr. Maybank.

Bill No. 158 for the relief of Margaret Hamilton Wilson Bergeron.—Mr. Maybank.

Bill No. 159 for the relief of Norma Marzitelli Rudzik.—Mr. Maybank.

Bill No. 160 for the relief of Eileen Millar De Levi.—Mr. Maybank.

Bill No. 161 for the relief of Hilda Constance Caroline Mosley Dwyer.—Mr. Maybank.

Bill No. 162 for the relief of Louis Marcel Frigon.—Mr. Maybank.

Bill No. 163 for the relief of Florence Nancy Maria Haworth Stewart.—Mr. Maybank.

Bill No. 164 for the relief of John Bernth Jones, otherwise known as John Berth Jones.—Mr. Maybank.

Bill No. 165 for the relief of Patricia Violet Puttock Bromby.—Mr. Maybank.

Bill No. 166 for the relief of Dorothy Hawkins Myers.—Mr. Maybank.

Bill No. 167 for the relief of Evelyn Deltoff Moore.—Mr. Maybank.

Bill No. 168 for the relief of Eveline Hache Groulx.—Mr. Maybank.

Bill No. 169 for the relief of Annie Lucy Hurteau.—Mr. Boucher.

Bill No. 170 for the relief of Evelyn Alice Lancaster Chenoweth.—Mr. Maybank.

Bill No. 171 to incorporate Canadian Nurses' Association.—Mr. Benidickson.

Bill No. 172 respecting Guaranty Trust Company of Canada.—Mr. Brown.

Bill No. 173 respecting The Woman's Auxiliary to the Missionary Society of the Church of England in Canada.—Mr. Church.

Bill No. 174 to vary the Saskatchewan Natural Resources Agreement.—Mr. Glen.

Bill No. 175 to amend the Canada Evidence Act.—Mr. Ilsley.

WHEAT

PRESS REPORTS ON INTERNATIONAL AGREEMENT

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce with respect to the proposed international wheat agreement. It arises out of a report emanating from London that "hopes for a world wheat pact were publicly blown sky high this week", and a further reference to the Canadian High Commissioner in London, Mr. Norman Robertson, who is reported as suggesting "that the meeting might be continued". The article concludes that it was finally decided to hand the corpse over to the international council in Washington for disposal. My question is this: Is it correct that the plans for an international wheat agreement have broken down? Also will the minister communicate to the house the substance of any report he may have received on the matter?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, I think it would be only a fair statement to say that the quotation read by the hon. leader of the opposition (Mr. Bracken) is a gross exaggeration, and I might add that that remark applies to much that has been appearing in editorials and in leading articles on editorial pages in recent months.

The actual facts are that conversations have been continuing for some time in London among officials and those conversations went as far as it was possible for the officials to carry them. It was decided to have the question further dealt with by the different governments concerned, and prior to that the international wheat council was asked to have further conversations. The representative of the Department of Trade and Commerce, Doctor Wilson, has just flown back from England and is meeting with the wheat committee of the cabinet some time today to make an oral report. I am not sure how soon it will be possible for me to make a definite report to the house.

[Mr. Howe.]

Mr. BRACKEN: Mr. Speaker, if I might be permitted a comment, I am glad to hear the minister say that these reports are exaggerated. I would suggest that in view of the importance of the matter the actual facts ought to be made available to the house and the public as soon as possible.

LABOUR CONDITIONS

WAGE INCREASES FOR WOMEN CLEANERS

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour? On February 10 he informed the house that a survey was being made to ascertain whether consideration could be given to wage increase for women cleaners in federal public buildings. Can the minister say whether this survey has been completed, and what progress is being made in connection with this matter?

Hon. HUMPHREY MITCHELL (Minister of Labour): Since the beginning of the year the Department of Labour, on the request of the departments concerned, has made recommendations with respect to wage rates for this class of service at the following points: Toronto, Hamilton, Windsor, London, Winnipeg, Montreal, Kingston, Brantford, Kitchener, Vancouver, Sudbury, Wallaceburg and Saint John, New Brunswick. The survey to which my hon. friend refers, and which I mentioned on February 10, is not yet completed.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Monday, April 28, consideration in committee of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war—Mr. Ilsley—Mr. Macdonald (Brantford City) in the chair.

The CHAIRMAN: When the committee rose last night it was considering order in council P.C. 1997 having to do with timber regulations as amended.

Mr. GORDON B. ISNOR (Halifax): I wish to join with the hon. member for Queens-Lunenburg, who was supported by the hon. member for Royal in his remarks on the lumber situation in the maritime provinces. Coming as I do from Nova Scotia I am perhaps more familiar with the situation there—

Mr. HOMUTH: Is the hon. member speaking for both members for Halifax?

Mr. ISNOR: On this occasion I am happy to associate myself with the hon. member for Nova Scotia sitting on the government side and with the hon. member for Royal sitting on the side which is also occupied by my hon. friend.

I think I can safely say that in the over-all picture so far as controls affect the maritime lumber industry we have no great fault to find with them except from the standpoint of the export buisness. I can confidently state that the lumber industry in the maritimes is in a prosperous condition at the present time. I would not want the rest of Canada to think that we were not taking full advantage of the markets which have been provided for us. Both the export and the domestic markets have been good. The entire cut of the maritime provinces could not be permitted to be shipped overseas to our natural market, the United Kingdom, because of the need of lumber for construction purposes in our own country. That is generally understood, but at the same time I support the hon. member for Queens-Lunenburg in his contention that there should be a larger quota for the export business.

A careful check of the lumber production figures for Nova Scotia and New Brunswick will show that the total sawn lumber for Nova Scotia in 1939 was 270 million feet, and for New Brunswick 150 million feet, or a total maritime production in 1939 of 420 million feet. In 1945 Nova Scotia showed a cut of 338 million feet and New Brunswick 295 million feet, or a total of 633 million feet for the two provinces. The year 1946 showed about the same figure, a total of 632 million feet. Therefore you will see, Mr. Chairman, that we have had an increase from 1939 to 1945 in our sawn lumber production of something like 50 per cent. Of the 632 million feet sawn in 1946, 270 million feet were permitted to be exported free of the quota, leaving in Canada the remainder, 362 million feet. With 362 million feet we believe that a further export permit should be granted, because our normal needs in the maritimes in pre-war days did not come up to anything like this requirement. I suggest that the minister should give very careful thought to a further quota so far as the maritimes are concerned. We in the maritimes are not like Quebec and Ontario, blessed with a large number of industries. We depend to a great extent on farming, mining, lumbering and fishing, and it is because of our export business that we need this increased quota on lumber. Last year we were very fortunate, although somewhat handicapped owing to lack of ships to carry lumber overseas. In fact, generally speaking, transportation difficulties tied up our operations to a very marked extent. This was unavoidable because of the weather conditions in Ontario and elsewhere throughout Canada, which kept back from the maritimes a large number of cars that would otherwise have been used for carrying lumber to the ports of Halifax and Saint John. Representations have been made by the maritime lumber export commission or association to the minister or to the controller on more than one occasion. A study of 1946 production and distribution figures reveals that 258 million feet was retained for use in the maritimes, and in seven pre-war years an average of approximately 90 million feet per year was required. That leaves a very wide gap, and without taking away from our domestic requirements there is a large quantity that could be added to our export quota, thus adding to the prosperity of the maritime provinces.

I need not point out that basically our lumber industry has been export. The United Kingdom has been a great market for many years and, as was brought out by the hon. member for Royal, we want to maintain that pre-war market. We are sending large shipments there and are supplying our lumber at a reasonable price. I would point out to the hon. member for Royal that his statement is not entirely correct as regards the price of maritime lumber. Our price to the United Kingdom is something like $15 to $20 per thousand cheaper than the lumber which is supplied to that market by Russia, Denmark and Finland, which are the only other countries selling to the United Kingdom. The controller and the minister would be well advised to take this matter into consideration when dealing with the question raised by the member for Queens-Lunenburg, when he asked for a larger quota.

We could very well increase our quota without hardship to our domestic market. I want to support the contention of one hon. member with regard to birchwood. Our birchwood today is in such a condition that unless we cut and sell it we shall not be able to supply any market, either domestic or export, in the course of a few years. I note, in the provincial report recently tabled, the forty-sixth report of the Department of Lands and Forests of Nova Scotia, that the minister directing that department states:

The unsatisfactory ceiling price of hardwood will affect hardwood production adversely. This

is particularly regrettable in view of the almost certain loss of all our merchantable birch within five years.

That is the birch to which I refer. I wish to emphasize that and to bring it to the attention of the minister because of the need of taking care of this particular growth. It will be a total loss unless opportunity is given Nova Scotia and the maritime interests generally to sell that wood on the export market.

It is interesting to note that last year we had an increased production in Nova Scotia of 8·35 per cent. Softwood long lumber was up 25 million feet board measure, while hardwood showed a slight decline. Throughout the year all wood products were in great demand, and there is every indication that a similar condition will exist throughout 1947. That is from the report of the department of lands and forests of Nova Scotia.

This matter was so thoroughly covered by hon. members who have already taken part in the debate that I do not think it is necessary to dwell on the importance of the minister giving consideration to the lumber industry from the standpoint of the maritimes. It is estimated that about 78 per cent of New Brunswick and 68 per cent of Nova Scotia is still forested. The newsprint mills in four New Brunswick towns and in Liverpool, Nova Scotia, the Mersey mill—produce eight per cent of the total Canadian capacity. Most of that hardwood lumber is used locally, because the high cost of transportation to central Canada and the tariff that keeps it out of New England have to be reckoned with. It is because of these two factors, high transportation cost to central Canada and the more or less high tariff into New England, that I urge the minister to give every opportunity to the promotion of the export trade.

The present position on distribution is that United Kingdom quota has been filled. The forty million free quota has been distributed and the lumber placed by the shippers. There is a definite weakening in the eastern United States market and local demand has not increased. It is surprising to me that the local market has not increased, in view of the large amount of construction work going on in our province. I remember hearing recently something said by a gentleman who had been motoring from New York to Halifax. He said that as he drove through Massachusetts and the state of Maine he noticed very little construction work going on. When he came into New Brunswick there were signs of increasing construction of houses, but when he struck the Nova Scotia border there was an almost continuous line of houses being constructed for veterans and others. I thought that was a very good tribute to the manner in which those interested in Nova Scotia were carrying on construction, and notwithstanding the picture of blue ruin which has been painted by many members opposite in regard to construction work in other parts of Canada, we in Nova Scotia are carrying on in an aggressive manner. Nevertheless there is still a sufficient amount of lumber to permit increasing the quota for export business.

May I say a word about price. The hon. member for Royal raised this question, and he had reference to retail price. He was justified in bringing the matter to the attention of the committee. While the export business is sufficiently large—two to one—to take care of losses that may be sustained by those engaged in selling lumber on the domestic market, I do not think it is sound business that one should have to carry the other, and I suggest again that this question of retail prices, so far as the maritimes are concerned, be reviewed, as suggested by the member for Royal, to bring about a higher price so as to kill the black market if one exists. I do not think the black market is as large, as prosperous or as thriving as some would like to make it appear.

Mr. BROOKS: It is extensive.

Mr. ISNOR: The hon. member for Royal says it is extensive. If that is so in New Brunswick, I doubt very much if it exists to the same extent in Nova Scotia, but I am not going to argue the point. I will agree with him in regard to the raising of retail prices in order to make it possible to carry on in such a way that retailers will not have to operate at a loss.

The hon. member for Queens-Lunenburg should be complimented for bringing this question up at this time. I trust that the minister will give to the points raised his serious attention and not only perhaps allow those in the maritimes to export a larger quantity, but also give consideration to the retail price.

Mr. CHURCH: As I come from a district which has a very large industry in timber and lumbering, I wish to say a few words, but I shall not detain the committee for more than four or five minutes. I remember the olden days in the city of Toronto, when almost everybody owned his own home, the lumbering industry, wholesale and retail, was one of the most important ones we had at the time, when the forests in northern Ontario and many other parts were cleared. Wood was also extensively used in stoves before the production of coal became a commercial industry. I

am not here to criticize anybody about the timber regulations or about what was done in peace or war, but I believe the government would be well advised to come to the help of this great industry.

I should like to see the priorities system abolished. I think it would aid housing if everybody had a chance, according to the law of supply and demand, to get the lumber of all kinds which they need to build houses. Now you find that houses are not being built but there are certain priorities which exist for certain corporations, many of which are controlled by the crown—there are priorities of all kinds—and even they are hard up sometimes for labour and materials. Rents of crown houses are reaching the point where they are too high for the ordinary workingman.

This industry has been one of the most important means of providing employment in Ontario. I should like to see the regulations eased very materially and the priorities eliminated as soon as the government can see fit to do that. In the first place, the housing situation is one of the most serious we have in our cities. Last night reference was made to it by the hon. member for High Park. There was a return made in response to a motion of mine about a certain number of buildings and sheds for the R.C.A.F. on the Toronto waterfront east of Yonge street, on the harbour land, which were erected during the war mainly for storage and other air equipment purposes. There was a return presented on July 4 last, sessional paper 187A. It shows that the cost of erecting sheds for the use of Royal Canadian Air Force on the Toronto waterfront was $1,355,028.86. The second question was:

2. What department of government had charge of the construction?

The answer was:

Plans and specifications were provided by the R.C.A.F. Contract was awarded by the Department of Reconstruction and Supply.

Workmen were then brought in—carpenters, bricklayers and others—and they came from all over Canada. We are going to have a serious situation in Ontario if they keep making it the headquarters for everybody who is out of work, except the ambassadors who are on the seven seas. These people were brought in from all over Canada to build these sheds when there was very serious unemployment in our city. What became of the sheds? They could have been used for housing. I have been in some of these sheds. Some of those occupied by the officers were luxurious; I have never seen anything like them. Big sheds were erected on a large part of the grounds from Yonge street down to Sherbourne street. The lands on which the sheds were erected were drained, and had storm sewers. They are right on Toronto's waterfront, on land donated by the city, east of where the boats come in and out on Toronto bay. They could have been used for housing purposes, but that was not done. It was not the fault of the city of Toronto.

I shall read the next questions:

4. Have any been torn down or sold? If so, how many, to whom and at what price?

5. Was any application received for use of these buildings to relieve the housing shortage? If so, from whom?

6. What use has been made of these buildings (a) during the war; (b) afterwards?

The reply is that some of these sheds were sold to crown assets allocations committee and transferred to War Assets Corporation for disposal. I know that when a war is on, a war of greater magnitude than any other in history, mistakes will doubtless be made. We may expect that. We have them in peace, and we may expect them in war. The reply states that twenty-one of these buildings out of the sixty-five declared surplus to the War Assets Corporation have been demolished, and it is planned to tear down another twenty-eight. Of the remaining sixteen, nine have been sold as follows, and negotiations for the sale of the other seven are being proceeded with: two buildings sold to G. M. Graton and Company for $650 each, for removal. The lumber in them is worth more than that. It could have been used to build small houses. All kinds of doors, sash and windows were in them, which were made of some of the finest dressed lumber. Two buildings were sold to Toronto Home Missions Council for $650 each, for removal. One building was sold to Centre Island Association, Toronto for $650, for removal. One building was sold to Mimico Rotary Club for $535, for removal. There were three buildings sold to the Toronto *Star* for $5,160. I had better be careful because there is a libel suit on. I do not know whether that is a "5" or a "3", but it looks like a "5". I have no qualified privilege, or any privileges at all, because, according to one morning newspaper columnist the members of parliament do not do anything at all. We might as well all go home, according to one of the columnists. I am not here to criticize them, because you can never answer newspapers. They always have the last word. I found that out years ago as the humble head of the city. We all make mistakes as well as the newspapers.

I find here that three buildings were sold to the Toronto *Star* for $5,160. The note here is that "in the first four above sales the prices took into consideration the fact that purchasers had to remove the buildings from the site and restore the land to its original condition at their own expense". My first point is that the lumber could have been used for small housing; my second point is that the buildings could have been used where they were for emergency housing. There was water, light and overflow sewers. These buildings could have been used and could have been occupied by a very large number of people for emergency and trailer housing. I would point to the buildings down by the Toronto baseball park at the foot of Bathurst street, Little Norway. Those buildings are not as well constructed; they did not have light or many other conveniences.

That is all I have to say about it. I do not know whether mistakes were made, but I believe that the lumber could have been used. We could have used the property to relieve the emergency housing situation among those who cannot enter their own houses. I am not saying that as criticism of anybody, but just making reference to it.

I would like to see something done. Who are getting this timber and this lumber? How is it the large banks are able to build skyscrapers, two of which are going up on King street in Toronto? They can get steel, lumber and everything they need. According to the Bank Act, banks may build only according to the size of the business they carry on, and they are not allowed to go into real estate; but today some of them are building 30- or 35- storey buildings. One bank building is being torn down, at the corner of King and Bay while another is going up. Where are they getting all the materials, when these buildings are not needed at all and while houses are so urgently required? I do not think the banks belong to any benevolent society, as some people would like us to believe. They are not going to take in the soldiers and rent them living space on the top floors of their buildings. Far from it; they are going to rent that office space commercially and charge high prices for it, as they do with most of their properties.

Theatres are being built all over the city, as the hon. member for Davenport mentioned last evening. These people must have considerable influence down here at Ottawa. The members of this house are just ciphers, we were told in one of the newspapers the other day, but the people who own these theatres must be more than ciphers. They are the people behind the scenes, as someone used to call them—stuff-shirted nobodies. They come around this building and seem to have a great deal of influence no matter what government is in power. I do not see why these buildings are being constructed. In addition, different conventions come along and use up a lot of lumber and other building material. Our schools are crying out for new buildings. Some of the temporary or portable buildings being used for educational purposes have seen their day, though they are still being used by nearly every school board in Canada. Something should be done in this regard. In addition to that new hotels are being built, and apartment houses erected, some of them no doubt under the priority system, and I am sure very heavy rents will be charged.

I have seen a good deal of this housing problem. I remember that after the first war we had the same trouble, as we seem to have it after every war—a huge shortage of all materials and labour. On the whole I believe a great deal of good work has been done in this world shortage of construction materials, and I am not here to blame or criticize anyone, but I should like to see this priority system discontinued particularly in regard to lumber, which has to do with one of our key industries. As the lumbering industry goes, so will go trade and commerce; so will go housing and many other matters. I hope the minister will use the regulations during the next three months in such a way that housing will be assisted, and the construction of hospitals, schools and similar public buildings may go on. These regulations were on the whole a good thing in wartime, not only for the industry itself but for labour as well; but now they should be dropped. To eliminate controls will help wholesale lumber dealers as well as the retail dealers, who have done very little business in the last few years. A great many of them I know do not make their office expenses. I remember in the district west of Bathurst street and north of Queen street when a great deal of house building was carried on; when Manning avenue, Euclid avenue, and all the other streets were built up as far as College, and all by private builders. They put up rows of houses all over the city, and I must commend the government on what they did to assist construction of this kind a few years ago. In 1935 we had a committee on reconstruction and housing whose report was later adopted in another form by the present government. At that time I advocated that money for house building should be lent through the banks at a very low rate of interest, about 3 per cent. Later the government spent about $90,000,000 in small housing,

a very large part of it in and near the city of Toronto. Many houses were built in East York, North York, West York, and the city district north of St. Clair avenue. In all that expenditure I believe the government lost only about $16,000. If they could embark on a scheme like that and lend money to private individuals and private contractors and give them labour and materials, I think it would be far better than setting up these costly crown corporations, which have to be administered from Ottawa, which get priorities on many materials and labour which small private builders cannot get, and then charge large sums in rental.

Mr. HANSELL: I have been sitting in the chamber now for quite some time, listening to this debate in general and to the discussion of this particular matter of housing. I have not taken part thus far because I live in a rural constituency where housing is not the same problem that it is in the larger urban centres. But throughout the discussion it has struck me that we may have missed some of the fundamental points in this whole matter. I refer now to the reason for the shortage of materials for housing. I have heard of the shortage of nails. I have heard of the shortage of lumber. I have heard of the shortage of this, that and the other thing. If such shortages were caused by physical forces over which we had no control, then I do not believe we could blame the minister. If these shortages had resulted from the war I would not attach a great deal of blame to the government. But it does seem to me that governments must take the responsibility of doing things for this country when it is physically possible to do them, and that seems to be the crux of this whole situation. Do I not speak the truth when I say that adequate housing has been held up because the government has permitted enormous amounts of housing materials to go out of the country? I do not think I am far wrong when I say that seems to be the reason.

I know there is a problem to be met. I have in mind, for instance, a family in which there were six boys, all of whom lived at home with their father and mother. When war broke out they enlisted. Before the war was over they got married and came back home, some of them with children. They wanted six homes of their own. I know that sort of thing creates quite a problem, and I am not saying the government is not faced with a problem. I am not one who would harshly criticize if a government were doing its best; but fundamentally is it not a matter of government policy? They have been so insistent on capturing foreign markets that they have permitted Canada to be divested of materials we ourselves need. If this parliament should conclude that such a policy is the right one, then let us not blame the government. If it is a wrong policy, then the government must shoulder the blame for what is happening in the country today. That seems to me to be the reason. Since we are in committee I should like the minister to answer that question. Is there any physical reason why we should not, with the war over as long as it has been, have a real housing programme on the way? If he says it cannot be done because of shortages, that is not enough. If there are shortages, let him tell the committee how they came about and what has prevented him from restoring these materials to free supply.

I am a great believer in the adage which we in this corner of the house so often quote, that that which is physically possible must be made financially possible. I am not going to talk about the financial possibilities but there should be no reason, apart from physical impossibilities, why the people of Canada cannot have what they want. Physical impossibilities arise only by reason of something over which we have no control. We have no control over winds, earthquakes, floods, and so forth; those are known as acts of God, things for which we would not blame the government. But if a thing is physically possible, why is it that the people of Canada cannot have it? That is the thing the government has to answer. I have not had an answer to that question, and I believe the government owes it to the people of Canada to give an answer. If we have that answered we will be satisfied.

Mr. HODGSON: Mr. Chairman—

Mr. HANSELL: Evidently the minister is not disposed to answer.

The CHAIRMAN: Before the minister answers may I draw the attention of the committee to the fact that we are considering P.C. 1997, which deals with timber regulations. During the last few days we had a wide discussion on housing, and most of yesterday was spent in considering the emergency shelter regulations. It seems to me that the committee should now direct its attention only to the regulations respecting timber control. Although a wide discussion has been allowed up to now I feel we should stay strictly within the rule and consider only the regulations with respect to timber.

Mr. STUART (Charlotte): Mr. Chairman, I can assure you that I shall be very brief. First I wish to associate myself with what

has been said by the hon. member for Queens-Lunenburg, the hon. member for Royal and the hon. member for Halifax. The subject under discussion is one with which I am not particularly familiar, but I realize it is of great importance to New Brunswick and the other maritime provinces.

I have listened most attentively to this debate and must admit that the attitude taken by some hon. members is difficult to understand, particularly those who in one breath say that veterans' houses are costing too much, and bitterly condemn the government because they feel they are responsible for this condition; and then in the next breath they suggest that the retail ceiling price of lumber for domestic purposes is far too low and should be increased. The two statements do not dovetail. You cannot have your cake and eat it too. If we are to have higher retail prices for lumber, there will certainly be an increased cost to the veteran for his house.

My own personal opinion is that it is inconceivable that any producer should be obliged to sell his product at below the cost of production. Such a condition does not create a satisfactory atmosphere and no doubt in some cases would be responsible for black market trading. I am confident that this is not so in my own county, because no violations of this kind have been brought to my attention at any time.

I have a letter from a reliable citizen of Charlotte county which I believe will explain much better than I could the conditions in the maritime provinces with respect to the wholesale and retail lumber trade. The company with which this gentleman is associated, and which bears his name, has been doing business with the general public in Charlotte county and across the border in Maine for a great many years. I might add that this gentleman is a classmate of the Minister of Justice. This letter from the Haley Lumber Company Limited of St. Stephen, New Brunswick, is dated January 28, 1947, and reads:

I want to write you about the predicament we and the other retail lumber dealers of the maritimes are in due to the timber controls. You have probably read in the press that one of the woodworking factories had to lay off ten men because they couldn't get lumber.

The price paid by lumber brokers purchasing lumber to be exported to Great Britain has always controlled the domestic wholesale price in the maritimes. The present export price averages at least $52 per M. feet. One broker is offering a producer from whom we used to buy lumber $56 per M. for 2x4 and 2x6, $57 for 2x7 and 2x8, and $64.50 for 2x9 and up f.o.b. St. Stephen in the rough. The present wholesale ceiling price averages $45 per M. feet, so you can see the impossibility of the retailers buying lumber at the wholesale ceiling price which is all they are permitted to pay.

A complicated system of earning export quotas was set up over a year ago for the purpose of encouraging lumber brokers or manufacturers to sell to the retailers and, in so doing, earn export quotas. The exporters and manufacturers haven't found it to their advantage to do this to any great extent. Sufficient free quota has been available to take care of the stock to be exported.

Over 90 per cent of the retailers in the maritimes have less than 40 per cent of the amount of soft wood lumber on hand to meet the demand for house building requirements. Emery Smith of Murray and Gregory told me he had only 500 M. feet of softwood lumber on hand and most of this was refuse. He should have between two and three million.

The spread between the present domestic ceiling and the retail ceiling does not permit the retailer to purchase lumber at the market price, namely, $52 per M. feet, and sell within the retail ceiling and make a profit. The price paid for lumber to be exported has increased at least $5 per M. in the last year without any corresponding increase in the domestic wholesale ceiling and the retail ceiling.

There seem to be three alternatives if the retail lumber dealers are to stay in business, satisfy their customers' requirements and carry on business without breaking any laws.

(1) Decontrol of the lumber industry and retain export control.

(2) Increase retail ceiling prices by at least $5 per M. and cut out the wholesale ceiling; or

(3) Increase the wholesale ceiling and allow sufficient margin between the wholesale ceiling and the retail ceiling to permit the retailer to make a profit.

Now, I hope you will do what you can to help out the retail lumber dealers who are in this terrible predicament due to price control.

Yours sincerely,

Harold R. Haley.

Mr. HODGSON: Mr. Chairman, I should like to say a few words in connection with the timber regulations. First, I should like to congratulate hon. members from the maritimes on both sides of the house on the way in which they are cooperating. They are proceeding in about the same way as the British Columbia members did in connection with the Japanese question. If Ontario and Quebec can get a little cooperation from hon. members on that side of the house and on this side we may be able to get somewhere in this matter.

Answering the hon. member for Eglinton, the minister said on Friday, April 25, as reported on page 2445 of *Hansard:*

The speech of the hon. member for Eglinton indicates the state of utter confusion in which the official opposition finds itself on the matter of controls.

I want to say to the minister that I am not confused, that I am of the same opinion now as I was when the omnibus bill was first presented. On March 10, as reported on page 1235 of *Hansard,* the minister gave the house to understand that controls would be kept on lumber. It is up to the government to make those controls just as feasible as possible for the benefit of the trade in general. As far as I am concerned, I will give them every cooperation possible.

The government itself seems to be more confused than any other party in the house because since the introduction of the omnibus bill there has been more decontrol than at any other time since the cessation of hostilities. The regulations respecting timber under P.C. 1997, appearing at page 150 of the consolidation, cannot be understood by the ordinary layman. I think they could be written in much simpler terms so that the ordinary man could understand them. I would ask to have P.C. 1997 appear in *Hansard* to save the time it would take me to read it.

The CHAIRMAN: Is it agreed that P.C. 1997 shall appear in *Hansard* as part of the hon. member's speech?

Mr. ILSLEY: I do not think that should be done.

Mr. HOWE: The order in council is printed in another government document. Why have it appear in two documents?

Mr. GRAYDON: In what other parliamentary paper does it appear?

Mr. HOWE: I may have misunderstood. I am told that it has not been printed, and if that is so I have no objection to its appearing in *Hansard.*

The CHAIRMAN: Is that agreed?

Some hon. MEMBERS: Agreed.

Mr. HODGSON: The order in council reads as follows:

P.C. 1997

At the Government House at Ottawa
Tuesday, the 21st day of March, 1944.
Present:

His Excellency The Governor General in Council:

Whereas the Minister of Munitions and Supply represents that regulations respecting wood fuel were established by order in council P.C. 4362 of May 28, 1943, and were amended by order in council P.C. 5492 of July 9, 1943, and by order in council P.C. 215 of January 13, 1944; and by the said order in council P.C. 4362, James S. Whalley was appointed wood fuel controller, and by order in council P.C. 1792 of March 5, 1943, Gustave C. Piche was appointed a deputy wood fuel controller;

That regulations respecting timber were established by order in council P.C. 2716 of June 24, 1940, and were amended by orders in council P.C. 7120 of December 4, 1940; P.C. 4389 of June 17, 1941; P.C. 6037 of August 8, 1941; and P.C. 7360 of September 20, 1941; and by order in council P.C. 9994 of November 3, 1942, Alan H. Williamson was appointed timber controller; and

That it is desirable to abolish the office of wood fuel controller and to confer on the timber controller the powers, duties and functions with respect to wood fuel now being exercised by the wood fuel controller, and for these purposes to revoke certain of the orders in council above mentioned and re-enact regulations respecting timber as hereinafter set out;

Therefore His Excellency the Governor General in Council, on the recommendation of the Minister of Munitions and Supply, is pleased to revoke and doth hereby revoke the following orders in council:—

P.C. 4362 of May 28, 1943; P.C. 1792 of March 5, 1943; P.C. 5492 of July 9, 1943; and P.C. 215 of January 13, 1944.

P.C. 2716 of June 24, 1940; P.C. 7120 of December 4, 1940; P.C. 4389 of June 17, 1941; P.C. 6037 of August 8, 1941, and P.C. 7360 of September 20, 1941.

His Excellency in Council, on the same recommendation, and pursuant to the powers conferred by the War Measures Act and the Department of Munitions and Supply Act, is pleased to make the following regulations respecting timber and they are hereby made and established:—

REGULATIONS RESPECTING TIMBER

1. Interpretation.

(1) For the purpose of these regulations, unless the context otherwise requires, (a) "Controller" or "Timber Controller" shall mean the person appointed timber controller by the governor in council; (b) "Deputy Timber Controller" shall mean any person appointed a deputy timber controller by the governor in council; (c) "dealing in" shall include the following activities or undertakings and shall also include the doing of any act in preparation for or in the course of any of them;

buying, selling, exhibiting for sale, taking or receiving orders for, leasing, hiring, lending, borrowing, exchanging, acquiring,

importing, storing, supplying, delivering, transporting, distributing, allocating, shipping, conveying, installing, mortgaging, encumbering, bartering, trading, giving, transferring, using, or consuming

and "deal in"; "dealt in" and "dealer in" shall have corresponding and similarly extended meanings;

(d) "equipment" shall include any property, real or personal, and any goods owned by or under the control of any person for the purpose of producing or dealing in timber; provided that the minister may generally or specifically declare in writing any property or thing to be included in or excluded from "equipment" for the purposes of these regulations or any other regulations or order in council relating to the timber controller;

(e) "minister" shall mean the Minister of Munitions and Supply;

(f) "order" shall include any licence, permit, regulation, prohibition, direction, condition, requirement, restriction or limitation issued or made under these regulations or under any other regulation or order in council relating to the timber controller;

(g) "producing" shall include the following activities or undertakings and shall also include the doing of any act for or in the course or preparation of any of them: felling, cutting, sawing, processing, planing, finishing, converting and making, and "produce", "produced", "producer" and "production" shall have corresponding and similarly extended meanings;

(h) "timber" shall include any trees, standing or cut, and any lumber in any form, and any wood, processed or unprocessed, and any wood product, and any by-product of wood, including but without limiting the generality of the foregoing, pulp wood, pulp wood chips, cordwood, millwaste, sawdust, hogged fuel and charcoal.

(2) Except as herein otherwise provided His Majesty in right of Canada, and His Majesty in right of any province thereof, shall be bound by the provisions of these regulations.

2. Powers of the timber controller

The controller shall have power,

(a) to take possession of, appropriate or otherwise acquire, any timber and/or any equipment wherever found, and to dispose of or otherwise deal in such timber;

(b) to produce and/or deal in timber and/or equipment;

(c) to enter on any land or into any building or place, by himself or by any person duly authorized by him thereunto, for the purpose of taking possession of, producing and/or dealing in timber and for the purpose of inspecting and/or searching for any timber;

(d) to enter on, take possession of and utilize, by himself or by any person duly authorized by him thereunto, any land or premises or any plant, building, place, equipment or facilities used or capable of being used for producing and/or dealing in timber;

(e) to prohibit or regulate any practice, or mode of, or related to, producing or followed in connection therewith, which, in the opinion of the controller, would or might increase, or tend to increase, the price of timber and/or equipment of any kind either generally or to any person, or which would or might affect, or tend to affect, the orderly production of, and/or dealing in any timber and/or equipment;

(f) subject to the approval of the minister, to fix or limit the quantity of any timber and/or any equipment which may be produced and/or dealt in either generally or within specified periods of time; and to prohibit producing and/or dealing in any timber and/or equipment in excess of the quantities so fixed or limited;

(g) to prohibit any person from consuming or using timber and/or equipment of any kind, either absolutely or to such an extent, or for any such purpose as may be specified by the controller;

(h) to issue and reissue licences to persons producing and/or dealing in timber and/or equipment, and to suspend, cancel or refuse to issue any such licence whenever the controller deems it to be in the public interest to do so, and subject to the approval of the minister, to fix the fees payable for the issue of such licences, and to prescribe the manner, procedure, terms and conditions under which such licences shall be obtained;

(i) to prohibit any person from producing and/or dealing in timber and/or equipment of any kind or kinds, or participating in any such production and/or dealing in any timber and/or any equipment, either directly or indirectly, unless previously licensed by the controller, or unless under a permit issued by the controller;

(j) to prescribe conditions to which any licence or permit shall be subject and to vary any such conditions and/or to specify further or other conditions;

(k) to prohibit or regulate the construction of, or the making of any structural or other change or addition to, any plant, building or

place used or to be used for or in connection with, the production of, or dealing in, timber and/or equipment;

(l) to prohibit or regulate the use of any land, building, plant or place for the purpose of producing and/or dealing in timber and/or equipment of any kind;

(m) to make or to require any person to make any structural change in or addition to, or to provide or to require any person to provide any equipment in, any plant, building or place for the purpose of or to be used in any way in connection with producing and/or dealing in, timber and/or any equipment;

(n) to make orders regulating, fixing, determining and/or any equipment; type, grade, quality, standard and/or quantity of any timber and/or any equipment that may be produced and/or dealt in by any person; and to prohibit any production and/or dealing in timber and/or any equipment contrary to any such order or orders;

(o) subject to the approval of the minister, to establish a quota or quotas prescribing the kind, type, model, grade, standard, quality, classification or species of any timber and/or any equipment that may be produced and/or dealt in by any person; and subject as aforesaid, to prohibit any person from producing and/or dealing in timber and/or equipment except in accordance with any such quota or quotas, unless the controller shall have issued a permit therefor, which permit may specify the manner in which such timber and/or equipment may be produced and/or dealt in contrary to such quota or quotas and/or kind, types, models, grades, standards, qualities, classifications or species of any timber and/or any equipment, and the number of each, that may be produced and/or dealt in contrary to such quota or quotas;

(p) to prohibit any person from owning, keeping, having, retaining, or being in possession of or having control of timber;

(q) to order or to require any person owning or having power to dispose of, or being in possession of, or producing and/or dealing in timber and/or any equipment, to produce and/or deal in such timber and/or equipment in such manner as may be so ordered, and, if ordered so to do, in priority to any other business of such person;

(r) to order or require any person producing and/or dealing in timber or equipment to make or procure the making of such checks and/or audits of the books, accounts and/or records of such person; or of any person who has received, directly or through another supplier, timber or equipment sold or supplied by such person, as may from time to time be prescribed by the controller either generally or specifically;

(s) to regulate and control, by prohibition or otherwise any or all dealings or transactions between any person producing and/or dealing in timber and/or any equipment and any other such person in respect of or in connection with, any production and/or dealing in any timber and/or any equipment, and/or the acquisition and/or use of any real and/or personal property, including any equipment, for or in connection therewith.

3. Delegation

The controller shall have power to delegate to any person or persons any power vested in the controller under these regulations or under any order in council or statute, including any power involving the exercise of a discretion, and any order made in the exercise by any such person of a power so delegated shall be final and binding unless and until it has been varied or vacated by the controller.

4. Orders to conserve timber, and prevent or preclude breaches of orders

The controller shall have power by order to prohibit and restrain any person from producing and/or dealing in timber and/or equipment or from dealing in any timber and/or equipment at any place or in any area or zone specified by the controller, and to this end the controller may order such acts or things to be done or omitted as he may deem necessary to prevent or preclude the use of any particular timber or equipment or any plant, building or place in breach of such order. The controller may exercise the said power to prevent or preclude any breach or further breach or apprehended breach of any order (whether general or specific) of the controller or any person acting under his authority.

5. Breach of contract pursuant to order

Where any person fails to fulfil any contract or obligation whether made or assumed before or after the effective date of these regulations, and such failure is due to compliance on the part of such person with any order made under the authority of these regulations after such contract or obligation was made or assumed, proof of that fact shall be a good defence to any action or proceeding against such person in respect of such failure.

6. Controller and agents protected

The controller and any person acting for, or on behalf of, or under the authority of the controller shall not be or become liable to any person for anything done or omitted in

the exercise or purported exercise of any power or authority from time to time vested in the controller.

7. Powers of a deputy controller

A deputy timber controller shall have and exercise any and all powers conferred on the timber controller, subject to any restriction thereof which the controller may from time to time impose and subject in all cases to review by the controller; provided that any order of a deputy timber controller shall be final and binding unless and until it has been varied or vacated by the controller.

8. Wartime industries control board regulations preserved

Nothing in these regulations shall restrict or vary the provisions of the wartime industries control board regulations established by order in council P.C. 3 of January 4, 1944 and the timber controller shall have the powers and immunities and be subject to the limitations granted and imposed by the said wartime industries control board regulations, which shall be read and construed as one with these regulations.

A. D. P. HEENEY,
Clerk of the Privy Council.

I would ask the minister to clarify his release No. 102 of April 22, because as I read it, it refers only to British Columbia and the western provinces, although the press has stated that the price of lumber is up 15 to 20 per cent all across Canada. I understood the situation, but evidently the press did not, and it was unfortunate that in several papers, including small papers in my own riding, the report went out to the country that lumber had increased in price 15 to 20 per cent.

Again in the provinces of Ontario and Quebec stumpage costs have been increased.

I would also like the minister to explain why an export quota of 65 per cent has been allowed to British Columbia as against 33⅓ per cent for central Canada and the maritimes. Is the minister still consulting, as he did six years ago, the Canadian Lumbermen's Association which takes in all the lumbermen in Canada, or is he taking the advice of only one or two of the largest lumber operators?

I was in a retail office yesterday morning which had received a circular stating that an announcement would be made on lumber prices on the return of Malcolm McNicol. Wholesale and retail merchants are holding up sales in consequence until the announcement is made. Why could not this announcement have been made at the same time as it was made for British Columbia and western Canada? If the timber control is efficient, and they have been working on controls for six years now and talking and thinking about prices and regulations, especially during the last six weeks, I would like the minister or his parliamentary assistant to explain why an announcement could not have been made to cover the whole of Canada at the same time. Why the hesitation and this discrimination against Ontario and Quebec?

I stated in the house in 1946 that the price of hemlock was then too low and it is still too low because it cannot be produced at the present ceiling prices. There have been increases in the cost of living and in wages and in everything which pertains to the production of lumber. At the same time we have lumber being imported from the United States to Canada to take the place of hemlock for crating at $77 to $82 per thousand feet.

I have a letter here which states that the Ford Motor Company:

> . . . found it impossible to obtain sufficient crating lumber in Canada for their requirements and have been forced to buy substantial quantities of southern yellow pine, initial shipments of which are now arriving. This to take the place of Canadian spruce and jack pine which they have used heretofore.

At page 1234 of *Hansard* of March 10, 1947, the Minister of Reconstruction and Supply stated that to increase the price of lumber would increase the cost of a house $200 or $300. Somebody had said that it takes approximately 6,000 or 7,000 feet of lumber to build a house 28 x 28 or 28 x 30. If the price of lumber were increased $10 the cost of a house this size would be increased $60 or $70, which would be approximately one per cent of the price of a house such as government agencies are building today for sale to the veterans. But would it not be worth it if they could get the lumber when they needed it?

The delivery of lumber could be speeded up and a lot of bottlenecks done away with. At the present time when you sell lumber you must send four copies of a document to the timber control, and on their approval and return you can start to ship the lumber. If something could be done to speed up that process it would help considerably. I do not know just what suggestion to make, but something should be done to speed up shipments.

I want to say a word on the export of lumber to Great Britain. The exports have been at exorbitant prices, ranging from $80 to $275 per thousand f.o.b. mill, with $3.25

added per thousand for rail shipments. We have been lending money to Britain without interest and selling our farm products to Britain at far below the world market prices, at the expense of the Canadian farmer. The government have told us that this will hold the British market for years to come. Is the case any different with lumber going to the British market? It does not seem to me good business to sell our farm products at a low price to Britain and then charge exorbitant prices for lumber shipped to Britain if we want her trade in the future. If the export prices on lumber going to Britain were reduced it would help to balance the low farm prices received on British contracts. At the present time we have to have an export market for our lumber. You could raise the domestic price on certain grades of lumber, especially hemlock, so that we could sell our lumber to Britain more cheaply and cinch that market. Russia, Sweden, Norway and Finland are going to compete against us in that market unless there is good mutual feeling between the lumber dealers of Britain and Canada.

Mr. PROBE: Mr. Chairman, I have been amazed this afternoon, as I was last evening, at the large number of pleas made by members on both sides of the house that the government increase today's retail prices of lumber. Many of us are not familiar with all the ramifications of the timber industry, but we are conversant with the fact that retail lumber prices have gone up sixty to seventy-five per cent at least, and perhaps more. That the hon. member for Halifax should be pleading for increased lumber exports, as he did a few moments ago, at a time when we cannot find the materials for house building is a fantastic situation. We are not beginning to get to grips with the problem at all. The only reason the hon. member is asking for increases in the export quota for his own area is that the producers of timber in that part of the country may capitalize on this squeeze which is going on in the foreign markets. There is no justification for allowing the export prices to continue, for the reason mentioned in part by the hon. member who just resumed his seat. We are actually killing the goose that lays the golden egg by extracting every nickel that we can from the foreign market now, but when the emergency is over we shall be going cap in hand asking these people if they would be good enough to buy our product.

Mr. HODGSON: I mentioned the British market.

Mr. PROBE: Yes. That applies, of course, to all our customers, but I am glad to be corrected with respect to the British market. That is what the hon. member said.

The argument of the hon. member for Queens-Lunenburg, the hon. member for Charlotte, and as I recall it, the hon. member for Royal, was that we again increase the lumber price ceiling here in Canada. The hon. member for Royal yesterday made the statement that the retail lumber firms were losing approximately $8 a thousand on their lumber sales. If that is so it is not because of the price at which they are selling the product, but because retailers are not getting sufficient wares from the wholesalers unless they are part of the wholesale connection. As I understand it, the trend in modern lumber retailing is for the timber operator to control the distribution from the cutting to the final selling of the lumber. There is some evidence of that in my own city, where certain yards apparently have larger supplies of lumber than others. It may be due to their wholesale and saw mill connections.

Under this order in council the minister has sufficient power to analyse the costs of all of the steps of the marketing of the finished product. To hear figures like $80 to $200 odd a thousand quoted for export lumber, or $70 a thousand on own retail market when I can recall that just before the war the retail market was able to sell lumber at $40 a thousand, shows that there is something incongruous in these figures.

The other evening I asked the minister to give me specific retail prices for five different lumber items based on the prices in 1939, 1944 and 1947. I have not forgotten that request, if the minister has, and I am again asking him to put these figures on the record. Today I am asking that he do something more. We have been conveniently vague in the committee on the question of various spreads in the prices from log to wholesaler, to retailer, to the ultimate market. I should like to have the minister give the representative prices today—I do not care what kind of timber he takes—so that we can get the relative spread of a log delivered at the mill compared with that log in the form of sawn lumber at saw mill prices. Then I should like the wholesale price to the retailer and the retail price to the consumer of the same article on a basis of price per thousand feet. These are figures which any laymen can understand.

In discussing the duties of the timber controller it is not enough to outline his extensive powers, unless he does something about them.

The other evening I put on the record—and it has been done by other hon. members—the increased net profits of one corporation, the Canadian Western Lumber Company, on the west coast, which had tripled its dollar profits between 1945 and 1946, and yet its whole record from 1939 down to the end of 1945, as contained in the manual of investments that I have before me, is one of diminishing production. The capacity of the Canadian Western Lumber Company saw mills on the west coast is 200 million feet per annum. In only one year in the last eight years did it hit that figure. That was in 1939, when it produced a little over 200 million feet. In successive years from 1939 to 1945, the last figures which are given in this book, production dropped until in 1945 it was only 60 per cent of what it was in 1939, and yet the balance sheet is exceedingly—

Mr. MERRITT: Why did production drop?

Mr. PROBE: That is one of the enigmas the meaning of which perhaps the Minister of Reconstruction and Supply may be able to give. Certainly there is nothing wrong with the timber limits which this company possesses. Everything that it owns is exceedingly accessible. This volume says that its limits are all accessible to salt water. The description of its property may be found at page 1816 of the Moody manual of investments. It is not a matter of getting the logs to the mill. It is simply a matter of this corporation—I am singling it out because its figures are so significant—

Mr. MERRITT: Does the hon. member know where its limits are?

Mr. PROBE: Yes. It is all in this record of Moody's at page 1816. I do not wish to read it to the hon. member; he may read it himself if he likes. The point I am trying to make is that while the annual production has continued to decline from 100 per cent capacity to 60 per cent of capacity, the net profits have been increasing. In large measure this is due in my opinion to the fact that the company is scalping on the market as it now exists, and that the timber controller has not examined adequately the profit sheet of this and other corporations which are in the lumber business.

I should like the minister to put on the record now, or as soon as convenient, the figures which I asked for the other evening. This afternoon I will ask for the relative prices of five staple commodities used in house building as between 1939 and 1947. The other figure I asked for was the price of any type of log in terms of thousands of feet, and carry the price of the article through the various distributing channels until it finally gets to the consumer. I think we shall find the answer to the problem of high cost of housing in there somewhere.

Mr. HOWE: All I can say to my hon. friend is that I shall be glad to look up these prices and give them at the next sitting.

Mr. MERRITT: I think the committee is entitled to a full explanation from the minister as to why he feels it desirable to continue this timber control, and, since so apparently he does think it desirable, what he is going to do to make the timber control a bearable thing for the timber industry from coast to coast. I know it is a very difficult problem for him. All his timber controllers in the past year have found it necessary to resign; their tenure of office is becoming shorter and shorter, and I feel I must say to him that he must do better than this in the operation of the timber control if he is to justify its retention at all. We saw in the house last night, and again this afternoon, members getting up from every part of Canada, and in every case the complaint is the one I hear so much from people in the lumber business in British Columbia. In the opinion of those people who are in the business it is not possible for any central organization to control so varied a product as lumber and get the best production and have a smooth-running industry.

Mr. PROBE: May I make a correction in the hon. member's statement? That is not the opinion of the members in the C.C.F. group in this house. We feel that the timber controller can do a good job, but we are mighty certain that thus far he has not made a good start in doing a good job. There is a big difference.

Mr. MERRITT: As a matter of fact I am not at all surprised at the hon. member's intervention, because it never really crossed my mind that they would support what the timber industry feels is in its best interest.

Mr. PROBE: We will not support profits like the Canadian Western Lumber Company's; it is scalping the market.

Mr. GILLIS: Restrict production and force prices up.

Mr. MERRITT: I can say a word about that. I am not saying now that the timber control should be taken off. I have not the information that the minister has available; I have available to me only the results of his policy. It might appear to me, as it

appears to many people, that we would be better off if the control were removed, but that is a responsibility of the government. I am not here telling them what to do—

Mr. CRUICKSHANK: What are you telling them?

Mr. MERRITT: —but I am here to tell the minister what is going wrong and what ought to be fixed. That is what I conceive to be my task this afternoon. What the matter is, as the minister knows, is not really the question of profit at all, certainly not so far as the mills in British Columbia are concerned. They are all making a profit, and everyone knows where it comes from. It comes from the export trade, where the price is necessarily kept very high in order to subsidize a domestic ceiling which is actually below cost of production of lumber in Canada. That is perfectly clear, and it is admitted, I think, by the minister. That is why I was surprised when the member for Regina City raised this question of the profits of a certain company, which, he suggested, was scalping on the market,—whatever that is,—and that annual production had declined although its profits had gone up. The hon. member need not worry about profits made by that company. I hope he was not trying to leave the impression with hon. members that these profits were made out of the Canadian people, that the domestic market was being scalped. The Canadian people are getting British Columbia lumber at about a $10 subsidy, the cost of production being about $10 per thousand above the domestic price. If the annual production of lumber from this company has dropped each year since 1939, we have had a war on. I imagine that in the first couple of years there was a shipping shortage and perhaps not so much was cut for the export market; and after that we had timber control. It is open to serious doubts, from some of the speeches made here, whether the control exercised by the minister is maintaining production in the way that production could be maintained either without the control or perhaps with a different type of control or a different handling of control.

The truth of the matter is that the policy followed by the government in this timber control has demoralized the timber industry in every province in Canada. I have in my hand press clippings of Vancouver papers, of April 23 and 24, and although we have not got further papers I presume there will be more items of this kind on the way. At the moment the minister's timber controller is out in British Columbia attempting to negotiate some new kind of agreement with the people in the business there, apparently so as to increase the amount of lumber which is delivered to the domestic market and reduce the amount shipped for export.

The minister knows that it would not be necessary in the case of many a mill for the timber controller to go to Vancouver at all, if there were a change in the policy followed by the government. I can mention one example within my personal experience where an operator in Vancouver wanted to sell a larger percentage of his cut domestically in order that he might maintain his pre-war markets and sell to veterans and not disappoint other old friends in Vancouver. He found he was unable to do what he wanted and he was unable to do what good business practice dictated, because if he did, he would be losing money over all. He found he must sell export right up to the quota in order to make a profit on his total annual sale.

That is one little example of the way in which this industry is being distorted. Here is a clipping from the April 24 issue of the Vancouver *Province*:

> Various lumbermen here reported today their stand that they do not wish to deprive the Canadian market of lumber and would willingly sell more at home if a profit could be made.

Then in a report in the Vancouver *Sun* of April 24, the concluding words are:

> Vancouver lumber spokesmen said the government and its officers should get out of the business of allocating and imposing priorities for lumber orders. They would like to see controls in the industry completely abolished, but they have little hope of this.

Mr. CRUICKSHANK: Are you in favour of that?

Mr. MERRITT: In favour of what?

Mr. CRUICKSHANK: Abolishing controls.

Mr. MERRITT: I have just gone to some trouble to explain that that would appear to me to be a very wise thing, but I am anxious to hear what the minister has to say on it. The minister is now before this house asking for the continuation of his timber control. I do not think the house should pass this item without some explanation by the minister as to the difficulties which arise under his control, and what he can do in the future to set them right and see that the industry is not demoralized, as it appears to be. Does that make my position perfectly clear to the hon. member for Fraser Valley?

Mr. CRUICKSHANK: I am sorry, Mr. Chairman, to have interrupted without asking for permission. May I say to the hon. member

for Vancouver-Burrard that I agree with him that far, but I still do not know where he stands on controls.

An hon. MEMBER: You will find out.

Mr. MERRITT: It appears also from this report that at one stage in these negotiations there was an arbitrary attempt to order certain mills in Vancouver to change the destination of their shipments without giving them any compensation for that order. This report says:

> Mr. Uren today swung a haymaker at the lumber manufacturers with an order to several mills to cease loading shipments to overseas ports, reprocess, and turn the lumber over to him for Canadian use.
>
> Mills receiving this order indicated they may defy the federal officer's dictum. It places them in conflict with signed and sealed contractual obligations, they counter.

In the report of the following day, April 24, it appears that more progress has been made and that the plan is something like this. First, the controller proposes that the domestic allocations should be increased from 35 to 40 per cent and probably to 45 per cent; second, that by way of compensation for that increase in the domestic quota, price increases be granted; the suggested amount is a ten to fifteen per cent increase, and in another newspaper report I have seen it suggested that the price might be advanced $7 to $13; third, that a system of "approvals" be set up. This apparently is a new system of priorities—

> . . . to assure definite quantities to veterans' housing, railways, mines, shipyards and municipal, provincial and federal projects. Under this scheme mills would take orders from such "priority" accounts, and then get them approved by timber control here. Each mill would have to supply a certain portion of its total cut to these "approval" buyers.

It appears from that report that we are to have three things: first, an increase in the domestic quota, which is something I should be very glad to see; second, an increase in the price, and apparently a fairly substantial increase, according to the newspaper reports; and third, a completely new system of priorities, called approvals, which I think the minister should explain to the committee if there is any truth in the report; because it seems that of the forty to forty-five per cent now to be retained in Canada, half is to be directed, under this approval scheme, to projects which the government approves; and the sawmill is to be able to supply only twenty per cent of its cut to its normal customers in its usual business way. At first sight it would appear to me that that is going to complicate and demoralize the industry even further than has the practice up to the present time.

Just before I sit down I wish to place on the record some of the things which have been done to this industry as a result of this control, particularly as they relate to British Columbia. In the first place, before the war and before the era of controls we had in British Columbia two major markets. One was the United Kingdom market and the other was the domestic market. Under the stimulus of low freight rates through the Panama canal during the depression, and under the further and most important stimulus of the Ottawa agreements and the imperial preference, British Columbia built up for her lumber a large market in the United Kingdom. At the same time the whole industry geared itself to those two markets. A certain number of the mills are export mills. They are on tidewater and have facilities for loading into deep-sea ships. As I understand it, they used to sell, say, ninety per cent of their cut export and ten per cent domestic. On the other hand there was the other set of mills—the small mills this time, and many more in number—which all over the province had rail outlets for their lumber. They naturally served the domestic market and shipped export only to convenience buyers or to get rid of some surplus that they had not been able to sell domestically. Naturally, their proportion of sales was just about in reverse, ninety per cent domestic and ten per cent export, or something of that kind. Also, we had on the Pacific coast, in addition to the best timber in the world, a system of grading and checking of our lumber which is unparalleled anywhere. In the Pacific lumber inspection bureau we had a body of inspectors whose certificates were accepted right around the world as proof that the lumber shipped was up to specification.

I might also say to the committee that you cannot control and set prices on lumber in the same way that you can control and set prices on wheat, because lumber is not a single commodity. There is all the difference in the world between the various grades.

Mr. PROBE: Grain is produced by the small fellows and lumber is produced by the big shots.

Some hon. MEMBERS: Oh, oh.

Mr. MERRITT: That is not the distinction, of course.

Mr. HOMUTH: That is the C.C.F. mentality.

Mr. MERRITT: The distinction is simply this. I believe you have grade No. 1, grade No. 2 and grade No. 3 in wheat. But to compare a big timber, twelve by twelve, with a two by four, for instance, is like comparing a motor car with a railway engine. They are two different commodities.

Mr. PROBE: I am trying to compare lumber with wheat; but go ahead.

An hon. MEMBER: You stick to wheat.

Mr. MERRITT: As I say, that is a difficulty in which the minister finds himself in trying to control this multifarious commodity. We have also heard from other hon. members—and I will not dwell on the fact—that if you subsidize your domestic market by high external prices, particularly in the United Kingdom market, you are very likely to kill the goose that laid the golden egg.

The second last timber controller had this to say at about the time of his resignation. In a press report from Ottawa, dated August 9, Mr. David Rosenberry is quoted as saying:

> "I disagree with the contention that we should make our export prices carry our Canadian losses," said the timber controller. "We cannot go on doing this and survive." "Domestic prices," he added, "were dollars below" the cost of production . . . If Canadian lumbermen were forced to protect their interests by a steady rise in export prices, he maintained, then the day could come when Russia might go after the British lumber market and undersell Canada.

The government must bear that in mind in dealing with this question.

Now I go on, I hope briefly, to show the various ways in which the clear-cut business procedure of the lumbermen in British Columbia which I have outlined has been distorted and broken down by what happended under control during the war. I have explained their domestic mills and their export mills. An export mill must sell forty per cent of its output in the domestic market, which it is not designed to do, and a domestic mill must sell sixty per cent of its product in the export market, which in turn it is not designed to do. That causes damage to the good will of the various operators, and damage to their future business. You have man after man in the timber business complaining that he is unable to fill orders, sometimes from old customers, and worried lest that may damage his good will in future. Then you have a most extraordinary development, in that all over British Columbia you find new little re-saw mills springing up, and people building dry kilns in conjunction with them, which never would have occurred in normal times. This has happened because some of the established mills have closed down their kilns because they could not operate them without increasing their losses. At the same time you have a deterioration in the quality of lumber produced and in the grading. You get random lengths instead of the lengths desired by the customer. You get all sorts of technical compliance with the regulations but what really amounts to evasion. For instance, you have lumber sold as rough lumber, which is taken by the purchaser to one of these small mills where it is re-sawn, dried and sorted by the purchaser, with the additional cost added to the ceiling price. Then you have other cases of custom cutting, where the owner of the logs will make a special contract to cut those logs at a price which, because it is a special contract, is not within the regulations. Time after time one hears of lumber delivered in Vancouver, and perfectly within the law, at $60 or $70 a thousand where the ceiling price may be $30 or $40.

In all those ways timber control, while it has not cost the people on the Pacific coast any money, while they are not complaining that they do not get an adequate profit, has broken down their proper business methods, so they are complaining that their industry has been demoralized. These are the matters which, in my view, the minister should be turning his attention to now and correcting. If he feels that he must maintain the control let him at the same time make it possible for this industry to get along under business practices which will permit the operators to keep their self-respect and retain their future markets. It should be made possible for them to do the good job that they did before the war, and that they want to do in future. I hope the minister will tell us whether, in his view, it may be possible to get away from all these malpractices which I have outlined and which come under his control.

Mr. CRUICKSHANK: I should like to say a few words; I shall be very brief, because I want to hear the budget tonight. I have in my riding the largest logging camp in the British empire, as well as the largest cedar mill in the British empire.

Mr. GIBSON (Comox-Alberni): So what?

Mr. CRUICKSHANK: The hon. member has all the profits from the pulp mills and so on in his riding. Let him take care of Comox-Alberni and I will take care of my constituency. I disagree with the argument of the

previous speaker, as I understood it. Apparently, according to the hon. member for Vancouver-Burrard, certain mills only are to be allowed in the export market. That was his argument, as I understood it.

Mr. MERRITT: No; that is not what I said at all.

Mr. CRUICKSHANK: It certainly took the hon. member half an hour to try and convince me of something else, then. I should like the hon. member to tell me of one mill—and I am speaking now of any well-known mill—on the lower mainland which, prior to the war, did not sell on the market that paid best, whether it was domestic or export. He cannot name a solitary mill that did not do business in that way.

Mr. MERRITT: Of course, and that was my point; they cannot do that now.

Mr. CRUICKSHANK: And I understood the hon. member to be advocating that only a very few mills should be in that export market.

Mr. GREEN: Oh, no.

Mr. CRUICKSHANK: All right; I hope to be able to say in ten minutes more than the hon. member said in thirty-five minutes, so leave me alone.

Mr. GREEN: You are not as bright as usual.

Mr. BROOKS: Not as bright as he thinks he is.

Mr. MERRITT: Don't misquote me, and I will leave you alone.

Mr. CRUICKSHANK: Maybe I am not as bright as I think I am, but let me tell the hon. member that more lumber is produced in my riding than in the whole province of New Brunswick, so maybe I know more about lumbering than he does.

Mr. BROOKS: You don't produce it; you just talk about it.

Mr. CRUICKSHANK: I have probably produced more lumber than you have.

Mr. BROOKS: Did you ever go out with an axe?

Mr. CRUICKSHANK: Probably if I got an axe I would be able to cut more than the hon. member for Royal, though I must admit I could not cut our timber in British Columbia with an axe. We have timber in our country, not the little match-sticks you have in New Brunswick. The argument of the hon. member for Vancouver-Burrard and the hon. member for Royal, if I understood it, seemed to me to be the argument advocated about a year ago by the hon. member for Vancouver North, that our domestic prices should be increased. The hon. gentlemen will correct me if I am wrong, but that is my impression. At that time we were in favour of the domestic price being increased, with the proviso that the lumber so sold should be made available to the people of Canada through the various retail outlets. So I think the hon. member for Vancouver-Burrard has missed the boat. We in British Columbia who represent lumber districts—and I hope the minister is taking this in—claim that in that province we are not getting distribution of our fair allotment of the lumber we produce. We believe the ceiling price for lumber could be increased by a reasonable amount on domestic sales provided that, as I said a moment ago, it is distributed through the various retail outlets.

It is customary in British Columbia—and I understand that this applies also to the prairie provinces—for lumber to be distributed through retail outlets rather than direct from the mills. What has happened is that the large mills are distributing direct, and the result is that local retailers throughout the province are unable to get any supply. Large lumbering operations are carried on in my riding, so it is not a case of just talking about it like some of the hon. members from New Brunswick. A farmer wanting to buy supplies for his farm may have to send his truck on a trip of one or two days to get 200 or 1,000 feet of lumber. If the retailers were getting their fair quotas of lumber the farmers or users of lumber could afford to pay an increase of from $8 to $10 per 1,000 feet rather than having to go long distances to get their supplies.

If I am not mistaken, this is the argument which was advanced by the hon. member for Vancouver North in his intelligent speech of a year ago. He knows something about lumbering because lumbering operations are carried on in his riding. Personally I am opposed to the export market being granted to three or four large producers of lumber. A financier from Ontario came out to my riding and paid millions of dollars for one mill. If I am not mistaken he paid $14,000,000 for another outlet, although I may be wrong in my figures. However it ran up into the millions. Why did he do this? He did it in order to get the vast majority of that export market. This is one of the parties who said that they could not pay an increase of fifteen cents an hour to the loggers. I shall have something more to say about that later on.

I just wanted to impress upon the minister that, in so far as the people of my riding are concerned, they are prepared to pay an increased price on the domestic market, provided that the quotas are raised to permit the retailers, who are the normal outlet for supplies, obtaining the necessary supplies.

Mr. ROSS (St. Paul's): I just want to say that there is something wrong with the timber control at the present time. I have received letters from lumber dealers in my riding, and in a few minutes I shall quote part of one of these letters. I have received a letter from a man who uses a lot of lumber in his business, and he wants the controls taken off lumber altogether because he feels that there will then be better quality lumber available even at a better price.

One of the main things I rose to speak about was to mention a company which is operating in Algonquin park in Ontario. This man came from the United States and invested his money. He got some rather large limits from the Ontario government, he has put in fourteen miles of road and is prepared to put up modern bunk houses to carry on his operations. At present he has a small mill operating to cut up the lumber to be used in building his own buildings. He proposes to expend from $100,000 to $150,000 on a mill, but under conditions which exist at the present time he is not going to go ahead. The situation is so precarious that these people do not know where they stand. A mill costing from $100,000 to $150,000 would be quite an asset for the province of Ontario but, as I say, these people are not going to go ahead because of the uncertain conditions that exist right now.

These people find that it is more profitable to cut and sell logs than it is to saw lumber. That is one aspect of this question of control which should be considered. I have a letter here from a lumber dealer in Toronto who wants the controls taken off altogether. He says that the timber controller did a marvellous job during the war, and I think he did. During those times people were patriotic and they were not operating in the black market as they are today. As a matter of fact the dealers in Toronto are all in the same boat. During the war they made practically no money; they might as well have folded up and gone out of business, but they did not. One paragraph in this letter reads:

> With the controls on today, what do we find? While up at Haliburton this year I saw, at five o'clock in the morning truck load and truck load filled to their full capacity with green lumber going from the saw mills to builders in Toronto and we know there could not have possibly been permits issued for same as they were paying $55 at the mill and all the wholesalers could pay was $42 to $45 for the same class of stock. Now the builder here in Toronto getting this stock from the black market had to take what he got. If there was 200 or 400 feet short in measurement, he could do nothing about it. If there was 25 to 30 per cent culls he could do nothing about that either, but if he did not buy in this black market he could not get any lumber at all so he had to take what he could get and like it.

To my mind a situation such as that requires a remedy. He then goes on to say:

> Since the control has come off in the United States, I personally have offered several of my customers lumber that, last year, would have jumped at the offers, but this year their replies have been, "We are not interested at any price." In other words, the American mills are getting into production and the American market that was quite a gold mine for Canadian shippers, prices will have receded back to the normal price, and I feel satisfied, except for a few items in Canada, the same thing would apply if controls were taken off after open trading for about two months.

I wanted to bring those two things to the attention of the committee because I think there is something very wrong with the way in which timber is controlled.

Mr. PEARKES: I feel I must accept the challenge of the hon. member for Fraser Valley when he referred to the size of the mills and the logging operations in his riding and compared them with the size of the mills and logging operations elsewhere. I feel that he has put his finger on the crux of the whole problem, namely, the neglect to channel domestic lumber through the retail merchants. I know that on Vancouver island the lumber yards have been short of lumber, with the result that the farmers and agriculturists who wanted to erect barns or some other type of domestic building have been unable to secure the small amounts of lumber which are absolutely essential to them.

Mr. HENDERSON: Mr. Chairman, what I have to say now will probably not fit in too well with the wonderful discussion with regard to lumber to which we have been listening. I do not live in a lumbering district and I have not the same interest in lumbering as some of those who have spoken. But I do know that in my district lumber is in more or less short supply; it is very hard to get and it is very much in demand.

I wanted to say a few words on firewood. I live in southern Ontario where we have not a great lumber region any more but where firewood and wood for fuel purposes generally is very much in demand.

Mr. HOWE: If I might interrupt my hon. friend, the control of fuel wood was dropped at the urgent request of the opposition.

Mr. HENDERSON: Many people are deeply concerned about the cost of firewood, which is in real and urgent demand by a great many of our older residents. They love the odour of wood smoke and believe no other heat is as radiant or cheering as that from the open wood grate or kitchen range. They also dread the danger of coal gas and its deadly fumes and cling to the use of wood fuel for both its cheering comforts and safety. During the war years we had a fuel controller who divided our country into regions or zones and regulated the movement and prices of wood fuel according to its several standards. But price control has been removed from wood fuel. The title of P.C. 1997 which we are now debating is:

Order in council abolishing the office of wood fuel controller, transferring his duties to the timber controller and reenacting the regulations respecting timber.

And paragraph (h) of the interpretation clause of the regulations respecting timber issued under that order in council reads:

"Timber" shall include any trees, standing or cut and any lumber in any form, and any wood, processed or unprocessed, and any wood product, and any by-product of wood, including but without limiting the generality of the foregoing, pulp wood, pulp wood chips, cordwood, millwaste, sawdust, hogged fuel and charcoal.

From this I conclude that, although controls have been removed from fuel wood, the order in council grants to the timber controller power and authority again to enforce price ceilings and other controls of fuel wood if he deems it in the public interest. Since the Minister of Justice has stated that numerous articles which have been removed from price control are decontrolled only so far as prices remain reasonable and just, and since coal strikes in the future are pending and there is uncertainty as to future fuel supplies, would the minister inform us if P.C. 1997 would give the timber controller authority again to enforce price ceilings on wood fuel if it advanced to such prices as, in his opinion, would not be reasonable and just?

At present flood control and soil reconversion are being given close and immediate study in the many recent flood areas and since forests play a large part in the scheme of flood control, there is danger, if timber prices advance too sharply, of finding an undue destruction of our fast vanishing southern forests. This is a matter of immediate concern and one that requires both federal and provincial study.

[Mr. Henderson.]

Mr. McCULLOUGH (Assiniboia): I think the way in which we handle this great natural resource of timber is the acid test of our democracy. We have in this country a timber cut of around four billion feet. During the last few days the question of controls has been under debate and we are now discussing particularly the utilization of our timber cut. My Tory friends to the right with their usual arguments have, in my opinion, been side-stepping the main issue. Their arguments represent a mental tango.

Mr. MERRITT: What is the main issue?

Mr. McCULLOUGH (Assiniboia): The issue is this. We want to build houses for our people. I heard the hon. member for Vancouver-Burrard ask a question of the hon. member for Regina City in regard to the profits being made by lumber companies. He asked: Does the hon. member realize that the Canadian people are not paying for the profits of the large lumber companies in this country. Was not that my hon. friend's question?

Mr. MERRITT: Yes.

Mr. McCULLOUGH (Assiniboia): The truth is that the people of this country are paying for those profits. In a previous debate in this house I mentioned the profits of the H. R. MacMillan Company, a large lumber operator on the coast, which made a profit of $1,300,000 in 1946 over 1945, and at that time the hon. member for Kamloops asked me if I realized what taxes this company had paid. I am not concerned with the taxes these lumber companies have paid. They are making tremendous profits. I would remind the government that before the election they promised that the veterans coming back would not be any worse off than the people who had stayed at home, and they promised the veterans homes and jobs. This is the acid test of democracy. Here is one of our great natural resources which the members of this group believe must be so handled and planned as to enable homes to be built for our people. But what have we today? A new timber policy has been announced by the press. The press reports that the cost of lumber is going up twenty-five to thirty per cent. If this is true the veterans will have to pay through the nose to get the lumber they need for their houses, and when you remember the small gratuities they receive you will realize that they will not be able to build houses if lumber increases in price. I have travelled across this country and have seen veterans living in basements in Vancouver. I know people in Ottawa who are living under conditions which,

if investigated, would be reported as not fit for habitation. My information is that on the Toronto waterfront O'Keefe's, a large brewing company, are building a plant costing $2,000,000, which will use timber and other building materials, and that another is planned for Waterloo, and others elsewhere across this country. I think, therefore, it is high time that there should be planning of this great natural resource of timber so that it can be made available to the people of this country as the members of this group have consistently argued.

Mr. HOWE: Perhaps I should answer a few questions that have been asked. The hon. member for Lambton-Kent asked if it would be possible to reinstate the control of wood fuel under the present order in council. I am advised that it would be possible. We would have to call the control by another name perhaps, but it would be possible to reinstate wood fuel control under the order. I sincerely hope that will not be necessary.

The work of the timber control has been criticized. It is not surprising that there should be criticism when we hear the diverse views that have been expressed by the committee. We have had speeches advocating a higher percentage of exports, speeches advocating more lumber for domestic use, speeches demanding lower prices for housing and a great number of speeches demanding higher domestic prices so that we would not ask the poor lumberman to sell below cost. However we have struggled on for a good many years in administering timber control. It may not have been convenient for everyone.

May I tell the committee an experience that surprised me? I went all the way to Edmonton about two weeks ago to attend a meeting of the representatives of all the lumber interests of interior British Columbia and the prairie provinces. We were wanting a larger proportion of the cut in that area and some changes in distribution which would help out areas that were not getting an adequate supply of lumber. I introduced the subject by making a speech setting out our objectives, and I said that if this could be obtained it would probably speed the end of lumber control. Someone said, "No one in this room wants lumber control removed," and no one challenged that statement. One of the men drove me home afterwards, and I said, "Is that the feeling of the gathering in the room, that they do not want lumber control removed". He said, "Certainly".

Mr. MERRITT: What reason did he give?

Mr. HOWE: He believes it is for the good of the industry. I believe that is the real opinion of the industry so far as producers are concerned. I am quite free to admit that the retailers do not take that view; but I think the important part of the lumber industry, so far as the present situation is concerned, is the producers rather than the retailers.

Mr. MERRITT: That means control for how long; an indeterminate period?

Mr. HOWE: I did not ask him that. I shall perhaps go back, call them together again and ask that question.

Mr. WYLIE: They were all Conservatives at that meeting?

Mr. KNOWLES: Was that the speech in which you told Alberta to send down Tories if they could not send Liberals?

Mr. HOWE: There is a reason for timber control which I have mentioned before. We need only compare domestic prices and export prices to realize that it is having an effect on the Canadian economy. For example, common fir and hemlock, surfaced four sizes, is selling at the mill in Vancouver at $26 a thousand. It is selling at the mill for export at $70 a thousand; flooring, 1 x 4, is selling in Vancouver at $55 a thousand for domestic use and for export, at $150 to $170 a thousand; drop siding, 1 x 6, at $43.25 a thousand for domestic use and $106 for export. I could give these spreads in greater detail to indicate the type of market we would be competing against without control. I could quote from the Cross weekly letter, dated Portland, Oregon, January 31, 1947, which says:

> The market on finished uppers belittles description. Prices seem never to get so high that they never go higher, and a price unreasonably out of line today looks good tomorrow. Fir flooring has been sold this week at $190, mill, and drop siding and other items of corresponding size and grade have found buyers at $150, and in a few instances even more.

Mr. PROBE: Why does not the timber controller take over the complete export market and handle both ends of it?

Mr. HOWE: There is a reason for that. The export market has been in existence for a good many years. We had traditional markets and we believe that the trade should look after their traditional markets. The business has been conducted between the private buyer and the private seller.

Mr. GIBSON (Comox-Alberni): It is a competitive business.

Mr. HOWE: Yes. Throughout the war years and throughout the reconstruction years we have tried to interfere as little as we could with the competitive situation. We have tried as little as possible to interfere with the proportion of export markets that were maintained before the war. For example, in British Columbia the cut has always been distributed about two-thirds export and one-third domestic. The same proportion holds pretty well in the maritime provinces. Therefore we have been permitting about sixty per cent of the timber of British Columbia to go export; we have been permitting about sixty per cent of the timber cut in the maritime provinces to be exported.

Mr. GREEN: How is the minister controlling exports now; under the export and import powers or under the timber control powers?

Mr. HOWE: Under both. We have the export regulations and we also have the timber control regulations. One operates on instructions of the other. There is a timber control advice to import and export control of the earned quotas and permits are granted accordingly. The overriding control is the import and export control.

Mr. GREEN: Under trade and commerce?

Mr. HOWE: Yes. It has been represented to us certainly in the house and from a great portion of the eastern trade that an increase in domestic prices would improve the distribution and the supply situation. Personally I have my doubts, but in any event, so far as western Canada is concerned, we found it necessary to retain a greater proportion of the cut to serve Canadian markets. The demand for west coast lumber has increased greatly this year, due to large domestic car orders and due to demands of provinces, municipalities and other public bodies for effecting repairs to essential structures. Therefore we have negotiated with the central British Columbia and prairie operators to reduce the proportion of their exports, and we have allowed them to increase domestic prices which will give about the same return to the mill as they were able to obtain under the former system of distribution. We have been negotiating with the west coast mills to the same end. I am advised that agreement has been reached or will be reached shortly. The domestic quota of west coast lumber will be increased and there will be a corresponding adjustment in prices, and an adjustment in the whole range of prices to effect a better supply of the top grades of lumber in the Canadian market.

[Mr. J. L. Gibson.]

Mr. BROOKS: Will there be an increase in the export quota of lumber from eastern Canada in proportion to what has been reduced in western Canada?

Mr. HOWE: No, certainly not; we need more lumber in western Canada. The export of lumber from the maritime provinces is the highest of any part of Canada. I understood from the hon. member's speech that he did not know that, but that is the fact. So far as the maritime provinces are concerned the export is about sixty per cent of the cut.

Mr. BROOKS: We export one car for every two cars that we use in the domestic market.

Mr. HOWE: That is so far as the earned quota is concerned, but there is a free quota to the United Kingdom, of which every cutter in the maritime provinces has a share, so that the net result is almost the opposite. Two cars are exported in the maritime provinces for one retained in this country.

Mr. CRUICKSHANK: Will an increase be given to the retail dealers?

Mr. HOWE: The increase in the wholesale prices of the mill will, of course, be extended and will cause a readjustment of domestic prices. That is being worked out at the present time.

Mr. CRUICKSHANK: What I mean is, will a definite amount be detailed to the retailer? Will there be quotas on it?

Mr. HOWE: All lumber is sold through retail licences.

Mr. CRUICKSHANK: They cannot get any.

Mr. HOWE: We hope this extra quota held in Canada will provide a better supply.

Mr. GREEN: Has there been any extension of licences issued to mills? I understand that a great many of the mills are allowed to sell retail which were not allowed so to sell before, and one result of the change has been to make it much more difficult for the retail dealer to get supplies.

Mr. HOWE: I cannot say. The wartime prices and trade board has the issuing of retail permits, and I think the test is as to whether the applicant has retail facilities. If he has a yard that is capable of serving the retail cus-

tomers I presume he gets a retail licence, but that is a matter which the timber controller has not had under his supervision. I do not know whether I have answered all questions.

Mr. BROOKS: Last night in the minister's absence I asked a question with regard to birchwood in Nova Scotia and New Brunswick. There are about a billion feet of it, I understand, and it is being affected by a disease called dieback. I understood that the minister of lands and mines of Nova Scotia had made representations to the department here, asking that the quota be increased to allow them to cut this lumber, which would otherwise be a total loss in a few years.

Mr. HOWE: That is true. We were asked to set a free quota for infested birch. The difficulty is that the lumber from infested birch is exactly like the lumber from good birch, and the result would have been that all the hardwood cut in the maritime provinces would have been infested birch by the time it came on the market.

Mr. BROOKS: You do not know the people of the maritimes or you would not say that.

Mr. HOWE: What I did suggest was that, after the quotas of last year had been filled, the timber controller would permit seventy-five per cent of the surplus cut to be exported, which seemed to us a very liberal proposal in that regard. It has not been accepted and I notice the cut in the maritime provinces is about the same this year as last year, so far as hardwood is concerned. But if an extra effort were made to cut more infested birch, at least 75 per cent of it could be exported.

Mr. GIBSON (Comox-Alberni): I have sat here and listened to the discussion that has been going on, and I resent some of the typically cheap C.C.F. insinuations against prominent industrialists in British Columbia. I certainly do not think they need to have me come to their defence, but what annoys me is the suggestion that we hear from across the way. Anyone not on direct relief, they seem to think, is an enemy of the state.

Mr. KNOWLES: Who are the biggest recipients of direct relief?

Mr. GIBSON (Comox-Alberni): With regard to Mr. H. R. MacMillan, may I say to my good friends the hon. members for Skeena and Assiniboia, that his record in British Columbia will stand close examination and will bear comparison with any of the records of members opposite in the C.C.F. party. He is a large employer of labour in my own riding, and—I may say this for the information of my hon. friends—he told me not long ago that he was definitely opposed to the removal of the domestic price controls on lumber. He said he felt that the present controls were protecting the small man in the country who was trying to obtain a home for himself, and I thought he was acting in the manner of a good Canadian citizen. I want to put that on the record to his credit. The sawmill in my riding which Mr. MacMillan operates cuts a quarter of a million feet a day, and that mill has never turned down anyone in the riding when he required lumber for the construction of a home. They have seen that lumber was available to all the residents of the constituency. I might also say—

Mr. McCULLOUGH (Assiniboia): Will the hon. member permit a question?

Mr. GIBSON (Comox-Alberni): I might also say to my hon. friend, when he is examining the facts with regard to lumber production and insinuating that some of the large lumber operators are reducing production in order to create larger profits because of scarcity, that the lumber cut last year in British Columbia was the largest in history, and that we anticipate that it will be larger in 1947.

An hon. MEMBER: How much was exported?

Mr. GIBSON (Comox-Alberni): When you refer to profits of that lumber company you would not be fair enough to inform the committee that there has been a vast expansion in that organization in the past year, involving millions of dollars of capitalization. There has been a large profit on the shipping business which that company carries on, something which has nothing to do with the domestic market at all. The lumber companies in British Columbia are considered the best employers of labour there. They have the highest scale of wages of any industry in the whole dominion.

I would say to the minister, however, that the British Columbia timber industry is highly competitive on the world market and our competitors have always been the United States mills on the Pacific coast. Because there is no price ceiling in the United States, and consequently they receive a high price for all their lumber, within the last three months there has been definite evidence that the Americans have been stealing some of our traditional markets from us, owing to the fact that they are able to undersell us on the world market. That is one feature of price control which must be considered in any

adjustment of the situation, but I am sure the minister will give these matters his close attention.

Mr. PROBE: May I deal briefly with one statement made by the hon. member for Comox-Alberni, and that is the one about cheap C.C.F. insinuations with respect to the lumber barons, with whom my hon. friend is associated. There is nothing cheap about insinuations when they are supported with the figures of the tremendous profits that these people are hauling in.

Mr. GIBSON (Comox-Alberni): They are taxed.

Mr. PROBE: Assuming that they are taxed; why should they not be taxed? You get your taxes where there is money. And whose lumber was it in the first place? Did the Canadian Western Lumber Company grow that timber? Certainly not; it is part of the domain of the people of Canada. Let me give instances of net profits, after taxes, in the case of the Canadian Western Lumber Company—and the source, by the way, is the *Financial Post;* there is nothing cheap about that. The *Financial Post* of March 8, 1947, quotes the Canadian Western Lumber Company as having received net profits, after taxes, in 1945 of $459,000 odd and in 1946 net profits, after taxes, of $1,019,000, or an increase of 121 per cent of actual profits. Let me say one thing more to my hon. friend. As to the rate of profit in 1946 on its capital of $3,073,000, how much of that is watered stock I do not know, but that is the capital—

Mr. GIBSON (Comox-Alberni): The original shareholders lost all their money, may I say for the hon. member's information.

Mr. PROBE: The rate of profit was thirty-four per cent. Well, that is not a very cheap insinuation. That is extremely high-priced stuff I am talking about. I know the effect on the producer, and you as a member of parliament and as a citizen of the country should know that our people are still suffering from lack of homes. That is the criterion by which we should be considering this matter in this house, and not only whether some lumber baron is paying proper wages to labour. I did not interject that.

Mr. McCULLOUGH (Assiniboia): The hon. member for Comox-Alberni saw fit to get up and attack some of the statements I made, and I saw some of my hon. friends across the way and some to the right get up and support these tremendous profits. I do not think we have indulged in cheap propaganda or debate or anything of that kind in this house. I have never in this house at any time reduced my arguments to personalities and I did not attack H. R. MacMillan for any personal reasons at all. I say this: When we have such a crying need in this country for homes and for building materials, for any government or any hon. member to stand up and support profits which I have already indicated—because my hon. friends are always talking about taxes—is something I cannot understand. Again I state that H. R. MacMillan and Company last year, in 1944, made a net profit of $1,213,790. There is the proposition. Hon. members can get up and support that sort of thing if they so desire.

Mr. HERRIDGE: I just wish to say a word or two, because I represent a district that produces annually some 125 million or 130 million feet of lumber. Fortunately, we have not any of these wicked people in my riding. The lumber industry in my district is largely owned by hardworking people, small people. I represent a riding which has many small mills in it. I have lived for some forty odd years with these people and I must say that they are splendid people to represent. There are some reasons for increasing costs as far as our district is concerned. I have found that our operators were on the whole very considerate of the local market and pleased with the profits they could make in the export market. These reasons are apparent when you consider the fact that just when the war opened—and I am giving this as an illustration—the stumpage on white pine on most government lumber was $1 per thousand and at the present time it runs from $5 to $7.50 to $8 a thousand; the royalty has increased from fifty cents a thousand to $2.50 to $3 a thousand; operating costs have increased generally; wages have been considerably increased during the last three or four years.

I have some knowledge of the lumber industry and the problems of the operators; and they are all small operators. We have not a single large mill in my constituency. They are nearly all workingmen, working together in small operations or in individual operations. On the whole, I think it is quite safe to say that there has been no profit in the domestic market. They have been supplying the local market, and I think in most cases, with very few exceptions, they have been very fair about it. But they have obtained most all their profit in the export market. I am not sure what lumber prices are, but I can illustrate the point by giving one instance. Late

last fall we supplied cedar fence posts to the prairie market for which we were receiving fifteen cents apiece. The Americans were coming from the south of the line and offering us thirty-six to forty cents for that identical fence post. That shows where the profit lies. Consequently, everyone is human and tries to sell as many as possible to the export market.

I am pleased to know that the government is going to divert a greater proportion of the lumber to the domestic market where it is required. I do want to emphasize the fact that, so far as the domestic market is concerned, I think the majority of the operators I represent have been very reasonable and fair and in some cases, have put themselves out in order to try to assist people who wanted to build. Ours is a decentralized type of lumber industry, because it is not possible to operate in a large way on mountain slopes and in mountain valleys. I think the results are a good argument for decentralization. The workingman there is involved in the operation of the lumber industry.

Before I sit down, I should like to ask the minister two questions. If a mill is selling retail from the mill direct rather than through a retail yard—we do not have such things; there are very few retail yards in the interior —is that mill allowed to sell at the price established for sale from the retail yard or not? And what is the price now established for the interior industry, for three or four grades of lumber retail?

Mr. HOWE: A mill can sell retail if it holds a licence to sell retail. In other words, if the wartime prices and trade board have decided that it is entitled to it, that it can give retail service, a licence is issued to the mill and it is allowed to charge retail prices. Otherwise it can sell only at mill prices. I did not catch the second question.

Mr. HERRIDGE: Can the minister give the retail prices now of three or four ordinary grades of lumber?

Mr. HOWE: These are the retail prices for the western prairies:

Size	per thousand
2x2, 8′ to 14′	$69
2x2, 8′ to 16′	72
2x4, 8′ to 20′	74
2x6, 8′ to 14′	65
2x8, 8′ to 14′	67
2x10, 8′ to 14′	67 50
6x6, 8′ to 16′	70 50
8x8, 8′ to 16′	70 50

Is that sufficient?

Mr. HERRIDGE: I just wish to ask the minister one more question. Would this price apply, for instance, in my own district if lumber was being sold by the mill retail to local customers?

Mr. HOWE: No. This is the mill price, plus the freight, plus the mark-up for the retailer.

Mr. JOHNSTON: To the prairie provinces.

Mr. HOWE: To the prairie provinces, yes. This would apply perhaps in Calgary, or between Calgary and Medicine Hat. Prices farther east are higher; for the central portion they are about $2 a thousand higher, and in the eastern portion about $2 a thousand higher again.

Mr. MERRITT: Will the minister explain this new system of approvals whereby apparently fifty per cent of the domestic quota is now allocated by the government? What is proposed by the government to be the quota?

Mr. HOWE: The allocations system has been in effect since controls were established. During the war practically all domestic lumber was allocated to war uses. After the war ended, we attempted to get away altogether from allocations, but we never were completely successful. There were essential uses for which allocations were maintained, such as federal government uses and certain provincial government allocations. It has been found necessary recently to enlarge the sytem of allocations. I cannot believe that it will be fifty per cent of the domestic quota in any section of the country. For instance, we have a domestic car-building programme which requires special grades of timber. They are difficult for the mills to fill, and in order to get the lumber it has been necessary to allocate certain parts of the order to various mills. That is true of certain provincial requirements. The allocations system is fair in that; if it is an awkward bill of lumber to fill, each mill is required to take a portion of it. In other words, certain mills cannot take all the good and other mills take all the bad.

Mr. WHITE (Middlesex East): I just wish to say a word or two about this knotty problem of lumber. I do not know whether or not I can throw any light on the shortages that appear; but a week ago Saturday in London, in western Ontario, the Liberal association held their meeting. It was evident there also that a shortage existed of good lumber for political platforms. Some of it was shaky; some of it was knotty. So I would say that not only the

lumber dealers and the farmers require lumber; political parties seem to be having trouble finding good material for their platforms.

Mr. HODGSON: Would the minister agree that with the high export quotas on the east and west coasts the operators in central Canada are in a tough spot?

Mr. HOWE: No. The operators in the central provinces are close to their markets; their prices are higher than on either coast, and in my opinion, for the size of their operation, they are just as well off as are operators on the west or east coasts. People assume that the well being of an operator depends entirely on the proportion of his exports. It depends, of course, on the combination of the price at which he sells in the domestic market and the price at which he sells in the export market; and I have not heard anyone suggest that the operators in the central provinces are not doing as well as any other timber operators.

Mr. CRUICKSHANK: Has any consideration been given to increasing the quota to retailers, in view of the new prices?

Mr. HOWE: Oh, yes. All lumber sold domestically is sold by retail, and if we increase the domestic quota we increase the supplies to the retailers.

Mr. CRUICKSHANK: I am sorry; I do not think the minister got exactly what I mean. In British Columbia we have a large number of retail dealers; I am not speaking of the mills with retail licences. Has consideration been given to increasing the quotas to the retail dealers?

Mr. HOWE: I assume that will follow automatically when large quantities are put on the domestic market.

Mr. PROBE: The minister promised that before this item went through he would give me a reply to questions I asked with respect to typical prices. He gave that information in part when he gave the prices for certain sizes of boards in the prairie region, but to make the record complete I asked that he give prices for 1939, 1944 and 1947 for five types of material to which I referred on Friday, and this afternoon I asked that he add the prices of logs delivered to the mill. I do not care what type of logs they may be—fir logs, if you like, so that we may follow the one transaction through. Take a fir log at the mill, after it is milled, the wholesale price and the retail price per thousand feet.

[Mr. H. O. White.]

Mr. HOWE: The answer to that question will require a good deal of research. No one could have the prices at hand, in a complicated schedule like the lumber schedule, and be able to give an answer to that question in a few minutes. I shall be very glad to have the answers worked out and table them later. My hon. friend would not suggest that we hold up this item until he gets that information, but I will table it as soon as I can.

Mr. PROBE: I asked for it on Friday, and I still have not obtained it.

Mr. HOWE: I am told they are still working on it.

Mr. JOHNSTON: I would like to say a word before this item carries, though I do not intend to hold up the committee. There has been a great deal of discussion in regard to the prices of retail lumber. I am not in a position to say whether the milling companies are making exorbitant profits; I think the minister and the control officials should have that matter well in hand. But if it is true, as has been stated, that all the profits of these mills are being made in the export trade, then I have wondered just what would be the position of the man operating a small mill, and I think perhaps some investigation should be made in that regard.

Mr. HOWE: The small man gets his export quota the same as the big man.

Mr. JOHNSTON: But it would not benefit him to the same extent; his turnover would not be so great. That was not the matter I particularly wanted to mention, however. I am concerned about the price increase on domestic lumber sold through retail channels. I cannot bring myself to believe that the retail yards have been suffering so very much. I agree with the minister when he says, as I interpret his words, that probably more attention should be given the wholesale or producing end of it than the retail end; generally speaking I believe that is true. In the last little while retail prices have been steadily climbing. Not only is that true, but the retail lumber companies have been making profits in another way which is detrimental to the consumer, the man who wants to build a house. I am not for a moment suggesting that the retail yards have been violating price controls or anything like that, but one matter has been brought to my attention by more than one contractor in the prairie provinces. The point is that the retail lumber yards are selling grade 2 and grade 3 lumber at grade 1 prices. I had

a fellow come to my house while I was home at Easter, who wanted this question brought up. I said, "Why don't you give me a statement to that effect? Put it in a letter to me, so that I will have it in black and white." Their position, however, which I can quite understand, is that if they did anything like that they would not be able to get lumber at all from the retail yards.

Mr. HOWE: Is this the same man who lays his flooring for three cents a square foot?

Mr. JOHNSTON: I do not want to get back on that argument, but if the minister says a man can lay flooring at 3 cents a foot or less and make a decent day's wages, I say he cannot do it.

Mr. HOWE: It is now one minute to six; we have been talking about lumber all afternoon. Can we not let this go through so that we may hear the budget quietly tonight, and go on with something else later?

Mr. JOHNSTON: As far as I am concerned—

Mr. MACKENZIE: May I suggest also that as a matter of procedure the committee must rise before six o'clock, so the Speaker will be in the chair at eight o'clock. Perhaps my hon. friend would be kind enough to allow this item to go through now, and then we shall sit later in the evening, after the budget speech has been delivered.

Mr. JOHNSTON: You mean on this item?

Mr. MACKENZIE: Yes, on this bill.

Mr. JOHNSTON: Let it stand and report progress.

Mr. MACKENZIE: Then with the consent of my colleague I move that the committee report progress and ask leave to sit again this day. I understand this item has been carried.

Some hon. MEMBERS: No.

Mr. JOHNSTON: That is not what you said a moment ago; you said we should report progress.

The CHAIRMAN: Before the motion is put, does the item on timber regulations carry?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. DOUGLAS ABBOTT (Minister of Finance) moved:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said: Mr. Speaker, it is my good fortune today to introduce a budget, the first for which I am responsible, under circumstances much more favourable than those of the recent past. Behind us are the huge and difficult budgets of the war years—highwater marks of achievement set by a Minister of Finance (Mr. Ilsley) whose name will long be remembered and honoured by his fellow Canadians—budgets which are evidence of what the Canadian people can do under the stimulus of war.

Today we have just ended a year in which our accounts show a surplus—a surplus larger than the accumulated total of all the previous surpluses in our history. Today we see a Canada enjoying a degree of prosperity never exceeded in living memory. We look forward to a year of high production and incomes. Indeed, we would appear to have ample excuse for self-satisfaction and easy optimism, if we took account only of our own immediate situation here at home. Our own position is favourable and encouraging, but beyond the Atlantic and the Pacific half the world works slowly and painfully to rebuild its ruins, and until much more progress has been made in both economic and political aspects of international affairs, we cannot afford to be complacent.

I do not propose to take the time to review in detail our present economic situation. Its main features are clear. Our available manpower is almost fully employed, with some surpluses in special areas and trades and equally real shortages in others. Demand continues to outrun supply in many lines of business. Our exports remain at high levels, limited in most cases only by our own ability to supply. Imports are pouring into the country from the south in large volume, without appearing to divert much demand from our own production. Private business is proceeding to expand, repair and improve its capital on a scale so large that its plans will be severely limited by scarcity of materials, equipment and labour.

Some increases in inventories are occurring but apparently not on a large scale, presumably because the pressure of demand in most cases is so excessive that neither producers nor dealers can keep ahead of it. Consumer purchasing continues to expand and there is as yet little sign in Canada of any widespread unwillingness or inability on the part of consumers to buy what is being offered to them. The demand for housing remains so great that the most strenuous efforts to meet it still leave a gap that can be filled only over a period of several years. Provincial governments and municipal authorities are making substantial expenditures to meet deferred maintenance and new public projects that were postponed during the war. In short, we are in a period of intense post-war activity, supported and fed from many quarters.

The results of this are reflected in our national statistics. The most comprehensive of these are the figures for national income, gross national production, and national expenditures, which are prepared and published by the dominion bureau of statistics. I have arranged to have included in the printed appendix to the budget a number of tables of these interesting and useful statistics as well as several tables of other representative figures that bear upon the budget and the general state of our economy. The national income, production and expenditure totals for 1946, it will be noted, are only moderately below the record levels of the peak years of the war, which years of course reflected the temporary and abnormal intensity of effort to which the war gave rise.

In spite of all the problems of transition and reconstruction during the past year, despite the huge shifts in man-power and the widespread shortages and labour unrest, our production, income and expenditures remained at very high levels. The figure for gross national production exceeded the $11 billion mentioned in last year's budget as a target which we might fail to reach because of interruptions to production. Examination of the table of national expenditures will show that there was a sharp decline during the year in government expenditures on goods and services but this was very largely offset by increased expenditures on plant, equipment and inventories on the part of private business, and by a very substantial increase in consumer expenditures. On the income side, there was a slight reduction in income from the peak level attained in 1945, but an increase in wages and salaries and in the income of individual businesses, reflecting chiefly a substantial increase in the net income of farmers which reached last year levels higher than even those of the war years.

In this present period of prosperity, inflationary pressures continue at work, though on a scale reduced from previous years. We no longer have the huge war requirements of our own and other governments exerting a constant and almost irresistible force on prices and supplies. The upward pressure of costs is also less strong, and in many cases adjustments have already been made to higher cost levels during the past year. The first rush of returned servicemen and other consumers to buy whatever was available is now subsiding and one can expect buyers to be more selective. On the other hand, of course, we must recognize that export demands for many products remain strong despite exchange difficulties of some of our customers. The huge expenditures of business on new plant, equipment, buildings and stock in trade now constitute in themselves a very potent inflationary pressure. Price levels in other countries, particularly the United States and Britain, are substantially higher than our own, and through both exports and imports they exert a strong upward thrust upon our prices which has only been partially offset by the readjustment last year of our exchange rate.

On balance, while there are still some inflationary forces to contend with, they are less powerful than in the past and not such as to interfere with the orderly decontrol of prices and supplies. I will not trespass here upon a subject already debated at length in this house this session, but I can and should say that in budgeting we must take into account the process and results of progressive decontrol.

In appraising our current situation we must also recognize the special and temporary character of much of the expenditure that is the stimulus to our present high level of income and production. Our war expenditures are largely finished, but there are many substantial expenditures such as those for veterans' benefits, which will diminish as time goes on. Much of the large expenditure of business on plant and equipment represents accumulated or postponed requirements and does not give us any reliable guidance as to what we may expect on a continuing basis, even under relatively prosperous conditions. Consumers, too, are probably still making purchases to meet accumulated needs that arose directly or indirectly out of the war, or are using extra wartime savings for special purposes, and consequently they are probably spending more and saving less than they

normally would with incomes at present levels. So with our export sales as well; some of our largest customers are buying more from Canada, because of their abnormal needs at present and because other normal sources of supply are not available, than we can reasonably expect them to buy on a continuing basis. We must be prepared for reductions in some or all of these abnormal expenditures of various types in the not distant future, and we must be prepared for the changes and adjustments in our production necessary to fit it into a more permanent pattern.

Notwithstanding the temporary and special nature of some of these forces, it is encouraging to find that our present prosperity is largely based upon consumer and business expenditure as well as a high level of exports and can be expected to continue without any special expenditure made by the government for the purpose of sustaining it, whether by incurring deficits or otherwise. The demands for our production this year are so strong that I think we may legitimately make our budget plans in the expectation that our gross national product for this year, 1947, will exceed the estimated total of $11·1 billion for 1946 and may amount to something close to $12 billion, calculated at prices somewhat above those prevailing last year. Any such forecast in these uncertain and abnormal times is subject to a wide margin of possible error and to many qualifications. In particular, we must expect that the figure will be less than that I have mentioned, if a substantial recession should occur in the United States later this year.

One of the main supports of our current high level of production and income which is the result of special government action is, of course, our large volume of exports, financed in part by the loan to Britain and by export credits to France, Belgium, Holland and some other countries. These loans have been made to enable those who have been our customers in the past, and will be our customers in the future, to buy Canada's export products during this critical period when the world has been reconverting from war to peacetime production. These countries could not have bought from us on anything like this scale without such loans. It is very much in our interest that they should be able to buy during this period, not only as a means of getting our production and trade reestablished immediately, but also in order to assist these good customers and friendly countries to reestablish their own economic life on a satisfactory basis.

This export credit programme and the loan to Britain are, of course, essentially transitional measures. None of us contemplates a continuing, large-scale programme of government lending to finance our exports. We in Canada must count on the returns from our exports to pay for our imports and to pay our other bills abroad, including the service of our external debt. We have consequently had to limit the credits that we have granted and to request those countries borrowing from us to pay for part of their requirements in foreign exchange that we can use to buy our own imports. We have also recognized that those to whom we are lending must have such help as we can give them in reestablishing and expanding their own export trade, so that they may continue to buy from us later and repay what we are now lending. Creditor countries must be prepared ultimately to accept repayment in goods and services. In the case of Canada, we are now a creditor of some countries and at the same time a debtor to the United States, and we must act and plan with both these facts in mind.

During the past year the high level of Canadian production and income has led to a very high level of imports, as supplies became available in other countries, particularly in the United States. This large volume of imports has made possible a more rapid rise in our living standards, a speedier reconversion of our industry, and a more adequate supply of essential materials for our production than would otherwise have been achieved. Since supplies from many countries were not available, most of our imports have had to come from the United States and have had to be paid for in United States dollars at a time when our receipts of United States dollars from abroad were greatly reduced by the fact that many of our customers had to obtain credit for a substantial proportion of their purchases from us. The result, of course, has been that we have found it necessary to draw substantially upon large exchange reserves built up in the last years of the war and the first year after V-E day. We fully expected that it would be necessary to draw heavily upon those reserves, and this was made quite clear last summer when our exchange control legislation was before parliament. At that time highly tentative and conservative estimates were given of the possible drain on our reserves that might be expected, but these, I am afraid, were regarded in some quarters as exaggerated—they were treated in some quarters as a rather laboured attempt to justify exchange control, the necessity for which some were inclined to deny. Since that time, as the extent of our trade deficit with the United States has become apparent through the published trade statistics, there has developed a

tendency to go to the other extreme, and many unfounded rumours have been put into circulation. In these circumstances I felt it was desirable to table yesterday, somewhat in advance of the time when I normally would have done so, the report of the foreign exchange control board for the year 1946, which gives a great many facts concerning our trade and international financial position for that year.

I need hardly say that hon. members will find that report worthy of careful study. It shows that our official holdings of gold and United States dollars declined during 1946 by $263 million but that we still had a total of $1,245 million at December 31 last. While we had a net favourable balance on current account of $458 million with the world as a whole and one of $954 million with all countries other than the United States, our current account balance with the latter country was adverse to the extent of $603 million. This large current deficit with the United States was due in part to certain temporary factors, including the abnormal Canadian demands for United States goods and travel which we had largely done without for years, the filling up of empty shelves and warehouses, the high level of United States prices, the shortage of goods from alternative sources of supply and certain payments by the Canadian government for the purchase of military assets and equipment . But it would be a mistake to place too much emphasis on such special influences. The fact is that in any period in which we are enjoying high levels of production and high consumer incomes, Canada imports a great deal from the United States. In other words, our large adverse balance last year—and the continuing high level of imports—is to a very considerable extent the product of Canadian prosperity.

This point has a real bearing on the validity of the suggestion which is made in some quarters that it would have been better not to have restored the Canadian dollar to parity last July, and that the way to stop the drain on our United States dollar reserves is to reverse that action. This argument is based largely on pre-war conditions of unused capacity and limited demand that do not exist today. It seems to assume that exchange depreciation would restrict the flow of imports or increase the flow of exports. A large proportion of our imports from the United States, including for instance, such necessary products as coal, petroleum and raw cotton, would clearly not be affected at all, and under present conditions of shortages on the supply side and urgent and unsatisfied demands on the other, the effect on our volume of imports of, say, a 10 per cent change in the cost of most other import items would be very slight indeed. After all, the rise in prices in the United States which has occurred since last July has had no apparent effect in discouraging imports to this country. On the export side, too, the change in the exchange rate has had relatively little, if any, effect in reducing the amount of our exports, except possibly to some extent in the case of gold and, indeed, the change may have actually increased our receipts of foreign exchange in some cases as a result of adjustments in the prices obtained by our exporters. Our judgment on this matter has, I think, been confirmed by the action of many other governments. The exchange rates which they have selected and maintained indicate fairly clearly their view that under prevailing conditions of widespread shortages, limited supplies and urgent needs, the possibility of a country improving its exchange position by currency depreciation is extremely limited. Our return to parity last July was designed to relieve the pressure on our price ceilings and reduce the strong tendency to inflation in both prices and costs of production. Evidence of the contribution it has made in this direction is to be found in a comparison of the movements of prices in Canada and in the United States since last July, which can be seen in table VI in the appendix to this budget.

Another important point to which the foreign exchange control board's report calls attention is the extent to which the deficit in our accounts with the United States is offset by dollars or their equivalent received from other sources, including those countries to which we have granted credits. Last year we received $237 million of gold and United States dollars as a result of transactions with countries other than the United States—chiefly the United Kingdom, France and other countries to which we had extended credits. This year we expect to receive substantially larger payments in convertible exchange from the United Kingdom and from a number of other countries. Since last January the United Kingdom has been paying us for a portion of its current Canadian requirements in sterling, which we can and do convert into United States dollars or other currencies we require.

Moreover, we have now reached the time when Canada may expect to benefit from the new international machinery which has been established during recent years to aid in international monetary and financial affairs. The recent commencement of operations of the international monetary fund may soon result in overseas countries providing us through the

fund with cash or a source of cash. The international bank will very shortly be making its first loans. The additional United States dollars which these loans will provide should assist certain countries now borrowing from us to pay for a portion of their purchases here in United States funds.

Finally, as the house is no doubt aware, eighteen of the leading trading nations of the world are now engaged in Geneva in vitally important trade and tariff negotiations. These discussions are intended to lead to substantial tariff reductions in the United States and elsewhere and to the establishment of an agreed code of behaviour between nations in the field of commercial policy and related matters. The ultimate objective of these negotiations is to make possible the restoration of multilateral trade on a large scale, which is the best possible basis for Canadian prosperity and stability.

I have referred to certain elements in our exchange situation and prospects which have helped, or will help, to meet the problem caused by our large, adverse balance with the United States. I have done so in order to give the house a balanced picture. No one would deny that, even after allowing for these favourable elements (of which I may say there has been no general knowledge or appreciation), Canada in common with practically all countries in the world, other than the United States, has a United States dollar problem. This is no new problem with us. In the course of the war, to go no further back than that, we had a United States dollar problem which in some ways was more difficult than what we have to-day. Indeed, we reached a point in the early stages of the war when our reserves were almost completely exhausted. But we quietly took constructive measures to deal with the situation and thus owing in part to our own efforts and in part to the cooperation of the United States we were able to master the problem. Not only did we meet all our requirements but we entered the current period with exchange reserves several times as large as at any previous period in our history.

In considering the present situation, it behooves us to maintain a reasonably balanced perspective. In terms of basic economic fundamentals Canada's international position is stronger today than at any previous time in our history. We emerged from the war with our productive apparatus not only completely unimpaired but enormously enlarged and strengthened. Our working force is larger, more highly skilled, and more fully employed than ever before. Our competitive position in world trade has been greatly improved as a result of our increased efficiency and the degree of control we have been able to exercise over inflationary rises in prices. Since the beginning of the war we have reduced our net international indebtedness by about thirty-five per cent, and this in spite of supplying huge quantities of goods to our allies on a gift or mutual aid basis. In 1946 we had a favourable balance in our current transactions with the world as a whole greater than that achieved in any previous year.

In this field of international trade and exchange, there are unquestionably problems which we must face and changing situations to which we must adjust ourselves. It will continue to be our policy to seek for constructive solutions to these problems in a straightforward, common-sense manner in collaboration with other nations.

I believe the house is in general familiar with the main aspects of our negotiations with provincial governments during the past year, but perhaps I should not let this occasion pass without a few comments about this important problem of dominion-provincial relations.

The offer made by the dominion in the budget of last June was promptly accepted as a basis for negotiation by three provinces and later by several others. In the course of discussions with these provinces, which extended over several months, the original terms were subject to a number of modifications and the details of agreements embodying the necessary provisions to safeguard the interest of all parties were hammered out and agreed upon.

The modified formulae for determining the amount of the annual payments to be made to the various provinces were the product of a most intensive study of the whole problem and represent, I believe, the most successful attempt yet made to achieve equitable treatment of all provinces. They maintain intact the existing pattern of statutory subsidies which are the product of a long historical evolution and in the additional payments they represent a fair compromise between the two alternative methods of allocation, namely, fiscal need and taxability or tax potential—a fair compromise between the school of thought which believes in equal per capita payments and that which would base payments on the relative ability of the various provinces to raise revenues from the tax sources in question.

The stability of revenues assured by the guaranteed minimum payments represents one of the chief advantages of the plan to the adhering provinces. Their revenues will rise

as their population and the gross national product rise but the assurance that regardless of fluctuations in the national income, regardless of whether the next few years bring a recession, provincial revenues will be supported by these large irreducible minimum payments is of particular value to them. Far from weakening their autonomy or sacrificing any of their constitutional rights, they have merely found a method of utilizing one of these rights —the method of renting instead of cultivating a tax field—whereby they can assure this revenue at generous levels guaranteed against the risks of economic adversity and participating also in the profits of growth and prosperity. With this assurance of stable and rising revenues, they are for the first time in a position to plan with courage and confidence and a sense of real independence, programmes for the efficient discharge of their constitutional responsibilities.

The government of Canada looks forward to the day when the agreement of all or substantially all the provinces will make possible the achievement of the great national purposes which impelled the dominion to make its comprehensive proposals of August 1945. These include not only the elimination all across Canada of the evils of duplication and conflict in the fields of direct progressive taxation which have such important economic effects, but also the development of an efficient and flexible tax system designed to promote the expansion of employment and incomes, as well as a comprehensive programme for the co-operation of dominion and provincial governments in the field of public investment and social security.

Nevertheless, we do not ask any province to accept a tax agreement unless it believes such agreement to be in its own interest as well as that of the country as a whole. We did our best to shape the offer of last June in such a way as to make it possible and satisfactory for any province to remain out of the agreement if it wished to do so, and we would far prefer to have a province remain out indefinitely than to endeavour to persuade it to come in against its own judgment of where its true interests lie.

REVENUE AND EXPENDITURE 1946-47

Detailed information about our revenue, expenditure and debt is provided for the house and the public in the white paper which will be printed as an appendix to the budget, and therefore I shall only draw attention here to the main points of interest. As the accounts will not be completed for some weeks, the present figures are estimates which are still subject to change.

The grand total of expenditures for the year amounted to approximately $2,632 million, which was just over half, 51 per cent to be exact, of the expenditures for the preceding year. Total revenue of all kinds, including refunds of previous years' expenditures and other special receipts and credits, amounted to $2,984 million, only $29 million less than the total of the previous year. There was consequently a surplus of about $352 million, constituting a reduction in our net debt. This is, of course, a surplus of quite unprecedented size and, in fact, compares with a total of $319 million for all previous surpluses in Canada's account since confederation. Such a surplus is, of course, very gratifying. We can take legitimate pride in the fact that in the first fiscal year beginning after V-J day we have been able to better than balance our public accounts by a wide margin. This large surplus is a tribute primarily to the health and strength of Canada's economy but the government of the day and particularly my predecessor, the present Minister of Justice, are, I believe, entitled to take credit for the prudent management of the country's financial affairs to which this result bears witness.

We should not, however, be led into false optimism, nor should we jump to the conclusion that our present tax structure is much more than adequate to meet all our future requirements. There are abnormal aspects of both the revenue and the expenditure sides of our accounts which need to be considered before we can obtain anything like a true picture of probable future budgets.

On the revenue side, for instance, there are special receipts of $372 million, representing the proceeds of sale of surplus war assets, refunds of previous years' expenditures and other credits of a temporary character.

Some hon. MEMBERS: Oh, oh.

Mr. ABBOTT: Yes, but there are also excessive expenditures on the other side.

In addition our tax revenues include a substantial amount of payments by taxpayers in respect of income received in earlier years or arising out of the non-recurrent taxation of accumulated surpluses of private companies. Moreover, our revenues are based on very high levels of production, incomes and imports which we probably cannot expect as normal levels in future years. I have said enough to demonstrate that it would be a

mistake for us to assume that, if we were to retain our present tax structure, we could expect to obtain total revenue of a magnitude approaching that of the year just closed.

But while I emphasize that, I also wish to stress the fact that our expenditures for the past year included substantial sums for items of a temporary, abnormal or non-recurring character. National defence, for instance, spent some $376 million during the year, which is $136 million more than is being estimated for the current year. The Department of Reconstruction and Supply spent $70 million on liquidation and termination of contracts alone. Veterans Affairs paid out almost $320 million for war service gratuities and re-establishment credits, $100 million for discharge benefits and $50 million for treatment services. The continuing cost of subsidies introduced during the war accounted for about $208 million. There were many other items included in the 1946-47 expenditures which will either be entirely eliminated or greatly reduced in future years. The grand total of expenditures incurred last year must therefore be considered in the light of these abnormal or non-recurring factors. On the other hand, there is another type of allowance which will have to be made, if and to the extent that this parliament approves the undertaking of new services or the provision of new benefits. Here, in this parliament is where the real control of expenditure must rest. We may talk all we like about the necessity of reducing expenditures but if, at the same time, or, perhaps on the following day, we press for this or that new service or benefit, this or that new project, or an increase in this or that benefit, we are thereby making it impossible to maintain that more reasonable level of public expenditures which the cessation of war and demobilization expenditures should bring.

What I am getting at is this: Our surplus is a real one and one from which we can find encouragement, but it has been obtained at high levels of revenue and expenditure which do not necessarily give an accurate indication of the shape of things to come.

Total revenues for the year exceeded by $509 million the forecast made in the budget of last year. The largest increase over the forecast was in the item for special receipts, which the then Minister of Finance stated could only be an arbitrary estimate, and in respect of which we received in fact $372 million rather than $200 million. He stated that the estimates in respect of other items were believed to be conservative, and I think the prevailing view was that he was not being conservative enough. Caution was the only attitude which a responsible Minister of Finance could take, particularly in the light of the prevailing shortages, uncertainties and industrial unrest which prevailed when the budget was brought down.

In any case, our production, trade and income, on which our revenues were based, turned out to be surprisingly well maintained last year, despite the early difficulties and uncertainties. Consequently customs duties and personal income taxes, both highly sensitive to economic change, substantially exceeded our forecasts. We probably underestimated the effect on our income tax revenues of the return of veterans now getting taxable wages and salaries instead of tax-free service pay and allowances, as well as the effect of the large retroactive increases in wage rates. Corporation profits also turned out to be considerably higher than it had been felt safe to count upon, with the result that revenue from corporation income tax and excess profits tax amounted in all to about $688 million, which was 27 per cent above the forecast. Sales tax as well reflected the much greater supply of consumers' goods available for the market. Its yield at about $300 million was 20 per cent above the figure included in the last budget. Other excise taxes on consumers' goods showed a much smaller increase over the figures budgeted, and the yield of excise duties on liquor and tobacco turned out to be quite close to the anticipated figures. Succession duties, taxes on interest and dividends going abroad, and miscellaneous taxes produced revenues close to the estimated figures, while non-tax revenues were slightly less than anticipated.

On the expenditure side, the figures for the last year were well below the amount estimated. The total as estimated at present, is $2,632 million, which is $137 million, or 5 per cent, below the total of the main estimates for the year, which in the budget was taken as a safe limit to set on probable total expenditures.

Expenditure on national defence amounted to $376 million, which was $113 million less than that authorized by the estimates, and was, of course, only a small fraction of such expenditure in the previous year. Expenditure by reconstruction and supply, mainly on contract termination, emergency housing and coal production, amounted to about $137 million, compared with total estimates of $231 million, the main reduction by comparison with the estimates coming in connection with termination of war contracts. Expenditures of all

kinds by the Department of Veterans Affairs amounted to about $607 million compared with aggregate estimates of $667 million. As I have said, the total cost during the past year of subsidies of all kinds, introduced during the war, paid by various departments and agencies amounted to approximately $208 million.

Following the practice of the last six years I have provided for an addition of $25 million to the reserve for possible losses on the ultimate realization of active assets. Under the Consolidated Revenue and Audit Act it is the duty of my department to present in the public accounts, to quote from the act, such "accounts and matters as are required to show what the liabilities and assets of Canada really are," at the date of such statement. I believe this obligation is to present what is considered to be a true picture of such assets and liabilities. The government of Canada has loans, advances, investments and other assets amounting in the aggregate to over $4,746 million which it carries in its books as active assets. It is obvious that while these assets on the whole are believed to be good assets, there is bound to be a certain percentage of loss on their ultimate realization. No one can forecast the future with sufficient accuracy to know precisely how large this loss may be. We can only use reasonable judgment and each year since 1941 it has been decided that the reasonable thing to do was to set aside $25 million as a reserve to take care of such losses. At March 31 last, the total amount in this reserve was $155 million after certain write-offs had been made against it. I would not go so far as to say that this sum, which represents 3.2 per cent of the total book value of our active assets, is a highly conservative estimate of the amount necessary to bring the book value of our active assets to a wholly realistic basis but I do believe that it is not an unreasonable provision for the purpose. No doubt ministers of finance reviewing the situation in future years may wish to build up the reserve to a somewhat larger amount over a period of time.

I have already referred to the impossibility of predicting with accuracy the probable total amount of ultimate loss in respect of all our active assets. It is even more difficult to assign this loss to individual assets or types of assets, although losses are more likely in certain cases than in others. In any case I am convinced that it would be unwise from the point of view of public policy to break up this reserve and earmark it against particular items in our active assets. No business man would reveal in his published statements the amount of his bad debt reserve carried against the account of each individual debtor; if he did, he would place himself in a very weak position in the collection of his accounts. Similarly, I believe that it would not represent prudent or efficient administration of Canada's financial affairs to show in the public accounts specific reserves to meet possible losses in connection with specific assets. The general reserve offers a better method of assuring a true presentation of Canada's assets without any disadvantage.

I should point out that while it is believed no specific parliamentary authority, other than that to which I have referred, is necessary to set up and add to this reserve, it is of course clear that no asset can be written off in whole or in part and the write-off charged to this reserve, unless there is parliamentary authority, general or specific. During the past year, write-offs amounting to $19·6 million were made and charged to this account. These involved various investments made during the war in government owned plant and equipment carried in our books as active assets, and the authority for the write-offs was the Surplus Crown Assets Act.

In addition to our budgetary expenditures the government made substantial outlays during the year in the form of loans or advances or the purchase of investments, in regard to which detailed information will be found in the white paper. The largest of such investments was that of $640 million in advances to the United Kingdom under the financial agreement approved by parliament last year. The United Kingdom drew rapidly on this credit during the past fiscal year, but we do not expect drawings this year to be so rapid, as a considerable part of British requirements in Canada are now being met by payments in convertible foreign exchange derived from other sources. Drawings under export credits to other countries amounted in all to about $267 million. All these were offset to a large degree by repayments of earlier loans and advances to various governments, so that our net investment in credits to other governments last year amounted to $648 million.

Owing to our surplus of revenue over expenditures, and repayments of various loans and advances, including some of those made to the foreign exchange control board, it was possible to meet all our requirements for cash, apart from debt redemption, without net new borrowing during the year. The only sale of new securities to the general public was the issue of Canada savings bonds, which commenced in November. The amount of this issue outstanding at the end of the fiscal year was $488 million. The proceeds of this issue,

together with other available funds, made possible the redemption of $779 million of matured or called securities, apart from those renewed or converted, which resulted in a net reduction during the year of $283 million in our funded debt.

The estimated gross liabilities of the dominion at the end of the fiscal year amounted to approximately $17,660 million, against which active assets of approximately $4,590 million were held, leaving an estimated net debt of $13,069 million as of March 31. This, of course, is $352 million less than a year ago, as a result of the surplus on the year's operations. I should repeat that these figures are preliminary estimates subject to adjustments before the final accounts are struck.

BUDGET FORECAST 1947-48

In assessing the budget requirements for the new fiscal year, we should first recall that the total expenditures provided for in the main estimates are approximately $1,996 million. To this must be added $6 million of supplementary estimates already introduced, making the total $2,002 million. There will as always be supplementary and further supplementary estimates which must be taken into account and, on the other side of the ledger, we may expect the departments to make certain savings in the funds made available to them. It is the net result of these factors which will determine the total expenditures for the year.

At this time it is not possible to forecast with great accuracy the amount of additional funds which parliament will be asked to provide before the end of the year. However we can already see some of the purposes for which more funds will be required. One of the most important of these is to carry out our obligations under the new taxation agreements with certain provinces. Funds for this purpose could not be included in the main estimates, as the authority to enter into such agreements had not yet been granted by parliament, but in making our budget plans we must, of course, allow for them. At the present time the governments of six provinces have obtained or are now in the process of obtaining from their legislatures authority to enter into agreements. Our latest calculations of the gross annual payments to be made to these provinces in respect of the fiscal year 1947-48, using preliminary estimates of population and of gross national product, give a total of approxmately $78,400,000. From this amount must be deducted the statutory subsidies payable to these provinces. Only three-quarters of the net remaining payments to the provinces, or approximately $52,150,000, will be payable during the current fiscal year because of the timing of the quarterly payments involved.

From these payments one would normally deduct a credit for the special corporation income tax to be levied by the provinces in accordance with the agreements. It has been estimated that this adjustment for the six provinces under consideration would be in the neighbourhood of 15 to 20 million dollars for a full year, but no deduction in respect of this item will be made until after the end of this fiscal year.

To the net total I have already mentioned, we must add the subsidies to be paid to the maritime provinces under the Duncan and White commission awards, namely $2,475,000, and the special payments to be made to New Brunswick and Prince Edward Island in respect of the "gap" between the termination of their war-time tax agreements and the date from which the new agreements will commence, April 1, 1947. These payments, for which authority will be sought in the new legislation dealing with the tax agreements, will amount to slightly more than $3 million. The total, therefore, which we must add to the estimates to cover additional payments to provinces, is approximately $58 million. Of course, if more than six provinces enter into the agreements during the year, the total may exceed this figure.

While these further payments to provinces will be the most important addition to the expenditures contemplated by the main estimates, there will be others, some of which cannot now be foreseen but a number of which are already in prospect, as for instance, the increases in old age pensions to be provided for by legislation already announced. While we expect that, as usual, departments will not spend all of the funds provided for in every one of their votes, I do not think it is safe this year to count on savings as large as usual, in view of the pressure that has been put on all departments to cut their estimates to the bone. After making due allowance for all the considerations that appear pertinent and endeavouring to avoid either excessive caution or undue optimism, I have come to the conclusion that the best estimate that can be made at the present time of our total expenditures for the current fiscal year is $2,000 million.

Turning to the revenue side, we estimate that our present taxes under the laws now in force and applied under the conditions of the

current fiscal year as we now foresee them would yield total revenues of approximately $2,450 million. This includes tax revenues estimated at $2,200 million, non-tax revenues (mainly return on investments and post office receipts) estimated at $160 million, and special receipts and credits estimated at $90 million. These tax and revenue figures include an estimated yield of $40 million for gasoline taxes, the repeal of which as from April 1 has already been announced and which is included with the tax changes in this budget. With the consent of the house, I shall place on *Hansard* a table showing the details of this estimate in comparison with the actual revenues of 1946-47, as now estimated.

—	Forecast Fiscal Year 1947-48	Actual Fiscal Year 1946-47
	(millions) $	(Preliminary) (millions) $
Customs Duties	230	237
Excise Duties	200	196
Sales Tax (net)	325	298
Other Excise Taxes	290	281
Income Tax—		
Personal	625	695
Corporate	300	239
Excess Profits Tax	170	449
Interest and Dividends	30	30
Succession Duties	26	24
Miscellaneous	4	10
Total Tax Revenue	2,200	2,459
Deduct Refundable Taxes	.....	−7
Non-Tax Revenue	160	160
Total Ordinary Revenue	2,360	2,612
Special Receipts	90	372
TOTAL REVENUE	2,450	2,984

It will be noted that total estimated revenue on this basis would be $534 million less than in the year just closed. One of the principal reductions expected, namely $282 million, is in special receipts and credits, where we can no longer count upon large refunds of previous years' war expenditures or upon such large sales by War Assets Corporation as during the past year. We also anticipate a large reduction in the revenue from excess profits tax as a consequence of the changes introduced last year and which are only now taking full effect upon our revenue; this decrease will be offset in part by a corresponding increase in revenue from the corporation income tax, which has replaced a portion of the flat rate of the former excess profits tax. Personal income tax revenues are also shown at a lower figure as a consequence of the changes which went into effect on January first this year. Apart from these changes and certain minor ones that I shall not attempt to mention here, the table shows that we are anticipating a buoyant effect on revenues resulting from a national income and expenditure likely to be somewhat higher this year than last.

[Mr. Abbott.]

It will be apparent from the estimate of expenditure and revenue which I have just made, that if no tax changes were made we would anticipate a surplus of approximately $350 million during the fiscal year which has just begun. In view of the inevitable uncertainties, both in regard to several major items of expenditure and in regard to the level of corporate profits and other constituents of national income, we cannot take this forecast as a firm figure but it is the best estimate which we can make at the present time and indicates the general nature of the budget situation confronting us.

The house is of course aware that in addition to our budgetary expenditures, the government is also called upon to provide cash during each fiscal year for the making of certain loans, advances and investments which increase the active assets of the dominion and therefore do not affect the surplus or deficit or the net debt. Apart from the usual capital advances to the Canadian National Railways and the national harbours board and loans for housing or to veterans, the principal items of this nature to be expected during the coming year are the

continuing advances to Britain and other governments under existing agreements. As at April 1, the sums still remaining unused in these credits aggregated $870 million. There is likely to be some offset to this type of demand upon our cash resources in the shape of further repayments of various loans and advances previously made. However, any proper estimate at this time of the net result of these advances and repayments would be almost impossible to make. I shall therefore not venture to make any forecast as to our net cash requirements over and above our budgetary expenditures. We should, however, always bear in mind that a prospective budget surplus in our accounts does not necessarily mean a surplus of cash receipts over cash requirements.

We must also bear in mind that before the end of this fiscal year we must repay refundable taxes amounting to $89 million, $58 million being in respect of personal income taxes and $31 million for excess profits tax.

TAX POLICY

From what I have already said it will be clear that we can afford tax reductions without thereby creating a deficit in our accounts. Reductions in taxes leading to modest reductions in our revenues will result not in an increase in our net debt but rather in a smaller prospective reduction in that debt.

From some points of view it can be strongly argued that under the prevailing favourable economic conditions we should concentrate upon the maximum reduction of the national debt which of necessity had to be built up to such huge proportions during the war. It is a sensible and far-sighted policy to reduce the national debt in good times and permit it to increase in times of economic adversity. We must expect, I believe, that at times when our employment, production and incomes are below satisfactory levels, our revenues will fall short of our expenditures. Indeed, at such times it will probably be necessary to incur expenditures of various kinds to assist in restoring better levels of employment and income. It is a necessary corollary of this that we should aim at a surplus in times of prosperity and very high levels of income and employment, such as we have at the present time. Only by efforts to maintain our revenues under such conditions can we hope to avoid indefinite and undesirable accumulation of debt over the long run.

Economic considerations alone would hardly justify immediate tax reductions. As I have already stated, there are still substantial inflationary pressures pushing our prices and costs up. Reductions in taxes may add to these pressures in some measure, though they should reduce some of the demand for higher wage rates.

We must, however, look beyond these immediate circumstances and take other factors into account. The rapid rate at which taxes had to be increased in Canada during the war, experienced against our North American background of a long history of low taxes and relative freedom in economic affairs, has given rise to an acute tax consciousness.

Had our taxes been raised gradually and under normal conditions to their present levels, had they been increased for the productive, peacetime purposes of national development and social security rather than for the unproductive purposes of war, then the present levels might perhaps have been acceptable and tolerable as continuing levels. Instead, however, they represent a position to which we have returned after a sudden and unpleasant excursion into painful wartime levels of income tax, and people are still smarting so much from their wartime experience that even after the substantial reductions made in the last two budgets, the present levels of personal income taxes are regarded as excessive by a large proportion of the public. Therefore, whatever may be argued from the point of view of immediate economic effects or long-term debt policy, one must reach the conclusion that those who must bear them are not ready to support income taxes on the present scale. In fact, I am sure that were our present levels of personal income tax to be continued, they would constitute a serious impediment to a full working effort and a brake upon the drive and initiative of men and women in all groups and classes.

There is another important point. We in Canada must always remember the effect upon us and our policies of our proximity to the United States. So close and insubstantial is that common boundary line to most Canadians, so many-sided are the business and social relationships between our two peoples, so important is the influence exerted by the larger economy upon the smaller one, that we cannot for long follow widely divergent tax policies without causing serious strains. It would appear that if Canadians are asked to carry tax burdens which, after making due allowance for lower cost of living or lower cost of doing business or other offsetting factors, are significantly heavier than those imposed by the United States, there is a risk of a serious drain of Canadian personnel to the south for this reason alone.

PERSONAL INCOME TAX

I am consequently proposing to make a substantial reduction in taxation in this budget. Moreover, I am proposing to concentrate this reduction almost entirely in the field of personal income tax. This is the tax that at present levels is proving so unpopular and is causing difficulty. To overcome the situation which I have described a substantial reduction is necessary, and I do not feel that we can afford the reduction required in this field and also substantial reductions in other forms of taxation in the face of the responsibilities which Canada finds upon her shoulders in this post-war period.

In reducing the rates of income tax I have, of course, endeavoured to graduate them as fairly as possible, giving the greatest proportionate relief to those in the lowest brackets, but granting some relief to all. I have also had in mind keeping the rates of tax on additional income that a person may earn down to sufficiently reasonable proportions that the tax on such additional income does not offer a serious barrier to extra effort or initiative, including overtime work, for example.

I am, therefore, proposing a new and substantially lower schedule of rates of income tax to come into effect on July 1. Under this new schedule, the average amount of tax will be reduced by about 29 per cent, as compared with the present rates, and our revenue will be reduced accordingly. Nine out of ten taxpayers will find their taxes reduced by 29 per cent or more from existing rates. The reduction as compared with present rates is as much as 54 per cent in the bottom bracket, but is limited to about 6 per cent or 7 per cent in the top brackets. The new schedule has an initial or starting rate of 10 per cent instead of 22 per cent, as at present. The rate then steps up gradually over relatively short brackets and becomes 20 per cent over a considerable range of income in the lower middle brackets. As nearly as we can estimate, 95 per cent of all the taxpayers will find that under this new schedule the marginal rate of tax, that is to say, the rate on each additional dollar that they earn, will not exceed 20 per cent. The new schedule reaches a rate of 50 per cent on additional income at the level where income exceeds exemptions by $17,000, in place of $13,000 under the present schedule. The tax reaches a maximum of 80 per cent at the top on incomes in excess of $250,000 a year.

It is proposed to retain the same general structure of exemptions and allowances that was established last year. This structure, as the house is aware, has been considerably simplified as compared with the elaborate and complicated structure which prevailed during the war years, and we have achieved, I believe, the simplest practicable method of taking family allowance payments into account.

The exemption levels established last year are high enough to exempt completely from tax more than half the people earning incomes in Canada. Consequently it can be said that any person who pays income tax now has more than an average income, taking his or her marital and dependent status into account. Moreover, taxpayers with income only a little in excess of the exemptions will pay only a very small tax under the new rates, a good deal less than in the United States under either the existing or the proposed new schedule which has been approved by the house of representatives but not yet by the senate or the President. If we raised exemptions above the levels established last year, we should in fact be sparing so many from income tax that it would be unfair to the large number of the people who are below the present exemption levels, because we would inevitably be forced to rely for necessary revenues upon indirect taxes which would bear more heavily upon the low income groups.

It must be remembered, too, that raising the exemptions results in a very substantial loss of revenue because it affects all taxpayers, including those in the highest brackets, and the saving for each taxpayer is his highest rate of tax applied to the increased amount of his exemption. Already our exemptions are considerably higher than those in the United States and in the United Kingdom, the countries to which we would most naturally look for comparison. If, as some have suggested, we restored the pre-war levels of exemptions, we should have to sacrifice more revenue than the whole of that sacrificed by the rate reductions I am now proposing, and we would be doing practically nothing by such action to reduce the rate of tax on additional earnings for those who remain subject to income tax. It is the high marginal rate of tax on additional earnings that discourages additional work, enterprise and initiative, and consequently we must aim in our reductions at cutting down these marginal rates of tax.

I am proposing that the new schedule of rates go into operation as of July 1, which is the earliest date by which it will be possible to prepare the new tables and get them into the hands of employers. As from that date deductions from wages and salaries will be adjusted to the levels appropriate to these new rates. The new tax rates themselves will apply fully, in the absence of modification by

later budgets, to the income for 1948 and subsequent years. For the current year, 1947, total tax liability will be calculated by applying the existing rates, which went into effect on January 1, to half of the taxpayer's income for the year and the new rates to the other half. In other words, the effective tax rate for the year as a whole will be the average of the two sets of rates.

A few examples will probably illustrate more clearly than any description the effect of the proposed changes. A married man without children and with an income of $150 a month now is subject to a monthly deduction in respect of tax of $5.35 and must pay a total for the year of about $68 at the rates now in effect. Under the new rates his monthly deduction will be only $2.85 and his liability for a whole year will be $36. For the year 1947 his total tax will amount to $52 collected at the present rate of deduction for the first half-year and at the new rates for the last half of the year. In the United States, his total tax for a full year would be $118 under existing rates and $82 under the new proposal to which I have referred.

In Canada, a single person without dependents and with an income of $100 a month will under our present proposals find his deductions each month being reduced from $8.30 at present to $4.80 after July 1, and his tax liability for a whole year, instead of being $105 will be $61; for the year 1947 it will be the average of these two, namely $83.

Married persons with two children and a monthly income of $250 will find their deductions reduced from the present figure of $25.85 per month to about $18.30, while their annual tax bill will be reduced from $327 to $230; the average applicable to this year will be $278.

Further up the scale the more fortunate individual, married, with no dependents and with an earned income of, say, $10,000 a year will find his annual tax bill cut from $2,723 to $1,990, while his bill this year will be $2,356.

It will be agreed, I believe, that income tax reductions, averaging over 29 per cent for all taxpayers and running up to 54 per cent for those in the lowest taxable brackets, are very drastic reductions. They are particularly significant when we remember that they follow the substantial reductions made in each of the last two budgets. I have had a calculation made to show just how much the total reduction has been from the war-time peak of income tax rates, the rates imposed by the budget of 1942. I am advised that the best way of getting the answer to my question is to apply to the estimated volume and distribution of personal incomes in a recent year the tax rates that were applicable under the 1942 budget and those in the new schedule which is to be found in the first resolution that will be tabled at the end of this budget. Such a calculation has been made. It shows an over-all reduction in the total personal income tax burden on the Canadian people of 51 per cent, taking into account only the fixed tax in 1942 and not the compulsory savings portion. If this portion were included in such calculation, the percentage reduction would, of course, be substantially higher.

I believe that the verdict of all responsible persons will be that we have gone as far as we can possibly afford to go under the present circumstances. The new rates reduce taxes very materially in the lower brackets and bring them quite substantially below tax rates in effect and proposed in the United States and of course very much below comparable rates in the United Kingdom, Australia and New Zealand. Higher up the scale, in the middle brackets, our proposed rates are also generally lower than those now applicable in the United States, but are somewhat higher, in dollar amount only slightly higher, than the new rates proposed in the United States, to which I have already referred but which of course may not be the rates finally adopted there.

These middle brackets represent a category of incomes to which we gave the most careful consideration. They include the salaried classes which according to much prevailing opinion have shared less than other classes in the economic gains made since 1939. The group also includes the young professional or scientific men and the young business executives for whom the attractions in the United States of more specialized opportunities and the possibility of ultimately higher rewards exercise the strongest appeal. Since early in the war our rates have been more progressive than the United States rates. However, after a great deal of study we have been able to deal with these middle ranges of income in such a way, I believe, as to achieve the maximum of fairness and the minimum of practical difficulties.

For the convenience of hon. members, I would like to place on *Hansard* at this point several tables illustrating our new rates of tax for single persons, married persons with no dependents, and married persons with two dependents, as compared with existing rates, and also a table comparing our taxes with those now in effect in the United States and with those proposed in the bill passed by the house of representatives.

PRESENT AND PROPOSED INCOME TAX

SINGLE TAXPAYER

Income	1947 tax at present rates	1948 tax at new rates	Percentage reduction from present rates	1947 tax 6 months at present rates and 6 months at new rates	Percentage reduction from present rates
	$	$	p.c.	$	p.c.
$ 750	.....	.....	.....	.....	.....
800	11	5	54	8	27
900	33	16	51	25	25
1,000	55	29	47	42	24
1,200	105	61	42	83	21
1,500	180	120	33	150	17
1,800	257	180	30	218	15
2,000	313	220	30	266	15
2,250	383	270	29	326	15
2,500	453	320	29	386	15
2,750	523	370	29	446	15
3,000	593	420	29	506	15
3,500	740	520	29	630	15
4,000	895	620	29	758	15
5,000	1,205	835	29	1,020	15
7,500	2,058	1,465	29	1,761	15
10,000	3,038	2,253	26	2,645	13
20,000	7,900	6,515	17	7,208	9
30,000	13,400	11,728	12	12,564	6
50,000	26,091	23,456	10	24,773	5
75,000	43,516	39,418	9	41,467	5
100,000	62,016	56,631	8	59,323	4
200,000	143,441	133,056	7	138,248	4

NOTE.—In calculating the above taxes it has been assumed that all incomes up to $30,000 are entirely earned incomes, and that incomes of more than $30,000 include earned income of that amount and additional investment income to make up the total.

PRESENT AND PROPOSED INCOME TAX

MARRIED TAXPAYER—NO CHILDREN

Income	1947 tax at present rates	1948 tax at new rates	Percentage reduction from present rates	1947 tax 6 months at present rates and 6 months at new rates	Percentage reduction from present rates
	$	$	p.c.	$	p.c.
$ 1,500	.....	.....	.....	.....	.....
1,600	22	10	54	16	27
1,800	68	36	47	52	24
2,000	118	70	41	94	20
2,250	180	120	33	150	17
2,500	243	170	30	206	15
2,750	313	220	30	266	15
3,000	383	270	29	326	15
3,500	523	370	29	446	15
4,000	663	470	29	566	15
5,000	973	670	29	821	15
7,500	1,793	1,260	29	1,526	15
10,000	2,723	1,990	27	2,356	13
20,000	7,488	6,140	18	6,814	9
30,000	12,988	11,315	13	12,151	6
50,000	25,641	23,043	10	24,342	5
75,000	42,991	38,968	9	40,979	5
100,000	61,491	56,143	8	58,817	4
200,000	142,841	132,493	7	137,667	4

NOTE.—In calculating the above taxes it has been assumed that all incomes up to $30,000 are entirely earned incomes, and that incomes of more than $30,000 include earned income of that amount and additional investment income to make up the total.

PRESENT AND PROPOSED INCOME TAX

MARRIED TAXPAYER WITH TWO CHILDREN OF FAMILY ALLOWANCE AGE

Income	1947 tax at present rates	1948 tax at new rates	Percentage reduction from present rates	1947 tax 6 months at present rates and 6 months at new rates	Percentage reduction from present rates
	$	$	p.c.	$	p.c.
$ 1,700	.....	.....	.....	.....	.....
1,800	22	10	54	16	27
2,000	68	36	47	52	24
2,250	130	80	38	105	19
2,500	193	130	33	161	17
2,750	257	180	30	218	15
3,000	327	230	30	278	15
3,500	467	330	30	398	15
4,000	607	430	30	518	15
5,000	911	630	30	770	15
7,500	1,725	1,208	30	1,466	15
10,000	2,647	1,930	27	2,288	14
20,000	7,378	6,040	18	6,709	9
30,000	12,878	11,205	13	12,041	6
50,000	25,521	22,933	10	24,227	5
75,000	42,851	38,848	9	40,849	5
100,000	61,351	56,013	8	58,682	4
200,000	142,681	132,343	7	137,512	4

The above figures show the actual income tax liability of a taxpayer with family allowance children' but in order to arrive at his true net position the amount of family allowance received for his children must be offset against his tax liability. For example, assuming he receives the average family allowance payment of $72.00 a child, a taxpayer with an income of $2,500 and two children would find that under present rates his income tax exceeded his family allowance by $49.00, while under the proposed rates his family allowance payments will exceed his income tax liability by $14.00.

NOTE.—In calculating the above taxes it has been assumed that all incomes up to $30,000 are entirely earned incomes, and that incomes of more than $30,000 include earned income of that amount and additional investment income to make up the total.

It is estimated that these proposed reductions in income tax rates will reduce our revenue from this tax by an amount of approximately $175 million for a full year. It is estimated that the effect upon the revenues of the current fiscal year will be about $110 million, as a part of our collections this year will be based on the previous tax rates before change.

I am endeavouring to make this a relatively simple budget and I am not, therefore, proposing any other substantial changes at this time in the income tax, although I shall later mention some minor amendments. We have been busy during the past year upon the rewriting of our basic income tax law in an effort to improve its arrangement, to make it clearer and simpler, and to remove ambiguities and anomalies. Hon. members will, I think, be particularly pleased with the extent to which it will be less dependent upon the exercise of ministerial discretions. Senior officials of the Departments of Justice, National Revenue and Finance have spent many months on a very detailed revision. I have taken a considerable personal interest in their work in this field. I hope to be able later in the session to introduce a bill embodying this general revision of income tax law with the intention of making it effective with respect to incomes of 1948. In all probability it will not be expedient or reasonable to ask the house to enact this new bill in the current session, but I believe it would be useful to bring it in this session in order to give members full opportunity to study it and mull it over, so that the country may get the full benefit of their consideration of all its details. We do not consider that this measure, when enacted as law, will constitute the final word, but we believe it will provide a framework within which further improvements can be made over the course of future years.

In addition to this new income tax act, we also will have ready for action in this session a complete revision of the Special War Revenue Act and which we propose to rename "The Excise Tax Act". When parliament has had an opportunity to deal with these two revisions, we shall have made a great advance

COMPARISON OF PERSONAL INCOME TAX—CANADA AND UNITED STATES

MARRIED TAXPAYER.—NO CHILDREN

Income	Canadian tax at new rates	U.S.A. tax at present rates (a)	U.S.A. tax at rates in bill passed by House of Representatives (a)
	$	$	$
$1,200	.....	15	11
1,300	.....	32	23
1,400	.....	49	35
1,500	.....	67	47
1,600	10	84	59
1,800	36	118	82
2,000	70	152	106
2,250	120	195	138
2,500	170	238	183
2,750	220	280	224
3,000	270	323	258
3,500	370	411	329
4,000	470	505	404
5,000	670	694	555
7,500	1,260	1,292	1,034
10,000	1,990	2,024	1,619
20,000	6,140	6,142	4,913
30,000	11,315	11,676	9,340
50,000	23,043	24,453	19,562
75,000	38,968	42,707	34,166
100,000	56,143	62,714	50,171
200,000	132,493	147,697	118,157

(a) The U.S.A. taxes shown are Federal taxes only; most States have income taxes in addition to the Federal tax. In Canada no personal income tax is levied now by any province. Under the United States income tax law every taxpayer is allowed a deduction of 10 per cent of income up to a maximum of $500 in lieu of deductions for medical expenses, charitable donations, etc., and this is taken into account in calculating the taxes for United States; Canadian taxpayers who can claim such deductions would pay less tax than shown by this table, since no allowance has been made for such deductions in calculating the Canadian tax.

NOTE.—In calculating the above Canadian taxes it has been assumed that all incomes up to $30,000 are entirely earned incomes, and that incomes of more than $30,000 include earned income of that amount and additional investment income to make up the total. No distinction is made between investment and earned income under the United States tax.

in the complete overhauling of our tax legislation, which the government regards as one of its major, immediate post-war objectives.

CORPORATION AND EXCESS PROFITS TAXES

I turn now to corporation income and excess profits taxes. Effective at the beginning of 1947, these have been reduced to a straight corporation income tax of thirty per cent on profits, plus a tax of fifteen per cent on excess corporation profits. As my predecessor stated last year, the excess profits tax has distinct weaknesses and limitations in normal times and is not, therefore, to be accepted as a permanent part of our tax structure. As he said, the government decided last year that it would be retained for this year, 1947, unless provision is made for its earlier repeal at this session of parliament.

[Mr. Abbott.]

We have given careful consideration to the question of whether or not this tax should be repealed before the end of the year, and have taken into account the views and arguments advanced from many sides. If business conditions had now returned to normal and we could rely upon the forces of competition and bargaining to keep profits at normal levels, we would be justified in repealing this tax with effect before the year end. If business needed larger profits to encourage and enable it to provide additional employment by greater expenditures, we should repeal the tax forthwith. Neither of these conditions exists at present. While competition is returning and supply is catching up on demand, profits before tax still are running at abnormally high levels, due to the after-effects of the war, including continuing demobilization and export credit

expenditures. Business confidence and available funds are so high that a good many business men are competing more in their efforts to expand their investment quickly than in getting down their costs and keeping down the prices at which they sell their products. In all these circumstances, the government has decided that this tax should not be terminated until the end of the year.

A short time ago in this house I urged Canadian business men to reduce their prices as their volume and efficiency of business expand. I stated that it is neither proper nor even good business to charge all the traffic will bear. I want to emphasize that view again now. We in the government, and the vast majority in this house and in this country, believe in what is now called "free enterprise". We believe in it not as a windy doctrine or a mystic ideology, but as a sensible way of getting things done. It must prove itself and justify itself by its results. With the orderly removal of controls, with increasing supplies of material, with efficient and cooperative labour, and with ample markets, Canadian business enterprise is in a most favourable situation. We all expect it to show its mettle, both in production and in marketing. We expect it to show its ability to keep down costs and prices. In its own long-run interest, as well as in the national interest, business must keep its prices down and its profits within reason.

While most of the minor amendments in our tax laws will be dealt with in the revised act, about which I have already spoken, there are a few changes applying particularly to corporations and other businesses which I wish to propose at the present time.

In the first place, I am proposing that we levy a 5 per cent withholding tax on dividends paid by wholly-owned Canadian subsidiaries to their parent companies abroad. We have no tax of this kind on such companies at present, but such a tax is permitted by our tax convention with the United States which levies such a tax, and we feel that it is not unreasonable for Canada to have one as well. This new measure is to come into effect immediately, and I estimate that in a full year it will yield three or four million dollars.

It is also proposed to extend for 1948 the allowances that have been made in recent years for expenditures on exploration for oil, gas and other minerals. We believe that these allowances have been important in facilitating and encouraging mineral exploration and development, and that we should continue them at least for another year. We propose to change the form of these allowances from the present form of a tax credit to the more normal form of a deduction from income. In the case of the special allowance provided for expenditures on deep test wells, we will make a further special provision to preserve the equivalent value of the tax credit now granted.

In accordance with the announcement made several months ago, I am also proposing to introduce a special provision in the income tax law to ensure that the income content of funding or refunding security issues received by taxpayers after January 1, 1947, will be taxed as income in the year in which the new issue is received. As I explained in the announcement, we feel that it is necessary to take this precaution to safeguard our revenue and to preserve equity.

Other proposed amendments relating to the income tax act will remove the residence requirements for dependent wives and children, now possible after the war conditions are ended, and lengthen the period within which refunds of over-deductions may be claimed; make provision for tax credits to Canadian companies in respect of corporation income tax paid to a foreign government on income of a foreign corporation in which the Canadian company owns more than 50 per cent of the voting stock; amend the part of the act dealing with the undistributed income of private companies in several minor respects; and also amend one or two provisions of the act which must be revised to carry out the terms of the agreements with the provinces. I shall give explanations and details of these minor amendments when we are dealing with the resolutions. There are some other detailed provisions in the amending bill itself which can best be explained and discussed when we have it before us.

COMMODITY TAXES

In the field of taxes on commodities, the only major change which I am proposing is to give effect to my earlier announcement that the gasoline tax of 3 cents a gallon will be repealed as from April 1. It is estimated that this tax would have yielded us close to $40 million in the current fiscal year, and I must, therefore, take account of this loss in our estimate of total revenue. It is, of course, well known that our purpose in withdrawing from this field of taxation at this time is to leave the provincial governments, which have traditionally occupied the field, full scope to carry out whatever policy they think best within it. As a result, the reduction in our tax may not result in any reduction in taxes paid by the consumers of gasoline, but that, of

course, is a matter for each provincial government to decide in its own case. Pending action by parliament, I requested the Department of National Revenue to suspend collection of the tax from April 1.

We are also proposing to make certain minor amendments in the tax on passenger transportation, to conform with recent changes in the corresponding tax in the United States. It is desirable in this field to preserve as much similarity as possible between the taxes in the two countries, as that simplifies greatly the position of our common carriers. We are also proposing to iron out certain minor anomalies in the structure of the sugar tax and to make certain technical changes in the Act to improve its effectiveness.

TARIFFS

I have already referred to the tariff negotiations now taking place in Geneva. These are of the greatest importance to Canada. We hope and expect that out of them will come sufficient reductions in tariffs to make it practicable to establish an international trade organization and to agree upon a code of international behaviour in regard to import restrictions, export subsidies and other commercial policies. Canada is, of course, prepared to make tariff reductions and reductions in preferences in exchange for tariff reductions by the United States and by other countries. We do not expect one-sided bargains. We are ready to do our full share.

I feel it is important, however, to stress two aspects of the situation from the Canadian viewpoint. In the first place, the tariff policy of the United States is the key to the success both of the tariff negotiations themselves and of the proposed charter. All of us who buy from the United States on a large scale and who owe large sums to the United States on capital account must have a greater opportunity to sell our goods in her markets than we have had up to now. Unless large scale American imports provide the world with an adequate supply of United States dollars, the rest of the world cannot hope to follow the liberal, multilateral and non-discriminatory trade policy which the United States has been urging upon it with our support and that of others. A positive lead in real tariff reductions by the United States is, therefore, needed if success is to be achieved at Geneva.

Secondly, there are in the proposed trade charter a good many qualifications and escape clauses applying particularly to the vitally important parts of the agreement that relate to quantitative restrictions on trade. Good arguments can be made, and are made, for each of these. But we must guard against the danger that if too many of them are included in the charter, the sum and substance of them all, taken together, may undermine many of the positive benefits which the charter is intended to give to each of the agreeing countries.

These are two points that deserve our keenest attention in regard to the negotiations and charter discussions at Geneva.

In view of the negotiations now in progress, I do not propose to recommend any tariff changes in this budget, nor to make any detailed statement of tariff policy. I should, however, remind the house at this point that during the past year a number of special wartime tariff arrangements have ended with the end of the special wartime circumstances that gave rise to them.

Various orders in council which had provided for temporary reductions or suspensions of duties on individual items to make it possible to hold price ceilings, were revoked from time to time as ceilings were removed or as domestic supplies improved. This process was virtually completed on March 31. Moreover, as I announced last January, provision has been made for the issue of a proclamation on June 30, 1947, terminating the reductions of duty under the War Exchange Conservation Act. This will restore the regular British preferential rates of duty on imports from the United Kingdom. Our future trade relations with the United Kingdom, the United States and other countries will be determined in the light of the outcome of the United Nations Conference on Trade and Employment.

CONCLUSION

Before taking into account tax changes, I have forecast revenues of $2,450 million, and expenditures of $2,100 million for the current year, leaving a prospective surplus of $350 million. The reduction in taxes now proposed, including the repeal of the gasoline tax, will, it is estimated, reduce our revenues by a total amount of $265 million when they are in effect for a full year under economic conditions similar to those at present. Consequently these proposed tax changes will effect a continuing reduction in the general level of our revenues equal to approximately three-quarters of the amount of the surplus now in prospect. This, I believe, is as great a reduction in our tax structure as we should make at the present time. It is too early yet to hazard any forecast as to the probable level of expenditure and revenue in the fiscal year commencing April 1, 1948, but I believe

it would be most unwise to carry our tax reductions at the present time beyond those which I now propose.

The effect of the proposed tax reductions upon revenues in the current year is estimated to be approximately $160 million, reducing them, therefore, to a total of $2,290 million. After allowing for our prospective expenditures of $2,100 million, this leaves us with a prospective surplus of $190 million and a corresponding prospective reduction of that amount in our net debt during this fiscal year. I should point out that on the basis of the foregoing estimates, were the tax reductions in effect for the whole of the current year, this apparent surplus would be reduced to $85 million.

In appraising this prospective surplus, however, one must keep several factors in mind. In the first place we must be prepared to make financial provision for agreements with any of the three remaining provinces which have not yet signified their desire to do so but who may wish to enter into such agreements. Should all three provinces entertain agreements effective this year, our expenditures will be increased by an addition $110 million or thereabouts. If they do not, then we can reduce our net debt correspondingly. Secondly, it must be borne in mind that our revenues now are very sensitive to any change in general business conditions. In forecasting them in this budget, we have assumed that our national income, production and trade will be at high levels. We believe that this is the most probable course of events. On the other hand, it must be conceded that some recession in the United States this year is by no means impossible. A substantial recession in that country would be bound to have some effects on our own situation, and this in turn would adversely affect our revenues. We must, therefore, leave some margin of safety in the form of a surplus, which we will apply to debt reduction, if conditions remain favourable.

I hope that it will be a cause for gratification and confidence to members of this house and to all Canadians that we are able to drop the tax on gasoline, make a very substantial reduction in our personal income taxes, and still show a prospective surplus in our accounts. This is convincing evidence of the inherent strength of our financial position. I would be less than candid, however, and derelict in my duty, if I did not point out that this favourable situation is due in a very large part to the generally favourable economic circumstances upon which our revenues so greatly depend. If and when we face greater economic difficulties we must anticipate lower revenues. We may also, I hope, anticipate somewhat lower expenditures within a year or two, as certain of the abnormal post-war expenditures disappear, particularly those on subsidies and veterans' benefits. On the other hand, the reduction in these expenditures may be offset in some years by other expenditures deliberately undertaken for the purpose of improving employment and incomes. Consequently our favourable position this year cannot in itself be taken as evidence that we shall be able to avoid deficits in future years when economic conditions are less favourable than now.

Mr. Speaker, I have tried to present a balanced view of the financial affairs of this country. I have explained the extent to which our current prosperity and our governmental accounts have been influenced by factors of a special, abnormal or temporary nature. I have dealt with several of the major problems which still confront us and which we must solve if we are to retain a healthy and prosperous economy. But in spite of all I have said to discourage undue optimism or complacency, the story I have had to tell is one, I repeat, which should justify pride and inspire confidence in every Canadian. We can take just pride in the size of the surplus I have reported, pride in the fact that it has been achieved so promptly after the end of the war, pride in the fact that after a 51 per cent cut in personal income taxes and other drastic reductions from the peak of wartime taxation, we are able to forecast better than a balanced budget for the new fiscal year. All this bears eloquent witness to the speed and smoothness with which we have made the transition from war to peace. It reflects the health and the underlying strength of Canada. It inspires faith and confidence in the future of a country which is responsible for such great achievements following the close of a war to which it devoted its resources without stint on a scale matched by few others.

Two months hence we shall have occasion to celebrate the eightieth anniversary of the founding of this confederation. It was seventy-nine years ago yesterday that the first formal budget speech was presented to this house by the then Minister of Finance, the Hon. John Rose (later Sir John Rose). On April 28, 1868, in a speech lasting nearly four hours, he presented his estimates of revenue and

expenditure for the first fiscal year of the new Dominion and outlined his financial proposals for the following year.

There was no *Hansard* in those days, but, according to the Ottawa *Times* of the following day, there were loud cheers when he expressed the view that "unless something very extraordinary or unforeseen should arise", the year would show a surplus on ordinary account, excluding capital expenditures, of $374,140, estimated receipts of about $14,700,000 exceeding estimated ordinary expenditures of $14,300,000. No doubt with a praiseworthy effort to improve the lot of succeeding finance ministers, he attempted to refute the charge that the country was "groaning under a heavy load of debt and taxation" but in any case it is interesting to note that eighty years ago it was also the custom to claim that the country was going to the dogs because of high taxes and high debt. The whole spirit of the speech can be summed up in a phrase which the minister had used on a previous occasion—"the sums we have to deal with are considerable but the resources and energy of the country are ample to meet them".

These men of 1867 had faith in the future of the united Canada which they were then striving to build. But probably none of them ever dreamed that in eighty short years, total revenues of the dominion could expand nearly two hundred times. We have indeed travelled a long way from the small beginnings of those days. But the same qualities which have brought us thus far can carry us to still greater heights. We are entering a most exciting period. Never before have there been such great material opportunties open to any generation. Never before have we been so conscious of the challenge presented to our economic and political abilities. Never before has our country been called to occupy a position of such high responsibility in world affairs as she does today. If we continue to show the courage, the unity and the spirit of cooperation which inspired the fathers of confederation, and which inspired our peope during these last war years, our achievements in the peace-time years ahead will, I am confident, be equally striking.

INCOME WAR TAX ACT

Resolved, that it is expedient to amend the Income War Tax Act and to provide:

1. That, effective on and after July 1, 1947, payroll deductions for taxes be reduced to conform with the following schedule of graduated rates of tax:

[Mr. Abbott.]

On the first $100 of income or any portion thereof, 10 per cent per annum; or

$10 upon the income of $100; and 12 per cent upon the amount by which the income exceeds $100 and does not exceed $200; or

$22 upon the income of $200; and 14 per cent upon the amount by which the income exceeds $200 and does not exceed $300; or

$36 upon the income of $300; and 16 per cent upon the amount by which the income exceeds $300 and does not exceed $400; or

$52 upon the income of $400; and 18 per cent upon the amount by which the income exceeds $400 and does not exceed $500; or

$70 upon the income of $500; and 20 per cent upon the amount by which the income exceeds $500 and does not exceed $3,500; or

$670 upon the income of $3,500; and 22 per cent upon the amount by which the income exceeds $3,500 and does not exceed $5,000; or

$1,000 upon the income of $5,000; and 26 per cent upon the amount by which the income exceeds $5,000 and does not exceed $6,500; or

$1,390 upon the income of $6,500; and 30 per cent upon the amount by which the income exceeds $6,500 and does not exceed $8,500; or

$1,990 upon the income of $8,500; and 35 per cent upon the amount by which the income exceeds $8,500 and does not exceed $11,500; or

$3,040 upon the income of $11,500; and 40 per cent upon the amount by which the income exceeds $11,500 and does not exceed $14,000; or

$4,040 upon the income of $14,000; and 45 per cent upon the amount by which the income exceeds $14,000 and does not exceed $17,000; or

$5,390 upon the income of $17,000; and 50 per cent upon the amount by which the income exceeds $17,000 and does not exceed $25,000; or

$9,390 upon the income of $25,000; and 55 per cent upon the amount by which the income exceeds $25,000 and does not exceed $50,000; or

$23,140 upon the income of $50,000; and 60 per cent upon the amount by which the income exceeds $50,000 and does not exceed $75,000; or

$38,140 upon the income of $75,000; and 65 per cent upon the amount by which the income exceeds $75,000 and does not exceed $100,000; or

$54,390 upon the income of $100,000; and 70 per cent upon the amount by which the income exceeds $100,000 and does not exceed $150,000; or

$89,390 upon the income of $150,000; and 75 per cent upon the amount by which the income exceeds $150,000 and does not exceed $250,000; or

$164,390 upon the income of $250,000; and 80 per cent upon the amount by which the income exceeds $250,000.

2. That for the 1948 and subsequent taxation years the graduated rates of tax applicable to income of individuals be the rates set out in paragraph one.

3. That for the 1947 taxation year the graduated rates of tax applicable to income of individuals be the average of the present rates and of the rates set out in paragraph one.

4. That for the 1947 and subsequent taxation years the deductions from income of an individual allowed in respect of persons supported by or dependent on him be allowed without regard to the country of residence of such persons.

5. That the provisions allowing deductions from tax to taxpayers engaged in

(a) exploring and drilling for natural gas or oil,

(b) the production, refining or marketing of petroleum or petroleum products, or

(c) mining or exploring for minerals,

the effect of which is equivalent to a deduction from income of the whole of certain expenses in respect of 1947 operations, be amended to provide that such expenses in respect of 1948 operations may be deducted from income and that, in the case of such expenses in respect of 1948 operations in respect of deep test oil wells an additional deduction from tax be allowed of an amount that, together with the deductions from income, will correspond to the deduction from tax allowed in respect of 1947 operations and that the amended provisions relating to expenditures on deep test oil wells apply in respect of the 1947 and 1948 taxation years to expenditures on groups of wells drilled to locate stratigraphic traps.

6. That there be imposed an income tax of 5 per cent on a non-resident corporation in respect of dividends received by it on or after April 30, 1947, from a resident corporation where all the issued shares of the resident corporation having full voting rights under all circumstances, other than directors' qualifying shares, are beneficially owned by the non-resident corporation.

7. That, where a resident corporation owns over 50 per cent of the issued shares having full voting rights under all circumstances of a non-resident corporation and receives dividends (other than dividends that are not liable to taxation) from the non-resident corporation, the resident corporation may deduct from the tax otherwise payable by it for the 1947 and subsequent taxation years an amount in respect of income tax and excess profits tax paid to a government of a country other than Canada on the income out of which the dividends are deemed to have been paid.

8. That the period during which refunds may be made in respect of amounts deducted for tax at source from salaries or wages be extended and that where the period for refunds in respect of deductions heretofore made has expired, such refunds be permitted for a further prescribed period.

9. That funding securities received in respect of an accrued right to interest, dividends or other payments of an income nature or in respect of the extinguishment of a shareholder's preference to the declaration of dividends for past periods be taxable as income.

10. That the provisions respecting the taxation of private companies in respect of undistributed income be extended to include companies having not more than 75 shareholders excluding shareholders employed or formerly employed by the company, as at present.

11. That the provisions making applicable in respect of income of the 1946 and subsequent taxation years the liability of a private company to pay tax upon undistributed income to which a personal corporation, estate or trust would have been entitled if the income were distributed, be amended to provide that the liability is to be deemed to have been imposed on and after December 18, 1945.

12. That there be deducted from the undistributed income of a private company on hand at the end of the 1939 fiscal period, the amount of dividends paid by the company before December 31, 1942, that were not subject to tax in the hands of the shareholders by reason of the company having been a family corporation.

13. That a tax be imposed on an individual who holds shares of a private company that paid tax on undistributed income in accordance with section 96 of the Act, which shares were held on December 31, 1944, by a corporation or other shareholder who would not have been liable to tax in respect of dividends on the shares so that the private company was not required to pay tax on the respective portion of undistributed income, such tax to be payable in respect of dividends paid to the individual out of the said respective portion of undistributed income, at the following rates:

(a) where the shares were acquired by the individual in the years 1945 and 1946—at a rate of 15 per cent; and

(b) where the shares were acquired by the individual on or after January 1, 1947—at the rate that the private company would have paid tax on the respective portion of the undistributed income if an individual had held the shares on December 31, 1944

EXCESS PROFITS TAX ACT

Resolved that it is expedient to amend the Excess Profits Tax Act, 1940, and to provide:—

1. That a tax shall not be imposed under the said act on profits earned after December 31, 1947.

2. That no taxpayer shall be entitled to make application for determination of his standard profits on or after August 1, 1947.

SPECIAL WAR REVENUE ACT

Resolved, that it is expedient to amend the Special War Revenue Act and to provide:—

1. That the tax in respect of transportation tickets or rights of transportation

(a) be removed in respect of transportation by vessel or aircraft extending outside of the northern part of the western hemisphere, except in respect of any part of such transportation that is between any port or station in Canada or the United States and any other port or station in Canada or the United States; and

(b) be extended to apply in respect of all transportation by vessel wholly within the northern part of the western hemisphere;

and that the second proviso to subsection (1) of section 32, under which section the tax is imposed, be repealed.

2. That the tax on syrups enumerated in Customs Tariff Items 139 (except glucose and grape sugar) and 140 (except molasses) be reduced from 2 cents per pound to 1 cent per pound.

3. That the provisions relating to the imposition of the consumption or sales tax on the sale price of goods be amended to provide that where the sale price is payable in instalments, the tax will be payable pro tanto at the time of payment of the instalments whether or not there has been physical delivery of the goods.

4. That payment of sales and excise taxes be required without refund in respect of taxable goods purchased or imported for commercial or mercantile purposes by provincial governments or agents or servants thereof.

5. That payment of excise tax be required in respect of any performance, exhibition or contest that includes professional performers, horse races or motion pictures when held, staged or operated by the institutions, boards or other organizations mentioned in subsection (2) of section 122 of the said act.

6. That the excise tax on gasoline of three cents per imperial gallon be repealed effective on and after April 1, 1947.

7. That the enactments founded on this resolution, other than paragraph six come into force on the 30th day of April, 1947.

APPENDIX TO THE BUDGET, 1947-48

A. Review of Government Accounts, 1946-47

B. Tables of Economic Statistics

A. REVIEW OF GOVERNMENT ACCOUNTS, 1946-47

Comparative Summary Statement of Revenues and Expenditures

1. Although Canada's fiscal year ends on March 31, the government's books for each fiscal year remain open for some time thereafter, in order to record expenditures made to April 30 as provided by section 32 of the Consolidated Revenue and Audit Act and to provide for adjustments which affect revenue and expenditure accounts as well as asset and liability accounts. Final figures for the fiscal year 1946-47 are not yet available, and accordingly the statements which follow, in so far as they relate to 1946-47 revenue, expenditure, investment and balance sheet items, must be regarded as preliminary.

2. The following tables show, by main categories and in detail, revenues, expenditures and the surplus (or decrease in net debt) for the fiscal year 1946-47 together with comparable figures for the four preceding fiscal years:

STATEMENT OF REVENUES FOR THE LAST FIVE FISCAL YEARS

(Thousands of Dollars)

—	1942-43	1943-44	1944-45	1945-46	Estimated 1946-47
	$	$	$	$	$
TAX REVENUE—					
Direct Taxes—					
Direct Taxes on Incomes—					
Individual Income Tax	534,138	813,435	767,755	691,586	695,000
Tax on Interest and Dividends	26,711	25,671	27,053	26,824	28,400
Taxes on Rents and Royalties	1,370	1,272	1,546	1,486	1,700
Corporation Income Tax	347,970	311,379	276,404	217,834	239,000
Excess Profits Tax	454,581	468,718	465,805	494,196	448,700
Total Direct Taxes on Incomes	1,364,770	1,620,475	1,538,563	1,431,926	1,412,800
Succession Duties	13,273	15,020	17,251	21,447	23,600
Total Direct Taxes	1,378,043	1,635,495	1,555,814	1,453,373	1,436,400
Indirect Taxes—					
Customs Import Duties	118,963	167,882	115,091	128,877	237,400
Excise Duties—					
Spirits, malt, etc	65,594	65,922	72,133	91,274	98,000
Cigars, cigarettes and tobacco	76,372	79,906	83,142	98,228	100,900
Licences	38	37	37	39	40
Less Refunds	−3,283	−3,741	−3,390	−2,815	−2,940
Total Excise Duties	138,721	142,124	151,922	186,726	196,000
Excise Taxes—					
Taxes on Commodities—					
Sales Tax	250,478	339,256	404,109	326,253	328,083
War Exchange Tax	94,553	118,913	98,164	41,198	338
Automobiles, rubber tires and tubes	3,062	6,000	6,480	6,701	16,340
Beverages	14,119	19,059	19,442	16,657	18,634
Candy and chewing gum	8,185	12,602	12,874	11,904	13,277
Cigars, cigarettes and tobacco	26,295	54,688	62,306	70,229	76,318
Cigarette papers and tubes	5,056	6,159	6,658	4,645	6,943
Electric and gas appliances	5,306	3,302	4,057	1,272	7
Furs	3,170	4,199	5,217	4,976	3,102
Gasoline	24,898	24,930	29,671	29,836	36,220
Matches and lighters	2,855	2,874	3,117	3,675	4,088
Phonographs, radios and tubes	1,191	491	1,112	646	2,526
Special excise on importations	480	508	545	787	1,185
Sugar	14,950	13,048	11,744	9,974	11,339
Toilet preparations and soaps	4,542	5,327	6,347	7,107	7,522
Trunks, bags, luggage, etc	2,187	4,170	4,134	4,711	5,710
Wines	2,007	1,710	1,772	2,066	2,394
Sundry	1,938	2,579	2,977	3,811	5,109
Taxes on Amusements and Services—					
Amusements	10,778	12,019	12,284	13,387	14,552
Tax on pari-mutuel bets	1,287	1,683	1,904	2,188	2,510
Transportation and communication	16,083	22,379	24,205	26,893	27,931
Stamps, including payment of taxes on jewellery, chinaware, cabaret attendance, etc	12,586	16,734	18,296	21,697	24,437
Licences, interest and miscellaneous	255	331	369	302	313
Less refunds (mainly sales tax)	−17,549	−34,342	−194,719	−114,005	−29,878
Total Excise Taxes	488,712	638,619	543,065	496,910	579,000
Other Taxes—					
Chartered bank note circulation	665	457	350	270	220
Insurance Companies	10,893	6,481	7,182	7,951	8,800
Miscellaneous	723	753	702	751	700
Total Indirect Taxes	758,677	956,316	818,312	821,485	1,022,120
Total Revenue from Taxes	2,136,720	2,591,811	2,374,126	2,274,858	2,458,520

STATEMENT OF REVENUES FOR THE LAST FIVE FISCAL YEARS—*Concluded*

(Thousands of Dollars)

——	1942-43	1943-44	1944-45	1945-46	Estimated 1946-47
	$	$	$	$	$
NON-TAX REVENUE—					
Post Office	48,869	61,071	66,056	68,613	75,000
Return on Investments	41,242	48,281	60,749	70,915	68,780
Bullion and coinage	5,883	8,732	4,586	4,954	2,300
Premium, discount and exchange	395	2,154	.....	.....	.....
Other	19,690	13,045	14,080	16,322	14,800
Total Non-tax Revenue	116,079	133,283	145,471	160,804	160,880
Total Ordinary Revenue	2,252,799	2,725,094	2,519,597	2,435,662	2,619,400
SPECIAL RECEIPTS AND CREDITS—					
Refunds of previous years' Special Expenditure	239	221	53	20	10
Special Receipts—War Appropriation Acts	18,651	98,918	352,918	626,616	367,578
War Donations	275	216	177	161	200
Canadian Wheat Board—					
Reduction in Reserve Account	6,660	2,971	589	.....	.....
Surpluses in certain special accounts	.....	.....	2,625	.....	1,700
Canadian National Railways—					
Net credit due to increase in Canadian National Railways Securities Trust Stock (contra)	31,560[1]	37,838	22,400	22,631	.....
Previous years' war expenditure on investment in Crown plants transferred to Active Assets	.....	53,448	7,143	174	.....
Other	1	26	.....	.....	.....
	57,386	193,638	385,905	649,602	369,488
Capital and Non-active Accounts—					
Capital Accounts—					
Refunds of previous years' expenditure	102	93	728	376	100
Non-active Accounts—					
National Harbours Board, reduction of indebtedness	15	.....	19	.....	10
Canadian National Railways Securities Trust Stock—reduction due to retirement of equipment during calendar year 1946	.....	.....	.....	.....	1,308
Canadian National (West Indies) Steamships, Limited, reduction of indebtedness	.....	164	549	.....	1,105
Canadian Pacific Railway—					
Repayment of loan made under Unemployment Relief Act, 1932	.....	1,000	.....	.....	.....
Write-downs to Consolidated Deficit Account—					
Seed Grain and Relief Loans	42	29	36	45	60
Total Capital and Non-active Accounts	159	1,286	1,332	421	2,583
Total Special Receipts and Credits	57,545	194,924	387,237	650,023	372,071
TOTAL REVENUE	2,310,344	2,920,018	2,906,834	3,085,685	2,991,471
Less estimated amount of refundable Income and Excess Profits Taxes	70,000	155,000	219,500	72,500	7,200
NET TOTAL REVENUE	2,240,344	2,765,018	2,687,334	3,013,185	2,984,271

(1) Revised to be comparable with the presentation used in the Public Accounts of 1943-44, by netting the adjustments affecting the Canadian National Railways Securities Trust Stock.

[Mr. Abbott.]

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS FOR THE LAST FIVE FISCAL YEARS

(Thousands of Dollars)

—	1942-43	1943-44	1944-45	1945-46	Estimated 1946-47
ORDINARY EXPENDITURE	$	$	$	$	$
Agriculture	8,492	8,841	9,424	10,319	13,547
Auditor General's Office	441	348	361	379	401
Civil Service Commission	427	456	461	479	596
External Affairs, including Office of Prime Minister	1,156	1,596	1,974	4,583	5,631
Finance—					
Interest on Public Debt	188,556	242,681	318,995	409,134	461,035
Cost of Loan Flotations and Annual Amortization of Bond Discounts and Commissions	13,838	19,285	20,679	22,311	11,976
Premium paid on redemption of called bonds	.....	.....	.....	5,842	260
Subsidies to Provinces	14,490	14,449	14,445	14,447	14,383
Miscellaneous Grants and Contributions	526	528	531	617	96
Civil Pensions and Superannuation	398	356	325	293	240
Government contribution to Superannuation Fund	2,341	2,299	2,341	2,696	3,161
Old Age Pensions, including pensions to blind persons	29,976	30,377	32,187	(1) —	(1) —
Premium, Discount and Exchange	.....	.....	16,348	14,734	8,500
Compensation to Provinces under Dominion-Provincial Taxation Agreements—					
Income and Corporation Taxes	85,942	83,678	82,977	94,343	88,386
Gasoline Tax	8,273	11,757	10,357	3,709	—
Administrative and Sundry Expenditure	4,181	4,472	4,724	7,569	9,829
Fisheries	1,699	1,696	2,159	3,262	3,909
Governor General and Lieutenant Governors	225	222	223	227	239
Insurance	182	183	185	199	218
Justice	2,667	2,673	2,696	2,848	3,107
Penitentiaries	2,772	2,799	2,936	3,258	3,872
Labour	717	1,170	1,446	1,620	2,078
Unemployment Insurance Act, 1940—					
Administration	4,657	5,171	5,113	6,185	7,882
Government contribution	11,487	12,344	12,746	12,514	15,200
Government Annuities—					
Payments to maintain reserve	498	32	257	294	300
Legislation—					
House of Commons	1,827	1,915	1,612	2,235	2,616
Library of Parliament	76	77	72	74	91
Senate	555	562	485	727	885
General	61	86	95	98	167
Chief Electoral Officer, including elections	1,447	88	179	3,091	168
Mines and Resources—					
Administration	160	167	168	160	176
Immigration	1,268	1,262	1,309	1,524	2,209
Indian Affairs	4,978	5,177	6,162	4,470	6,075
Lands, Parks and Forests	1,753	1,586	1,831	2,689	5,341
Surveys and Engineering	1,129	1,272	1,610	1,323	3,573
Mines and Geological Survey	1,140	1,125	1,216	1,303	2,080
Munitions and Supply	12	14	19	(2) —	(2) —
Dominion Fuel Board Administration Coal subsidies and subventions	4,965	2,165	2,737	(2) —	(2) —
National Defence—					
Administration	44	36	33	38	45
Sundry Services	371	32	34	89	191
National Health and Welfare	1,244	1,617	1,725	6,148	8,406
National Film Board	—	—	—	1,146	1,184
Old age pensions, including pensions to blind persons	(3) —	(3) —	(3) —	33,715	35,992
Family Allowances	.....	.....	.....	172,632	245,225

(1) See Department of National Health and Welfare.
(2) See Department of Reconstruction and Supply.
(3) See Department of Finance.

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS FOR THE LAST FIVE FISCAL YEARS—*Continued*

(Thousands of Dollars)

—	1942-43	1943-44	1944-45	1945-46	Estimated 1946-47
	$	$	$	$	$
ORDINARY EXPENDITURE—*Con.*					
National Revenue (including Income Tax)	15,190	17,721	20,114	22,630	27,895
National War Services	428	547	838	5	—
Post Office	44,742	48,485	54,629	57,730	65,988
Privy Council	62	80	81	419	747
Public Archives	123	124	124	127	151
Public Printing and Stationery	245	235	232	238	293
Public Works	12,014	12,281	13,169	16,283	27,178
Reconstruction and Supply	—	—	969	2,103	1,922
Dominion Fuel Board Administration, Coal subsidies and subventions	(4) —	(4) —	(4) —	2,339	1,902
Royal Canadian Mounted Police	6,242	6,678	7,183	7,284	9,511
Secretary of State	820	831	864	954	1,131
Trade and Commerce	4,566	4,196	3,497	4,053	7,423
Canada Grain Act	1,918	2,089	2,333	2,303	2,527
Mail Subsidies and Steamship Subventions	616	800	869	994	1,182
Transport—					
Administration	375	397	402	403	504
Air Service	3,334	3,593	3,939	4,196	5,952
Marine Service	4,257	4,504	4,897	4,893	6,123
Railways and Canals	3,352	4,107	4,294	4,430	4,970
Maritime Freight Rates Act	4,894	5,058	4,733	4,345	4,860
Veterans Affairs—					
Departmental Administration	162	176	196	1,142	1,625
Pensions (War 1914-18 and military)	39,684	38,998	39,372	39,996	40,714
War Service gratuities and re-establishment credits	—	—	20,228	(5) —	(5) —
Treatment and after-care of returned soldiers and allowances to dependents	12,689	14,050	19,845	28,551	44,912
Soldier Settlement and Veterans Land Act	567	837	1,391	3,160	7,172
Total Ordinary Expenditure	561,251	630,381	767,376	1,061,902	1,233,952
CAPITAL EXPENDITURE					
Railways	38	692	630	2,313	3,078
Public Works	3,238	1,930	2,534	2,195	10,127
Total Capital Expenditure	3,276	2,622	3,164	4,508	13,205
WAR, DEMOBILIZATION AND RECONVERSION EXPENDITURE					
National Defence—Defence Research	—	—	—	—	5,017
National Defence—Army—					
Army Services	1,021,944	1,312,348	1,243,733	935,006	213,405
Internment Operations	1,556	1,100	1,580	1,002	95
Inspection Board of the U.K. and Canada	10,946	10,522	8,362	6,124	—
Inspection Board of Canada	—	—	—	—	2,500
Sundry	3,344	4,835	8,080	7,446	204
	1,037,790	*1,328,805*	*1,261,755*	*949,578*	*221,221*
National Defence—Naval Services	*210,182*	*369,556*	*417,099*	*241,759*	*58,950*
National Defence—Air Services—					
Overseas War Establishment	23,666	383,888	759,070	—	—
Overseas Operations	—	—	—	197,076	4,700
Home War Establishment	226,550	312,761	227,942	—	—
Western Hemisphere Operations	—	—	—	108,032	36,430
Air Training	366,897	233,893	272,342	—	—
Training Organization	—	—	—	74,770	11,550
Repatriation and Demobilization	—	—	—	72,153	16,200

(4) See Department of Munitions and Supply.
(5) See War and Demobilization.

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS FOR THE LAST FIVE FISCAL YEARS—*Continued*

(Thousands of Dollars)

—	1942-43	1943-44	1944-45	1945-46	Estimated 1946-47
	$	$	$	$	$
National Defence—Air Services—*Con.*					
Restricted Servicing Units	—	—	—	38,623	
General Servicing Units	—	—	—	14,884	16,000
Surplus Equipment Units	—	—	—	815	
Headquarters and Commands Administration	—	—	—	17,880	11,300
Sundry	122	124	102	97	90
	617,235	*930,666*	*1,259,456*	*524,330*	*96,270*
Reconstruction and Supply (formerly Munitions and Supply)—					
Administration, reconversion and operation of Crown Companies and/or Crown Plants	—	—	—	—	8,500
Administration	9,457	9,957	8,841	6,858	4,250
Housing Developments	—	—	—	—	31,500
Expansion of Industry	469,675	672,804	205,039	112,675	—
Emergency Coal Production Board	—	—	—	—	([10]) 10,500
Acquisition of U.K. Assets	200,000	5,000	1,964	—	—
Acquisition of U.S. Assets	—	—	—	1,906	—
Liquidation of Contracts	—	—	—	—	24,500
Termination of Contracts	—	—	—	151,846	45,000
National Research Council	2,091	2,640	2,932	2,385	4,026
Sundry	—	—	—	3,137	5,124
	681,223	*690,401*	*218,776*	*278,807*	*133,400*
Agriculture—					
Disposal of agricultural products rendered surplus by the war	2,901	1,876	1,194	354	975
Freight assistance on western feed grains	10,318	17,754	15,943	17,317	19,000
Payment to increase the income of farmers in the spring wheat area of Western Canada	2,678	19	2	—	—
Fertilizer subventions and freight allowance	1,036	903	446	438	600
Subsidy on western wheat used exclusively as feed for live-stock	836	4,500	7,471	7,864	7,000
Subsidy on milk and milk products	—	29,505	42,330	41,659	37,950
Premiun on hog carcasses suitable for export to U.K.	—	3,855	14,091	9,573	4,600
To provide for reserve stocks of feed grains	—	1,292	715	1,274	1,700
Sundry	2,211	4,589	5,862	4,499	1,579
	19,980	*64,293*	*88,054*	*82,978*	*73,404*
Finance—					
Comptroller of the Treasury	6,493	8,404	9,216	9,369	6,333
Payment of premiums on the purchase of Dominion of Canada Registered Stock	126	13	14	12	15
Wartime Prices and Trade Board—Administration	9,278	13,705	12,720	14,753	13,250
Subsidies due to application of Order placing a ceiling over all prices	67,715	81,519	107,338	97,819	100,000
Advances for payment of drawback claims to millers and other manufacturers of wheat products	([6]) —	20,500	19,700	14,750	26,000
Advances to the Canadian Wheat Board to cover deficits in certain Board operations	—	—	13,058	—	([11])
House Conversion Program	—	841	4,053	1,764	([2])
Old Age Pensions, increased benefits	—	3,062	8,788	([1]) —	([1]) —
Halifax V-E Day disorders and explosion—					
Payment of claims	—	—	—	4,610	2,200
Expenses of investigations	—	—	—	248	165
Sundry	1,051	417	1,632	946	1,644
	84,663	*128,461*	*176,519*	*144,271*	*149,607*

([1]) See Department of National Health and Welfare.
([2]) See Department of Reconstruction and supply.
([6]) See Department of Trade and Commerce.
([10]) Included in previous years in Expansion of Industry.
([11]) Included in Special Expenditure.

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS FOR THE LAST FIVE FISCAL YEARS—*Continued*

(Thousands of Dollars)

—	1942-43	1943-44	1944-45	1945-46	Estimated 1946-47
	$	$	$	$	$
WAR, DEMOBILIZATION AND RECONVERSION EXPENDITURE—*Con.*					
Labour—					
Industrial training	4,360	3,478	1,617	701	15
Training aircraft mechanics	2,019	1,378	333	3	—
National Selective Service program	4,737	9,346	11,098	11,268	11,031
Removal of enemy aliens from protected areas	4,328	2,545	2,137	2,203	3,235
Vocational training for discharged members of the Canadian Armed Forces	22	167	602	4,365	12,300
Vocational Schools—Payments to Provinces	—	—	—	607	3,000
Sundry	1,361	2,724	3,877	3,712	3,292
	16,827	*19,638*	*19,664*	*22,859*	*32,873*
Mines and Resources—					
Prince Rupert—Terrace—Cedarvale Highway	2,965	5,750	2,499	8	—
Employment of Japanese	1,686	894	511	262	50
Aerial Photography	—	—	51	572	1,050
Sundry	1,626	2,761	2,753	2,633	2,245
	6,277	*9,405*	*5,814*	*3,475*	*3,345*
National War Services—					
War Charities—Auxiliary services	6,499	10,910	15,933	13,070	—
National Film Board	122	1,220	1,341	(1) —	(1) —
Censorship	1,070	1,727	1,856	859	—
Sundry	954	1,330	6,852	316	72
	8,645	*15,187*	*25,982*	*14,245*	*72*
National Health and Welfare—					
Old Age Pensions, increased benefits	—	(3) —	(3) —	9,103	9,545
National Film Board	(7) —	(7) —	(7) —	1,391	1,038
Sundry	(8) —	(8) —	1,340	744	121
			1,340	*11,238*	*10,704*
Privy Council—					
Canadian Information Service (formerly Wartime Information Board)	1,474	759	1,700	1,229	(12)
Sundry	29	86	58	43	57
	1,503	*845*	*1,758*	*1,272*	*57*
Public Works	*6,880*	*6,467*	*6,500*	*6,205*	*3,796*
Royal Canadian Mounted Police	*3,870*	*4,267*	*3,709*	*4,775*	*1,808*
Trade and Commerce—					
Gift of wheat to Greece	3,835	8,798	6,749	—	—
Canadian Wheat Board—					
Advances for payment of drawback claims to millers and other manufacturers of wheat products	3,000	(3) —	(3) —	(3) —	(3) —
Special administration expenses	—	—	—	963	—
Sundry	529	745	670	809	641
	7,364	*9,543*	*7,419*	*1,772*	*641*
Transport	*5,762*	*9,941*	*16,433*	*15,013*	*10,591*
Acquisition of Airfields and Works from United States Government	—	*66,600*	*18,661*	—	—
Veterans Affairs—					
Treatment—Defence Forces	—	—	11,449	26,298	50,000
Pensions—Defence Forces	—	—	11,939	22,200	33,800
Additions, alterations and improvements to departmental hospitals, including land purchases	—	—	5,738	7,371	9,000
Post-discharge re-establishment rehabilitation benefits	—	—	2,468	32,131	100,000
War service gratuities and re-establishment credits	—	—	(9) —	239,585	319,500
Sundry	—	—	1,165	774	276
	—	—	*32,759*	*328,359*	*512,576*

(1) See Department of National Health and Welfare.
(3) See Department of Finance.
(7) See National War Services.
(8) Included in Pensions and National Health.
(9) Included in ordinary expenditure.
(12) Included in Department of External Affairs (Other Departments).

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS FOR THE LAST FIVE FISCAL YEARS—*Continued*

(Thousands of Dollars)

—	1942–43	1943–44	1944–45	1945–46	Estimated 1946–47
	$	$	$	$	$
WAR, DEMOBILIZATION AND RECONVERSION EXPENDITURE—*Con.*					
Pensions and National Health—					
Treatment—Defence Forces	4,175	6,456			
Pensions—Defence Forces	2,760	5,637			
Air Raid Precautions	5,027	1,724			
Post-discharge re-establishment	296	472			
Sundry	2,062	3,663			
	14,320	*17,952*	—	—	—
Other Departments	*1,728*	*2,363*	*3,256*	*2,836*	*2,373*
Write-off of Air Training Plan Loans and Advances as per United Kingdom Financial Agreement Act, 1946	—	—	—	*425,000*	—
The War Appropriation (U.K. Financing) Act, 1942	*1,000,000*	—	—	—	—
Mutual Aid (excluding administration)	—	*912,578*	*792,200*	*766,862*	*1,500*
Military Relief	—	—	*50,199*	*34,463*	—
Canada's Contribution to UNRRA	—	*55*	*11,093*	*142,852*	—
Total War, Demobilization and Reconversion Expenditures	3,724,249	4,587,023	4,418,446	4,002,949	1,313,188
SPECIAL EXPENDITURE					
Agricultural and Relief Projects	5,013	3,751	3,869	4,423	4,420
Western Drought Area Relief—					
Prairie Farm Assistance Act, 1939—Administration	157	217	188	327	343
Advances to Prairie Farm Emergency Fund	249	2,578	1,295	12,052	6,500
Wheat acreage reduction plan—Administration	1,342	848	261	159	—
Payments of awards to farmers	24,527	30,102	1,707	397	4
Deficits—Canadian Wheat Board	—	—	[13]	—	20,562
Provision of reserve to meet deficits resulting from the operations of the Canadian Wheat Board not previously provided for	—	—	186	—	—
Total Special Expenditure	31,288	37,496	7,506	17,358	31,829
GOVERNMENT OWNED ENTERPRISES					
Losses charged to Consolidated Deficit Account—					
Prince Edward Island Car Ferry and Terminals	591	698	773	688	889
Canadian National Railways	—	—	—	—	8,962
National Harbours Board	—	30	59	86	115
Total Charged to Consolidated Deficit Account	591	728	832	774	9,966
Loans and advances non-active—National Harbours Board	657	579	526	560	704
Total non-active advances	657	579	526	560	704
Total government-owned enterprises	1,248	1,307	1,358	1,334	10,670

[13] Deficits charged to the War Appropriation in 1944–45.

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS FOR THE LAST FIVE FISCAL YEARS—*Concluded*

(Thousands of Dollars)

—	1942–43	1943–44	1944–45	1945–46	Estimated 1946–47
	$	$	$	$	$
OTHER CHARGES					
Write-down of assets chargeable to Consolidated Deficit Account—					
Reduction of soldier and general land settlement loans	51	553	325	36	284
Reduction of Veterans' Land Act Advances	—	—	—	—	30
Yearly established losses in seed grain and relief accounts—					
Department of Mines and Resources.	42	29	36	45	60
Cancellation of Canadian Farm Loan Board Capital Stock	7	5	1	1	1
To provide a reserve for possible losses on ultimate realization of Active Assets	25,000	25,000	25,000	25,000	25,000
Provision for reserve for conditional benefits under Veterans' Land Act	—	—	—	464	2,600
Canadian National Railways Securities Trust Stock—reduction due to retirement of equipment during calendar year, 1946	—	—	—	—	1,308
Canadian National Railways Securities Trust Stock—					
Net changes in Dominion's equity in Canadian National Railways	31,560	37,838	22,400	22,631	—
Total other charges	56,660	63,425	47,762	48,177	29,283
Grand Total expenditures	4,377,972	5,322,254	5,245,612	5,136,228	2,632,127

SUMMARY OF REVENUES AND EXPENDITURES

(Thousands of Dollars)

—	1942–43	1943–44	1944–45	1945–46	Estimated 1946–47
	$	$	$	$	$
Ordinary revenues	2,182,799	2,570,094	2,300,097	2,363,162	2,612,200
Capital refunds	102	93	728	376	100
Special receipts and other credits	57,443	194,831	386,509	649,647	371,971
Total revenues	2,240,344	2,765,018	2,687,334	3,013,185	2,984,271
Ordinary expenditures	561,251	630,381	767,376	1,061,902	1,233,952
Capital expenditures	3,276	2,622	3,164	4,508	13,205
War expenditures	3,724,249	4,587,023	4,418,446	4,002,949	1,313,188
Special expenditures	31,288	37,496	7,506	17,358	31,829
Government Owned Enterprises	1,248	1,307	1,358	1,334	10,670
Other charges	56,660	63,425	47,762	48,177	29,283
Total expenditures	4,377,972	5,322,254	5,245,612	5,136,228	2,632,127
Surplus (+) or Deficit (−)	−2,137,628	−2,557,236	−2,558,278	−2,123,043	+ 352,144

ANALYSIS OF REVENUES, 1946-47

3. Although the accounts are not yet closed, it is estimated that grand total revenues for the fiscal year 1946-47 will reach $2,984,271,000. While this indicates a decline of $28,914,000 from the previous year's grand total, it should be borne in mind that the grand total for each year contains a large amount of special receipts and credits from bookkeeping transactions arising out of the war and the sale of surplus war assets. Such items, which have been abnormally high in the last three fiscal

years, are largely non-recurring. Because of such items a comparison of grand total revenues is not as significant as a comparison of ordinary revenues which in 1946-47 exceeded the total for the previous year by $249,028,000 and was indeed the highest in Canada's history.

4. Throughout 1946-47 tax revenues have been remarkably buoyant and despite tax reductions the total revenue from taxes was higher than in the previous year. Total direct taxes on personal and corporate incomes yielded $1,405,600,000 or 47·1 per cent of total revenues. Excise taxes and duties also held a very important position contributing $775,000,000 or 26·0 per cent of the total. Customs import duties provided $237,400,000 or 8·0 per cent. Non-tax revenues aggregated $160,880,000, and there were special receipts and credits amounting to $372,071,000.

5. The amount of $7,200,000 was set aside as a reserve for the refundable portion of excess profits taxes and this has been deducted in arriving at the revenue total given above. The distribution of these reserves is set out in the section relating to excess profits tax.

ORDINARY REVENUES

6. The personal income tax which yielded $695,000,000 was again the largest single source of revenue. Despite the substantial reductions in tax rates which were in effect the receipts were slightly higher than in 1945-46, reflecting the very high level of employment and increased incomes during the year. A further influence was the considerable number of servicemen who began to receive taxable incomes as they returned to civilian employment.

7. Corporation income tax and excess profits tax which are both levied on business profits yielded a combined total of $687,700,000 which was $24,330,000 less than the previous year's combined total. The corporation income tax yield of $239,000,000 was $21,166,000 more than in the previous year while the excess profits tax yield of $448,700,000 showed a decline of $45,496,000. The lower return from the excess profits tax reflects the changes announced in the 1945 budget which became effective on January 1, 1946. An important factor causing the yield of the corporation income tax to increase was the receipt of substantial amounts in 1946-47 from private companies paying the tax on accumulated undistributed income as provided by Part XVIII of the Income War Tax Act.

8. The liability of corporations to pay refundable excess profits tax was lifted after January 1, 1946, but those which had fiscal year ending after that date were required to pay, during 1946, this tax on a part of their profits proportionate to that portion of their fiscal year which fell in the calendar year 1945: The amount of refundable excess profits tax and personal income tax reserve classified by the taxation years to which it relates, is shown in the table below. The amount of reserve established in the fiscal year under review was $7,200,000 and this was entirely on account of the excess profits tax. These figures represent estimates which are subject to revision before the books of the year are closed.

9. Revenues under the headings "Taxes on Dividends and Interest" and "Taxes on Rents and Royalties" are derived from special taxes, largely on income going to non-residents of Canada, under authority of Section 9 B of the Income War Tax Act. In 1946-47, revenue under these two headings amounted to a total of $20,100,000, an increase of $1,790,000 over the previous year.

10. Succession duties, which have been levied by the Dominion Government only since 1941 have shown a gradual increase from

Taxation Year	Refundable Personal Income Tax	Refundable Excess Profits Tax
	$	$
1942	58,000,000	31,200,000
1943	135,000,000	67,500,000
1944	72,000,000	72,700,000
1945	.....	70,500,000
1946*	.....	17,300,000
Gross Total	265,000,000	259,200,000
Less repayments	3,669,000	4,000
Net Total	261,331,000	259,196,000

* Corporation fiscal years ending in 1946.

year to year. This upward trend was continued in 1946-47, total receipts of $23,600,000 being $2,153,000 higher than during the previous year.

11. Net revenue from customs import duties reached the unprecedentedly high total of $237,400,000 and exceeded the previous year's yield by $108,523,000. Industrial reconversion, high consumer purchasing power and insistent demand for goods long in short supply have tended to increase imports and this increased volume of imports, together with the higher money value upon which customs duties were levied have brought substantially increased revenue from this source.

12. Excise duties which are levied exclusively on alcoholic beverages and tobacco products brought in a total revenue of $196,000,000, an increase of $9,274,000 over the previous year. Most of this increase was contributed by alcoholic beverages. The smoker's contribution to the Federal Treasury continued to be large with the over-all revenue from tobacco products (including the yield of the additional taxes imposed under the Special War Revenue Act on tobacco, cigarettes, cigarette papers and tubes, pipes and smokers' accessories) amounting to $184,161,000, which is 7·5 per cent of total revenue from taxes.

13. The heading "Excise Taxes" includes the wide variety of commodity taxes levied under the Special War Revenue Act, of which the sales tax and the taxes on tobacco products were the largest sources of revenue in 1946-47. Gross collections were $2,037,000 lower than in the previous year, but because refunds of excise taxes have declined from $114,878,000 in 1945-46 to the more normal peacetime figure of $29,878,000 for 1946-47, the net revenue from excise taxes was $82,090,000 higher in 1946-47 than in the previous year. When it is considered that the war exchange tax which yielded $41,198,000 in 1945-46 was not in effect in 1946-47, this increase in total net revenue from excise taxes is all the more notable, reflecting greater supplies of goods, a somewhat higher price level and a continuing high volume of purchasing power in the hands of the public.

With a few minor exceptions, all excise taxes showed an increase in 1946-47. The tax on furs which was changed in October, 1945, from 25 per cent at point of dressing with no sales tax, to 10 per cent and sales tax, showed a decline. The war exchange tax and the tax on electric and gas appliances which were not in effect during the year yielded only insignificant clean-up amounts. The gross revenue from sales tax increased slightly, but as a greater part of the refunds of excise taxes are in connection with the sales tax the net yield from this source showed a considerable increase. The net yield from the sales tax continues at a very high level despite the changes in 1945 which excluded equipment and apparatus used in production as well as building materials from this tax.

Some of the sources from which a considerable increase in excise tax revenue was derived and the amounts of the increase in each case are as follows:

Automobiles, tires and tubes	$9,639,000
Beverages	1,977,000
Cigars, cigarettes and tobacco	6,089,000
Cigarette papers and tubes	2,298,000
Gasoline	6,384,000
Phonographs, radios and tubes	1,880,000
Special excise on importations	398,000
Sugar	1,365,000
Amusements	1,165,000

14. Small amounts of tax revenue are derived from the tax on the note circulation of the chartered banks which decreases from year to year with the decline in circulation of such notes as provided by statute; from the taxes on the net premium income of insurance companies; from a tax on the export of electrical energy from Canada; and from a tax on the export of furs from the Northwest Territories. Revenues from all of these taxes in 1946-47 amounted to $9,720,000.

15. Non-tax revenues for 1946-47 are estimated at $160,880,000, an increase of $76,000 from the previous year. Receipts from the Post Office again showed an increase with the total of $75,000,000, exceeding 1945-46 by $6,387,000. These receipts exceeded the cost of operating the Post Office by about $9,012,000, without taking into account any credit for service rendered other departments free of charge and without adding into the cost of operations such items as rentals and other costs of premises occupied by the Post Office. Return on Investments realized $68,780,000, a decline from the previous year of $2,135,000. The larger items making up the total of return on investments are: interest on advances to Canadian National Railways, $21,500,000; dividends paid and profits transferred by the Bank of Canada, $21,236,000; interest on loans to Foreign Exchange Control Board, and on bonds held in Securities Investment Account, $16,540,000; interest on loans to National Harbours Board, $3,450,000; interest on loans to Provinces, $2,859,000; interest on loans to Canadian Farm Loan Board, $666,000; and interest on Soldier Land Settlement and Veterans' Land Act Loans, $738,000.

SPECIAL RECEIPTS AND CREDITS

16. The estimated total of Special Receipts and Credits for the fiscal year 1946-47 is $372,071,000, as compared with $650,023,000 for the previous year. Of this total the sum of $367,578,000 represents receipts arising from war and demobilization expenditures and consists of Refunds of Previous Years' War Expenditures, $134,977,000; Sale of Surplus War Assets, $182,400,000; and Miscellaneous War, Demobilization and Reconversion Revenues, $50,201,000.

A breakdown of Refunds of Previous Years' War Expenditures with details of the larger items, follows:

Canadian Mutual Aid Board	$ 4,300,000
National Defence—	
Army	6,700,000
Navy	1,061,000
Air	4,286,000
Reconstruction and Supply—	
Credit from Munitions Production Allotment Fund, representing mainly return of working capital advances from pre-financed plants, $47,000,000; refunds on contracts in connection with cost audits and negotiation, $50,000,000; sundries, $3,000,000	100,000,000
Allied Military Lire Suspense Account as authorized by Vote 687 of Further Supplementary Estimates, 1946-47	7,530,000
Dominion Government War Risk Insurance Scheme—transfer to revenue of special funds set up in prior years as War Damage Insurance Special Account	9,600,000
Sundry Departments	1,500,000
	$134,977,000

The amount of $182,400,000 which it is estimated will be realized during the year through the disposal of surplus war assets, does not include residual cash balances or value of accounts receivable carried by War Assets Corporation as at March 31, 1947.

Included in the amount of $50,201,000 for Miscellaneous War, Demobilization and Reconversion Revenues is the sum of $30,000,000 derived from the operation of Park Steamships Limited.

17. The table which follows gives a summary of the forecast made at the time of the last budget of the probable receipts from the various sources of revenue during the fiscal year 1946-47, and a comparison of these forecasts with receipts for the fiscal year.

DETAILED STATEMENT OF BUDGET FORECAST COMPARED WITH ACTUAL REVENUE FOR 1946-47

Source of Revenue	Budget Forecast of Revenue	Actual Revenue	Increase (+) or decrease (−) in revenue as compared with budget forecast
TAX REVENUES	(thousands of dollars)		
Customs Duties	183,000	237,400	+ 54,400
Excise Duties	195,000	196,000	+ 1,000
Excise Taxes:			
Sales Tax (net)	250,000	298,205	+ 48,205
Other Excise Taxes	259,000	280,795	+ 21,795
Total Excise Taxes	509,000	579,000	+ 70,000
Income Taxes:			
Tax on personal incomes	615,000	695,000	+ 80,000
Corporate Income Tax and Excess Profits Tax	540,000	687,700	+ 147,700
Interest and Dividends	30,000	30,100	+ 100
Total Income Taxes	1,185,000	1,412,800	+ 227,800
Succession Duties	24,000	23,600	− 400
Miscellaneous Taxes	9,000	9,720	+ 720
Total Tax Revenues	2,105,000	2,458,520	+ 353,520
Non Tax Revenues	170,000	160,880	− 9,120
Total	2,275,000	2,619,400	+ 344,400
Special Receipts and Credits	200,000	372,071	+ 172,071
Total Revenue	2,475,000	2,991,471	+ 516,471
Less Refundable Taxes	.....	7,200	− 7,200
Net Total Revenue	2,475,000	2,984,271	+ 509,271

ANALYSIS OF EXPENDITURES, 1946-47

18. Expenditures are dealt with under the classifications of Ordinary Expenditures, Capital Expenditures, Demobilization and Reconversion Expenditures, Special Expenditures, Government Owned Enterprises, and Other Charges.

ORDINARY EXPENDITURES

19. Ordinary expenditures are estimated for the fiscal year 1946-47 at $1,233,952,000 compared with $1,061,902,000 in the previous fiscal year, an increase of $172,050,000. The largest increase, $72,593,000 was in the payment of family allowances which totalled $245,225,000 for the full year compared with $172,632,000 for the nine-month period of the previous fiscal year during which this programme was in operation. Other estimated increases of significant amounts were as follows:

Increase in interest and public debt charges	$35,984,000
Increase in Department of National Revenue expenditures	5,265,000
Increase in Post Office expenditures	8,258,000
Increase in Department of Public Works expenditures	10,894,000
Increase in cost of treatment and after-care of returned soldiers	16,361,000
Increase in cost of administering Soldier Settlement and Veterans' Land Acts	4,012,000

Other increases as well as the decreases effected during the year are shown in the five-year table.

It is of importance to note that of the total estimated ordinary expenditures of $1,233,952,000, the larger contractual and uncontrollable items accounted for $998,942,000 or 80·9 per cent. These items are interest and other charges on the public debt, subsidies and payments to provinces under the Dominion-Provincial Taxation Agreements, family allowances, premium, discount and exchange, unemployment insurance, post office, pensions and superannuation.

CAPITAL EXPENDITURES

20. Estimated capital expenditures totalled $13,205,000 in the fiscal year 1946-47, compared with $4,508,000 in the previous fiscal year. The main items are costs of dredging the St. Lawrence Ship Channel, improvements in connection with civil airways and airports, the construction of the new Prince Edward Island car ferry and flight equipment for the Trans-Atlantic Air Service.

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DEMOBILIZATION AND RECONVERSION EXPENDITURES

21. Demobilization and Reconversion expenditures are estimated at $1,313,188,000. This is 49·9 per cent of the total expenditures for the year under review.

The Department of Veterans Affairs expended $512,576,000 of which war service gratuities and re-establishment credits amounted to $319,500,000, post-discharge rehabilitation benefits $100,000,000, and treatment of defence forces and pensions, World War II, $83,800,000.

The Department of National Defence expended $376,441,000, divided between Army services, $216,204,000; Naval services, $58,950,000; Air services, $96,270,000; and Defence research, $5,017,000.

Expenditures by the Department of Finance under this category totalled $149,607,000. Of this amount expenditures by the Commodity Prices Stabilization Corporation and the Canadian Wool Board Limited, together with costs of administration of the Wartime Prices and Trade Board, accounted for $113,791,000 while advances to the Canadian Wheat Board for payment of drawback claims to millers and other manufacturers of wheat products amounted to $26,000,000. The office of the Comptroller of the Treasury expended $6,333,000 and the sum of $2,365,000 was disbursed in connection with the Halifax Area explosion and V-E Day damage claims.

The Department of Reconstruction and Supply expended $134,900,000, of which the larger items were: liquidation and termination of contracts, $69,500,000; housing developments, $31,500,000; expenses and subsidies paid by the Emergency Coal Production Board, $10,500,000; and the administration, reconversion and operation of crown companies and crown plants, $8,500,000.

Another department which expended a considerable amount under the Demobilization and Reconversion appropriation was the Department of Agriculture which disbursed $73,404,000. The larger items were: subsidies on milk for butter, for fluid milk, for cheese and for concentration purposes, $37,950,000; freight assistance on western feed grains, $19,000,000; subsidy on wheat used as feed for live stock, $7,000,000; and premiums on hog carcasses, $4,600,000.

More complete details of Demobilization and Reconversion expenditure by departments and services for the fiscal year 1946-47 are given in the table which follows:

ESTIMATED DEMOBILIZATION AND RECONVERSION EXPENDITURES BY DEPARTMENTS AND SERVICES, FISCAL YEAR 1946-47

Agriculture—			
Agricultural Food Board:			
Subsidy on milk for butter, for fluid milk, for cheese and for concentration purposes, including undischarged commitments of previous years	$ 37,950,000		
Sundry	50,000		
		$ 38,000,000	
Agricultural Supplies Board:			
Assistance in the disposal of surplus agricultural products	975,000		
Freight assistance on western feeds grains	19,000,000		
Subsidy on wheat used as feed for live stock	7,000,000		
Reserve stocks of feed grains	1,700,000		
Fertilizer subventions and freight allowances	300,000		
Fertilizer and bulk purchases of fertilizer chemicals	300,000		
Lime for soil amendment purposes	310,000		
Sundry	253,000		
		29,838,000	
Dairy Products Board		520,000	
Meat Board:			
Premium on hog carcasses	4,600,000		
Sundry	159,000		
		4,759,000	
Special Products Board		210,000	
Seed Export Office		11,000	
Grosse Isle research project		66,000	
			$ 73,404,000
Auditor General's Office			$ 200,000
Civil Service Commission			839,000
External Affairs—			
Canadian Information Service		$ 845,000	
Sundry		109,000	
			954,000
Finance—			
Comptroller of the Treasury		6,333,000	
Wartime Prices and Trade Board administration		13,250,000	
Commodity Prices Stabilization Corporation		100,000,000	
Canadian Wool Board Ltd.		541,000	
Advances to Canadian Wheat Board for payments to millers and other manufacturers of wheat products		26,000,000	
Halifax Area explosion and V-E Day damage administration expenses in connection with investigations		165,000	
Payment of claims		2,200,000	
Sundry		1,118,000	
			149,607,000
Fisheries			216,000
Labour—			
Vocational Training:			
Payments to the Provinces		3,000,000	
Vocational training for discharged members of Canada's armed forces		12,300,000	
Disposal, maintenance and removal of Japanese Nationals and other persons of the Japanese race		3,235,000	
National Employment Service:			
Expenditures by Unemployment Insurance Commission		10,788,000	
General labour transference to industries and agriculture		600,000	
Sundry		2,950,000	
			32,873,000
Mines and Resources—			
Administration		2,000	
Mines and Geology Branch:			
Aerial photography		1,050,000	
Construction and equipment of an extension to metallurgical laboratories		445,000	
Sundry		621,000	
Lands, Parks and Forests Branch		52,000	
Surveys and Engineering Branch		610,000	
Immigration Branch:			
For expenditures in connection with looking after Canadian interests abroad	$ 500,000		
Sundry	65,000		
		565,000	
			3,345,000

ESTIMATED DEMOBILIZATION AND RECONVERSION EXPENDITURES BY DEPARTMENTS AND SERVICES, FISCAL YEAR 1946-47—*Con.*

National Defence—			
Defence research		$ 5,017,000	
Army and Related Services:			
Army Services	$ 205,414,000		
Departmental administration	1,050,000		
Experimental Station, Suffield	1,000,000		
Internment operations and refugee camps	95,000		
Dependents Allowance Board	376,000		
Dependents supplementary grants fund	1,800,000		
Inspection Board of Canada	2,597,000		
Imperial War Graves Commission	165,000		
North West highway system	3,707,000		
		216,204,000	
Naval Services:			
Navy	57,343,000		
Royal Canadian Sea Cadets	755,000		
Royal Canadian Navy Reserve	852,000		
		58,950,000	
Air Services:			
Departmental administration	90,000		
Western Hemisphere operations	36,430,000		
Training organization	11,550,000		
Servicing units	16,000,000		
Overseas operations	4,700,000		
Repatriation and demobilization	16,200,000		
Headquarters and Commands administration	11,300,000		
		96,270,000	
			$ 376,441,000
National Health and Welfare—			
Old age pensions and pensions to the blind		9,545,000	
National Film Board		1,038,000	
Sundry		121,000	
			10,704,000
National War Services			72,000
Post Office			1,000
Privy Council Office			57,000
Public Works—			
Chief Architect's Branch:			
Repairs, alterations, operation and maintenance of buildings		1,932,000	
Rental of premises		720,000	
Sundry		624,000	
Chief Engineers Branch		275,000	
Telegraph Branch		240,000	
Contingencies		5,000	
			3,796,000
Reconstruction and Supply—			
Departmental administration		$ 4,250,000	
To provide for the liquidation of contracts		24,500,000	
Reconstruction projects		250,000	
Housing development		31,500,000	
Emergency Coal Production Board		10,500,000	
Administration, reconversion and operation of crown companies and/or crown plants		8,500,000	
Termination of contracts		45,000,000	
To provide recoverable advances		2,500,000	
To provide for the liquidation of outstanding commitments to mutual aid		1,500,000	
Home conversion plan		125,000	
Emergency shelter administration		2,207,000	
Sundry		42,000	
National Research Council		4,026,000	
			$ 134,900,000
Royal Canadian Mounted Police			1,808,000
Trade and Commerce			641,000
Transport—			
Departmental administration		62,000	
Transport Controller's office		52,000	
Director of merchant seamen		3,377,000	
Purchase of properties required in Canada by United States government		200,000	
Marine service		149,000	
Railway and steamship services		187,000	
Government employees' compensation		37,000	

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ESTIMATED DEMOBILIZATION AND RECONVERSION EXPENDITURES BY DEPARTMENTS AND SERVICES, FISCAL YEAR 1946-47—*Conc.*

Transport—(*Conc.*)		
Civil Aviation Division:		
Airways and airports—operation and maintenance:		
Operation and maintenance of municipal and other airports	476,000	
Airway and airport traffic control	700,000	
Radio aviation services	1,694,000	
Meteorological aviation services	1,153,000	
Care, operation and maintenance of R.C.A.F. airfields transferred to the Department of Transport	564,000	
Mackenzie River Route—operation, maintenance and acquisition of equipment	328,000	
North East (Crimson) Staging Route—maintenance of airfields	71,000	
Meteorological Division	1,141,000	
Radio Division	385,000	
Sundry	15,000	
National Harbours Board	163,000	
		10,754,000
Veterans Affairs—		
Treatment and pension examination—World War II	$ 50,000,000	
Pensions—World War II	33,800,000	
Post-discharge rehabilitation benefits	100,000,000	
Hospital accommodation and facilities	9,000,000	
War service gratuities	222,500,000	
Re-establishment credits	97,000,000	
Sundry	276,000	
		512,576,000
Grand Total		$1,313,188,000

SPECIAL EXPENDITURES

22. Special expenditures are estimated at $31,829,000, an increase of $14,471,000 over 1945-46. The principal changes in this category were due to a reduction of $5,552,000 in advances to the Prairie Farm Emergency Fund and to the payment of $20,562,000 to the Canadian Wheat Board for which there was no counterpart in the previous fiscal year. This latter item represented the payment to the Board of a sum equal to the total amount of the established deficits in certain accounts operated by the Board. Details of these deficits are given in the Further Supplementary Estimates for 1946-47.

GOVERNMENT OWNED ENTERPRISES

23. The classification of expenditures entitled Government Owned Enterprises comprises the losses of and non-active advances to government owned enterprises which had been established before the war and are operated as separate corporations. The total amount charged to expenditure in this category amounted to $9,966,000, an increase of $9,192,000 over the previous fiscal year. This increase was mainly due to the 1946 deficit of the Canadian National Railways, the first since 1940.

Canadian National Railways

24. The operating revenues of the Canadian National Railways for the calendar year 1946 totalled $400,586,000, a decrease of 7·7 per cent from those of 1945. Operating expenses of the Railway totalled $357,237,000 compared with $355,294,000 in 1945.

The net operating revenue of the Railway was $43,349,000 and after deducting $11,790,000 for taxes, and for equipment and joint facility rentals, there remained a net railway operating income of $31,559,000. Other income, less deductions, totalled $4,161,000, resulting in $35,720,000 being available for interest. After payment of $23,359,000 in interest on debt held by the public and $21,323,000 in interest to the Government in respect of temporary loans for capital and refunding purposes, there was a net cash deficit of $8,962,000. This amount was paid to the Railway by the Government and charged to expenditure.

The operating deficit of the Prince Edward Island Car Ferry and Terminals for 1946 was $889,000 compared with $686,000 in 1945.

Canadian National Steamships

25. The Canadian National (West Indies) Steamships, Limited, had an operating surplus of $1,710,000 in the calendar year 1946 and earnings on the Company's Replacement Fund totalled $197,000. From the total income of $1,907,000, there was paid for bond interest and exchange $478,000, and for interest on Government advances $126,000. The resulting income surplus was therefore $1,302,000. Of this income surplus the sum of $197,000 was retained in the Replacement Fund and the

remainder, namely, $1,105,000 was paid to the Government in reduction of advances made in prior years for deficits.

National Harbours Board

26. The operating income of the National Harbours Board for the calendar year 1946, after payment of interest to the public but before depreciation, reserve for replacements and interest on Government advances, was $4,143,036, compared with $5,596,000 in the previous year. Interest paid to the Government in the fiscal year ended March 31, 1947, totalled $3,450,000.

Financial assistance provided by the Government to the National Harbours Board and charged to expenditure under the category of Government Owned Enterprises, totalled $819,000, divided as follows: $101,000 for the operating deficit of Churchill Harbour and $14,000 for the operating deficit of Quebec Harbour; $424,000 for non-active advances to meet the deficit of the Jacques Cartier Bridge at Montreal; $242,000 for retirement of debentures of the Saint John Harbour Commission; and $25,000, $2,000, $7,000 and $4,000 for capital expenditures at the harbours at Saint John, Three Rivers, Halifax and Churchill respectively.

The elevators at Port Colborne and Prescott operated at a profit during the year and $110,000 was paid to the Government.

OTHER CHARGES

27. Total expenditures in this final category are estimated at $29,283,000, compared with $48,177,000 in 1945-46.

28. The amount of $25,000,000 has again been credited to the reserve to meet possible losses on the ultimate realization of active assets. Against this reserve was charged the sum of $19,600,000 reflecting write-offs in connection with various loans and advances made during the war by the Department of Munitions and Supply to Crown Companies and in connection with Crown plants privately managed. Details of these write-offs will be found in the section dealing with changes in Loans, Advances and Investments. As a result of these credit and debit transactions this general reserve stood at $155,400,000 at the close of the year.

29. The other items in this category which affect the net debt are as follows: the provision for reserve for conditional benefits under the Veterans' Land Act and the annual write-off of Soldier and General Land Settlement and Veterans' Land Act Loans and Canadian Farm Loan Board Capital Stock. aggregating $2,915,000.

30. The loss of $60,000 on seed grain and relief accounts administered by the Department of Mines and Resources does not increase the net debt as the write-off is from an amount already set aside in the non-active accounts to provide for revaluations and losses.

31. In 1945-46, the Dominion's equity in the Canadian National Railways as reflected in the Canadian National Railway Securities Trust Stock increased by $22,631,000, representing the surplus earnings of the system, namely $24,756,000, less capital loss on abandonments and retirements of $2,125,000. During the fiscal year just closed, as the Railway had no surplus earnings in the calendar year 1946, the only change in the Securities Trust Stock was a decrease of $1,308,000, representing the retirement of rolling stock. A deficit does not reduce the Dominion's equity as the amount of the deficit is paid to the Railway by the Government and charged as Government expenditure under the category of Government Owned Enterprises.

SUMMARY OF EXPENDITURES

32. The estimated grand total of expenditure for the fiscal year 1946-47 under the various categories enumerated, namely Ordinary Expenditures, Capital Expenditures, Demobilization and Reconversion Expenditures, Special Expenditures, Losses of and Non-active advances to Government Owned Enterprises, and Other Charges, was $2,632,127,000.

33. The table which follows shows the percentage distribution of estimated revenues and expenditures for a number of important items. Receipts from various taxes and other revenue sources, after deducting the $7,200,000 of excess profits taxes estimated as refundable after the war, are shown as percentages both of total revenues and of total expenditures. expenditure or groups of such items are expenditures or groups of such items are shown as percentages both of total expenditures and of total revenues. The purpose of this table is to enable broad conclusions to be drawn as to the relative burdens imposed on the public treasury.

PERCENTAGE DISTRIBUTION OF ESTIMATED REVENUE AND EXPENDITURE, 1946-47

—	Amount in thousands of dollars	Percentage of Total Revenue	Percentage to Total Expenditure
	$	%	%
Ordinary Revenue—			
Customs Import Duties	237,400	7·95	9·02
Excise Duties	196,000	6·57	7·45
Excise Taxes—sales tax and other excise taxes	579,000	19·40	21·99
Income tax on persons, corporations, etc	964,100	32·31	36·63
Excess Profits Tax (net)	441,500	14·79	16·77
Succession Duties	23,600	·79	·90
Other Tax Revenues	9,720	·33	·37
Total Revenue from Taxes	2,451,320	82·14	93·13
Non-tax Revenue	160,880	5·39	6·11
Total Ordinary Revenue	2,612,200	87·53	99·24
Special Receipts and Credits	372,071	12·47	14·14
Grand Total Revenue	2,984,271	100·00	113·38

—	Amount in thousands of dollars	Percentage of Total Expenditure	Percentage to Total Revenue
	$	%	%
Ordinary Expenditure—			
Interest on Public Debt	461,035	17·52	15·45
Other Public Debt Charges	12,278	·47	·41
Subsidies and payments to provinces under taxation agreements	102,769	3·90	3·44
Family Allowances	245,225	9·32	8·22
Old Age Pensions and pensions to blind persons	35,992	1·37	1·21
Unemployment Insurance Act, administration and Government's contribution	23,082	·88	·77
Agriculture	13,547	·51	·45
Mines and Resources	19,454	·74	·65
National Revenue	27,895	1·06	·93
Post Office	65,988	2·51	2·21
Public Works	27,178	1·03	·91
Transport	22,409	·85	·75
Veterans Affairs	94,423	3·59	3·17
All other	82,677	3·14	2·77
Total Ordinary Expenditure	1,233,952	46·89	41·34
Capital Expenditure	13,205	·50	·44
Demobilization and Reconversion Expenditure—			
National Defence—Army	221,221	8·40	7·41
Navy	58,950	2·24	1·98
Air	96,270	3·66	3·23
Reconstruction and Supply	134,900	5·13	4·52
Veterans Affairs	512,576	19·47	17·18
Other Departments	289,271	10·99	9·69
Total Demobilization and Reconversion Expenditure	1,313,188	49·89	44·01
Special Expenditure	31,829	1·21	1·07
Government Owned Enterprises	10,670	·40	·36
Other Charges	29,283	1·11	·98
Grand Total Expenditure	2,632,127	100·00	88·20

OVER-ALL SURPLUS

34. As total estimated revenues for the fiscal year 1946-47 were $2,984,271,000 and estimated expenditures aggregated $2,632,127,000, the over-all surplus or decrease in net debt for the year was $352,144,000.

LOANS, ADVANCES AND INVESTMENTS

35. In addition to the expenditures already detailed, the Government makes disbursements for the acquisition of investments which are treated as "active assets" and are deducted from total gross liabilities in arriving at the figure of net debt. The net increase in loans, advances and investments for 1946-47 was $983,660,000. Details of these increases together with those for the four previous fiscal years will be found in the table on page 2584.

Railway and Steamship Companies

36. There was a net decrease in loans and advances in this category during the fiscal year 1946-47 amounting to $20,520,000. This was the result of transactions with the Canadian National Railways exclusively. The details of these transactions reflecting repayment by the Railway on account of previous loans and the making of new advances to the Raliway are as follows:

Repayments—		
From Dominion Guaranteed Bond Issue:		
Applied to loans under Refunding Act, 1938	$ 3,888,565	
Applied to loans under War Appropriation Act, 1946, Working Capital	13,907,000	
Pre-payment of amounts due under Hire-Purchase Agreements:		
1940 Agreement	8,927,715	
1941 Agreement	15,208,977	
	$41,932,257	
Repayments of Instalments under Hire-Purhase Agreements:		
1936 Agreement	$ 517,173	
1940 Agreement	991,968	
1941 Agreement	1,382,635	
1943 Agreement	1,561,667	
1944 Agreement	868,728	
1946 Agreement	871,623	
Total Equipment Repayments.	$ 6,193,794	
Total Repayments of Loans and Equipment Repayments.		$48,126,051
Advances—		
Under Canadian National Railways Refunding Act, 1944—for retirement of matured issues	$23,502,000	
Under Canadian National Railways Financing and Guarantee Act, 1940—Purchase of Grand Trunk Railway Company of Canada 4 per cent Perpetual Consolidated Debenture Stock	53,885	
Under Canadian National Railways Financing and Guarantee Acts, 1941 and 1942—Purchase of securities from Canadian holders	5,141	
Under the War Appropriation (United Kingdom Financing) Act, 1942—Purchase of securities from Government of the United Kingdom	101,361	
Under the Trans-Canada Air Lines Act—Purchase of Capital Stock.	3,943,023	
Total Advances by way of loan.	$27,605,410	
Net Repayments of Loans and Equipment Repayments		$20,520,641

United Kingdom and Other Governments—

37. Net advances under this heading increased by $647,689,000. The largest single change in this category during 1946-47 was the advances under the United Kingdom Financial Agreement Act, 1946, aggregating $640,000,000, out of a total $1,250,000,000 authorized by this Act. The Canadian dollar obligation of the Government of the United Kingdom under the authority of the War Appropriation (United Kingdom Financing) Act, 1942, was reduced by $95,800,000, leaving a balance outstanding at the fiscal year end of $442,764,000.

Advances made during the fiscal year to foreign governments and their agencies pursuant to agreements made under the Export Credits Insurance Act totalled $267,371,000, made up as follows: Belgium, $26,000,000; China, $19,496,000; Czechoslovakia, $1,669,000; France, $156,400,000 (of which $86,985,000 was used to repay advances obtained under Section 3 of the War Appropriation Act); The Netherlands, $51,153,000; Netherlands Indies, $3,900,000; Norway, $8,661,000; and the Union of Soviet Socialist Republics, $91,000.

The Government of the Union of Soviet Socialist Republics repaid during the fiscal year 1946-47, $5,000,000 of a loan obtained under the authority of the War Appropriation Act in the amount of $10,000,000.

Advances to the United Kingdom and other governments under the authority of Section 3 of the War Appropriation Act decreased during the fiscal year 1946-47, by $158,880,000

(including repayment by the Government of France noted in the preceding paragraph). These advances represented mainly trading accounts operated by the Departments of Agriculture and Trade and Commerce for acquisition of food and other essential supplies for these governments.

Sundry Government Agencies—

38. Under the authority of the Appropriation Act, 1946, an advance of $2,000,000 was made to the Canadian Broadcasting Corporation for the construction of capital facilities.

39. The net change in advances to the National Harbours Board during the year was an increase of $114,000. An advance of $186,000 was made for capital purposes at the port of Montreal, while a capital refund of $72,000 was received from the Vancouver Harbour.

40. The net increase in the fiscal year in advances for Soldier Settlement and Veterans' Land Act purposes amounted to $54,268,000. This increase was occasioned by net advances of $56,398,000 under the Veterans' Land Act, less net repayments by settlers of $1,816,000 and less the sum of $314,000 which was written off and charged to Consolidated Deficit Account.

41. Net advances to Sundry Crown Companies decreased during the fiscal year by $11,104,000. Advances were made to the Canadian Commercial Corporation totalling $2,500,000 and the total of the outstanding balance against the Commodity Prices Stabilization Corporation increased by $946,000. Loans and advances to Eldorado Mining & Refining (1944) Limited outstanding at the beginning of the fiscal year in the amount of $2,943,000 were transferred to Investments. Advances of $6,457,000 to the Canadian Wool Board and of $326,000 to the Wartime Food Corporation were repaid. The Melbourne Merchandising Limited ceased to carry on business in February, 1947. Advances to the company outstanding at the beginning of the fiscal year in the amount of $4,823,000 were liquidated by repayments of $3,215,000, by a charge to reserve for contingent liabilities of $949,000 and by a charge of $659,000 to the general reserve for possible losses upon the ultimate realization of active assets. This latter charge was made under the authority of The Surplus Crown Assets Act, 1944.

42. Investments in connection with Crown Plants privately managed which totalled $41,100,000 at the beginning of the fiscal year, were completely liquidated by March 31, 1947. The plants involved and the amount in each case had been as follows: Alberta Nitrogen Company Limited, $10,370,000; Canada Strip Mill Limited, $9,563,000 and Welland Chemical Works Limited, $21,167,000. The liquidation of these investments was by repayments and credits of $12,272,000, by charges of $9,918,000 to reserve for contingent liabilities—Crown Plants, and by charges of $18,910,000 to the general reserve for possible losses upon the ultimate realization of active assets.

These plants were sold by War Assets Corporation and it was necessary to clear from the Dominion's books by a charge to the general reserve the amounts in the asset accounts remaining after having applied the proceeds of the sales and the amounts charged to the reserve for contingent liabilities—Crown Companies. These charges were made under the authority of The Surplus Crown Assets Act, 1944.

Investments

43. The Government's investment in the Canadian Farm Loan Board decreased during the year by $600,000. The Board purchased out of surplus funds $3,750,000 of its 3½ per cent bonds due January 2, 1960, and approximately $1,000 of the Board's capital stock was written off to Consolidated Deficit Account. On the other hand, the Dominion purchased from the Board $3,150,000 of 3 per cent bonds due January 2, 1970. At the end of the fiscal year the Government's investment in the Canadian Farm Loan Board totalled $21,023,000.

44. In the fiscal year 1946-47, Canada paid $48,750,000 on its subscription to the capital of the International Bank for Reconstruction and Development. Of this amount $41,665,000 was paid in the form of non-interest bearing notes. These notes are payable on demand and are carried on the Dominion's balance sheet under the heading of Floating Debt. A further call of $16,250,000 has been made on the capital stock of the Bank payable in May, 1947. The remaining amount of Canada's subscription to the capital stock of the Bank, namely, $260,000,000, can only be

called to meet obligations of the Bank on securities of or guaranteed by the Bank.

45. Canada completed its subscription to the International Monetary Fund by payments totalling $299,970,000 during the fiscal year 1946-47. Of this total, Canada paid $74,973,000 in gold, $30,997,000 in Canadian dollars and $194,000,000 in non-interst bearing demand notes. These latter are carried on the Dominion's Balance sheet under the heading of Floating Debt.

46. Other investments increased during the fiscal year 1946-47 by $8,940,000, reflecting mainly transfers from loans and advances to Crown Companies and Crown plants—privately managed.

47. The following table gives the details of the changes in loans, advances and investments during the fiscal year 1946-47 as now estimated, as well as the corresponding details for the four previous fiscal years.

ANNUAL CHANGES IN ACTIVE LOANS AND ADVANCES AND INVESTMENTS FOR THE LAST FIVE FISCAL YEARS
(thousands of dollars)

—	Fiscal Years Ended March 31				
	1943	1944	1945	1946	Estimated 1947
Loans and Advances					
RAILWAY AND STEAMSHIP COMPANIES—					
Canadian National Railways	142,539	Cr. 3,907	83,608	43,614	Cr. 20,520
Canadian National Steamships—Canadian National (West Indies) Steamships, Ltd	.....	.....	.....	Cr. 450	.....
Canadian Pacific Railway Company	Cr. 12,814	.....	.....	.....	.....
Net Total, Railway and Steamship Companies	129,725	Cr. 3,907	83,608	43,164	Cr. 20,520
SUNDRY GOVERNMENT AGENCIES—					
Canadian Broadcasting Corporation	Cr. 503	.....	.....	.....	2,000
National Harbours Board	Cr. 267	Cr. 127	8	Cr. 66	114
Soldier Settlement and Veterans Land Act	Cr. 1,692	Cr. 2,090	3,948	18,677	54,268
Sundry Crown Companies	45,140	63,317	Cr. 16,774	Cr. 20,087	Cr. 11,104
Sundry Crown Plants, privately managed	.....	57,007	Cr. 10,909	Cr. 4,997	Cr. 41,101
Other	4	Cr. 11	38	Cr. 40	.....
Net Total, Sundry Government Agencies	42,682	118,096	Cr. 23,689	Cr. 6,513	4,177
Provincial and Municipal Governments	Cr. 899	Cr. 437	15,599	Cr. 4,350	Cr. 2,532
UNITED KINGDOM AND OTHER GOVERNMENTS—					
United Kingdom, loan under The War Appropriation (U.K. Financing) Act, 1942	700,000	Cr. 42,392	Cr. 55,098	Cr. 63,946	Cr. 95,800
Union of Soviet Socialist Republics—Loan for purchase of wheat	917	9,083	.....	Cr. 2,500	Cr. 5,000
United Kingdom, Australia and New Zealand—Air Training accounts	56,360	5,403	81,586	Cr. 249,504	Cr. 2
United Kingdom—British Commonwealth Air Training Plan—Settlement	.....	200,000	.....	Cr. 200,000	.....
United Kingdom, food advance accounts	6,755	13,244	10,613	Cr. 9,311	Cr. 21,302
Export Credits Insurance Act	.....	.....	.....	67,412	267,371
United Kingdom Financial Agreement Act, 1946	.....	.....	.....	.....	640,000
War Supplies, Ltd	83,042	Cr. 11,884	Cr. 71,158	.....	.....
Other (U.K. and Other Governments)	661	16,766	Cr. 4,215	123,308	Cr. 137,578
Net Total, U.K. and Other Governments	847,735	190,220	Cr. 38,272	Cr. 334,541	647,689

ANNUAL CHANGES IN ACTIVE LOANS AND ADVANCES AND INVESTMENTS FOR THE LAST FIVE FISCAL YEARS—*Concluded*

(thousands of dollars)

—	Fiscal Years Ended March 31				
	1943	1944	1945	1946	Estimated 1947
Loans and Advances—conc.					
MISCELLANEOUS—					
Dominion and National Housing Acts	239	Cr. 532	Cr. 1,240	Cr. 14,721	.....
Sundry munitions contractors etc., (Department of Reconstruction and Supply)	3,640	Cr. 3,964	7,975	Cr. 757	Cr. 2,139
Sundry Loans and Advances	Cr. 329	Cr. 61	Cr. 74	Cr. 74	Cr. 75
Net total, Miscellaneous	3,550	Cr. 4,557	6,661	Cr. 15,552	Cr. 2,214
Net Total, All Loans and Advances	1,022,793	299,415	43,907	Cr. 317,792	626,600
INVESTMENTS					
Central Mortgage and Housing Corporation Capital Stock	.....	.....	.....	25,000	.....
Canadian Farm Loan Board	Cr. 2,507	Cr. 5,005	Cr. 5,001	Cr. 2,401	Cr. 600
Central Mortgage Bank Capital Stock	.....	.....	.....	Cr. 250	.....
Canada's subscription to International Bank for Reconstruction and Development	.....	.....	.....	36	48,750
Canada's subscription to International Monetary Fund	.....	.....	.....	33	299,970
Export Credits Insurance Corporation Capital Stock	.....	.....	500	2,000	.....
Other Investments	.....	5,521	1,754	770	8,940
Net Total, Investments	Cr. 2,507	516	Cr. 2,747	25,188	357,060
Net Total of changes in Loans and Advances and Investments	1,020,286	299,931	41,160	Cr. 292,604	983,660

LOAN FLOTATIONS

48. During the fiscal year ended March 31, 1947, the Dominion issued securities in the domestic market in an estimated amount of $2,427,293,471. This amount does not include the recurring issues of Treasury Bills and Deposit Certificates issued to refund similar securities maturing during the year.

During the year $2,717,872,364 of Dominion obligations matured or were called for redemption. Of this amount $1,939,293,471 was renewed or converted into new issues, the remainder, namely, $778,578,893 was provided as follows: $488,000,000 from the proceeds of the sale of Canada Savings Bonds and $290,578,893 from cash balances.

49. In addition to renewals of Deposit Certificates, one issue of bonds for refunding purposes was sold direct to the chartered banks. This issue, in the amount of $162,050,000, consisted of four year 1¾ per cent Bonds dated November 1, 1946. It was sold to the banks at 100·75 to yield 1·56 per cent.

50. The table which follows gives the details of the various issues sold during the year (excluding the renewal for another year of $33,293,471 one year 4 per cent School Lands Debentures, held by the Governments of the Prairie Provinces in respect of school lands). In the table the issues are classified on the basis of whether they were sold at time of issue to the Bank of Canada or to the chartered banks or to the general public.

51. During the fiscal year, sale of securities to the general public was confined to Canada Savings Bonds, a new type of security which was introduced in November, 1946. Net sales of Canada Savings Bonds to March 31, 1947, are estimated at $488,000,000.

LOAN FLOTATIONS, 1946-47

—	Issue Date	Maturity Date	Interest Rate	Price to Government	Yield at Price to Government	Total Amount Issued	Renewals or Conversions Included in Amount Issued	Amount Issued for cash
Sold to Chartered Banks			%	$	%	$	$	$
Four year bonds	Nov. 1, 1946	Nov. 1, 1950	1¾	100·75	1·56	162,050,000	162,050,000	.....
Sold to Bank of Canada								
Treasury Notes(1)	April 15, 1946	Sept. 1, 1946	⅝	100·00	0·625	350,000,000	350,000,000	.....
Treasury Notes	Sept. 1, 1946	Mar. 1, 1947	⅝	100·00	0·625	606,000,000	606,000,000	.....
Four Year Bonds	Nov. 1, 1946	Nov. 1, 1950	1¾	100·75	1·56	237,950,000	237,950,000	.....
Treasury Notes	Mar. 1, 1947	Sept. 1, 1947	⅝	100·00	0·625	550,000,000	550,000,000	.....
						1,743,950,000	1,743,950,000	.....
Sold to General Public								
Canada Savings Bonds (Net)	Nov. 1, 1946	Nov. 1, 1956	2¾	99·375(2)	2·82(2)	488,000,000(2)	.....	488,000,000(2)
Grand Total	.....	.....	.....	.....	.....	2,394,000,000	1,906,000,000	488,000,000

(1) Issue dated March 1, 1946, sold to Bank of Canada on April 15, 1946 at par and accrued interest.
(2) Estimated figures.

52. The table below gives the details of Dominion of Canada bond redemptions during the fiscal year ended March 31, 1947.

53. The fortnightly issue of three months Treasury Bills was continued during the year. The amount outstanding, namely, $450,000,000, was unchanged throughout the fiscal year. The last issue in the fiscal year was sold at an average yield of ·404 per cent.

54. The average rate of interest on the Dominion's direct funded debt (including Treasury Bills and Deposit Certificates) outstanding at March 21, 1947, was 2·65 per cent. This figure compares with 2·59 per cent on the debt outstanding at the close of the previous year, the increase being accounted for by the issue of Canada Savings Bonds which were specially designed to promote thrift on the part of persons of small or moderate incomes and which accordingly bear interest at 2¾ per cent per annum.

REQUIREMENTS FOR AND SOURCES OF CASH

55. In analysing the requirements for and sources of cash, it is necessary to follow the policy approved by Parliament when the Foreign Exchange Control Act was passed, namely, that the amount of the advances to the Foreign Exchange Control Board outstanding at the end of the preceding calendar year should not be disclosed until within thirty days after March 31. Therefore, in keeping with this policy it is not possible at this time to give the amount of the advances to the Board outstanding at the end of the Government's fiscal year. On the other hand, it is desirable to show as much detail as possible of the state of the loans, advances and other investments made by the Government, particularly those made to other Governments. Therefore for purposes of the balance sheet as at March 31, 1947, there has been included with the ordinary cash balances held by the Government, the total amount of advances to the Foreign Exchange Control Board which are equivalent in substance to cash balances either in Canada or abroad, and also holdings of securities in the Securities Investment Account which represent the Government's temporary investment of surplus cash in its own marketable securities which are available at any time, if required, to meet needs for cash. Detailed information on these items will, of course, be published later in the year in the Public Accounts.

DOMINION OF CANADA BOND REDEMPTIONS, 1946-47

Maturity or Call Date	Interest Rate	Where Payable	Amount
	%		$
April 15, 1946	1	Canada	250,000,000
April 15, 1946	1⅜	Canada	100,000,000
May 1, 1946	1¾	Canada	144,253,000
June 1, 1946(1)	3¼	Canada	33,500,000
July 1, 1946	4	Canada	33,293,471
September 1, 1946	⅝	Canada	606,000,000
November 1, 1946	1¾	Canada	197,455,000
November 1, 1946(2)	4½	Canada	43,125,700
December 15, 1946	2	Canada	193,286,000
January 15, 1947(3)	2½	New York	30,000,000
March 1, 1947	⅝	Canada	606,000,000
Various(4)		London	287,057
Deposit Certificates (Net)	⅛(5)	Canada	460,000,000
Non-interest Bearing Certificates (Net) / War Savings Certificates and Stamps (Net)		Canada	20,672,136
Total			2,717,872,364
Less Amounts Renewed or Converted (6)			1,939,293,471
Provided from Cash Resources			778,578,893

(1) Maturity date June 1, 1949, called for redemption on June 1, 1946.

(2) Maturity date Nov. 1, 1956, called for redemption on November 1, 1946.

(3) Maturity date January 15, 1948, called for redemption on January 15, 1947.

(4) These issues were vested by Treasury of the United Kingdom in August, 1941, and January, 1942. The amounts (at par of exchange) purchased in the fiscal year 1946-47 were cancelled.

(5) Deposit Certificates maturing April 2, 9, 16 and 23 bore interest at the rate of ¼%.

(6) Total from previous table $1,906,000,000, and School Lands Debentures, viz. $33,293,471.

In the table of requirements for Canadian cash shown below, therefore, the term "cash" is used in the broad sense indicated above. On this basis, apart from cash used for the redemption of securities, the total amount of cash required was approximately, $3,291,800,000. The sources from which these cash requirements were met are shown in the lower part of the table below. It will be noted that it was possible to meet all requirements for cash during the year other than debt redemption without new borrowing, and that, indeed, there was sufficient cash available to enable a reduction of about $252,700,000 to be made in the total of outstanding funded debt payable in Canadian currency. This result was achieved, of course, by a reduction in the total of cash balances as defined above.

REQUIREMENTS FOR AND SOURCES OF CASH, FISCAL YEAR 1946-47 (ESTIMATED)

(millions of dollars)

REQUIREMENTS FOR CASH			
Expenditures—			
Interest on the public debt		$ 461·0	
Subsidies to provinces and payments to provinces under wartime tax agreements		102·8	
Family Allowances		245·3	
Other ordinary expenditure in cash		405·5	
Total ordinary cash expenditure			$ 1,214·6
Demobilization and Reconversion—			
Department of National Defence—			
Army	$ 221·2		
Navy	58·9		
Air	96·3		
		376·4	
Department of Reconstruction and Supply		139·2	
Department of Veterans Affairs		512·6	
Other Departments		294·3	
Total Demobilization and Reconversion expenditure			1,322·5
Capital expenditure			13·2
Special expenditure			31·8
Government owned enterprises			10·7
Total cash expenditures			2,592·8
Outlays that Increased Assets or Decreased Liabilities—			
Decreased holdings of U.S. dollars (expressed in Canadian dollars)		−99·5	
Decreased holdings of sterling balances		−19·4	
Reduction in New York indebtedness (expressed in Canadian dollars)		38·0	
Reduction in sterling indebtedness		0·4	
Cost of loan flotations, portion to be amortized		0·3	
Working Capital Advances		0·7	
Loans and Advances—			
To Canadian National Railways	−20·5		
To United Kingdom, The War Appropriation (U.K. Financing) Act, 1942	−95·8		
To United Kingdom—Financial Agreement Act, 1946	640·0		
Export Credits	267·4		
Other (U.K. and Other Governments)	−163·9		
To Sundry Government Agencies—			
Canadian Broadcasting Corporation	2·0		
Crown Companies and Crown Plants	−21·7		
National Harbours Board	0·1		
Soldier Settlement and Veterans' Land Act	54·3		
To Provincial and Municipal Governments	−2·5		
Miscellaneous	−2·3		
Total Loans and Advances		657·1	

REQUIREMENTS FOR AND SOURCES OF CASH, FISCAL YEAR 1946-47—*Concluded*
(millions of dollars)

REQUIREMENTS FOR CASH—*Concluded*			
Outlays that Increased Assets or Decreased Liabilities—Concluded			
Investments—			
Canada's subscription to International Bank for Reconstruction and Development (Cash portion)	7·0		
Canada's subscription to International Monetary Fund (Cash portion)	106·0		
Other Investments	8·4		
Total Investments		121·4	
Total outlays that increased assets or decreased liabilities			699·0
Grand total requirements for cash			$ 3,291·8
SOURCES OF CASH			
Revenues—			
Personal income tax	$ 695·0		
Corporate income tax	239·0		
Excess profits tax	448·7		
Other direct taxes	53·7		
Customs duties, excise duties and excise taxes	1,012·4		
Other indirect taxes	9·7		
Total tax revenue	2,458·5		
Post office revenue	75·0		
Return on investments	68·8		
Other ordinary revenue	17·1		
Gross ordinary revenue	2,619·4		
Less estimated refundable portion of excess profits tax	−7·2		
		2,612·2	
Capital and other non-active refunds		1·2	
Special receipts		369·5	
Total cash revenues			2,982·9
Miscellaneous Receipts and Credits—			
Deposit and trust accounts		−34·3	
Insurance, pension and guaranty accounts		54·1	
Deferred credits		−16·3	
Sundry suspense accounts		−48·0	
Total miscellaneous receipts and credits			−44·5
Total revenues and miscellaneous receipts in cash			2,938·4
Borrowing in Canada—			
New issues—general public	$ 490·8		
Add estimated refundable portion of excess profits tax—net	4·8		
		495·6	
Less maturities paid in cash		−748·3	
Net decrease in funded debt payable in Canada		−252·7	
Net decrease in floating debt payable in Canada		−14·9	
			−267·6
Add decrease in total of cash balances in domestic currency, Securities Investment Account and advances to Foreign Exchange Control Board			621·0
Grand total sources of cash			$ 3,291·8

NATIONAL DEBT

56. It is estimated that the gross unmatured funded debt (including Deposit Certificates, Treasury Bills and the estimated refundable portion of personal income tax and excess profits tax) of the Government of Canada outstanding at the close of the fiscal year 1946-47 will amount to $16,524,164,000. Other liabilities consisting chiefly of Deposit and Trust Accounts, Insurance, Pension and Guaranty Accounts are estimated at $1,135,463,000. The gross liabilities of the Dominion on March 31, 1947, therefore, are estimated at $17,659,627,000. On

the other side of the balance sheet there are active assets estimated at a total of $4,745,766,000, consisting of cash, loans, advances and investments, less a reserve of $155,400,000 for possible losses on their ultimate realization. If the amount of net active assets is deducted from the amount of gross liabilities, there results a figure of $13,069,261,000 representing the estimated net debt of the Dominion as at March 31, 1947.

57. The decrease in the net debt for the year is estimated at $352,144,000. This of course is the amount already reported as the over-all estimated surplus for the fiscal year 1946-47.

BALANCE SHEET

The following is a condensed estimated balance sheet of the Dominion, together with details of non-active assets:

BALANCE SHEET—MARCH 31, 1947
(estimated)
(thousands of dollars)

Liabilities—			
Floating Debt—			
Matured Funded Debt Outstanding		$ 12,000	
Stock and other obligations payable on demand		235,734	
Interest due and outstanding		72,250	
Outstanding cheques and warrants		69,759	
Post Office Account		5,600	
			$ 395,343
Deposit and Trust Accounts—			
Post Office Savings Bank		35,600	
Indian Trust Funds		17,500	
Miscellaneous		111,000	
			164,100
Insurance, Pension and Guaranty Accounts—			
Government Annuities		344,300	
Insurance Fund-Civil Service		20,100	
Insurance Fund—Returned Soldiers		23,900	
Unemployment Insurance Fund—Cash		9,000	
Employees Compensation Clearing Account—Defence Projects		9,000	
Other Insurance and Guaranty Accounts		2,800	
Civil Service Superannuation Account		88,000	
Civil Service Retirement Fund		12,100	
Other Pension Funds		2,900	
			512,100
Deferred Credits			9,000
Sundry Suspense Accounts			18,500
Province Debt Accounts			11,920
Reserve for contingent liabilities			24,500
Funded Debt Unmatured—			
Payable in Canada—			
Bonds, Deposit Certificates and Treasury Bills		15,844,080	
Refundable portion of personal income tax and excess profits tax (estimated)		520,527	
Payable in New York		148,000	
Payable in London		11,557	
			16,524,164
			17,659,627
Assets—			
Cash including investment in the Foreign Exchange Control Board and holdings in the Securities Investment Account			$ 1,618,696
Departmental Working Capital Advances			10,000
Loans and Advances—			
To Canadian National Railways		$ 679,008	
To United Kingdom and Other Governments—			
United Kingdom, The War Appropriation (U.K. Financing) Act, 1942	$ 442,764		
United Kingdom Financial Agreement Act, 1946	640,000		
Export Credits Insurance Act	334,783		
Other (U.K. and Other Governments)	47,453		
		1,465,000	
To Sundry Government Agencies—			
Canadian Broadcasting Corporation	2,000		
Crown Companies	85,755		
National Harbours Board	85,079		
Soldier Settlement and Veterans' Land Act	107,000		
		279,834	
To Provincial and Municipal Governments		171,372	
Miscellaneous		17,300	
			2,612,514

BALANCE SHEET—MARCH 31, 1947—*concluded*

(estimated)

(thousands of dollars)

Assets—Concluded		
Investments—		
Bank of Canada Capital Stock	$ 5,920	
Central Mortgage and Housing Corporation Capital Stock	25,000	
Canadian Farm Loan Board—		
Advances and Capital Stock	21,023	
Canada's subscription to International Bank for Reconstruction and Development	48,786	
Canada's subscription to International Monetary Fund	300,003	
Miscellaneous	19,500	
		$ 420,232
Province Debt Accounts		2,296
Deferred Charges-Unamortized Discounts and Commissions on Loans		82,000
Sundry Suspense Accounts		28
		4,745,766
Less—Reserve for possible losses on ultimate realization of Active Assets		155,400
		4,590,366
Net Debt, March 31, 1947 (estimated)		13,069,261
		17,659,627

NET DEBT—MARCH 31, 1947 (estimated)

(thousands of dollars)

Net Debt represented by—		
(A) Expenditures for Capital Purposes and Non-active Assets—		
Public Works—		
Canals		$ 240,125
Railways		432,405
Miscellaneous		326,964
Military Property and Stores		12,616
Territorial Accounts		9,896
Canadian Pacific Railway (old)		62,791
Canadian National Railways Securities Trust Stock		380,404
Canadian National Railways Stock		18,000
Loans and Advances Non-active—		
Canadian National Steamships		12,053
National Harbours Board—		
Chicoutimi	$ 3,838	
Churchill	14	
Halifax	12,510	
Montreal (Jacques Cartier Bridge)	6,822	
Quebec	27,756	
Saint John	17,323	
Three Rivers	3,983	
		72,246
Soldier and General Land Settlement		16,526
Seed Grain and Relief Advances		134
Saskatchewan Seed Grain Loans Guarantee Act, 1936		2,637
Seed Grain Loans Guarantee Act, 1937		7,136
Miscellaneous Non-Active Accounts		2,457
		1,596,390
(B) Consolidated Deficit Account—		
Balance, Consolidated Deficit Account brought forward from March 31, 1946	$ 11,836,341	
Excess of revenue over expenditure, excluding amounts charged under (A) above, fiscal year ended March 31, 1947 (estimated)	363,470	
		11,472,871
		13,069,261

58. The following table gives the details of the various obligations included in the unmatured funded debt of the Dominion outstanding as at March 31, 1947, and the annual interest charges thereon:

UNMATURED FUNDED DEBT AND TREASURY BILLS AS AT MARCH 31, 1947, AND ANNUAL INTEREST THEREON

Date of Maturity	Rate Per Cent	Where Payable	Amount of Loan	Annual Interest Charge
			$ c.	$ c.
1947, May 1	1¾	Canada	373,259,000 00	6,532,032 50
July 1	4	Canada	33,293,470 85	1,331,738 83
Sept. 1	⅝	Canada	550,000,000 00	3,437,500 00
Oct. 1	2⅓	London	* 88,484 94	2,212 12
1948, Feb. 1	3¼	Canada	50,000,000 00	1,625,000 00
Mar. 1	2¼	Canada	269,879,000 00	6,072,277 50
Mar. 1	1¾	Canada	239,713,000 00	4,194,977 50
Nov. 1	1¾	Canada	344,267,000 00	6,024,672 50
1949, Feb. 1	3¼	Canada	50,000,000 00	1,625,000 00
Nov. 1	1¾	Canada	267,800,000 00	4,686,500 00
1950, Feb. 1	3¼	Canada	50,000,000 00	1,625,000 00
Nov. 1	1¾	Canada	335,690,000 00	5,874,575 00
Nov. 1	1¾	Canada	400,000,000 00	7,000,000 00
1951, Feb. 1	3¼	Canada	(1) 50,250,000 00	1,625,000 00
June 15	3	Canada	(2) 649,969,592 50	19,306,027 50
Nov. 15	3¼	Canada	60,000,000 00	1,950,000 00
1952, Feb. 1	3¼	Canada	(3) 50,500,000 00	1,625,000 00
Oct. 1	3	Canada	324,945,700 00	9,748,371 00
Oct. 15	4	Canada	56,191,000 00	2,247,640 00
1954, Mar. 1	3	Canada	(4) 676,355,489 00	20,089,767 00
1955, May 1	3¼	London	* 4,762,549 99	154,782 87
June 1	3	Canada	40,000,000 00	1,200,000 00
June 1	3	Canada	55,000,000 00	1,650,000 00
1956, Nov. 1	3	Canada	(5) 855,607,410 50	25,414,081 50
Nov. 1	2¾	Canada	* 488,000,000 00	13,420,000 00
1957, May 1	3	Canada	1,111,261,650 00	33,337,849 50
Nov. 1	4½	Canada	37,523,200 00	1,688,544 00
1958, June 1	3	Canada	88,200,000 00	2,646,000 00
Sept. 1	4	London	* 3,206,685 05	128,267 40
Nov. 1	4½	Canada	276,687,600 00	12,450,942 00
1959, Jan. 1	3	Canada	1,197,324,750 00	35,919,742 50
Nov. 1	4½	Canada	289,693,300 00	13,036,198 50
1960, June 1	3	Canada	1,165,300,350 00	34,959,010 50
Oct. 1	4	New York	100,000,000 00	4,000,000 00
1961, Jan. 15	3¼	New York	48,000,000 00	1,560,000 00
1962, Feb. 1	3	Canada	1,315,639,200 00	39,469,176 00
1963, July 1	3¼	London	*3,499,053 20	113,719 23
Oct. 1	3	Canada	1,295,819,350 00	38,874,580 50
1966, June 1	3½	Canada	54,703,000 00	1,777,847 50
Sept. 1	3	Canada	1,691,796,700 00	50,753,901 00
Perpetual	3	Canada	55,000,000 00	1,650,000 00
1947, April 11 Treasury Bills	·399	Canada	75,000,000 00	299,250 00
April 25 Treasury Bills	·398	Canada	75,000,000 00	298,500 00
May 9 Treasury Bills	·399	Canada	75,000,000 00	299,250 00
May 30 Treasury Bills	·399	Canada	75,000,000 00	299,250 00
June 13 Treasury Bills	·399	Canada	75,000,000 00	299,250 00
June 27 Treasury Bills	·404	Canada	75,000,000 00	303,000 00
April 1 Deposit Certificates	·625	Canada	40,000,000 00	250,000 00
April 8 Deposit Certificates	·625	Canada	40,000,000 00	250,000 00
April 15 Deposit Certificates	·625	Canada	40,000,000 00	250,000 00
April 22 Deposit Certificates	·625	Canada	40,000,000 00	250,000 00
April 29 Deposit Certificates	·625	Canada	40,000,000 00	250,000 00
May 6 Deposit Certificates	·625	Canada	40,000,000 00	250,000 00
May 13 Deposit Certificates	·625	Canada	40,000,000 00	250,000 00
June 15 Non-interest Bearing Certificates	.....	Canada	* 295,000 00	.....

*Estimated.

(1) Redeemable at 100½ per cent. Amount outstanding includes $ 250,000.00 redemption bonus.
(2) Redeemable at 101 per cent. Amount outstanding includes $6,435,342.50 redemption bonus.
(3) Redeemable at 101 per cent. Amount outstanding includes $ 500,000.00 redemption bonus.
(4) Redeemable at 101 per cent Amount outstanding includes $6,696,589.00 redemption bonus.
(5) Redeemable at 101 per cent. Amount outstanding includes $8,471,360.50 redemption bonus.

UNMATURED FUNDED DEBT AND TREASURY BILLS AS AT MARCH 31, 1947, AND ANNUAL INTEREST THEREON—*Concluded*

Date of Maturity	Rate Per Cent	Where Payable	Amount of Loan	Annual Interest Charge
			$ c.	$ c.
1950, June 15 Non-Interest Bearing Certificates	.....	Canada	* 316,000 00	.....
War Savings Certificates	3	Canada	*263,800,000 00	7,914,000 00
			16,003,637,536,03	432,290,434 45
Refundable portion of personal income tax and excess profits tax (estimated)	2 (6)	.....	520,527,000 00	5,226,620 00
			16,524,164,536 03	437,517,054 45
Payable in Canada	.....	.....	16,364,607,762 85	99·03%
Payable in New York	.....	.....	148,000,000 00	0·90%
Payable in London	.....	.....	11,556,773 18	0·07%
			16,524,164,536 03	100·00%

* Estimated.
(6) Interest on refundable portion of personal income tax only.

INDIRECT LIABILITIES

59. Bonds and debenture stocks bearing the guarantee of the Dominion and outstanding in the hands of the public, totalled $566,954,000 at March 31, 1947, an increase of $25,972,000 over the amount outstanding at the close of the previous fiscal year. This increase is occasioned mainly by the issue and sale to the public of $50,000,000 Canadian National Railway Company 2¾ per cent Bonds dated January 2, 1947 and maturing January 2, 1967 and the redemption of $23,752,000 Canadian Northern Railway Company 6½ per cent Bonds on July 1, 1946. The new issue was sold to a syndicate of Canadian banks and bond dealers at a price of 99·68 per cent to the Company. Of the proceeds of the issue the sum of $41,932,257 was used to pay off loans from the Government and the remainder for capital purposes of the Railway.

60. Pursuant to the terms of an Order in Council dated April 16, 1946, the Commodity Prices Stabilization Corporation was authorized to guarantee certain advances and interest thereon obtained by any person from a bank in order to purchase coal, coke or briquettes in the summer of 1946. The liability of the Corporation is limited to ten per cent of the aggregate advances made by each bank, but the maximum amount of guarantee is $500,000. The estimated contingent liability of the Corporation at March 31, 1947 was $26,000.

61. Under the provisions of The Farm Improvement Loans Act, 1944, the Government guarantees loans made by chartered banks to farmers for authorized purposes. The amount of the guarantee is limited to 10 per cent of the aggregate principal amount of the guaranteed farm loans made by each bank. At February 28, 1947, 18,945 loans had been made by the chartered banks in the amount of $14,496,864 and the contingent liability of the Government at that date was $1,449,686.

62. Under the provisions of The Veterans' Business and Professional Loans Act proclaimed on January 15, 1947, the Government guarantees loans made by the chartered banks to veterans domiciled in Canada for authorized purposes. These purposes include the purchase of a business, the purchase or repair of machinery, tools, instruments or other business equipment and the construction, repair or alteration of or the making of additions to any building or structure used in the veteran's business. The amount of such loans is limited to $25,000,000. The amount of the Government's guarantee is limited to 25 per cent of the loans made by a bank, if the total loans by that bank do not exceed $1,000,000. The guarantee is reduced to 15 per cent on the amount of loans made by each bank over $1,000,000. Records of loans made at March 31, 1947, are not yet available.

63. Under the terms of The Home Improvement Loans Guarantee Act, 1937, 125,720 loans had been made by banks and other approved loaning institutions to home owners under the terms of this Act and the total amount of such loans was $49,959,055. The Dominion's contingent liability arising out of these loans is limited to 15 per cent of the

aggregate of such loans made by approved lending institutions, but as the balance of these loans on December 31, 1946, was $59,335, the contingent liability of the Government is limited to this amount. Up to December 31, 1946, 1,277 loss claims for an aggregate amount of $463,996 had been paid. The ratio of total losses to total volume of loans, therefore, is only 0·93 of one per cent.

64. Under the provisions of the Appropriation Act No. 5, 1942, the Home Extension Plan was started. It provided for loans, not exceeding in the aggregate $2,000,000, by banks under regulations similar to those of the Home Improvement Loans Guarantee Act, for the purpose of financing the creation of additional self-contained housing units by alterations or additions to a building used solely or partially as a dwelling at the time of application for the loan. To March 31, 1946, fifty-nine loans for a total amount of $109,238 had been made. The Dominion's contingent liability arising out of these loans amounted to 15 per cent of the aggregate of such loans made by the banks of $16,386. There have been no claims for loss made by the banks. Since March 31, 1946, no new loans have been made under this authority but under the authority of Part IV of the National Housing At, 1944.

65. Part IV of the National Housing Act, 1944, authorizes loans to be made by chartered banks to home owners for improvement of their homes and for conversion of existing homes into multiple housing units, which loans may be guaranteed by the Government up to a maximum of $100,000,000. The contingent liability of the Government with respect to these loans is limited to 5 per cent of the aggregate of such loans made by each lending institution.

The home improvement loan section of the Act has not yet been proclaimed and therefore no loans have been granted thereunder. By Order in Council dated April 13, 1946, the home extension section of the Act was proclaimed. At March 31, 1947, twenty-eight loans had been approved in a total amount of $86,065 to provide for fifty-eight housing units. There have been no claims for losses. The contingent liability of the Government at March 31, 1947, was $4,303.

66. Under the provisions of Part II, Section 11 (3A) of the National Housing Act, 1944, the Central Mortgage and Housing Corporation may guarantee the principal of debentures of an institutional holding company and interest thereon at a rate of not more than two and one-half per cent per annum. At March 31, 1947, debentures had been issued by Housing Enterprises of Canada Limited bearing the guarantee of the Central Mortgage and Housing Corporation in the amount of $3,735,000.

67. Under the Dominion Housing Act, 1935, the National Housing Act, 1938, and the National Housing Act, 1944, the Dominion has accepted and is accepting certain obligations arising out of its contracts with approved lending institutions which, while not expressed in the form of a guarantee, may nevertheless be regarded as contingent or indirect liabilities. On January 1, 1946, the Central Mortgage and Housing Corporation Act, 1945, was proclaimed and since that date the Corporation has been acting as the agent of His Majesty in connection with loans under these Acts.

The manner in which losses in respect of any loan are to be shared by the Dominion and the lending institution is fixed by the contract. The original principle under the Dominion Housing Act and the National Housing Act, 1938, was that the Dominion bears two-thirds of the loss, if at the time the loss is sustained the principal amount of the loan repaid, less any other amount due, is equal to or less than the amount advanced by the Dominion and one-third of the loss if at the time the loss is sustained the principal amount repaid, less any other amounts due, is more than the amount advanced by the Dominion. In the case of small loans (that is, loans not in excess of $4,000 in the case of single family dwellings or not in excess of $700 per habitable room in the case of multiple family dwellings), the share of the loss to be borne by the Dominion is not more than 80 per cent and not less than 50 per cent of the loss. Under the National Housing Act, 1938, a new provision was added to encourage the making of small loans in small or remote communities and in districts or other communities designated by the Minister of Finance in any contract. In respect of such loans, the Dominion has agreed in contracts with certain lending institutions to pay losses sustained by any such lending institution up to certain amounts determined by the contract which are not less than 7 per cent and do not exceed 25 per cent of the total amount of such loans made by each such lending institution. Under the National Housing Act, 1944, the Dominion bears the first one-quarter of the loss and agrees to pay losses sustained by any lending institution up to an amount set out in the contract. This amount, by statute, cannot exceed 15 per cent of the aggregate of the lending institution's share of the joint loans made by the lending institution and His Majesty under the contract.

Loans to the number of 33,765 covering 43,460 dwelling units have been approved as at February 28, 1947, under the Dominion Housing Act, 1935, the National Housing Act, 1938, and the National Housing Act, 1944, the total amount of such loans being $165,225,310. Losses recorded and paid to March 31, 1947, amounted to $2,645 covering the Dominion's proportion of the loss on seven loans. This amount represents total losses to that date under both the Dominion Housing Act, 1935, and Part I of the National Housing Act, 1938. These losses are offset in part by a profit of $498 realized by the sale of eleven properties. The net loss to March 31, 1947, is therefore only $2,147. There have been no losses under the National Housing Act, 1944.

68. Under authority of P.C. 4690 dated November 12, 1946, the Minister of Finance was authorized on behalf of the Government of Canada to guarantee under the provisions of the Export Credits Insurance Act the guarantee of the Republic of China of the payment by Ming Sung Industrial Company Ltd. of the cost of Canadian-produced goods and Canadian services to a maximum amount of $12,750,000 to be advanced by Imperial Bank of Canada, The Bank of Toronto and The Dominion Bank, subject to an agreement dated October 30, 1946, between the Company and the said Banks, and to guarantee the securities given by the Ming Sung Industrial Company Ltd. for repayment of amounts drawn against credits established by the Banks in accordance with the agreement.

This guarantee was made at the request of the Government of China, which itself has guaranteed the payments to be made by the Company and the securities to be given by the Company and has undertaken to indemnify the Government of Canada against loss in connection with the guarantee so requested.

As of March 31, 1947, the Banks, under the agreement with the Ming Sung Industrial Co. Ltd. dated October 30, 1946, had issued letters of credit in the amount of $8,917,320 and opened a special account in favour of the Ming Sung Industrial Company Ltd. in the amount of $820,000. No payments had been made on drafts against the letters of credit. Advances against the special account amounted to $796,056.30. Outstanding commitments under this guarantee as of March 31, 1947, therefore amounted to $796,056.30.

69. The following is a statement of bonds, debenture stocks and other indebtedness guaranteed by the Dominion estimated to be outstanding as at March 31, 1947.

BONDS AND DEBENTURE STOCKS GUARANTEED BY THE DOMINION GOVERNMENT AS AT MARCH 31, 1947

Date of Maturity	Issue	Interest Rate	Estimated Amount Outstanding
		%	$
April 1, 1948	New Westminster Harbour Commissioners	4¾	700,000
Sept. 1, 1951	Canadian National	4½	48,022,000
Feb. 1, 1952	Canadian National	3	20,000,000
Aug. 1, 1952	Saint John Harbour Commissioners	5	667,953
Feb. 15, 1953	Canadian National	3	25,000,000
July 10, 1953	Canadian Northern	3	1,162,768
Feb. 1, 1954	Canadian National	5	50,000,000
Mar. 1, 1955	Canadian National (West Indies) Steamships Limited	5	9,400,000
June 15, 1955	Canadian National	4¾	48,496,000
Feb. 1, 1956	Canadian National	4½	67,368,000
July 1, 1957	Canadian National	4½	64,136,000
July 20, 1958	Canadian Northern	3½	5,636,508
Jan. 15, 1959	Canadian National	3	35,000,000
May 4, 1960	Canadian Northern Alberta	3½	550,727
May 19, 1961	Canadian Northern Ontario	3½	3,603,183
Jan. 1, 1962	Grand Trunk Pacific	3	26,465,130
Jan. 1, 1962	Grand Trunk Pacific	4	7,999,074
Jan. 2, 1967	Canadian National	2¾	50,000,000
Oct. 1, 1969	Canadian National	5	57,728,500
Nov. 1, 1969	Harbour Commissioners of Montreal	5	19,000,000
Feb. 1, 1970	Canadian National	5	17,338,000
Various dates 1948–54	City of Saint John Debentures assumed by Saint John Harbour Commissioners	Various	371,229
Perpetual	Grand Trunk Debenture Stock	5	1,473,495
"	Great Western Debenture Stock	5	848,406
"	Grand Trunk Debenture Stock	4	5,960,095
"	Northern Railway of Canada Debenture Stock	4	27,458
			566,954,526

OTHER GUARANTEES OR CONTINGENT LIABILITIES

	Estimated principal amount outstanding March 31, 1947
Bank Advances, re Province of Manitoba Savings Office	$ 4,653,078
Province of Manitoba Treasury Bill	3,500,000
Loans made by approved lending institutions under Dominion and National Housing Acts.*	
Loans made by approved lending institutions under The Home Improvement Loans Guarantee Act, 1937	59,335
Loans made by approved lending institutions under the Home Extension Plan	16,386
Loans made by approved lending institutions under Part IV of the National Housing Act, 1944, for home extensions	4,303
Debentures of Housing Enterprises of Canada Limited guaranteed by Central Mortgage and Housing Corporation	3,735,000
Deposits maintained by the chartered banks in the Bank of Canada	536,264,805
Bank Advances, re Government War Contracts—Department of Reconstruction and Supply	2,500
Bank Advances, re coal, coke or briquette purchases—Commodity Prices Stabilization Corporation	26,000
Guarantee under Dominion-Provincial Taxation Agreements of Provincial receipts from gasoline taxes at amounts received in fiscal years ending nearest December 31, 1940.*	
Guarantees under Part II, Export Credits Insurance Act	796,056
Loans made by chartered banks under The Farm Improvement Loans Act, 1944	1,449,686
Loans made by chartered banks under The Veterans' Business and Professional Loans Act.†	

* Indeterminate. † Not yet determined.

B. TABLES OF ECONOMIC STATISTICS

The following Tables of economic statistics, which were originally published elsewhere, are included in this Appendix to the Budget for convenience of reference in connection with consideration of the Budget accounts and proposals. Apart from monetary statistics which were taken from Bank of Canada publications, the statistics were all supplied by the Dominion Bureau of Statistics unless otherwise noted. In certain cases index numbers have been adjusted to a uniform base period.

Tables I, II, and III on National Income and related figures are based upon the publication of the Dominion Bureau of Statistics entitled "National Accounts, Income and Expenditure, 1938-1946." The nature and sources of these statistics are described in the booklet published in April, 1946, and entitled "National Accounts, Income and Expenditure 1938-1945". The figures given below have been rounded off to the nearest hundred million, and minor adjustments in the original figures have been made to eliminate residual items representing errors and omissions.

TABLE I

ESTIMATED NATIONAL INCOME AND GROSS NATIONAL PRODUCT

(billions of dollars)

—	1938	1939	1944	1945	1946 (Preliminary)
Salaries and Wages	2·5	2·5	5·1	5·0	5·1
Military Pay and Allowances	.....	.....	1·1	1·1	0·3
Corporate Profits and other Investment Income (Before Corporate Taxes)	0·7	0·8	1·8	2·0	1·8
Net Income from Farms and Other Individual Enterprises	0·8	0·9	1·9	1·7	2·0
Net National Income at Factor Cost	4·0	4·2	9·9	9·8	9·2
Indirect Taxes less subsidies	0·6	0·8	1·1	1·0	1·2
Depreciation and similar charges	0·5	0·5	0·8	0·7	0·7
Gross National Product at Market Prices	5·1	5·5	11·8	11·5	11·1

TABLE II

ESTIMATED NATIONAL EXPENDITURE

(billions of dollars)

—	1938	1939	1944	1945	1946 (Preliminary)
Government Expenditure on Goods and Services—					
(a) War and Similar Appropriations	0·1	0·1	4·2	2·8	0·9
(b) Other, including Provincial and Municipal	0·7	0·7	0·8	0·8	1·0
Gross Private Investment in Canada—					
(a) On Construction and Equipment	0·5	0·5	0·6	0·8	1·1
(b) On Additions to Inventories	.....	0·3	.....	−0·4	0·3
Personal Expenditures on Consumers' Goods and Services	3·7	3·8	6·2	6·8	7·4
Payments from other Countries for Canadian Goods and Services	1·4	1·5	3·5	3·6	3·2
Sub-Total	6·4	6·9	15·3	14·4	13·9
Deduct: Payments to other Countries for Goods and Services Included Above	1·3	1·4	3·5	2·9	2·8
Total Gross National Expenditures at Market Prices	5·1	5·5	11·8	11·5	11·1

TABLE III

ESTIMATED TOTAL PERSONAL INCOMES

(billions of dollars)

—	1938	1939	1944	1945	1946 (Preliminary)
Net National Income at Factor Cost	4·0	4·2	9·9	9·8	9·2
Add: Transfer Payments*	0·3	0·3	0·4	0·8	1·5
Total	4·3	4·5	10·3	10·6	10·7
Deduct. Contributions to Social Security and Pension Funds	.....	.....	0·2	0·2	0·2
Investment Income not paid out to Individuals	0·3	0·3	1·3	1·5	1·3
Total Deductions	0·3	0·3	1·5	1·7	1·5
Estimated Total Personal Incomes	4·0	4·2	8·8	8·9	9·2

*This item includes pensions, relief payments, gratuities, family allowances and similar payments, and most interest on the public debt.

TABLE IV

ESTIMATED CANADIAN LABOUR FORCE AND EMPLOYMENT, 1941-47

NOTE: The figures for the years 1941-45 show the estimated wartime distribution of manpower in the categories used in the Quarterly Labour Force Surveys of the Dominion Bureau of Statistics, from which the estimates for 1946-47 were obtained. For the purpose of these surveys, employed persons are those who either worked or had jobs in a specific week while the unemployed are those who were looking for work but were not working. About 170,000 persons living in remote areas and Indian Reservations are not included at all in these surveys.

(thousands of persons)

——	June 2, 1941	June 1, 1944	June 1, 1945	June 1, 1946	November 9, 1946	March 1, 1947
Total population 14 years and over....	8,517	8,885	8,978	8,927	8,998	9,065
Total labour force including armed forces.....	4,908	5,304	5,367	4,953	4,896	4,751
Armed forces.....	296	779	736	125	48	45
Total civilian labour force.....	4,612	4,525	4,631	4,828	4,848	4,706
Employed.....	4,242	4,443	4,525	4,702	4,733	4,565
nonagricultural.....	2,977	3,257	3,272	3,428	3,662	3,635
agricultural.....	1,265	1,186	1,253	1,274	1,071	930
Unemployed.....	370	82	106	126	115	141
Housewives, students, retired persons, persons in institutions, and non-workers.....	3,609	3,581	3,611	3,974	4,102	4,314

TABLE V

CANADIAN COST OF LIVING AND WHOLESALE PRICE INDEXES

MONTHLY FIGURES

1935-39 = 100

	1946									1947	
	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Cost of Living—											
All Items	121	122	124	125	126	126	127	127	127	127	128
Food	135	138	142	144	145	143	147	147	146	146	147
Fuel and Light	107	107	107	107	107	107	107	109	109	109	109
Clothing	123	124	124	126	128	130	130	131	131	132	132
Rent	112	113	113	113	113	113	113	113	113	113	113
Home Furnishings	121	122	122	125	127	128	129	129	129	130	131
Miscellaneous	111	112	112	114	114	114	114	114	114	115	116
Wholesale Prices—											
All Commodities	140	141	142	142	142	142	144	144	145	148	153
Farm Products	155	156	157	159	155	154	158	158	159	159	160
Raw Materials	150	150	152	153	150	150	156	157	157	159	165
Foods	142	142	144	146	144	143	146	147	146	148	148
Manufactures	129	129	129	130	131	131	133	133	134	136	140

TABLE VI

COMPARISON OF COST OF LIVING AND WHOLESALE PRICE INDEXES: CANADA, U.S.A., U.K., AND AUSTRALIA (A)

1935-39 = 100

	1938	1939	1940	1941	1942	1943	1944	1945	1946	June 1946	Dec. 1946	Jan. 1947	Feb. 1947
COST OF LIVING—													
All Items:													
Canada	102	102	106	112	117	118	119	120	124	124	127	127	128
U.S.A.	101	99	100	105	117	124	126	128	139	133	153	153	153
United Kingdom	103	104	122	131	132	131	133	134	134	134	135	135	134
Australia	103	106	108	114	121	130	130	130	131	131	133	.....	.....
Food:													
Canada	104	101	106	116	127	131	131	133	141	142	146	146	147
U.S.A.	98	95	97	106	124	138	136	139	160	146	186	184	182
United Kingdom	104	104	121	124	119	122	124	126	124	124	124	124	124
Australia	103	109	110	113	116	125	122	123	123	124	124	.....	.....
Clothing:													
Canada	101	101	109	116	120	121	122	122	126	124	131	132	132
U.S.A.	102	101	102	107	124	130	139	146	160	157	177	178	180
United Kingdom	104	107	142	184	200	176	173	174	173	173	174	174	170
Rent:													
Canada	103	104	106	109	111	112	112	112	113	113	113	113	113
U.S.A.	104	104	105	106	109	108	108	108	109	109	.....	109	109
United Kingdom	101	102	103	103	103	103	103	104	105	106	106	106	106
WHOLESALE PRICES—													
All Commodities:													
Canada	105	100	110	120	127	133	136	138	141	142	145	148	153
U.S.A.	98	96	98	108	123	128	129	131	150	140	175	176	179
United Kingdom	102	104	138	154	161	164	167	170	177	175	181	183	184
Australia	104	104	108	116	128	141	144	145	145	145	147	146	.....
Farm Products													
Canada	103	90	94	102	119	137	150	153	156	157	159	159	160
U.S.A.	90	86	89	108	139	161	163	169	196	177	221	217	224
United Kingdom	104	104	143	172	185	188	195	199	214	185	246	251	....

Foods:													
Canada	103	98	106	119	130	136	135	138	142	144	146	148	148
U.S.A.	93	89	90	105	126	135	133	134	165	149	203	198	205
United Kingdom	102	102	139	154	166	168	166	166	166	166	164	165	166
Manufactures:													
Canada	103	99	107	117	119	122	123	124	130	129	134	136	140
U.S.A.	99	97	99	108	119	121	122	123	135	130	154	157	169
United Kingdom	106	105	127	141	144	147	150	152	165	162	171	173	174

(A) The sources of the data used in this table are: Canadian figures: the Dominion Bureau of Statistics;
U.S.A. figures: the Bureau of Labour Statistics;
United Kingdom cost of living: the Minister of Labour;
United Kingdom wholesale prices: the Board of Trade;
Australian figures: the Commonwealth Statistician.

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TABLE VII

SELECTED CANADIAN MONETARY AND BANKING STATISTICS

(as at December 31)

	(millions of dollars)									
	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946
1. Bank of Canada and Chartered Bank Notes Held by Public	207	206	247	342	451	633	794	930	991	1,030
2. Total Bank Deposits Held by Public in Canada	2,282	2,394	2,594	2,672	2,938	3,172	3,645	4,285	4,928	5,760
3. of which: Demand Deposits	699	734	853	1,031	1,269	1,499	1,697	1,862	2,063	2,291
4. Notice Deposits	1,583	1,660	1,741	1,641	1,669	1,673	1,948	2,423	2,865	3,469
5. Total Volume of Money Held by the Public (1+2)	2,489	2,600	2,841	3,014	3,389	3,805	4,439	5,215	5,919	6,790
6. Securities Held by Bank of Canada	189	191	232	574	614	998	1,260	1,491	1,856	1,921
7. Securities Held by Chartered Banks	1,411	1,463	1,646	1,531	1,759	2,293	2,940	3,611	4,038	4,232
8. Total Loans by Chartered Banks in Canada	938	1,006	1,141	1,148	1,202	1,199	1,205	1,303	1,525	1,642

TABLE VIII

OTHER CANADIAN ECONOMIC STATISTICS

ANNUAL FIGURES

	Calendar Years						
	1926	1928	1932	1937	1939	1945	1946
Group I.—Comprehensive Indexes (1935-39=100)							
Physical volume of business	87	103	69	107	107	213	184
Volume of manufacturing	89	100	66	109	105	249	188
Mining	55	65	59	104	118	157	142
Forestry	84	87	57	117	103	127	147
Carloadings	131	148	88	106	102	145	147
Electric power output	46	61	61	106	108	153	159
Employment	92	103	81	105	105	161	159
Retail sales	(3)	(3)	92	105	105	187	213
Group II.—Price Levels (1935-39=100)							
Wholesale prices	133	128	89	113	100	138	141
Farm product prices	140	141	68	122	90	153	156
Cost of living	122	121	99	101	102	120	124
Common stock prices	92	147	51	117	92	100	116
Group III.—Gross Value of Production in Major Industries ($ millions)							
Agriculture	1,191	1,239	487	731	900	(1)1,683	(1) 2,027
Forestry	556	586	267	494	466	(1) 969	(1) 1,147
Fisheries	73	71	34	51	53	(1) 155	(1) 168
Mining (including Smelting)	277	313	234	663	663	(1) 853	(1) 934
Construction	424	571	267	390	373	544	(1) 680
Manufacturing	3,101	3,582	1,980	3,625	3,475	(1)8,266	(1) 7,939
Group IV.—Foreign Trade and International Transactions ($ millions)							
Exports (gold excluded)	1,277	1,364	498	1,012	936	3,267	2,339
Net non-monetary gold exports (2)	30	40	70	145	184	96	96
Total exports, including non-monetary gold	1,307	1,404	568	1,157	1,120	3,363	2,435
Imports (gold excluded)	1,008	1,222	453	809	751	1,586	1,927
Total trade	2,315	2,626	1,021	1,966	1,871	4,949	4,362
Export balance	+299	+182	+115	+348	+369	+1,777	+508
Net tourist receipts	53	79	65	79	68	83	87
Net interest and dividends going abroad	208	229	265	226	249	177	238

(1) Estimated.

(2) Adjusted for changes in stocks of earmarked gold. These figures were computed by the Bank of Canada on the basis of official trade returns.

(3) Not available.

TABLE 1x

OTHER CANADIAN ECONOMIC STATISTICS

MONTHLY FIGURES

—		Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Group I.—Comprehensive Indexes (a) **(1935-39=100)**													
Physical volume of business	1945	229	217	225	232	219	220	214	213	205	195	190	194
	1946	195	181	191	193	184	179	180	178	173	179	181	187
	1947	194	188	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Volume of manufacturing	1945	274	270	271	271	256	253	249	248	244	232	211	206
	1946	203	198	191	190	187	181	181	181	180	186	192	192
	1947	197	198	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Mining	1945	174	148	174	183	189	175	161	156	150	133	131	114
	1946	120	98	144	142	156	159	155	159	148	146	139	142
	1947	158	165	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Forestry	1945	117	127	138	119	124	125	125	125	124	133	135	135
	1946	138	151	147	144	143	128	143	149	151	157	157	159
	1947	160	164	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Carloadings	1945	152	148	149	149	154	156	151	142	119	129	138	143
	1946	156	147	150	144	146	141	151	147	129	141	150	156
	1947	164	151	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Electric power output	1945	152	150	154	166	165	164	161	155	146	145	140	142
	1946	152	153	156	164	167	165	168	164	155	155	154	158
	1947	174	173	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Employment (b)	1945	187	186	186	187	182	175	172	170	166	161	164	169
	1946	175	174	174	179	176	170	170	168	169	169	174	181
	1947	181	181	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Retail sales (c)	1945	143	147	194	175	182	196	171	178	187	204	213	255
	1946	160	167	210	212	217	217	195	215	208	227	245	282
	1947	181	183	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Group II—Price Level and Financial Factors—1935-39=100)													
Wholesale prices	1945	134	134	134	134	134	134	135	134	134	134	134	134
	1946	135	136	138	140	141	141	143	141	141	144	144	145
	1947	148	153	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Farm product prices	1945	145	147	147	147	147	148	151	152	149	152	152	152
	1946	154	154	154	155	156	158	159	155	155	158	158	159
	1947	159	160	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Cost of living	1945	119	119	119	119	119	120	120	121	120	120	120	120
	1946	120	120	120	121	122	124	125	126	126	127	127	127
	1947	127	128	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Common stock prices	1945	89	93	93	94	97	103	101	100	102	104	107	113
	1946	124	122	119	125	124	123	119	117	104	102	103	106
	1947	106	109	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bank deposits (d)	1945	216	213	211	214	229	236	225	222	222	229	252	251
	1946	250	246	248	248	249	249	251	253	257	262	270	266
	1947	266	270	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Active currency circulation (d)	1945	462	468	479	484	479	481	488	497	506	514	507	509
	1946	495	497	503	507	504	506	508	511	518	522	522	530
	1947	515	516	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Group III.—Other Significant Factors													
Exports (e) ($ millions)	1945	230	236	301	312	315	323	283	295	221	228	239	235
	1946	189	153	178	178	197	167	189	243	170	204	232	212
	1947	209	182	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Imports (e) ($ millions)	1945	130	112	132	133	144	146	139	128	122	134	142	121
	1946	140	117	140	161	164	158	162	163	156	186	198	182
	1947	173	177	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Net non-monetary gold exports (f) ($ millions)	1945	9	8	10	7	10	5	8	9	7	8	10	6
	1946	9	10	10	7	10	8	7	8	7	9	6	7
	1947	9	7	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Construction contracts awarded ($ millions)	1945	12	13	20	34	38	59	51	41	42	29	45	26
	1946	27	33	58	76	82	66	68	50	45	73	48	37
	1947	45	53	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

(a) Indexes seasonally adjusted unless otherwise indicated.
(b) As at first of month. 1926=100.
(c) Unadjusted.
(d) Based on daily average figures; index unadjusted.
(e) All gold excluded; includes exports of foreign produce.
(f) Adjusted for changes in stocks of earmarked gold. These figures were computed by the Bank of Canada on the basis of official trade returns.

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, it would be a very ungenerous, churlish and indeed very foolish man, I think, who would seek to begin the speech that I am beginning in any other way than by congratulating the Minister of Finance (Mr. Abbott) on his first budget speech. Happily, under our system of government, we can do this with sincerity. I remember not long ago when, I think it was in the state of New York, the defeated candidate for the governorship congratulated the winner a friend of mine said, "I wonder what the Russians would think of that?" and his answer was, "I suppose they would regard it as deep-dyed hypocrisy". Mr. Speaker, I do congratulate the minister. I also understand the enthusiasm with which his budget has been received and I think, in large measure, we can all share his enthusiasm. Certainly I say, just as he has said, that it does justify pride and inspires confidence in this country. I do not for a minute hesitate to say that for, as he has very properly said, it is our budget. It is not his budget; it is the budget of everyone of us throughout the country. His reference to Sir John Rose and the length of his speech prompted me to do a quick calculation, although it is not an accurate one. I have guessed that if the length of the minister's speech as compared with Rose's speech had been in proportion to the amounts involved, the minister's speech would have gone on for weeks; and, of course, if it had been in proportion to the surplus, about which I shall have something to say in a moment, perhaps the minister's speech would have gone on to infinity.

Having said these words, and with great sincerity, I wish to make some comments on the speech. Of course I intend to follow the practice on these occasions and speak for only a very few minutes. First, I wish to comment on this word "surplus." It strikes me as an unusual word. The minister spoke about it in the beginning; he spoke about it again at the end, and apparently with strong self-congratulation; but he pointed out honestly that this $352,000,000 was not equal to the amount of the capital represented in the receipts, the special receipts of $372,000,000, which have nothing to do with income. I just want to point out to the minister that, as he is thoroughly aware, this is a strange habit we have in dealing with public accounts which, if it were practised in connection with private accounts, would result not only in the company going broke but probably in somebody having to go to jail. I would also suggest to the minister—and I know he will not mind this—that years ago when he and I were both in private life and the company with which I was associated wished to seek—and gladly seek—advice from the firm with which he was associated, we never would have wanted approximate accuracy such as we have here. We never would have wanted anything just ninety per cent right, or eighty-five per cent right. I am sure he will agree that when we went to the very good firm with which he was associated we expected 100 per cent accuracy, and nothing less. I should like to point out that it ought to be easier for the government to gauge its expenditures than for the private corporation, because the government has control over so many of the elements entering into the matter.

I want to add just this one word. The minister should not ask us to be so grateful because he has taken several hundred million dollars of our money more than he needed to take, because, after all, that is what it amounts to. I would refer him to a speech made not so many years ago by a gentleman who will be received as a great authority by those immediately to my left, the Right Hon. Philip Snowden, who said that any chancellor of the exchequer who had even a half crown of surplus ought to be charged with getting money under false pretences.

I want to make just this final comment in that connection. We have drifted—and I see it again and again—into a state of affairs where governments really seem to have thought themselves into a state of mind whereby, when they come and announce a surplus, it is just as though they had presented to us a gift out of their own pockets. So often they seem to forget that this is our own money that has done these wonderful things. So I should just like to say that to me this does not seem like good budgeting but very bad budgeting. The government ought to be very much ashamed to come to us and tell us they are five or six hundred million dollars wrong. I really think the minister should have apologized to us for that tonight; and I believe there is an uncritical attitude abroad when people will thump their desks over that sort of thing. I am sure they will feel quite differently in the morning. Many people in this country will say to themselves, "Did they really get all this money they did not need? I could have done with that extra money of mine that they took away."

Mr. BERTRAND (Laurier): A new kind of critic.

Mr. MACDONNELL (Muskoka-Ontario): The minister is always apt, even when I do not hear him. In the few minutes which is all

I can allow myself I am not going to take time to comment on the way in which these reductions have been applied, but I should like to say two things. I listened to learn whether anything had been done for the unfortunate children who are still to be asked to pay for their chocolate bar and their pop an amount which apparently is beyond their resources. The minister's heart must have been wrung, I am sure, by a cartoon I and probably he read today, and I cannot understand why a man with such an open heart could have overlooked that point.

I wish to make one other comment of a much more serious nature, though that is serious enough. As far as I could judge on first hearing, it seemed to me there was no beginning to deal with the situation in regard to the gold industry which is so vital in that all important aspect of our business relations, namely, exchange with the United States.

I might deal with other matters, but I should like to say one word in regard to the excess profits tax. It seems to me a pity that it has to be continued on the present utterly unintelligible basis as to the basic period and standard rate.

There is one further comment I wish to make, and here I speak, I hope, with a sense of responsibility and a sense of moderation. In the minister's speech, which I noticed lasted for only two hours, not four hours like some other speeches—

Mr. ABBOTT: An hour and three-quarters.

Mr. MACDONNELL (Muskoka-Ontario): The minister corrects me; he is more accurate than on some other occasions. During all that speech lasting an hour and three-quarters, according to the minister, only about five minutes were devoted to dominion-provincial relations. Indeed, his phraseology suggested that he might have left it out altogether. He began by saying, "Perhaps I should not let this occasion pass without a few comments about this important problem." I think we should be grateful that he did not let it pass altogether, but the comments he made were really proportionate in their importance to the length of time he took to make them. They were brief, and just related to us things we already knew. I wish to make a comment or two on that, because it seems to me that when we are invited to congratulate ourselves—as we may well do on the many favourable features we have seen—it is well to remind ourselves that here is a matter in which not only have we met failure but which, as a friend of mine put it to me the other day, is becoming a scandal; that responsible, sensible statesmen, speaking the same language, thinking the same thoughts, with the same background, are not able to get together and sit sensibly around a table to discuss matters which are of great importance. We are inclined to criticize the failures that have been experienced at Moscow and elsewhere, but there they have had many difficulties we do not face. What has happened in the last year? On the money side we have had a kind of topsy-turvy, upside-down auction. The federal government has been the auctioneer, but it has been a strange kind of auction. They have bid up the various provinces, and the dominion, the auctioneer, has not received money, but has paid it. The dominion has paid money to everybody at the highest rate reached by anybody. So we have this perfectly topsy-turvy arrangement, which, as I say, has been brought about by this individual method of auction in reverse. Even then we should remember that nobody understands what we have done, because there is an area of uncertainty on the fringe of the whole business. Nobody knows just what has been decided; nobody knows what is to be left to the provinces and what to the dominion. The minister himself was very frank about the matter when speaking in Toronto some weeks ago.

I should like to make this final comment. It seems to me that this is a matter which goes to the very root of our national life. All these pleasant things we have been hearing tonight—and many of them are pleasant—can turn sour and have little effect if we are not able to get together as men of good will and talk these things out. As I was considering what the minister said tonight I pictured to myself the table in the senate chamber. Actually a year ago today, I believe, they were seated there, the Prime Minister at the head, as was fitting, with the premiers of the different provinces. I was thinking that if that meeting took place now there would be three absentees. Why would there be three absentees? Who are these men who apparently are not considered proper to be dealt with? These are men in high standing in their own provinces, one of them formerly a minister here, all of them returned to power more than once in their own provinces. Why is it that we cannot have this? Why is it that we stand as we do now? Is it because of the old maxim which I presume the Prime Minister learned at the university as many of us did—divide and conquer? Can it be that? Is that the reason, or can it be that there is some other reason? Whatever the reason may be, I, who am a newcomer here, make this suggestion, with respect, to the Prime Minister: Our ancestors had old-

fashioned ways of talking about it and they might have said, "Will not the Prime Minister as a thank-offering for the return of his health —which we all so greatly rejoice over—now that he is back—say that this thing will be changed, that we shall now try to get together and reconfederate this country which is in such great need of reconfederation and reintroduce the spirit which existed in this country eighty years ago?"—as the Minister of Finance so well expressed it tonight. I put that forward with deference but with earnestness, and I move that this debate be now adjourned.

Motion agreed to and debate adjourned.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed consideration in committee of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war—Mr. Ilsley—Mr. Macdonald (Brantford City) in the chair.

Mr. JOHNSTON: Mr. Chairman, I wish to continue what I was saying when the committee rose at six o'clock. The Minister of Reconstruction and Supply interrupted me as I was about to conclude my remarks. I had just referred to the laying of hardwood flooring at the rate of three cents per square foot.

I want to tell the minister that between the time the committee rose at six o'clock and the house met at eight o'clock I telephoned no fewer than nine different flooring firms in Ottawa, and on no occasion did I get a bid anywhere near three cents. Not one of them would accept floor laying at the rate of three cents per square foot. I wanted to put this on the record to show that I was not very far out when I made the statement the other day that fair wages could be made at five cents per square foot. I think a man could make fair wages at that rate, but certainly not at three cents.

The thing I was more concerned about was the increase in the prices of retail lumber. It would be a very bad thing for this country and especially for the building industry and those people with small incomes who are endeavouring to get better homes, our returned men particularly. It will be a great impediment to them if prices of retail lumber are allowed to go up. I pointed out before the dinner recess, and I think it is worth mentioning again, that the minister should take some precautions in this regard.

It was brought to my attention during the Easter recess that a great many retail lumber yards are selling grades Nos. 2 and 3 for No. 1 prices. That is something which the minister should talk over with his different controllers and have investigated. It is not reasonable and it will not lead to good construction.

More consideration should be given to increasing production, and I am glad to hear the minister say that a greater percentage of our cut is to be kept at home rather than exported. When we were speaking on this matter during last session I mentioned that there was far too much of our lumber, particularly the better grades, being exported instead of being kept at home to meet the needs of the people of Canada.

Mr. G. H. CASTLEDEN (Yorkton): I would not have spoken except that the hon. member for Comox-Alberni made some disparaging remarks about this group. He insinuated that we believe that anybody who was not on relief was an enemy of the state. I think the significance to be attached to his remarks lies in the fact that they received intense applause also from the Tory representatives on the right. The true alliance with regard to such matters is certainly evident when so many members applaud the manner in which big business exercises complete control over the life of the people of this country.

I think the reference he was making to our group had probably to do with our reference to the greatest lumber king in the world today. I am not attacking this man personally, but I just want to give the details of the kind of thing that we object to through the abuse of great powers by such persons. This man has operated under a system which he has exploited to the full. It is to such exploitation of our natural resources that we object. I spent some time looking up "Who's Who in Canada", a book in the library which gave me an outline of the kind of thing that this man was able to do.

He started off in 1911 as assistant director of the forestry branch of the old Department of the Interior, Ottawa. He discovered where Canada's forest resources lay. In 1912 he got himself appointed, through some political pull, I suppose, chief forester of the province of British Columbia, which is noted for its vast forest wealth.

Mr. MERRITT: Perhaps through his ability.

Mr. CASTLEDEN: Perhaps through his ability, yes. In that position he made a survey of the timber resources of that province. He came back to Ottawa in 1915 as special

timber trade commissioner and he made a trip around the world and visited practically every continent. This was a most important trip for him in view of the fact that later on he went into business for himself and through large shipping firms exported lumber to those very countries.

In 1916 and 1917 he was sales manager for the Victoria Lumber Manufacturing Company. From 1917 to 1919 he came back as assistant director of the imperial munitions board. Then a most significant thing happened after the war. He went back to British Columbia and he framed the timber royalty act of that province. Remember you are dealing with natural resources which belong to all the people. We believe that these resources are the birthright of the Canadian people and that they should be developed for their use and not be given away so that one individual can make tremendous profits for himself. We believe that if the Canadian people need lumber with which to build houses they should be able to get that lumber to build houses and that no individual should be given power over these resources to export them to the markets of the world and make himself a multi-millionaire. I understand that this firm paid $400 million for timber rights on Vancouver Island, the leases of which had been formerly held by John D. Rockefeller, Junior. He started to expand from then on until his ships sailed the seven seas to every continent of the world. He became head of his own export company, president of British Columbia Packers, president of Alberni Plywoods, president of the Canadian Chamber of Commerce, a director of the Canadian Bank of Commerce, a director of the Dominion Power and Chemical Company, a director of Forest Investment Company and of International Nickel, president of London and Western Trusts, president of British Columbia Plywoods, president of the Canadian Transport Company, president of the Canadian White Pine Company, president of the Alberni Pacific Transport Company and a member of the Canadian advisory board of the Sun Life Assurance Company.

With his knowledge of lumber he performed valuable service to this government as timber controller in 1940, and later as chairman of the wartime requirements board. After apparently some misunderstanding with the minister, he was later made president of wartime merchant shipping and, I believe, gave valuable service to Canada in his capacity as a manager in building ships for Canada.

We in this group do not consider, as the hon. member for Comox-Alberni insinuated, that just because a man has amassed wealth he is therefore an enemy of the state. But we do believe that the resources of this country should not be available to any person to develop to make himself a multi-millionaire and deny in the development of those resources the very things that are essential to the Canadian people in building houses. Housing is more than a roof over one's head. It has sociological values. Bad housing is a cause of crime. But these people have taken the natural resources which belong to the Canadian people and exploited them to their own advantage. They were not thinking of the Canadian people.

Mr. GIBSON (Comox-Alberni): How is the standard of living in British Columbia? Pretty good, is it not?

Mr. CASTLEDEN: Pretty fair. I am thinking of the power and control which this man has over the timber industry and of what is being done to restore those resources to the Canadian people. In other words—

Mr. GIBSON (Comox-Alberni): You do not know a thing about it.

Mr. MacINNIS: Then there are two who do not know a thing about it, so you are square.

The CHAIRMAN: Order. If hon. members wish to ask questions they must address the Chair.

Mr. CASTLEDEN: I would ask the minister how priorities are arranged and what quotas timber producers in British Columbia are allowed to export. How do you arrive at the portion of their cut which they are permitted to export? Is it on a quota basis? Is it given to those people who have the facilities for export and have contacts in other countries? What is done about the little fellow who is doing a small timber cutting job on the side of a mountain where perhaps there is not a vast forest?

Mr. HOWE: The answer is very simple. The little man has exactly the same chance to export as the big man. He is entitled to export sixty per cent of his total cut, provided that he places the other forty per cent on the market. I think practically all timber men big and small, take advantage of their export cut. The figures would seem to indicate that.

I should like to say a few words about the speech made tonight by the hon. member for Yorkton, because it was indicative of the attitude of the group to which my hon. friend belongs. He sees nothing in the career of H. R. MacMillan except that he has made money for himself. But that was purely

incidental. Two of the greatest builders that this country ever saw died bankrupt, but they left a great trail in this country. I refer to Sir William Mackenzie and Sir Donald Mann. Trace the careers of these two men across the country and you will see the great contribution they made to the wealth of the country today. You will see the same in H. R. MacMillan. There was no great timber industry in British Columbia when he started his operations there. He has contributed greatly to the wealth of British Columbia and to the well-being of its people, and he has contributed to the wealth of Canada by creating markets abroad for its natural resources. When my hon. friend says that Mr. MacMillan has done nothing to replace those forests, he is totally ignorant on that point. Anyone who speaks on the subject should take the opportunity to inform himself to some extent. I sincerely hope that a man of his age will take a little broader view of this dominion of ours and of what makes it grow, and give some credit to men who have shown the energy and the resourcefulness of the man to whom he referred and speak of them with some respect.

Mr. CASTLEDEN: The reference I made was to the fact that the Canadian people are short of lumber and that if this lumber is used it should be used for the benefit of the Canadian people more than for the benefit of one particular individual who has apparently worked his way up under the system under which we live. But apparently the Canadian people believe in that system and he has exploited it to the full. That is the only thing in which we differ.

Mr. BRACKEN: It is not often that I rise in this house to answer statements made by a member in any section of it, but the hon. member who has just sat down made some references to this man without mentioning his name and suggested that by some political connivance he had got a job with the British Columbia government some thirty or thirty-five years ago. I should like to give the hon. gentleman an opportunity to withdraw that imputation before I make further comment. If any young man trained in forestry ever deserved the job that was given to him as chief forester of British Columbia it was this man to whom the hon. member for Yorkton has made such disparaging reference tonight. There was absolutely no political connivance in it at all. He was a young man who got through college largely on his own initiative, and for two years thereafter he had to fight for his life against serious illness. It was because of his capacity that he got that position. He knew no one in and had no influence with the British Columbia government or with anyone else in British Columbia at that time. I think the hon. member should withdraw his references to this man's appointment as chief forester a third of a century ago, because I know they are without foundation.

Mr. CASTLEDEN: I was stating the record of the man. He was, first of all, an employee here in Ottawa. I said I did not know how he got the appointment in British Columbia. I said that I was not attacking the man personally but was citing him as an example of the type of thing that can happen under the system we have.

Mr. GIBSON (Comox-Alberni): Thank heaven.

Mr. CASTLEDEN: You must keep quiet until I get through. You are the fellow who started this with the remarks you made. I said that I was not attacking this man but that he was a man who had exploited to the full the system under which we live.

Mr. BRACKEN: The hon. member suggested that, by some political connivance, he got this job in British Columbia.

Mr. CASTLEDEN: No.

Mr. BRACKEN: That was the impression left with the committee.

Mr. GREEN: It is not very often that I get up to agree with the minister of reconstruction. As a member from British Columbia who has been here for quite a few years I should like to say that I agree with his remarks with regard to the statements made this evening about Mr. H. R. MacMillan. The hon. member for Yorkton has made statements which were without foundation and which were most unfair to any Canadian, poor or rich. I suggest to hon. members of the committee that it does very little credit to parliament to have statements of that kind made on the floor of the house.

Mr. CASTLEDEN: I should like to know the statements I made to which the hon. member refers.

Mr. GREEN: The hon. member knows what they were.

Mr. CASTLEDEN: I took them exactly from "Who's Who", and the hon. member can read them himself. What were the statements I made that were not correct?

Mr. BRACKEN: I pointed out one.

Mr. CASTLEDEN: I withdrew that. In my speech I said I did not know whether he

had got the appointment through political influence. He did get the position and I admitted it may have been through his ability.

Mr. BRACKEN: That is the only point to which I referred. I am glad to see that the hon. member has withdrawn any imputation such as that left with the committee in the early part of his remarks.

Mr. ARCHIBALD: Seeing that the hon. member for Comox-Alberni brought me into the debate this afternoon, I should like to say a few words on this matter. The sweet reasonableness of the logging companies has been apparent only in the last few years of high prices. Prior to the war, there were such institutions as Black's logging agency and Black's black list.

Mr. GIBSON (Comox-Alberni): The hon member would be on it.

Mr. ARCHIBALD: Yes, I would be on it.

The CHAIRMAN: I must insist that all remarks must be directed to the Chairman and not to hon. members. Hon. members must not interrupt without the consent of the hon. member who has the floor.

Mr. ARCHIBALD: The Minister of Reconstruction and Supply talked about the fact that reforestation was taking place on a reasonable basis alongside the cut in British Columbia. Seemingly the British Columbia government did not think so, because at the last session of the legislature they put through a bill conserving the timber resources and developing certain laws for reforestation. Therefore, in making the statement the minister must have been basing it on what has taken place in the last three or four months, because, prior to that time, the cut had been going on at a far greater rate than reforestation had been filling in the gap; otherwise I am quite certain that the provincial government would not have been driven to the necessity of enacting laws to see that reforestation would take place.

Mr. TIMMINS: I understand that control has been lifted from wooden containers and wooden boxes. How does that fit in with the picture of control? Is it the intention of the timber controller or of the department to decontrol certain features of the industry from time to time?

Mr. HOWE: I thought we had been trying to explain in the last eight weeks that we were in the process of orderly decontrol. Boxes are an end product of the lumber industry. The purposes of control is to control the end products first and the basic product last. I think it is quite logical to start the decontrol of lumber by beginning with boxes.

Mr. BENTLEY: I do not think it is fair for hon. members to make personal remarks across the floor. Some of the argument that took place here this afternoon may have been unfortunate. The hon. member for Comox-Alberni made a slighting remark to the hon. member for Yorkton. I believe the remark was that, had the hon. member for Yorkton as much ambition as somebody else who was taking part in the discussion at that time, he might have been a better man. I want to point out, Mr. Chairman, that I have known the hon. member for Yorkton for a great many years. In his capacity as principal of a school and, before that, as a teacher, no man has given more of his time and energy to the young people of our province than he. He has studied and worked in the interest of his fellow teachers and citizens. He may not have been as financially successful as the hon. gentleman who took part in the discussion.

Another thing that is sometimes unfortunately bandied back and forth is the intimation that nobody over here has any knowledge of the lumber industry. I should like to point out to the hon. gentleman from British Columbia, or to hon. gentlemen from any part of the house that, while they may know some things about the logging industry that I do not, the sum total of my knowledge of that industry is as great as that of anybody else in this committee. It may be that I know some things that they do not.

Mr. GIBSON (Comox-Alberni): Oh, oh.

Mr. BENTLEY: If the hon. member does not believe me let me tell him that, as old as I am, I shall follow him anywhere on loose timber in white water right now.

Mr. GIBSON (Comox-Alberni): There is no white water in British Columbia.

Mr. BENTLEY: I doubt whether the hon. member has ever worked under the tough conditions that I have worked. Statements of the kind which are made here should not be made. Since the hon. member for Yorkton has withdrawn any slight imputation he may have made regarding the person that so many people here want to defend, I consider it only fair that the hon. member for Comox-Alberni should indicate that he agrees the hon. member for Yorkton is at least as ambitious and as good a man as any other man in the house.

P.C. 1997 agreed to.

On P.C. 1665 and P.C. 469.

Mr. FLEMING: May I say a word about these next two orders P.C. 1665 and P.C. 469? Actually they were passed in the committee on Thursday last. I have drawn to the atten-

tion of the minister a clause in these two orders which does not fit the facts, and I would ask leave of the committee to reopen these two orders for the purpose of introducing correcting amendments which the minister has in hand.

May I just in a word mention the point involved in the two orders? These are orders dealing with the administration of property of persons of the Japanese race by the custodian of enemy property. Section 3 of the first order, P.C. 1665, reads as follows:

For the purposes of the control and management of such property by the custodian, the consolidated regulations respecting trading with the enemy (1939), shall apply *mutatis mutandis* to the same extent as if the property belonged to an enemy within the meaning of the said consolidated regulations (as amended by P.C. 2483, March 27, 1942).

A similar provision appears in order P.C. 469:

. . . and for the purpose of such liquidation, sale or other disposition the consolidated regulations respecting trading with the enemy (1939) shall apply *mutatis mutandis* as if the property belonged to an enemy within the meaning of the said consolidated regulations.

Actually these consolidated regulations of 1939 were superseded completely by new regulations in 1943, many of which were revoked in January of this year. It will be necessary to make changes in the wording to take account of the changes made in the consolidated regulations. I have discussed this matter with the minister, Mr. Chairman, and I believe he has an amendment prepared along these lines.

Mr. ILSLEY: With the unanimous consent of the committee, we shall return to these items. I should like to move:

That the following be inserted in the schedule to the act in the column entitled "Amendments" so as to pertain to order in council P.C. 1665 of 4th March, 1942, as amended:

"Section 12 (3) is revoked and the following substituted therefor:

'12(3) For the purposes of the control and management of such property by the custodian the revised regulations respecting trading with the enemy (1943) or any act or regulation which may be substituted therefor, shall apply *mutatis mutandis* to the same extent as if the property belonged to an enemy within the meaning of the said revised regulations, act or regulation'."

Amendment agreed to.

P.C. 1665 as amended agreed to.

Mr. ILSLEY: I should like to move:

That the following be inserted in the schedule to the act in the column entitled "Amendments" so as to pertain to order in council P.C. 469 of 19th January, 1943, as amended:

[Mr. Fleming.]

"All the words after the semicolon in the final paragraph of P.C. 469 are deleted and the following substituted therefor:
'and for the purpose of such liquidation, sale or other disposition, the revised regulations respecting trading with the enemy (1943) or any act or regulation which may be substituted therefor, shall apply *mutatis mutandis* as if the property belonged to an enemy within the meaning of the said revised regulations, act or regulation'."

Amendment agreed to.

P.C. 469 as amended agreed to.

On P.C. 133/510.

Mr. BROOKS: I wish to say a few words on this order in council. There are two orders in council, P.C. 133/510 and P.C. 3396, dealing with merchant seamen, and I take it that we can discuss them both at the same time.

The CHAIRMAN: Does the committee agree? The committee agrees to discuss both orders in council at the same time.

Mr. BROOKS: At this late hour it would perhaps not be right to make any extensive remarks, but we all recognize the great importance of the merchant seamen and the magnificent service they gave during the war. They were called, I believe, the fourth branch of the service, and rightly so. It is pretty hard to estimate just what the people of the country owe to these men, but we get some idea when we realize that there were over 1,200 casualties among the merchant seamen during the war—over 600 fatal casualties. As a matter of fact, it has been estimated that the casualties were heavier among the merchant seamen than they were in any other branch of the services for the numbers engaged in that work. Of 185,000 men engaged in the merchant marine of Great Britain, there were 38,000 fatal casualties. I say this in order to give some idea of the great risk, and the great sacrifice which was made by these men.

Enlistments in the merchant marine were, as we know, of young men and old men. Many of them were young men who had been turned down for service in the other branches, and the others were older men who were too old to serve in those branches. In our veterans affairs committee last year the services of these men were partly recognized, in that they were included in the Pension Act for disabilities during their service. However we understood then—

Mr. CHEVRIER: I do not wish to interrupt the hon. gentleman, and I would be the last to attempt to stop him from discussing benefits or establishments of any kind to which merchant seamen are entitled. But I understand, from the ruling of the Chairman,

already given, that the discussion should be centred around one or the other of these orders in council. The first one has to do with compensation for merchant seamen, for the loss of their effects; the other has reference to out-of-work benefits, and I presume my hon. friend wants to discuss benefits other than those to which merchant seamen might be entitled. My suggestion is that that is not in order.

Mr. BROOKS: I was discussing out-of-work benefits. There is one thing we have recognized, I believe, through all these orders in council, namely, that we have not been confined to the absolute wording of the order in council. There has been considerable leeway, and I contend that in discussing benefits in connection with the merchant seamen, and out-of-work allowances, we can give expression to what we consider are benefits that should have been extended to these men.

Mr. ILSLEY: This is clearly out of order. My hon. friend must realize that he is talking about a different kind of benefit entirely. He is apparently going to advocate gratuities or something like that, which would come under veterans legislation or civil service legislation, whereas we are talking about compensation to seamen, war damage to their effects, and that does not open the door to a broad discussion of the problems of merchant seamen. If we do not get down to business some time this session we shall never get anywhere.

Mr. BROOKS: We spent most of the evening in discussing H. R. MacMillan, and I consider a discussion of this kind with reference to merchant seamen is more important than the discussion of an individual.

Mr. ILSLEY: It may have been so, and perhaps we should have taken exception then, but I am appealing to the sense of responsibility on the part of members and for a little bit of respect for the rules. This is so far afield that it is not at all arguable that it is in order.

Mr. CHEVRIER: And there will be several opportunities again to discuss it.

Mr. GREEN: On the point of order raised by the two ministers, these two orders in council dealing with pension allowances to merchant seamen—

Mr. CHEVRIER: They do not deal with that at all. Read them.

Mr. ILSLEY: They do not deal with that.

Mr. GREEN: In effect, it is war payments to merchant seamen. These men do not come under veterans legislation, unfortunately. I wish they did, and they certainly should have done, but I submit to Your Honour that we are entirely in order in going over the allowances paid to the merchant seamen. Certainly that is covered under P.C. 3396, and I am surprised that the Minister of Transport should try to curtail discussion on this subject at this time.

The CHAIRMAN: I think there has been too much latitude during the last few days in connection with the orders that were being considered, and it has been done only with the unanimous consent of the committee. We have not unanimous consent any longer. The committee feels that we should discuss the orders in council according to the rules. I have not the rule before me, but my recollection of the wording is that all discussion in committee must be directly relevant to the item under consideration.

Mr. MACKENZIE: The rule is 58, subsection 2.

The CHAIRMAN: The Minister of Veterans Affairs reminds me that the rule is 58, subsection 2, and in view of the fact that there is not unanimous consent to a wider discussion under the provisions of the order in council before the committee, I must ask hon. members to make their remarks directly relevant to the order under consideration.

Mr. BROOKS: Under P.C. 133/510 this is for compensation to fishermen and personnel of the Canadian merchant navy for loss of effects during enemy action or counter action. Section 8 at page 159 of the office consolidation of the orders in council states that until the appropriate department otherwise directs, no compensation shall be payable under these regulations in respect of any claim which has not been made within one year after a war damage has been incurred. The date of this first regulation was in 1944, and there were many merchant seamen who had suffered damage and who lost their effects before that year. I should like to know from the minister just what if anything has been done to compensate these men for the loss of their equipment before that date, and why it says a year from the date of loss. I know that when we were discussing this matter in the veterans affairs committee it was considered that these men might perhaps be away from home for long periods and that it would be impossible for them to enter their claim. In view of the fact that this order in council was passed in 1944. would any provision be made for these many thousands of men who lost their equipment and personal effects through enemy action prior to that date?

Mr. CHEVRIER: I will try to get the information for the hon. gentleman in a moment, but I can give him the number of claims that have been made under the order in council, which has been extended, as he knows, and which it is hoped to bring to a conclusion by the end of July of this year.

Mr. ARCHIBALD: I should like to contribute a few remarks to the discussion of these orders in council, especially P.C. 4306 dealing with the shortage of trained personnel in the merchant marine, and therefore the sending out of ships under circumstances where their trained personnel are not as qualified as they normally would be; and also with P.C. 3396, which deals with unemployment benefits to seamen, which are benefits, of course, mainly to non-technical personnel. The lack of a proper Canadian merchant marine in the past causes the shortage of trained personnel at the present time. The out-of-work and unemployment benefits are a direct result of large numbers entering the merchant marine during the war, of course through necessity; and now, because of the policy of the government of disbanding that merchant marine which we built up during the war we find that we have large numbers of sailors on the beach. I have had communications from the marine council of the Trades and Labour Congress of Canada and also from the seafarers international union of North America complaining of this fact. For example, the trend at the present time is to sell the whole of what was formerly the Canadian merchant marine to foreign interests; whether it be to British interests or others, it does not matter. In fact, they could be sold to Canadian interests. But what is happening is that the ships are being put under Panamanian registry, a country which has no maritime laws. Therefore crews can be hired under any conditions whatsoever and our Canadian seamen can be left on the beach. That is what is happening at the present time. What the seamen are interested in at the moment is this: Is the government going to bring down amendments to the Canada Shipping Act at the present time, and is the government going to stop the importation of foreign crews to man boats going out of Vancouver?

Mr. CHEVRIER: Is the hon. member directing his remarks to the first order in council, P.C. 133/510? The Chairman has made a ruling that the discussion is on that order in council. If my hon. friend wants to go all over the field of the merchant marine, I shall be prepared to discuss that when the time comes; but I do not think this is the place to do so.

The CHAIRMAN: Order. I understood that at the opening of the discussion on the orders in council under the heading "Department of Transport", it was agreed that the four orders would be considered at the same time and passed at the same time. If that is so, the hon. member for Skeena would be in order in discussing P.C. 4306 and P.C. 3396, which I understand he is now doing.

Mr. ARCHIBALD: Thank you, Mr. Chairman. The fact that these orders in council are put through shows that there is a shortage of trained technical personnel. If there was a decent merchant marine policy, you would not have these orders in council. Granted you would have the unemployment benefits, but they would not be needed with the heavy amount of shipping that is going out of our ports at the present time if we had a Canadian merchant marine. Are we to be faced once again with a crisis where we have to call in experts of foreign nations to take over the job of officering our ships in another crisis? That is what will happen owing to the lack of foresight of the government at the present time unless something is done. I should be pleased now to hear if the government is considering bringing down amendments to the Canada Shipping Act at the present time, to protect seamen from this policy.

Let me give an illustration of what is happening. A ship will be taken out of the port of Seattle and towed up to the port of Vancouver to be overhauled. It will be manned with a United States crew to bring it up to Vancouver. Then a Chinese crew will be imported to put on board that ship in the port of Vancouver, because that cannot be done in Seattle. Canadian seamen are thinking of picketing these ships. You are going to have labour trouble about this. Can we expect any help from the government in protecting our Canadian seamen on jobs which should be their own?

Mr. CHEVRIER: I fail to see how the question which my hon. friend asks has anything to do with any of the orders in council which are under discussion. However, in case he may think that I do not want to answer the questions which he asks, I may tell him that amendments to the Canada Shipping Act are matters which cannot be disposed of in a short time. There are some eight hundred sections to the Canada Shipping Act. In my estimation not only one but many amendments are required. I have asked a group of

officers of my department to look into the question of amending the act. So far as I can see at the moment, I do not think it will be possible to bring down amendments to the Canada Shipping Act at this session. However I hope that at the next session of parliament it will be possible to make amendments to the act which will perhaps not meet the situation which my hon. friend speaks of but which will have in mind a number of complaints which have been made against the operation of that act, and to make a number of amendments which I think are justified.

Mr. ARCHIBALD: I should like to thank the minister for his answer, because any improvement in the present situation will be beneficial. I recognize that it takes time to overhaul this act. In fact, when it was put through in 1934 the present Minister of Veterans Affairs and the present Minister of Labour objected to the speedy way in which this was done. I am glad that the department is taking plenty of time to go over it. I hope that it will bear with the representations made by labour and put in many of the points which labour is asking for at the present time, and which are incorporated in the laws of many of the modern seagoing nations.

P.C. 133/510, P.C. 2245, P.C. 4306 and P.C. 3396 agreed to.

On P.C. 9781.

Mr. ILSLEY: I was asked for some information about this, by the hon. member for Calgary East. He asked that the matter stand. The specific question asked is whether heater treaters are covered by the provision for free entry. I have made inquiry and I find that they are not, because they are regarded as machinery connected with the processing or refining of the oil rather than the mining of it. The hon. gentleman said that if they were not covered he thought he should move an amendment. This is a revenue matter. It is a tariff item; I submit that it is not competent for a private member to move an amendment, and I would submit that this is not the place to move an amendment putting an item on the free list of the customs tariff.

Mr. HARKNESS: Is the minister himself prepared to insert those words in this particular clause?

Mr. ILSLEY: No. It cannot be done unless it is preceded by a resolution approved by His Excellency the Governor General. I would not be prepared to do it anyway, because of the object of the item. The item was to encourage mining rather than refining or processing; it is to encourage the drilling rather than the refining or the processing after the oil is brought up. This process here, I am told, is not directly connected with drilling.

Mr. HARKNESS: I should like to point out to the minister that this is not a refining process. This particular piece of apparatus might really be considered as an extension to the piece of pipe which brings the oil up from the ground. The apparatus simply separates from that oil the sand and water found in it, enabling the oil to be shipped, particularly in the winter time. As I understand it, if this oil is put in tanks to be shipped during cold weather there is a freezing of the water contained in the oil, and consequently there is great difficulty in getting the oil out of the railway tank cars or other containers, with the likelihood of damage. As a result, the oil cannot be made use of in the winter time particularly, unless it is treated in this manner. So I do not think this should be looked upon as a refining process.

Mr. ILSLEY: Probably I should not have said "refining"; I used the wrong word. The correspondence with the Department of National Revenue contains statements like this:

> This apparatus has nothing at all to do with the well but is apparatus for taking the water out of the oil after it leaves the well.

That had not been the original purpose of the item at all. In any event, I do not think this is the place to make an amendment to the item. As I say, it would have to be preceded by a resolution, and dealt with in a different way.

Mr. CHEVRIER: May I be allowed to answer a question asked a moment ago by the hon. member for Royal, for which I did not have the information available at the time. He wanted to know what provision was being made in connection with claims made prior to 1944 for compensation for the effects of seamen lost at sea. The order in council covers all claims prior to 1944, and, as far as the department knows, no seaman has suffered any loss because he incurred it prior to 1944.

Mr. ISNOR: I should like to ask the minister one question; I intended to make some remarks on the subject, but somebody called "carried" and I allowed it to go. The minister will recall that last year my late colleague brought to his attention the question of a certain number of pilots who lost their lives off Halifax harbour. As I recall it, there were some eight in number, and I was won-

dering whether their claims had been settled. I believe this comes directly under this order in council.

Mr. CHEVRIER: I am informed that it was a marine risk and not a risk covered by any enemy action as set out in the order in council.

The CHAIRMAN: Order. The committee is now considering P.C. 9781. Does this order in council carry?

Mr. HARKNESS: No, Mr. Chairman. I am quite prepared to accept the statement by the minister that this is not the proper place to have this particular piece of apparatus dealt with under this provision. However I should appreciate it very much if the minister would indicate when the matter might properly be considered, so that I may take it up at the poper time and see whether some more liberal, broader interpretation cannot be made as far as this order in council is concerned or, otherwise, to have this apparatus included in the regular tariff item.

Mr. ILSLEY: I understood from the budget speech tonight that tariff changes were not to be proposed this year. That being the case, it may be difficult to find an opportunity for the hon. gentleman to bring up the matter, other than to advocate it in a speech on the budget or something of that kind. Certainly it is a budget matter. It is just a matter of trying to persuade the Minister of Finance, I suppose, that he should take the duty off this particular piece of apparatus.

Mr. GREEN: How does one do that?

Mr. ILSLEY: I am not taking any position on the matter, one way or the other; I am saying that, from the point of view of those who framed the order, they did not have anything like this in mind. The item was designed to assist in the production of petroleum, and the basis was an item relating to the production of petroleum. It does not cover apparatus which deals with the petroleum after it is removed from the ground.

Mr. KNOWLES: I wonder if the Minister of Finance was able to get the information for which the hon. member for Kindersley asked when this item was up previously. Unfortunately the hon. member is away, or perhaps I should say fortunately; he is on the trip to Lake Success.

Mr. ILSLEY: I have reams of it here, which will take quite a long time to read. A number of questions were asked which were very difficult to answer. Is it necessary that I put it on *Hansard*? Can I not send it to the hon. gentleman? Did he have any purpose in mind in wanting a record made of it?

Mr. KNOWLES: The hon. member for Kindersley was interested in a little history in connection with this matter. He was also interested in learning whether something could be done to restore the order in council to the way in which it read in the first part, so that it would not discriminate against material used in water wells. My colleague comes from a part of the country where they are interested in that kind of material.

Mr. ILSLEY: I know, but I just have to make the same answer I gave the hon. member for Calgary East. We cannot just spread out from this item in every direction and put on the free list everything we think it would be nice to have on the free list. This was an item to encourage the production of petroleum; it was recommended by a production advisory committee in Alberta, who never had water wells or water equipment in mind at all. It got in there by accident or mistake, somehow or another, and then was taken out; it never had any place there. It is just another tariff matter, as to whether we want to put equipment for producing water on the free list. It is not something to be brought in collaterally in this way.

Mr. KNOWLES: Then may I ask just two questions. First, was consideration given since April 18 to the point raised by the hon. member for Kindersley, namely restoring the order in council to its former status; and second, is the information the minister has in his hand such that he could furnish it to the hon. member for Kindersley?

Mr. ILSLEY: Yes, I can furnish it all to the hon. member for Kindersley. There is one question we cannot answer. It is:

By whom were the importations made, and is the material imported duty free available in Canada from Canadian manufacturers?

The answer is:

It is not customary to disclose the names of individual importers and, furthermore, to do so would involve a long search through the files of customs entries. Since the imports under this item were not limited to "class or kind not made in Canada," it is probable that some of the imported material would be available in Canada from Canadian manufacturers.

I will send the whole thing to the hon. member for Kindersley.

Mr. KNOWLES: In other words, if he wishes to raise the matter later on he may do so?

Mr. ILSLEY: Yes.

P.C. 9781 agreed to.

On the schedule.

Mr. FLEMING: There is one matter I should like to speak to, and I can do so in the space of two minutes if I may proceed now. It is in relation to the schedule generally. We have just completed a review of a schedule which embodies 163 pages of fine print; yet if the bill is enacted in its present form, or with the schedule in its present form, it will appear as a bill about four pages in length. I submit that the schedule to the bill should contain the text in full of the orders as amended which are now to receive statutory effect. All that we have in the present schedule is a reference to these orders by number, date and name. I submit that the text of the orders ought to appear in the schedule to the bill itself.

My reasons are briefly these: First of all, there must be an official text of these orders which now receive the force and effect of statute. At present that is not to be found in the statute itself; one must refer to the original orders which are on file in the privy council office. I submit that that is not the proper form in which this parliament should legislate.

In the second place, there is a distinct gap in the statute books. People who wish to know the statute law of this country are entitled to find it in the statute books, and they will not be able to do so if this schedule is passed in its present form. Here is a whole volume which will be missing from the statute books if the schedule does not contain the full text of the orders. It may be that power is reserved to revoke certain orders, but I submit that when these orders become the statute law of the land they should appear in full in the schedule. Therefore, without further elaboration of the point, which I suggest is self-evident, I move:

That the schedule to Bill No. 104 as amended be further amended by printing therein the text in full of the orders in council numbered in the first column, as amended by those numbered in the fourth column in the said schedule.

Mr. ILSLEY: I am sorry; I cannot accept that amendment.

Progress reported.

It being five minutes after eleven o'clock, the house adjourned, without question put, pursuant to standing order.

Wednesday, April 30, 1947

The house met at three o'clock.

(Translation):

READJUSTMENT OF REPRESENTATION

PETITIONS FROM TWO PARISHES PROTESTING AGAINST THEIR REMOVAL FROM THE CONSTITUENCY OF TÉMISCOUATA

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, I have the honour of tabling a petition signed by Mr. and Mrs. Camille Sirois, of Sainte-Rita, in the county of Témiscouata, and by 110 other persons, who are protesting against the removal of that parish from the dominion constituency of Témiscouata.

I have another petition signed by Mr. Eugène Delisle, mayor of the parish of Saint-Cyprien, in the county of Témiscouata, and by 116 other persons who are protesting against the removal of that parish from the dominion constituency of Témiscouata.

Those petitions have been endorsed in compliance with standing order 68.

(Text):

COMMITTEES OF THE HOUSE

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS—RAILWAYS AND SHIPPING—CHANGES IN PERSONNEL

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs) moved:

That the name of Mr. Pinard be substituted for that of Mr. Blanchette on the special committee on human rights and fundamental freedoms.

That the name of Mr. Dion (Lake St. John-Roberval) be substituted for that of Mr. LaCroix on the special committee on railways and shipping.

Motion agreed to.

DAIRY PRODUCTS AND EGGS

DISCONTINUANCE OF BUTTER AND MILK SUBSIDIES—ANNOUNCEMENT AS TO PRICES

Right Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, I stated to the house some days ago that I would be prepared to make an announcement with regard to the return on dairy products to go into effect immediately.

In view of the fact that subsidies on butterfat used in the manufacture of creamery butter and on milk used in the manufacture of cheddar cheese will be discontinued as of tonight and that certain production costs, not-

ably of feeds, have increased, I wish to announce at this time certain arrangements that have been made that will affect returns to producers with respect to butter, cheese, evaporated milk, and eggs.

Butter.—With the concurrence of the Minister of Finance I am authorized to state that the wartime prices and trade board have increased the ceiling price on butter by ten cents per pound effective May 1st, 1947.

From January 1st, 1944, to date, the subsidy paid by the dominion government to producers of milk for the manufacture of creamery butter has been on the basis of ten cents per pound butterfat, equivalent to 8½ cents per pound of butter. The new ceiling therefore not only compensates for discontinuance of this subsidy but also provides an extra 1½ cents per pound of butter.

Another factor influencing returns to many producers of milk for butter production is an agreement recently negotiated with the British Ministry of Food for the sale of at least eight million pounds of roller skim milk powder, at a price of 13½ cents per pound.

It was announced some time ago that in the event of an increase in the ceiling price of butter action would be taken to capture the increased inventory value of stocks of butter held at the time the ceiling was changed. This action is being taken by the Commodity Prices Stabilization Corporation Limited.

Cheese.—The cheese agreement with the Ministry of Food covering the production year beginning April 1st, 1947, has been amended to incorporate the following prices for export cheese delivered F.O.B. factory shipping point or grading station shipping point: First grade, 25 cents per pound; Second grade, 24½ cents per pound; Third grade, 24 cents per pound.

This new price of 25 cents per pound for first grade cheese compares with 23·3 cents per pound which the Ministry of Food had previously agreed to pay.

The returns from the 25-cent price provided under this amended 1947-48 contract represent an increase of 1·7 cents per pound of cheese above those available in the 1946-47 contract year from the 20 cents per pound price for cheese plus the subsidy of thirty cents per hundred pounds of milk used in the manufacture of cheddar cheese.

Evaporated Milk.—It will be recalled that the subsidy paid by the dominion government on milk used in the manufacture of evaporated milk was discontinued as of September 30, 1946. Effective October 1, the wartime prices and trade board authorized an increase in the ceiling price of evaporated milk sold in Canada so that returns to producers would not be disturbed as a result of the discontinuance of the subsidy. The pack of milk (600,000 cases) for the Ministry of Food under the 1946-47 contract had already been completed by that date.

With respect to the 1947-48 contract, the Ministry of Food has already agreed to purchase 600,000 cases of evaporated milk in the production year beginning April 1, 1947, at a price of $5.25 per case, basis f.o.b. ocean steamers Montreal, Vancouver or New Westminster or, in the event of shipment through some other port, f.o.r. the ports mentioned. This would give producers the same returns for milk as they received in the 1946-47 contract year, when the dominion government paid a subsidy on milk used for this purpose.

In view of the higher returns that have now been provided for cheese and other dairy products, negotiations are now being carried on with a view to amending the 1947-48 contract for evaporated milk at a price to be mutually agreed upon which will keep returns to producers of milk for this purpose in proper relationship with returns for other dairy products.

Eggs.—Prices for eggs under the British contract are to be advanced by 1½ cents per dozen effective with eggs purchased or contracted for by the special products board on and after May 5, 1947. An additional increase of 1½ cents per dozen will be effective on fresh eggs purchased under the British contract for export in the shell during the months of September, 1947, to January, 1948, inclusive.

These adjustments have been concurred in by the Ministry of Food in order that egg production, and supplies to Britain, will not be curtailed as a result of recent advances in poultry feed costs or of further advances in feed prices which may occur when subsidies on grains are removed.

Whether or not these adjustments will compensate in full for increases in feed prices which have taken place or may take place in the future, the British have made it clear that this is the limit to which they can go under the present contract, which expires on January 31, 1949. It is our opinion that if producers desire stabilization of prices based on contracts with the United Kingdom they should not expect variations in contract prices following every change in costs.

Prior to the latest adjustments, egg prices under the present contract were 1½ cents per dozen higher than in 1946 for the period of February to August, inclusive, and 2½ cents per dozen higher than in 1946 for fresh eggs

exported during the period September to January, inclusive. With the present increases, prices from May 5 to the end of August will be 3 cents per dozen higher than in 1946, and fresh export eggs in the September to January period will be 5½ cents above 1946.

The immediate increase of 1½ cents per dozen will, as already stated, be effective with purchases of eggs from suppliers by the special products board as from May 5. The Ministry of Food have stressed their expectation that the full amount of this increase will be reflected immediately to producers for all eggs delivered at registered egg grading stations for carlot shipment to the special products board.

Mr. ISNOR: Why were not the two eastern Canadian ports, Halifax and Saint John, included in this agreement as shipping points?

Mr. GARDINER: These two products are mostly delivered to the British government at the points mentioned. The points mentioned are the basis of the agreement. Some of the products are shipped from Saint John and Halifax. The terms given here dealing with these products apply at the maritime ports.

Mr. HACKETT: Is not the difference between the cost of transportation to seaboard added if the goods go to Halifax? I refer particularly to the long train haul.

Mr. GARDINER: It depends on where the product originates. Some originate in Nova Scotia.

Mr. CRUICKSHANK: May I express my appreciation to the minister for the statement he has made? At last the Fraser valley has partly come into its own.

INTERNATIONAL REFUGEE ORGANIZATION

REFERENCE OF CONSTITUTION AND RELATED DOCUMENTS TO EXTERNAL AFFAIRS COMMITTEE

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I should like to table contents of the constitution of the international refugee organization and related documents, among others the agreement on interim measures. This constitution and agreement are the result of lengthy discussion in the united nations concerning the international problem of refugees and displaced persons. Canada, represented by the Minister of National Health and Welfare (Mr. Martin) signed both the constitution of the I.R.O. and the agreement on interim measures on December 15, 1946, immediately following the adoption of the resolution by the general assembly. As a matter of fact Canada was the first state to sign both these documents. The constitution and the agreement on interim measures have now been signed by thirteen states, only two of which, the United Kingdom and New Zealand, have signed without reservations as to subsequent legislative acceptance. The constitution will come into force when it is signed and ratified by at least fifteen states, whose combined total contributions would equal 75 per cent of the proposed budget.

The agreement on interim measures, which establishes a preparatory commission of the I.R.O., came into force when it was signed by eight states who had also signed the constitution. Unlike the constitution, it does not require parliamentary ratification in addition to signature. The preparatory commission, which has already met once in Geneva, will meet again in Lausanne on May 1, and the Canadian representative will be Mr. Jean Désy, Canadian ambassador, Brazil.

In view of the urgent necessity of establishing the I.R.O. as soon as possible, I shall shortly introduce a resolution in this house proposing ratification of the constitution by parliament. At that time, when hon. members have had an opportunity of studying these documents, I hope to make a more extensive and detailed statement concerning the international refugee organization.

With the unanimous consent of the house I move that this constitution and interim agreement be referred to the committee on external affairs.

Mr. GRAYDON: May I ask whether Russia is one of the nations subscribing to this constitution?

Mr. ST. LAURENT: I am sorry to have to say that the answer is a negative one.

Motion agreed to.

REDISTRIBUTION

PETITION AGAINST ENLARGEMENT OF YUKON CONSTITUENCY TO INCLUDE MACKENZIE

Mr. GEORGE BLACK (Yukon): Mr. Speaker, I present to the house a petition of Canadian and British subjects residing in the district of Mackenzie in the Northwest Territories of Canada. It is additional to the petition I presented on the twenty-fifth day of this month. The petition prays that the district of Mackenzie be not included with the

electoral district of Yukon, and it sets out what seem to me to be very convincing reasons. They say among other things:

That your petitioners prefer to have the representation of Mackenzie district to parliament postponed and to remain for the present without such representation rather than to have the district included with the electoral district of Yukon.

They go on to ask that the words "including the Mackenzie district of the Northwest Territories" in section 2 of Bill No. 18 be struck out.

BRETTON WOODS

ANNUAL MEETING OF BOARD OF GOVERNORS—BY-LAWS AND REGULATIONS

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, I wish to table the report on the operation of the Bretton Woods Agreements Act, 1945, statutes of Canada, 1945, chapter 11, section 7, including:

1. First annual meeting of the board of governors, held at Washington, D.C., September 27-October 3, 1946, of the International Bank for Reconstruction and Development—proceedings and related documents;

2. First annual meeting of the board of governors of the international monetary fund, held at Washington, D.C., November, 1946—report of the executive directors and summary proceedings, September 27-October 3, 1946;

3. By-laws, rules and regulations of the international monetary fund as amended to March 1, 1947.

PUBLIC ACCOUNTS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. GORDON B. ISNOR (Halifax): I wish to move that the second report of the standing committee on public accounts, presented on April 28, be concurred in.

Motion agreed to.

(Translation):

PRIVILEGE—Mr. CAOUETTE

WRONG DATE INDICATED IN THE "PARLIAMENTARY GUIDE"

Mr. REAL CAOUETTE (Pontiac): Mr. Speaker, on a question of privilege, I wish to state that, according to the English version of the "Parliamentary Guide" for the current year, I hold in this house a unique record, because it would appear that I was born on September 26, 1937, and that I was married when four days old, that is on September 30, 1937.

Mr. SPEAKER: Order. The hon. member is referring to a book which is not considered as a document of this house. Therefore, he cannot avail himself of his privileges as a member to request that a correction be made in that book.

Mr. CAOUETTE: May I at least be permitted to point out that I was born in 1917?

Mr. SPEAKER: I am sorry. I have called the hon. member to order because he cannot avail himself of his rights as a member to make a correction in a book which is not recognized as an official document.

(Text):

QUESTIONS

(Questions answered orally are indicated by an asterisk).

R.C.A.F.—ESTABLISHMENTS PLANNED AND IN OPERATION

Mr. SKEY:

1. How many R.C.A.F. command, group and headquarters establishments are (a) in operation; (b) planned for formation in the next two years?

2. What are the names and locations of the establishments of 1 (a) and 1 (b)?

3. What was the strength of 1 (a) at March 1, 1947?

4. How many R.C.A.F. permanent force squadrons are (a) in operation; (b) planned for formation in the next two years?

5. What types of squadrons are authorized under 4 (a) and 4 (b)?

6. How many R.C.A.F. auxiliary squadrons are (a) equipped and in operation; (b) planned for formation in the next two years?

7. What are the locations for 6 (a) and 6 (b)?

Mr. LAPOINTE: I wish to table answers to parts 1, 2 and 3 of this question. As regards parts 4, 5, 6 and 7, the hon. member has been given the information and has agreed to drop them.

1. (a) 3 Command Headquarters and 4 Group Headquarters; (b) None.

2. (a) Central Air Command, Trenton, Ontario; North West Air Command, Edmonton, Alberta; Maintenance Command, Ottawa, Ontario; 9 Transport Group, Rockcliffe, Ontario; 10 Group, Halifax, Nova Scotia; 11 Group, Winnipeg, Manitoba; 12 Group, Vancouver, British Columbia.

3.

Strength (1st March, 1947).		Establishment (1st April, 1947).
460	Central Air Command	227
275	North West Air Command	261
352	Maintenance Command	407
69	9 Transport Group	37
254	10 Group	57
544	11 Group	38
296	12 Group	59
2,250		1,086

NOTE: The strength at 1st March, 1947 was greater than the establishment because (I) These headquarters were being used as collection points for personnel for the formation of units: (II) Three of the above group headquarters, Halifax, Winnipeg, and Vancouver, were command headquarters on March 1 with, therefore, correspondingly greater strengths than they will have as group headquarters.

4, 5, 6, and 7. I have given the hon. member answers to these questions and he has agreed to drop them as it is not considered to be in the public interest to give detailed information of this kind.

CIVIL SERVICE—HEALTH EXAMINATIONS

Mr. RICHARD (Ottawa East):

1. What steps have been taken by the civil service health division of the Department of National Health and Welfare for medical examination of civil servants?

2. What civil servants are eligible for such health protection?

3. Are new government employees given a medical examination and what is the nature of such examination?

4. When was this work begun and how is the division organized to do it?

5. Has a survey ever been made on amount of time lost by civil servants due to illness.

6. If so, what were the results of such a survey?

7. How many civil servants have been given chest X-rays and in what cities?

8. What other medical tests have been given civil servants?

9. What has been done by the public health engineering division of the Department of National Health and Welfare to improve physical working conditions of civil servants?

10. What health clinics for civil servants have been opened and how many more are being planned?

11. Has the Department of National Health and Welfare any programme for providing periodic health examinations for the protection of civil servants?

Mr. MARTIN:

1. The nucleus of a clinical centre is now operating in Ottawa. This clinical centre is prepared to do complete examinations of civil servants in this area.

Arrangements are now in effect to (a) Review medical certificates covering loss of time due to illness; (b) Rule on eligibility of casual leave claimed to be due to illness after eight days such leave has been exhausted; (c) Review and approve or reject applications for retirement due to ill health; (d) Conduct medical examinations of civil servants before permanent status is granted, when requested; (e) Conduct medical examinations of temporary civil servants at the time of appointment, on request of the employing department or of the civil service commission; (f) Conduct medical examinations of employees of crown companies and corporations on request of the employing agency.

Wherever the Department of National Health and Welfare has a full time medical staff, such as immigration and quarantine medical service in the port cities, examinations of civil servants are carried out by these medical officers. In other centres examinations are done under arrangements completed with the Department of Veterans Affairs who have country-wide medical facilities.

2. Arrangements under 1 above extend to all civil servants.

3. See 1 (d), (e) and (f) above. These examinations are complete medical examinations.

4. This work has been carried on increasingly since the department of health was first established in 1919. The medical investigation division was established in April, 1939. This division was absorbed in the present civil service health division in March, 1947. The present civil service health division proposes as staff, quarters and funds are available to carry on the activities outlined above in addition to instal "health units" where civil service population warrants and to arrange for periodic health examinations.

5. Yes, from 1935-36 to 1938-39.

6. The 1938-39 survey covered 35,215 employees and disclosed:

Number of persons absent on medical certificate, 9,826 (27·9 per cent).

Total illnesses on medical certificate, 13,397.

Total days lost, 268,357.

Average time lost per employee on medical certificate (more than 3 days), 5·9 days.

Average time lost—casual leave (3 days or less), 1·7 days.

Total average time lost, 7·6 days.

7. From 1944 to 1946 approximately 60,000 civil servants were X-rayed in Ottawa, Montreal and Toronto. These examinations were arranged by the medical investigation division.

8. A voluntary blood test for syphilis and estimate of haemoglobin has been provided in Ottawa. About 9,500 government employees have availed themselves of this test to date.

9. On request, the public health engineering division makes inspections and reports on government buildings covering population, heating, ventilation, lighting and sanitary facilities and conditions. In its report it recommends measures for improvement where possible.

10. A clinical centre has been opened in Ottawa. Branch clinics are planned for all large centres of civil service population. About ten such branch clinics are anticipated. In Ottawa nine health units have been opened or are in the process of organization. Others will be opened periodically as space requirements and arrangements with government departments permit. It is estimated that about 30 such units will be required adequately to cover the Ottawa area.

11. See 4 above.

RADIO BROADCASTING—CKVI, VERDUN

Mr. DIEFENBAKER:

1. Who is the holder of the licence to operate CKVI, Verdun, Quebec?

2. Who owns and operates the said station?

3. When was the application by such owner or operator to operate said station granted?

4. Have there been applications since 1944 to operate radio stations in Verdun, other than the one granted? If so, who were such applicants and what reasons were given for refusing each of such applicants a licence?

Mr. McILRAITH:

1. J. Tietolman.

2. The licensee.

3. Issue of the licence was authorized by order in council, P.C. 491 of February 15, 1946, and the licence was issued on May 13, 1946.

4. Yes. Messrs. Albert Rolland, Rene Hebert and Rodolphe E. Mackay, jointly. The board of governors of the Canadian Broadcasting Corporation recommended rejection of the application on the grounds that,—

"The Board has already recommended that a licence be granted to Mr. J. Tietolman, for a day-time station in Verdun and it is the opinion of the board that two stations could not operate successfully in this area as service is also given by all Montreal stations".

[Mr. Martin.]

RADIO BROADCASTING—"RADIO WORLD"

Mr. DIEFENBAKER:

1. Was the *Radio World* broadcast from Toronto, on April 18, at which Premier Drew, Mr. Dunton and others spoke a commercial broadcast? If so, how much was paid therefor and by whom?

2. Have there been previous broadcasts sponsored by *Radio World* over the C.B.C.? If so, when, and how much was paid for each?

3. Have the private stations, whose facilities were used been paid in respect of such broadcasts?

Mr. McCANN:

1. Yes. The total charge to the sponsor, *Radio World* magazine was $1,378.20.

2. Yes. Since December, 1945, programmes sponsored by *Radio World* have been broadcast on C.B.C. stations regularly each Monday until April 1, 1946, and since then on alternate Mondays. These have been charged for at the regular published card rates of the stations.

3. No facilities of private stations have been used in connection with broadcasts referred to in (2). In connection with the broadcast referred to in (1) private stations are paid at usual rates.

CONTRACT FOR CONSTRUCTION OF S.S. "PRINCE RUPERT"

Mr. BLACK (Cumberland):

1. Were tenders called or bids asked for within the last two years for the construction of a ship to be called the *Prince Rupert,* or other name, stating tonnage?

2. What firms from (a) eastern Canada; (b) western Canada were asked to tender and submitted bids, stating the amounts and date of delivery?

3. To whom was contract let, stating price and date of delivery?

Mr. CHEVRIER: This question has to do with tenders or bids asked for by the Canadian National Railways for the purchase of a steamer on the west coast. Part of the question asks for the amount of these bids. While there can be no objection to other parts of the question, there is to quoting prices. The Canadian National Railways have always followed the practice of not giving the amount of the bid, and with that reservation I answer the question.

The Canadian National Railways advise as follows:

1. Tenders were called on May 16, 1946, for the construction of a new passenger and freight vessel for the Canadian National Pacific coast services. The proposed ship will

replace the S.S. *Prince George* which was destroyed by fire and will be of approximately 5,700 gross tons.

2. The following firms were asked to tender:
Eastern Canada

Canadian Vickers Limited, Montreal, Quebec; Davie Shipbuilding & Repairing Co., Lauzon, Quebec; Marine Industries Limited, Sorel, Quebec; St. John Dry Dock & Shipbuilding Co., Saint John, N.B.; Halifax Shipyards Limited, Halifax, N.S.
British Columbia

Burrard Dry Dock Co., Limited, North Vancouver, B.C.; Pacific Dry Dock Co., Limited, North Vancouver, B.C.; West Coast Shipbuilders Limited, Vancouver, B.C.; Victoria Machinery Depot Company Ltd., Victoria, B.C.; Yarrows Limited, Victoria, B.C.

Great Britain

Cammell Laird & Co., Ltd., Birkenhead; Swan, Hunter & Wigham Richardson, Wallsend-on-Tyne; Harland & Wolff Limited. Belfast.

Quotations were received from the following with delivery dates as indicated—Halifax Shipyards Limited, probably September-December, 1948; Yarrows Limited, January 31, 1948; Victoria Machinery Depot Co., Ltd., probably June, 1948; Davie Shipbuilding & Repairing Co., Ltd., August 1, 1948; Cammell Laird & Co. Ltd., probably August, 1948.

3. Contract was awarded in September 1946 to Yarrows Limited with a delivery date of January 31, 1948. It is not the practice of the Canadian National Railways to release information on prices quoted in competitive tenders.

Mr. BLACK (Cumberland): I think we should have the entire answer to the question. There is complaint in the maritime provinces that they were not given the contract although the prices were several hundred thousand dollars below the price at which the contract was let. The house should have the answer.

Mr. CHEVRIER: I assure you, Mr. Speaker, that is not correct. The contract went to the lowest tenderer, which in this case happened to be Yarrows Limited.

Mr. BLACK (Cumberland): The minister has given only partial information and I think we are entitled to full information. If the contract was let at the lower price we should have the price.

WESTERN CENSUS—CONSTITUENCY OF WINNIPEG NORTH

Mr. STEWART (Winnipeg North):

1. What was the name of the census commissioner in the federal constituency in Winnipeg North responsible for the 1946 quinquennial census?

2. What pay or emolument and expenses did he receive?

Mr. MacKINNON:

1. Peter Taraska, 325 Mountain Avenue, Winnipeg, Manitoba.

2. Special allowance, $375; expenses, $7.04; emoluments, $1,019; total, $1,401.04.

FOOD COMMODITIES—PRODUCTION AND CONSUMPTION

Mr. McCUAIG:

1. How much of the following commodities were produced in Canada in each of the years 1937 to 1944, inclusive: beef, pork, mutton, eggs, butter, cheese?

2. What per cent of each of the above commodities was consumed in Canada in each of the years mentioned?

Mr. MacKINNON:

1 and 2

		Consumption	
	Production '000 lb.	Quantity '000 lb.	Percentage of Production
Beef			
1937....	724,538	602,682	83.2
1938....	700,478	638,184	91.1
1939....	714,002	599,151	83.9
1940....	717,467	645,289	89.9
1941....	812,073	698,115	86.0
1942....	822,530	723,503	88.0
1943....	892,969	837,575	93.8
1944....	960,991	815,068	84.8
Pork			
1937....	688,572	469,301	68.2
1938....	587,927	420,459	71.5
1939....	625,689	432,776	69.2
1940....	865,404	525,376	60.7
1941....	1,060,761	550,094	51.9
1942....	1,189,098	635,581	53.5
1943....	1,395,705	725,645	52.0
1944....	1,504,586	731,390	48.6
Mutton and Lamb			
1937....	60,409	61,924	102.5
1938....	60,799	60,924	99.8
1939....	60,446	60,677	100.4
1940....	52,630	54,032	102.7
1941....	58,594	59,155	101.0
1942....	56,732	59,529	104.9
1943....	62,239	56,736	91.2
1944....	63,542	58,409	91.9

	Production	Consumption Quantity	Percentage of Production
Eggs	'000 doz.	'000 doz.	
1937....	239,943	238,942	99.6
1938....	221,150	220,409	99.7
1939....	229,142	227,422	99.2
1940....	242,269	231,728	95.6
1941....	251,075	234,170	93.3
1942....	285,827	257,020	89.9
1943....	321,816	279,372	86.8
1944....	368,316	291,681	79.2
	'000 lb.	'000 lb.	
Total Butter (Creamery, dairy, whey)			
1937....	342,591	346,737	101.2
1938....	360,168	344,908	95.8
1939....	356,878	347,835	97.5
1940....	350,986	357,351	101.8
1941....	370,795	359,498	97.0
1942....	365,798	385,946	105.5
1943....	369,316	336,671	91.2
1944....	356,013	356,724	100.2
Total Cheese (Cheddar, other, farm-made)			
1937*...	131,628	39,549	30.0
1938*...	124,905	42,409	34.0
1939*...	126,332	42,504	33.6
1940....	146,673	42,167	28.7
1941....	153,589	52,054	33.9
1942....	208,219	45,823	22.0
1943....	167,035	55,053	33.0
1944....	182,650	54,991	30.1

*Previous to 1940 total cheese based on cheddar and farm-made cheese plus other cheese in Quebec only.

IGOR GOUZENKO

Mr. McCUAIG:

Did the government receive any information from the government of the U.S.S.R. charging Mr. Igor Gouzenko with embezzlement of embassy funds, before August 31, 1945?

Mr. ST. LAURENT: No.

RAILWAY MAIL SERVICE—WESTERN POINTS

Mr. IRVINE:

By what route and by what railways is mail carried to (a) Calgary, Alberta; (b) Winnipeg, Manitoba, from (i) Prince Rupert; (ii) Prince George, British Columbia?

Mr. BERTRAND (Laurier):

(a) Calgary, Alberta:

Canadian National Railways from (i) Prince Rupert, B.C., and (ii) Prince George, B.C., to Edmonton, Alberta.

[Mr. MacKinnon.]

Canadian Pacific Railway from Edmonton to Calgary, Alberta.

(b) Winnipeg, Manitoba:

Canadian National Railways from (i) Prince Rupert, B.C., and (ii) Prince George, B.C., to Winnipeg, Manitoba.

QUESTION PASSED AS ORDER FOR RETURN

ARMED FORCES—AWARDS

Mr. PEARKES:

1. How many foreign awards have been granted to personnel of the Canadian armed forces since September, 1939?

2. By what countries have these awards been made?

3. How many British awards were granted to personnel of allied forces upon the recommendation of the Canadian government?

Mr. LAPOINTE: I may tell the hon. member that the minister intends, when his estimates come before the house, to lay on the table the list of all awards to complete those that have already been tabled, and also a summary of all awards since 1939. If the hon. member wishes to have that information earlier, this question can be made an order for return, but the information will be given when the estimates are brought down.

Mr. PEARKES: May I have it answered?

Some hon. MEMBERS: Dropped.

Mr. LAPOINTE: I do not understand whether the hon. member agrees to drop it or whether he wants to have it made an order for return. I did not hear him.

Mr. PEARKES: I should like to have it answered.

Mr. LAPOINTE: Order for return.

PRIVILEGE

MR. FLEMING—MARINE INSURANCE BROKERAGE —REQUEST FOR REINSTATEMENT OF QUESTION

Mr. DONALD M. FLEMING (Eglinton): Before you leave questions, Mr. Speaker, may I remind you that on Monday I called your attention to the fact that one of the questions, which appeared as No. 3 on Monday's order paper, had not been answered in the answers tabled in the house by the Parliamentary Assistant to the Minister of Finance. My remarks will be found on page 2485 of *Hansard*. Is the parliamentary assistant in a position now to supply the answer to the fifth question, which was not answered at that time?

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): If the hon. member had asked what insurance was placed with Dale and Company we would have been glad to give the information, but he did not mention the name of the company and we could not give that information. I shall be glad to give it as soon as I can.

Mr. FLEMING: The question reads: "What other insurance does such broker hold" and so on. The reference is to Dale and Company all through.

Mr. MAYHEW: If the hon. member had said what broker he was referring to we would have got the information but he did not mention the broker.

Mr. SPEAKER: I cannot permit a debate on the question.

Mr. GRAYDON: He is trying to smoke the government out.

Mr. MACKENZIE: Tory ambiguity.

MOTION FOR PAPERS

CONSOLIDATED MINING AND SMELTING COMPANY—BRILLIANT DAM—DEPRECIATION AND TAXES

Mr. HERRIDGE:

For a copy of all agreements, correspondence, letters, telegrams, memoranda, reports and other documents exchanged, from January 1, 1940 to December 31, 1946, between the government of Canada or any department or officer thereof and any officer, agent or representative of West Kootenay Power and Light Co. Ltd., or Consolidated Mining and Smelting Company of Canada Ltd., or of either of them or of any other corporation concerned with, interested in or participating in the construction of a dam and power plant on the Kootenay river near Brilliant, British Columbia, together with statements, accounts and reports showing the total cost of this project and the amount of accelerated depreciation allowed to any one or all of the above corporations in connection with their respective income taxes or excess profits taxes in respect of the above mentioned power project.

Mr. MAYHEW: Stand.

Mr. SPEAKER: I would call the attention of hon. members to the fact that it is not for the Speaker to decide if a notice of motion for the production of papers is to stand or to be adopted. I would ask the minister concerned to cooperate with the Speaker in order that he may give the house the proper answer.

Mr. HERRIDGE: On a point of privilege, Mr. Speaker, was this motion carried or did it stand?

Mr. SPEAKER: It stands.

Mr. HERRIDGE: On a point of privilege, this is the second time this motion has been stood over. Will the minister say what reason there would be for standing over such a reasonable request?

Mr. MAYHEW: This concerns more than one department, and we are investigating to see whether we can comply with the request. We are not prepared yet to say whether we will give the information or not. We think we will be able to do so on Monday.

Mr. SPEAKER: Motion stands.

FISH

REQUEST TO PROCLAIM PRICES SUPPORT ACT

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, this being private members' day, there is no opportunity to direct questions to a minister. I should like the consent of the house, however, to permit one question being asked. The Minister of Agriculture made certain announcements this afternoon with respect to the adjustment of the prices of certain dairy products. The question I wish to ask has to do with another food product, namely, fish, on which no such action has been taken.

In view of the prevailing relatively low prices for fish in the maritime provinces and in central Canada, will the Minister of Fisheries advise what steps the government is taking to meet this situation and, more specifically, will he consider proclaiming the Fisheries Prices Support Act, 1944, so that steps may be taken to establish floor prices for this product?

Hon. H. F. G. BRIDGES (Minister of Fisheries): As there are no orders of the day, I believe the question is out of order. However, I will say that this matter has been and is receiving the constant attention of the department, and it is the intention of the government to proclaim the Fisheries Prices Support Act just as soon as a suitable person is selected to be chairman of the board.

HIS MAJESTY THE KING

PROPOSED CHANGES IN STYLE AND TITLES—"KING OF CANADA"

Mr. MARQUIS moved:

That, in the opinion of this house, at the next conference of the representatives of the United Kingdom and of the dominions, the representatives of the dominion of Canada should request the conference to adopt a resolution recommending to the parliament of the United Kingdom and the parliaments of the dominions that an act be passed making it lawful for His Most Gracious Majesty to make such alteration in style and

titles of His Majesty, more particularly so as to include in such style and titles the words—"King of Canada."

He said: This resolution is, I fear, rather of a technical nature, but given the present status of Canada, of a very practical importance. It expresses the wish of this house that at the next conference of the nations of the commonwealth, the latter will pray His Majesty to make an alteration in his title so as to include therein the words "King of Canada". The title of His Majesty the King is based upon the proclamation under an act of the parliament of the United Kingdom known as the Royal Titles Act of 1901. It was altered in 1931 to give effect to certain resolutions adopted by the imperial conference of 1926. I wish to quote a passage from the report of the interimperial relations committee of this conference, usually called the Balfour declaration:

> They are autonomous communities within the British empire equal in status, in no way subordinate one to another in any aspect of their domestic or internal affairs, though united by a common allegiance to the crown, and freely associated as members of the British commonwealth.

This declaration makes clear the spirit which prevailed at that time. It was conducive to a new legal status and to an alteration in the royal title.

On this point may I quote Doctor Maurice Ollivier, joint law clerk of the House of Commons, from his excellent book which I dare say most members of parliament have read, "Problems of Canadian Sovereignty", at pages 300 and 301:

> The royal title has been altered three times in the last sixty-five years. The title which had been proclaimed under the Royal Title Act of 1901 was "George V, by the Grace of God, of the United Kingdom of Great Britain and Ireland and of the British dominions beyond the seas King, Defender of the Faith, Emperor of India."
>
> When the Irish Free State acquired the status of a dominion, it was recognized that this form of title hardly accorded with the altered state of affairs. Having ascertained His Majesty's wishes and obtained his consent a slight change was made pursuant to the recommendation of the conference of 1926 so that the royal title is now: "George the Sixth, by the Grace of God, of Great Britain, Ireland and the British dominions beyond the seas King, Defender of the Faith, Emperor of India."
>
> It is also a convention that this title and that the act relating to the succession should not be altered without the consent of all the dominions. This proposition of the conferences of 1926, 1929 and 1930 appears in the following lines of the preamble of the Statute of Westminster.
>
> "And whereas it is meet and proper to set out by way of preamble to this act that, inasmuch as the crown is the symbol of the free association of the members of the British commonwealth of nations, and as they are united by a common allegiance to the crown, it would be in accord with the established constitutional position of all the members of the commonwealth in relation to one another that any alteration in the law touching the succession to the throne or the royal style and titles shall hereafter require the assent as well of the parliaments of all the dominions as of the parliament of the United Kingdom."

But if we refer to the Statute of Westminster, we shall see that Canada has been given the right to pass her own laws, without the consent of the parliament of the United Kingdom. May I refer hon. members to sections two, three, four and eleven of the Statute of Westminster with which they are acquainted and which I need not read here?

Those provisions deal with the repeal of the Colonial Laws Validity Act, 1865, with extra-territorial powers, with the inapplicability of the acts of the United Kingdom to the dominions, and finally to the word "colony", in Imperial Statutes, which is stated not to extend to the "dominion".

According to this legislation, Canada was no longer a colony. She had the right to pass laws relating to internal and external affairs. As a member of the British commonwealth, she had become one of the realms of His Majesty the King.

As to external affairs, may I again quote Doctor Ollivier at page 293:

> By the statute of Westminster, Canada has complete freedom from control administratively, judicially and legislatively. Having those powers, Canada is sovereign and as evidence of her sovereignty she fulfils the two international tests of sovereignty, entering into treaties with foreign countries quite independently of the United Kingdom, as we have seen, and exchanging diplomatic representatives with them.

At the time the Statute of Westminster was passed, Canada had not yet legislated on most of the subjects on which she was entitled to legislate. But, since then, many laws have come into force under the authority of our parliament.

Since the adoption of the Statute of Westminster, not a session has passed without the Canadian parliament legislating in consequence thereof. This legislation has covered a very wide field, and our government has tackled therein many problems with courage and vision, problems which previously were to a certain extent, if not entirely, outside our jurisdiction.

Those acts, amongst other matters, dealt with the shipping laws, the admiralty, the exchequer court, the oaths of allegiance, the abdication of His Majesty, official secrets, the royal seals, the navy, the army and the air force, etc.

All this legislation—and I have mentioned only some of the statutes—has given a new status and a new importance to the body of our federal laws. The alteration that has occurred is due to the constitutional evolution of our country which has been brought about in an orderly manner with the inevitability of gradualness.

I want to put on the record a further quotation from Doctor Ollivier's book at page 316:

> We now possess all the attributes of a sovereign state, amongst others: the right to legislate without interference, right of foreign diplomatic representation, right of abolishing appeals to the privy council, extra-territorial powers, and finally the right to decide what amendments if any, are to be made to the Canadian constitution.

To illustrate better the constitutional evolution of the dominion, it is interesting to turn back the pages of contemporary history a few years and to consider what happened at the coronation of King George VI, on May 12, 1937. Prior to that date the coronation oath, as provided by older legislation was as follows:

> Will you solemnly promise and swear to govern the people of this United Kingdom of Great Britain and Ireland, the dominions thereto belonging, according to the statutes in parliament agreed on, and the respective laws and customs of the same?
>
> I solemnly promise so to do.

The oath which was provided and which George VI took in 1937 was in the following form:

> Will you solemnly promise and swear to govern the people of Great Britain, Ireland, Canada, Australia, New Zealand and the Union of South Africa, of your possessions and the territories to any of them belonging or pertaining, and of your Empire of India, according to their respective laws and customs?
>
> I solemnly promise so to do.

The new oath was the consequence of our constitutional evolution embodied in the Statute of Westminster. It illustrated, for all the world to see, the distinct legal personalities of the dominions, which, as stated by Doctor Kennedy in his book, "The Constitution of Canada", in no sense whatever "belong to" the United Kingdom. And further to quote Doctor Kennedy:

> It is interesting to record, in this connection, that Canada, conscious of the inappropriateness of the term "belonging to," had already eliminated it from the oath of allegiance which holders of public office take in Canada.

The alteration follows the constitutional development of our country, and we have to consider now our real position among the nations of the world. Canada is represented abroad by highly qualified ambassadors, who enhance her prestige and make her better known in all parts of the world. Their close relations with governments of other countries contribute to the furtherance of world peace.

The increase in our trade has given to this dominion a most predominant influence amongst the nations. Canadian ships are carrying the name of this country to every part of the world. People abroad have learned to understand us better and to appreciate our way of living.

Even before the war, when His Majesty the King visited Canada, he addressed us as "King of Canada".

Canadians are not vassals of other countries, but subjects of His Majesty George the Sixth who, being a constitutional monarch, acts, as far as Canada is concerned, as King of Canada, and then only upon the advice of his Canadian ministers.

May I quote on this subject the Ottawa *Citizen* of November 9, 1945, in an editorial entitled "King of Canada":

> Since King George is constitutionally King of Canada with his own Canadian ministers to advise him the inclusion of the word "Canada" in his official title is merely recognition of a constitutional fact.
>
> A change in the King's title so as to include the words "King of Canada, Australia, New Zealand and South Africa," would doubtless be approved by King George himself. To him, his Canadian tour, as he has often said since, was one of the greatest experiences of his life.
>
> Moreover, it is not a small matter that in all royal documents sent to every country in the world or appearing in proclamations in the United Kingdom, the name of Canada should be there for millions of people constantly to see.

A well known French paper, *Le Devoir*, in its edition of November 7 speaks as follows:

(Translation):

> Each dominion is not designated by name: it is implicitly mentioned in the expression "British territories beyond the seas". The word "territories" savours of disdain and does not correspond with the constitutional evolution of those countries which we are prone to praise. The English wording of the enumeration is most respectful: George the Sixth, by the Grace of God, of Great Britain, Ireland and the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India." We note here the word "Dominion" which is not in the French version.
>
> Since the Statute of Westminster, the government of the countries of the British commonwealth of nations are equal in principle; they are respectively designated under the names "Government of His Majesty for the United Kingdom", "Government of His Majesty for Canada", etc. The King is King of Canada, of Australia, of New Zealand, of the Union of South Africa to an equal degree and just as directly as he is the sovereign of Great Britain. His reigning majesty asserted his direct kingship over Canada at the time of his visit to Ottawa in 1939. He sanctioned bills, received credentials from the minister in Washington and spoke

of "My Kingdom of Canada". However, the instruments issued in the name of the monarch do not expressly mention Canada amongst the kingdoms.

(Text):

As members of one family, with different branches, all united by personal union under the same king, can we not be clearly identified as different realms of the king especially when we are just coming out of the recent war?

The most significant part taken by the Canadian people at home and in the front line during the conflict established our position as a sovereign state.

Like the United Kingdom, Canada has declared war of its own free will, without for instance, like the Soviet republics, waiting to be attacked by the forces of nazism, and this war was conducted by our own government and our own people without any interference from outside powers, but with complete cooperation. Victory has become a glorious reality due to the combined effort of Canada and other allied nations. The magnificent contribution we have made in money and manpower speaks loudly for our love of freedom and self-government.

At the end of this terrible conflict, have we not the right to claim a better designation of our beloved country? Have we not the right to ask for the full recognition of our actual status as a free nation? During these painful years, Canadian statesmen have discussed on equal terms with statesmen of other countries, Canadian soldiers have fought and died with no less courage than soldiers of any other allied country. Canada has, thus, as a result of those tremendous sacrifices, won her place amongst the victorious nations of the world. As an equal member of a British commonwealth, is it not just and fair that Canada's name be embodied in the designation of His Majesty's titles?

The crown is the symbol of the free association of the members of the British commonwealth of nations. As the head of a family, a father would proudly designate each of his children and not differentiate between them, so are we hopeful that the king may designate in his title each of the countries united by a common allegiance to the crown.

The object of this resolution is to suggest that its subject matter be brought up in the next imperial conference in order that steps be taken to include Canada's name and the names of the other dominions so that they may be included in the designation of His Majesty's royal title. In discussing this question, the house may put forward recommendations which might be the basis of subsequent consultation with His Majesty the King and with the other interested governments.

Especially when we have adopted recent legislation respecting Canadian citizenship and a separate ministry of external affairs, I suggest that we should unanimously accept the principle involved in this resolution. This could not bring an immediate change to the royal title because it is in accord with the established constitutional position of all the members of the commonwealth in relation to one another that any alteration in the law touching the royal style and titles requires the assent as well of the parliaments of all the dominions as of the parliament of the United Kingdom.

I hope, Mr. Speaker, that this house will, when the time comes to deal with this matter by legislation, take the necessary steps to give to our country its real significance in His Majesty's royal style and title.

Mr. J. A. DION (Lake St. John-Roberval) (Translation): Mr. Speaker, it is with pleasure that I second the resolution put forth by the hon. member for Kamouraska (Mr. Marquis). I quote:

That, in the opinion of this house, at the next conference of the representatives of the United Kingdom and of the dominions, the representatives of the dominion of Canada should request the conference to adopt a resolution recommending to the parliament of the United Kingdom and the parliaments of the dominions that an act be passed making it lawful for His Most Gracious Majesty to make such alteration in style and titles of His Majesty, more particularly so as to include in such style and titles the words —"King of Canada."

To sum up, we request that at the next conference of the representatives of the United Kingdom and of the dominions, His Majesty's royal titles be modified in order to include the words "King of Canada".

It has been said and repeated on several occasions since the enactment of the Statute of Westminster, that the dominions which make up the British commonwealth are equal in status, in no way subordinate to one another in any aspect of their domestic or international affairs and united only by a common allegiance to the crown.

Every one of them should therefore be on the same footing when designated in His Majesty's titles. The historic statement made by Lord Tweedsmuir, former governor general on the sovereignty of Canada has often been quoted. It reads as follows:

She is a sovereign nation and cannot take her attitude to the world docilely from Britain or from the United States or from anybody else. A Canadian's first loyalty is not to the British

commonwealth of nations but to Canada and to Canada's king and those who deny this are doing, to my mind, a great disservice to the commonwealth.

This opinion was recently corroborated in this house by the Secretary of State for External Affairs (Mr. St. Laurent), when he said that Canada, from now on, must take her own stand on external affairs.

Since Canada is now a sovereign state and as such her sovereign, His Majesty the King, must be officially designated as the King of Canada, it must be admitted that from a practical standpoint, we are still lacking certain attributes which denote the full sovereignty of a state. Those attributes may be summed up as follows:

1. The right of Canada to amend her own constitution.

2. The abolition of appeals to the privy council.

3. The selection of a distinctive flag which does not bear the emblem of another country.

In regard to the first point, everyone knows that our country must still request from the British parliament authority to amend her own constitution. In this respect we are lagging behind the other dominions, such as Australia, the Irish Free State, South Africa and New Zealand, who now possess that right.

I understand that in practice the present procedure is as follows: An address is voted by the parliament of Canada to the parliament of the United Kingdom informing the latter of the desired amendment to the Canadian constitution. The British parliament, acceding to the wishes of the Canadian parliament, approves by its vote the amendment to the constitution of Canada as expressed in the British North America Act.

The fact remains that the process is quite unworthy of a sovereign state. No country fully master of its destiny can tolerate some other country's interference in the matter of the changing of its constitution. I realize that this principle is recognized by the vast majority of both Canadian and British statesmen, but its application is being delayed for reasons of convenience which, sooner or later, must also be discarded. However, before Canada is allowed to change its constitution, we shall certainly have to look carefully into the machinery and methods whereby the change should take place. If Canada is to change its constitution, we must know just how it should go about doing so and to that end a dominion-provincial conference must be called to study the matter. An organization must be set up and endowed with full authority to act, completely respectful of the rights and prerogatives of both the provinces and the central government. This conference should take place in an atmosphere of calm and serenity above futile party bickering. To succeed, it should be free from animus and from political argument which can only spread dissent and give no positive or lasting results.

The second point I wish to stress and which now prevents Canada from declaring itself a sovereign state, is the maintenance of appeals to the privy council. Yet this tribunal itself recently declared that the Canadian parliament has a perfect right to abolish such appeals. All we have now to decide, is the proper time to achieve that end. In my humble opinion, the sooner it is done, the better shall true Canadian interests be served.

It cannot indeed be held that a state master of its destiny should confer upon a tribunal, however respectable, in some other country, the right to interpret its laws and its constitution. All the more so since, in constitutional matters, the privy council had handed down interpretations which were equivalent to actual amendments of the Canadian constitution. The venerable court was then overstepping its judicial powers and entering the legislative field. Indeed, in the case of the Temperance Act, the privy council decided that an emergency situation was not necessary to empower the federal government to invade the field of provincial prerogatives as defined in section 92 of the British North America Act.

With a few exceptions, all jurists today admit that a Canadian court should be called upon to hand down final decisions in cases relating to civil and constitutional rights. Appeals to the privy council in the criminal field have been abolished many years ago and no one has dared to suggest that the Supreme Court of Canada jurisprudence had been on a lower plane than that of the privy council.

If, in matters of constitutional law, it could be claimed that our present supreme court does not offer sufficient guarantees, means of changing its constitution should be considered, but, at all events, we feel that an exclusively Canadian court should be called upon to hand down final decisions in all Canadian cases in the civil, criminal and constitutional fields.

The third point, which I shall not labour, but which I take the liberty to mention, is that of a distinctive and essentially Canadian flag, bearing the emblem of no other country. I hope that Canadian opinion, more and more enlightened, will finally realize that a country such as Canada must have a real flag, which may be unfurled anywhere as a solely and decidedly Canadian emblem. Can-

ada, due to its wonderful development in both the national and international fields, due, especially, to the sound policy of our present prime minister (Mr. Mackenzie King) who has established embassies in all the important countries of the world, Canada, I say, is presently acknowledged as an international power. But an international power should be a truly sovereign state and a truly sovereign state cannot allow another state to amend its constitution. It may not permit a court of another country to interpret its statutes and its constitution and it should not accept a flag unless it be absolutely distinctive and show no emblem originating in another country. Moreover, a truly sovereign state must insist that, in the designation of the sovereign to whom it renders allegiance, its name be directly mentioned.

Briefly, to be a truly sovereign state, Canada must be in a position to call its king the King of Canada. For this reason, I sincerely thank the hon. member for Kamouraska for having moved his resolution.

I take pleasure in supporting it with all the means in my power and I shall also be glad to vote for it.

(Text):

Mr. T. L. CHURCH (Broadview): The motion before the house illustrates the necessity of abolishing private members' days immediately, particularly when there is so much other important work before us at the present time. In the first place the motion is out of order. What does it propose to do? It proposes to change the title of His Majesty. According to a great textbook the office of the crown is indivisible. Instead of bringing in a bill along these lines the hon. member proposes a resolution. If we discuss all the resolutions on the order paper we shall be here until after September. Private members' days should be abolished altogether.

Let us read the motion to see what it says:

That, in the opinion of this house,—

It is not the opinion of this house or of the country. I continue:

—at the next conference of representatives of the United Kingdom and of the dominions—

There is no conference proposed. The Prime Minister (Mr. Mackenzie King) has said that it is a daily conference with the other dominions and with the overseas authority. This proposal was discussed at the time Sir Wilfrid Laurier came into power in 1896. At that time it was proposed to call the reigning sovereign, the late Queen Victoria, the Queen of Canada. What this motion proposes would mean a change in the British North America Act as amended, because the office of the sovereign is described therein. It is the same whether the sovereign is a king or queen. The office is described as King of the United Kingdom of Great Britain and Ireland and of the dominions beyond the seas, Emperor of India, Defender of the Faith. That is the present title. It may be amended next year because of the situation in India. This motion refers to a conference of the representatives of the United Kingdom and of the dominions, and that the representative of the Dominion of Canada should request the conference to adopt a resolution. What conference? There is no conference. Representatives of New Zealand and Australia were here and asked for a conference on trade, defence and migration within the empire, and also preferences. What did we do? We rejected it. There used to be, every ten years or so, what is known as a conference, which is all set out in a textbook. That book gave the title of the king. I am not going to read it today because it would be a waste of time. I hold in my hand a copy of that textbook, which sets out the status, sovereignty, autonomy, of the sovereign and of the component parts of the empire. It is a modern textbook. The Statute of Westminster also gives the status, rank and titles of the sovereign. It states that the office of the king is indivisible. He is king of all the dominions overseas. I shall come to that in a moment.

Let us pursue this a little farther. The resolution continues:

—the representatives of the dominions and of Canada should request the conference to adopt a resolution recommending to the parliament of the United Kingdom and the parliaments of the dominions that an act be passed making it lawful for His Most Gracious Majesty to make such alteration in style and titles of His Majesty, more particularly so as to include in such style and titles the words "King of Canada."

He has no power to do that. It is all in the British North America Act as amended. The office of the king is described therein. There is no conference. This resolution proposes to request His Most Gracious Majesty to change his title, which he cannot do. He is now the king of Canada and he has always been the king of Canada, king of all the dominions overseas. The title has not been changed.

Let us examine this question further. It is founded on separatism. There is a regular wave of separatism, liquidation and scuttling the empire in the world today, nnt only in the dominions but in other parts of the empire. That is going on here—also change the flag, the anthem—yet hon. members pay no attention to empire affairs, and some of the press are not much better. Little or no

attention is paid to it. I do not blame them for that; far from it. These academic matters, like this resolution, are not worth discussing at the present time, particularly when we have more important matters with which to deal. Here we are wasting a whole day on these academic matters. Last night the budget was delivered and it may be days before it is discussed. The same thing happened last year and the year before. We had discussions on the flag, the anthem, appeals to the privy council, and on many matters such as status, sovereignty, autonomy and so forth. All these things involve a change in the status of Canada. This motion is based on the status of Canada, on our autonomy and sovereignty. The resolution is based on that. Our status and autonomy were good enough for a million men in the first world war. They went overseas voluntarily under that status; 130,000 of them fell on the field of battle, and what they did changed the whole history of the world. In the second world war five times as many went, and at ten times the cost. If our status, autonomy and sovereignty were good enough for these men it should be good enough for those who stayed at home.

I wish to point out that the present gracious sovereign and his gracious queen paid a visit to the hon. member's constituency, Kamouraska, and to the constituency next door in his province, Temiscouata, at Riviere du Loup. No part of Canada gave a finer welcome to the king and queen than did the loyal people of Quebec. These people have done a lot for the country and for confederation.

This matter of king of Canada came up at the time Sir Wilfrid Laurier was in power, but it did not get very far. The resolution is not properly worded. No part of Canada gave a better welcome to the king than did the counties of Kamouraska and Temiscouata. The school children with flags marched around the park five or six times. The stay which was supposed to take about half an hour took an hour and a half. The gentleman who is now chief justice of New Brunswick, Hon. Joseph E. Michaud, but who was a minister of the crown at that time, was in charge of the visit. The king asked him if all the school children of Quebec were at the gathering at Riviere du Loup. All the people of Quebec acted in the same way, of giving the king and queen a wonderful welcome.

I should like to refer to the visit of the king and queen and the gracious Princess Elizabeth to South Africa. The princess made a speech which appealed to me, as I am sure it appealed to other hon. members. It was made to the youth of twenty-one years of age and under, in the whole empire. I hope it will be read for many days in this country and in the schools; her solemn declaration and dedication of a lifelong service to the empire by a girl of twenty-one years, in her appeal to all youth, which reached the hearts and minds of all the youth of our glorious empire.

I am not going to say much more about this motion, because there are others who no doubt wish to take part in the discussion. But there seems to me to be a wave of separatism passing over this country at the present time. We have thirty-six representatives here from foreign countries whereas we used to have none. We have twenty-six ambassadors abroad on the seven seas representing Canada. A list was given the other day; compare that with Great Britain. Great Britain is represented in foreign countries by no more than fourteen ambassadors. France has fewer representatives abroad than the Dominion of Canada. We have more than Russia or the United States. I cannot help thinking that there is a deliberate attempt to scuttle the empire, liquidating parts of it here and there.

I wish to point out the law in regard to this matter. I submit that the motion is out of order because the object sought can be attained only by means of an address from both houses of parliament to the parliament of Great Britain to change the British North America Act. It cannot be done by resolution. The only procedure that we can adopt is an address by this House of Commons and the other place. An address to whom? To the king and the parliament of the mother country—an address to amend the British North America Act. After all, is not His Majesty at the present time the king of Canada, and always has been, and also king of all the dominions overseas? In this connection I would like to read from the "Statute of Westminster and Dominion Status". I recommend this book to hon. members. They will find it well worth their attention. The author is K. C. Wheare, London, England. I quote:

> It has seemed necessary at the outset first to distinguish constitutional rules of strict law, as exemplified by the Statute of Westminster, from non-legal constitutional rules, as exemplified by the conventions declared in the Imperial Conference Reports, and immediately thereafter to assert the interrelation and interaction of these two classes of rule, as exemplified in the term "dominion status," because there is a tendency, in the discussion of British constitutional development to underestimate the importance of rules of strict law, and in particular of statute, in that development; to overestimate the import-

ance of non-legal rules; and seriously to misconceive the relation of the two classes of rule to each other. It is asserted, for example, that Great Britain and the British empire have an "unwritten" constitution.

That is what this motion seems to contemplate.

A constitutional statute is regarded therefore as something alien to the spirit of the constitution. On such a view of the nature of the British constitution, and of the constitution of the British empire, it was inevitable that the passing of the Statute of Westminster should appear to be a mistake. Some members of parliament in the United Kingdom and in the dominions objected to the proposal to pass the statute, not because of the terms it contained, but because it was a statute. Lord Buckmaster, an ex-Lord Chancellor, put this point of view in the House of Lords during the second reading of the Statute of Westminster Bill. He said that he intended to support the bill, but that he felt it was a mistake. "It is not—he said—that its actual terms offend any of the relationships existing between ourselves and our dominions. It is that it is, as I believe, for the first time, an attempt made to put into the form of an act of parliament rules which bind the various component parts of the empire, and that I regard as a grave mistake." He went on to assert that "the thing which has made this country grow is that it never has had a written constitution of any sort or kind, and the consequence has been that it has been possible to adapt from time to time, the various relationships and authorities between every component part of thiis state, without any serious mistake or disaster. That is what I think ought to be the ideal aimed at between ourselves and the various other nations which together make up the British empire . . . You should avoid as far as possible putting a definition of what the relationships may be into the unyielding form of an act of parliament. That is what this statute has attempted to do."

Chapter 7 of this book, the Statute and the Legal Status of Canada, sets out the law on this subject—and this is regarded as one of the most learned text books we have. I quote from page 177:

The fundamental fact in the case of the Dominion of Canada was that it was a federation. The powers and functions of the federal and provincial parliaments and governments were demarcated and their existing distribution was guaranteed by an act of the United Kingdom parliament, the British North America Act, 1867. This act was unalterable in essentials by the federal or provincial legislatures in Canada; it was completely alterable by the United Kingdom parliament only. From 1867 to 1930 inclusive, it had been amended seven times by that parliament. No clear rules regulated the procedure by which amendments of the British North America Act, desired by the provincial or federal parliaments in Canada, should be transmitted to and executed by the United Kingdom parliament . . .

Thus dominion status, after the passing of the Statute of Westminster, as before, though its predominant characteristic is conventional equality of status, contains legal ingredients which are different and are unequal from one dominion to another. Apart from this common ingredient of conventional equality, the recipe differs in each case to a greater or less degree. Dominion status to-day, it should be emphasized, means equality of conventional status, but it does not necessarily mean equality of legal status or identity in the legal rules which define that status for each dominion.

It can be seen that from the legal point of view what is proposed here is not the proper form in which the motion should be presented to parliament. As I have pointed out, the proper procedure should be through an address by both houses of parliament praying for an act to change the British North America Act.

On the question of policy, is it desirable at this time that we should pass a motion of this kind? After all, consider what the mother country has done for us. She has borne the brunt of the war, and there is no reason to believe that the status, the autonomy and the sovereignty of Canada are at this moment endangered. If our status is good enough for over a million men who enlisted, so many of whom died, so many of them having suffered so much on land, on sea and in the air, then I suggest that that status should be good enough for those who stayed at home. Is there really any interest in this motion? Look at the slim attendance there is in the chamber today, at the very mention of the word "empire". We barely have a quorum. Next to the Christian church, Mr. Speaker, no other agency has contributed more to the freedom, liberty and civilization of the world than the mother country has done. For two and a half years she stood alone, save the dominions, while others did nothing, and but for her we would have lost the war.

I would like to have your ruling, Mr. Speaker, on my submission that this resolution is out of order on the ground that it is not in the form of an address to both houses. In my opinion it is not necessary. In fact, I think it would be a good thing for parliament and the country if private members' day were abolished altogether for this year so that we could devote our time to the consideration of practical questions for the welfare of the people.

Mr. BONA ARSENAULT (Bonaventure): We have heard with interest the hon. member for Broadview (Mr. Church), who is one of the most distinguished members, but unfortunately we cannot share all his views. If we did, the hon. member would not be sitting on the other side; he would be here.

An hon. MEMBER: You would be over here.

Mr. ARSENAULT: Don't worry; I do not think you will ever see that day. The hon. member for Broadview claims that there

is no conference of the nations of the commonwealth at the present time. No, but the motion speaks of the next conference of the nations of the commonwealth, and surely there will be a "next" conference one of these days, as surely as the sun will rise tomorrow.

This is an important matter, notwithstanding that the hon. member for Broadview thinks it is not. He thinks we are wasting the time of the house at great cost, but I do not see any force in that contention. We are discussing item No. 4, which is to be found under notices of motions, and since this is private members' day we are free to discuss such motions until six o'clock. If we dispose of the present motion we can go on to Nos. 5 and 6, so that we are not losing any time, particularly when we are dealing with so important a subject.

The hon. member does not always speak in the name of the opposition, but as usual he recalls the days—and it is well that they should be recalled from time to time—when the empire did much for Canada. I think, however, that we should sometimes recall—it is done more often on this side than on the other side of the house—what Canada has done for the empire.

Mr. Speaker, the resolution under consideration provides for the recommendation to the next conference of the nations of the commonwealth that the royal style and titles of His Majesty the King include the specific designation of His Majesty as the King of Canada. May I compliment highly and sincerely the sponsor of this resolution, the hon. member for Kamouraska (Mr. Marquis) who, in the circumstances, has not only demonstrated the great progress he has made, since his election to this parliament, in the way of mastering the English language, but shown for himself, for his constituency and for the population of this country which is of French extraction, his and our great devotion to His Majesty the King of Canada; his and our love for this country of ours which is called Canada. The hon. member for Kamouraska has quoted the Balfour declaration, which dates back to 1926 and which stipulates that all nations of the British commonwealth are autonomous and equal in status. He also quoted excerpts from "Problems of Canadian Sovereignty", written by our distinguished and, I was going to say, genial and outstanding law clerk of the House of Commons, Doctor Maurice Ollivier, indicating that to alter the royal style and title of His Majesty requires the consent of the parliaments of all the nations of the commonwealth. Therefore I feel that this is an exceptional occasion when the voice of this nation should be heard in support of a resolution which is specifically and categorically Canadian and which at the same time is designed to augment, if it can be done, our respectful and loyal devotion, and our common allegiance to the crown.

As hon. members have probably noticed, I have purposely used the word "nation" instead of "dominion". I am sure the hon. member for Broadview (Mr. Church) will not agree with me in that. I will further add that "dominion" is a word which should be used as seldom as possible in this house. I will go farther and say that the word "dominion" is a remnant of colonialism which should be banished as soon as possible from our official texts. I will go even farther and say that the word "dominion" is a word which offends the sentiments of a substantial part of the population of this country, is a word which is largely responsible for the legitimate doubts which we deliberately implant in the minds of statesmen of other friendly nations as to the accuracy of the evidence of the legal and constitutional status of this free parliament and sovereign state. For example, what would hon. members think of countries such as France, Holland, Belgium and even Italy or Germany if they bore the official designations of the dominion of France, the dominion of Holland, the dominion of Belgium, the dominion of Italy or the dominion of Germany and at the same time, Mr. Speaker, claimed equal status with the greatest powers of the world either at the peace conference table or at the united nations meetings? Hon. members would say that those nations may be right; nevertheless they act as if they were wrong, having regard to the designation of their official status, especially if none of those countries which I have just mentioned had a national flag representative of their traditions or aspirations, or a national anthem; but had a dominion day to celebrate. I would say that if there is a place in this world where the word "dominion" should disappear, as used to designate our country, Canada, it is in the wording of the royal style and titles of His Majesty the King.

How much more deeply, Mr. Speaker, Canadians of all creeds, of all races, of all extractions and of different languages, would feel in their hearts and souls their loyalty to the crown on the day they heard and could legally say, "George the Sixth, by the Grace of God King of Canada".

Let us be realistic about this matter. With all the respect we owe to the Balfour declaration or to the provisions of the Statute of

Westminster which was so ably quoted by the hon. member for Kamouraska, the term "dominions beyond the seas" is no longer good enough for a substantial part of the population of this country for the purpose of designating Canada in the title of His Majesty the King, but should be changed to the King of Canada. Even if this resolution is adopted there may yet be a long period of time before this matter will be brought to the attention of a conference of the nations of the commonwealth.

Therefore, in the meantime, I would respectfully urge hon. members who share the views which I express at the present time, to refrain as much as possible from using, in their addresses in this house and in all their addresses in public, the word "dominion" when applied to Canada. It is so easy and so natural to say "Canada", "the government of Canada", "the parliament of Canada" or "the Canadian parliament", instead of "the Dominion of Canada" or "the dominion government", and so on. The dominion government of what; of Australia; of New Zealand; of Canada? It does not say. Some hon. members may wonder why I have these telephone directories on my desk. Looking up the telephone directories for Ottawa, Montreal, Quebec and other cities, what do we find if we look under the word "Canada"? I take the Ottawa directory, and I find: Canada Cement; Canada Dry Cleaners and Dyers; Canada Dry Ginger Ale; Canada Starch; Canada Wire and Cable Company, and so forth. Then if I look under "Canadian", I find: Canadian Ayrshire Breeders' Association; Canadian Congress of Labour; Canadian Feather and Mattress Company; Canadian Mercantile Agency; Canadian National Institute for the Blind. How long would it take a stranger to this country, a visitor from the United States, for instance, to find the words "government of Canada" or "Canadian government"? It would take him as long as it took me to find the same words when I first came to Ottawa. It was only after a considerable length of time that I persuaded myself that in order to find the telephone numbers of the Canadian government I had to refer to the word "dominion", but in the case of a stranger coming to this country his reaction would be that, in spite of all we say, we are still a colony.

Why that should be so I do not know. It is that way because it has always been that way. I respectfully suggest that instructions should be issued that in the next issue of the Bell Telephone directories, not only in Ottawa but all through this Canada of ours, government offices may be found under the heading "Canadian government" as the offices of the high commissioner for Australia may be found in this very book under the heading "Australian high commissioner", and as the high commisisoner for New Zealand may be found under "New Zealand high commissioner." We are not dominioners: we are Canadians. We are not dominion citizens; we are Canadian citizens. If we are truly proud of Canada, this land of ours, and of our title of Canadians, why do we in so many instances endeavour to hide those glorious names from the sight of strangers and, what is far worse, from the eyes of our own children? And until such time as our truly Canadian patriotism is recognized and interpreted by official texts of appropriate legislation, let us in this free, autonomous and sovereign state—unfortunately without an official Canadian flag; unfortunately without a Canadian national anthem, but with a Dominion day to celebrate—when referring respectfully to our king say that His Majesty is the King of Great Britain, of Ireland and of the dominions overseas, but that at the same time, above all and in the first place, in our hearts, as it should be in our texts, His Majesty is the King of Canada.

Mr. LEON J. RAYMOND (Wright) (Translation): Mr. Speaker, I do not wish to pass up the opportunity of discussing the resolution moved by my excellent friend the hon. member for Kamouraska (Mr. Marquis). However, I intend to limit myself to a few brief remarks.

Besides, the resolution does not call for lengthy explanations. Its wording is quite clear. What does it request? It reads as follows:

> That in the opinion of this house, at the next conference of the representatives of the United Kingdom and of the dominions the representatives of the Dominion of Canada should request the conference to adopt a resolution recommending to the parliament of the United Kingdom and the parliaments of the dominions that an act be passed making it lawful for His Most Gracious Majesty to make such alteration in style and titles of His Majesty, more particularly so as to include in such style and titles the words "King of Canada".

The hon. member for Kamouraska merely asks that His Majesty should be officially designated, as far as this country is concerned, by the title corresponding to Canada's true status.

Now, as regards Canada, His Majesty King George and Her Majesty Queen Elizabeth are King and Queen of Canada. Indeed this country is an autonomous and sovereign nation. It is the equal of Great Britain and

of the other members of the British commonwealth. It is subordinate to none of them. Under the circumstances, those who reign over it cannot but be actually King and Queen of Canada, for the same reason, to my mind, why the King and Queen of Denmark or the monarchs of Norway or Sweden, are respectively King and Queen of Denmark, Norway or Sweden.

This fact has now been acknowledged by a great many Canadian citizens and even by a large number of our public men.

I well remember the expressions of thanks of the Right Hon. Ernest Lapointe at the laying of the corner stone of the new supreme court building in Ottawa by Her Majesty Queen Elizabeth in 1939. Addressing the august and charming sovereign, he said:

> The royal visit which honours us—a fact of unprecedented historical importance—enables me to address Her Majesty as the first queen of Canada and to convey to her, and to His Majesty the King, the assurance of ever unfailing loyalty and devotion, as well as of sincere and respectful affection from our whole people.

In these words, the late Minister of Justice was simply acknowledging the fact that Their Majesties King George and Queen Elizabeth are King and Queen of Canada.

The fact is also acknowledged by a large number of Canadians. During the royal visit which I just mentioned, Their Majesties were readily designated by the expression King and Queen of Canada.

Some jurists will undoubtedly try to confuse a crystal clear issue and pretend that the British Crown is indivisible. In my opinion, such a theory sprang in the minds of people interested in impeding the achievement of autonomy and sovereignty of the British colonies. They used that theory to postpone the development of the colonies.

One must not, however, take that contention too seriously. The same physical person may hold various offices. For instance, the Prime Minister of a country may well be the chairman of some association. In the same way, the sovereign who rules over the British countries may at the same time be King of Great Britain, Canada, Australia, South Africa and New Zealand. Such a situation implies no contradiction, and we often see the same physical person holding a plurality of moral attributes.

It would be advisable to have legal documents reflect the situation which exists in fact. Those who would derive the greatest benefit therefrom are the heirs to the British Crown. If Their Majesties were officially called King and Queen of Canada, they would be closer to the hearts and minds of the Canadian people, who would be more devoted to the Crown, for if the sovereign who rules over Canada were designated as King of Canada, they would regard him more as their own. I cannot see any valid reason to oppose such a change. The only pretence which might be brought up is that by designating Their Majesties as King and Queen of Canada, the bonds which unite the members of the British Commonwealth of Nations might be loosened.

On the contrary, the change proposed by my hon. friend from Kamouraska would have the opposite effect. Indeed, it is the Crown which unites the members of the British Commonwealth of Nations and not economic or political bonds, and anything which tends to increase the devotion of the people to the Crown should be encouraged, as it would be an excellent means to rally the British nations round their Sovereign.

I understand that the hon. member for Broadview (Mr. Church) stated a moment ago that this motion was out of order. I do not intend to discuss this matter, but I wish to say, interjecting perhaps a sentimental note, that as the years go by the word "Canada" assumes a deeper significance for us; from the Atlantic to the Pacific, we no longer regard Canada as a stopping or trading place, but as the fatherland. Those of us who—though broadminded—are deeply rooted to their native soil, cannot be blamed if they claim to be Canadians first and foremost, if they think as Canadians, if they prefer Canada to any other country, if they want it recognized as their fatherland, with their own King, if they want their country to attain greatness and to go forward in order to play unrestrained her part in the Commonwealth and in the world.

Through implementing the resolution presented by the hon. member for Kamouraska, not only would we contribute to the fostering of patriotic feeling in Canada and to the strengthening of the bonds which unite the various parts of the Commonwealth, but we would add greater weight and lustre to the name of Canada among the nations of the world.

I have no other course left to me, therefore, but to approve of the motion before the house, to congratulate the hon. member for Kamouraska and to suggest that Parliament make the proposed change as soon as possible.

(Text):

Mr. R. H. WINTERS (Queens-Lunenburg): Mr. Speaker, before I proceed to make a few remarks on this resolution may I read briefly from the resolution itself, which requests—

. . . that an act be passed making it lawful for His Most Gracious Majesty to make such alteration in style and titles of His Majesty, more particularly so as to include in such style and titles the words "King of Canada."

In speaking on this resolution, I am fully conscious that it has been introduced by a Quebec member, my good friend the hon. member for Kamouraska (Mr. Marquis), and that this matter is generally regarded as of outstanding importance and significance to all Quebec members. But I do not think we should lose sight of the fact that this is the House of Commons for all Canada, and that it is the responsibility of members, whatever part of the country they happen to represent, to analyse the significance to their constituencies of steps such as those envisaged by this resolution. To the average citizen it matters little whether the king is known as the king of the dominions or more specifically as the King of Canada. His full title is "George VI, by the grace of God, of Great Britain, Ireland, and the British dominions beyond the seas King, Defender of the Faith, Emperor of India". Most of us—I believe I am safe in saying all of us—have a clear understanding of the symbolism involved, and what the king stands for. We fully realize that he is the symbolic head of the great British empire; and I do not believe this change of words would make any great practical difference to the layman, though it may have a great deal of significance for students of the constitution or historians who are concerned with the various steps in the development of Canada toward full nationhood. In other words, I feel that the rank and file of Canadian citizens will regard this as an academic problem.

There is, of course, the strong feeling that by adopting this resolution we would be taking another step in the direction of complete and separate nationhood; and there is no denying the fact that we have been growing quite quickly in this direction in recent years. The Statute of Westminster in 1931 guaranteed our status as a nation, and the Citizenship Act passed by this parliament further clinched the deal. Recently we have had up for consideration the matter of a distinctive national flag, or drapeau Canadien, and the question whether we should continue to call one of our national holidays Dominion day or change it to Canada day .

There is a growing feeling in Canada that we may be rushing somewhat too quickly along this road. By keeping these issues of nationalism before the people we may in fact be making Canadians conscious of our internal difficulties and problems. The feeling is growing that at the moment we need a shake-down period to consolidate the gains we have made and to give us a chance to become more familiar with our new strength, to get used to it and to work out our problems arising therefrom. Growing pains can be uncomfortable. There is a feeling in many quarters that our differences of race, language, religion and so on could be more easily overcome if we had greater solidarity and separate entity as a nation. But I am not at all sure, Mr. Speaker, that as a member of the British commonwealth we have been denied any opportunity to overcome whatever obstacles we might have had or might still have in this direction.

At this point I should like to refer the house for a few moments to some of the problems with which my own province of Nova Scotia has had to cope, because I think in good measure the rest of Canada might well take a lesson from the road Nova Scotia has travelled. As all hon. members are aware, Nova Scotia was discovered somewhere around 1497 by John Cabot, who set foot on Cape Breton island just five years after Columbus discovered America. I would also remind hon. members, at this time, that it was some forty years later, in 1534 I believe, that Cartier sailed up the St. Lawrence to make his landings on this continent. Then at a later date, in 1621, James I of England deeded all the land that now comprises the three maritime provinces and part of Quebec to Sir William Alexander. He justified this action because of the prior rights established on behalf of England by John Cabot. During this development period the French Acadians played a strong and active part in the growth of Nova Scotia with their establishments at Louisburg, Port Royal, Beauséjour and other centres. The names of Marc Lescarbot, Samuel Champlain and Pierre du Gast with their Order of Good Cheer go deep into our provincial history. There is a rich French heritage in Nova Scotia. Then, too, there were the Germans from Hanover who were so closely linked with a sovereign who later became George I of England that their ties with Britain are unquestioned. I say these ties are unquestioned because, coming from Lunenburg, the centre of the German settlement, I know this to be the case; but I can tell this house that there are many people in Canada who, particularly during the first world war, felt suspicious of this colony because of their German background. This suspicion, of course, greatly maligned a class of people whose loyalty to Canada as a nation within the British commonwealth of nations has been a bright beacon whenever this country has been under stress. They have

not hesitated to fight against their former fatherland wherever there was a call for them to do so.

Then, too, there were the Gaelic-speaking Scots, who made a noteworthy contribution as our hon. friends from Pictou and Cape Breton will attest. It seems that these Gaelic-speaking Scots have the ability to make a contribution wherever they land. Since that time we have had elements of other foreign nations within the province. I mention the great part which the United Empire Loyalists have played in the development of Nova Scotia. I also would recall the group known as the Canadian Yankees. These last two classes within the province were at odds with each other during the American revolution. But each contributed in its own way toward the development of the province, and some very fine books have been written on the part they played. One in particular, written by a native of Nova Scotia —Tom Raddall—sets forth in a clear and interesting way the close association between people in Nova Scotia and their friends in the United States.

The house is well aware that we have not been without our serious and unfortunate racial incidents, one of the most regrettable of which culminated in the expulsion of the Acadians from Nova Scotia at Grand Pré in 1755. Longfellow's immortal poem, "Evangeline", is based on this unfortunate incident.

But Nova Scotia has been able to take all these racial differences in her stride and mould the various factions into a unified group whose only interest is the welfare of the province. In the main, the differences have not impeded the province in its march forward, as is evidenced by the leading place she is taking in Canadian history. As is well known, Nova Scotia is the cradle of responsible government and is the only province in the dominion which is unified under a flag of its own. In that connection I should like to read briefly from a book, "The Book of Ultima Thule", by Archibald MacMechan. I quote:

> Only Nova Scotia has a provincial flag, not English, not French, in origin, but all its own. It is a white flag with the blue St. Andrew's cross (saltire) dividing the "field" in four. In the centre is the double-tressured lion of Scotland, the ruddy lion rampant in gold. You recognize, of course, the arms of Sir William Alexander, first grantee of the province, still borne in part by the baronets of Nova Scotia, that order of nobility to which Sir Arthur was so proud to belong. Sir William was a Scot, a poet, and a favourite of that kindly Scot, King James, First of England, but Sixth of Scotland. He burned to found a kingdom in the New World, and was granted the province of Acadie.

When in 1867 we entered confederation, the system of unification within the province did not stop.

My purpose in presenting this brief background of racial history and the problems encountered, is to demonstrate that even before confederation the process of welding these different religious and racial groups into one unified whole was well under way and it did not stop after we entered into confederation. Although, after confederation, our status, like that of the other provinces, was that of being just one of several provinces within the Dominion of Canada we have never felt that this fact was an impediment to the development of unity within the province. We have lived with this matter of provincial sovereignty, now provincial rights or provincial autonomy, so long that we have been able to take it in our stride, as is evidenced by the fact that we have in Nova Scotia overcome all problems resulting from race, language and religion. Nationhood or, indeed, true provincial unity is something that must be developed by the people. Legislation will not do it.

To go one step farther, even as Nova Scotia did not find it to be any lasting obstacle to provincial unity to be only one of the provinces forming Canada, I do not believe it to be any obstacle to Canada's status as a nation that she is one of the British commonwealth of nations. I say in this connection that there was no "lasting" obstacle to provincial unity in Nova Scotia because I would not want the house to believe that there was no obstacle at all resulting from these various racial problems and racial groups.

I know that in this house we all agree, regardless of language or race, that it has been to Canada's advantage in full measure that she has been a member of the British commonwealth and that we have had the privilege of enjoying the benefits accruing to us from this association. I am aware that this matter of benefits is not a one-way traffic, and as the hon. member for Bonaventure (Mr. Arsenault) has said, the British commonwealth likewise should be pleased that Canada has been a part of that commonwealth.

To return to the resolution, I do not feel that it presents a practical handicap to us to have the king known as King of the British dominions beyond the seas. Our status as a nation is assured regardless. It is not just a matter of words. It is an accomplished fact and one of which we are all proud. Almost every day events within Canada as well as the

part which the dominion is playing with respect to other nations are serving to justify and emphasize our status as a nation.

Not being a lawyer or a student of constitutional history, I may be missing some of the significance of this resolution; but, as I see it, it is not a matter of outstanding practical significance. The rank and file of people in Nova Scotia, and in my constituency of Queens-Lunenburg in particular, are pleased with our status as a nation and I am sure they are not too dissatisfied with the king's title as it is at present. If, however, this debate shows that it would be to Canada's advantage in any way, shape, or form, to have the title altered so that the king would be designated separately as the King of Canada, we would find no grounds for opposing the resolution.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I rise this afternoon to offer to this house one or two personal views with respect to the resolution before us. I am speaking simply as one member and upon my own responsibility.

I am not familiar with all the constitutional intricacies involved in the resolution, which calls for a change in the title of His Majesty to designate him as the King of Canada. I sometimes wonder how much members of parliament regard their responsibilities as members. When I was first elected to the House of Commons I, as I suppose all members did, received from the Clerk of the House Beauchesne's Parliamentary Rules and Forms. As a newly elected member I, of course, began to read through it. Right here may I say I am reading it not because I am raising a point of order; I am reading it only to bring to our attention some of our responsibilities. I discover that in note 21 on page 6 the following appears:

> Every member as soon as he is chosen becomes a representative of the whole body of the Commons, without any distinction of the place from whence he is sent to parliament . . . That every member is equally a representative of the whole (within which by our particular constitution is included a representative, not only of those who are electors, but of all other subjects of the crown of Great Britain at home and in every part of the British empire, except the peers of Great Britain) has, as I understand, been the constant notion and language of parliament. Every member, though chosen by one particular district, when elected and returned, serves for the whole realm. For the end of his coming thither is not particular, but general, not barely to advantage his constituents, but the commonwealth.

[Mr. Winters.]

The quotation is taken from "Blackstone", volume 1, page 159. I do not think anyone will question Blackstone's ability as a constitutional lawyer.

I have nothing to say against the discussion of such trivial things as fertilizer for farms, gopher poisons or nails for building purposes. These things are important to some people, but I wonder whether, in the exercise of our duties, we have not forgotten that they go far beyond these matters. I wonder whether we have not been just a little negligent in thinking through the problems respecting the destiny of our commonwealth. If the general idea lying behind the resolution under discussion is to have His Majesty's title read "The King of Canada" I can take no particular or great exception to the change, if the desire is to have His Majesty designated as such. If, however, the idea is to have Canada take any further step which will tear us loose from the British commonwealth, then I personally would take the greatest exception to it.

I rise this afternoon to speak with some feeling and with some emotion. I was born in England of English parentage. My father is buried there. My boy gave his life in sacrifice for the freedoms which the British crown has always stood for. Since the war I have been able to rescue my mother from the old land. I say "rescue" her.

The present title designating His Majesty reads:

> His Most Excellent Majesty George VI by the grace of God of Great Britain, Ireland and the British dominions beyond the seas, King, Defender of the Faith, Emperor of India.

I call attention particularly to the phrase "dominions beyond the seas, king". I do not wish to be an alarmist; I do not wish to sound a note that should not be sounded. How we have sung with a good deal of exuberance, "There will always be an England". That, Mr. Speaker, is my prayer. I do not say that prayer; I pray that prayer. But I trust that I am not out of line when I say that it is not beyond possibility that the term "dominions beyond the seas" may come to be obsolete. England today is economically bankrupt. The people of England today are going through the greatest hardship that perhaps history has ever recorded. The plight of England is, to some extent, beyond our imagination. I doubt whether the average member of this parliament has been able or could possibly be able really to look behind the scenes, and I cannot believe that a couple of snowstorms is the reason for it all.

I said that I did not want to be an alarmist. I say with a great deal of emotion that today

England is occupied country. That statement may take a little thinking through. It is true that foreign armies are not there, but I say this afternoon, Mr. Speaker, it is my personal conviction that a foreign way of life is there. I say that one of the things we should be most concerned about is our Christian democratic way of life and the solidifying of the British commonwealth of nations in that one great common tie which has, throughout the ages, characterized the relationship of the peoples of that commonwealth. With that thought, I am going to resume my seat. I say, in conclusion I do not think it would be harmful for me to repeat what I said, that if behind the present resolution the motive is to tear us loose from that commonwealth, then I would be against it. But if the motive behind the resolution is simply to change the title so that His Majesty can be specifically designated as the King of Canada, I see no particular reason to oppose it.

Mr. PIERRE GAUTHIER (Portneuf) (Translation): Mr. Speaker, I wish, at the outset, to compliment the hon. member for Kamouraska (Mr. Marquis) on his courage. The placing of a motion on the order paper entails in itself no difficulty, but to express it in clear terms without trying to disguise one's intention, or to lessen its scope, calls for courage, especially when the wish so expressed can wound feelings which arise from an extreme sentimentality or conjure up in the minds of some people recollections which they do not want to banish.

The honourable member for Kamouraska believes in the future of his country; that is normal for a good Canadian like him. He believes that a nation like ours must grow, assert itself, and take a larger part in world affairs. To do that it must advance and develop along constitutional lines. It must advance, even though the great powers, as they are called, courteously block its way toward the important place it should and will eventually occupy among those whose wisdom in domestic administration should bespeak the valuable part they can take in the drawing up of a peace programme for the whole world.

It is a world-wide psychological fact that wars have often been hatching for a long time before coming to light. They may lie fundamentally in a peace treaty based on temporizing only, which is a palliative, rather than on true principles with no solution of continuity among its essential parts, the union of which makes for permanent operation. They also lie in exclusive commercial agreements endangering the interests of other countries which have no raw materials; in the delimitation of boundaries which are unacceptable to certain nationalities deeply rooted in the neighbouring country, of boundaries unacceptable to a whole country whose population is often too large and must expand beyond those boundaries in order to breathe and live. By the way, this is the most important problem to be solved by Germany. Prior to the last war, Germany, with a population of 69,600,000 people, had an area of 181,700 square miles; today, with a population of 71 million people, it is enclosed in an area of 137,640 square miles. Let us remember Hitler's cry for raw materials and living space for his people.

Also in the way of preliminary remarks which are necessary, in order to understand the specific object of the motion under discussion, I would add that the causes of wars often lie in the lack of judgment of certain governments which, instead of admitting the legitimate desire, the necessity of an evolution toward a freer, a more autonomous and, I was going to say, a more independent status, effect underhand deals which in most cases, do not proceed directly from them but from certain organizations or so-called key men whose actions and untimely utterings—although they are always in line with the policy laid down by the political parties of the country since centuries—wound the feelings of those rising countries whose inexhaustible resources are their greatest guarantee, especially when they are in a position to enjoy them and prevent them from passing over to strangers.

Policy laid down since centuries: The Canadian Press of April 16 contained a statement made by Viscount Bennett before the Women's Advertising Club of London, England, to the effect that Great Britain is no longer able to assume the defence of the commonwealth. Here are his words:

> Which means that we must look to a common defence policy with common objectives. Such a policy will have to be adopted without delay.

Lord Bennett is not satisfied with advocating the eternal policy of the lords of the admiralty, mentioned in earlier days by Laurier, but he adds:

> It is evident that one of the dominions is willing to seek the protection of Uncle Sam. As far as we are concerned, he adds, we should see to it that the oldest member of the commonwealth, that is your country, take the initiative in calling an imperial conference.

The eternal fear that Canada be too close to the great republic across the border, the eternal fear of the necessary evolution of a

great country. Moreover, his statement is—and we are surprised to hear it from a former prime minister—a malicious allusion to a country which, with our brilliant and mighty cooperation, played a leading part in the last war.

Another so-called key man takes the liberty to utter untimely remarks and express his fear, proving at the same time beyond all doubt that our constitutional evolution is our strength and is known the world over. Speaking before the Royal Empire Society, H. V. Hodson said:

(Text):

As a country, Canada feels that if she is not 100 per cent Canada, she is, she feels, merely an appendage of the United States.

(Translation):

And he adds:

(Text):

It is all evidence that Prime Minister Mackenzie King was the principal accessory when the dominion government or at least some of them acted so that the imperial conference was quietly smothered in its bed a year ago.

(Translation):

He continues as follows:

(Text):

The dominions have only begun to assert the privileges of national status which they have acquired in the last generation.

(Translation):

This clearly shows his presumptuousness, and the idea he has of his own importance. He goes on:

(Text):

These privileges included the right to be represented here, there and everywhere by their own diplomatic envoys; the privilege of singing out of tune and being an argumentative party to every international negotiation that concerns them; and the small boy's right to cock a snook at his elders.

(Translation):

The only thing lacking to complete the picture is that an ambassador should tell us what national flag we should have.

Whatever those gentlemen may think, Canada is growing, although she is still young. She has reached maturity with a population of 12 million in a country which could contain an empire; she is strong enough to claim the privilege of selecting newcomers. That Canada should belong to an association of free countries gives rise to no complaint on the part of anyone, except those who are too much affected by imperial preference. That is what we find in the book by Sumner Welles, "Time for Decision", which was published in London and New York in 1944.

[Mr. P. Gauthier.]

On page 176, he writes:

(Text):

I was impressed with the unhappy effects which the Ottawa agreements, providing for imperial tariff preferences, had had on the economy of all nations and particularly on that of the United States.

(Translation):

We see no great danger in this motion asking that in view of our slow constitutional evolution, the king actually reigning over the British empire be called King of Canada. It means only the bringing of our status to its logical conclusion. Eventually—one never can tell—it may be suggested that the crown, symbol of the constitutional King of Canada, be substituted to the union jack, emblem of another nation, on our national flag, itself subjected to the inevitable trend of events. These things cannot be avoided, Mr. Speaker. Time will follow its course. Those who wish to stem the course of events will fail in their attempt if they are not careful in aiding and guiding them. Doctor Ollivier, in the preface of his book "Le Canada, pays souverain", writes as follows, on page 9:

Our modern times are by no means monotonous. Our own generation, having witnessed a war unparalleled in history, bloody or peaceful revolutions, the collapse or dismemberment of time-honoured empires, is now called upon to witness the shattering of the classical moulds in which our universal concepts of state and sovereignty were shaped.

The most extraordinary changes have taken place in the international field: the birth of a soviet state, of a fascist state, the creation of the league of nations and, finally, the evolution of the British empire.

This book, if it were written today instead of in 1935, would add: the birth and the inconceivable strength of a soviet state, the birth and collapse of two fascist states, the creation of a second league of nations under a different name and the evolution of the British empire which Churchill himself fears to see liquidated under the present socialist government.

Such is evolution, the march of time, such is, too often, the unforgivable mistake, the abuse of strength, the excess of faith in what certain great men consider as being eternal, which is only human. There is, to use a well chosen expression of my pastor, but one government that will never fall, but one empire which resists to all attacks: everyone, even its most indomitable enemies, know and fear it, although it is not necessary that we name it. Mr. Speaker, it is one of man's characteristics to be slow in acknowledging the inevitable and more so because his interests are always at stake.

Let us suppose, for a moment that the motion be agreed to and that the next imperial conference grant our wish: a new step will have been taken and no one could accuse Canadians of a lack of patience. Other countries might, unwarrantably, no doubt, practice this virtue to a lesser extent.

Fruit is good to eat when ripe; independence is a fruit which a nation must pick when it is ripe. The great republic to the south had to endure the frightful war of secession before it could finally pick the ripe fruit of independence.

Are we to believe that Poland, alternately dependent and independent since the glorious dynasty of Ladislases, will never be prepared for the enjoyment of a benefit so jealously prized by less advanced communities?

Judging from what is taking place, according to newscasts, India, which seems to have been promised independence, does not apparently show any greater readiness for it. Moslem and Hindu rivalries, the surgings of hitherto peaceable sects, foreign intrigue readily arousing a still queasy population, all seem to stand in the way of full independence. The British United Press announced last night that the United States of Indonesia who have just been granted independence, were on the brink of civil war. It will then be readily admitted that a maximum of genuine, deep, and not a merely apparent national unity is required within a nation that considers itself ripe for independence.

Our constitutional evolution is as inevitable as that of other countries. No one can stay its progress. It is all the surer for its being slower, more enduring. With each new step we now take, we grow circumspect and watch the next step. With each new war, we seem to hesitate.

Perhaps it is because of circumstances, of necessities arising from our union, from our nearness to a great country, our awareness of being called upon to take a leading part in world affairs. I congratulate the hon. member for Kamouraska for introducing this motion and hope that the people of Canada will keep on showing patience, steadfastness and judgment, and will display even greater confidence, if possible, in the future marked by Providence for a country whose strength and courage compel recognition on the part of the most sceptical, the most timorous and especially the mightiest.

(Text):

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I should like to say a word of appreciation to hon. members who took part in this debate for the high tone in which the matters have been discussed and for the interesting material which has been brought to the attention of the house. My colleague the Minister of Veterans Affairs and I were looking at the terms of this motion when the debate commenced and he supplied me with the words which, I think, properly describe this: one of the signs of the inevitability of gradualness. There is no doubt that the present royal style and title is not in full accord with the constitutional position of the units of the commonwealth and other lands over which His Majesty is king. This title is also the result of gradualness. One part of it, Defender of the Faith, if I am not mistaken, is a memento of a compliment paid to King Henry VIII by the Pope of Rome and has always been maintained in the description of the titular head of the United Kingdom. The form in which the royal style and title now appears is, as hon. gentlemen know, "George VI, by the Grace of God, of Great Britain, Ireland and the British dominions beyond the seas King, Defender of the Faith, Emperor of India." This wording was established by a royal proclamation issued under the great seal of the realm and published in the London *Gazette* on May 13, 1927, in the exercise by His Majesty of the powers conferred upon him by the Royal and Parliamentary Titles Act of 1927. In it there was retained the expression "Defender of the Faith". There was retained also the expression "Emperor of India", which was first added to the description in 1876. There was also retained the expression "the British dominions beyond the seas", which appears to have been incorporated in the royal title by virtue of a statute of 1901. Though in many documents in which the words "dominion beyond the seas" were used, the word "dominion" commenced with a capital "d"; that was not so originally. In the statute of 1901 power was given to make addition to the style and title of the crown in these terms:

> It shall be lawful for His Most Gracious Majesty, with a view to the recognition of His Majesty's dominions beyond the seas—

That is with a small "d", referring to his dominions beyond the seas and the lands over which he exercised royal authority.

> —by his royal proclamation under the great seal of the United Kingdom issued within six months after the passing of this act, to make such addition to the style and titles at present appertaining to the imperial crown of the United Kingdom and its dependencies as His Majesty may see fit.

Following that statute, a proclamation was issued setting forth the style and title of

His Majesty in two languages, not the two languages which are official in this country, but the two languages used for such and like documents in England; that is to say, the English language and the Latin language. In the Latin language the words were:

et terrarum transmarinarum quae in ditione sunt.

That is, the lands beyond the seas which are under dominion. I looked up "in ditione" to see just what was the origin, and I find it is one of the expressions of Caesar's *De Bello Gallico*.

Mr. MacNICOL: May I ask the minister if he translated the expression correctly? I thought he said "under the dominions"?

Mr. ST. LAURENT: No, "under dominion."

Mr. CHURCH: What is wrong with the title now? Are you objecting to it?

Mr. ST. LAURENT: What is wrong with it now is that it is somewhat out of date; it does not make any distinction between the condition of those lands beyond the seas whose peoples have attained autonomous self-government, and the colonies which are still lands under dominion, administered from the colonial office.

The hon. member for Queens-Lunenburg (Mr. Winters) says that to the layman this does not appear to be anything of importance, that it does not make much difference. I quite agree with him. Those of us who are within the commonwealth know exactly what the situation is, and it is not important as to whether or not it is accurately described in the title of His Majesty. That has no effect whatsoever upon the regard in which he is held here or upon the fact that in law, constitutionally he is our king; he is the King of Canada. The way in which he is described in this title has no effect upon that for us. But to others who are not within the commonwealth it may appear ambiguous; and those who remember their Caesar and their *De Bello Gallico* may think the *"et terrarum transmarinarum quae in ditione sunt"* are in the condition in which were the lands Caesar described as *"in ditione Germanorum"* or *"in ditione Romanorum."* That may or may not be important. Certainly it is not the fact. We are not *"in ditione Germanorum"*; we are not *"in ditione Romanorum"*, and we are not *"in ditione—"*; I do not know what the Latin word would be, but whatever would be proper to describe the English people. We are not under the dominion of any but ourselves and His Gracious Majesty as King of Canada.

That is the fact, but it is also the fact that in the Statute of Westminster we, the United Kingdom and the other autonomous units which, in the declaration of 1926, were declared to be all of equal status, agreed that there would be no further change in the royal style and titles without the action of the parliament of the United Kingdom, the parliament of Canada, the parliament of Australia, the parliament of New Zealand and the parliament of the Union of South Africa. This resolution directs attention to the fact that the style is not now in accord with what is the fact, but it also in terms recognizes that nothing more than a hope can be expressed by any one of the units, because the consent and concurrent action of all is required to bring about any change.

The resolution says that at the next imperial conference there should be a recommendation that all these parliaments concur in making this change. Well, I think a change will be inevitable in the course of this inevitability of gradualness. Have we reached the point where it is necessary that it be made at once? That is something upon which there may be various divergent opinions. All I can say as to the position of the government is that, this matter having been discussed in the high tone that was maintained throughout the debate, it will be considered by the government as its duty to ascertain from the representatives of the other autonomous units of the commonwealth if they feel that it should be considered at the next meeting. I think I can give the mover of this resolution the assurance that we shall ascertain, through ordinary diplomatic channels, if it is convenient to the other members of the commonwealth of nations that this matter be considered the next time there is an imperial conference. The hon. member for Broadview (Mr. Church) says none has been fixed. He is quite right, but these conferences take place from time to time. This resolution does not ask that a conference be called, and I would not want to give the assurance that we would ask to have a conference called; but I feel sure that at some near or later day there will be an occasion when representatives of the autonomous units of the commonwealth will be in session, and I think it would be proper to ascertain, through diplomatic channels, if they consider that when there is such a conference this matter should be on the agenda. It is something that I am sure will be considered in the same spirit in which it was discussed in this house. We cannot forever maintain forms that no longer represent the substance; and the substance has been changed. The substance is now different from the condition that existed when this form was adopted. When will that change

have to be made? How soon will it have to be made? Certainly it will be made some day.

Mr. CHURCH: If I may ask the right hon. gentleman a question, would not any change in the style of titles require a proper address from both houses of parliament, and would it not involve a change in the British North America Act?

Mr. ST. LAURENT: No, I do not think it would involve any change in the British North America Act, because the language in which the title is now expressed is not the language we find in the British North America Act. The language we find there is:

The provisions of this act referring to Her Majesty the Queen extend also to the heirs and successors of Her Majesty, Kings and Queens of the United Kingdom of Great Britain and Ireland.

That is no longer the form in which the royal style and titles is expressed, so I do not think it would require any change in the British North America Act. But it would require the concurrent action of the parliament at Westminster, of the parliament at Ottawa, of the parliament at Canberra, of the parliament at South Wellington, and of the parliament at Pretoria. Until all that is done, there would be no change legally made which would conform with the terms of the statute of Westminster.

Mr. FERGUSON: Would there be discussion on it, before discussion took place in this house? Would an item of that kind be discussed at a conference?

Mr. ST. LAURENT: Yes. All I am saying this afternoon is that, through the ordinary diplomatic measures, we shall endeavour to ascertain whether the governments of the other members wish to have it on the agenda for discussion at the next conference.

Mr. FERGUSON: Then it would be discussed?

Mr. ST. LAURENT: Yes, it would be discussed there; and it would have to come back here, and be discussed here, before it could be done.

Mr. FERGUSON: Would all the points pertaining to it be discussed at the conference, prior to its being discussed in the House of Commons?

Mr. ST. LAURENT: Yes, the whole matter would be discussed at the conference. They would discuss as to whether or not it was advisable to take such action. There might not be agreement; and unless there was agreement it could not be done. It is something which any one of the units could prevent. One dissenting state could prevent its being done. It would have to be something to which all those governments unanimously agree.

Mr. FERGUSON: A discussion in the conference prior to its being discussed in this house might give a wrong impression throughout the world respecting the thoughts of the majority of Canadians regarding the subject, the way real Canadians feel on the subject.

Mr. ST. LAURENT: I would not admit that real Canadians would feel that it was necessary to keep the title in such form as would give anyone the impression that this country was still *in ditione Anglorum*.

With this declaration, that we shall ascertain whether or not others would feel desirous of discussing it, it seems to me that perhaps the hon. member would be content to have his motion dropped. It cannot produce any effect, unless there is discussion, and unless out of that discussion unanimous approval ensues.

Mr. POULIOT: Queen Victoria is not dead.

Mr. SPEAKER: Has the hon. member the leave of the house to withdraw the motion?

(Translation):

Mr. EUGENE MARQUIS (Kamouraska): Mr. Speaker, after this statement by the Right Honourable the Secretary of State for External Affairs (Mr. St. Laurent), which agrees in every respect with the purpose of the resolution, I beg leave to withdraw it.

(Text):

Mr. MacNICOL: Would the right hon. gentleman enlighten the house as to just how he will proceed to get in touch with the other dominions?

Mr. ST. LAURENT: That will be through the offices of the high commissioners in the several capitals. That is the way in which these things are always done. The high commissioners will be asked to ascertain in London, in Canberra and in the other capitals whether or not those governments feel that the next time there is a conference this should be on the agenda.

Motion withdrawn.

BUSINESS OF THE HOUSE

Mr. MACKENZIE: Last night the leader of the opposition asked me in regard to the time for resumption of the budget debate. The government gave consideration to the request this morning, and have agreed that Tuesday next should be the time at which the financial critic of the opposition will resume the budget debate. But it is the

intention of the government that, once that debate commences, it shall be pursued without intermission until its conclusion.

As hon. members will have seen from the order paper, next Monday is taken over for government business.

Mr. GRAYDON: Then will this be the last private members' day?

Mr. MACKENZIE: No; Wednesdays are still left, and there are the private members' hours on Tuesday and Friday evenings.

I think it is safe to say that the legislation of the government is practically all ready, and the length of the session will depend upon the length of the budget debate and the cooperation we receive from hon. gentlemen opposite in regard to private members' days. We have received excellent cooperation thus far, and I trust it will continue. If so, I think this session will be greatly shortened thereby.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, May 1, 1947

The house met at three o'clock.

IMMIGRATION

STATEMENT OF PRIME MINISTER AS TO CANADA'S POLICY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, before the house resumes the debate on the second reading of the bill to amend the Immigration Act, I should like to set forth, in broad outline, the government's policy with respect to immigration.

The policy of the government is to foster the growth of the population of Canada by the encouragement of immigration. The government will seek by legislation, regulation, and vigorous administration, to ensure the careful selection and permanent settlement of such numbers of immigrants as can advantageously be absorbed in our national economy.

Like other major problems of today, the problem of immigration must be viewed in the light of the world situation as a whole. A wise and productive policy for Canada cannot be devised by studying only the situation within our own country. For example, temporary but effective limits on any policy that is to be applied immediately are created by the problem of providing ocean transportation and of establishing inspection facilities in certain countries to which access is difficult at present. Moreover, Canada's policy has to be related to the social, political and economic circumstances resulting from the war. Among other considerations, it should take account of the urgent problem of the resettlement of persons who are displaced and homeless, as an aftermath of the world conflict.

Under existing circumstances, therefore, Canada's policy with respect to immigration falls, necessarily, into two parts: measures designed for immediate application, and a long-term programme.

Let me point out at once that with regard to immigration at the present time, there is confusion of two fundamental points; namely, the extent to which immigrants may legally enter Canada, and the extent to which they can physically get to Canada. At present, the limiting factor is not our legislation or regulations, but the shortage of transport. Through Canada's high commissioner in London, the government has kept in active touch with shipping authorities and transportation companies in the United Kingdom to see what may be possible in the way of special shipping services. As to what may prove feasible, I am unable to make a report at this time. Other countries interested in encouraging immigration face precisely the same conditions, and are experiencing the same difficulties. The problem of transportation is a very real one. It cannot be overcome in a week or a month, or indeed within the next year.

The shortage of shipping means that Canada cannot secure more immigrants simply by changing laws and regulations. Since those persons we would be glad to welcome will not all be able to come, the shortage of shipping also means that we have to decide to which immigrants prior opportunity to come to Canada is to be given.

Because of the limitations of transport, the government decided that, as respects immigration from Europe, the emphasis for the present should be on the admission of the relatives of persons who are already in Canada, and on assisting in the resettlement of displaced persons and refugees.

Up until the end of the war and since—under order in council P.C. 695 of March 21, 1931—four broad categories of persons were admissible to Canada. These were:

1. British subjects from the United Kingdom, Ireland, Newfoundland, New Zealand, Australia or the Union of South Africa, who possessed sufficient means to maintain themselves until employment was secured.

2. United States citizens, similarly possessed of means of maintenance.

3. Wives, unmarried children under 18, or fiancees of men resident in Canada.

4. Agriculturists with sufficient means to farm in Canada.

During the 1930's, due to the adverse economic conditions of the period, these provisions were necessarily interpreted in a restrictive manner. Because of improved economic conditions, it is now possible to interpret them broadly. It is the intention of the government, under present circumstances, to have the regulations so administered that British subjects from the United Kingdom, Ireland, Newfoundland, New Zealand, Australia or the Union of South Africa, and citizens of the United States, who desire to enter Canada will only be required to meet certain standards of health and character, and to show that they are not likely to become public charges.

At the end of the war, it was felt that conditions in Europe made it desirable to widen the categories of relatives of Canadian residents who could be admitted to Canada. As a result these categories, some time ago, were extended substantially. Recently, the terms of admissibility were extended to include still wider groups of relatives. All married relatives who are admissible are now granted the right to bring their families with them. I would ask leave of the house to table a copy of the order in council—P.C. 1734 of May 1, 1947—which extends the terms of admissibility.

The government has also extended admissibility to persons who are suitable for employment in the primary industries. As hon. members are aware, Canada's primary industries are experiencing an acute shortage of manpower.

The resettlement of refugees and displaced persons constitutes a special problem. In the intergovernmental committee on refugees, and in the discussions in the united nations leading to the establishment of the international refugee organization, Canada has taken an active part. In this connection, the government has taken measures respecting the admission of refugees and displaced persons, and also of Polish ex-soldiers. These measures, though not of wide scope, are practical steps within the present physical limitations imposed by transportation.

Canada is not obliged, as a result of membership in the united nations or under the constitution of the international refugee organization, to accept any specific number of refugees or displaced persons. We have, nevertheless, a moral obligation to assist in meeting the problem, and this obligation we are prepared to recognize.

The government is sending immigration officers to examine the situation among the refugee groups, and to take steps looking towards the early admission of some thousands of their number. In developing this group movement, the immigration branch and the Department of Labour will determine jointly the approximate number of persons who can be readily placed in employment and absorbed into various industries and occupations. Selection officers will then consider applicants for entry into Canada, examine them on a basis of suitability and physical fitness, and make arrangements for their orderly movement and placement. Persons so admitted will, of course, be included in whatever quota Canada finally accepts as its share in meeting the general problem. In taking these steps the government is seeking to ensure that the displaced persons admitted to Canada are of a type likely to make good citizens.

Let me now speak of the government's long term programme. It is based on the conviction that Canada needs population. The government is strongly of the view that our immigration policy should be devised in a positive sense, with the definite objective, as I have already stated, of enlarging the population of the country. This it will seek to attain through the development and energetic application of productive immigration measures.

The population of Canada at present is about 12,000,000. By 1951, in the absence of immigration, it is estimated that our population would be less than 13,000,000 and that by 1971, without immigration, the population would be approximately 14,600,000. Apart from all else, in a world of shrinking distances and international insecurity, we cannot ignore the danger that lies in a small population attempting to hold so great a heritage as ours.

The fear has been expressed that immigration would lead to a reduction in the standard of living. This need not be the case. If immigration is properly planned, the result will be the reverse. A larger population will help to develop our resources. By providing a larger number of consumers, in other words a larger domestic market, it will reduce the present dependence of Canada on the export of primary products. The essential thing is that immigrants be selected with care, and that their numbers be adjusted to the absorptive capacity of the country.

It is of the utmost importance to relate immigration to absorptive capacity. In the past, Canada has received many millions of immigrants, but at the same time many millions of people have emigrated. Of the latter, a large proportion were young people born in Canada, and others who had benefited by education or training received in Canada. The

objective of the government is to secure what new population we can absorb, but not to exceed that number. The figure that represents our absorptive capacity will clearly vary from year to year in response to economic conditions. At the present stage, when Canada is returning to a normal situation after wartime disruption, it is impossible, with any degree of accuracy, to make forecasts as to our future power of absorption. For some time to come, no matter what special shipping arrangements we may be able to achieve, conditions of transport will limit the number of immigrants. When that limitation ceases to prevail, it will be necessary to consider further what measures will best achieve the adjustment of immigration to the numbers that can be absorbed into the economy of Canada.

With regard to the selection of immigrants, much has been said about discrimination. I wish to make it quite clear that Canada is perfectly within her rights in selecting the persons whom we regard as desirable future citizens. It is not a "fundamental human right" of any alien to enter Canada. It is a privilege. It is a matter of domestic policy. Immigration is subject to the control of the parliament of Canada. This does not mean, however, that we should not seek to remove from our legislation what may appear to be objectionable discrimination.

One of the features of our legislation to which strong objection has been taken on the ground of discrimination is the Chinese Immigration Act. This act seems to place persons from one particular country in an inferior category. The government has already initiated action for the repeal of that statute. Chinese residents of Canada who are not already Canadian citizens may now be naturalized. Once naturalized, they are permitted to bring their wives and unmarried children under 18 to join them in this country.

The East Indians legally resident in Canada are British subjects who have resided here for many years. They are therefore Canadian citizens. As such, their wives and unmarried children under 18 are admissible.

With regard to the Japanese, I stated, on August 4, 1944, at which time we were at war with Japan, that the government felt that in the years after the war the immigration of Japanese should not be permitted. This is the present view and policy of the government. It will be for future parliaments to consider what change, if any, should be made in this policy.

There will, I am sure, be general agreement with the view that the people of Canada do not wish, as a result of mass immigration, to make a fundamental alteration in the character of our population. Large-scale immigration from the orient would change the fundamental composition of the Canadian population. Any considerable oriental immigration would, moreover, be certain to give rise to social and economic problems of a character that might lead to serious difficulties in the field of international relations. The government, therefore, has no thought of making any change in immigration regulations which would have consequences of the kind.

I wish to state quite definitely that, apart from the repeal of the Chinese Immigration Act and the revocation of order in council P.C. 1378 of June 17, 1931, regarding naturalization, the government has no intention of removing the existing regulations respecting Asiatic immigration unless and until alternative measures of effective control have been worked out. Canada recognizes the right of all other countries to control the entry or non-entry of persons seeking to become permanent residents. We claim precisely the same right for our country.

I wish to make it equally clear that the Canadian government is prepared, at any time, to enter into negotiations with other countries for special agreements for the control of admission of immigrants on a basis of complete equality and reciprocity.

Through the years of depression and war, and consequently of greatly restricted immigration, the immigration branch of the Department of Mines and Resources and its offices abroad were reduced to proportions wholly inadequate to cope with an active immigration policy. With the end of the war, and in the light of changed economic conditions, the government has already taken steps to expand and strengthen this branch of the public service. To carry out the government's policy effectively, immigration services will be further developed to meet expanding requirements.

Mr. GRAYDON: If the Prime Minister would permit a question with regard to the urgency of the transportation problem, has he or the government received any information as to the success of the reported plan of Australia which used an aircraft carrier or aircraft carriers to transport immigrants from the United Kingdom to Australia?

Mr. MACKENZIE KING: The Department of Immigration has been following the activities of other countries, but I am not myself in a position to make a specific reply to my hon. friend's question. It might be brought up when the immigration bill is before the house.

Mr. BRACKEN: Will the Prime Minister permit one further question? He has referred to the immediate policy and to the long-term policy. As to the immediate plans could he give the house some idea of the numbers that will be involved in immigration to this country in the immediate future?

Mr. MACKENZIE KING: May I say to my hon. friend that my purpose in presenting this statement today was that I expected there would be a number of questions asked upon the further discussion of the immigration bill. I thought it would be helpful to hon. members if at the outset before we got into that discussion, I made as clear as I could the policy of the government generally. As to any question of numbers or the like, I shall have to ask my hon. friend to allow the question to be answered when we are discussing the bill at some further stage.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

UNEMPLOYMENT INSURANCE COMMISSION—RADIO BROADCASTS

Mr. KNOWLES:

1. How many radio broadcasts have been given over the C.B.C. by or on behalf of the unemployment insurance commission since January 1, 1945?

2. How many of these broadcasts have been given by commissioners of the unemployment insurance commission?

3. How many of these broadcasts have been given by persons other than the said commissioners?

4. What are the names of persons other than the commissioners who have given such broadcasts, and how many in each case?

5. What is the reason for a person or persons other than the commissioners giving these broadcasts?

Mr. MITCHELL:

1. Twelve.

2. Three.

3. Nine.

4. See list below.

5. Heads of divisions were used other than commissioners or the director because of their intimate knowledge of the specific subject being discussed.

Date	Subject	Name
January 14, 1945,	unemployment insurance,	Mr. B. G. Sullivan, regional superintendent, Ontario region, U.I.C.
February 25, 1945,	administration of unemployment insurance,	H. F. Caloren, acting chief executive officer, U.I.C.
March 4, 1945,	vocational guidance,	R. J. Tallon, commissioner; H. C. Hudson, supervisor, special placements, U.I.C.
March 18, 1945,	book renewal,	Mr. Geo. Barclay, chief insurance officer, U.I.C.
April 1, 1945,	unemployment insurance booklet, 1945,	Mr. H. F. Caloren, acting chief executive officer, U.I.C.
September 23, 1945,	aims of N.E.S.,	Mr. L. J Trottier, commissioner; Mr. B. G. Sullivan, regional superintendent, Ontario region, U.I.C., Mr. Fred White, regional superintendent, prairie region, U.I.C.; Mr. Wm. McKinstry, regional superintendent, Pacific region, U.I.C.; Mr. Leonard Prefontaine, regional superintendent, Quebec region, U.I.C.; Mr. R. P. Hartley, regional superintendent, maritime region, U.I.C.
March 10, 1946,	unemployment insurance, commission weekly cash payments under U.I.C. plan,	Mr. Geo. Barclay, chief insurance officer, U.I.C.
March 17, 1946,	unemployment insurance commission weekly cash payments, part II,	Mr. Geo. Barclay, chief insurance officer, U.I.C.
April 7, 1946,	U.I.C. book renewal,	Mr. Geo. Barclay, chief insurance officer, U.I.C
September 29, 1946,	U.I C. disqualifications for benefit,	Mr. MacNamara, Deputy Minister of Labour.
February 16, 1947,	U.I.C. (1946 amendments to the act),	Col. G. Bisson, commissioner.
March 16, 1947,	U.I.C. book renewal,	Mr. R. G. Barclay, chief insurance officer, U.I.C.

UNEMPLOYMENT INSURANCE

Mr. ISNOR:

1. What amount was collected during the period 1946-1947, fiscal year, for unemployment insurance?

2. What amount of the above was paid (a) by employer; (b) by employee?

3. What amount has been collected since the coming into effect of unemployment insurance?

4. What amount of this has been paid (a) by employer; (b) by employee?

5. What amount of the answer to question three has been invested (a) in dominion of Canada bonds; (b) in other securities?

6. What is the total yearly dividend or interest received from investments?

7. What amount or percentage of the answer to question six is paid by (a) the employer; (b) the employee?

8. What amount was paid out in unemployment insurance benefits during the fiscal year, 1946-47?

9. What has been the total amount paid out in unemployment insurance benefits since coming into effect of scheme?

Mr. MITCHELL:

1. The amount of employer-employee contributions was $67,701,330.17. This is exclusive of the dominion-government contribution.

2. It is estimated that of the above amount $30,668,702.57 was paid by employers and $37,032,627.60 was paid by employees.

3. The amount of employer-employee contributions from July 1, 1941, to February 28, 1947, is $349,594,127.21.

4. Of the above amount, it is estimated that $162,236,587.43 was paid by employers and $187,357,539.78 was paid by employees.

5. (a) As at February 28, 1947, $343,432,000 was invested in Dominion of Canada bonds; (b) Nil.

6. The interest on investments by fiscal years is as follows:

1941-1942 (9 months)	$ 203,680.48
1942-1943	1,479,415.23
1943-1944	4,398,668.73
1944-1945	6,195,926.72
1945-1946	6,116,768.54
1946-1947 (11 months to Feb. 28, '47)	6,596,849.04

7. The interest on investments is received from the dominion government and not from either employers or employees.

8. For the eleven months ending February 28, 1947, the amount paid in unemployment insurance benefits was $38,640,472.98.

9. From the commencement to February 28, 1947, the amount paid out in unemployment insurance benefits was $78,065,628.79.

HOUSING—VETERANS LAND ACT— MIDDLESEX COUNTY

Mr. WHITE (Middlesex East):

1. What is the total cost of each of the 28 houses constructed under the Veterans' Land Act in London township, county of Middlesex?

2. What is the cost for each house of (a) land; (b) survey of roads and drains; (c) water mains and driveways; (d) administration?

3. What items are included in such cost?

Mr. TUCKER:

1. With the exception of cost of land units the costs of the small holdings, including construction of houses and provision of services, will not be available until the completion of audit by cost inspection and audit division of treasury.

2. (a) 10 at $80; 8 at $100; 4 at $102; 3 at $112; 2 at $143; 1 at $144.

(b) (c) (d). See answer to part 1.

3. See answer to part 1.

[Mr. Isnor.]

SOLDIER SETTLEMENT—CAPE BRETON—SEARCH OF LAND TITLES

Mr. GILLIS:

1. How many solicitors were employed by the government in the county of Cape Breton to search the titles of lands purchased by or on behalf of veterans under the Soldier's Settlement and Land Act?

2. What are the names of the solicitors so employed?

3. How many of them are veterans?

4. How much was paid each of them for legal services?

5. What was the total amount paid?

Mr. TUCKER:

1. Six.

2. Alex. O'Handley, North Sydney, N.S.; F. A. Hamilton, Sydney, N.S.; Sir D. C. MacDonald, Port Hood, N.S.; Archibald MacPhail, Port Hood, N.S.; F. A. Thurgood, St. Peters, N.S.; J. D. MacIntyre, Sydney, N.S.

3. Three.

4. Alex. O'Handley, $968.50; F. A. Hamilton, $3,487.92; Sir D. C. MacDonald (not now employed on account of ill-health), $391.15; Archibald MacPhail, $559.05; F. A. Thurgood, $202; J. D. MacIntyre (recent appointment—no payments made).

5. $5,608.62.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CIVIL SERVICE—APPOINTMENTS, EXAMINATIONS, ETC.

Mr. DIEFENBAKER:

1. How many appointments to permanent or temporary positions with salaries per annum (a) under $2,000; (b) between $2,000 and $3,000; (c) over $3,000, have been made to the civil service since May 9, 1945?

2. How many of such appointees passed a civil service examination prior to having been taken in or appointed?

3. In how many cases were certificates issued by the civil service commission to persons who had not made application to the commission for an advertised position?

4. What positions in government service subject to appointment by or with the approval of the civil service commission have been filled since May 9, 1945, by appointment of persons who had no overseas service in the armed forces in either war?

IMMIGRATION—SINGLE PERSONS

Mr. KIDD:

1. How many (a) single women over 21 years of age; (b) single men over 21 years of age, have immigrated to Canada from the United Kingdom since January, 1946?

2. How many of these British immigrants received assistance from the Canadian government?

3. What was the total amount of such assistance?

IMPORT REGULATIONS—POTATOES

Mr. BLACKMORE:

1. Has the government lifted import regulations on the importation of new potatoes from the United States of America into Canada?

2. If so, to what extent and when?

3. What is the estimated number of tons of Canadian potatoes in store in Canada depending upon Canadian consumers for markets?

4. Before lifting the said import regulations were sufficient Canadian potatoes in Canada to satisfy demand for potatoes in Canada?

5. Was there a deficiency of Canadian potatoes in store in Canada, and how great was that deficiency as expressed in tons?

6. Was there a surplus of potatoes in store in Canada, and, if so, how great was that surplus, as expressed in tons?

7. Just prior to the lifting of the import regulations, how many tons of Canadian potatoes were found to be in store in the Lethbridge area, depending for markets upon Canadian consumers?

8. Before lifting the import regulation against United States of America new potatoes, what precautions, if any, did the government take to provide that Lethbridge area potatoes would have appropriate and adequate access to Canadian markets.

9. How many orders for Lethbridge area potatoes have been placed by Saskatchewan and Manitoba concerns?

10. Since the lifting of the import regulations against United States of America new potatoes, how many orders for Lethbridge area potatoes have been cancelled by Canadian concerns?

11. What, if any, reduction in potato prices in Canada has resulted from the lifting of these import regulations?

12. Who gave the order to lift the import regulations?

13. At whose instance was the order given?

KINGSMILL HOUSE, OTTAWA

Mr. ADAMSON:

1. Have the property and buildings known as Kingsmill House, situated at 453 Laurier avenue east, Ottawa, been sold by the government?

2. If so, to whom?

3. What was the price paid for the land and buildings?

4. What were the terms of sale?

5. When was this property bought?

6. What was the price paid for the property?

7. What was the cost of improving, remodelling and decorating the property?

INCOME TAX—COSTS OF COLLECTION

Mr. BLACK (Cumberland):

What was the cost for the fiscal years 1945-1946 and 1946-1947 in each taxation division and province of collecting income taxes (a) salaries; (b) expenses; (c) legal fees; (d) total for Canada?

COGSWELL STREET HOSPITAL, HALIFAX

Mr. BLACK (Cumberland):

What did the government pay during the fiscal years 1944-1945, 1945-1946, 1946-1947, in connection with the Cogswell street hospital, Halifax, N.S., for (a) rental; (b) maintenance; (c) improvements; (d) cost of operations, including salaries and fees?

BELLEVILLE ARMOURIES

Mr. STOKES:

1. What alterations or improvements were made by contracts let by the Department of National Defence or Department of Public Works at the armouries at Belleville, Ontario during (a) the year 1944; (b) the year 1945; (c) the year 1946; (d) the year 1947, to date?

2. To whom were contracts let and for what specific work?

3. What was the gross expenditure made under each contract?

4. What, if any, of the above contracts are uncompleted?

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT ORDERS ON MONDAYS AND WEDNESDAYS

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That on and after Monday, the 5th day of May next to the end of the session, government notices of motions and government orders shall have precedence on Mondays over all business except the introduction of bills, questions by members and notices of motions for the production of papers.

He said: I hope, Mr. Speaker, hon. members will see that it is very much in their own interests that this motion should carry. The house has now been sitting for over three months, and most of the business of an ordinary session is still before us. I myself would be glad to amend the resolution to include Wednesdays as well, if there is a general feeling among hon. members that I should so do.

Some hon. MEMBERS: Agreed.

Mr. MACKENZIE KING: After all, it means that possibly only one member will have a chance to discuss his particular resolution. I am sure there will be other occasions on which that opportunity will be afforded. If hon. members agree I would ask to have the motion amended to read:

That on and after Monday, the 5th of May next, and Wednesday, the 7th of May next, to the end of the session, government notices of motion and government orders shall have precedence on Mondays and Wednesdays over all business except the introduction of bills, questions by members and notices of motions for the production of papers.

Motion agreed to.

PRAIRIE FARM REHABILITATION

EXTENSION OF APPLICATION TO OTHER PROVINCES

On the orders of the day:

Mr. THOMAS REID (New Westminster): I wish to direct a question to the Minister of

Agriculture, as a result of representations made to British Columbia members. Is consideration still being given to the extension to other provinces of the prairie farm rehabilitation measure? If so, when may a decision be expected?

Right Hon. J. G. GARDINER (Minister of Agriculture): Consideration is still being given to the matter. I am not yet in a position to state when an announcement will be made.

Mr. P. C. BLACK (Cumberland): I should like to ask the Minister of Agriculture if he will soon be able to make an announcement of policy and bring down legislation with respect to the reclamation of the marshlands of Nova Scotia and New Brunswick. Last year the minister announced that a bill had been drafted and gave a general outline of the policy. The interested parties are very anxious to have a further pronouncement of policy on behalf of the government.

Mr. GARDINER: The legislation referred to last year had to do with the extension of the Prairie Farm Rehabilitation Act to other parts of Canada as well as the Palliser triangle in the west. The answer to this question would be the same that I gave a few moments ago to the question asked by the hon. member for New Westminster (Mr. Reid). The legislation is still under consideration, and I am not in a position to say what will be the result of that consideration.

Mr. BLACK (Cumberland): I would point out that the reclamation of these marshlands is in a somewhat different position, inasmuch as it has been unanimously recommended and approved by all members of this house.

Some hon. MEMBERS: Order.

HIS MAJESTY THE KING

PROPOSED CHANGE IN ROYAL STYLE AND TITLE—PROCEDURE

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to direct a question to the Secretary of State for External Affairs. I sent him a copy of a statement with the cases, and the references in Wheare on the Statute of Westminster regarding the matter which came up yesterday afternoon, having to do with His Majesty's style and title. When he has had time to consider the question, will the minister give a reply, say next week?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I think that the reply can be given at once. If the hon. member will look at *Hansard* of yesterday, I think he will find it was made quite clear that it was my view at least that under the Statute of Westminster no change in the royal style and title could be made without the unanimous affirmative action of the parliament of the United Kingdom and of the parliaments of the other units of the commonwealth, and that the abstention or refusal of any one of them would prevent the action of the others from being effective. I think that is also the doctrine which is expounded in the text book to which the hon. member refers.

Mr. CHURCH: And Hon. Howard Ferguson said in 1932 it would need the consent of all the provinces.

Mr. MacNICOL: I should like to ask the Secretary of State for External Affairs a supplementary question. Is it his intention to consult, or is it necessary for him to consult, with the provincial governments before he consults with the other dominions in reference to the change of His Majesty's style and title?

Mr. ST. LAURENT: No. The only requirement of the Statute of Westminster is that there be concurrent action by the parliament of the United Kingdom and the central parliaments of the other nations of the British commonwealth. There is no requirement in the Statute of Westminster for consultation by the central government of one of the units of the commonwealth with the provincial governments of that unit.

LABOUR CONDITIONS

CANADA STEAMSHIPS—ALLEGED REPUDIATION OF AGREEMENT WITH EMPLOYEES

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I wish to direct a question to the Minister of Labour. Have representations been made to the minister or to the Department of Labour alleging that Canada Steamships Limited have repudiated in whole or in part the agreement made with its employees following the seamen's strike of last summer? If such representations have been made, has the minister investigated the complaint, and does he contemplate any action in the matter? As I did not give the minister notice of this question, it will be satisfactory to me if he will take this as notice.

Hon. HUMPHREY MITCHELL (Minister of Labour): I will answer my hon. friend right away. He knows the state of the industry and he knows the direction from which the question springs. I want to say to my

hon. friend that in this dispute the Minister of Labour will accept his responsibilities as Minister of Labour.

Mr. MacINNIS: I am not questioning that point.

STRIKE AT MASSEY-HARRIS PLANT, BRANTFORD

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Has the Minister of Labour been advised of the work stoppage at the Massey-Harris plant at Brantford, to which his department authorized the movement of some two hundred Nova Scotians to take employment because of the current labour shortage? Will the minister's department make arrangements for the maintenance of the personnel taken from Nova Scotia to the Brantford area, for the duration of the work stoppage?

Hon. HUMPHREY MITCHELL (Minister of Labour): The unemployment of the men brought from Nova Scotia apparently is due to a shut-down of the Massey-Harris plant at Brantford, caused by a labour dispute. Disputes in industries of this nature come under the jurisdiction of the department of labour of the province of Ontario. Knowing the provincial minister, Hon. Mr. Daley, and the officials of his department as I do, I am sure this Brantford dispute will be dealt with promptly and justly. However, I have given instructions to the officials of my department to obtain information as to the extent of the work stoppage in question and its effect upon the men from Nova Scotia. I shall be glad to let my hon. friend have such information when it is received, but I should point out that the national employment service does not provide for the maintenance of men who have become idle because of labour disputes.

ROYAL MILITARY COLLEGE

QUALIFICATIONS OF APPLICANTS FOR ADMISSION

On the orders of the day:

Mr. C. C. I. MERRITT (Vancouver-Burrard): I should like to direct a question to the Minister of National Defence. I have not given him notice, but I do not think he will need it. On April 29 the minister announced that the Royal Military College of Canada would be opened in September, 1948. Will he assure the house that entrance to the college will be open to youth with matriculation; in other words, will he assure us it will be an educational as well as a purely service training institution?

Hon. BROOKE CLAXTON (Minister of National Defence): The present plan is that entrance to both Royal Roads and the Royal Military College, when opened again, will be senior matriculation or its equivalent.

WAR ASSETS CORPORATION

CHANGE IN SYSTEM OF PRIORITIES

On the orders of the day:

Mr. G. H. CASTLEDEN (Yorkton): I should like to ask the Minister of Reconstruction and Supply whether it is true that the War Assets Corporation has discontinued the priorities system as of yesterday, April 30. If so, what action has been taken with regard to requests for priorities already filed and not yet dealt with?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): A change has been made in the system of priorities; the premiers of the nine provinces were advised accordingly some weeks ago. There is no change in the system as it affects real estate and buildings. In connection with other material, priorities are honoured if the material is in stock at the time; but the old principle of listing priorities against future receipts has been abandoned. As far as existing priorities are concerned, if they have not been filled up to the present they will be subject to new applications at the time the material is received.

UNITED NATIONS

ACTION BY COMMONWEALTH GOVERNMENTS RESPECTING ARTICLE 41 OF CHARTER

On the orders of the day:

Mr. GORDON GRAYDON (Peel): May I ask the Secretary of State for External Affairs what British commonwealth governments have introduced legislation purporting to give their governments powers similar to those contained in Bill 132, an act to amend the charter of the united nations? Normally this question would go on the order paper, but the urgency arises from the fact that this legislation may come up for consideration before an answer could be given to a question on the order paper.

Right Hon. L. S. ST. LAURENT (Secretary for State for External Affairs): Even Homer nods, Mr. Speaker. My hon. friend asks what other government has introduced legislation to amend the charter of the united nations.

Mr. GRAYDON: No.

Mr. ST. LAURENT: Yes; that was the language my hon. friend used, and it is the language used in his written notice. That is why I say even Homer nods, because legislation to amend the charter of the united nations would not be competent to this parliament or to the parliament of any member of the British commonwealth.

Mr. GRAYDON: It was a typographical error.

Mr. ST. LAURENT: There is on the order paper a bill entitled "An act respecting article forty-one of the charter of the united nations," and I take it my hon. friend's question has to do with legislation of the character contained in the bill thus entitled.

Mr. GRAYDON: I thought "Bill No. 132" would be sufficient to identify it to the minister.

Mr. ST. LAURENT: I will have inquiry made in order to give my hon. friend not only the names of the units of the commonwealth where such legislation has been introduced, but also the dates and reference to the action of their respective governments and parliaments.

Mr. GRAYDON: Could that be done by tomorrow?

Mr. ST. LAURENT: As soon as I received notice of my hon. friend's question I communicated with the legal adviser and asked him to get the answer ready just as soon as possible. He told me he could not have it for three o'clock today, but that he would use the utmost dispatch to get the material together.

DAIRY PRODUCTS

INQUIRY AS TO FIXING OF FLOOR PRICES

On the orders of the day:

Mr. R. E. DROPE (Northumberland, Ont.): Following the announcement yesterday of increases in the price ceilings of dairy products, I should like to ask the Minister of Agriculture whether consideration has been given to setting floor prices for dairy products.

Right Hon. J. G. GARDINER (Minister of Agriculture): Most of the prices announced yesterday were floor prices. The only exception, I think, was butter.

SUGAR BEETS

REFERENCE TO DIFFICULTY OF FACTORIES IN SECURING NECESSARY SUPPLIES

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): I should like to direct a question to the Minister of Finance or the Minister of Justice. Have they been informed that the Canada and Dominion Sugar Company is having serious difficulty in signing beet contracts, and that on April 28 it had less than 25,000 acres signed up, hardly enough to supply one of the company's two sugar factories in 1947? If this is found to be the case, will the minister tell the house whether or not he is contemplating any action to meet the situation?

Hon. DOUGLAS ABBOTT (Minister of Finance): I had not been informed of the facts mentioned by my hon. friend, but I do not think the government is contemplating any particular action in the field to which he refers.

Mr. BLACKMORE: May I ask if it would be the intention of the government to permit one of these sugar factories to remain idle this year because of a shortage of sugar beets?

RADIO BROADCASTING

INQUIRY AS TO CALLING OF SELECT COMMITTEE

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): On April 2 the house appointed a select committee to review radio broadcasting and the reports of the Canadian Broadcasting Corporation. When is it the intention to call this committee together? It was appointed a month ago.

Hon. J. J. McCANN (Minister of National Revenue): The motion setting up the committee was passed prior to the Easter recess. Until today there has been no request by anyone to have the committee sit, but it is ready to be set up at any time.

CHEESE

SHIPMENTS UNDER UNITED KINGDOM AGREEMENT

On the orders of the day:

Mr. G. J. TUSTIN (Prince Edward-Lennox): A moment ago the Minister of Agriculture announced that most of the dairy product prices mentioned yesterday were floor prices. Is it the intention of the government to requisition all the cheese made in Ontario and Quebec from April 1 until late this fall in order to fulfil our agreement with the United Kingdom? If so, is it the intention to take the cheese at the floor price instead of the ceiling price?

Right Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, I do not anticipate that all the cheese of Ontario and Quebec will be taken to be sent to the British market. I assume the amount sent will be the surplus, which is usually about seventy per cent of the cheese produced in Canada. Any cheese

which is taken will be taken at the floor price, which was announced yesterday. It will be bought at that price.

EMERGENCY POWERS

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Tuesday, April 29, consideration in committee of Bill No. 104, to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war—Mr. Ilsley—Mr. Macdonald (Brantford City) in the chair.

The CHAIRMAN: The committee had completed consideration of the orders in council referred to in the schedule. There is now before the committee the amendment moved by the hon. member for Eglinton (Mr. Fleming), as follows:

That the schedule to Bill No. 104 as amended be further amended by printing therein the text in full of the orders in council numbered in the first column, as amended by those numbered in the fourth column in the said schedule.

Right Hon. J. L. ILSLEY (Minister of Justice): This would be expensive and, I submit, unnecessary. It would make a bulky volume of statutes for the year 1947. Not only have the orders in council been tabled, but they have been reduced to consolidated form and distributed. I do not believe there would be any demand on the part of the public to have them bound in the statutes. From time to time these orders in council will be subject to revocation, either in whole or in part, and the public would derive no advantage from having them published in the statutes.

The public of course should be able to pick up the volume of the statutes and see what any piece of permanent legislation is. But the publication of these orders in council does not give the public that information, because of the power of revocation contained in the legislation itself. I think it would be a mistake to publish all these orders in council, for the reasons I have stated.

Amendment negatived.

The CHAIRMAN: Shall the schedule as amended in committee carry?

Mr. ILSLEY: I have an amendment to offer to one of the orders in council which has been carried. I refer to P.C. 7475, which appears in the schedule at page 4 of the bill. The day before yesterday an order in council was passed amending the regulations of the Commodity Prices Stabilization Corporation so as to make it clear that in certain instances the government may recover subsidies, whether they are payable by the Commodity Prices Stabilization Corporation or by other departments or agencies of government. Therefore I move:

That the following be inserted in the schedule to this act in the column entitled "Amending orders in council" so as to pertain to order in council P.C. 7475 of 26 August, 1942, and immediately beneath the figures "390 31/1/47":

"P.C. No.	Date
1711	29/4/47"

I may have made my explanation too concise, but I shall be glad to answer any questions about it.

Amendment agreed to.

Schedule as amended agreed to.

The CHAIRMAN: Sections 2, 4 and 7 of the bill have not yet been carried. The committee will now proceed to consider section 2.

On section 2—Orders and regulations continued in force.

Mr. ILSLEY: I move the following amendment:

That section 2 of the act be amended by adding thereto the following subsection:

"(2) Notwithstanding subsection one of this section, the orders and regulations specified in the said schedule shall be read and construed as if the provisions set forth in the column of the said schedule entitled 'Amendments' had been duly enacted as amendment thereto to take effect from the commencement of this act."

It is obvious to hon. members who have followed my language that the addition of this subsection becomes necessary as a result of amendments to the schedule.

Amendment agreed to.

Mr. ILSLEY: May I point out that an amendment was moved by the hon. member for Vancouver North (Mr. Sinclair). While I have no desire to press the amendment, my recollection is that it was moved, and that there was a request that it be allowed to stand. Perhaps the Chair would inform the committee as to whether or not such an amendment is before us.

Mr. FLEMING: I think that was an amendment to section 4.

Mr. ILSLEY: No, it was section 2, and it was suggested by the hon. member for Vancouver North.

The CHAIRMAN: I have been handed an amendment which was moved by the hon. member for Vancouver North, as follows:

Wherever the word minister is used in the schedule to this act, the rights, powers, duties, liabilities and functions of that minister shall

extend and apply to such boards, and other public bodies, officers, subjects, services and properties of the crown as may be designated or assigned to the minister by the governor in council over which the minister shall have the control, regulation, management and supervision.

Mr. ILSLEY: I am afraid I cannot accept that amendment, worded as it is. If there were any demand for such an amendment it could be accepted in different terms, but I submit that no amendment is necessary. Some of the orders do contain provisions that the boards shall be subject to the direction of the minister, but the minister is charged in every case with the responsibility of administering these orders. I submit that nothing would be gained by making any amendment, and I would prefer that no amendment be made. I think I should say that I have had some conversation with the hon. member for Vancouver North and I have explained my point of view. While I cannot say that it is agreeable to him, nevertheless I do not think he would be insistent upon the amendment being made in the light of the explanations that I have given him.

Amendment negatived.

Section 2 as amended agreed to.

On section 4—Orders and regulations may be revoked.

Mr. KNOWLES: The amendment which you have in your hand, Mr. Chairman, is recorded in *Hansard* of April 17 at page 2130. I would point out that the day after it was moved the Minister of Justice suggested an alternative wording. I should like to ask the consent of the committee to withdraw the amendment recorded on April 17, so that I can move the wording suggested by the minister.

Some hon. MEMBERS: Agreed.

Amendment withdrawn.

Mr. KNOWLES: I now move:

That section four of the act be amended by adding thereto the following:

Provided that notwithstanding anything in this section no provision of any order or regulation of the governor in council specified in the part of the schedule to this act entitled "wartime prices and trade board" shall be revoked by the governor in council unless addresses have been presented to the governor general by the Senate and the House of Commons praying that such provision be revoked.

In order to make the meaning of this amendment more clear, I should like to repeat the wording which I used before, which was as follows:

Provided, however, that none of the orders listed in the schedule to this act under the

[The Chairman.]

section headed wartime prices and trade board may be revoked without the consent of parliament.

The purpose of this amendment is to give parliament an opportunity to put a brake upon the government with respect to decontrol in the field of prices. It is clear that it is not possible to prohibit the government or the wartime prices and trade board from changing price ceilings and doing other things allowed under the provisions of the order, but some of us feel that it should be made clear that the whole price control structure should not be subject to revocation by the government without the consent of parliament. In other words, there are two matters at stake here. One is the supremacy of parliament over the government with respect to this matter, and the other is the attempt on the part of the house to make known its will to the government.

Speaking about this matter before, the Minister of Justice stated, quite correctly, that even if this amendment were to pass—and I appreciate his offer to put it to a free vote—it would still be possible for the wartime prices and trade board to scuttle most of this machinery and its effectiveness.

Mr. MERRITT: All of it.

Mr. KNOWLES: Yes, that is true, for all that this would require is that the order in council be kept on the statute books. It would have no legally binding effect, but it would have a moral effect. After all, in the relations between parliament and the government there is such a thing as good faith, and that is the basis of my amendment. I believe that if parliament passed this amendment, the government would recognize what it means and would feel bound to reconsider its attitude toward price decontrol.

If the need for slowing down price decontrol was ever demonstrated, it was demonstrated in this House of Commons within the last two days. The night before last we were told of tax reductions soon to take place; in fact the wording used suggested that there were to be "slashes" in income taxation. But when one looks into the matter he finds that a married man with a wife and two children earning $150 a month will—

Some hon. MEMBERS: Order.

The CHAIRMAN: The hon. member is referring to a debate during the present session on another subject.

Mr. KNOWLES: I am not quoting from any other debate. I am simply—

The CHAIRMAN: I think the words used in the rule are "referred to". The rules of the house prevent an hon. member from referring to a debate on another subject.

Mr. ILSLEY: On the point of order, there is still another ground; the hon. member is referring to the terms of another resolution on the order paper.

The CHAIRMAN: The hon. member is out of order if he is referring to the terms of another resolution. In any event he is referring to another debate.

Mr. KNOWLES: I was speaking about price control, and I wanted to refer to the price of one commodity, namely, butter. An announcement was made yesterday in this house that the ceiling on the price of butter had been increased to permit an increase in the price of ten cents per pound. I have before me a government publication put out by the Minister of National Health and Welfare which contains statistics showing that the average consumption of butter by families in this country is 2.3 pounds per week, the average family in this case being four persons. The announcement made yesterday afternoon means that twenty-three cents per week, effective immediately, will be taken away from the average family. I was trying to compare that with the nineteen cents a week which was given to a married man with two children earning $150 a month according to the announcement made in this house the night before last, effective two months hence.

It is that sort of thing—nineteen cents to be given two months hence and twenty-three cents to be taken away immediately—that presents this parliament with the issue which is summed up in this amendment. Are we satisfied to let the government go on with its headlong policy of price decontrol, or do we want in the name of the Canadian people to put some kind of brake upon that policy? I have in mind as well the fact that half the wage earners in Canada are in income brackets where they do not pay any income tax at all. They do not get even nineteen cents increase in their net income, but they have to pay this increased price which will amount to twenty-three cents a week, and that comes all at one crack.

I could discuss other items, but I am not going to—

Mr. MACKENZIE: Hear, hear.

Mr. KNOWLES: —for the simple reason that I want that one to stand out, if I may say so, to the Minister of Veterans Affairs, because there is the issue put clearly by what has happened in the house in the last two days. I call upon hon. members to accept the opportunity which has been given to us by the Minister of Justice for a free vote, and pass this amendment as an attempt to put a brake upon the government with regard to its headlong policy of price decontrol.

Mr. ILSLEY: If my hon. friend is putting his amendment on the ground that he is condemning the policy of the government, I certainly will vote against it; but I stand by what I said, that any hon. member can vote exactly as he wishes on this amendment. I do not accept for one minute the meaning of an affirmative vote that the hon. gentleman gives to it. By his language he is attempting almost to turn this into a vote of censure, and that is not my understanding of what the effect of this vote would be. The only reason I am accepting this, if the committee wants to do it—and I am not going to vote for it myself, because I do not see that it accomplishes a thing—is that it does not make any practical difference in the situation, and the matter of good faith will not come into it at all. We feel that we must have some freedom in the matter of decontrol. If the amendment goes through, we shall accept our responsibility, just as we shall if it does not. The administration of the orders may go on just as it has in the past. I have defended and now defend the policy which the government is following. I know my hon. friend's view is that we are proceeding too rapidly. Many other hon. members of the committee say that we are proceeding too slowly. We think we are proceeding about in the way in which we should proceed. I have full cognizance of my hon. friend's views in the matter, but I cannot accept his advance interpretation of what the result of this free vote will be.

Mr. KNOWLES: I have just one other word to say, and it is this. Speaking on this matter a few days ago the minister said that support of this amendment would be commendation of the work of the wartime prices and trade board. Perhaps he used the word "affirmation" but at any rate it was in that tone. If the passing of this amendment expresses confidence in the work of the wartime prices and trade board in regard to price controls, then it can be inferred that we are asking for the continuation of the good work it did during the war years.

Some hon. MEMBERS: No.

Mr. ZAPLITNY: I wish to say just a word or two. There is a ground on which this amendment is particularly important. It is not as trivial and as simple a matter as the Minister of Justice seemed to imply in what

he said. It does have practical value, for the reason that it puts in the hands of parliament the decision which parliament must take. As the bill stands at the present time, if it is not amended the government tomorrow may pass an order in council throwing out the wartime prices and trade board altogether. I am not saying they will do that tomorrow, but they could. The reason we should like to see this matter decided in parliament rather than in the cabinet itself is that there are members on the other side of the house who are not in agreement with what the government is doing at the present time in the matter of decontrol.

When the minister says that a vote on this amendment may amount to a vote of censure, he may be perfectly correct.

Mr. ILSLEY: Excuse me: I did not say that, and I do not say that. I am saying that the language of my hon. friend almost asks that the vote be considered as such, and I do not accept that for one minute. Hon. members may vote as they like on this motion, but the vote will certainly not be regarded by the government as any criticism whatever of the course the government is taking.

Mr. ZAPLITNY: The minister is welcome to take any interpretation he likes.

Mr. ILSLEY: So long as I may, that is all right. I do not want any question of bad faith arising.

Mr. ZAPLITNY: I want to point out clearly that it is not a question of party politics; it is not one particular group in the house urging some point raised by that group, because I have in my hand a copy of the debates of April 2 in which the hon. member for Bonaventure, speaking on this bill, used these words—and if it cannot be taken as censure I do not know what it can be taken as. At page 1978 of *Hansard* he said:

> Not only does it mean the retention for the time being of such controls as we know to be beneficial to the Canadian people in order to hold and stabilize our post-war economy, but in many cases it also means the reimposition of some of the controls which have been lifted. I shall go still farther—and I am in good company, along with the hon. member for Quebec South (Mr. Power) and many other hon. members—and say that I believe that it is possible —it should be possible—to devise some means whereby we shall never return to the old system of control by private enterprise to the detriment of the common people of Canada.

That is what he had to say so far as price controls were concerned, and it is certainly not in line with what the government is doing at the present time.

[Mr. Zaplitny.]

Speaking on April 17, as found at page 2143 of *Hansard,* the hon. member for Fraser Valley used these words:

> I agree with the hon. member for Rosetown-Biggar when he said that this government and no other government dare take off these controls, but they are taking them off bit by bit and we see the profits that are being made as quoted by the hon. member for Rosetown-Biggar yesterday and as quoted in the *Star* today. The United States is admitting that they cannot control prices as the present time.

Further on he said this:

> I want these controls to be more effective. I want some controls to be restored.

These are two members sitting on the government side of the house who spoke plainly in opposition to the present stated policy of the government. They said in their speeches that there were many other hon. members—I do not know whether they meant many hon. members on this side of the house or on the other side of the house, but I presume they meant their colleagues on the other side—who took the same attitude. If that is so; if there are many private members on the other side of the house who feel as these hon. members did, then there is a good reason why the final decision must be left to the house as to the length of time during which the wartime prices and trade board shall operate. A vote of this sort—and I should be very happy if all hon. members were in their places to take part in it—would reveal to the government a rather different type of attitude from the one they are taking at the present time on the question of decontrol. I therefore urge strongly that every hon. member be available to express his opinion on this amendment.

Mr. SHAW: I should like one or two matters cleared up. Am I correct in assuming that even though the committee may pass this amendment, legally it does not bind the government in any way whatsoever? Is that correct?

Mr. ILSLEY: It does not deprive the government of freedom to decontrol, because within the framework of the existing orders in council, board orders, administrators' orders and controllers' orders may be made which will carry out the process of decontrol. The only things that must remain are the orders in council themselves, which will stay there until voted by the presentation of these addresses. I made careful inquiries to ascertain whether there would be any real restriction upon freedom to remove ceilings, for example, or to raise ceilings, or to take any other step in the process of decontrol, and I

was told that there was none. However, the wartime prices and trade board would have to remain in existence until the orders in council were removed either by the lapse of time or by the action of parliament. Therefore I think the motion accomplishes nothing. However, as I have said, if members want to vote for it we have no objection. It is a direction that the board must remain there for at least that length of time. I am satisfied that it will remain there for that length of time; I am satisfied that it will have to, and that the rental control organization and certain other organizations which derive their existence from these orders in council must remain there for the period provided in the act or until parliament itself would do away with these organizations. Therefore the government will not be embarrassed by the amendment, but it must be made clear that the amendment is not accepted by the government as in any sense a criticism or censure of the policies which it has followed. I do not think it has any bearing one way or the other on confidence in the government or approval of its policies.

Mr. SHAW: Am I correct in assuming that the sponsor desires through this amendment to prevent the government from making any changes whatsoever in the direction of decontrol between the time of prorogation of this parliament and the commencement of the next session?

Mr. KNOWLES: No, that could not be done by this amendment.

Mr. TUCKER: If the government may make any changes in regard to decontrol what would be the object of keeping the board in being and paying them salaries when they might have nothing to do?

Mr. KNOWLES: It is interesting to be in the position of having to answer questions instead of ask them. I thought I had answered that one before, Mr. Chairman. I will try to say it again in a tone of voice less offensive to the minister, although I still feel strongly about the matter. I suggest that if parliament passes this amendment, as I hope it will, and thereby expresses its approval of the job done by the wartime prices and trade board, that will be at least an indication to the government that parliament wants price control continued and a serious effort made by the government through the wartime prices and trade board to prevent increases in prices such as have been taking place in recent weeks. That is the issue before the committee.

Amendment (Mr. Knowles) negatived: yeas, 14; nays, 63.

Mrs. STRUM: We have not enough votes to carry amendments or to defeat the government, but we would be failing in our duty if we did not express the protests of the people in our constituencies against government action in the matter of price control.

The CHAIRMAN: Order. This clause does not in my opinion permit of a full discussion of price control. According to the standing order all discussion in committee must be strictly relevant to the clause under consideration. This clause has to do with revocation. I will read it:

> The governor in council may revoke in whole or in part any order or regulation continued in force by or made under this act.

It is a question of the power of revocation.

Mr. MacINNIS: If revocation of the order can be discussed, Mr. Chairman, how can one possibly discuss revocation without discussing the order itself and the matters that come under it? As this covers all the orders I submit that all the matters dealt with in the orders are open to discussion.

The CHAIRMAN: I did not intend to prevent the hon. member from referring to the orders or regulations, but her references should be in relation to the power of revocation.

Mrs. STRUM: I am not, of course, an authority on procedure, but I understood that this was the key clause covering all the orders and their revocation in whole or in part. I may have misunderstood the wording, but I understood that this was the key which leads to all the orders and all parts of all the orders, and I interpreted this clause as being the one on which you could discuss the revocation of price controls.

The CHAIRMAN: I take it that that is correct.

Mrs. STRUM: That is what I wished to discuss, the revocation of price control orders. Am I in order in doing that, Mr. Chairman?

The CHAIRMAN: The hon. member is in order.

Mrs. STRUM: Thank you, Mr. Chairman. I have been alarmed at the publicity being released recently by the wartime prices and and trade board which would give us to understand that prices in Canada must follow the price levels in the United States. I could quote speeches from various persons now in the employ of the department, and I must say that this publicity is to me alarming because

we all know that price levels in the United States are alarming not only to us but to the people of that country. I plead with the government to protect the Canadian consumer to a much greater extent through these orders which clause 4 would give the government the power to revoke in whole or in part.

Last year on July 5 the then minister of finance made an extended statement in the House of Commons on the need for having emergency control. At the time he made that announcement he was restoring the Canadian dollar to parity with the United States dollar, and speaking of the need for controlling prices and thereby safeguarding the Canadian consumer he said at page 3180 of *Hansard:*

Perhaps the greatest threat to the stability of prices in Canada comes from the rise in prices in the United States and, to a lesser extent, in other countries.

Then he outlined four different steps which the government was taking to safeguard the Canadian consumer against those price rises in the United States.

But since that time two things have happened. Prices in the United States have continued to rise, and Canada has gone a long way in her policy of decontrol. The question I am now asking the government is this: Does it propose to allow Canadian prices to continue to follow the pattern of prices in the United States? If so, what technique does it intend to use (a) to raise the wages of workers in Canada to the same level as wages in the United States; (b) to raise the level of farm prices to the same level as farm prices in the United States, and (c) to provide purchasing power for persons of small fixed income such as civil servants, pensioners, and perhaps those living on small annuities or the income from small investments?

Speaking of the prices in the United States, the president of that country almost every day warns business that they must not and cannot continue to exploit the consumer. We hear statements like these, which appeared in the Toronto *Star* of April 21:

President Truman today warned business leaders that continuation of present high prices threatens the nation with an "economic cloudburst."

"If we are to avoid a recession . . . prices must be brought down. Present business conditions permit, in fact, they require lower prices in many important fields. There is one sure formula for bringing on a depression or a recession. That is to maintain excessively high prices. Buying stops, production drops, unemployment sets in, prices collapse, profits vanish, business men fail.

I believe that we as a nation can prevent this economic cloudburst. But it requires prompt, preventive steps."

But it was at the doorstep of business that he laid the greater responsibility for preventing a depression. To business he said:

[Mrs. Strum.]

"If we are to avoid a recession we must act before it starts.

Profits in the aggregate are breaking all records. In 1946, corporate profits, after taxes, were 33 per cent higher than in 1945. In the first quarters of 1947 they ran even higher."

"There are some who say that prices are not too high so long as buying stays at high levels. From the human standpoint, I reject this argument. It provides no answer to those living on fixed incomes, such as teachers, civil servants and widows. It provides no answer to those veterans who must pay substantially more for houses than they are able to afford."

"Our system of private enterprise is now being tested before the world. If we ignore the needs and shirk the responsibilities of our economy, we shall lose both our power to help others and our capacity to inspire others."

This is what President Truman thinks of the economic policy of the United States. I submit to the government that we have the machinery to control the profits of industry, but we are gradually throwing it out the window and allowing business to take the place of government. We should be unworthy of our responsibility as representatives of the people if we did not object to that under this clause.

I now wish to put on the record the difference between Canadian food costs and United States food costs; because if we are to allow our prices to reach the levels of the United States prices, this is what we can expect in the matter of price increases in the various articles of diet. These Canadian figures are taken from chain store advertisements of April 2, 1947, in the Ottawa *Journal,* and the United States figures from a quotation by Mrs. Douglas, congresswoman from California, and placed on the record on April 2, 1947. With the permission of the house I should like to place this table on *Hansard.* The figures are as follows:

Comparison of Food Prices
U.S.A. and Canada

	U.S. Mar. 12	Can. Apr. 2	Difference Price	Per cent
Flour	.08½	.06½	.02	30.7
Butter ...	.82	.45	.37	82·2
Milk	.17	.15	.02	13·3
Eggs	.69	.44	.25	56·8
Pork chops	.73	.49	.26	....
Bacon ...	.79	.59	.20	33·8
Shortening	.42	.21	.21	100·0
Coffee ...	.49	.49	.00	....
Peas	.19	.13	.06	46·1
Bread ...	.20	.07½	.12½	166·6
Soap chips	.34	.24	.08	41·6
Sausage ..	.49	.32	.17	53·1

That gives us an indication of what we can expect in the rise in the cost of living if we accept the fact that our prices must reach the levels which prices have now reached in the United States.

What about the difference in wages? Here are some wages in the industries of manufac-

turing, electrical machinery, furniture, automobiles, iron and steel; and with permission of the committee I should like to place this table on *Hansard*.

Mr. ILSLEY: Mr. Chairman—

Mrs. STRUM: All right; I will read them, then. The figures are as follows:

Per Capita Weekly Earnings
December 1946

Industry	U.S.[1]	Can.[2]	Difference	Per cent
Manufacturing	$46.83	$34.54	$12.29	35·6
Electrical Machinery..	49.23	35.69	13.54	37·9
Furniture ...	42.54	29.74	12.80	43·0
Automobiles..	55.38	41.73	13.65	32·7
Iron and steel	49.67	39.17	10.50	26·6

[1]U.S. figures from *Federal Reserve Bulletin*, March, 1947.

[2]Can. figures from *Labour Gazette*, March, 1947.

What about farm prices? What are we going to do about them? If you accept the United States structure, then you are going to have to go back and revoke your treaties with the British government and you are going to have to allow the farmer these increases in his prices. These are the prices as at Chicago and Winnipeg, and are the latest figures available:

Commodity	United States	Canada	Difference
Oats	$ .87	$ .65	$ .22
Wheat	2.89	1.55	1.34
Barley	1.61	.93	.68
Hogs	26.50	21.60	4.90
Beef	24.75	14.50	10.25
Flax	7.50	3.25	4.25

I ask the government to tell us if they are going to allow farm prices to follow the level of farm prices in the United States; is that what they believe in? The policy of the government is based on two premises, both of which are faulty. They say that volume will reduce prices. That is not being experienced either in the United States or in Canada. They say that the buyer can strike. Well, what happens when the buyer strikes? The buyer punishes two groups of people. The buyer withdraws his purchasing power and punishes the manufacturer who has the privilege of putting the ticket on the goods; but he also puts out of work the people employed in that industry. Already that has begun to happen in the United States, where we have seen some industries close for the first time in eight years. I submit that is a stupid, clumsy and wasteful method of punishing big business for taking excessive profits.

If we have to go through another depression in order to reduce prices I think we shall have failed in our duty as members of this parliament, because we had all the machinery for price control and the people of this country had confidence in it. Again and again the ministers have told us that it worked, that it saved the consumer millions of dollars, that it saved us from inflation, that it saved us from all the evils of an unregulated economy in war time. And while the government may say that, as a nation, the emergency is over, I wish to say that for the individual the emergency is just beginning. I have in my hand two letters from old age pensioners in Vancouver. In the last one, which I received only yesterday, the writer says:

> Also I may say the rent situation is a disgrace.
>
> This is since the controls were taken off.
>
> In this house room rents were raised from $3 weekly to $7 weekly. They are ordinary rooms, no proper facilities for washing, one bath and toilet for fourteen people, and no one bothered to do anything about it.

In the same letter she tells me that large department stores such as David Spencer, Woodward and Hudson's Bay are now discharging people sixty-five years old, and that all married women over thirty-five are being discharged and refused work. So we are tightening up on the labour situation; we are letting rents go up; we are letting butter reach 60 cents a pound; we are taking the subsidy off milk. At the same time we can give almost half a million dollars to Crane, so that we enlarge their plant facilities in order that they may extend their output, and then we take off price control to let them set the price on their plumbing fixtures, though they are a monopoly and part of a cartel arrangement. I say to the government that if through this measure they now render abortive the remaining section of our price control machinery, they shall deserve the trouncing they will get at the next election.

Mr. ILSLEY: We are not rendering any machinery abortive at all by this legislation.

Mr. WRIGHT: You did when you voted down that amendment.

Mr. ILSLEY: My hon. friends had better not go out and say that. I am afraid that is just what they will try to do, but it is not so. I may never get an opportunity to answer their speeches, so I will just have to answer them in advance, here. That amendment did not mean anything, and if it is going to be used as a basis of political attack on the government, it will be an unworthy attack. I agree with the hon. member who just took her seat that care should be exercised in our decontrol, and the only point I am making now is that by enacting this section we are not doing anything, nor did the members of

this house on a free vote, by defeating the amendment, do anything whatever to lessen the effectiveness of our price control.

Section agreed to.

Section 7 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

NATIONAL HOUSING ACT

INCREASE OF RATIO OF LOAN TO LENDING VALUE UNDER PART I, ETC.

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to present a measure to amend the National Housing Act, 1944, and more particularly:

To increase the ratio of loan to lending value under part I of the act, to include under part I houses having two family housing units, of which one is to be occupied by the owner, to extend the period of amortization of home ownership and rental housing project loans to thirty years, to empower life insurance, trust and loan companies to purchase, improve and sell land to be used for residential housing developments, and to authorize Central Mortgage and Housing Corporation to guarantee to such companies the return of the principal invested in such land and improvements, together with interest thereon at a rate not to exceed two per centum per annum.

Mr. NICHOLSON: I thought the minister was going to make a statement.

Mr. HOWE: This resolution proposes amendments to the National Housing Act. When speaking to this house on February 7 I dealt in some detail with the housing situation. It does not seem necessary, therefore, for me to deal with housing exhaustively at this time. However, it might be well for me to review the reasons for introducing changes to the National Housing Act this year after substantial amendments were made at the last session. The amendments which we now propose are occasioned by changed conditions. The price to the home owner and the cost to the builder of new residential construction is considerably higher today than it was a year ago. On the average, prospective home owners appear to have rather less cash available for down payment than they did a year ago. There is an increasing number of cases where the income of the prospective home owner is insufficient to meet the monthly financing charges and taxes.

We need a larger amount of rental housing. Although there is still considerable demand for home ownership, the majority of families seeking accommodation are looking for rented premises. I dealt with the need for rental housing in some detail on March 25 when tabling in the house the order in council providing for accelerated depreciation and priorities to stimulate the volume of rental housing. The fundamental reason for the lack of activity in this field is that capital costs appear excessive to the investor in rental housing. It is perfectly true that economic rentals are being allowed by the rentals control for new rental housing. These fixed rentals are considerably higher than rentals on comparable property in the immediate area. The encouragement by way of priorities and accelerated depreciation, as well as our intention to provide a longer term of amortization, make the financing of this type of housing more attractive, but do not overcome the fundamental reservation of the builder or owner that his capital investment will be extraordinarily high in relation to comparable property built a few years ago. The only solution, satisfactory to the owner or builder, is some manner by which these capital costs can be reduced. Such reduction does not seem in immediate prospect.

We fully appreciate that the troubles which beset housing at the present time are physical rather than financial. We also know it is not possible by financial means to create housing if owners and builders consider that the costs are far too high. Nevertheless we do feel that the National Housing Act must be amended in keeping with the present situation and anticipated needs. It is on account of the changed conditions which I have briefly outlined, and because we wish the National Housing Act to be fully effective, that we are introducing amendments for the consideration of the house at this time.

I will now outline the main amendments to the National Housing Act, which will be contained in the bill.

We propose an increase in the ratio of loan to lending value under part I of the act. The ratios at present involve a 90 per cent loan on a $4,000 lending value, grading down to an 83 per cent loan on a lending value of $6,000. We propose that where there is some control on the end sale price of the house to the home owner, the ratio of loan on a $3,000 lending value shall be 95 per cent, grading down to 90 per cent on a $6,000 lending value.

Up to now, a duplex has been financed under part II of the act as rental housing. We propose to finance the construction of a two-family unit on a home ownership basis, provided that the owner occupies one of the

units. In many respects this type of housing has more of the aspects of home ownership than rental housing. The effect of the change will be to allow rather larger loans on owner occupied duplexes than has been the case in the past.

We propose an extension of the period of amortization in respect of both home ownership and rental housing loans. The purpose of the change is to effect a reduction in the monthly payments of the home owner and thereby permit people with smaller incomes to enter into the home ownership class. The effect of a longer period of amortization on rental housing loans will be to make the investment in rental housing more attractive by a reduction in the monthly debt service.

In an effort to assist in meeting the need caused by the shortage of serviced land, we propose that the lending institutions be vested with power to buy land and service it for sale to prospective home owners and builders. Some municipalities are reluctant to service fringe area land. As a result, a builder must finance the building up to the stage of the first mortgage advance, and also pay for the installed services. By this measure we hope to ease the shortage of land, and to assist the builder by reducing his working capital requirements. The government will guarantee the lending institutions against loss with respect to land so assembled, and in turn will control the sale price to the prospective home owner. I will deal with this proposal in detail at the time of the second reading of the bill. In addition to the provisions which I have outlined, it is proposed by the bill to add to the National Housing Act a section which will empower the Central Mortgage and Housing Corporation to make a direct loan to a borrower to assist in the construction of a house or a rental housing project.

The act already authorizes the corporation to make loans to limited dividend companies, and loans to mining, lumbering, logging and fishing companies to contruct housing projects. The proposed section differs from these in that it enters the field already occupied by joint lending. The reason for the proposed amendment is that the lending institutions feel that to increase the ratio of loan to lending value and increase the period of amortization opens up a field not attractive to them. They have expressed reluctance to the proposed changes, with respect to both the higher ratio loans and the longer period of amortization for home owners. The section would also make it possible for the corporation to make loans in areas where the lending institutions are hesitant to make loans. We consider that the corporation should be empowered to make direct loans when joint loans are not available, so that the facilities of the National Housing Act will always be available.

The bill will propose two other changes which are technical in character rather than ones which involve basic principles. We will be seeking authority for the Central Mortgage and Housing Corporation to convey property which it is administering for the crown. We have in mind particularly Wartime Housing units which are being sold to tenants. The transfer of property from the crown by letters patent is cumbersome, laborious and slow. This will be particularly applicable with respect to the transfer or conveyancing of a large number of small lots upon which Wartime Housing units have been built. Comparable authority is held by the Canadian farm loan board and the director of the Veterans' Land Act.

Finally, we will ask for a procedural amendment whereby the corporation will report upon the operations of the National Housing Act at the same time and in the same fashion as it reports on its own corporate operations.

Mr. E. B. McKAY (Weyburn): Mr. Speaker, with respect to this resolution to amend the National Housing Act, 1944, I for one feel that the facilities of the act should be extended into the field of subsidized housing. Housing is one of Canada's most urgent problems. When one realizes that a large percentage of the residents of this country live in quarters leased from landlords, he cannot help recognizing that the number of houses actually owned by Canadians is altogether too small. According to the Canada Year Book for 1941, the census figures show that in urban centres owner-occupied dwellings represented only forty per cent of all occupied dwellings in Canada. In the large cities the situation is even worse. According to the tenants' league, more than eighty per cent of the families resident in Montreal are tenants. Most of these people are tenants, not of their own choosing but because they have not had sufficient income to provide homes for themselves.

The Curtis report of 1943 on housing stated that two-thirds of the Canadian people cannot afford rentals exceeding $25 a month. This group, which represents 66⅔ per cent of Canada's population, obviously cannot afford, on their present incomes, to buy or to build homes sufficient for their own needs. Almost every family in Canada would like to own a home of its own.

Wartime housing is a type of subsidized housing, but is not so in the strictest sense of

the word. Even at that, it is inadequate to meet the needs of Canada's growing population. It is a selective enterprise providing housing for only a small part of the veteran group who are desirous of obtaining homes.

If homes are to be provided for the low income group, comprising two-thirds of Canada's population, it seems apparent that the government must adopt a programme of subsidized housing similar to that in countries such as Sweden, Denmark and the United Kingdom. Only by such a programme can the needs of our citizens be met.

I do not propose at this time to discuss the housing programmes embarked upon by the governments of these countries. But I wish to emphasize the great need of such a programme in Canada. Present inducements to builders and to investors appear wholly inadequate to provide the type of low-cost housing which the majority of Canadians require.

Housing is still one of Canada's most acute shortages. The situation has been aggravated by the return of veterans who are seeking to set up households; and by others, too, who are endeavouring to obtain separate accommodation, after doubling up during the long and terrible war years. This shortage will probably remain with us longer than any other, if the backlog of housing construction contracts is any indication. In order properly to appreciate the problem, one must review housing construction in this country for the past two decades. In the ten years prior to the outbreak of the war, economic conditions were so bad that people were unable to provide sufficient capital with which to build or purchase homes. As a consequence, many were forced to double up with friends or relatives. When war production began many families moved to the larger centres to seek employment and this taxed the available housing accommodation in those centres. In a short time the demand for shelter exceeded the available supply.

For years housing construction has lagged in Canada because there was no government subsidized building programme. As an example, in 1933 only 14,000 housing units were built in Canada and in the year of the outbreak of the war, 1939 only 39,000 housing units were erected. These hardly took care of the demand created by the natural increase in population. I believe that this in itself is sufficient proof that low-cost housing cannot be provided without some scheme of subsidized housing on the part of the government. Canada entered the war years with a housing deficiency and even in pre-war years many of our people were living in very close quarters.

Because of the improvement in economic conditions brought about by war production, the marriage rate increased and new families demanded homes. At the conclusion of the world conflict thousands of young veterans returned home intent on marriage or accompanied by European brides and hoping to set up homes here in Canada. Many of those young men are still seeking suitable shelter. Canada is now entering a period of reconstruction and housing is one of our greatest needs. Construction costs today are prohibitive for those in the low income group and without government assistance there is little hope that these people will ever have decent homes. The government must take the leadership in this matter, so that Canadians, whether rich or poor, may be able to secure homes of their own.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, I believe that hon. members in all sections of the house will welcome a resolution that will help relieve Canada's mounting housing problem, but a resolution of this kind should not be allowed to pass without the administration being requested to change its policy and to proceed in another direction. I do not think there can be any disagreement with regard to the proposal made by the minister with respect to increasing the ratio of loans to lending value; secondly, to including under part I houses having two housing units, third, to extending the period of amortization and, fourth, to providing facilities so that direct loans can be made.

I presume that under the fourth proposal made by the minister it will be possible for the citizens in rural sections to take advantage of the National Housing Act. A year ago I had some experience with the administration here in connection with attempting to get clearance for loans on rural housing, but the machinery is so complicated that I do not think any loans have been approved up to date in the part of the country in which I live. I feel that we should offer as vigorous a protest as possible against the proposal that we empower life insurance, trust and loan companies to purchase, improve and sell land to be used for residential housing developments, and authorize Central Mortgage and Housing Corporation to guarantee such companies the return of the principal invested in such land and improvements, together with interest thereon at a rate not to exceed two per centum per annum.

Here is another example of a democratic government handing over to private organizations outside parliament responsibilities which should be assumed by either the federal

authority, the provincial authority or the municipal authority. The fact is that the municipal and provincial authorities have not the financial resources with which to embark on a building programme that would meet Canada's need, but the dominion authority proved, during the period of the war, that we did not lack man-power and that we had plenty of materials and financial resources to do whatever was physically possible.

I can recall when the minister was receiving criticism because Canada had failed to produce engines for our planes. As I recall it, he pointed out that to embark on an engine production programme would tie up 8,000 men for two years and there would be no guarantee that at the end of that time the engines which would be produced would be satisfactory. The minister stated, and quite correctly, that after careful review it had been decided that rather than tie up 8,000 men for that period and use large quantities of materials it was better to make a deal with United States manufacturers who were prepared to guarantee that we would have engines for all the planes that could be manufactured. But never once during that discussion did the minister say that Canada did not have the financial resources or the material resources; it was a matter of using our material to the best advantage.

The government should lead the way in demonstrating to the country that we can repeat wartime performances now, that we can build houses for our people, that the question of need will be the determining factor rather than the amount of money that may be available. I suggest that if the minister were prepared to go as far to meet the desires of the provincial and municipal authorities as he is prepared to go to meet the life insurance and other lending institutions we would make greater progress. His statements to date would indicate that private enterprise is not prepared to build housing on a rental basis for much less than $70 a month. As the hon. member for Weyburn (Mr. McKay) has pointed out, at least two-thirds of the Canadian people are not in a financial position to take advantage of that type of housing.

I have here a brief which was submitted by the Canadian federation of mayors and municipalities to the special committee of the House of Commons on reconstruction and reestablishment which sat in May, 1942. I find that at that time this organization was giving careful consideration to housing as a post-war undertaking. Its brief points out:

In the 1941 census, 25 Canadian cities housing a population of 30,000 and over, were subjected to a housing survey. Based on returns from every tenth dwelling, the survey revealed that 61·5 per cent of the people of these cities lived in rented quarters; 38·5 per cent were home owners. Of the tenant homes, 53·6 per cent paid less than $25 rent monthly; 36·3 per cent less than $20; and 16·5 per cent less than $15. Nearly 42 per cent of all the houses, both rented and owned, were built of wood, and 20 per cent of the total were obviously in need of exterior repairs. More than 17 per cent had neither bath nor shower; 4·5 per cent depended on outside toilet facilities; and nearly 10 per cent shared toilet facilities with others. Thirty per cent had no means of refrigeration, either mechanical or ice.

When it is remembered that these figures included returns from both large and small cities, from cities a century and more old, as well as cities that have come into being during comparatively recent years, it is understandable that the returns from some of the cities show an even more aggravated and serious state of affairs than the inclusive and over-all facts undoubtedly reveal. For instance, bearing in mind the type of dwelling likely to be available at a rental cost of less than $15 per month, the survey showed that 25·5 per cent of the total households in Hull were in this category; 25 per cent in Saint John, New Brunswick; 15·7 per cent in Montreal; 15·1 per cent in Sherbrooke; 15 per cent in Saskatoon; with proportionately large percentages in other Canadian municipalities.

There can be no doubt that an alarming and acute housing crisis has been piling up and awaits urgent action in the immediate post-war years. Decent housing accommodation for low-wage income families remains the unresolved major problem of our urban committee.

Universal experience, confirmed by Canadian experience, testifies to the fact that unassisted private enterprise has been unable to provide decent housing for those of low income.

In order that a large proportion of Canadian urban families should not continue to live in unfit dwellings, and in order to supply the urgent need for housing facilities, conforming to an acceptable minimum standard, for the low-income groups, and thus to attack the serious problems of health, welfare and order, which are directly related to inadequate housing, we believe that:

1. A bold national policy should be adopted for rehousing the low income groups at acecptable minimum standards, as a cooperative undertaking among federal, provincial and local gov ernments and private enterprise.

This policy should be designed to stimulate local initiative, recognize local circumstances, and vest the control in a properly constituted local housing authority.

2. The federal government should extend, in accordance with local needs, financial assistance to local authorities, conditioned on the existence of a comprehensive town plan and housing programme meeting satisfactory standards.

3. The appropriate federal housing agency or department should extend capital grants, long-term, low-interest loans, or annual rent subsidies to cities, in order to permit them to carry out a local housing programme.

4. The federal government should also extend and provide long-term low-interest loans, up to 90 per cent of the loanable value (say with a maximum of $6,000), for housing purposes to individual home builders and building societies.

5. A model provincial housing law should be prepared, to enable local communities to take part in a national housing programme, and to

carry out community rehousing programmes, in which public and private groups can cooperate. The provinces should be encouraged to enact legislation in conformity with such a model provincial housing.

6. Finally, municipal authorities should consider the reduction of the rate of taxation on buildings and the corresponding increase of such rates on land, in order to lower the tax burden on home owners and the occupants of low-rent houses, and to stimulate rehabilitation of blighted areas and slums.

I suggest, Mr. Speaker, that these carefully prepared recommendations submitted by the Canadian federation of mayors and municipalities should have been the basis for these proposed amendments rather than representations which are designed to benefit the insurance and lending institutions. I submit that the type of housing which will be brought into being as a result of the concessions to the insurance companies will be available for the top third of the Canadian people who would be able to get housing somehow or another even without this legislation. I admit that they might have to pay more but they would be able to find some housing. The people in the lower brackets, at least two-thirds of the Canadian people, are still not going to be able to get any assistance from the type of legislation the minister has brought before us today.

A few years ago I visited some of the housing projects in the United States which were made possible through the cooperation of the federal government and local authorities. In New York city I had an opportunity to compare the publicly owned houses and those built by the Metropolitan Life Insurance Company. It is true that the Parkchester development in New York by the Metropolitan Life was a good deal better than anything that had been undertaken by private companies up to that time. They cleared out quite a large slum area and made houses available at lower rents than are prevailing in similar apartment blocks in New York. But the rates are still so high that the people in the lowest income bracket are not able to take advantage of the legislation; whereas in the Vladeck houses built by the New York city housing authority five-roomed apartments were made available for $6 a week, for people with low incomes, as a result of the federal government of the United States recognizing that maintaining slum areas places a heavy burden on all the people. If you enable slum dwellers to live in modern houses which are well built, well heated, with playgrounds and modern facilities, you will decrease your crime costs, fire hazards, health costs and, in general, make a better citizen. I am sorry to see that in the United States the experience gained while the late President Roosevelt was at the helm is not being used. But we have had sufficient experience in the United States to demonstrate that private enterprise is not going to solve the problem; that not until you get a federal authority prepared to work in cooperation with city and municipal authorities can you face the problem. I should like the minister to reconsider the bill that he is proposing and offer to the municipalities and to the provinces the concessions which he is apparently prepared to give to the life insurance companies.

I feel sure that in the Dominion of Canada there must be municipal authorities which, in the face of the urgent housing situation, are prepared to go along with the federal government. I have discussed this matter on previous occasions. Unfortunately the government has not taken the advice which I have given on many occasions and which the Canadian federation of mayors and municipalities gave in 1943 to try to reach some agreement between the different government agencies; but even at this stage the minister might indicate that he is prepared to give the provinces or the municipalities at least the consideration which he is prepared to give to life insurance companies, namely, that he will guarantee that they will not lose money if they acquire land and embark on a housing programme; that they will have at least two per cent on their investment. I think anything less than the same sort of offer to the municipalities will not be acceptable to the majority of the people of this country.

Mr. F. D. SHAW (Red Deer): During the present session of parliament considerable attention has been given to the subject of housing. I regret that I should have to detain the house at this time, but I have not occupied much time previously on the subject. I recognize fully that the resolution before us has to do with amendments to the National Housing Act of 1944. However, it is recognized, or at least it should be recognized, that the National Housing Act is designed to meet a part of a greater problem which we are endeavouring to overcome, not only through this one act, but through a number of activities on the part of the government.

In my particular part of Canada housing is certainly a serious problem. I recognize that it is not as serious there as it is in the more congested urban areas. When considering housing, and the problem of housing which is facing us today, I am reminded constantly of certain conditions which have resulted in an acute problem in this year, 1947. Certainly, Mr. Speaker, that problem has its roots in

certain conditions which prevailed during the years prior to the outbreak of the recent war. It has been said, and it is definitely recognized today, that probably the greatest single problem facing the home builder or the prospective home builder is the tremendous costs involved. I know that, prior to the war, lumber, which today costs in the neighbourhood of $55, $60 and $70 a thousand, was to be had for as little as $12 to $16 a thousand, and I hazard the suggestion, too, that lumber which we purchased prior to the outbreak of the war for $14 to $16 a thousand was a better grade of lumber than that for which we are called upon to pay $50, $60 and $70 a thousand today.

But we found very little building going on even then and I think the reason for that is well known to us all. We were faced with tremendous unemployment problems. There was then no shortage of labour, but there seemed to be a shortage of the determination to utilize available facilities for the purpose of adequate home construction. One change that has taken place since those middle thirties is that money costs today are, generally speaking, considerably lower than they were then. One of the difficulties prior to the war was an inability to arrange adequate financial terms because of the high interest rates then prevailing. I am pleased to know that in some respects this one problem has been overcome. At that time, when we were faced with higher interest costs, taxes were usually paid separately from the contract and certainly they constituted a tremendous burden. Then there was the compounding of interest on loans made for housing purposes. Before the war and during the war and more particularly today there has been this tremendous upward climb in municipal tax rates. I think it is true of every part of Canada that municipal tax rates are climbing to staggering heights. The prospective home builder of today in so many communities hesitates to build because he fears the forfeiture of his home within a period of a very few years on account of the increase in the mill rate.

When we entered the war, decent housing accommodation was the exception rather than the rule. I mention that just to underline the fact that housing is not a problem that has come upon us merely since the outbreak of the war. It has been a chronic problem and is accentuated today by the fact that more people are financially able to build; in addition, a great many marriages took place during the war and that has stimulated the demand for housing; also a great many people, wives of servicemen and others, have come to live in Canada since the cessation of hostilities. This has all accentuated the demand for housing. Persons who never before could contemplate home construction are today contemplating it. But first they are faced with the critical material shortage.

I happen to be one of those unfortunate individuals who have built homes for private use within the past two years and I know something of the headaches with which one is afflicted during the course of such a venture. When one speaks of costs being shocking he is not exaggerating at all. I hate to speak in a personal way and do so only to illustrate my point. I paid $55 and $65 a thousand for shiplap which ten years ago I would not have used in the construction of a chicken coop. I paid $77 a thousand for two-by-tens which ordinarily I would hesitate to use in the construction of any outbuilding. This condition applies not only to lumber but to practically every other article that goes into the construction of a home, with the result that today a five-room house with bath will cost $8,000 or upwards, unless you are just going to throw it together, and even then I doubt if you can do it for very much less than that. Some of these five or six-room houses, complete with basement and possibly an attached garage, are being built for a price in excess of $10,000. What is the immediate effect of that? The ordinary individual contemplates the possibility that within five or six years property values may have depreciated to the point where those homes will be worth only $2,500 to $3,500. There are scores of people who are hesitating to build today because of the danger of taking that tremendous loss in capital value on account of depreciation because of economic conditions. For the ordinary person who requires a dwelling, building is almost entirely out of the question under present conditions.

I spoke of assessments and taxes a moment ago. This is what we are faced with in most of our municipalities. Assessments today are running from 60 to 100 per cent of present-day property values. It is hard to believe, but it is true that in some municipalities a person owning a $4,000 home is today being called upon to pay anywhere from $185 to $225 a year in taxes alone. I know of cases where these new $8,000 homes, which may be worth only about $4,000, have an annual tax charge now of $400 a year. I do not want to mention any particular municipality and I shall not do so, but it is a fact that in certain municipalities these conditions do obtain. I could produce tax statements to show tax charges of from $200 to $400 a year on homes running from $4,000 to $7,500 or

$8,000. That is discouraging home building. It is cheaper today to rent than build. Consequently many people who are in a position to build are refraining from doing so as long as they can rent quarters even at $35 or $40 a month, because then they have no taxes to pay and no depreciation of property value to face. That depreciation is not recognized at all by the income tax officials when you are living in your own home.

It seems to me that one should be prepared to admit the fact that the government recognizes the problem. I am fully prepared to admit that fact. I think it is only fair to admit that any person in this country who is at all observant sees the problem. I am prepared to admit also that the government, in its own way and according to its own belief, is making a concerted drive to meet the problem and deal with it effectively. But on the other hand I am prepared to assert that the problem is not being dealt with effectively today. It seems to me that we must adopt other methods to supplement those which are at present in effect, and I propose to make reference to at least one other method which I think should be used.

During recent years we have recognized the principle that production has had, in many respects, to be financed by the government. We have had bonuses and subventions paid to railway and shipping companies for certain specific purposes. Industrial development has been presumed to have been assisted by the imposition of tariffs for the benefit of industries employing Canadian labour. Consumer bonuses have been paid with a view to stimulating trade and consumption. I say that now we have to recognize another principle, and that is the payment of subsidies for home construction, subsidies administered effectively and to whatever extent required to meet the problem. Other methods have served a purpose; other methods will continue to serve a purpose, but a solution is what we are now seeking; and I say that the only effective solution which is now left to be applied is the direct subsidization of private dwelling construction.

Mr. H. W. HERRIDGE (Kootenay West): Mr. Speaker, I do not intend to repeat many of the things which have been said on this subject by several previous speakers, but I rise particularly to support the point of view put forward by the hon. member for Mackenzie (Mr. Nicholson). I feel that I must do this because in one section of my riding—and I am now referring particularly to the city of Trail—we have an immediate need for some 500 houses. That immediate need is also felt by at least 200 veterans in that district. Under our present conditions, I am quite certain that private enterprise cannot cope with this need. I am not going to give reasons and arguments for that statement. I think they are obvious to anyone who has studied the situation. I do not believe this act will provide houses for two-thirds of the Canadian people who require them. It is not providing the houses at the present time. I think experience proves that. But I believe that our experience to date with Wartime Housing points the direction in which our housing policy should be turning.

As far as my constituency is concerned, in the city of Nelson there have been or are now under process of construction fifty houses under Wartime Housing and 125, I think, in the city of Rossland. In fairness, I must compliment the officials of the department on the work done in that connection. I believe the work in both cities has received general commendation. The houses have been reasonably well constructed and the people who are going to occupy them are, I think, well satisfied. To that extent the problem in those two cities has been solved, although I understand that the city of Nelson intends to apply for further houses, if they can be obtained. We used that technique with success. I want to say that the officers of the department and the contractors in question should be credited with a good job. The contractors in both cases were local firms who took a certain local pride in the project and who cooperated with the city, with the legion and with the departmental officials. Where you have cooperation of that type you have a reasonable chance of success.

Unfortunately, however, we have not been able to provide for the major housing needs of the constituency I represent, which includes the city of Trail. There we have a particular problem which, I am sure, cannot be solved by private enterprise and cannot be solved under the terms of the National Housing Act. We have a city, with a population of about 14,000 people, which is limited in area and without further ground for housing expansion. Therefore it is not possible for the city of Trail to apply to have houses built under Wartime Housing, because those houses must be built within the confines of the corporation. Here we have some 500 houses required at the present time; as I said before, we have some 200 veterans—men who served this country—waiting for homes for their families, some of whom are living in basements and under disgraceful conditions, because of the constitutional difficulties presented under the

municipalities act of British Columbia and the attitude of some private owners of property surrounding the city.

That is, I think, a concrete illustration of the soundness and the validity of the argument put forward by the hon. member for Mackenzie. That problem cannot be solved without cooperation, and a policy which permits cooperation, between federal, provincial and municipal governments. The federal government would have to provide the funds. The provincial government would have to provide the legislation, and make arrangements for the extending of the city's boundaries; and the municipal government would, of course, have to cooperate as they do under Wartime Housing. This is a concrete illustration of the need for cooperation between all three types of governments if we are to build houses and build them within a reasonable time in the future.

Why should this be such a problem? During the war, when the needs of this country required the building of a $10 million plant to produce ammonia products, a plant was built in short order in the city of Trail, in the municipality of Tadanac. And quite close, when we required a $12 million power plant for the production of power, the plant was built. Material and labour were obtained. All that was done in order to supply the needs of war. At the present time we have human needs which must be supplied. There are 500 families waiting for houses to live in—and of those 500, at least 200 are veterans who cannot secure satisfactory accommodation—because there is no policy which permits their problem to be solved. I am not blaming the municipal authorities. Their hands are tied, because they cannot extend the boundaries of the city under the provincial municipalities act, and because of the attitude of certain owners of property surrounding the city.

In conclusion, I say that if we had a housing policy based on the principles of Wartime Housing—which I think have been successful in most respects—which permitted cooperation of national, provincial and municipal authorities, who were determined to solve the problem as we solved our problems during the war, the housing needs of our people would be met in a reasonable time.

Mr. T. J. BENTLEY (Swift Current): While the problem in my constituency is not exactly the same as that which has been described by some other members, nevertheless it is a serious one and I think it should be drawn to the attention of the minister. He probably already knows about it from other sources, but I believe it should be drawn to his attention here also. I agree with the three previous speakers in what they have said regarding this need. Swift Current is not an industrial city. With the exception of one or two larger plants, it is comprised mostly of small businessmen and people like that. It is not a corporation city. The result is that a great many of our returned men prefer to build their homes within the city limits rather than to take advantage of the small holdings section of the Veterans' Land Act, or of Wartime Housing, of which there is none in this city. They want to build their private homes on lots which they can choose. The city council made available to them city-owned lots at a nominal price and the local contractors there—small enterprises operating on their own—have been doing their best, within the framework of the National Housing Act to provide the necessary homes for veterans who cared to have them constructed in that way.

The severity of the winter and last fall's bad weather prevented a start on many of these houses. The consequence has been that the rising of prices and the inability of the contractors to get the material has slowed down operations greatly, and the legion is becoming quite concerned. The legion is a body representative of the people around there. The membership is close to four hundred. It is composed, I believe, of about 100 veterans of the last war and 200 or more veterans of this war. The veterans are a reasonable bunch of men; they are not at all rambunctious in their ideas, and they give careful consideration to the things which they propose. I think I could not put the situation before this house in any better way than by reading the resolution which was passed there quite recently and which came to me in the mail. I should have preferred to have this representation made during the discussion on the appropriate section of Bill No. 104, but it fits in very well with the present discussion. This resolution was sent to the federal control board. I presume that is the timber control board or the people connected with that matter in the minister's department. This is what it says:

Whereas the housing situation is still acute and a first problem for federal, provincial and municipal governing bodies and

Whereas the costs of building increase month by month with such material beyond the reach of the average wage-earning citizen and particularly the returned service man and woman and

Whereas the ex-service person through these inflated and prohibitive costs is least able, though most deserving, to purchase his home

Be it resolved by the Canadian Legion, Swift Current branch, No. 56, and its ladies' auxiliary, that this housing situation be brought once more to the notice of the federal control board with

an urgent request that these housing material costs be brought into line, compatible with the service man's purse and that he be given priority in all building material.

And further be it resolved by the Canadian Legion, Swift Current branch, No. 56, and its ladies' auxiliary, here assembled:

That the federal control board continue to control building costs and

That contractors building under the N.H.A. be allowed to purchase necessary material direct from manufacturers thereby cutting material costs to an immeasurable extent.

The last sentence would indicate that these contractors must buy through the retail trade. That seems hardly fair, because, while these contractors are not great national figures or big businessmen, they are men with a considerable investment in equipment, and if their equipment and men are tied up waiting for material the men will drift into other employment, the equipment will stand idle and the houses will not be built. If these men were operating under the National Housing Act and its terms were wide enough —as I believe they may be with this amendment, if something better does not come along—they would be able to go direct to the source of supply and perhaps make arrangements for much of the building material they are unable to get at the present time.

I would ask the minister to give this point his serious consideration. The people are deserving. They have done their best for the country. They are not asking any special favour. They have jobs; they are earning money; they are trying to settle in homes they will own themselves and to become taxpayers of the city. They want to carry on like other citizens, to become part of the community, and everything possible should be done to make these homes available to them. They want to buy these homes and pay for them, but they know it is no use undertaking contracts which their earning power will never make it possible for them to fulfil. They are earning good money; they will be good citizens, but they will never become wealthy. Their arrangements for the future have to be made on the basis of what they expect to earn. They simply cannot get these houses with the present building costs, as I think the minister knows very well.

Motion agreed to and the house went into committee, Mr. Golding in the chair.

Mr. MERRITT: I did not take part in the discussion this afternoon; on previous occasions in this house I have expressed my view on the need for low-rental housing. However I should like the minister to tell us, during the committee stage, whether or not any conversations have been held or are proposed with the provinces, so that the proper jurisdiction as between dominion, province and municipality in the housing field may be ironed out. We know the minister does not favour low-rent housing, as he said in the house this session.

Mr. HOWE: When was that statement made, that I did not favour low-rent housing?

Mr. MERRITT: That you did not favour subsidized low-rent housing.

Mr. HOWE: Oh, yes; but you did not say "subsidized."

Mr. MERRITT: Then I should have said it. The minister has said he does not favour subsidized low-rent housing; but, whatever his view may be, there is no doubt, as I think he will agree, that there is no clear definition of responsibility in the low-rent housing field as between the three authorities, and that this is holding back what others might do in this field. It is causing considerable difficulty in my own city right at the present time, as the minister knows, in connection with the negotiation of contracts for Wartime Housing and emergency shelter. I feel sure that at the root of the difficulty I just mentioned is this problem of division of responsibility.

I really rose to ask some specific questions with regard to the proposals the minister is now bringing before the house. He is proposing amendments to the act to increase the percentage of the lending value that may be advanced. On July 29 of last year I pointed out, at page 3982 of *Hansard,* that with the lending value of $4.60 per square foot under the National Housing Act, as it apparently was at that time, the actual loan a borrower would obtain on a $6,000 house would not be 95 per cent of the first $2,000, 85 per cent of the next $2,000 and 70 per cent of the balance, as would appear at first sight, but rather 67 per cent of the cost of building that house today. Since I understand it has always been the practice of private mortgage companies to lend up to 60 per cent of the value of a house, this act is not doing as much good as might appear on the surface. Instead of getting 83 per cent of the cost of construction, as would appear to be the case, the borrower actually gets only about 67 per cent, so that in the case of a $6,000 house he must put up about $2,000. To change the section of the act which places a ceiling on the amount of the loan, to revise that ceiling upward by five per cent in the case of a $4,000 house and seven and a half per cent in the case of a $6,000 house, as the minister is proposing to do, in my opinion will not do as much good as would be done by an upward revision of the cost per

square foot upon which the lending value is based. Since the lowest cost per square foot under integrated housing in Vancouver is now, as far as I know, something like $5.65, and the cost per square foot in the case of houses built under the National Housing Act but not under the integrated scheme would be from $6 to $7 or $8 per square foot, I think this $4.62 is the figure the minister should raise at the present time. I should like to ask whether he will give the committee the present cost per square foot upon which the lending value is based under the National Housing Act and whether, if it is still $4.62, he will be prepared substantially to increase it.

Mr. HOWE: I am sorry; at the moment I have not the figure at my finger-tips, but I shall be glad to get it and have it when we reassemble at eight o'clock. I believe it varies in the various sections of Canada. It is revised from time to time, to keep in step with realistic building costs. But I cannot tell my hon. friend what it is for the Vancouver district at the present time. I shall get the information for him, and have it available at eight o'clock.

Then, as regards meetings between the cities, the provinces and the federal government, to place the responsibility for housing, let me say that there is no doubt whatever as to where the responsibility for housing rests. The British North America Act states that responsibility for property and civil rights shall rest with the provinces, which places the immediate problem with the municipalities The federal government has accepted a responsibility for dislocation of population during the war, and for the providing of housing for returned veterans.

We have had cooperation from cities and provinces in varying degrees. Some cities and some provinces have been most cooperative, and have undertaken almost anything the dominion has asked them to do. Other provinces and other cities have not been so cooperative. The major difficulty in many cities is the assembling of the land, which is a joint responsibility of the city and the province.

For example, as I have said before, in Toronto there is hardly a square inch of land inside the city limits which would be available for low-cost housing; and that city cannot annex adjoining land which would be available for low-cost housing, without the cooperation of the province. I believe consideration is being given to that problem, and I mention it only as being typical of many cities.

The position of the federal government is quite clear. We seldom refuse an invitation from a city to build Wartime Housing in that city. That involves certain cooperation from the city, by way of making available suitable property, and in the fixing of a tax rate compatible with the type of housing that Wartime Housing builds. But I believe that, in meeting all requests for that type of housing, the dominion is going a long way toward discharging any responsibility it has in the field of housing.

Then, the federal government has accepted the responsibility for making available low-cost money for private home building. Under the National Housing Act funds for housing are being made available at rates lower than have ever obtained up to this time. Furthermore, it has instituted the integrated housing plan, which provides assistance to builders who are willing to limit their profits to a proportion that the crown believes reasonable. In that way the government has taken direct action by making available cheap money for private building, and in the field of government—sponsored integrated housing, and by guaranteeing the builder against loss, if the builder will guarantee the purchaser against excessive profit; and by offering to build Wartime Housing when requests are made by cities, and when the need is real.

What further cooperation can reasonably be asked of the federal government, I am not sure. It hardly seems to me that the government could be in closer contact with the provinces and cities than it is at the present time. I can assure my hon. friend that if either cities or provincial governments wish to sit down with the federal government to work out a concrete proposal, the federal government will be very glad to participate.

Mr. MERRITT: When the minister brings in figures with respect to the lending value per square foot, could he bring in a figure showing cost per square foot in Vancouver, and in any other city concerning which he produces lending value figures?

Mr. HOWE: Yes.

Mr. MERRITT: Last year the minister said that in his opinion the cost of construction had increased 150 per cent over 1939. It was on that ground, I believe, that he raised by ten per cent the lending value in cost per square foot. Today he has referred to the fact that prices and costs are much higher than they were a year ago. Will he say what percentage over 1939 costs of construction have reached at this time?

Mr. HOWE: I shall be glad to give that.

Mr. MERRITT: The minister mentioned that the amendment to the act will depend upon the exercise of control over the end price. I understand this is going to be an amendment to the National Housing Act, and that therefore it will not operate as price control under bill No. 104, which has just been passed. I should understand that this would be a permanent provision. Will he explain the nature of this control over the end price, as it is to be introduced into the National Housing Act?

Mr. HOWE: I know of no amendment to the National Housing Act to limit price. The price limitation comes under the integrated housing plan, where the builder agrees with the government, prior to undertaking construction, to make houses available for sale at a certain price, which involves a known amount for contractors' profit. In that case the government guarantees to buy the house from the contractor at his cost, that is, the predetermined cost, in the event that he cannot sell it privately. The contractor agrees to sell to the veteran at another price, which involves a profit which the government considers reasonable. That is the plan to which I referred, providing limited profit.

Mr. MERRITT: I thought I was following the minister closely in his statement this afternoon, and it was my understanding that when he referred to the ratio of loan to lending value he said that this increase of ninety-five per cent for houses with a lending value of $4,000 and ninety per cent for those with a lending value of $6,000 would depend upon control being placed over the end price.

Mr. HOWE: Yes.

Mr. MERRITT: Surely that requires an amendment to the National Housing Act.

Mr. HOWE: No; it refers to housebuilding under the integrated plan.

Mr. MERRITT: I see.

Mr. HOWE: My recollection—and I shall ask permission to correct myself if I am wrong—is that houses built under Wartime Housing, in general, are built slightly under their lending value; and houses built under the integrated plan are built at not more than five to ten per cent over the lending value. That is my recollection. I presume it does not apply universally. Private buildings, where there is no cost limitation, depend largely upon the profit that the contractor expects to get through the sale of his house. That is beyond the control of the government. For instance, on the $6,000 house, which my hon. friend suggests is $2,000 over the lending value, I would presume that a large part of that $2,000 is the contractor's profit. Under the integrated plan there can be no such spread as that.

Mr. MERRITT: In effect the amendment will be that the ratio of loan to lending value will be increased in respect of integrated housing but not in respect of normal lending under the National Housing Act.

Mr. HOWE: The lending value will be the same for the same value of house. But, unless it is under the integrated plan, the government has no way of guaranteeing that the house built privately outside the plan will be sold to a buyer at a value which has any particular relation to the leading value of the house. The lending value is based on the cost of the building and not on the selling value.

Mr. NICHOLSON: I was interested in the minister's statement that housing is certainly not a federal responsibility, and I wonder if he would indicate whether it was necessary to have an amendment to the British North America Act in order to pass the first Dominion Housing Act or latterly the National Housing Act? Were those acts regarded as interfering with provincial and municipal rights? Then I should like the minister to make a statement with regard to the government's policy as to subsidies. I understood him to say that he personally was opposed to subsidies, but it appears to me that by these amendments he is providing subsidies to the insurance companies. At least they are being guaranteed that they cannot lose on their investment and if that is not a subsidy I do not know how one could describe it.

Mr. HOWE: I said that under the British North America Act the primary responsibility for housing rests with the provinces, since housing comes within the field of property and civil rights. However there is nothing in the British North America Act that prevents the federal government from assisting in housing. Old age pensions are also a matter of property and civil rights and undoubtedly are the primary responsibility of the provinces; yet the federal government contributes to old age pensions.

Mr. NICHOLSON: Then there is nothing to stop you from doing a really good job if you want to?

Mr. HOWE: There is nothing to stop us from helping to any extent we want to, but that does not reverse the principle that under the British North America Act the primary responsibility for housing rests with the pro-

vinces. As far as subsidies go, a fine line can be drawn. We can say perhaps that Wartime Housing is subsidized due to the fact that it enjoys somewhat lower taxes than would be considered an economic level in a city. It also enjoys low-cost land which would have a commercial value far greater than the nominal cost paid by Wartime Housing. Those are subsidies, if you like. They are reasonable subsidies, having in mind that the government is paying the full cost of constructing the house. However, if my hon. friend will read certain papers he will find that it was stated here in Ottawa that the city was subsidizing Wartime Housing through giving free lots and installing services. I think it is desirable to keep away from cash subsidies to the greatest extent possible. A policy of subsidization may be all right in a time of emergency but it is not desirable as a continuing policy.

Mr. NICHOLSON: Could the minister indicate the number of housing units which will be built as a result of these amendments? Am I not correct in assuming that, by and large, these houses will be made available to people in the upper income brackets?

Mr. HOWE: That is not the intention; the intention is to provide housing for all the people of Canada.

Mr. NICHOLSON: At what rate per month?

Mr. HOWE: The rate for wartime houses still runs from $21 to $35 a month. Integrated houses are built for sale at reasonable figures. It is the intention of the government to finance housing that is within the reach of all people in Canada.

Mr. NICHOLSON: The minister is adopting a new principle here. We are being asked to guarantee private companies a minimum of two per cent, and I think the minister should give some indication as to what the plans are, how many houses will be built for rent and at what monthly rent?

Mr. HOWE: Under the National Housing Act the government guarantees the lending institutions against loss, but that provision applies only to the value of developed property. The amendment would provide that the cost of assembling the land may also be guaranteed by the federal government. This is simply an extension of the present policy.

Mr. NICHOLSON: That is correct, but I think I am also correct in saying that so far the federal government has not been asked to pay anything, that there have not been any losses incurred. We are now going into the business of buying land and there is nothing to prevent these lending institutions from bailing out some of their real estate and asking the taxpayers to carry the burden. I think we should have some indication as to what the plans are that have been discussed and what rentals will be charged.

Mr. HOWE: My hon. friend will find it expressly stated in the bill that the purchase of land is subject to the approval of the Central Mortgage and Housing Corporation. The location of the land, and the prices paid, must be approved before a loan will be granted for the assembling of the land. The government recognizes that building is definitely being retarded on account of the fact that in certain cities it is impossible to buy serviced land. Cities are not extending their services as rapidly as is required to meet their housing needs. The provisions which will be inserted in the act will enable private lending institutions to assemble land under government guarantee, after the project has been approved by the Central Mortgage and Housing Corporation.

For example, one of the leading life insurance companies is planning to assemble some desirable building property near the city of Toronto and make it available to builders at a reasonable cost. If the project is carried out, a builder who desires to build in that area will be able to buy individual lots which are properly serviced, such as are not available at the present time.

Mr. NICHOLSON: I still have had no indication from the minister as to what type of housing will be available as a result of the change. I am advancing the argument that the housing which will be available will cost people $75 a month or more, and I wish the minister would indicate that I am wrong, that he is planning to make housing available at $25 or $30 a month. The evidence is that we are short of housing for people who cannot afford to pay even $25 a month. I think the amendments to the act should make some provision for people who just cannot afford to look at houses costing $75 a month.

Mr. HOWE: The National Housing Act has nothing to do with housing that is rented for $75 a month and over. As I have stated before, the National Housing Act is concerned with housing that can be rented for $70 a month and under. All I can say about rentals is that Wartime Housing is still building houses that rent from $21 to $35 a month. Housing being erected under the integrated plan usually costs $6,000 or less per unit. They are both low-cost projects. The land assembly would be for the purpose of low-cost housing.

It is impossible to say at the moment just what will be built on the lots but certainly it will not be expensive houses.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. HOWE: I promised to answer the hon. member's request for information about lending values in Vancouver. I would point out that allowance in lending value is made for varying types of houses, depending upon the type of construction, quality and other factors. For instance, in the case of bungalows in Vancouver, our basic costs used by the corporation as a basis upon which lending values are determined, show a range from $4.10 to $5.60 for a bungalow of frame and stucco, with hot air heating, open fireplace, and tile or equal bathroom floor with no garage. Generally the larger the size of the bungalow, the lower the basic cost per square foot. These figures are adjusted in accordance with the quality, suitability of layout, and even location of the residence. I would point out to the hon. member that the agreed sale price under an integrated agreement is a maximum of 110 per cent of the lending value. The amount of the repurchase price under the government guarantee to the builder amounts to 100 per cent of the lending value plus carrying charges between the time of completion and the time of the implementing of the guarantee.

Pressures continue to be placed upon us to increase lending values. However we feel that included in today's actual costs are a number of items which should not properly be capitalized into long-term mortgage debt. For this reason we are unwilling to raise our lending values even to the level of the agreed sale price under the integrated plan.

The hon. member has also asked for our estimate of present building costs as compared with the pre-war level. With all the unusual items which today add to present building costs, this figure can be established only in general range. As at February, 1947, we believe that the average cost of residential construction is of the order of 157 per cent to 173 per cent of the 1935-39 base. I recall that the hon. member suggested that I said building costs had risen 150 per cent. That is, of course, not the case. The index stood at 150 per cent instead of 100 per cent as of the 1935-39 range. My statement was that costs of building had increased 50 per cent. It has now increased from 58 per cent to 73 per cent of the 1935-39 base. This wide range indicates a varying amount of increase by areas. I may say, however, that, although the absolute cost of small residences per square foot is not as high in Vancouver as in other sections of the country largely because of climatic conditions, nevertheless the ratio of increase in the present cost level over the 1935-39 base is probably higher on the Pacific coast than in any other section of the country.

The hon. member has asked whether the increased ratio of loan as provided in the new legislation applies to all National Housing Act loans, or whether its application will be limited to houses upon which there is some control on the end sale price. The latter is the case, and the use of the increased ratio of loan to lending value will be subject to regulations established by the governor in council.

Mr. MERRITT: I believe I asked one other question. What was the actual cost per square foot of building a similar bungalow in Vancouver? I have the lending value per square foot. Can the minister give an approximation of the actual costs?

Mr. HOWE: I said that under the integrated plan the sale price is 110 per cent of lending value, so that the cost must be close to the lending value. The sale price allows for a profit to the builder. It depends, however, on the builder. There are builders in Vancouver who are quite willing to sell under the integrated plan at 105 per cent of lending value. Other builders cannot approach that by a considerable margin. In other words, it depends to a good deal on the skill of the builder.

Mr. MERRITT: The proposed increase of five per cent to 7½ per cent will not assist anyone other than the builder under the integrated scheme. Has the minister any figure on the going cost per square foot of an ordinary home under the National Housing Act, not under the integrated scheme?

Mr. HOWE: The sale price of houses built under the National Housing Act without price limitation is running about 126 per cent of lending value. Of course we have no way of knowing what the builders cost is, but we believe there is quite a considerable margin of profit in the price.

Mr. REID: Under the old act, if the minister will remember, many statements had been made and cases had arisen where the corporation would lend in one city or town and not in another. During the time I was home at Easter, complaints were made to me that no one could, under the Central Mortgage and Housing Corporation, procure

a loan in the municipality of Burnaby. I was surprised at that because, when the act went through, we were given assurance that there would be no discrimination in districts. Has the minister any information on the matter? If not, would he take this as a notice and look into the matter, because the complaints were made to me in good faith by those who went into Vancouver and made application to build under this scheme and were refused.

Mr. HOWE: I find it hard to understand that situation in Burnaby because we have 500 loans in one project in that municipality. However hon. members will notice that, under the amendments now being considered by the committee, the Central Mortgage and Housing Corporation has taken power to lend directly rather than through the lending institutions. This will enable the government, in appropriate cases, to make housing loans in any part of Canada, regardless of whether it is a part favoured by the lending institutions or otherwise.

Mr. REID: I am glad to have that information.

Mr. BLACKMORE: Is there any provision for lending money to individual builders? Suppose a man wants to borrow money on his own account and build his own house without the intervention of any agency whatsoever; has the government considered any measures whereby that sort of thing can be met?

Mr. HOWE: There are many loans of that type. Under the provisions of the amendment the government can lend to an individual builder directly, although in many cases it may be convenient to make the loan through a lending institution.

Mr. BLACKMORE: What are the terms upon which the government would lend money in such cases?

Mr. HOWE: Exactly the same terms as through the lending institution, a loan at 4½ per cent.

Mr. NICHOLSON: I gather that this legislation is designed to relieve the housing shortage and get more houses built. Can the minister give the results of the conversations and discussions between the lending institutions and the department and indicate the approximate number of housing units which are to be provided and their price range?

Mr. HOWE: I am sorry I cannot give the conversations with the lending institutions because I have not talked with any of them. The government is setting an objective of 80,000 completed houses in 1947, and we have every expectation of reaching that objective.

Mr. NICHOLSON: It hardly seems reasonable that this legislation would be brought down unless some use were to be made of it. I gather that there must be some interest shown by the lending institutions or we would not have this measure before us. Can the minister indicate where it is proposed to make use of the amendment and how many units are expected to be completed in 1947 and 1948 if this goes through?

Mr. HOWE: This legislation has been proposed by the government with the thought that it will assist in the building of low-cost housing and widen the range of those who are able to take advantage of the act. The principle of land assembly we believe to be important and the lending institutions agree with us. After all, the first requisite for housing is suitable land on which to put the housing. Our objective of 80,000 houses in 1947 has been set, having in view the ability of the construction industry to assemble materials and complete that number of houses.

Mr. NICHOLSON: Will the minister say how many municipalities in Canada have made representations to the government with a view to getting these benefits which will be available to lending institutions and indicate what sort of reception they have received? I imagine that if some municipalities had this sort of provision made for them they would be prepared to give an undertaking to build a specific number of houses. The hon. member for Halifax will agree that they have a labour problem and a housing problem in his district, and nearly every other large city in Canada is short of housing. I imagine that if this opportunity were afforded to the municipalities and they could be assured of the return of the principal invested in land and in improvements and a guarantee of two per cent on their investment, a great many municipalities would give an undertaking that there would be houses built in the near future. I understand that some municipalities have made representations with a view to getting these benefits. Would the minister indicate how many there have been?

Mr. HOWE: I have never heard of any municipality in the Dominion of Canada undertaking to build any houses. So far as I know, no municipality has.

Mr. MacINNIS: Perhaps I might say a word on that. I had a question on the order paper the other day, and the parliamenatry assistant to the minister and the president

of the Central Mortgage and Housing Corporation gave me some information which the committee might like to have. My question could not be answered at it appeared on the order paper, but they kindly gave me information along the lines I asked for. It shows that quite a number of municipalities in Canada have passed resolutions asking the dominion government to amend the National Housing Act so as to make funds available to the municipalities. Resolutions have been passed, for example, by the city of London, the city of Brandon, the district of Burnaby in British Columbia, the city of Edmonton, the city of Hamilton, the city of Prince Albert and the city of Regina in Saskatchewan, the township of Stamford in Ontario, the city of Toronto, the city of Winnipeg, the city of Windsor, and two resolutions by the city of Vancouver. Perhaps I might read one which is fairly short and typical, although the resolutions are not similar in all respects. This resolution was passed by the city council of Toronto:

> That the dominion government be petitioned to bring in new housing legislation along the lines of public low-rental housing legislation in effect in England and the United States and providing for federal loans up to 90 per cent of the construction costs of low-rent housing projects to be built and managed by proper municipal housing authorities and further providing for annual federal subsidies to such housing authorities up to three per cent of development cost to enable such housing to be rented to low-income families.

As I said, no two resolutions are alike, but this one is typical.

Mr. HOWE: It may be typical of city councils to pass resolutions, but I would point out that, outside the province of Saskatchewan, no municipality in Canada has authority under its charter to enter into a housing project. The city of Toronto obtained authority from the electors to enter into the Regents Park project, and that is the only exception so far as I know, except that blanket authority has been given to the municipalities in Saskatchewan. However, it has been the feeling of the government that if a city wants to go into housing the authority that provides the money should make the investment and supervise its administration. The history of municipalities in the housing field has not been entirely happy, although there have been notable exceptions. Certain cities have made a great success of municipal housing projects, but a far greater number have made a dismal failure. The federal government believes it has an efficient administration for the building and administering of housing and that any federal money to be spent in that field should be spent through the administrative machinery set up by the federal government.

Mr. NICHOLSON: To be logical, the same principle should be carried out with the life insurance companies if they want to go into the housing business. I think the federal government has just as much right to make money available to municipalities for housing as to life insurance companies. The resolution says that the purpose is:

> . . . to empower life insurance, trust and loan companies to purchase, improve and sell land to be used for residential housing developments, and to authorize Central Mortgage and Housing Corporation to guarantee to such companies the return of the principal invested in such land and improvements, together with interest thereon at a rate not to exceed two per centum per annum.

I cannot imagine any municipality in Canada that would not consider this a very good proposal to be made to them. I know there are two cities in Saskatchewan which would be prepared to go along now because they have enabling legislation. There is a shortage, and resolutions have been passed. I know the experience in municipal housing in Canada was not a very successful one following the last war; but we have such an organization as Wartime Housing. In spite of previous criticisms I have made of Wartime Housing, there has not been any question about the administration or of the efficiency of that organization.

In all countries in the world we have had some valuable experiences since 1918 and 1925. In the United States, in Great Britain, in Sweden—as a matter of fact, in nearly every important country with the exception of Canada—we have had experience where local authorities have gone into housing and made an outstanding success of it. I am greatly disappointed that the minister is not prepared to give to local and provincial authorities at least as favourable a break as he is prepared to give to life insurance companies. I know it is now too late for many of the cities to get enabling legislation through for 1947, but when this bill is going through, I cannot see any reason why we could not establish the right of the local authorities to get at least the same consideration as the lending institutions get. I would say that the local authorities should get greater consideration because they will be driven, by public opinion, to provide housing for people in the lower brackets, whereas the life insurance companies will be able to cater to the people who supply the funds to life insurance companies and will be able to select their risks, and, as in

the past, they will be able to make their investments so that the federal government has not any serious financial risks. Will the minister indicate if he would consider broadening the legislation to make available to municipalities the benefits which he is proposing for the lending institutions?

Mr. HOWE: The cities, municipalities and provinces of this country are today in better financial shape than ever before in their history. They are able to borrow money at lower rates than ever before in their history. There is no reason why one taxing authority should subsidize another taxing authority to take on obligations in the field of the latter. If the provinces and municipalities wish to go into the housing business, I do not know of a thing to stop them; on the contrary, I believe they would be discharging a duty which is theirs and not that of the federal government.

Mr. MacINNIS: I do not know whether it would be profitable to discuss the financial position of the municipalities at the present time. The municipalities are at present, apparently prosperous, but the prosperity is more apparent than real. They are apparently prosperous because they did not do any repair or construction work during the war period. I think the minister knows that. Today every municipality in Canada, I am quite satisfied, has a backlog of repairs, services and construction which it cannot possibly meet with its present limited taxation powers. The minister said before the dinner recess, I think, that there could be cooperation between the dominion, the province and the municipality in this matter. I think the dominion government has done considerable; but, so far as my information goes, the provinces have not done anything at all, and the municipalities have not done a great deal more. But the municipalities have not the taxing resources which will enable them to carry on a project of this kind. I agree with the hon. member for Mackenzie that the same assistance or the same privileges should be given to the municipalities as are given to the insurance, trust and loan companies which, in my opinion, according to this resolution, are not taking any risks whatsoever; the government is taking the whole risk. If the same privileges were given to the municipalities I believe that they would accept them.

Mr. MERRITT: A moment ago I think the minister suggested that I was wrong in saying that he had said last year that costs of construction had gone up 150 per cent. I have what he said on July 22 last; at page 3683 of *Hansard* he is reported as follows:

> Three steps could be taken to help meet this problem:
>
> First, increase lending values to the current level of building costs which is of the order of 150 per cent of the 1939 level, with variations in different parts of the country.

Mr. HOWE: My hon. friend will agree that, taking the 1939 level as 100 per cent, 150 per cent represents a fifty per cent increase.

Mr. MERRITT: Oh, yes. I do not think I suggested anything different.

Mr. HOWE: If I understood you to say anything different I am sure you did not intend it. I am sure you intended to say a fifty per cent increase instead of a 150 per cent increase.

Mr. MERRITT: I intended only to use the minister's own words.

Mr. HOWE: Quite so.

Mr. MERRITT: But I did not rise only to straighten that point out. I intend to read on and come back to the point I was asking questions about before. The minister went on to say:

> This has been done by the corporation increasing lending values by an additional 8 per cent as from April 29, 1946, so as to bring lending values into line with cost levels. We believe that present lending values are very close to the actual cost of building plus a fair builder's profit, but do not make allowance for extra costs such as delays in delivery of materials, inefficient labour and the very long profit being taken by some builders. We are unwilling to make loans on extra costs of this kind.

It was just at that time, I think, that the minister introduced the integrated scheme. I have made a calculation based on what he said a moment ago about present-day costs being 126 per cent of lending value, and I find that under the ordinary scheme, without using the integrated housing, the actual loan made will be, as I take it, 75 per cent of 83 per cent of the lending value, which is only 62 per cent of the cost of construction. This will mean that in all houses not built under the integrated scheme, 38 per cent will be required to be put up by the owner.

I can very well appreciate the minister's reasons for bringing in the integrated scheme. But surely materials are—or we hope they are—in a little better supply than they were a year ago and are going to get continually into better supply; labour will become more efficient; and surely the long profit the minister complains about is, in many cases,

due to the unwillingness of the builder to take a risk on delay and inexperienced labour. He must cover himself, and he will be quite prepared to take a smaller profit if he can be sure of covering his contract. When I look at the figures I find that, of the loans approved last year, less than one-third were integrated loans. I want to leave with the minister the thought that, unless everybody turns over to the integrated scheme—which they perhaps will not do, even though perhaps they could—during this coming year, he should give consideration to increasing that lending value, because right now you are not getting much more out of the National Housing Act loans than you would get on a private loan before the scheme ever came into being. I should like to ask the minister now what his experience is with regard to integrated housing. Are more and more builders coming under the scheme? Is there any limit to the number who may come in? What considerations govern the minister and his officials in permitting builders to operate under integrated housing? What stamp of approval must be put on the builder before he is considered eligible to come under the integrated scheme?

Mr. HOWE: About 3,000 units were signed up under the integrated scheme last year, and present prospects are that about six to seven thousand will be signed up this year. The only limitation in accepting a contractor under the integrated housing plan is whether he can make the price; in other words, if he can offer a cost that is acceptable under that plan. Some builders cannot do so; it costs them more money, but there is no reason why any efficient builder cannot come under the integrated plan if he wishes to do so and is willing to accept the profit limitation. If a contractor wants to go after big profits and somebody else wants to support him in that cause, there is nothing we can do about the matter, but the house built under such an arrangement is no better than the house built under the integrated plan. If it costs the buyer fifteen or twenty per cent more, the buyer is out that much and the state has no obligation in the matter.

Mr. MERRITT: Could the minister say what percentage of the builders in Vancouver, for instance, would be building under integrated housing and what percentage under the normal system? Has he any figures on that?

Mr. HOWE: By units, probably about twenty per cent would be under the integrated system, and about eighty per cent under the National Housing Act.

[Mr. Merritt.]

Mr. MERRITT: But can the minister tell me how many builders are taking advantage of the plan?

Mr. HOWE: Ten builders in the Vancouver area are taking advantage of the integrated plan.

Mr. TIMMINS: From what the minister has said from time to time with respect to the building organizations under the control of Central Housing I have taken it that fundamentally and primarily these schemes are for the purpose of providing homes for veterans. On Friday last I made a statement based on a report appearing in the *Financial Post,* that integrated housing had been found unworkable as far as veterans' preference was concerned in some areas of Canada, and that for this reason Central Mortgage was permitting the builders to dispose of the houses to civilians in the first instance, we will say, as against veterans. I should like to know from the minister whether the statement I made, based on the newspaper report, was correct; if so, what are the areas where the veterans preference has been dropped in respect of integrated housing, and whether a new policy has been established in that regard.

Mr. HOWE: I am told that the only integrated project where the veterans preference has been lifted is at West Kildonan, Manitoba, where there were some larger houses in which the veterans did not show an interest. There is a complete veterans preference for houses under the integrated plan, but if there is no demand from veterans, it will be the policy to offer them to civilians.

Mr. TIMMINS: How long does a builder have to advertise a house to veterans before he may turn around and sell it to a civilian?

Mr. HOWE: The rule is six months, unless it is evident to Central Mortgage and Housing Corporation that there will be no demand in that area from veterans.

Mr. TIMMINS: Does that mean the builder would have to hold the house for six months before he could sell to a civilian?

Mr. HOWE: That is right.

Mr. TIMMINS: Then the hon. member for Vancouver-Burrard asked as to the number of builders in Vancouver who were under the integrated plan as contrasted with ordinary builders. I understand that in the Toronto area only about nine builders are under the integrated plan, whereas there are some 450 builders in the whole Toronto and York area. Could the minister tell the committee what reason he has for expecting that the extension of this plan will bring more builders in the Toronto area under it.

Mr. HOWE: I will make this prediction for my hon. friend, that there will be many more builders under the integrated plan as houses sell less freely at the present exorbitant prices being charged by builders.

Mr. TIMMINS: Just to clear the record, I take it that this resolution is not so much an attempt on the part of the loan companies and the insurance companies to enter this particular field as it is an expression of the desire on the part of the government to see that they take their proper share of the responsibility for homes. Following that up, I take it that the cost of making the original survey of the land, if an insurance company takes on such a project; the cost of preparing the plan, the cost of presenting that plan to the planning board, the cost of sewers, sidewalks, pavements and all those things will come within the word "improve" as used in this resolution and will form part of the principal investment; and I take it that the government is guaranteeing that their financial return will be at least two per cent on that money as well as the other money the company may put up. In addition, is there any check on how much money the insurance companies or loan companies may make on these projects? Are they limited to two per cent, or what is the check on companies coming under this procedure?

Mr. HOWE: The insurance companies are limited to two per cent. Any profit beyond that must be returned to the crown.

Mr. ROSS (St. Paul's): I have a question to ask in regard to these two family units. If a man owns a house which he rents, he is allowed to deduct taxes and carrying charges from his income tax. What is to be the position of a man who lives in one part of a two-family unit which he owns? Supposing the house costs $6,000. The carrying charges would be $280 or perhaps a little less; the taxes would be probably $200, making a total of $480. What arrangement can or will be made in regard to his income tax? After all, he will be living in part of that property, so what will be his position?

Mr. HOWE: I am sure I do not know. We have a tax expert here, and without an official ruling from the income tax branch I would not want to give an opinion.

Mr. ROSS (St. Paul's): I draw it to the minister's attention because it is important to know just what the situation is to be, whether, if he is living in the house, he will be allowed half of the carrying charges.

Mr. HOWE: There are thousands of those cases, particularly in Quebec. I am sure the income tax branch has a ruling on the subject. I can only suggest that my hon. friend might ask the Minister of National Revenue.

Mr. ROSS (Souris): The minister said that in the West Kildonan area the veterans preference has been dropped. There is a distinct shortage of veterans houses in that area. What is the value of those houses? I presume they were dropped because they were out of reach of the ordinary veteran.

Mr. HOWE: The storey and a half house is about $6,100 a house.

Mr. ROSS (Souris): And there are no applications from veterans; is that the reason for dropping it in the area?

Mr. HOWE: Yes.

Mr. BREITHAUPT: In my district Housing Enterprises are doing very fine work. They are building quite a few fine houses, but greatly above the cost which some of the people requiring them can pay.

I have a question I should like to ask the minister, and it is this: With construction cost increases indicated by him, undoubtedly there are many veterans and others who would have been interested in renting homes constructed by Housing Enterprises Limited, or under the integrated housing plan, and who may now wish to turn to homes built under a plan perhaps more within their financial reach. Is Wartime Housing being continued? If so, has any change taken place in the plans of construction whereby basements and furnaces are now being provided for those who require comfortable houses at more reasonable rentals than are possible under other plans?

Mr. HOWE: Wartime Housing is certainly being continued. It has been the policy of Wartime Housing to keep to the low-cost range, for obvious reasons. It is a low-cost rental product. Exceptions have been made where, for special reasons, basements have been installed. But a fairly general answer to the question asked is that the policy remains unchanged, and Wartime Houses are built without basements.

Mr. McMASTER: The minister spoke about the cost being $4.10 per square foot. I have always heard of the cost of a house being computed on a cubic foot basis. I should like to know what he means by a cost of $4.10 per square foot. Let me give an example. Let us take a one-storey building, 24 x 50, which is the favourite size in Wartime Housing. Does that mean that this can be built on a basis of $4.10 for the square footage?

Mr. HOWE: It is the floor area, measuring the outside dimensions of the house. But if the hon. member is used to the cubing method, if he will take that figure and multiply it by eighteen, or divide it by eighteen as the case may be, he will get the same result. The ratio is about 18 to 1.

Mr. McMASTER: It is about twenty-three cents a cubic foot.

Mr. HOWE: That sounds about right.

Mr. McMASTER: I doubt if you can do it. You would have lots of buyers. If you take it on the illustration I have given, and figure at $4.10 per square foot, even for a one-storey building, you will still have lots of buyers. There will be no trouble about that.

Mr. BENTLEY: Would the minister mind if I ask for some help, on behalf of the people I represent. I am asking this seriously, and I hope he will answer seriously, if he can. I agree with what has been said on behalf of all low-income earners in Canada, and I share the concern which has been expressed. At the present time I am speaking on behalf of people who are greatly concerned about their own position. I have listened to questions asked by various members, and the replies made by the minister. I want him to tell me if I am incorrect in my understanding of what he said, when I say I understood him to say certain things. First, I believe the minister said that the government policy was not to have any more cash subsidies; is that correct? The government does not believe in any more cash subsidies for housing? The minister says nothing, so I take it that that is correct.

Mr. HOWE: What does the hon. member mean by "any more"?

Mr. BENTLEY: Well, "any"; I will take out "more".

Mr. HOWE: We are subsidizing housing, yes. We are subsidizing emergency housing. I suggest that the hon. member might not lay down any policy, other than the policy which I am explaining at the present time.

Mr. BENTLEY: I am not laying down a policy.

Mr. HOWE: I would not suggest that he set out what the government believes. That is something that is decided from day to day.

Mr. BENTLEY: I am trying to have the minister put me right, if I am wrong in my understanding. He said this afternoon—and I think *Hansard* will bear this out when it is read tomorrow—that the government did not want to use any cash subsidies for government housing, or something to that effect. Is that correct, so far?

Mr. HOWE: Yes.

Mr. BENTLEY: Also, the other day, during the discussion on Bill No. 104, he told us that prices of lumber were going to rise, to compensate lumber producers for any loss they might suffer in the export market. Is that correct? Now, with those things in mind, and realizing, as he should, that there are a great many people, particularly in the city I come from, who are in the average or lower earning groups, I should like him to answer my question. That will materially affect the permanent situation, because we have no speculative interests there, and no likelihood of any great appreciation in capital. There may be an increase today in the book value of a house a man may own, as compared with the value of ten years ago. He may have a house that he built for $5,000, which he could sell today for $10,000. He could leave one house, but he would have to pay $10,000 for another one, in a different location, and would be only changing his position, rather than his capital standing.

Another reason that there will not likely be any great amount of money earned by the average person there is that our business is small business. They exist only by virtue of the fact that they serve the people in the surrounding area. If the farming community works and produces it is able to buy the services and goods provided by the merchants and the other people in our city, but not in quantities sufficient to create riches, or any high salaried positions.

The veterans coming back are in this class. They are taking jobs which will range from $100 to possibly $150 a month. Only a few of the more highly trained will get more than that. Most of them will be unlikely, even in a lifetime, to arrive at a position where they will earn more than $2,000 or $2,400. Possibly a few will go to $3,000, but very few will go above that. The earnings will be along the lines I have indicated. A great many of them will probably remain in the $150 a month class.

I should like the minister now, in all seriousness, to tell me this: If he were one of those men in that position, if he were a veteran back there now—and these are the people who are causing the legion such great concern—and if he were not in the position he occupies today, if he can imagine that, and were in the position of one of those veterans, how would he go about getting one of those homes? Would he make a cash payment,

and hope to be able to pay it off? If he will tell us that, and put it on the record, it will be a good thing for those who do not read the record, and also for those who do read it, and who need advice from a competent man.

Mr. HOWE: I presume the problem of acquiring a home has not changed greatly since the time my hon. friend and I were being married and were trying to acquire homes. We rented until we saved enough money to make payments on our homes. Then we made the payments, took out mortgages, and for the next few years we saved to pay off those mortgages.

I presume anyone who builds a home today is in much the same position. No great magic that I know of has been introduced into the situation.

If I may say another word to the hon. member for High Park, the figure of $4.65 per square foot which I mentioned was for a fair sized bungalow in Vancouver. A bungalow in Vancouver has nothing in common with housing in High Park. The lending value of the type of house that would be built in High Park would be considerably higher than the figure I mentioned.

Mr. McMASTER: I notice that the time for payment has been increased from 20 to 30 years, and perhaps the minister could give me the amount per month per $1,000 for the 20-year period and for the 30-year period.

Mr. HOWE: For the 20-year period it would be $6.30 per $1,000 per month and for the 30-year period it is $5.09 per month.

Mr. POULIOT: Are home plans still available in the department?

Mr. HOWE: A new book of plans has been issued which, we believe, is bigger and better than the previous books. I shall be glad to supply my hon. friend with as many copies as he wishes, priced at $1 per book.

Mr. POULIOT: I thank the minister, but I have another suggestion. I think every member of the committee is doing his best to help the minister and his department solve this grave and serious question of housing. Any man, whether he be a military man or a civilian, who desires to build a home wants to be informed about the conditions he must meet in order to take advantage of the legislation. At the present time this legislation is quite obscure to many people I suggest that a short, concise and complete booklet should be issued to indicate to the man on the street how he can take advantage of the provisions of this law and build a home for himself and his family.

Mr. HOWE: There is nothing like giving service to my hon. friend. I have here in book form exactly the information he wants and I shall be glad to send it to him. It is printed in English and French. This copy happens to be in English. Since the hon. member is perfectly bilingual, I am sure he will be able to use it.

Mr. ROSS (St. Paul's): I do not know whether the Minister of National Revenue heard me ask the minister of reconstruction what allowance in income tax would be made to a man who built a two-family house and lived in one part himself, but if not I should like him to tell me what such a man could deduct for taxes, carrying charges, depreciation and so on.

Mr. POULIOT: I thank the minister for the booklet he has sent me since it seems to be most interesting, although I have not had time to read it all. I should like to suggest that when a publication of the importance of this one is put out his officials should send it to us. I have received many publications and, while I do not keep them all, I have not returned one. I would be obliged if, in the future, they would send us things like this when they are off the press.

Resolution reported, read the second time and concurred in. Mr. Howe thereupon moved for leave to introduce Bill No. 176, to amend the National Housing Act, 1944.

Motion agreed to and bill read the first time.

PENITENTIARY ACT

PROVISION FOR APPOINTMENT OF COMMISSIONER

Right Hon. J. L. ILSLEY (Minister of Justice) moved that the house go into committee to consider the following resolution:

That a bill be presented to the house to amend the Penitentiary Act to make provision, *inter alia*, for the appointment of a commissioner and two deputy commissioners and for the payment of such salaries thereto as are approved by the governor in council; and that the Civil Service Superannuation Act shall apply to such commissioner and deputy commissioners.

Mr. J. R. MacNICOL (Davenport): A motion similar to this, dealing with penitentiaries, has been before the house for almost ten years and it is about time that some action was taken. I remember very well listening to the late Right Hon. Ernest Lapointe, one of the ablest men who ever sat in this house, a

most distinguished gentleman. What used to amaze me was his facility to speak both languages and his loyalty to all that this country stands for. I remember the last time I heard him speak he stood up and said, "I cannot go on any longer," or words to that effect, "unless such and such a resolution is passed".

I do not know whether that was in 1937 or 1939, but I have here *Hansard* for 1938 and I am going to read what he said on that occasion when he rose on the orders of the day. Apparently a bill which had been passed by this house had been turned down in the senate, and he said:

> Before the orders of the day are called I wish to make a statement concerning the bill to amend the Penitentiaries Act which was adopted by this house unanimously but will now fail to be placed on the statutes of this session. The government is disappointed and I, personally, am sorry, indeed very sorry. When I stated in this house on my responsibility as Minister of Justice that I needed the proposed change for the proper administration of penitentiaries, the right hon. the leader of the opposition (Mr. Bennett) declared that he waived all his objections to the bill because of that statement.
>
> What I regret more particularly is that this legislation involving a social question of momentous importance, has been rejected in another place . . .

Apparently this has been going on since 1938 up to the present. I do hope the minister gets whatever he wants if it will help him to bring about reforms in the administration of the penitentiaries. I have no doubt that he was in his seat when the late right hon. gentleman made the statement I have just read. I just wonder why something cannot be done. We have been told every year that it is because of the provinces; it is because of the dual control over crime. I am not familiar enough with it to know just why it is. I do know that the federal government controls penitentiaries.

This bill calls for the appointment of a commissioner and two assistant commissioners. I have no objection to it. I should like to see it go through. I should like to see the commissioners appointed and get on with whatever has to be done. I believe everyone in the house is interested in penal reform; I have been interested in it for years. It has been a subject of study by me for quite a few years. I have felt that after-prison care was something we were away down on, something with which we did not seem to be able to grapple, how to take care of a prisoner when he is let out of the penitentiary. If the new commissioner and his assistants can bring in some report to the minister under which after-care to the prisoner can be improved above what it is today it should be done, because it is really not carried on today, except what is done by private institutions such as the big brother movement and the association of police commissioners who do interest themselves, as I know very well from my connection with the efforts in Toronto under the last chief of police we had, General Draper, who spent a lot of his time with the police association in after-prison care. That should be extended and expanded. If the minister has that in his mind I am sure that his commissioners will follow out whatever instructions he gives in that regard.

I have said that I have been interested in this matter for a long time. I have spoken on it before. I went to England for the purpose of studying the Borstal system. The Borstal system has been in operation in England for many years and has given eminent satisfaction. I believe they wholly reclaim 58 per cent of all first offenders. That is something to aim at. I am sorry to say that here in Canada, so far as I know, that is not the case. Many young offenders who commit major crimes for which they are sent to the penitentiary, are sent among hardened criminals. Often when they come out they are frequently more criminally minded than when they went in. Surely there must be some method by which that could be improved.

The minister has read, as I have, what was said in 1946 by many organizations, that we were down near the foot of the ladder so far as prison reform is concerned; I presume I should say, so far as the reformation of criminals. Often when they come out they are frequently more criminally minded than when they went in. Surely there must be some minor jails under the provincial governments, as we have been told here, why cannot we do something? That is what I should like to know. Are the hands of the federal government so tied that nothing can be done? If not, will the commissioner and his two assistants be able to find some method that up to the present we have not been able to put into operation to reform criminals and to cut down their being released to go out into the world again and greatly increase the number of crimes committed in the country.

I am convinced that every hon. member will go the limit to help the minister in any programme that he can bring in, including the appointment of the commissioner and his two assistants, to reform the method of taking care of criminals in Canada. I do not know that I can say much more. I have given the matter a lot of study. I myself went to many of the prisons in England. I stayed in them and ate in them. I stayed in them all

day long; I was locked in to see how the men are trained and taught and how they are reclaimed. They are separated. The first offenders, or young men, are not in the same part of the prison in Glasgow or Wakefield, near Leeds, as the hardened criminals. Whether we can do that in Canada I do not know. I shall be anxious to hear what the minister proposes or hopes will be the outcome of the legislation to be founded on this resolution. I for one—and I am sure the same can be said for all other hon. members—will support him to the limit if he brings down a programme whereby the reformation of criminals in Canada can be greatly improved over what it is today.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): The hon. member for Davenport (Mr. MacNicol) is a great humanitarian. His tribute to the late Mr. Lapointe was felt by all. Hon. members are, I am sure, grateful to him for remembering a great minister of justice and for recalling what he meant at the time when he sponsored the idea of the penitentiary commission. I also remember two persons who insisted on that and who were our mutual friends, the late Harry W. Anderson of the Toronto *Globe* and our former colleague Miss Agnes MacPhail. They did not belong to the same political faith, but they both believed in the reformation of criminals and their change of heart after a certain period in the penitentiary.

Naturally, the purpose of the penitentiary commission was excellent. If Mr. Anderson and Miss MacPhail had not insisted so much, perhaps we would never have had such a commission; but I remember the day in the house when Miss MacPhail undertook the defence of a convict and a former minister of justice, Mr. Guthrie, took out of his pocket a record of that individual which was quite different from the description which Miss MacPhail had given of him. It is all right to be kind, but there are some convicts who are dangerous men, and there are recidivists, which proves that sometimes it is dangerous to be too kind. I will not mention minor offences and first cases of petty smuggling or things like that. That is just the spirit of adventure; but when a man goes into housebreaking or commits a crime mentioned in the criminal code, he has to be examined by doctors, and perhaps his mind is not all there. He must be treated as humanely as possible. I do not believe in galleys and the punishments of the middle-ages, in the carcan and all that. I do not believe in that system at all, because it is my deep conviction that even those who infringe upon the provisions of the criminal code and have been found guilty of a crime should be treated just as well as it is possible for society to permit. On this I do not believe that there is any difficulty; but there is something else. I have read the report of the commission. I remember the day in late summer when the hon. member for Vancouver South asked Mr. Lapointe, who was then Minister of Justice, why the commission had not been named. I told him plainly, in as good English as I could use, that I was responsible for it because I had told Mr. Lapointe that there were intrigues behind the appointment of the commissioners, and Mr. Lapointe promised me that no one who had been on the investigating commission would be appointed to the penitentiary administrative commission. I wonder if my hon. friend remembers that. It is all on *Hansard*. It took place on the last occasion when Mr. Lapointe was piloting his estimates through the house as Minister of Justice. My memory of it is so good that I remember the hon. member for St. Paul's stating that evening that he wanted the Royal Canadian Mounted Police to take the place of the provincial and the municipal police. Those are recollections of past days.

At that time there were serious objections to the appointment of an administrative commission as suggested by the investigating commission. If hon. members will take the trouble to look at their report they will see that it was padded up to make a great big book. One need only look at the bibliography of the report to realize the bluff of the investigating commissioners. They mentioned in their report all the books that had been published on penitentiaries. If they had read them it would have been superfluous for them to charge so much for their travelling expenses. If they had read those books it would not have been necessary for them to visit Sing Sing and other penitentiaries. They had no reason to go there because the books gave complete information on the subject. If they went there it was because they had not read the books. But why pad the report? The expenditure was extravagant. I complained about it, and one of the commissioners told me that I was not a friend of his because I had spoken my mind in the house and said what I thought about the matter. There must be an end to that kind of vagrancy in bureaucracy.

My hon. friends are complaining all the time about bureaucracy. They say there is too much bureaucracy. Well, Mr. Speaker, this is so much more bureaucracy that we are asked to instal today. I wonder if a single member who votes for this resolution will be justified in speaking one more word against bureaucracy. Everybody has his mouth full of bureaucracy —bureaucracy here, bureaucracy there. This

is more bureaucracy and apparently everybody is ready to swallow it. What of the people who complain of high taxation on account of bureaucracy? This is bureaucracy of ten years ago. Ten years ago the civil servants numbered 50,000; today they number 160,000, and we have not enough; we want more. There is, I know, a spirit of benevolence, of human fraternity and the brotherhood of man. That spirit certainly exists, but just the same we have to apply the axe somewhere, and I do not see how we can instal more bureaucrats in Ottawa when we have not the courage, just because of personal friendship, to dismiss anyone. I have said this already and I repeat it. The wife of such and such a bureaucrat may be a friend of the wife of such and such an official in the department.

Some hon. MEMBERS: No.

Mr. POULIOT: I am not speaking of any one particular bureaucrat or official. I am speaking of the bureaucrat type, where the wife of the bureaucrat is the friend of the wife of the official, and their children play together. If an incompetent bureaucrat is fired the official knows very well that he will have trouble at home, because his wife will say, "Why did you fire the husband of my very dearest friend?" And then the children will come and say, "Daddy, daddy, daddy." They will repeat it several times, and then they will cry because they will be unable to play with their little friends who will be mad at them because their father was fired by the official. That is how we go on. All that has been said about bureaucracy has been platonic, and if members are sincere they must vote against the proposal before us. Why not make a reduction of personnel in the Department of Justice, so that there will be no more expenditure to the public account of such schemes which have not been put in force for ten years. We have waited so long and during that time the wave of bureaucracy has been swelling higher and higher all the time. Now on the crest of the wave we want to put the cork on the penitentiary commission—very high on the crest of the wave. More bureaucracy.

I sympathize with the hon. member for Davenport (Mr. MacNicol), who is a personal friend of mine and for whom I have a great admiration, but I do not think he is logical. I see my hon. friend the member for Vancouver South (Mr. Green) sitting next to him. I also have a great admiration for him and he is a personal friend of mine. I have consideration and esteem for him, but I find that he and the hon. member for Davenport are most illogical.

Mr. GREEN: I have not said a word.

Mr. POULIOT: I am not a mind reader, but I remember the hon. member's past speeches.

Mr. GREEN: I was just smiling at you in a friendly way.

Mr. POULIOT: I would not displease my hon. friend for a kingdom, for, although we do not agree on everything, I have a soft spot in my heart for him, and I am quite sincere when I say that. He was kind to me once and I shall never forget it.

An hon. MEMBER: How many soft spots have you?

Mr. POULIOT: Not many. This is a serious matter. If I have prevented my hon. friend the member for Vancouver South from repeating what he has said in the past I have rendered a great service to him. I have prevented him from contradicting himself by approving this increase in the number of bureaucrats.

I will now leave it to the house, Mr. Speaker. I think I have spoken plainly enough to be well understood. If some hon. member declares himself in favour of this appointment, that is his business. I respect freedom of thought and of speech, but I tell him that he will be depriving himself of the right to complain in the future about bureaucracy in Ottawa.

Mr. T. L. CHURCH (Broadview): Mr. Speaker the first time I saw or heard my hon. friend who preceded me (Mr. Pouliot) was over at the Hull assizes some years ago, where he had a jury of young gentlemen like those from Quebec I see opposite me, weeping copious buckets of tears. This problem to which he has referred tonight goes back twenty years to the time when Mr. Harry Anderson was editor of the old Toronto *Globe,* a real reform newspaper. He took up the cudgels for penitentiary reform, aided by a pioneer in it, the *Telegram.* The city of Toronto had established a gaol farm for young offenders on Yonge street at Thornhill and another one for women at Concord near the city. They introduced many reforms which had been put into force in Britain twenty-five years ago, including the payment of fines, which later reform had resulted in closing half the prisons in Britain.

This resolution deals with two questions, the appointment of a commissioner and two deputy commissioners, and to provide for the

payment of their salaries; and, second, that the Civil Service Superannuation Act shall apply to the commissioner and deputy commissioners. So far so good. But a military gentleman was appointed in April a year ago to make a report on the penitentiaries, and when we got his report we found that he made some of the recommendations which were made by Mr. Harry Anderson of the *Globe* twenty years ago and which have yet not been adopted.

We should have some further system of inspections of these places other than by crown officers. These are all crown officers mentioned in the resolution. If grand juries are not to be allowed in, somebody should be allowed to go in respresenting the public. The hon. member for Hamilton East (Mr. Ross) has a large delegation going to Niagara Falls next week-end. There is no reason why there should not be, under the act at the present time, a board of visitors, as there is now already, consisting of members of parliament and others. If the minister will not allow grand juries to go in, he should arrange for some visits by committees when the house is sitting. I do hope that something will be done about this matter of real prison reform, because it has been made a political football for twenty years.

Mr. H. W. HERRIDGE (Kootenay West): I rise to speak briefly in support of the remarks made by the hon. member for Davenport (Mr. MacNicol). I certainly could not agree with the opinions of the hon. member for Temiscouata (Mr. Pouliot). I want to compliment the government on marching triumphantly behind the leadership of Canadian public opinion and Canadian conscience in these matters. I am quite sure there is a great demand for improvement in our penal administration and I think this legislation represents a step in the right direction. I am of opinion that, under the Minister of Justice (Mr. Ilsley), in the very near future we are going to see something done in this matter.

Before sitting down, I wish to say that, in my opinion, the whole success of our form of penal institutions, their administration and their improvement in the future will depend almost entirely on the type of personnel who are appointed to these high positions. I do hope that every consideration will be given to selecting men who are not of military mind, who do not have an entirely disciplinarian outlook, but who have a full and complete understanding of human nature and its treatment under these conditions.

Motion agreed to and the house went into committee, Mr. Golding in the chair.

Mr. GREEN: Before the resolution carries, will the minister explain to the committee just how far he is proposing to go in the bill? I notice that the resolution mentions only the appointment of a commissioner and two deputy commissioners. It may be that the intention is to make other improvements in our penitentiary system; and I hope there are to be improvements along the lines suggested in the Archambault report and also in the report of Major-General Gibson. Will the minister give us in some detail what his plan is for improving the penitentiary system?

Right Hon. J. L. ILSLEY (Minister of Justice): I think it would be more appropriate to do that at a later stage. This is a very simple bill. It changes the plan which was laid down in the Penitentiary Act of 1939, an act which has not been proclaimed. The act of 1939 authorized the appointment of a penitentiaries commission consisting of three persons; and the government after giving careful consideration to the desirability of appointing a three-man commission, came to the conclusion that it was more desirable to appoint a one-man commission with two deputy commissioners. The appointment of a one-man commission and two deputy commissioners is the whole purpose of this bill. I think it is due the committee that I give some reasons why that change in plan was decided on.

The Penitentiary Act, 1939, was enacted as a result of the report of a royal commission appointed to investigate the penal system of Canada. Heretofore the administration of the penitentiaries has been the direct responsibility of a superintendent who has reported to the deputy minister of justice and has acted under his instructions, subject to the direction and approval of the minister. It is true that the superintendent was assisted in his duties by three inspectors, but in practice not only all matters of policy but all day-to-day administrative decisions in connection with penitentiaries were submitted to and dealt with by the superintendent personally.

The royal commission considered that the problems of penal administration were too large in scope and too serious in results to be thus concentrated in the hands of one man. They referred to the system of administration in force in Great Britain where there was a prison commission consisting of a chairman and two other commissioners, one administrative and one medical, reinforced by four assistant commissioners. They pointed out that under this system each member of the commission assumed responsibility for his own share of the work of the department and each

of the assistant commissioners was entrusted with a particular phase of the prison problem and with the inspection of a particular block of prisons. The royal commission emphasized the advantages of a system which permitted greater delegation of administrative responsibility and division of the various duties involved in penal administration amongst a larger group of officials. They also recommended that for purposes of administration the prison commission should be responsible directly to the Minister of Justice in the same manner as the commissioner of the Royal Canadian Mounted Police, since it was felt that the deputy minister of justice as chief law officer of the crown should not be burdened with penitentiary administration.

The Penitentiary Act, 1939, accepted the general principles involved in these recommendations; that is, an augmented staff to deal with penitentiary administration and direct responsibility to the minister, and provided, in section 4, for the appointment of three commissioners to replace the superintendent and, in section 8, for the appointment of three assistant commissioners to replace the former inspectors. It further provided, in section 5, that the commissioners should, under the minister, have direct control and management of all penitentiaries and over all matters connected therewith with power, subject to the approval of the minister, to make rules and regulations for their administration, management and discipline.

The bill which it is now proposed to introduce does not alter the size of the organization which the royal commission considered desirable for the administration of the penitentiaries and which parliament approved in passing the 1939 act. Nor does it change the principle of direct responsibility to the minister for penitentiary administration. The only change it contemplates is that there shall be one person responsible to the minister for the administration of the penitentiaries, with whom he can deal directly rather than a commission of three men each with equal responsibilities. It will in no way prevent a suitable division of responsibility under the commissoner for the various phases of administration amongst the deputy and assistant commissioners, as contemplated by the royal commission. It should, in fact, make it easier for these officials to concentrate upon the particular phases of administration to which they will be allotted without the necessity of their becoming responsible for all matters of policy. It will also facilitate the appointment of those who have special qualifications for the branch of the work to be allotted to them.

[Mr. Ilsley.]

It is to be anticipated that there will be the fullest consultation between the commissioner and his deputies and assistants, and that their advice in their own spheres will receive full consideration when decisions affecting policy have to be made.

However valuable multiple bodies may be in consultative or advisory capacities, it is a sound principle of responsible government that, in administrative matters, there should be one responsible head charged with the duty of making decisions for his department and of submitting to superior authority recommendations for which he assumes responsibility. It is significant that in a recently published Manual of Suggested Standards for a Correctional System prepared by the American prison association in October, 1946, after lengthy consideration by the outstanding penologists and authorities on prison administration in the United States, the following statement appears:

> In a decreasing number of states the correctional institutions are administered by a board of three or more salaried, full-time members (known as board of administration, board of control, etc.), either with the chairman serving in the capacity of executive director or each member administering a prescribed part of the programme. Such a board seldom gives the correctional institutions as effective administration as a strong department of correction under a single qualified commissioner would. The best opinion is against this multiple-executive form of administration and strongly in favour of the single professionally qualified administrative head, whether with or without a policy-making board of part-time non-salaried laymen.

It is also significant to note that the federal bureau of prisons in the United States, which is responsible for the administration of all prisons under the jurisdiction of the federal government, has adopted this principle of a single director as its administrative head.

In paragraph 16 of his recent report General Gibson has outlined the proposed allotment of responsibility to the deputy commissioners and the assistant commissioners. With proper consultation and mutual confidence and understanding between the commissioner and his assistants there is every reason to anticipate that the organization proposed will accomplish satisfactorily the purposes the royal commission had in view in recommending a larger body to administer the penitentiaries, and at the same time will adhere to the principle of a single responsible head that recent administrative practice strongly favours.

Perhaps at this point I should place on record parts of the report of General Gibson to which I have referred:

> The royal commission proposed the appointment of a prison commission composed of three members to administer the penal system of Canada responsible directly to the Minister of

Justice. It is evident that in making this recommendation the royal commission had in mind its further recommendation—

And I think this is important.

—that the federal government take over the administration of all the prisons in Canada, thus centralizing the control of the Canadian penal system under the government of Canada.

Mr. MacNICOL: Did that include the provincial prisons?

Mr. ILSLEY: Yes, which we do not propose to do.

As will be stated later, it is not yet considered practicable to give effect to this recommendation—

I do not know whether it will ever be practicable to give effect to the recommendation.

Mr. GREEN: From what page is the minister reading?

Mr. ILSLEY: Part of the time I am reading from page 8, and part of the time I am interjecting my own comments.

As will be stated later, it is not yet considered practicable to give effect to this recommendation and the government has recently decided that for the present it is preferable to entrust the administration of the penitentiaries of Canada to a single commissioner assisted by two deputy commissioners, with a headquarters organization consisting of the inspectors and staff of the present penitentiaries branch, the inspectors being reclassified as assistant commissioners.

It is proposed that one deputy commissioner will be primarily charged with the selection, training, assessment and further reconstruction of the staffs of the penitentiaries and with the organization and supervision of a training school for penitentiary officers. He will also be responsible for the supervision and development of the educational facilities in the institutions under the control of the dominion government.

It is proposed that the second deputy commissioner will be primarily charged with supervision and development of the medical and psychiatric services, physical training and recreational facilities as well as the development of research and statistics to assess the adequacy and results of present and proposed methods of correctional treatment.

The next paragraph, which I shall not read, deals with the assistant commissioners. The bill will concern itself with the appointment of the commissioner and two deputy commissioners; that is really what the bill is. We must proclaim the act of 1939 after we make the changes parliament considers appropriate, and the government is recommending to parliament that, instead of proceeding with this three-man commission, we substitute instead one commissioner and two deputy commissioners, for the reasons I have given here. In the late thirties much faith was reposed in three-man boards or five-man boards or larger boards, and there is much to be said for that form of organization in dealing with certain matters. But in the legislation the principle of responsibility to the minister is preserved, and I think parliament would want it preserved. It is provided in the bill that the penitentiaries commission at all times must be subject to the direction and control of the minister, and it is our view that better results will be obtained if, instead of having a board under the minister, we have one commissioner under the minister. That is, we think, a better form of organization, provided that you get a good man; and I do not think I should hesitate about stating who the commissioner will be if this legislation goes through. The commissioner will be General Gibson, who up to this moment has been doing a special task of examining the whole problem. I should make it clear, too, that this recommendation did not emanate from him. This recommendation emanated from the government. It was not he who recommended that he be the sole commissioner; it was the government that asked him to be the sole commissioner, subject to the approval of parliament, and we anticipate that it will be possible to get highly qualified deputy commissioners, each of whose work will be clearly delimited and defined in the way I have mentioned, and that this organization will form the best basis for effecting certain changes and imporvements in the penal system of Canada.

So often I hear that the government should carry out the findings of the Archambault commisison. One of the recommendations of that commission was that in some way the dominion government should take charge of the penal system of Canada, which, unless indefensible duplication existed, would involve the taking over of a large number of provincial institutions. We have not the slightest indication that the provinces would be willing to have that done, and we have not any intention of trying to centralize authority and power in Ottawa in that way. It may be that there is much to be said for a complete integration of the penal system of Canada. But a division of responsibility is clearly contemplated under the British North America Act, and it is our intention to respect the provisions of that act.

I see that some hon. members have read the report of General Gibson, a report which, in my opinion, is a practical one. The steps which were taken by General Gibson before he came to his decisions are set out in his report; and I think those who are interested in the improvement of the penal system in Canada have been much impressed with his report.

I am not in a position at the present time to say that the government will do everything General Gibson recommends in his report; but certainly we are very much more likely to go to that length than we are to go to the full length recommended by the Archambault commission. I am not saying that the Archambault commission report was not a valuable document and an important contribution to the cause of penal reform in Canada. But I do say that certain recommendations in it are, in my judgment, impracticable; and that the recommendations made by General Gibson in his report are for the most part at least practicable and desirable.

Mr. MacNICOL: After listening to the minister, all I can say is that I hope a great advance will be made. The minister did not say anything about the reclamation of prisoners. I have not read the report about which he has spoken, although I did read the Archambault report.

However I like to find things out for myself. I have travelled extensively to do so, and for a long time, along with many others, I have asked myself how we can reclaim the prisoners who come under the care of the federal government. I appreciate we cannot do very much for those who come under provincial care. I believe that, generally speaking, the provinces are acting in the matter; I know Ontario is. Mr. George Dunbar, the member from Ottawa in the local house at Toronto, is the minister in control of penal institutions. Last year Mr. Dunbar went to England to make a survey, and I believe that, in doing so, he covered about the same route I covered when I made my survey of British prisons, and the manner in which they deal with the reclamation of prisoners. In England and Scotland they use the Borstal system, and the institutions over there using that system are increasing in number because of the beneficial results obtained.

Apparently, however, unless we can use it in connection with the young offenders who are sent to our penitentiaries for major crimes, we cannot carry out that system in the federal field. But I do not see why we cannot. I am one who believes that many serious crimes are committed without any intention on the part of the young men concerned to commit crime. Perhaps a young man may have some twist in his mentality; I believe a considerable percentage of young folk may not be 100 per cent mentally competent. I do not mean that they are crazy; but there is something wrong with them which prompts them to do something they ought not to do. Perhaps, instead of being incarcerated with hardened criminals who—and I agree with the hon. member for Temiscouata—might be beyond redemption, these young men could be reclaimed.

Will the new board have authority to introduce reclamation methods in federal penitentiaries for first offenders? Surely they can go that far. Surely we can reclaim those young men, just as they do it in England, although, in England it is all under one government.

Mr. ILSLEY: Yes.

Mr. MacNICOL: And they have an easier system under which to work. With our federal government and the nine provinces it becomes more difficult. But can we not introduce something along the lines of the Borstal reclamation programme for the benefit of first offenders in federal penitentiaries? Perhaps the minister has not had time to give the matter all the thought he would like to give it. I have given it thought for a long time, and have made a careful survey. I am one who believes that a goodly percentage of first offenders in federal penitentiaries could be reclaimed. Will the government's programme include the reclamation of first offenders?

Mr.ILSLEY: I have read a number of speeches which have been made in the house through the years about penal reform, and I remember in particular the substance of a sentence used by the hon. member for Spadina in one of his speeches, where he said that the three principles which ought to be observed are classification, segregation and after care. If hon. members will look at General Gibson's report they will see that he is fully aware of the importance of classification, segregation and after care, and that he has recommendations to make under each of those headings, although perhaps he does not use those exact terms. Some progress has already been made.

I do not know that I want this evening to go into a discussion of methods of dealing with prisoners, because the principle of the bill is a very simple one. It is a step which must be taken to set up the organization to deal with the problem. At a later stage I shall be prepared to discuss the Borstal system, and how far it is possible for the dominion government to do anything in the application of that system here in Canada. The whole problem is complicated by the division of responsibility between the federal and provincial governments, but probably it will not be impossible to apply certain features of the Borstal system, even in connection with some federal institutions.

It must be borne in mind that the Borstal system is not a penitentiaries system at all.

Mr. MacNICOL: It is a reclamation system.

Mr. ILSLEY: A Borstal institution is not a penitentiary.

Mr. MacNICOL: It is a reclamation of offenders.

Mr. CHURCH: Mr. Chairman, there are two or three matters I should like to bring to the attention of the minister. I am glad he is at the head of this department, because he has the habit of making some changes and securing some efficiency for the money expended.

Is a definite policy to be adopted of training these officials? Before the minister took charge of this department, most of the officials just learned from experience. I found out that you cannot learn the police business in a day. We had a chief of police who had been at the head of our force in Toronto for thirty-five years. He retired, and a deputation came to me and wanted to put a businessman who had no training for the work into that position. I told them, "You cannot learn Eaton's or Simpson's business in a day; how are you going to learn to be chief of police in a day?" It is the same in this department. The civil service commission have been making the appointments, based mostly on party patronage. The result is that they have not had the class of official they should have at the head of this most important work.

I hope the minister will be able to make some of the necessary changes. Every large corporation or business has a new manager or a new president who could take hold the next day. I hope there will be some such new system adopted in this department. Since the Archambault report was tabled ten or twelve years ago, they have recently changed for the better one hundred of the regulations. I should like to see them go farther and confer with the provinces about what should be done in connection with the Borstal system. A return was tabled this session stating that this matter was waiting a conference with the provinces. Ontario and Toronto have been leaders in reform and they had two or three crime institutions in operation in 1910, long before the Nickle report of 1921, at North Yonge street cure farm for men, and for women a farm at Concord, taken over in the war by the province for a hospital. Mr. Dunbar, the provincial secretary of Ontario who represents an Ottawa seat, has opened a reformation school at Brampton, I believe, for youthful offenders.

Another matter I should like to see looked into is that of definite and indeterminate sentences. The late Chief Justice R. M. Meredith took the view that a sentence of 365 days in a provincial institution plus an indefinite period was not legal. I hope the minister will look into this problem of indeterminate detention. It is not in the public interest.

Mr. TIMMINS: There seems to be more involved in this matter than the mere appointment of three officials; apparently it is linked up with a programme which is essential if these officials are to function. I should like to ask the minister, who is the person who has been directly responsible up to this time for administration in connection with these matters? Who has been directly responsible to the minister? Is the work of that person who is directly responsible to be superseded by these new appointments? Many of us have read General Gibson's report which is quite comprehensive and covers the whole field, but I think we should like to know what express programme is to be handed to General Gibson and his two assistants to carry through. I do not think we should be asked to appoint a commissioner and two deputies when we do not know what parts of this report are to be formulated into a programme in order that we may have a definite penal system in the future.

Mr. ILSLEY: At the present time there are a superintendent and inspector.

Mr. TIMMINS: Is the superintendent vested with plenary powers under the minister to do many of the things set out here?

Mr. ILSLEY: I am not just sure how far the Penitentiary Act goes in giving the superintendent power. I speak subject to correction, but there are certain vacancies in the organization. One of the inspectors has been acting as superintendent and another inspector has retired. Instead of there being a superintendent and three inspectors, there is an acting superintendent and one inspector. With the shrinkage of the organization it became necessary for someone else to take on additional duties, so that, for the last six months or so, General Gibson has been engaged to a considerable extent in administrative duties in connection with the penitentiaries.

Mr. TIMMINS: Will the programme go into effect with the appointment of the commissioners?

Mr. ILSLEY: I would prefer to state at a later stage just how far the commissioner will go in carrying out the recommendations made by him in the report that is before the house. As I say, undoubtedly most of that report should be put into effect at the earliest possible moment. The carrying out of some of

these recommendations may have to be deferred and it is possible that not all of them will be carried out, but these are matters that will have to be considered. I shall have to make a statement at a later date as soon as the decisions are arrived at.

Mr. TIMMINS: Would the minister consider the suggestion that in the meantime only the commissioner be appointed and that the government wait until the commissioner is fully seized of these matters before appointing the two deputies? Then, when the deputies are appointed some programme should be brought down.

Mr. ILSLEY: I think it is desirable that the commissioner be appointed as soon as possible and I would hope that the deputies would be appointed shortly afterward. I made the statement a while ago that the commissioner would be General Gibson. A minister should not make a statement like that; he should say, which I am quite prepared to say, that the recommendation of the government—

Mr. GREEN: We heard you the first time.

Mr. ILSLEY: —to His Excellency the Governor General will be that General Gibson be appointed.

Mr. TIMMINS: Having regard to the report that we have before us, I think we are all pretty much in agreement with that appointment.

Mr. MATTHEWS (Kootenay East): I am sorry that I was not in my seat when the discussion began tonight and have therefore missed many of the things said by the Minister of Justice. I am one of those who have read this report very carefully. I am impressed with its goodness. It is indeed a step in the right direction. However I was sorry to hear the minister say that the government is not prepared to adopt all the recommendations made in this report, because to me they are all alike, commendable. However, as the minister said, it is the first step. We who are interested in this subject will watch the development of these commissioners' work very carefully indeed.

In recent years I have been one of those who have been very much impressed with the Borstal system as it is being worked out today in the old country, and I should like to see that system adopted in Canada on a federal scale.

There is one item on page 11 of the report which I should like to read:

> Your commissioner, therefore, recommends that authority be obtained for the establishment of a new institution in the province of Quebec, separate from St. Vincent de Paul penitentiary and that this institution be of the reformatory type to which could be transferred the youthful and reformable offenders sentenced to terms of two years or more in the province of Quebec. It is anticipated that the principles of the Borstal system may be applied to this institution.

And so on. So far as Canada is concerned, the only place where the Borstal system has been tried out was in British Columbia a few years ago. I am happy to say that that system is again to be reintroduced in that province. I hope that its usefulness will be of such a nature that we shall watch it carefully in the House of Commons, and that we shall be prepared to adopt it more generally across the dominion because, if there is one phase of our penitentiary system which is weak today, it is that of sending young offenders of the reformable type into our federal penitentiaries where they meet from day to day the most hardened criminals that we have in the country.

It is noted from time to time in this and other reports that some of these young men come out of our federal penitentiaries infinitely worse than when they went in, just because of their association with hardened criminals. The mistake, to my mind, is made in the first place by putting these young reformable-type prisoners into these institutions.

I noticed that the minister said a Borstal institution is not a penitentiary. I admit the truth of that statement and I hope they will never be looked upon as penitentiaries. I remember visiting a Borstal institution in Lincolnshire, England, last fall. There it is spoken of as an institution. The word "prison" is never used. I admit that it is what is called an open Borstal. There are both closed and open Borstals; but there the word "prison" is not used. In fact it is a punishable offence if any boy mentions the word "prison". There are no locks and no bars. The boys are treated with every degree of trust and confidence. They are being trained day to day to become the type of citizen they ought to be. I should like to see that system developed more and more in our Canadian prison institutions.

There are many other matters in connection with this report that one might speak on; but, as I said a few moments ago, I have not prepared any speech in this regard. I have read the report. I am impressed with it and I believe it is indeed a forward step. I hope that, if not all, as many as possible of these recommendations may be carried out.

Mr. KNIGHT: I wish to say a word on one phase of what the minister has said. I am particularly glad that definite and skilled instruction is to be given to the people who are to be in charge of the penitentiaries, and

who are responsible for their administration. That has been one of the greatest drawbacks of the system which we have had up to now, and it is something about which the country can complain.

I was interested in the fact that one of the deputy commissioners is to be the instructor, as it were, of the inspector's staff. He is a man who assumes a tremendous responsibility and the man who, if he is left alone and is not interfered with, will imprint his ideas in regard to care in penitentiaries upon the whole penitentiary system. In my opinion, his selection is a matter of tremendous importance. I hope we have decided that education is perhaps the most important work that can be carried on in connection with prisoners. Surely at this time these institutions should be considered not merely as punitive institutions but almost wholly as reformatory.

Speaking of commissions and of their reports, I should like to put on the record my admiration of the report of the commission which studied the prisons and penitentiaries of Saskatchewan, a commission headed by Doctor S. R. Laycock. That report more than any other which I have read attacks the problem of crime from the right angle, that is to say, reformative, to which I have already referred.

Mr. GAUTHIER (Portneuf): May I say a word in support of what the hon. member said about the Borstal system. It is true that it is only an institution; it is not a penitentiary. But, of course, some accidents happen once in a while in Borstal institutions. The other day I saw a report in a paper that a young detainee was guilty of an assault on one of the guards; but it was just an accident. I do not say that to speak against the Borstal system, because I favour it.

A week ago, I believe, in Quebec the legislature adopted a law to provide subsidies for the study of juvenile delinquency in that province. I may say, in passing, that I do not approve the centralization of all the penal systems in Canada. If there has to be centralization, I trust it will be done only after a long and careful study and parleying with the different provinces.

The hon. member said that some of our young detainees were coming out of penitentiaries worse than they were when they went in. That is true. I have a special case under consideration, a young man who is not an idiot or insane, but who has been sentenced for three years for robbery of some kind. I know he was not responsible, because he had taken a glass of wine with a companion he had just met on the road. I am positive that it may happen that when he comes out he will be worse than when he went in. He is easily influenced. One thing I noticed in the Gibson report is that Colonel Gibson said there is only one psychiatrist in one penitentiary in Canada, Kingston. There was none in any other penitentiary. That is due to the lack of administration and comprehension of the *status mentis* of all prisoners, especially criminals. In the Toronto *Star* of April 24, 1947, I also noticed an article by Wessely Hicks. In this article he mentions that Mr. Edmison, president of the Canadian penal institution, a lawyer with a lifelong interest in penology, recently visited penitentiaries across Canada. I should like to quote the following from that article:

> I visited Stony Mountain, Prince Albert and New Westminster penitentiaries in the west. I visited Dorchester prison in New Brunswick, and the penitentiary in Kingston. There was one psychiatrist at Kingston, Doctor C. M. Crawford, and he is the only psychiatrist attached to any prison in Canada.
>
> Every prison should have at least one psychiatrist to deal with abnormal offenders such as sex perverts.

And so forth.

I have read that just to come to the question I wish to ask of the minister. Is it the intention of the government to appoint a medical man as one of the two deputy commissioners on the new commission that is proposed? I think that is essential.

Mr. ILSLEY: The nature of the duties to be discharged by one of the deputy commissioners would, it is expected, call for some knowledge of medicine or psychiatry. I cannot say anything about the intentions of the government beyond this, that we shall be disposed to accept the recommendation of General Gibson as to the division of responsibility between the two deputy commissioners. I placed those duties on record tonight. The language is very carefully framed. I will read it again:

> It is proposed that the second deputy commissioner will be primarily charged with supervision and development of the medical and psychiatric services, physical training and recreational facilities as well as the development of research and statistics to assess the adequacy and results of present and proposed methods of correctional treatment.

If those are to be his duties the government will seek a man qualified to discharge them, which, I assume, would call for some knowledge of medicine or psychiatry.

Mr. GREEN: I take it from the reluctance of the minister to give any details of his plans for improving the penal system in Canada that he has still somewhat of an open mind.

Mr. ILSLEY: Yes.

Mr. GREEN: I realize that he will give the most careful consideration both to the Archambault report and to the report of General Gibson, but I am a little worried for fear that General Gibson will not be supported as he should be. There are in his report certain suggestions having to do, for example, with the treatment of young offenders between the ages of sixteen and twenty-one. I can assure the minister that in British Columbia at any rate, the utmost interest is being taken in the treatment of the young offenders. Our government there is planning to establish a Borstal home, and I know I have had representations from many responsible citizens in Vancouver, and no doubt there have been similar representations from other parts of the province, all urging action on this question of penal reform. That one question of what is to be done with the young offenders is, I think, the key question worrying most of the people who are making these representations. General Gibson deals with that problem and on page 16 of his report he makes this recommendation. After discussing the Borstal system and the treatment of young offenders and pointing out that the provinces have a certain jurisdiction over the young offenders, the general says:

> These developments emphasize the necessity for a conference of the responsible authorities to determine the respective responsibilities of dominion and provinces in dealing with this problem and to define and coordinate the action to be taken by each to avoid overlapping and duplication of facilities.

I should like the minister to tell the committee whether or not he is prepared to call a conference of that type at an early day. It does seem to me that such a conference is important in working out proper plans for improving the methods of dealing with these young offenders.

Another recommendation made by General Gibson has to do with the prisoners' aid societies. His remarks will be found at the bottom of page 16:

> Your commissioner is of opinion that the activities of these societies should be encouraged and recognized and recommends that when a society demonstrates that it has been organized to carry out its duties with a reasonable degree of efficiency, provision should be made for it to receive financial assistance from the dominion government, based on the numbers released from federal institutions who have been assisted by its activities, to supplement the funds received from other sources.

I should like the minister to tell us whether or not he agrees with that suggestion and whether the government intends to take action that will enable support of that kind to be given to these voluntary associations.

One other question has to do with the training of personnel of the penitentiary staffs. General Gibson emphasizes in different parts of his report the great need for giving modern training to the staffs of the penitentiaries, and at page 9 of his report he says that in the middle and higher range of salaries the penitentiary employees are not getting proper pay at the present time and he recommends that there should be a revision upwards. My third question of the minister would be whether or not the government is willing to make the necessary changes by way of giving these officials proper salaries and by enabling General Gibson to set up a proper training school for his staff. If there is no willingness to support the general on these different points I am afraid he has not very much chance of making a success of his new position. I should like to have the minister's answer to these three questions.

Mr. ILSLEY: I shall have to give my answer at a later day. On the question of salaries, my impression is that a great many adjustments upwards have already been made.

Mr. GREEN: The minister will find that recommendation on page 9 of the report.

Mr. ILSLEY: What is the date of the report? It was in February, was it not?

Mr. GREEN: February 5, 1947.

Mr. ILSLEY: Yes. There will be no hesitation on the part of the government to pay the men what they ought to receive. The trouble about that is that there is never any agreement about what people should receive. It is the whole problem of pay of the civil service in all its branches. Thousands and thousands of adjustments are being made all the time, and I am not aware that at the moment this particular class of officials of the government is being discriminated against.

Mr. GREEN: If I may interrupt the minister, General Gibson does not say that there is discrimination, but he does say that if he is to have the proper type of personnel to do the work he is of opinion that the salaries will have to be increased.

Mr. ILSLEY: I think they are being increased. I understand that process is going on.

About the conference with the provinces, I shall have to make some statement later about that. I am not, at the moment, prepared to say that a conference will be called or when it will be called. I would assume that probably there would be a conference with the provinces.

Mr. NICHOLSON: I understood the minister to say earlier that he had reason to believe that the provinces would not be willing to give over their jurisdiction under the British North America Act.

Mr. ILSLEY: We have no reason to think they would; and I assume, from the general tone of a great many speeches that are made by members of provincial governments, that they would not.

Mr. GREEN: The minister is clear that General Gibson is not advocating that the dominion should take over all responsibility?

Mr. ILSLEY: Oh, no.

Mr. GREEN: He merely says that there should be a conference to define the respective fields and to work out a method of cooperation, which I think is quite proper and quite within the terms of the British North America Act.

Mr. ILSLEY: What was the third question, again?

Mr. GREEN: It had reference to prisoners' aid societies.

Mr. ILSLEY: Yes, grants to prisoners' aid societies. I cannot make any statement about that now. That is a matter for the treasury board, the Minister of Finance and the government generally. The matter is not yet at such a stage that a programme of financial aid to these prisoners' aid societies could be instituted. I have discussed that recommendation, but that is the fact; it is not yet at such a stage that a programme of financial aid could be instituted.

Mr. KNIGHT: I wish to ask a question, in view of what the hon. member for Portneuf said. Is his information correct that there is only one penitentiary in Canada which enjoys the services of a trained psychiatrist?

Mr. ILSLEY: Yes.

Resolution reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 177, to amend the Penitentiary Act, 1939.

Motion agreed to and bill read the first and second times.

CANADA EVIDENCE ACT

AMENDMENT TO INCLUDE INDUSTRIAL DEVELOPMENT BANK AND BANK OF CANADA

Right Hon. J. L. ILSLEY (Minister of Justice) moved the second reading of Bill No. 175, to amend the Canada Evidence Act.

Mr. GREEN: Will the minister explain this bill?

Mr. ILSLEY: It is a very simple one. It just extends to the Bank of Canada and the industrial development bank certain provisions which now apply to other banks. Section 29 of the Canada Evidence Act provides for the proof of entries in books and records kept in a bank. Subsection 5 is being amended so as to include the industrial development bank established by chapter 44 of the statutes of 1944-45, and also the Bank of Canada.

There are just two sections in the bill. I have dealt with the first one. The second deals with the definition of "corporation". Section 29A of the Canada Evidence Act is being amended to correspond to the definition of "bank" in subsection 5 of section 29. I shall have to get the Canada Evidence Act.

The first section of the bill before the house reads as follows:

> Paragraph (a) of subsection five of section twenty-nine of the Canada Evidence Act, chapter fifty-nine of the Revised Statutes of Canada, 1927, is repealed and the following substituted therefor:
>
> "(a) 'bank' means the Bank of Canada, the Industrial Development Bank and any bank to which the Bank Act applies, or to which the Quebec Savings Banks Act applies, and includes any branch, agency or office of any such bank;"

Paragraph (a) of subsection 5 of section 29 of the Canada Evidence Act is the same, with the omission of the underlined words; that is, with the omission of the words "the Bank of Canada" and "the industrial development bank". The significance of the change is that section 29 will now apply to the industrial development bank and the Bank of Canada; and when it does, the following provisions will apply to those banks:

> Subject to the provisions of this section a copy of any entry in any book or record kept in any bank shall in all legal proceedings be received as *prima facie* evidence of such entry and of the matters, transactions and accounts therein recorded.
>
> 2. A copy of an entry in such book or record shall not be received in evidence under this section unless it be first proved that the book or record was, at the time of the making of the entry, one of the ordinary books or records of the bank and that the entry was made in the usual and ordinary course of business, and that the book or record is in the custody or control of the bank and that such copy is a true copy

thereof; and such proof may be given by the manager or accountant of the bank and may be given orally or by affidavit sworn before any commissioner or other person authorized to take affidavits.

Then follow certain other provisions. The marginal notes relating to these other provisions are as follows: cheques, proof of "no account"; not necessary to prove official character; compulsion of production or appearance; order to inspect and copy; notice; computation of time. Those are the provisions that apply to legal proceedings affecting banks, and hereafter those provisions will apply to the Bank of Canada and the industrial development bank.

Mr. GREEN: Merely extending those provisions to the Bank of Canada and the industrial development bank?

Mr. ILSLEY: Yes. That is section 1. Then section 29A of the Canada Evidence Act is the section that permits the admission in evidence of a print, whether enlarged or not, from any photographic film of an entry in any book or record kept by any government or corporation and destroyed, lost or delivered to a customer after such film was taken, and of any bill of exchange, promissory note, cheque, receipt, instrument or document held by any government or corporation and destroyed, lost or delivered to a customer after such film was taken, and of any record, document, plan, book or paper belonging to or deposited with any government or corporation. I have not read the whole section, but that is the essence of it. It is an authorization for the admission in evidence of photographic or photostatic copies.

Mr. GREEN: The amendment seems fair enough.

Mr. ILSLEY: Yes. The reason we do not have to say anything about the Bank of Canada in this section is that the Bank of Canada is already mentioned, so that it is only necessary to add the industrial development bank.

Mr. MENARY: I should like to ask the minister if banks are responsible for bonds, notes and papers placed in safety deposit boxes for safe keeping. If the bank should be broken into or the boxes broken into and bonds stolen, is the bank responsible?

Mr. ILSLEY: Would the hon. gentleman wait until we are in committee?

Mr. MENARY: I am sorry.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

[Mr. Ilsley.]

On section 1—"bank."

Mr. MENARY: If a customer has bonds or notes or papers in a safety deposit box and the bank is broken into and the contents of those boxes removed, who would be responsible? Is the bank responsible, or would the customer be responsible? Could the minister answer that question?

Mr. ILSLEY: I am afraid it would be improper for me to give legal advice even if I knew what advice to give.

Section agreed to.

Section 2 agreed to.

Title agreed to.

Bill reported.

Mr. ILSLEY moved the third reading of the bill.

Mr. HANSELL: I am not rising to speak on the bill itself but to protest against third reading being given at this time.

Mr. ILSLEY: Next sitting, then.

Mr. HANSELL: This afternoon a bill was reported from committee and read the third time and passed, and I do not think that is a good practice to follow. Usually we have some little time between second and third readings, and I think this motion should come up at the next sitting of the house.

Mr. ILSLEY: All right.

Mr. SPEAKER: Next sitting.

CANADA EVIDENCE ACT

PROOF OF TREATIES BY PRODUCTION OF "CANADA GAZETTE"

Right Hon. J. L. ILSLEY (Minister of Justice) moved the second reading of Bill No. 27, to amend the Canada Evidence Act.

Mr. GREEN: Will the minister explain this bill?

Mr. ILSLEY: The purpose of the bill is to provide for the proof of treaties to which Canada is a party by the production of a copy of the *Canada Gazette* or a volume of the acts of the parliament of Canada purporting to contain a copy of the treaty or by production of a copy purporting to be printed by the king's printer for Canada. The only section in the Canada Evidence Act under which a Canadian treaty can be proven is section 24, which requires production of a copy certified under the hand of the proper officer or person in whose custody it is. Section 20 provides for proof of imperial treaties by production of

a copy of the *Canada Gazette* or a volume of the acts of the parliament of Canada purporting to contain a copy or by production of a copy thereof purporting to be printed by the king's printer for Canada. The amendment proposed will, for the purposes of the Canada Evidence Act, place Canadian treaties in the same position as imperial treaties.

Mr. TIMMINS: What would be the practical application of this amendment? Would it have something to do with extradition, or something of that kind? Would it apply where a treaty for the extradition of prisoners would have to be read into the record?

Mr. ILSLEY: I am afraid I cannot give an instance. This was requested by the Department of External Affairs. It seemed reasonable, and we went ahead with it.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—Proclamations, etc., of governor general.

Mr. TIMMINS: I notice the Secretary of State for External Affairs is in his place. Could he give us the practical application of the amendment?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Certain treaties are implemented by legislation, which place obligations upon citizens of Canada. There may be occasions when the existence of such a treaty would have to be proved. It might be in civil proceedings, or even in proceedings of a criminal nature.

Take, for instance, the treaty with respect to migratory birds. There may be a violation of the provisions of that treaty, sanctioned by penalties enacted by Canadian laws. And it might be necessary to establish before the courts the existence of the treaty. It constitutes a fact that may have to be established in the course of judicial proceedings. And, just as in the case of imperial treaties, it is felt that the method of proof should be the same as that established by the Canada Evidence Act for other documents emanating from public authorities.

Mr. TIMMINS: Having regard to section 21 (a) of the proposed bill, we find that it says:

> By the production of a copy of the *Canada Gazette*, or a volume of the acts of the parliament of Canada purporting to contain a copy of such treaty, proclamation, order, regulation, or appointment or a notice thereof;
>
> (b) By the production of a copy of such treaty, proclamation, order, regulation or appointment, purporting to be printed by the king's printer for Canada.

It has always been my impression that there was a good deal of formality necessary in respect of the proving of matters of much less importance than the proving of a treaty. It seems to me that an order simply printed in ordinary form by the king's printer would hardly bear the formality necessary to protect us in respect of a serious matter such as this.

Mr. ST. LAURENT: The evidence of statutes, the evidence of orders in council, the evidence of any public act done by the proper public authority may be made by the production of a copy of the statute printed by the king's printer, or, if it is an order in council, by the production of a copy of the official *Gazette* where it appears, or in other cases it may be that the proof can be made by the war orders and regulations printed by the king's printer.

The fact that a document emanates from the office of the king's printer is usually regarded as sufficient to give it authenticity. In my own province this provision would not be required. In our civil courts under the civil code—I think it is article 1229—there is a rule providing for the manner in which these formal documents can be proved.

We now have treaties entered into between Canada and other nations; and all that is proposed in this bill is that the provision which existed heretofore for proving the kind of treaties by which Canada had been bound—that is to say, treaties made by the imperial government, and purporting to extend to all parts of the empire—be applied to the treaties which are made by our own Canadian authorities under the constitutional powers now enjoyed by Canada. It is not a new form of proof that is being introduced. It is merely the extension of a form of proof that has been of long usage to a new document which did not exist at the time the rule was formerly stated.

Section agreed to.

Bill reported, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. LIONEL CHEVRIER (Minister of Transport) moved that the house go into committee on Bill No. 26, respecting the appointment of auditors for national railways.

Mr. GREEN: Would the minister explain the bill?

Mr. CHEVRIER: This is the usual bill which comes before parliament each year and

calls for the appointment of auditors for the Canadian National Railways. This year the appointment is sought for the firm of George A. Touche and Company of the cities of Toronto and Montreal.

Motion agreed to, bill considered in committee, reported, read the third time and passed.

On motion of Mr. Mackenzie the house adjourned at 10.55 p.m.

Friday, May 2, 1947

The house met at three o'clock.

STANDING ORDERS

First report of standing committee on standing orders—Mr. MacLean.

PETITIONS

PROPOSED SEPARATION OF CERTAIN PARISHES FROM TEMISCOUATA CONSTITUENCY—STANDING ORDER 68

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I rise to a point of order. I see by *Votes and Proceedings,* Nos. 58 and 59, that two petitions from hundreds of electors of Temiscouata county have been turned down because they had not been drawn in proper form, "and therefore should not be received." We go by standing order 68 which says:

> A petition to the house may be presented by a member at any time during the sitting of the house by filing the same with the Clerk of the House.

These petitions were sent to the house and were tabled in the house. At the time of presentation there was no debate. They were endorsed by the member. The only difficulty is that they were addressed to Mr. Speaker and to members of the House of Commons instead of to the Honourable the House of Commons in parliament assembled. That is the first point. On this first point, the fact is that those petitions which have been tabled could not have been mentioned in *Hansard* if the House of Commons had not been assembled. It is a matter of using or not using sacramental words. The wish of the electors of my county has been conveyed to you, sir, and to my hon. colleagues by that petition.

Mr. IRVINE: To whom is the petition addressed?

Mr. POULIOT: It is addressed to Mr. Speaker and hon. members of the House of Commons. There were three words missing—"in parliament assembled." The House of Commons was in fact assembled, because if the House of Commons had not been assembled the petition could not have been tabled. Then there should be the words "The petition of the undersigned... humbly sheweth"; these are not on the petition. I regret that, but I wonder if those words are indispensable. Then the citation says: "Follows the subject matter on the petition, in the third person through, and commencing each paragraph with the word 'That'." It was not necessary to have several paragraphs; my electors are not strong on red tape and they cut it short. They said in very clear and plain language what they wanted done. Then there is the prayer. The prayer is the expression of the wish.

Mr. IRVINE: What was the prayer? That is important.

Mr. POULIOT: The prayer is that they did not want to be taken away from Temiscouata county as it is now. That was the prayer, and it was set out in fair language. There is some confusion about the prayer—and I am speaking about the lay prayer, not the religious prayer. Then there is the conclusion, which we very often see in petitions, "And your petitioners, as in duty bound, will ever pray." That is not in there. Those are the sacramental words that are not in this petition. Everything else but that is in accordance with the spirit of parliamentary practice and tradition; everything else required by the standing order is complied with by the petition. Therefore, sir, if the house is generous enough to give unanimous consent, I would move that this petition be referred to the redistribution committee.

Mr. GRAYDON: Mr. Speaker, I think the house ought to give unanimous consent to the suggestion made by the hon. member for Temiscouata (Mr. Pouliot). We should not be governed so much by the form as by the substance of a petition such as this. When the common people of Canada decide that they want to petition the House of Commons, we should place as few obstacles as possible in the way of their getting their views tabled in the house. I suggest that we waive any technicalities in this matter and allow the petition presented by the hon. member for Temiscouata to be tabled as he suggests.

Mr. POULIOT: Thank you.

Mr. SPEAKER: May I point out to the house that I have already refused some petitions because they were not prepared in accordance with the rules of the house. I should not like to put before the house the motion to

accept the petition presented by the hon. member for Temiscouata before having had the opportunity of seeing it. I have noted the remarks made by the hon. member, and he may be assured that due consideration will be given to them.

Mr. POULIOT: Thank you.

REDISTRIBUTION

PETITION AGAINST ENLARGEMENT OF YUKON CONSTITUENCY TO INCLUDE MACKENZIE

Mr. GEORGE BLACK (Yukon): May I present to the House the petition, addressed to the House of Commons in parliament assembled, of a number of Canadians and British subjects residing in Yukon Territory, praying that Mackenzie district be not included with the electoral district of Yukon; and they give their reasons. This petition is in order.

UNITED NATIONS

EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION—CANADIAN COMMISSION

On the orders of the day:

Mr. R. R. KNIGHT (Saskatoon City): On April 16, as reported at page 2096 of *Hansard*, I asked a question of the Secretary of State for External Affairs. I asked if the minister could inform the house what stage the Canadian government's plans had reached for the setting up of a Canadian commission of what is popularly known as UNESCO. Is the minister now prepared to answer that question?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The Canadian government's plans with respect to the setting up of a Canadian commission of UNESCO have not yet been definitely agreed upon. As I informed the hon. member on April 16, on a proper occasion I shall be glad to discuss everything that has been investigated and considered in that regard, but I could not do it in a short answer to a question on the orders of the day.

Mr. COLDWELL: May we expect an early decision and statement?

Mr. ST. LAURENT: Well, it is a matter of considerable importance, and the setting up of this commission is something which will have to be done in a form that it will not be easy to change afterward. There will be a large number of bodies interested in educational, scientific and cultural matters who will be concerned; and it will not be easy, after the plan has been announced and the commission has been set up, to modify its composition. We therefore feel that we should take considerable care and be sure that we are getting it in the form in which it will be convenient to have it permanently established.

PRAIRIE FARM REHABILITATION

EXTENSION OF APPLICATION TO OTHER PROVINCES

On the orders of the day:

Mr. WILLIAM IRVINE (Cariboo): I have a question for the Minister of Agriculture. Can the minister tell the house if legislation will be introduced this session to extend the Prairie Farm Rehabilitation Act to other parts of Canada, and in particular to British Columbia?

Right Hon. J. G. GARDINER (Minister of Agriculture): There is nothing I can add to the answer which I gave yesterday to the hon. member for New Westminster (Mr. Reid). The question is under consideration; and just as soon as it has been decided I shall make a report to the house.

SUGAR BEETS

DIFFICULTY OF FACTORIES IN SECURING NECESSARY SUPPLIES

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): I desire to ask three questions of the Minister of Finance. I have not given him notice of these, so perhaps they will have to remain as notices of motion.

1. Has the minister investigated to find out how many acres of beet contracts the Canada and Dominion Sugar Company had signed up by the close of May 1?

2. Will the minister investigate before Monday, May 5, at three o'clock and report to the house on Monday afternoon?

Mr. SPEAKER: Order. As the hon. member knows, it is not in order for him to ask oral questions on matters which are not urgent. I would suggest to him that as there is no urgency in this matter, he should put his questions on the order paper.

Mr. BLACKMORE: It is impossible to hear what Your Honour said, but may I put the third question?

Mr. SPEAKER: Order.

Mr. BLACKMORE: May I point out to Your Honour that 50 million pounds of sugar are involved for Canada in 1947, and the urgency is that if these beet contracts are not signed up immediately, it will be too late.

Mr. SPEAKER: Order. I would again suggest to the hon. member that he put his questions on the order paper.

LABOUR CONDITIONS

STRIKE AT MASSEY-HARRIS PLANT, BRANTFORD

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I wish to address a question to the Minister of Labour. It is a follow-up to the one I asked him yesterday. Has his department any further report regarding the Nova Scotians his department moved to Brantford? He stated yesterday he might have some information today.

Mr. MITCHELL: I have no report as yet, but if I get it tomorrow morning and my hon. friend is in the city, I will let him know.

UNITED NATIONS

ACTION BY COMMONWEALTH GOVERNMENTS RESPECTING ARTICLE 41 OF CHARTER

On the orders of the day:

Mr. GORDON GRAYDON (Peel): May I ask the Secretary of State for External Affairs if he has an answer to my question of yesterday with respect to the parliaments of the various commonwealth countries and article 41 of the united nations charter?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): We have information with respect to two of the parliaments, and yesterday afternoon we cabled to secure the information from the other commonwealth governments, but as yet have not received replies. I inquired just before I came into the house at three o'clock, and the replies have not yet been received. As soon as they are received I shall communicate the information to the house.

CANNED LOBSTERS

INQUIRY AS TO IMPORT LICENSING SYSTEM IN SWEDEN

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queens): I should like to direct a question to the Minister of Fisheries. I was unable to give him notice of the question, or give notice to you, Mr. Speaker, as I just received it prior to coming into the house. Has the government of Sweden imposed an import licensing system against our canned lobsters? If so, what effect will it have on prices, in view of the fact that our lobster season opened May 1?

[Mr. Blackmore.]

Hon. H. F. G. BRIDGES (Minister of Fisheries): I shall have to take note of the question and give an answer on Monday.

OLD AGE PENSIONS

ACTION BY PROVINCIAL GOVERNMENTS RESPECTING PROPOSED CHANGES

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): I should like to direct a question to the Minister of National Health and Welfare in reference to the announcement he made just before eleven o'clock last evening. Will the effectiveness of the changes in respect to old age pensions, which he said would commence as at May 1, depend upon provincial agreements? If so, have the provinces been informed of any part they must play in the matter?

Hon. PAUL MARTIN (Minister of National Health and Welfare): As the hon. gentleman knows, of course once the legislation is passed the provincial governments must enter into agreements with the federal government, and arrangements are being made to that end.

PRAIRIE FARM ASSISTANCE

INQUIRY AS TO AMENDMENT THIS SESSION

On the orders of the day:

Mr. VICTOR QUELCH (Acadia): I should like to ask the Minister of Agriculture whether it is the intention of the government at this session to bring down a bill to amend the Prairie Farm Assistance Act.

Right Hon. J. G. GARDINER (Minister of Agriculture): The Prairie Farm Assistance Act is also under consideration, and I shall make a statement in due course.

IMMIGRATION ACT

REPEAL OF CHINESE IMMIGRATION ACT—BONDING OF PERSONS IN TRANSIT THROUGH CANADA

The house resumed from Tuesday, February 11, consideration of the motion of Mr. Glen for the second reading of Bill No. 10, to amend the Immigration Act and to repeal the Chinese Immigration Act.

Mr. E. D. FULTON (Kamloops): Mr. Speaker, in discussing the bill to amend the Immigration Act it is practically essential first to devote some moments to a consideration of the statement made yesterday by the right hon. Prime Minister (Mr. Mackenzie King), which was the first comprehensive statement by the government on immigration that has

been made since I have been here, and, as far as I know, since the conclusion of the war.

Of course it is early as yet to attempt a detailed analysis of the statement or its effect on Canada's immigration problem, but I think one can safely say that as to the portion of the statement dealing with the immediate application of the policy—referring to the admission of relatives of Canadian citizens, and to our part in taking care of the displaced persons in Europe—there is very general agreement. Particularly is that so in reference to the part dealing with the admission of relatives of persons already resident in Canada. Indeed, if one might be permitted a criticism of that part of the statement at this stage, it would be that the statement has been too long delayed, or at least the application of the policy has been too long delayed, because after all perhaps no country in the world is in a better position than Canada to play a full part in relieving the distress and suffering of those displaced persons. We have seen evidence on the part of hon. members belonging to all parties of a very great and urgent desire that we should take our full part in relieving that distress. So I think that the criticism does apply, that it is to be regretted that the statement was not made earlier, and particularly that the policy was not worked out and put into effect perhaps as much as a year ago.

In this connection I would urge upon the Prime Minister and the government that when those officials of the immigration department, whom he indicated were being sent to Europe to investigate this matter of the displaced persons, go over there and interview these people, they do not place too narrow an interpretation upon the words "enemy aliens." Surely this should be treated as a humanitarian problem, and the only principle applied should be to assist those persons who are in need of assistance by permitting them to come to Canada on the basis of their need and their suitability, not on the basis of any narrow legal interpretation as to whether or not they are enemy aliens. Probably all hon. members have received letters from or have knowledge of Canadian citizens with relatives in Europe, in what were enemy countries or enemy occupied countries, who wish to have those relatives brought to Canada; but because at the moment we have this limitation against the admission of enemy aliens those relatives cannot be admitted. I personally know of a Canadian citizen who has relatives in Austria. Those relatives were put in a concentration camp by the Germans where at least one of them died, and they do not know whether others died there as well. He is anxious that his surviving relatives, particularly his sister and her sons, should be permitted to come to Canada and live with him. He can provide them with accommodation and can give them support, but at the present time, though they were put in a concentration camp by the Germans, and though at least some of them died there, under present regulations the entry of those people would be delayed because they are regarded as enemy aliens. So I would ask that our immigration officials who are being sent to Europe to look into this question of displaced persons, be not confined to a narrow, technical interpretation of those words, but that they be empowered to examine every case upon its merits. If a person is deserving and desirous of coming to Canada, then he should be allowed to do so.

As I have said, in general there certainly are grounds for agreement with the first portion of the statement made yesterday, dealing with the immediate application of the government's immigration policy. As to the other portion, however, dealing with the long range policy, I feel there is cause for considerable disappointment. If we analyse that portion of the statement we find that it lays down a number of broad general principles with which we can all agree, and indeed which have been urged from time to time by members on all sides of the house. I should like to read those principles. As reported at page 2644 of *Hansard* for Thursday, May 1, the Prime Minister said:

> The policy of the government is to foster the growth of the population of Canada by the encouragement of immigration. The government will seek by legislation, regulation, and vigorous administration, to ensure the careful selection and permanent settlement of such numbers of immigrants as can advantageously be absorbed in our national economy.

At page 2645 he elaborated that by saying:

> Let me now speak of the government's long term programme. It is based on the conviction that Canada needs population. The government is strongly of the view that our immigration policy should be devised in a positive sense, with the definite objective, as I have already stated, of enlarging the population of the country.

With those general principles there can surely be nothing but agreement. But when it comes to the practical application of those principles, that is, the actual policy of the government with regard to immigration, there is no such definite pronouncement, and it is here, I submit, that there is cause for genuine disappointment.

I should like to read what the Prime Minister said when he dealt with the actual policy. I find that after laying down these very general principles, by which he said the government would be guided in the detailed appli-

cation of this immigration policy, the Prime Minister went on to build up the situation to the point where one might assume that the government was ready immediately to apply this immigration policy or, if not to apply it, at least to lay down a general outline so that the country, and particularly those who are anxious to emigrate to Canada, might know exactly how they would eventually go about doing it.

But when it comes to the point where one might expect to find this general outline laid down, one's expectations are not realized. We find that the Prime Minister is reported at page 2646 of *Hansard* in these words:

> For some time to come, no matter what special shipping arrangements we may be able to achieve, conditions of transport will limit the number of immigrants. When that limitation ceases to prevail, it will be necessary to consider further what measures will best achieve the adjustment of immigration to the numbers that can be absorbed into the economy of Canada.

And with that statement, we were left. There was no indication, even in general outline, of just how the government proposes to go about applying these general principles to the policy the development of which it has in mind.

There is no indication, for instance, of where we will look, or to what countries we will look, for our immigrants. There is no indication of the general type and classification of the entrants who will be permitted to come to Canada. There is no indication that the government is prepared to enter into negotiations with, say, the governments of the United Kingdom, France or the Netherlands, or the low countries—there is no indication of negotiations with those countries with regard to plans for assisted immigration in the future. There is no indication as to what measure of assistance will be provided to immigrants, or indeed whether any assistance will be provided.

All these matters could surely have been covered in a general outline of a plan for immigration, even one which was to be put into effect only at a future time. The practical importance of laying down such a general outline can be realized, I think, when one calls to mind the fact that there are now large numbers of people, in Europe especially, looking to that day in the future when they may be able to emigrate to the new world. I suggest we should make known our intentions for the future, and should do it at this time, even though we cannot now put it into effect, so that those who are anxious to emigrate and who, if they cannot come to Canada, or do not know they will be permitted to come to Canada and as a result will look to Australia, South Africa or South America, will know that they will be able at some future time to come to this country. I have in mind people of the best type, who are anxious to make their homes in the new world. They will now be anxious to choose Canada as their future home. But if we do not do this, or take some such step, then surely it is quite possible that we will lose our chance to get the best, the most active and the most desirable type of immigrants for this country. We know, for instance, that Australia, South Africa and others of the British dominions have their plans. Indeed, they have agents in Europe and the United Kingdom at this time who are receiving applications for immigration. I suggest Canada should do the same.

In short, the principles of our long-range immigration policy have been laid down. With those principles there is general agreement. I would urge the Prime Minister and the government to go further, and to commit themselves not only to the priciples, which no one questions, but to the policy, so that the house and country will know in general outline how they are going to accomplish that to which they are committed. Otherwise I suggest the Prime Minister and government lay themselves open to a serious charge of evasion.

Turning to the other feature of the bill now before the house, I should like to deal with the matter of the repeal of the Chinese Immigration Act. It is some two months since this matter was last discussed in the house, so I should like to refer Your Honour and hon. members back to some of the suggestions made at that time by the hon. member for Vancouver South (Mr. Green).

At the conclusion of his remarks as they are reported in *Hansard* for February 11, we find the hon. member saying this at page 313:

> In conclusion, Mr. Speaker, once more I would ask that this house and this country, before this bill is passed, be given full details concerning Chinese immigration that will be allowed if the Chinese Immigration Act is repealed, and what will be the future policy in regard to Chinese immigration.

That was his first point. Then he went on to make two further points, which should be considered in connection with this matter. He said:

> Also we should be told the policy of this government toward the suggested united nations control over immigration into Canada, and in the third place we should be told the policy of this government concerning Japanese immigration.

Apparently the Prime Minister gave careful consideration to those three points suggested by the hon. member for Vancouver

South. There was certainly a long delay in proceeding with this measure, which might justify one in concluding that the government was impressed by what had been said. But further evidence that consideration was given to those suggestions is found, I think, in the fact that when the Prime Minister made his statement yesterday, he did deal specifically with those three points. I think congratulations should be extended to the hon. member for Vancouver South for the contribution he made in the matter; and certainly I should like to express appreciation of the fact that those points were covered in the statement so that now when we come to discuss this matter we have knowledge of what the government's policy is.

The Prime Minister covered the matter of united nations control of immigration when, as reported in his statement at page 2645 of *Hansard* he said this:

> Canada is not obliged, as a result of membership in the united nations or under the constitution of the international refugee organization, to accept any specific number of refugees or displaced persons.

And again:

> I wish to make it quite clear that Canada is perfectly within her rights in selecting the persons whom we regard as desirable future citizens. It is not a "fundamental human right" of any alien to enter Canada. It is a privilege. It is a matter of domestic policy. Immigration is subject to the control of the parliament of Canada.

With those statements certainly we in this party are in agreement. And in view of the possibility, through some other interpretation of the united nations charter, of our being called upon to accept large numbers of immigrants from any country which might suggest that they be allowed to come, I am certainly glad to have the statement from the Prime Minister that no such attitude would be adopted.

He dealt also with the question of Japanese immigration in these words:

> With regard to the Japanese, I stated on August 4, 1944, at which time we were at war with Japan, that the government felt that in the years after the war the immigration of Japanese should not be permitted. This is the present view and policy of the government.

So that aspect of the problem of immigration has now been settled. It arose only with respect to the application of P.C. 2115, which deals with Asiatic immigration generally. We are glad to have the Prime Minister's assurance that the present policy of this government is that Japanese immigration will not be permitted.

With regard to a request for a definite statement of policy with respect to Chinese immigration, I find that no such definite assurance and no such definite outline of what the policy will be was given. Yesterday the Prime Minister stated distinctly, as reported on page 2646 of *Hansard:*

> —apart from the repeal of the Chinese Immigration Act and the revocation of order in council P.C. 1378 of June 17, 1931, regarding naturalization, the government has no intention of removing the existing regulations respecting Asiatic immigration unless and until alternative measures of effective control have been worked out.

That brings to mind the question: What is to be the effective control of Asiatic and Chinese immigration? From what the Prime Minister said it appears it is to be only P.C. 2115, which prohibits oriental immigration except for persons coming within certain specified categories. I suggest that that is not satisfactory, for at least two reasons. First, the matter is too important to be left to an order in council for disposition. A matter of such importance as immigration from the orient surely is a matter which should be determined by the government on the basis of a measure submitted to and approved by the House of Commons. The Chinese Immigration Act, which we are being asked to repeal, was a measure passed by the House of Commons, and I suggest it would be proper if the alternative immigration measure was one which had been submitted to and passed by the House of Commons.

Perhaps a more important point is that orders in council can be repealed without being submitted to the house. Orders in council have been forgotten and overlooked in the past, and new orders in council with entirely different provisions can be passed without reference to the house, or passed when the house is not sitting. It is not sufficient safeguard to say that they can be revoked by addresses subsequently passed by both houses of parliament. In dealing with matters concerning an immigration policy it is essential that the decision of parliament be obtained before the policy is put into effect.

I urge again that the proper way to determine a Chinese immigration policy, the proper way to limit immigration from China or any other country in the orient, would be by concluding a treaty with that country. Such a treaty need not be concluded on the basis of discrimination. It is not unfair or unjust, and I have the support of the Prime Minister's own statement for this, for Canada to say that we would prefer to have one type of immigrant rather than another. That is exercising a right which is just and proper and which is within our own power to exercise. In his statement on previous occasions with regard

to this subject the Prime Minister has indicated that China said she would not regard it as discrimination if we were to ask her to limit the number of immigrants coming to this country. What she is anxious for is to be treated on a basis of equality in making such a treaty. What she wants is to have negotiations carried on in an aboveboard manner. Now, therefore, we are suggesting to the Prime Minister that that would be the proper way to make arrangements with regard to Chinese immigration; we should not leave it merely to be determined by order in council.

Mr. MACKENZIE KING: May I interrupt my hon. friend? Why not say that in my statement I said that the method that will be adopted is to seek to make treaty arrangements on a reciprocal basis so that each country would receive the same treatment and consideration?

Mr. FULTON: The Prime Minister did refer to that, and I was coming to it in a minute. He said that the Canadian government was prepared at any time to enter into negotiations with other countries. The point I was about to make when the right hon. gentleman interrupted was that on several occasions in the past he indicated that he felt we should make a treaty with China and at one time he indicated that that treaty was in the course of negotiation. The point I wish to make is that that would be the proper way to do it, and that it should have been done already. I was then going on to ask what had become of the treaty and why it had not been carried through to conclusion. I should like to refer to what the Prime Minister said in 1943 when this matter was being discussed in the house when the estimates of the Department of External Affairs were up for consideration. Consideration was being given to the desirability of removing the discriminatory features of the Chinese Immigration Act. The Prime Minister recounted a conversation he had had with Madame Chiang Kai-Shek when she had mentioned the elimination of these discriminatory features, and then he went on to say, as reported on page 4683 of *Hansard* of July 12, 1943:

> I believe it should be possible to work out a reciprocal arrangement between Canada and China which would be helpful to both countries.

Then in the next year, on April 17, 1944, the matter came up again in connection with a treaty which had been concluded with China with regard to the exchange of diplomatic representatives. Apparently that treaty provided that the two countries should continue negotiations and should enter into a treaty with regard to such matters as immigration. At that time the Prime Minister said, as reported on page 2065 of *Hansard:*

> The treaty provides that, not later than six months after the cessation of hostilities, the two governments will enter into a comprehensive modern treaty of friendship, commerce, navigation and consular rights; meanwhile, questions affecting the rights of Canadian nationals in China and questions affecting the sovereignty of the republic of China, which are not covered by this or previous treaties, will be decided in accordance with generally accepted principles of international law.

A little later he elaborated somewhat, and I quote from page 2067 of the same *Hansard:*

> On January 17, 1944, we presented the Chinese minister with a draft of an immigration treaty, which, if approved and implemented by Canadian legislation, would supersede the Canadian Immigration Act of 1923 against which so many protests have been made.
>
> The draft treaty provides for the admission to either country on renewable permits for temporary residence of nationals of the other country belonging to approved categories.

Apparently the treaty was in the course of negotiation at that time. It was then intimated, although not stated definitely as a matter of policy, that the treaty would be concluded before the Chinese Immigration Act would be repealed. On April 24, 1944, the Prime Minister again referred to the same matter, and I quote from page 2282 of *Hansard:*

> Should the proposed treaty with China, which I mentioned on Monday last, be concluded before the end of the session, there will be a measure to amend the Chinese Immigration Act.

On the basis of those statements it seems fair to say that the intention at that time was that a treaty with China should be first concluded so that all matters respecting immigration between the two countries would be governed by that treaty, and that then the Chinese Immigration Act would be repealed. While I have been careful to say that that was not stated as a matter of policy, it does appear that it was the intention.

It is significant in this connection that we are now asked to repeal the Chinese Immigration Act and we have no detailed policy to replace it, a policy which it was then indicated would be incorporated in a treaty to be concluded between the two countries. In this connection I would ask the Prime Minister what has happened to that treaty? Why has the treaty not been concluded? Is the matter still open, and is it intended to conclude such a treaty? Will that treaty be comprehensive and all-embracing with regard to immigration? On our part we urge that that would be the proper way to handle the immigration question as between the two countries. A treaty concluded between equal countries and incor-

porating terms which each country has presented to the other as being the proper basis upon which to admit immigrants from the other country would be the most satisfactory method of removing all traces of discrimination with regard to any limitation which might be placed upon such immigration. So we urge that such a treaty should be comprehensive and all-embracing, covering all aspects of immigration, both the admission of the wives of persons of Chinese origin now resident in Canada and the admission of Chinese immigrants in the future. We submit that this should not be left merely to regulation by order in council. I think it would not be too extreme a statement to say that the repeal of the Chinese Immigration Act should not be proceeded with until we have answers to those questions and until we have such a treaty or some permanent definite policy to put in its place.

There are further questions which come to mind when considering this matter in the light of the Prime Minister's statement yesterday, concerning particularly the admission of the wives and families of Chinese at present in Canada. Does the present proposal in the light of the Prime Minister's statement yesterday mean that all the wives and families of Canadian Chinese now resident in Canada shall be permitted to come into Canada when this bill is repealed and the order in council is in force as the only means of governing Chinese immigration? In that connection the house should recall the numbers involved. There are over 22,000 males of Chinese origin living in Canada who have wives and families living in China, and of those 22,000 over 12,000 reside in the province of British Columbia. I would ask specifically, would not an influx of 22,000 wives and families into Canada and over 12,000 wives and families into one province alone, British Columbia, be, to use the Prime Minister's own words, a "considerable oriental immigration"? In his statement yesterday the Prime Minister said, as reported on page 2646 of *Hansard:*

> Large-scale immigration from the orient would change the fundamental composition of the Canadian population. Any considerable oriental immigration would, moreover, be certain to give rise to social and economic problems of a character that might lead to serious difficulties in the field of international relations.

I ask this question of the Prime Minister or perhaps of the Minister of Mines and Resources: Would not the immigration of 22,000 Chinese wives and families into Canada and of over 12,000 into one province alone come within the category of "considerable oriental immigration"? I think we should have an answer to that question before we are asked to pass this bill.

We have said that the whole matter should be covered in a treaty. There are other questions which should be answered. If all these wives and families are to be admitted, are they all to be admitted in the first year after the Chinese Immigration Act is repealed, or how many are to be admitted each year? Will an unmarried Chinese now living in Canada be allowed to go back to China, marry and then bring his wife back under the order in council, or is it contemplated that it will be applied only to those already married? We should like the government to give a detailed statement of its whole policy with regard to the question of Chinese immigration and its application under P.C. 2115, as well as a statement as to how P.C. 2115 is to be administered.

This is a serious matter, Mr. Speaker, particularly for the province of British Columbia. I am speaking for myself here, but I do not think any British Columbia member would take a stand against the admission of the wives of these loyal Canadian Chinese who have made such a contribution to our province. They have been extremely good citizens there. We have no Chinese problem in the same way that we have a Japanese problem, and in illustration of that fact I mention that in British Columbia the Chinese amongst others were given the right to vote this year. That is a concrete indication of the way we feel about them. They are now accepted into our citizenship. They are my constituents just as much as Canadians of the white race are my constituents. I am not at the moment opposing the admission of the wife of one of these Chinese citizens, but I do want to know what will be the policy. How many will be allowed to come in and when will they be allowed to come in? Will Chinese now resident in Canada be allowed to go back and marry and bring back their wives to Canada? I should like an answer to those questions before I am asked to agree to the passing of this bill, particularly in the light of the Prime Minister's statement yesterday that he did not propose to permit any considerable oriental immigration into Canada. It makes us wonder, however, if they are all allowed to be brought in, whether British Columbia will not once again be saddled with what is truly a national question.

In conclusion I repeat that we feel we are entitled to answers to those questions, either from the Prime Minister or the Minister of Mines and Resources, before we are asked to pass this bill, and that we should have a

full statement from the government as to just how this policy will be administered under P.C. 2115. Particularly would we like an explanation with regard to the treaty which was at one time being negotiated with China, and whether those negotiations are still continuing, and whether such treaty when concluded will embrace all questions of immigration as between Canada and China. If the treaty has been dropped, we should like to know why it has been dropped and whether it is intended to resume negotiations in the future. I feel that we should have answers to those questions before we are asked to give second reading to the bill.

Mr. L. W. SKEY (Trinity): Mr. Speaker, my first words this afternoon must be to express my personal gratification that the subject of Canadian immigration has come under the personal attention of the Prime Minister (Mr. Mackenzie King). Two years ago, speaking for the second time in the house, I spoke on immigration. Since that time a number of other members have made their contributions to the subject, particularly the member for Vancouver-Burrard (Mr. Merritt) and the member for Vancouver South (Mr. Green). I venture to say this afternoon that the opposition to a large extent have made the policy expressed by the Prime Minister yesterday. If you go back over the history of immigration in this house during the last two years you will find, Mr. Speaker, that that contention is well founded.

Along with a number of other hon. members I welcome the action which has been taken by the government to admit members of the families of Canadian citizens and residents, members of the veterans forces who fought beside us in the war, and this delayed assistance to displaced persons. I welcome particularly the action taken on behalf of Canadian women engaged to men overseas. The action which the government is now taking places these women in the same category as men. It allows them to bring their fiances to Canada.

Two other things remain to be done, Mr. Speaker. One is to follow up the remarks made by the Prime Minister in his statement yesterday as reported at page 2646 of *Hansard,* where he said:

> The immigration branch of the Department of Mines and Resources and its offices abroad were reduced to proportions wholly inadequate to cope with an active immigration policy. With the end of the war, and in the light of changed economic conditions, the government has already taken steps to expand and strengthen this branch of the public service.

[Mr. Fulton.]

It is my opinion that in spite of the fine service given by this branch, the extreme courtesy which they have extended to me on all occasions, it could still stand further support from the government and a further increase in staff to deal with this urgent problem.

The second thing I want to say this afternoon, Mr. Speaker, is this. We have heard the hon. member for Kamloops (Mr. Fulton) speak of treaties this afternoon; we must now be prepared to ask the labour government of Britain for a treaty. I have made some study of this subject. As I understand it, the labour government are restricting the emigration of their people, and this applies not only to Canada but to other empire countries. Britain stands in history at about the same point that France stood when the Huguenots left there to take to the far corners of the earth their genius in art, in architecture, in industrial organization, in craft work, and in many other specialized lines. Britain is now about to be forced to export some of its "know-how". It must export its "know-how" because a great many of these people want to leave. I am one who agrees with the hon. member for Macleod (Mr. Hansell) who stated yesterday that Britain is an occupied country, occupied by an alien form of government. I am prepared to say that socialism in the years to come will add to Britain's many other burdens which have resulted from the war. We must now be ready to receive the torch from these people, to accept the "know-how", and to give them the freedom which they will be denied at home.

When I rose I said that my remarks would be brief. In closing may I refer to what the Prime Minister said on page 2645 of *Hansard,* that the government's new policy will be energetically applied. He was there referring to enlarging the population of the country. I hope, Mr. Speaker, that "energetic application", to quote the Prime Minister's words, means something at this time. In the two short years that I have been here we have seen the government in many frames of mind. I hope that in this instance "energetic application" means what it says.

Mr. MACKENZIE: May I ask the hon. member if this is not the second time that he has spoken on the second reading of the bill?

Mr. SKEY: I spoke on the resolution, Mr. Speaker.

Mr. MACKENZIE KING: It was very good, anyway.

Mr. W. A. TUCKER (Rosthern): I do not intend to detain the house more than a few minutes, but there is one aspect of this situation which I wish to bring to the attention of the government and of the house. Before I do so I should like to express great appreciation of the part taken by the Canadian government in regard to assisting in the problem of refugees at international meetings. We were certainly pleased to see that at the meeting which set up the international refugee organization, the present Minister of National Health and Welfare (Mr. Martin), on behalf of Canada, took such a leading part in urging that the nations of the world as a whole take some interest in these most unfortunate people. That attitude was approved throughout western Canada. I am sure too that the statement made by the Prime Minister yesterday, in which he indicated that the problem of displaced persons was to get special consideration at the hands of the government of Canada, was greeted with a great deal of relief and satisfaction by many people in Canada who have relatives who are refugees and displaced persons in Europe. They will be very thankful for that statement.

I have heard people who came from Europe, because of policies adopted by the present government after the first great war and just before the start of the recent war when part of Czechoslovakia was overrun, state to the Prime Minister that if it had not been for action taken by the present government they would not be alive today. I have heard others say that they never went to bed at night without getting down on their knees and thanking God that they had the privilege to come to this free country. Therefore I do not think that members of the house can have any complete understanding, unless they know personally people who feel like that, of how much this statement of yesterday's will be appreciated by many people in Canada with relatives in these camps and among the refugees and displaced persons in Europe today.

Yesterday the Prime Minister said at page 2645 of *Hansard:*

> The resettlement of refugees and displaced persons constitutes a special problem. In the intergovernmental committee on refugees, and in the discussions in the united nations leading to the establishment of the international refugee organization, Canada has taken an active part.

As I say, I am pleased that that attitude has been taken by the government.

There is, however, one matter which I feel I must bring to the attention of the government. I hope that I am not properly informed on it, but if I am, it is a matter which should receive attention at once. In the mandate of the intergovernmental committee which was adopted on August 17, 1944, the following appears:

> The mandate of the committee extends to all persons, wherever they may be, who, as a result of events in Europe, have had to leave, or may have to leave, their countries of residence because of the danger to their lives or liberties on account of their race, religion or political beliefs.

That is a statement which is in accordance with the most humanitarian traditions of our country—that if anyone has to leave his country on account of his race, religion and political beliefs we should be ready to extend to him a helping hand. Unfortunately that was not carried forward into the international refugee organization. I understand this was largely due to the pressure of the Soviet Union and the states under its influence. That is what I understand; but I may be wrong in this but I do not think I am. In any event, section (d), part II, of the constitution of the international refugee organization reads as follows:

> Persons who will not be the concern of the organization:
>
> 4. Persons of German ethnic origin, whether German nationals or members of German minorities in other countries, who:
>
> (a) have been or may be transferred to Germany from other countries;
>
> (b) have been, during the second world war, evacuated from Germany to other countries;
>
> (c)—

This is the part that is important.

> (c) have fled from, or into, Germany, or from their places of residence into countries other than Germany in order to avoid falling into the hands of allied armies.

The part that has particular reference to the people I am going to speak about is this:

> Have fled . . . into Germany . . . in order to avoid falling into the hands of allied armies.

The only substantial group that applies to are the people who lived in the Baltic states, in parts of Roumania, in Czechoslovakia, parts of Poland, Russia, and the Ukraine. Those people, because of their known anti-communist attitude, fled before the advancing Soviet armies into Germany. Where it was known particularly that they were of German ethnic origin they felt that it was safer for them to find refuge in the hands of the British and Americans than to fall into the control of the advancing Soviet armies. I take it from this that the international refugee organization does not take any interest in anyone who is of German ethnic origin, where for example he and his ancestors may have lived in the Baltic states for several generations, perhaps for a hundred years. If he is of German ethnic origin and was known to be anti-

communist and fled into Germany, IRO does not regard him as their concern. What IRO does, of course, is a matter to be decided on at international conferences. That is something that I have no right to find fault with here, because we know there is great difficulty in getting things agreed to in international meetings which we might perhaps like to have agreed to there. What I do say is that what IRO does is one thing and what we do under our immigration administration is another thing. In this I entirely agree with the words of the Prime Minister (Mr. Mackenzie King) as reported at page 2646 of *Hansard:*

> With regard to the selection of immigrants, much has been said about discrimination. I wish to make it quite clear that Canada is perfectly within her rights in selecting the persons whom we regard as desirable future citizens.

I would say this, and I think that all hon. members of the house will agree with me, that among our finest immigrants have been those who came to us from the various countries of Europe, who are of German ethnic origin. We have in Canada literally hundreds of thousands of people who are of that descent. If the IRO says that those people are not of any concern to them, I think we in this country should not let that influence us in our immigration policy. If those people are within the four corners of our immigration policy, if they come within the type of persons who would otherwise be admissible, the fact that they are not under the control or aegis of IRO should not prevent us from having our immigration officials interview them and permit them entry into Canada. To have any other policy is to permit IRO, under the influence of the Soviet union in that regard, to say in effect that we shall not admit people of German ethnic origin into our country.

Let there be no mistake about the matter. I am not at the present time speaking about people who are enemy nationals, although I do say this, Mr. Speaker: the war has been over long enough now that if there had been any real desire on the part of the Soviet union to have real peace rapidly established, I think we would have had a peace conference before this and those people would no longer be enemy nationals. But be that as it may; I am not at the moment speaking of enemy nationals. I am speaking about people of German ethnic origin who may have lived in the Baltic states for example—they and their people—for generations and who are not German nationals any more than General Eisenhower is a German national—of German ethnic origin perhaps, but not German nationals. Within the British zone and the American zone there are literally thousands of these people that IRO will have nothing to do with. They are regarded as the charge of the German people. Where their relatives in this country desire to have them admitted to Canada and they are within our immigration regulations. I do ask the government, no matter what IRO has ruled, that they be admitted. They have shown, by the type of people they are, by the kind of relatives they have here, that they would be fine citizens of this country. Where they want to come here in order to be with their relatives, I ask the government to make no discrimination in that regard, and I earnestly urge that these people be admitted to Canada just as readily as any others among those refugees and displaced persons.

Mr. WILLIAM IRVINE (Cariboo): Mr. Speaker, I have been more or less shanghaied into this debate by my genial and witty friend the hon. member for Fraser Valley (Mr. Cruickshank). Speaking on this measure when it was last before the house, he said—and I quote from page 327 of *Hansard:*

> The members from British Columbia, with the exception of one, are unanimous in this, and that one cannot help himself. He is a very fine man, but he cannot help himself because he has to do what he is told.

Then in the very next paragraph the same speaker says:

> I believe it is up to this government to give us a clear-cut decision in this matter; although I might not agree with it, I might have to agree with it.

Indicating that perhaps he is the one who has to do what he is told. But that is only incidental, Mr. Speaker.

I want to say a few words on what appears to me to be the most important feature of this bill, and that is the part of it which provides against certain discriminations which have been hitherto applied to people of the Chinese race who have been brought into this country. That I think is a most important feature of the present discussion. It is true that the whole question of immigration has been opened up, and the statement of the Prime Minister (Mr. Mackenzie King) yesterday I think was timely and will probably save a good deal of futile speculation and debate as to what the policy of the government is with respect to immigration. I think it hardly necessary to say that what we do and how we treat our citizens of Chinese origin is not a matter for British Columbia alone; it is a national matter, a matter in which the whole good name and honour of Canada is involved. While I have every sympathy for those of Chinese origin who may have suffered discrimination in Canada, and which discrimination at least in part is now being removed by

the bill before us, my chief reason is not to speak in the interests of such citizens merely, but to speak in our own interest, in the interests of Canada. When we permit discrimination against one section of our citizenry we are doing harm to ourselves, far more harm than we are doing to the group against which we discriminate. And so it is because of the good name of Canada, because of the freedom for which this country stands, at least theoretically and, I am glad to say, stands for in most things really; it is because we want to guard against any infringement of our own accepted principles of freedom that I am going to insist, as far as I can, on the complete removal of discrimination against any class of Canadian citizens.

The legislation proposed is a partial remedy for a long standing wrong. I need not go into details in that regard, because hon. members of the house know exactly to which things I refer. One of those discriminations still stands; that is, that residents of Canada of Chinese origin, unless they are Canadian citizens, still cannot bring in their relatives, their children or their wives, whereas other immigrants coming from other parts of the world can do so. As far as I know that is the only discrimination now remaining against our Chinese immigrants; all the others are being removed. So the bill may be said to be a denial of the murder of the spirit of racial inequality, while closing the door on the skeleton which still may be used in evidence.

Mr. LOW: You will have to explain that one.

Mr. IRVINE: Well, we shall leave it for further consideration. I think when my hon. friend sees it in *Hansard* he will understand its meaning. As I say, this is the last vestige of inequality which stands, and I am urging the minister in charge of this legislation to give consideration to its removal. I suggest that he either extend to immigrants from China who are now in Canada the same privilege that is extended to all other immigrants, or else impose upon all others an equal restriction which would mean that immigrants from other countries, unless they are citizens of Canada, could not bring in their wives, children and relatives. That would put them on the same basis. We cannot afford to have two standards of dealing with either our immigrants or our citizens, and that is the point I want to emphasize. I want to make a plea for equality of treatment to all who are permitted to come within our gates.

I have already pointed out that I believe those who are defending the discrimination have no desire to inflict any hurt upon any member of the yellow race; but they do so. Not only that, but they are inflicting greater harm upon Canada herself. I want to take issue particularly with the viewpoint expressed earlier in this debate by the hon. member for Lethbridge (Mr. Blackmore), who happens not to be in his seat; I am sure I shall say nothing he would want to deny even if he were here. In his remarks the hon. member told us he wanted to keep his eye on the ball, which was the main immigration policy; then he promptly kicked the ball off the field entirely and was still looking for it in the bushes at the close of his remarks. But that is only in passing.

Mr. SINCLAIR (Vancouver North): It is probably locked up in the cupboard with your skeleton.

Mr. IRVINE: The hon. member gave us an illustration which I want to quote and use in another sense. His illustration was this, that if he found his neighbours in need of economic assistance he would not invite them all to live at his house, but would give of his substance to the utmost of his ability to maintain his impecunious neighbours in their own homes rather than bring them into his own. I think that illustration may have some real point if he applies it to a general immigration policy. But let me apply a similar illustration to the actual situation with which this bill deals. Let me suppose that the hon. member for Lethbridge invited a number of his neighbours to have a meal with him, to enjoy his hospitality. When they arrived he picked out two or three and said, "You have to eat in the kitchen. You cannot come into the main dining room with the rest of us; you stay out here." Perhaps two or three of them would be sent down to the basement with their plates. I know the hon. gentleman would never think of doing that. He is far too courteous and too kind to do anything like that; but if he did he would be regarded as a snob, not only by those who were forced to sit in the kitchen but also by those who were allowed to sit at the table with the host himself. That is pretty much the situation. In this particular at least we do not allow these people to sit at the table with the host; we deny them that one little privilege. We put them in the kitchen and say, "You stay there; you cannot have all the privileges." Since this is such a small thing I hope the minister and the Prime Minister will reconsider it. Its effect upon the ultimate immigration policy would be very slight, but its effect upon the name of Canada may be very great. That is a matter which must be taken into considera-

tion by those who will represent Canada around the international table dealing with the problems of the united nations. I cannot imagine that anyone from Canada would want to feel that this country could be properly criticized for that particular failure or limitation in our democratic principles.

The hon. member who just took his seat spoke about the number who would be involved if all our citizens of Chinese origin were permitted to send for their wives. It is not a matter of a thousand or two that must be taken into consideration; it is a matter of principle. We are either going to extend the principle or we are not, and the matter of a hundred or fifty or two hundred or a thousand or five thousand does not come into the picture at all. I do not see that there is a shred of argument in favour of stopping short of giving Chinese residents of Canada exactly the same treatment that we give all others who come from other parts of the world.

As to the main immigration policy I have not very much I want to say. As I have said, I think the Prime Minister's statement was timely. I believe in the main it has met with favourable response from the house.

I have just listened to an hon. member who, speaking on this phase of the discussion, made reference to Great Britain. He said that Britain is an occupied country—occupied by an alien government. Mr. Speaker, that statement will stand on the records of this parliament as a monument to the ignorance of that Conservative member. I am prepared to leave it at that. I believe future history will give my hon. friend the answer. To say that a government that has been elected by the British people in a democratic way, a government that has not lost a by-election in two years, is alien, is not only to express abysmal ignorance, but to offer insult to the British people. I hope the leader of his party will apologize for him before the discussion closes.

This I want to say, that while there is great room in Canada and while there are great resources in Canada for a great many more people, and while in that regard most of us are in agreement with the Prime Minister (Mr. Mackenzie King) when he says that we should seek to gain a greater population, still I question whether we could carry out such a policy at the present time. I question whether we could get the immigrants. For from all northern and eastern Europe, including Russia—from all that vast territory—there will be no immigrants. And there will be very little immigration from those other countries such as Norway, Sweden and Britain for some time at least.

Great Britain is not refusing to send immigrants to Canada because there is an alien government there, as was suggested by the previous speaker; but, because in her tremendous rehabilitation programme she needs all the workers she has. She cannot afford to send them out to another country. The same is true of such countries as Sweden, Denmark and Norway, and those other democracies from which, as I have said, we have in the past received such excellent citizens.

So that I think the thing for us to concentrate on at the present time—and I believe the Prime Minister said this—is that of giving priority to the refugees, of whom I understand there are between 800,000 and one million in Europe. They are homeless; they are pretty well helpless, and they are driven to the point of starvation. If we can accommodate more people in Canada at the present time, if we can fit them into our economic system and give them employment and some assurance of being able to find work by which they can live, then I think we ought to make it our first effort to take as many of them as we can. And we can afford to leave the other phases of an immigration policy for future consideration. Not only do we want to have those people from the point of view of our own population, but we owe it to them and to humanity to do our best to absorb as many of them as we can.

In this regard I would say to the Prime Minister that I think we might do more than we have done. It is true, as he pointed out, that one of our great difficulties has been to have shipping sufficient to carry them. But I think an effort might have been made to get some shipping, and I still think something ought to be done in that regard. People who are in the condition of many of the refugees in Europe are not looking for first class passage on the *Queen Elizabeth*. They will be glad to get here on more modest transports. We might very easily have used some of our cargo boats temporarily fitted up to carry a considerable number of those refugees from Europe.

Somehow or another Australia managed to bring in 50,000 children in one year, and has undertaken to take 70,000 immigrants each year. If Australia can do that, then surely Canada ought not to be behind in a programme of that kind.

Next I say that with regard to the whole oriental question I must agree with the Prime Minister that this country, like every other

country, must say who are to come here. We have that right. And if it be the wish of this country that any nationality be excluded, that is the business of the country. It is far better to exclude them, whoever they may be, than to admit them in a position of inferiority, under which they are not permitted to enter into all the privileges enjoyed by Canadian citizens.

Mr. GILLIS: Send them to the maritimes and they would be right at home.

Mr. IRVINE: I conclude with this, that there still remains a point of discrimination in the legislation. I am going to vote for the bill, because it represents a very considerable improvement. However I am pleading with the Prime Minister to go a little bit further so as to remove the one remaining discrimination which, I say, is a disgrace to Canada, and does more harm to us than it would do to anyone, even if it were our intention to do harm by maintaining it.

Mr. T. A. KIDD (Kingston City): Mr. Speaker, we are now dealing with Bill No. 10, to amend the Immigration Act and to repeal the Chinese Immigration Act, first reading of which took place on February 7. This bill has been framed so as to deal with two different subjects, and from the expressions of opinion from some seventeen or eighteen members who have already spoken, it is evident that the bill is contentious.

Immigration cannot be approached without dealing with emigration. Today a most alarming condition is rapidly developing in Canada. It is a repetition of what occurred in 1920 and 1930. During the past eighteen months hundreds—yes, thousands—of Canada's first-class citizens have been emigrating across the border to the United States. Of course this is through no fault of their own, but is due to conditions existing in Canada at the present time. Young Canadians with families, who have been educated in our colleges, collegiates, technical schools and universities, are going across the boundary line to better themselves, because no suitable employment or positions are available for them here at home.

It will be recalled that in the early twenties Canada lost 100,000 citizens annually over a period of ten years. That means that a million good Canadian citizens left Canada to take up their homes in the United States. Something was wrong. Canada's emigration should be most carefully supervised to see that there is no recurrence of the happenings of those early twenties. During that ten year period 150,000 entered Canada annually, 50,000 coming from the United Kingdom and 100,000 from central Europe and elsewhere. That is, of every three immigrants who entered Canada only one was British, and for every three immigrants who entered Canada we lost two native sons to the United States. Doctors, nurses and members of other professions left Canada in the early twenties and are today holding senior positions in the United States. My mind goes back this afternoon to a legion reunion which was held in 1940, the first year of world war II. The eastern Ontario meeting was held in Kingston and members of the various branches attended. One was a young returned soldier of world war I who had gone to the United States in order to find employment and had located in Rochester. Twenty years later he returned to visit his friends, bringing with him his Canadian wife and three children. This boy who fought for Canada in world war I and who had the right to expect that Canada would provide employment for him on demobilization was compelled to seek his future in the United States. This case is only one of many Canadians who went to the United States in that ten year period. Think of what Canada has lost and let us see that it does not occur again.

A statement is due to the house and it should come from the Prime Minister (Mr. Mackenzie King) who is in his seat today. I welcome him back. He should tell us what steps are being taken by the government to make it possible for young Canadians to see a future in Canada and obtain employment with suitable remuneration. Government immigration policies seem to have been discussed by various ministers of the crown. When the time came to present the order in council which permitted the entry of Polish immigrants it was sponsored by the then Minister of Justice, now the Secretary of State for External Affairs (Mr. St. Laurent). The Minister of Agriculture (Mr. Gardiner) has given several interviews on the subject of immigration and the Minister of Labour (Mr. Mitchell) went out of his way a few days ago to define the government policy on immigration. We more or less expected that any leadership on immigration would come from the Minister of Mines and Resources (Mr. Glen), but the minister has been silent in so far as defining what the government's policy will be on this important question. On May 1, the Prime Minister submitted to the house the government policy.

On April 30, 1946, when the house was discussing the citizenship bill, the minister seemed to go out of his way to place on record the number of British subjects who had been deported between April 30, 1930, and March 31, 1945, and I refer hon. members

to page 1076 of *Hansard* of April 30, 1946. He did not show the number of admissions from nor did he show the number of deportations to other countries. I go back a little farther to the dominion-provincial conference held in November, 1927, when Canada's immigration policy was an item of consideration. Premier Taschereau of Quebec declared that sixty per cent of the inmates of the asylums in Montreal and forty per cent of the inmates of jails were aliens. He stated he believed that such people should be deported as fast as they came to this country. In referring to aliens he could not have been referring to those of British stock. Therefore we must be careful today and not make our policy too wide open.

When Lord Jellicoe was in Canada he referred to immigration. He stated that between 1920 and 1930 upwards of 250,000 persons had annually left the shores of the United Kingdom to settle in other lands. Of those 250,000, only about 50,000 arrived in Canada. We find that of every five persons who left the United Kingdom only one came to Canada. Why did Canada not do more to encourage immigration from the United Kingdom? Let us see that the same mistake is not made again in the next few years. Definite action should be taken by the government at the present session with respect to immigration.

Many people in the country are greatly disturbed because of the coldness of the government toward British immigration. The citizens of the British isles have been brought up to believe in the same ideals and the same type of constitutional government as we have. Our soldiers fought side by side for the same way of life. Thousands of young desirable British immigrants are most anxious to come to Canada and sufficient encouragement is not being given them by the present government.

Mr. GLEN: There is no discrimination against anyone from the old country; the only difficulty is to get transportation to come here.

Mr. KIDD: I shall answer the minister in a moment. I can only refer to the old saying that a horse will starve while it waits for the grass to grow. These young men, many with families, and those who have been demobilized from the armed forces, have been most anxious to come to Canada but are now turning their eyes elsewhere. The same thing is happening today as happened twenty-five years ago after world war I. At that time the young men who were desirous of coming to Canada went to Australia, New Zealand, Africa and the United States.

It would appear that many people, both in the government and among its supporters, are giving much time and thought to the immigration of new British stock. I am of opinion that it is urgently needed and that something should be said on behalf of the large numbers in the United Kingdom who are intending to emigrate as soon as conditions there will permit. I believe that now is the important time for this country to show both an interest and a concern that will attract these people as soon as they are able to come.

Let us not forget that England spent millions of dollars in finding homes in Canada for the United Empire Loyalists. Those people settled in the maritimes, along the shores of the St. Lawrence and lake Erie and lake Ontario. Just as those men had the pioneer spirit, so have many of the young men in the United Kingdom who are desirous of living within the empire. All they are asking is an opportunity. Just as we have British preference in trade and commerce, so should we have British preference in immigration. At the top of the list should be those young men of the empire trained in Canada during world war II and who, during that training period, formed such a favourable impression of Canada that they are most anxious to return.

I should like to bring to the attention of the house some figures in the Canada Year Book, 1942, at page 153, showing the arrival of immigrants into Canada between 1920 and 1930. It is interesting to break down and examine the official figures of immigrants who came to Canada during that ten year period. At this point I wish to bring to the attention of the house the figures for 1927, which is only an average year. With your permission, Mr. Speaker, and that of the house, rather than read this tabulation I shall place it on the record.

The ACTING SPEAKER (Mr. Golding): Has the hon. member the consent of the house?

Mr. COLDWELL: Has the hon. member the details of the deportations to Britain between 1930 and 1940?

Mr. KIDD: I can tell the hon. member where that can be found.

Mr. IRVINE: Put them both on and we will let it go on; otherwise we will not.

Mr. KIDD: The question is all right, and I would refer hon. members to page 1076 of *Hansard* of last year. At that time the minister was asked to put on the record the admissions and the deportations.

Mr. COLDWELL: Could the hon. member put them on together?

Mr. KIDD: I think you will find them there. If you are not satisfied, I will exercise my right and read them but it will take a few minutes.

Mr. NICHOLSON: Go ahead.

The ACTING SPEAKER (Mr. Golding): Has the hon. member the unanimous consent of the house to put the figures on *Hansard*?

Some hon. MEMBERS: Agreed.

Mr. KIDD: The figures are as follows:

	Immigrant Arrivals From			
Year	United Kingdom	United States	Other Countries	Total
1920 ...	75,804	40,188	22,832	138,824
1921 ...	43,772	23,888	24,068	91,728
1922 ...	31,005	17,534	15,685	64,224
1923 ...	70,110	16,716	46,903	133,729
1924 ...	57,612	16,042	50,510	124,164
1925 ...	35,362	17,717	31,828	84,907
1926 ...	48,819	20,944	66,219	135,982
1927 ...	52,940	23,818	82,128	158,886
1928 ...	55,848	29,933	81,002	166,783
1929 ...	66,801	31,852	66,340	164,993
1930 ...	31,709	25,632	47,465	104,806

Reference: The Canada Year Book—1942 (page 153).

The following report shows that out of every three immigrants coming to Canada, only one was British.

Total number of immigrants entering Canada in 1927	158,884
British	52,000
United States	23,818
Belgian	2,369
Dutch	2,066
Finnish	5,054
German	11,991
Italian	4,440
Jewish	4,774
Jugoslav	1,618
Magyar	5,781
Polish	8,248
Ruthenian	10,836
Scandinavian	12,000
Slovak	4,242
Swiss	681

I should like to say a few words about immigration from Newfoundland. Canada should give every consideration and priority to the citizens of Newfoundland. The majority of Newfoundlanders are today from British stock. They come to Canada for their advanced education, attending Dalhousie, McGill, Queen's or Varsity. A great many of these young citizens then remain in Canada. In the late thirties, because of Canada's discouraging immigration policy, many a young Newfoundlander left for Boston and New York. The result was that they were lost to Canada and the empire. Newfoundlanders who desire to emigrate to Canada should be given every cooperation and priority.

Frequent reference to the subject by prominent men has brought Canada's immigration problem much before the public. Who is to grapple with it? The proportion of British people coming in steadily falls off and people from the continent of Europe are taking their places. Annual reports and annual meetings of various institutions in Canada have dealt with this problem. What is wrong with Canada's immigration policy? For a time the government's policy resulted in bringing into Canada large numbers from Europe whose conditions and background made assimilation difficult, while the movement from the British isles was discouraged with vexatious and petty restrictions.

As far as Canada is concerned, her immigration policy is not a problem of numbers; it is a policy of the possibility and advisability of mixing the old world with the new.

There are few Canadians who will not agree that this country needs more people to help liberate the wealth that lies in its resources, to build up its domestic markets and to make lighter the burdens of its people. We have reached a point in our national progress where the country is better able than it has been for many years to commence to assimilate a number of desirable new citizens. Canada needs them and needs the wealth which the class of people I have in mind would bring and develop.

Here is a plan to provide us with immigration and good citizens:

(a) Our resources are capable of progressive development and of providing a high standard of living for a greater population, and there is the obligation to provide opportunity for citizenship on equal terms to numbers of kindred-minded people.

(b) Immigration should be under the direct control of the government without any subsidiary arrangement with private interests.

(c) With a view to the perpetuation in Canada of a democracy in the British tradition, preference in immigration should be given to those whose political background, intelligence and love of freedom are likely to fit them for such a democracy.

There is need in the dominion of Canada for men who have the pioneer spirit.

Immigration should be on a definite quota system.

All potential immigrants to the dominion of Canada should be required to pass a strict medical examination, including X-ray, at or before reaching the port of embarkation and to comply with such other regulations as may be prescribed from time to time.

The government of today, through its immigration branch, has within its power the

foundation of Canada's future prosperity. Let us continue to perpetuate British traditions. Let Canada leave no stone unturned in the next few months to extend a welcome to and make possible the entry into Canada of all displaced personnel in the United Kingdom who desire to come.

Let us keep Canada British. The importance of this subject in relation to Canada's future points directly to the necessity of a full-time minister of immigration.

The minister of immigration asked me a question a moment ago about the British coming to Canada. Let me give an illustration. During the war, near Kingston, at Collin's Bay there were 5,000 British lads of the finest British stock within the empire training for the fleet air arm. The father of nearly every one of those boys was an admiral or high-ranking officer in the navy. Two or three hundred of these boys married Canadian girls, and after the war they took their wives home to Britain. Many of them now want to return to Canada. Some of them have children and they want them to be near their grandparents in this country. In addition, there are many single boys and single girls in Britain who want to come to Canada. I recall one instance about which I wrote the minister many times. He replied courteously and has been of great assistance in that case. One young girl from Kingston married an English boy and they had a child. They returned to the old country after the war and now they want to come to Canada. She thought her passage would cost her two or three hundred dollars. She had to wait six months for transportation and then it cost her between five and six hundred dollars. The boy returned by aircraft carrier. That is the finest stock we can bring to Canada and every assistance should be given to them. We are subsidizing the bringing of Poles to this country. I was at a meeting last Monday which had to do with the bringing out of a couple of thousand girls to this country. I claim that they are being subsidized; they are getting free transportation. While subsidizing them and giving them free transportation, we are not doing the same thing for British stock.

Mr. GLEN: Does the hon. member say that we are subsidizing them?

Mr. KIDD: I will not say you are subsidizing them but you are helping to pay their passage. They are coming here free. Their passage is being paid. They are being assisted.

Mr. GLEN: The hon. member is leaving the impression that the government is assisting in their passage.

[Mr. Kidd.]

Mr. KIDD: You are helping to bring out single Poles.

Mr. GLEN: No; the British government is doing that.

Mr. KIDD: I put a question on the order paper and the answer was that you paid part of it.

Mr. GLEN: The British government is paying the expenses of the transportation of the Poles to Canada.

Mr. KIDD: I think Canada should pay for it. I differ with the minister there. If the Poles are good enough to come to Canada we should let Canada pay for them.

Mr. F. D. SHAW (Red Deer): Mr. Speaker, before giving my observations on the bill, I should like to make a brief reference to what the hon. member for Cariboo (Mr. Irvine) said. While the hon. member for Lethbridge (Mr. Blackmore) is quite capable of expressing himself in his usual forceful, clear and concise manner and does not need me to come to his defence, I must say that the hon. member for Cariboo placed on exaggerated interpretation upon his remarks. I do not intend to pursue that matter farther, except to say that clarification, if clarification is necessary, will be made by the hon. member himself.

May I now refer to Bill No. 10? When this bill first came before us I could not help but observe the two distinct sections of it, one having to do with the repeal of the Chinese Immigration Act, and the other having to do with the provision for the admission to Canada of dependents of members of the Canadian armed forces who have served overseas, without being subject to the provisions of the immigration act. I for one feel, sir, that these two sections should never have been included in one bill. While they are not entirely unrelated, the relationship is so remote that one is put in the position of having to support the two in order to support either one.

There may be some who are not in favour of the repeal of the Chinese Immigration Act —let me hasten to assure you, sir, that that is not my position—but in order to register that position effectively the hon. member has to vote against the provision for admission to Canada of those dependents of servicemen. That is cutting a corner pretty sharply, and I feel that it is bad policy for the government, which at all times, I believe, is seeking support, to put us in a position of that kind.

When I first examined this bill I was a bit hesitant about rising and asserting that I was prepared to offer unconditional support to the

repeal of the Chinese Immigration Act. At that time we had not been given any indication whatsoever of government policy relative to immigration. There was enough said to suggest to me that we might be faced with an open-door policy, and I for one was not and am not prepared to support an open-door policy as applied particularly to certain races. Now, sir, in view of the Prime Minister's long overdue, but certainly welcomed, statement of yesterday, I have no particular objection to the repeal of the Chinese Immigration Act. I think the two most significant assertions of the Prime Minister are found at page 2646 of *Hansard,* in the first column where he refers to fundamental human rights. He said:

> With regard to the selection of immigrants, much has been said about discrimination. I wish to make it quite clear that Canada is perfectly within her rights in selecting the persons whom we regard as desirable future citizens. It is not a "fundamental human right" of any alien to enter Canada. It is a privilege.

And so on. I shall not quote the rest of the paragraph. I agree wholeheartedly with that expression of opinion. I have sometimes wondered whether we have people in the country who believe that these persons do have a fundamental human right, as it were, to enter our country in such numbers as they might see fit.

Farther along, the Prime Minister said:

> There will, I am sure, be general agreement with the view that the people of Canada do not wish, as a result of mass immigration, to make a fundamental alteration in the character of our population. Large-scale immigration from the orient would change the fundamental composition of the Canadian population. Any considerable oriental immigration would, moreover, be certain to give rise to social and economic problems of a character that might lead to serious difficulties in the field of international relations. The government, therefore, has no thought of making any change in immigration regulations which would have consequences of the kind.

I am prepared to designate these words as words of wisdom; but it will not surprise me at all if the Prime Minister himself is accused of racial discrimination as a consequence of this statement. The expression "racial discrimination" has been bandied about altogether too much to suit me. We know that the communists have adopted the policy of branding all non-communists as fascists. I actually believe that some in this country are using the expression "racial discrimination" indiscreetly and indiscriminately and for a purpose, and are deliberately creating difficulties among the people in their relationship one with the other. That may not be very clear, but possibly I have left an indication, at least, of what I am thinking.

Yesterday the Prime Minister said that we have two problems: First, we have the problem of displaced persons, the refugees in Europe. I doubt whether there is an hon. member in the house who does not have the greatest of sympathy for those most unfortunate people. It is terrible to be hungry; it is terrible to be without adequate clothing, and it is more terrible to find oneself subjected to all that the elements of winter may offer. It is my personal conviction that Canada, using reason and good judgment, can play an effective part in meeting this great problem. The Prime Minister indicated that Canada is prepared to play its part. I think it is fitting for me to say that among the refugees we have good and bad people. I am sure that among them we have many who understand and appreciate the democratic concept of life. I am sure that among them there must be thousands who have something to contribute toward the general welfare and upbuilding of this great Canada. On the other hand, I am convinced that among them must be many who have no appreciation whatsoever of what democracy means. The fear which I have felt right along is that in the great volume of sympathy which we have within our beings we might be inclined to open our doors wide and say, "Enter". To me that could be one of the most dangerous procedures imaginable. I was, therefore, pleased yesterday when the Prime Minister said that representatives of the immigration branch would proceed to Europe and examine prospective immigrants, with the idea of selecting many of them for entry into this country.

There are many things which one could say about immigration. Yesterday the Prime Minister indicated that during the thirties, on account of the adverse economic conditions of the period, these provisions were necessarily interpreted in a restrictive manner. He was referring to the general immigration regulations and the increase of admissible persons. He said further, as reported at page 2645 of *Hansard*:

> Because of improved economic conditions, it is now possible to interpret them broadly.

I mention that for this reason. I am not and have not been very happy about the interpretation and administration of the regulations that we now have. I have a number of cases that I intend to use for illustrative purposes, but let me hasten to say that I have always enjoyed splendid cooperation from the immigration authorities with whom I have come in contact from time to time. But they

seem to be faced with a multitude of regulations, and a double multitude of interpretations. I wonder whether these persons themselves, as honest as they may be, as desirous of serving as they may be, are not somewhat confused. I find a great variance of interpretation between the immigration branch here and the district officers which we have across the country. I suggest to the minister that immediate steps be taken to get some uniformity of interpretation and to get rid of a lot of—I do not know whether this is the proper expression or not—redundant regulations—useless regulations, at least.

Here is a typical example which I bring to the minister's attention. Here is a man approximately forty years of age. He served with distinction in the French forces. Later, he served with great distinction in the French underground forces. He had a brother-in-law in Canada who has farmed here most successfully for a long period of time. This man made application for the admission of his brother-in-law, who is at present in France. The first attempt was that of endeavouring to bring this brother-in-law in as a brother-in-law. That seemed to be fine. Everything went beautifully until suddenly the question was asked, "Where is this man's sister?"—the wife of the farmer who had made the application. We had to admit that she was dead. Therefore the officials stated, "In view of the fact that she is dead, her husband is no longer the brother-in-law of the prospective immigrant." A most peculiar thing! So we thought, "We will get around that," and we made application for his entry as a farmer. He was a qualified farmer and had been a successful one until he was deprived of all his properties as a consequence of the war. As I say, we made application for his entry as a farmer. Everything seemed to be just fine until someone said, "Now, has he the money with which to establish himself?" The answer was, "No, but his brother-in-law is prepared to set him up on a quarter-section of land, with buildings, stock and everything, and give him title." We were told, "We are sorry; he must have the money to buy the properties and establish himself."

So, having been beaten there, I said, "Since the brother-in-law of the person whom we are desirous of bringing in is not regarded as a blood relative, we will get his son—the nephew of the prospective immigrant—and have him make application, because he is a blood relative." But no; that was quickly ruled out on the ground that the nephew could not qualify as an applicant under the regulations. I could probably think of a few more things that we were faced with, but the long and short of it is that this prospective immigrant is still somewhere in France. He is penniless and unable to establish himself because of conditions over which he had no control. That is not just an isolated case. I am not endeavouring to be unduly critical, but I am pointing out exactly what we are faced with. In fact, this statement was made to me, "These immigration regulations are not designed as regulations to permit the entry of immigrants; they are designed as regulations to exclude immigrants." That conclusion is arrived at only as a consequence of the innumerable obstacles which officials seem capable of throwing in your way when you try to procure permits for the entry of a so-called admissible person.

I shall mention just one other case, that of a young Danish lad. He was born in Canada and his parents were successful farmers. In fact I do not know of any who are more successful in the farming line than are the Danish people who have settled in great numbers in my part of Alberta. This lad's parents were highly respected people; they were British subjects. This lad went overseas at the outbreak of the war. He did so in order to see relatives whom he had never before seen. He also went over for the purpose of attending the agricultural college. He was unable to return to Canada. He served until that country to which he went was subjugated. He then entered the underground forces. I may say that he has shown me the documents covering this. While he was serving with the underground forces he married and his wife had two children. He got back about a year ago, but every conceivable type of obstacle has been thrown in the way of his wife's entry into the country; and that boy who is endeavouring to establish himself on a farm, to have a home for his family when they arrive, is now forced to send over $70 or $80 overseas every month in order to provide for his wife and children, unless the case has been solved very recently and I have not been so advised. The last information I had was that he was being bled of Canadian dollars—and incidentally so is the country—in order to maintain his family over there. He could have brought them here, because on two occasions he had air passage arranged for them, but obstacles were thrown in the way. As I say, I want to be perfectly fair. If that case has been solved, I am tickled to death; but if it has I have not been so advised.

There is another matter to which I should like to refer; in fact, there are a couple of other matters. I find upon examination that medical men are not permitted entry into

this country unless they are British subjects or United States citizens. With the acute shortage of medical doctors in Canada—and I am told that there is now an acute shortage of approximately two thousand—these persons are not regarded as admissible. Not only that, but I am advised on good authority that even during the war many of these medical men who had come over—some just before the war and some early in the war—were not permitted to engage in the practice of their profession. In fact I am told on good authority that some of them were engaged in the censorship department here in Ottawa, while their services could have been of much more value had they been permitted to practice their profession here. Unless some good reason is given, I believe that these qualified medical doctors should be permitted to enter Canada. After all, we are constantly told that one of the chief obstacles to the establishment of a suitable health programme in Canada is the lack of doctors and as well, of course, the lack of qualified nurses. I hope that the minister will give this matter some consideration.

Mr. GLEN: Is there not this feature which enters into the matter? A doctor or medical man coming into Canada must have his licence and must clear himself with the medical association.

Mr. SHAW: That is all known by me. I am not asking that a medical man be permitted to enter Canada as a medical man and just simply be given authority to practise without meeting the requirements as determined through examination set by whatever body is responsible for doing that. But you have thrown up that barrier against the medical man as such coming in. He is not qualified as a farmer. He cannot be regarded as admissible, as nearly as I can determine, under any other section of the Immigration Act. Therefore I feel that a special provision should be made.

Mr. GLEN: You are speaking of countries other than the United Kingdom and the United States?

Mr. SHAW: I mentioned earlier that British subjects and United States citizens do qualify. I have in mind, for example, a case which I brought to the attention of the department, and that was one reason why I mentioned this. This young doctor is Swiss; he is now director of the Jimma hospital in Ethiopia. He was in Canada about three or four years ago as a member of a medical mission. As a consequence of meeting a missionary in Africa, whom I know, this man wrote me. I was told that he could not possibly enter this country. He is a graduate of about four universities. I would not ask that he be brought in, placed in a hospital and told to go to work, or permitted to establish himself in practice somewhere in the country without examination. But I think he should be permitted to enter, write his examinations and, if qualified, given a chance to establish himself here, provided that he is the type of person we should like to have in Canada, quite apart from his professional qualifications.

There is another question which has made me wonder; I have not very strong feelings in connection with it, but I am asking for information. We had a number of Poles brought to Canada. Please do not misunderstand me. Certainly I am not one of those who criticize any person because of his racial origin or religion. I never ask a man what his racial origin is, nor do I ask him what his religious faith is. I take him for what I find him to be, regardless of those other things. I am told that before those Poles came to Canada they were signed up as members of the British army for a period of two years. That came on pretty reliable authority. If that is true, my question is, why? I will just leave it at that point.

I have no great desire to take up much more of the time of the house, but I should like to refer to one more paragraph of the Prime Minister's observations yesterday. At page 2645 of *Hansard* he said:

> The fear has been expressed that immigration would lead to a reduction in the standard of living. This need not be the case. If immigration is properly planned, the result will be the reverse. A larger population will help to develop our resources.

I agree with that.

> By providing a larger number of consumers, in other words a larger domestic market, it will reduce the present dependence of Canada on the export of primary products. The essential thing is that immigrants be selected with care, and that their numbers be adjusted to the absorptive capacity of the country.

I wish to make just one observation in that connection. Of all that the Prime Minister said, I am less in agreement with that paragraph than any other. If the essence of that statement is correct, why did the United States, with its tremendous population in proportion to area, as compared with Canada, take such a terrific beating during the last depression? Moreover, if that is true, why did we curtail our immigration during the depression years? If that constituted even a partial solution, then I think we should have brought in immigrants in greater numbers, instead of making our policy much more restrictive.

Mr. H. O. WHITE (Middlesex East): I should like to take a few moments of the time of the house to refer to this matter of immigration. First, I wish to say I agree with the ideas and ideals expressed by the hon. member for Kamloops (Mr. Fulton). I do not think I need go over those things he said, with which I am in accord, but for a moment I want to refer to the position of Canada and her need for immigrants. In the past it has been impressed upon many of us that we are a country of vast areas, with a sparse population; and I think it is obvious that we can bring people to this country and give them a higher standard of living than they would have anywhere else in the world, so that they will be quite prepared to pay higher prices for our products than if they remained in their native lands. Something else we can share with them is our national debt; we will gladly divide that up.

I rather resent some things about immigration, and one is the fact that some of those who come to this country bring with them political ideologies which are foreign to the North American continent. It seems to me that when they are so anxious to come here they should be prepared to accept our ideas and ideals in regard to government. I would be quite prepared to accept, as I believe we as Canadians would be prepared to accept, a quota system for those who wish to come to this country from Asia. As for the so-called Chinese Exclusion Act, I think we should bring that legislation up to date in such a way that we shall be treating these people in a humane and friendly manner, to right the wrong that has been done in the past. In the city of London we have a Chinese family by the name of Wong, to whom I should like to refer. In that family are eight children, of whom three are doctors; one is now at Osgoode Hall, a member of the legal profession, while the remaining four are in business in London. They are among the very finest of our citizens.

The hon. member for Kingston City (Mr. Kidd) mentioned the drift of our young people to the United States. That is to be regretted. It seems to me that we are losing the cream of our crop and bringing in the skim milk, and I doubt if we are to improve very much our position in this way. It is evident that something is wrong when these young people leave our country and go elsewhere. The hon. member for Cariboo (Mr. Irvine) mentioned that immigrants were brought in. That is not my understanding. They come to this country of their own free will; they are clamouring to come here. They are not brought in; but when they do come they should be quite prepared to accept our laws and regulations.

One hon. member said something about enemy aliens. In western Ontario we had a good number of prisoners of war working on farms, and I have had many individual farmers come to me wondering how they could have those men returned to them. Since losing the prisoners of war, some of these farmers have had Polish veterans working for them, and they are quite prepared to take back their prisoners of war and help them become established in this country. I have also met delegations of farmers who were quite prepared to take prisoners of war and so-called enemy aliens. I have neighbours who have been in this country for twenty-five years, originally coming from Hungary. They have relatives in Hungary who are now destitute and hungry, but they are classed as enemy aliens and cannot be admitted to this country. I think it is much easier to make democratic people out of them by bringing them to this country than by keeping them starving in Europe.

The Polish veterans have been mentioned, and I should like to state this fact. While I was home last week, I went to the Department of Labour in London, where I was told that, of the 122 Poles placed through the London labour office, fifty-one have left the farms on which they were originally placed, and that some of them have moved two and even three times. So that in this question of immigration we face quite a problem. Also only the other day I was told that one of these Polish soldiers had married, that he has a family and that he is applying for family allowance. I was wondering what the status of his wife and the child would be.

Mr. G. R. PEARKES (Nanaimo): Mr. Speaker, I should like to preface my remarks with a short description of the activities of certain young Canadian-born Chinese who, in 1944, volunteered for service in the Pacific. The majority of these young men came from British Columbia, and I give this illustration, because I believe it is indicative of the spirit of the Canadian Chinese.

These boys—they were little more than youths—were trained in the most hazardous of all operations, that of acting as saboteurs behind the enemy lines. They were taken to a remote part of British Columbia, and there were taught how to use explosives, how to speak various dialects of the Chinese language, and were also given a smattering of Japanese. They received a most intensive six months special training.

I was one of a few people who went to visit these young men while they were being trained. I remember sitting around a camp fire one summer evening discussing with them the future of the operations they would be undertaking. One topic of conversation to which they invariably returned was that, while they were pleased to do this work and to take chances for Canada and for China, they did hope that when the war was over they would be recognized as full Canadian citizens, and given the franchise.

I am pleased to remind the house that the government of British Columbia has given the franchise not only to these young men but to all Canadian-born Chinese. These men went to the far east and carried out with distinction the tasks assigned to them. The majority of them have returned. I am pleased to say I have received communications from them reporting on how they did their work, and how they are now reestablishing themselves in the life of the community.

Only last month I received a letter from one of these men who asked if he might continue his service to Canada, and might be given an opportunity of joining one of the reserve army units, in order that he might pass on to other young Canadians—perhaps other young Canadians of Chinese extraction —some of the experiences he had had, and what he had learned while he was in Asia. I am pleased to say I wrote the officer commanding the district, giving him the name of this young man, and that only today I received a letter in reply, saying that this young Canadian-born Chinese is to be given an opportunity of joining one of the reserve regiments.

I bring this matter to the attention of the house as an indication of the desire of these young men to become Canadian citizens. Anyone who has had any experience in connection with victory loan campaigns and Red Cross drives will know that the Chinese living in Canada have set an inspiring example for other sections of the community in their generosity in those drives, as well as in promoting their own drives to assist Canada.

I believe I am speaking for a large section of the population of British Columbia when I say we admire and respect the Chinese. We dislike seeing placed upon them any restrictions which might be considered inhumane or which would not apply to other sections of the population. We bear in mind the fact that only a small proportion of the male Chinese living in British Columbia have their wives with them. It is unfortunate for them, and is a source of irritation; and perhaps there is a feeling almost of disgrace when it is remembered that for so long a time it has not been possible for these men, who have been in Canada for many years, to bring their wives to this country.

The majority of the male Chinese on Vancouver island are men who are now past middle age. They have performed humble work for many years, without having the comfort of their wives and families, except for short periods of time when they have gone back to China. Therefore I think I am correct in saying that the majority of people in British Columbia would like to see that handicap removed from these Chinese men, now that they are becoming citizens of Canada.

But we have to be practical in the matter, and we must realize how many Chinese males whose wives are living outside Canada there are in the country. The latest figures for British Columbia show that there are some 13,174, whereas in all of Canada there are some 23,556. If these Chinese male residents in Canada were allowed to bring in their wives and their dependent children under the age of eighteen, according to the present regulations only a small number—about 8,000 of them—who are Canadian citizens, would be permitted to bring in their families. But the remainder are eligible for Canadian citizenship, and I presume the vast majority of them will accept the opportunity of becoming Canadian citizens. Therefore we may see coming to Canada, if the doors are thrown wide open, not a few hundred Chinese ladies and their children, but several thousand of them, perhaps no less than 40,000, which, I believe, would not be an extreme figure at which to place it.

I suggest that it would be utterly impracticable for us in British Columbia to absorb anything like that number of Chinese females at the present time. The majority of the Chinese live in the cities. Only a comparatively few live in the country, although there are some market gardeners on the outskirts and a certain number of men work in the logging camps and sawmills. But, as I say, the majority of those who have families live in the cities, and Chinatown in Victoria and Chinatown in Vancouver are terribly overcrowded at the present time and could not absorb any additional population. Where are we to house this large number of Chinese women and children if they are permitted to come here? Every school on Vancouver island is overcrowded at the present time. Reference was made earlier in this debate to medical services. Very few of the Chinese in this country at the present time belong to the professional classes, and therefore the care of any large number of Chinese wives

and children who might come to this country would be an added burden upon our already overtaxed medical and dental and teaching services.

I feel that we must ask the Prime Minister (Mr. Mackenzie King) to give the people of British Columbia some assurance that there will not be a flood tide of these wives and children into the country. I was heartened by a sentence in his statement yesterday when he said that it is of the utmost importance to relate immigration to the absorptive capacity. I would ask that that statement be applied to the Chinese families who may come in as soon as this act is repealed and to the additional number who would be allowed to come in as soon as Chinese residents take out their citizenship papers.

I should like the government to have a vivid picture of the Chinatowns in our coast cities and to realize that it will be a disgrace to this country if a large number of Chinese come here and are thrown into these already overcrowded slum conditions. I hope it will be possible to limit the entry of wives of Chinese who are here to those that can be absorbed readily. This may impose a little hardship on Chinese in this country who may have to wait a little while longer for their wives to come here, but I think it would be a wise and judicious policy to limit the families coming in to a trickle until such time as accommodation can be made available for them.

Mr. ALISTAIR STEWART (Winnipeg North): Mr. Speaker, a few months ago the Minister of Mines and Resources (Mr. Glen) and I took part in a ceremony in Winnipeg at which we were presented with citizenship certificates. They were presented at the same time to representatives of other ethnic groups in Canada. On that occasion the minister made a speech which I applauded when he sat down—a speech upon which I now congratulate him. If my memory serves me aright, he said that he and we others who were with him had a great advantage over other Canadians in so far as we had chosen to come to this country, while those who were born in Canada were here entirely by accident. I know I chose deliberately to come to this country. It was a land of hope; it was in the western hemisphere, the hemisphere to which the peoples of the world are looking for leadership and guidance. Through the years that I have been here my pride in Canada has steadily grown and each time something has happened to hurt that pride I have felt practically a physical bruise.

[Mr. Pearkes.]

There is in this bill a principle at stake, a great principle of human justice. On other occasions I have charged the government with discrimination in connection with certain of its immigration regulations and orders but, after discussion and correspondence with the minister, I am now convinced that that discrimination no longer exists. I congratulate the minister and the government upon that state of affairs. But in this bill we have a certain type of discrimination. I should like to remind the Prime Minister (Mr. Mackenzie King) of what he said yesterday, and I quote from page 2646 of *Hansard:*

> This does not mean, however, that we should not seek to remove from our legislation discrimination which appears to be objectionable.

I feel that Chinese residents as such are discriminated against, and that is something which hurts the good name of Canada in the world at large. Yesterday my colleague and roommate, the hon. member for Kindersley (Mr. Jaenicke), came back from New York where, along with other members of parliament, he had attended the meetings of the united nations. He came back filled with jubilation at the knowledge that Canada's name stood high among the nations of the world. We do not want to do anything which will tarnish or sully that name; yet we risk that by placing Chinese residents on a different level from that of other residents in Canada.

I ask the government most earnestly to reconsider its position. After all, in effect what difference will it make if we give to Chinese residents the same rights given to other residents? We can assume, I think, that many of these Chinese residents will take out their citizenship papers when they find out they can bring their wives and children to this country. It is merely a matter of postponing, perhaps for a few months or a year or two, the time when their relatives would come to this country. For the sake of a year or two I do not think it is worth risking having our representatives at the united nations held up to the scorn of other nations. We accepted certain obligations under the charter and we have to fulfil them. I ask the government to reconsider this matter and put Chinese residents of Canada on exactly the same basis as other residents.

I agree substantially with what the Prime Minister said yesterday and there is only one comment I wish to make, one which I made the other day. This concerns refugees in the displaced persons camps in Europe. Anyone in this house who has had anything at all to do with these people, anyone who has read the stories concerning them must realize how

desperate is their position. Many of them have only hope left, and if they are not going to be given something to bolster up that hope I hesitate to think what may happen. To give them additional hope I repeat the suggestion I made. The teams which are going over to Europe to examine potential immigrants could examine these people and if they come within the rules or regulations they could be given a visa or a letter, some document which would let them know that eventually we would be prepared to take them into Canada. Obviously we cannot do so now, because we have been told repeatedly about the difficulties of transportation, but at least we can give them that hope which they need so desperately. If we do that we shall have gone far toward fulfilling our obligations to these dreadfully unfortunate people.

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, I realize the importance of the refugee problem and that it is a difficult one to handle. I have one suggestion to make with regard to the refugees, and that is that it might be well to bring in certain family groups of them who are known to have democratic tendencies. That would make it easier for them to work out their own destinies here.

I understand that about 100,000 applications have been made to Ontario House in London by British people for permission to come to Canada. I have a recollection that the Right Hon. Winston Churchill said not long ago that there were 6,000,000 people too many in Great Britain at the present time, and I have no doubt that the more people from Great Britain that we took into Canada, the more we should ease the hardships which they are experiencing today with respect to the shortage of food. It would mean just that many less to feed in Great Britain, and, further, they are the right kind of people we want in this country. We should give the people of Great Britain who bore the brunt of battle for so many years alone the preference in coming to this country. Very few people in Canada who have not been over to the old country realize the terrible hardships with which they have to put up today, and I can certainly say, from letters that I receive from Great Britain, that conditions there are pretty grim. For all these reasons I think we should do everything we can to give the British priority in coming to Canada.

I wanted to speak particularly on the question of Chinese immigration. I have in my riding a great number of Chinese. There are quite a few of them in the city of Toronto and in the province of Ontario. I have known some of these Chinese intimately. I was connected with the Chinese war relief fund, and I know how much the average Chinaman in this country and especially in Toronto sacrificed in order to send relief to the people of his own country. We must not forget that China was at war for many years before world war II and that conditions in that country are still by no means settled, and we should give the Chinese every consideration. I never met a finer man in my life than Chong Ying of the city of Toronto. Some years before the war he wanted to bring his boy over here but it could not be done. That was a great disappointment to him. He is the head of the Chinese in the city of Toronto. Now he is an older man. There is another very fine Chinaman I know, Ernie Mark, and many others. Ernie worked hard and is still working hard collecting money in Canada to send relief to China. There are many others I know who are very fine people indeed, kindly, loyal to Canada and highly respected.

In my city many Chinese who have married do not live in Chinatown but have places of their own around the city. I think that is much better than living all together in a congested area. We should do everything we can to help out the Chinese who are here now.

A great deal has been said about the Chinese in Canada. According to the 1941 census, there were 34,627, of whom 30,713 were males and 3,914 were females. I suppose there are more now. But the point I wish to make is that eighty-two per cent of these Chinese in Canada are over forty years of age. While they might bring out their wives, I doubt that they could bring out their families because their children would now be over twenty years of age. No Chinaman has been allowed to return from Canada to China since 1931, so that their children in China must now be over twenty years of age, and I do not think there is any danger of having a large influx of Chinese families. Again, sixty per cent of the Chinese in Canada are over fifty years of age. This makes it clear that there is not much danger of a large immigration of Chinese families to this country.

We asked the Chinese to come to Canada and welcomed them here, and so far as the Chinese in my own city are concerned, I know them to be very fine citizens. One of their difficulties is that they are forced, under present conditions, to live unnatural and abnormal lives, being practically forced to live a life of celibacy in congested areas. If they

had their wives with them they probably would not live in the centre of Toronto but would move out into houses of their own.

It is almost six o'clock and I should like to give just a few more figures before I sit down. In the metropolitan area of Toronto there are 2,559 Chinese, of whom 2,275 are males and 284 are females. I have not the number of Chinese born in Canada, but the figures I have just given include a great many children who were born in this country. I just wanted to take a few minutes, Mr. Speaker, to speak of the kindness and loyalty of the Chinese I have known and to put these figures on the record.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

BRITISH COLUMBIA TELEPHONE COMPANY

The house in committee on Bill No. 59, respecting British Columbia Telephone Company—Mr. Reid—Mr. Golding in the chair.

On section 1—Capital stock.

Mr. GREEN: I have no intention of opposing this bill. The British Columbia Telephone Company are applying under the bill for permission to increase their capital from $11 million to $25 million. There is no doubt that they are faced with a great need for more expansion. I have clipped out of the paper received today from British Columbia a large advertisement by the company headed, "Report on the Telephone Situation." It goes on to apologize to the people who have applied for telephones but are unable to get them. It tells them why it is impossible to make these installations at the present time. There is no doubt that the company will have to put in a great many thousand new telephones and will require a great deal of money to do so.

However, I think there should be some assurance given to the committee, by the hon. member for New Westminster who is sponsoring the bill, to the effect that there is not to be an application for an increase in rates. That has always concerned me when bills of this type come before the house. In this case, where there is a big increase in capital, I think it is essential that some protection should be given to telephone users of British Columbia. I understand that the hon. member has been authorized to give assurance to the effect that the company has no present intention of applying for an increase of rates and will not make any such application unless compelled to do so by extensive changes in conditions.

Mr. REID: That is my definite understanding.

Mr. GREEN: That assurance is clearly worded and contains a statement to the effect that an application will not be made unless the company is compelled to do so and then only by reason of extensive changes in conditions. If the hon. member for New Westminster is prepared to give that assurance on behalf of the British Columbia Telephone Company I for one shall have no objection to the bill passing.

Mr. REID: I am authorized to do so, and it is my definite understanding.

Mr. IRVINE: I just wish to bring to the attention of the committee a point which I raised in the standing committee when this bill was before it. The hon. member who is piloting this bill through the committee gave us a good outline of the project, and explained it very well. The point that I wish to bring to the attention of the committee and to the sponsor of the bill is the great need which is apparent in the rural sections of British Columbia for a further expansion of service. Of course the capital which has been provided by this legislation might well be used for that purpose or it might not; and it is in order that we may have some assurance that it will be used, in part at least, for extending the service in the rural districts, especially in the central and northern sections of the province, that I now rise.

The British Columbia Telephone Company is already well established in the better settled sections of the province, where, of course, a telephone system would pay better than it would in sparsely settled districts. It is so well established that in these points it virtually has a monopoly of the best section of the country; and unless it is an unusual type of corporation, it will not expend any more money than it can help in sections of the community which do not pay very well. That is only a natural thing for us to expect from a company which is, like all other companies, in the business for the profits that may be made as well as for services that may be rendered.

I should like to have some assurance that it will not continue to confine the expenditures of its newly authorized capital to communities which are already fairly well served,

but that it will extend its services to communities which have none. Of course I believe that a telephone system should be a public utility; that the provincial government should have taken over the whole service. But that is a matter for the provincial government and the people of British Columbia; we cannot deal with it here. We are asked to allow this company to carry on its business and extend its capital sufficiently to be able to do so; but the public should have some protection. The last section of the bill, for example, which gives the only protection that is given reads:

> The company shall not have power to make any issue, sale or other disposition of its capital stock or any part thereof, without first obtaining the approval of the Board of Transport Commissioners for Canada of the amount, terms or conditions of such issue, sale or other disposition of such capital stock.

There is some control over the issuance of its stock, but apparently there is no control of the company's action in regard to what particular project the stock will be issued about. Therefore it might very well neglect almost entirely the rural communities which need services so badly.

It goes without saying that, in certain sections of British Columbia, the population is sparsely settled, and that in such districts it would not be a very good paying proposition for a private company to build telephone lines. Nevertheless the service should be an over-all proposition, so that the company may make up in the well settled portions of the communities what it might lose in the more sparsely settled. There ought to be some measure of protection in the public interest in respect of the company's operations.

Mr. REID: As pointed out by the hon. member, he did bring forward that very matter when the bill was before the committee. At that time I gave him, quite naturally, all the assurance that I could.

The application which is before us at the present time is due particularly to the great demand by commercial business and people in the lower mainland, but it is not complete with them unless telephones are taken out into the country and into the district which the hon. member represents. Unfortunately the head of the company fell sick and could not be here. But I have been given assurance that the very matter referred to is to receive the personal attention and keen interest of the head of the company in the light of the suggestion made by the hon. member, so that, if possible, service will be given.

Mr. CHURCH: As a member of the committee on railways, canals and telegraph lines I attended the hearing on this particular bill. I wish to raise some questions regarding the way in which these bills are considered. This bill is not a private bill; it is a public bill which affects everybody in Canada. Do not forget this: we had a long fight with the Bell Telephone Company, a public utility, here in 1927.

In the first place, I take objection to the way in which we are considering these private bills. These should be reported by the committee reporters, so that the members of the House of Commons will have some evidence of what the bill is all about. We do not now know anything about it. We report divorce bills in both houses; I should probably say in this house and another house. I do not know whether I should call the other one a house or not, because they are away at times. What I want to point out to you, Mr. Chairman, is that this is no way for consideration to be given public bills like this one is.

British Columbia, which I last visited in 1927, has been a happy hunting-ground for many years not only for light, but for power, transportation, telephone and other companies. I want to refer to this telephone company mentioned in the first clause of the bill, and I will show you who they are. They are an American trust; that is what they are. They found British Columbia a happy hunting-ground. In 1909 we in our city had a big fight and I myself had to take the case to the railway commission before the late Mr. Justice Mabee. There was a difference in the telephone rates in our city; part was the old city as far north as Bloor street and the new city practically north of Bloor street. In the new city the company were charging $132 for business telephones and $82 in Deer Park near Mount Pleasant cemetery. They would probably have put us all in there if they had kept on. After the city council decided not to take any action on the application, I myself applied to the railway commission on behalf of all the telephone users in the Toronto district. What was the result? After hearing evidence from electricians and other people for eight weeks, the chairman said he had learned more in the last ten or fifteen minutes when I pointed out to him that the principle of the telephone was only that of pole and wire. I pointed out that it did not cost any more for water because you were farther away from the pumping station and that it did not cost any more for gas because you were farther away from the gas station, or for your electric light because you were farther away from the power house, and I asked why it should cost more for your telephone which is simply a pole and wire principle. The chairman marked it down, and I want to say that just now somebody has sent me a

note asking me to make my remarks short. I will just continue my remarks as long as I like.

In 1909 the city of Toronto applied to Ottawa and came down to the railway committee. What we proposed was to place all these telephone and express companies under the control of the Board of Railway Commissioners for Canada under the Railway Act. We, the representatives of the municipalities, were simply howled down, such is the influence these companies had and such was the lobby they had here then at Ottawa, before a committee set up to consolidate the Railway Act. Now you are doing business in a different way. You are afraid to tell the public what is going on. In this case there is no written evidence of what happened before the railway committee of the House of Commons, or any report on it. They might as well have met in private. There was not a single reporter there, as was the case with another bill the other day. But you have a report of divorce cases that do not affect the consumer. I could, if I liked, go back home and not bother my head about this; but I do it because I am here to protect the interests of the public. I did not come to Ottawa to advance my own interests. I came to Ottawa as a sacred trust. I came here to try to do something for the ordinary working people of the country and advance their best interests. I do not expect to get anything out of it under the party system, nor do I ask for anything.

I will tell you one thing on this particular question. I visited the province of British Columbia in 1927—and I will be through in seven or eight minutes now—and it was then the happy hunting-ground for company promoters like this one. It is the richest province in water powers, but the rates there were then prohibitive. I do not know how the small farmer got along then. He had not his light in his barn as we had then in Ontario. It is the richest province in water power, and in some places the water was not fit to drink then. I may say that in 1927 the rates for water were two or three times what our rates were, and not only those, but for light and power and the telephone rates; they may have marked them down now. They want us to increase their capital stock from $11 million to $25 million. I am not complaining about the rates. It is the people who pay the rates; I do not pay them. British Columbia is the richest province in water power I have ever seen, but they have been a long time in doing much about a hydro system for light and power, and the same is true with the telephone.

[Mr. Church.]

I come now to the principle of the bill. This company is part of an American trust, a subsidiary of one. I am reading now from "Moody's Manual of Investments." As to the history of this company, it used to be called the Anglo-Canadian Telephone Company. I may say that it would not be necessary for me to read all this if the committee's proceedings were recorded, but the committee do not know anything about it; I mean our present committee. You never had it reported. You do not know who they are. They can come here and apply for anything. We do not know anything about it. We just pass the bill. It is called as a private bill. How are we to know about it? How am I to go back and explain why I voted away public rights like this?

The history of this company is as follows:

Incorporated in Quebec December, 1934. As of April 16, 1935, acquired all the assets of the National Telephone and Telegraph Corporation which was incorporated in Delaware, December 7, 1926, as British Columbia Telephone and Telegraph Company.

It is a subsidiary of a large American trust.

Business: company has investment in companies which operate telephone exchanges in British Columbia and the Dominican republic.

Properties: a subsidiary, British Columbia Telephone Company, company operates without competition sixty-four telephone exchanges and 163,135 telephones, serving a population in excess of 500,000, including the metropolitan areas of Vancouver and Victoria. Other subsidiaries operate 5,320 telephones, serving various municipalities throughout British Columbia.

Then they go on to give the United States companies. Then they formed, by act of parliament, the British Columbia Telephone Company which is controlled by the Anglo-Canadian Telephone Company, a subsidiary of the American trust, associated telephone and telegraph system. The capital structure is set out here and also the history which is as follows:

Incorporated in Canada in 1916 as Western Canada Telephone Company; name changed to above—

British Columbia Telephone Company.

—November, 1919. In 1923, acquired business and assets of British Columbia Telephone Company Limited incorporated in 1891 as Vernon and Nelson Telephone Company; name changed in 1903; acquired Provincial Company and Delta Telephone Company. In 1929, acquired Fort George and Alberta Telephone Company, East Kootenay Telephone Company and Chilliwack Telephone Company.

Then as to management, the directors were largely American, although there are some Canadians. Under "property" we find this:

Owns and operates over 97 per cent of all the telephones in British Columbia, including

the entire system of the metropolitan areas of the cities of Vancouver and Victoria, and owns all of its exchange buildings and sites in connection therewith. Also owns and operates an extensive long distance system, including four submarine cables from the mainland to Vancouver island connecting with the city of Victoria. Lines also connect with the western terminus of the Trans-Canada Telephone Sytsem. Company conducts its business under powers contained in its charter and without necessity of local or special franchises.

Now we come to the operating revenue which is given as follows:

1939	$5,794,023
1940	6,050,009
1941	6,547,552
1942	7,166,626
1943	7,755,871
1944	8,136,621
1945	8,723,801

You do not notice any net profit of $11 million. Here is what it is. For the last year of record the net profit is $1,324,979 and it came up from $1,297,384 in 1939. The figures for net profit as given here are:

1939	$1,297,384
1940	1,222,337
1941	1,361,350
1942	1,363,060
1943	1,273,038
1944	1,280,351
1945	1,324,979

Mind you, I am not objecting to the people of British Columbia doing as they please about this. It is none of my business, after all, but this company has been placed under federal control. While I appreciate what the hon. member for Vancouver Centre and others in his party, as well as some of my own party, have done in this connection, it is not for me to say what should be done under the bill. I have not time to go over the balance sheets, the liabilities and assets of this company. I do not want to talk out anybody's bill; I am not that kind of man, but I do object to the way this bill is drawn up. Now they want to obtain an increase in capital from $11,000,000 to $25,000,000. Somebody is going to cut up a pretty nice melon. I think hon. members would have to go away down to Mexico or some other place to get a melon as juicy as that. Not many years ago the Bell Telephone Company came along and cut up a melon amounting to $75,000,000, and the people of Ontario had to pay for most of it. At that time, if you had one share you got a nice split also of new shares, and no doubt the same procedure will be followed here later on. I do not know whether the hon. gentlemen to my left have any melons like that to cut up. There is very little money in the real melons they import in North Toronto, which sell at forty or fifty cents each. This is the juiciest telephone melon I have ever seen.

What does this company do? They apply to the senate and to our railway committee. No reporters are there, and very few members; the bill might just as well have been considered in private. We have an important meeting like that going on and hardly a line appears in the house for the public who will have to pay for it. I am not here to criticize the press at all; I have found that it does no good. You can never answer a newspaper, as they always have the last word. However I do complain about the way we are doing our business. Here the railway committee has given this company power to obtain another $14,000,000. When we get away up in amounts like that the figures become astronomical. I do not know that I can say much more about the bill, but I object to all these profits. We do not know anything much about this bill or this company; yet we are asked to support it. Among the directors you will find some of the very same people who served an American trust so faithfully and well in these two subsidiary companies, American-owned. Many of the directors and shareholders of these companies live in the United States, in Delaware and almost every other state of the union. They include all kinds of people; I cannot find their names and addresses at the moment. They come over to Canada and find things very easy over here. They got away with a stock increase of $75 million in 1927 in the province of Ontario. Only one or two members would sit here for the whole evening, night after night, in an attempt to prevent the Bell Telephone Company from increasing its capital stock by of $75,000,000 in 1927 in the province of up the melon by a big split of shares. They got away with it then and they are going to get away with it now because of the way we do business. We have no records or reports before us. We do not keep records. We have records concerning divorce cases and everything else, but we cannot afford to spend the money to keep records in connection with a great public utility like this.

In Ontario, since we have taken light, heat and power away from the control of people like these and given it to the Hydro, the rates have been reduced three or four times, and the same thing could be done in regard to telephone rate service. This company got an extra million dollars in capital in 1941, only a few years ago, and they did not spend or use it all. They probably put it aside. We do not know whether they sold the shares; we could not get any information. Last year the operating revenue of this company was $9,628,000, while the net profit was $716,544, according to the report submitted to

the annual meeting last year. Mind you, they are probably giving good service at fair rates now; I believe that is particularly true in connection with long distance service; but the minute you give them $25,000,000, just see what will happen. They say there will be no increase in rates for a while, but wait and see. That was one of the reasons we had to make a change in connection with certain public utilities some years ago. We were asked to place the express companies and telephone companies under the control of the railway commission. At that time the chairman was Mr. Justice Mabee, a brilliant man who was appointed by hon. gentlemen opposite. He brought down the rates in Toronto from $82 to $32, for a flat rate for Greater Toronto. Business telephones had been paying $132, and he cut that rate for a flat rate for the whole down to $52 and made them get along with the revenue they obtained. That applied all over that district, north, south, east and west. No wonder they applied for a big capital increase; next year they came here and wanted $75,000,000 in capital. So I say this is the juiciest melon I ever saw. Talk about the Montreal melon you used to be able to buy in the stores; it was never in it with what these people can do. All Ontario had to pay for that little deal, and then the stock was split splendidly. It is too bad hon. members did not have some of that stock; they would make more money than by sitting here talking of a bill about which we know nothing.

I do not think I need say anything more. We might just as well give them the title deed of the house, and I warn you, Mr. Chairman, to nail down the parliament buildings before they get through. I saw the Beauharnois boys in the building today. Then the other night over in another branch, in a place down the hall, they were going to give a bill second reading before it was even printed. That was in the chamber of the saints everlasting rest in another part of this building.

Mr. HERRIDGE: Coming from a district in the interior of British Columbia which has a considerable interest in this bill because it has a large number of telephone users, I wish to say a few words. Before proceeding to do so, however, I must say that, after listening to the remarks of the hon. member for Broadview this evening, I can see that party changing its name in the near future from Progressive Conservative to Socialist Conservative.

The bill before us requests authority to increase the capital of this company to take care of necessary expansion. This company has almost a monopoly in British Columbia. I do not object to that, because in the first place I believe that telephone service and public utilities generally can be carried on satisfactorily only on the basis of monopoly or near monopoly, if you want to have efficient administration, to keep down costs and to provide good service for the public. Let me say at once that I stand for the principle of public ownership, and wish this were a public monopoly instead of a private monopoly, but we have not reached that point yet, and we have to face the situation as it is.

This is virtually a private monopoly seeking an enlargement of its capital to serve the people of British Columbia. When it comes to the question of giving any monopoly rights and privileges we have to be very careful to protect the public, because in the case of a monopoly the customers have no choice. For many years I have been a customer of the British Columbia Telephone Company, together with a good many of my neighbours and constituents. I may say that in the past this company, like many other large corporations in Canada, has had what I consider very poor public relations. In the first place, it has covered the larger places and, in my opinion, has often ignored the smaller ones. The result has been that the smaller places have had to get along with much less service, and a less efficient service.

In addition to that, in my opinion, in past years its public relations were poor. But companies of this type, like many others in Canada, are now learning and making progress in that direction. They are realizing that the public of this country are not going to put up with that kind of treatment. I believe that during the last few years there has been a great improvement in the public service, and in the public relations of the company. I believe it must have some new officials, and some more progressive minded administrators.

In my district there has been a considerable expansion of service taking place, and some improvement in the service for the small communities. I understand that some of this money is required to improve the service in the rural areas. I have been careful in going into this matter and have listened to the presentation of the bill by the hon. member for New Westminster. Then, I have asked questions; and in view of my careful inquiry and my personal knowledge of the situation in the interior of British Columbia, coupled with the assurance given this evening by the hon. member for New Westminster to the hon. member for Vancouver South concerning rates, and knowing the need for an expansion

at this time of the telephone service in the interior of British Columbia, I shall have no hesitation in supporting the bill; because we are living under a capitalistic system and this capital is required to expand the telephone services so urgently needed by that section of the public I represent.

Mr. MacINNIS: Mr. Chairman, it will be remembered that in 1941 or 1942 the British Columbia Telephone Company made application here for an increase in capital to the extent of $10 million. Because of the war, and the likelihood that an issue of that kind would interfere with the raising of money for the war, the increase granted was cut down to $1 million, which I believe the company has never used.

So that while I, too, favour public ownership of an institution of this kind, I am not opposing the bill, because there is no alternative in the province of British Columbia to the British Columbia Telephone Company. I am quite satisfied that it badly needs this new capital.

May I say, with all due regard for the sponsor of the bill, that I do not place much faith or reliance in the statement that no increase in rates will be applied for. My own opinion is that it is almost inevitable that, as the company expands its business with this new capital, and serves more customers, an increase in rates will be asked for. The only protection we have is that any increase in rates will have to be approved by the board of transport commissioners. So that I am supporting this, in so far as it needs my support, with my eyes open in that respect.

I do not think this committee paid sufficient attention to what was said by the hon. member for Broadview. The telephone business on the North American continent is a huge monopoly. As the hon. member for Broadview said, the British Columbia Telephone Company is controlled entirely by the Anglo-Canadian Telephone Company. And it, in turn, is controlled by the Associated Telephone and Telegraph Company of Wilmington, Delaware. In the last analysis, these are the people who will determine what will be done.

The Bell Telephone Company and the Associated Telephone and Telegraph Company of Wilmington, Delaware, control, between them, the whole of the telephone business on the North American continent. The Bell Telephone Company controls in the United States and in the provinces of Quebec and Ontario, while the Associated Telephone and Telegraph Company controls in British Columbia, South America and Philippine islands. This, then, is no small business, and we should keep these things clearly in mind when we are dealing with this matter. However I am satisfied that the company needs the capital for which it is now asking; at least it needs some of it. Perhaps it will need it all in the next ten years.

I notice that the city council of Vancouver has examined the bill and, if it has not given its approval, at least it has offered no opposition. In regard to the matter of the application for increasing rates, it will be noticed that in the amending bill of 1941 section 6 (3) said:

> No application for increase of the rates shall be based on any increase of the issued stock of the company as authorized by the amending act of 1941, but this provision shall not apply to or limit the power of the Board of Transport Commissioners for Canada (or any successors to its powers), to fix just and reasonable rates upon application by the company for increased rates based on other grounds.

That section is deleted from the present bill.

The city of Vancouver, referring to that, said this:

> We have also considered the company's application to repeal subsection (3) of section 6 added to the company's charter in 1941. Having regard to modern principles of rate making, we think the section is of little importance either to the city or to the company. As, however, it was apparently added to the act with the intention of serving as a measure of protection to the company's subscribers, we make no recommendation on the application with respect to it.

And further on they say:

> Our recommendation is that the company be notified that the city has no objection to the amendment by which it seeks to increase its authorized capital from $11 million to $25 million, subject always to the approval of the Board of Transport Commissioners for Canada to the issue, sale or other disposition of such stock or any part thereof.

And, for myself, I say, "To the approval of the board of transport commissioners in the matter of rates." As I have said, I am not opposing the bill. I shall vote for it.

Section agreed to.

Bill reported, read the third time and passed.

QUEBEC NORTH SHORE AND LABRADOR RAILWAY COMPANY

The house resumed from Friday, April 25, consideration in committee of Bill No. 106, to incorporate Quebec North Shore and Labrador Railway Company—Mr. Rinfret—Mr. Golding in the chair.

The DEPUTY CHAIRMAN: When this bill was last considered we had reached section 7.

On section 7—Line of railway described.

Mr. GILLIS: Like everyone else who has been talking about private bills this evening,

it is not my intention to hold up this bill. Nevertheless that is the effect it has. The last time we discussed this bill I was one of those who were not satisfied with its going through without our being given an explanation of the wide and sweeping powers contained therein. I suggested at that time that I should like to have an assurance from the hon. member who is piloting the bill through the house that this is a Canadian company, that it is not a subsidiary of some company in the United States. I should like him to tell the committee the personnel of the board of directors, whether they are Canadians, whether they are tangled up with other interlocking companies in Canada and the United States.

Next, I should like either the hon. member or the Minister of Transport to tell the committee why it is necessary to set aside three sections of the Railway Act in order to set up this railway company.

Mr. RINFRET: The hon. member's first question was with reference to sweeping powers. There has been some talk about these sweeping powers, but I am afraid there has been some confusion between this company and the one which has obtained from some government concessions or leases in connection with natural resources in the northern part of Quebec and in Labrador. The company which has obtained concessions or leases from the provincial government is a distinct entity from this railway company.

The company which obtained the concessions and leases is the Hollinger Consolidated Gold Mines Limited, and I can assure the hon. member that that is practically a wholly owned Canadian company. A total of 9,768 shareholders residing in Canada hold 3,913,084 shares; 2,063 shareholders residing in the United States hold 495,470 shares; 39 shareholders residing in the United Kingdom hold 5,571 shares and 306 shareholders residing elsewhere hold 505,875 shares. The shareholders residing in Canada represent 80 per cent of the total shareholders and they hold 79·5 per cent of the 4,920,000 shares outstanding.

The directors of this company are Mr. Jules Timmins, Montreal; Mr. Leo Timmins, Montreal; Mr. Murdoch, Toronto; Mr. John I. Rankin, Montreal; Mr. Allen A. McMartin; Mr. N. A. Timmins, Montreal; Mr. D. N. Dunlap, Toronto; Mr. Alphonse Raymond, Montreal; Mr. T. Waite, Toronto. I think that answers the questions asked by the hon. member.

Mr. GILLIS: I asked why it was necessary to set aside three sections of the Railway Act in order to legalize this company.

[Mr. Gillis.]

Mr. CHEVRIER: To what section is the hon. member referring?

Mr. GILLIS: To section 9.

Mr. CHEVRIER: We are on section 7, but perhaps I could answer the hon. member's question. I shall not deal specifically with section 9, because reference is made to this in other sections as well. This is a bill to incorporate a railway company to construct a railroad from a point on the north shore of the St. Lawrence river to a point in northern Quebec and it must be subject to the terms of the Railway Act. The operations of this railway must be subject to the jurisdiction of some board, which in this case happens to be the board of transport commissioners. Section 368 of the Railway Act provides that a company seeking the powers set out in section 11 of this bill, namely, to generate, acquire, use, transmit and distribute electrical energy, must submit itself to the jurisdiction and procedure of the board of transport commissioners. Section 368 of the Railway Act is rather lengthy and I should not like to read it but it makes tolls, rates and charges subject to the jurisdiction of the board. I have dealt with only one part of the question asked by the hon. member and, before dealing with the others, perhaps I should wait until we reach the particular section.

Mr. SMITH (Calgary West): I am wholeheartedly in favour of this bill, for the simple reason that these people—I do not care whether they come from the United States; that would make no difference to me—are going to spend millions of dollars in this country to provide employment. All they are asking from this House of Commons is the right to build a railway; any lands and so forth that are involved belong to the province of Quebec. As far as this house is concerned, we can do one of two things; we can talk this bill out or vote against it, but in doing so let us all remember that we have been talking about full employment and if we talk this bill out we shall be killing the very thing of which we have said we are in favour.

Mr. IRVINE: I should like to make a few remarks on this bill and I do not want to kill it.

An hon. MEMBER: Do not kill it with kindness.

Mr. IRVINE: I agree in part with the statement just made by the hon. member for Calgary West that we need railways and development and, if we cannot do it in any other way than by creating a monster profit corporation, it is better to do it in that way than not at all. To that extent I agree with him whole-

heartedly, but I want to take this opportunity to say that from my point of view I think it is a regrettable way of doing it. There is a decided connection in my mind between the existence of iron ore in the territory and the building of this railroad. If there is anything Canada needs more for its industries than iron ore, I do not know what it is.

An hon. MEMBER: Then let us develop it.

Mr. IRVINE: Exactly, and I think this is a case where the federal government should have set aside these resources for the good of Canada and seen to it that this ore was brought to Canadian industry for the service of the people of Canada.

Let me say next that, while this government and the opposition champion—

Mr. RINFRET: May I interrupt the hon. gentleman to point out that the resources to which he is referring are a matter of provincial rights on the one hand and the rights of Labrador on the other.

Mr. IRVINE: I understand that there are provincial rights and other rights in Labrador, but the federal government has the right to set apart whatever it considers is for the general benefit of Canada. It could have done that and I believe it should have done that.

Mr. MITCHELL: You cannot set apart something that does not belong to you.

Mr. IRVINE: My hon. friend can argue that out with the Minister of Justice, and I think he will find that the point of view I have expressed is correct. At any rate let me go on to say that I am not presuming to criticize the government of Quebec for the action it has taken. That action is perfectly in keeping with what other governments throughout Canada have done throughout the whole history of Canada in granting licences to these companies. I think within the years to come there will be ample reason for objecting to what is now being done in this house, and I wish to present my views just as other hon. members do.

Free private enterprise in which some hon. members believe so ardently seems to be completely wiped out in this gigantic project. Take, for example, the Hollinger Consolidated Gold Mines Limited with two subsidiaries, the North Shore and the Labrador Company. Let us look at the privileges they get. Hollinger Consolidated, North Shore branch, has the exclusive right—

Mr. RINFRET: May I again interrupt to say that they are not getting those privileges by this bill or from this government. They have been given them by another government.

Mr. IRVINE: I appreciate that. I am merely showing that there is a connection between what has been done by another government and what this government is about to do. Without the one the other is useless. It is all very well to talk here of a *fait accompli* and say you have to go on with it. I do not have to; my hon. friend may have to. I have a right to my objection and to my vote against this bill. I have a viewpoint and I am going to express it. I am not claiming any privilege that every other hon. member does not have. I want to show the privileges which have been granted to this company in the name of free private enterprise.

The DEPUTY CHAIRMAN: I would ask the hon. member to deal specifically with clause 7.

Mr. IRVINE: Clause 7 deals with the railway concerned.

The DEPUTY CHAIRMAN: Order. Clause 7 does not deal with what has been done in the past.

Mr. IRVINE: No, but without what has been done in the past clause 7 has no meaning. If the Chairman rules me out of order I cannot do more, but I think I am in order in saying that there is a connection between this railway and the vast resources, exclusive rights to which have been given to certain private corporations. I want to show what those rights are.

The DEPUTY CHAIRMAN: I would ask the hon. member kindly to discuss this clause and not deal with the past at all.

Mr. IRVINE: Clause 7 reads:

> The company may lay out, construct and operate a railway starting at a point on the St. Lawrence river, somewhere between the Rivière Marguerite and Rivière Moisie, in the province of Quebec; thence in a northerly direction following the valley of the Rivière Moisie or the valleys of the Rivière Moisie—

Hon members will excuse my French.

Mr. GRAYDON: You will soon get your second wind.

Mr. IRVINE: If my hon. friend suggests that I am talking out the bill I will sit down at once.

Mr. GRAYDON: I shall be glad to make that suggestion if you will sit down.

Mr. IRVINE: I know my hon. friend is very anxious to assist free enterprise, but this is private monopoly and that is why I do not like it.

Section stands.

Progress reported.

IMMIGRATION ACT

REPEAL OF CHINESE IMMIGRATION ACT—BONDING OF PERSONS IN TRANSIT THROUGH CANADA

The house resumed consideration of the motion of the Minister of Mines and Resources (Mr. Glen) for the second reading of Bill No. 10, to amend the Immigration Act and to repeal the Chinese Immigration Act.

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, when the house rose at six o'clock I had just finished putting on the record some figures relating to our Chinese population. It will take me only a few moments to conclude what I have to say on this bill.

The Chinese people feel hurt at the treatment they have received. They are glad that the Chinese exclusion bill is to be repealed, but as our allies in the war they are hurt at the lack of recognition of China on equal terms with ourselves as a nation. It is not the numbers of their nationality admitted about which they are concerned but about their lack of recognition as an equal. I am sure that any mutual arrangement between China and Canada in this regard will be quite satisfactory to them, and I hope that negotiations will be entered into between the two nations which will lead to a complete understanding. The principle, which is what they are concerned with, will then be recognized, of their treatment as an equal.

Mr. PIERRE GAUTHIER (Portneuf): The bill under discussion embodies in itself a problem which has interested me for a certain number of years, and I should not like to see it receive second reading before taking my stand once more on this very dangerous question of immigration.

Of course I do not want to discriminate against any race. In his statement the Prime Minister said, as reported at page 2644 of *Hansard:*

The policy of the government is to foster the growth of the population of Canada by the encouragement of immigration.

It is a fact, Mr. Speaker, that orientals are not easily assimilable. Even if I do not discriminate against them I have to admit the fact. I hold in my hand a clipping from a Quebec newspaper which I shall read in French because my ability does not go so far as to translate it. It is from *L'Action Catholique,* January 27, 1947, and deals with Chinese immigration.

(Translation):

The Chinese living in Canada demand the amendment of the present immigration act. They want their fellow countrymen in China to be allowed to come to Canada with their wives.

[Mr. Irvine.]

Our newspaper has often protested against the immoral aspect of an immigration act prohibiting wives from accompanying their husbands. For many years, Chinamen could enter Canada but Chinese women were excluded. Such a regulation is immoral in itself and conduces to countless immoralities. We need not labour the point.

We therefore hope that the Canadian government will adopt a reasonable and fair immigration policy. There is no reason why British subjects alone should be allowed to come to our country.

I agree with this last statement.

There is no reason why women should be excluded where other races are concerned. It is contrary to moral law and the principles of the Atlantic charter and the united nations organization.

This article is signed by Louis-Philippe Roy.

(Text):

Surely I am permitted Mr. Speaker, to speak generally on immigration as a whole and discuss the principle of immigration on second reading of the bill. We should first make a very careful survey of the amount of farm acreage we have to see how many acres are left untilled at the present time in order to see how many farmers we can establish on land ready for them and, second, of districts where there is a possibility for newcomers to make a decent living and not be on the shoulders of the various governments of the country.

In some parts of Canada the natural growth of the population is sufficient to take care of the unoccupied areas. Take my own province. I think the natural growth of population is sufficient there for that purpose. In the statement of the Prime Minister, I read these words as reported at page 2644 of *Hansard:*

The government will seek by legislation, regulation, and vigorous administration, to ensure the careful selection and permanent settlement of such numbers of immigrants as can advantageously be absorbed in our national economy.

I hope this selection will be very carefully carried out. This is a point that has to be most carefully observed. Being a free country, we have the privilege of selecting our own citizens. I believe that every Canadian should be most concerned about the selection of immigrants. What I fear most is the bringing in of people who would be a danger to our institutions. We have suffered too much in the past and recently by the coming here of people who are a burden and a danger and who are proving to be ready, on account of their allegiance to other countries, to put our country in the hands of nations advocating an ideology which, to say the least, is harmful

and destructive of our democracy. We cannot afford, the present world situation being what it is, to renew that experience too often.

The Prime Minister's statement continues:

Like other major problems of today, the problem of immigration must be viewed in the light of the world situation as a whole. A wise and productive policy for Canada cannot be devised by studying only the situation within our own country.

The Prime Minister was right when he made that statement, and I believe he had this in mind. We have to examine carefully the background of every immigrant, however well recommended they are, and however strongly supported they may be by anyone or any organization dealing with immigrants. I do not know if such an organization still exists, but we have had them in the past. We shall probably see the old ones coming out again or new ones being formed. I know they are not sponsored, supported or encouraged by the government; but the government must not be too lenient; it must keep a close and careful watch on people who would feel like commercializing immigration. This has happened in the past. Anyone who has read the Hornby report knows that Colonel Hornby advocates subsidies to railway companies or navigation companies and subsidies to organizations dealing with immigration. I do not want to have any part in that.

If the government wishes to increase the population in order that the economic burden may be placed on more shoulders, it has to think of the social, political, and ideological future of this country. Since the coming of Cartier, we have been constructing and we do not want any pathological agent of any kind to dismantle the structure so patiently erected.

There are refugees; there are homeless people. Everyone knows that Canada has already done her share. She is ready to help some more, but let us do so intelligently and constructively. This is what I am trying to do in my remarks. In the statement of the Prime Minister we read this, as reported at page 2644 of *Hansard:*

Up until the end of the war—under order in council P.C. 695 of March 21, 1931—four broad categories of persons were admissible to Canada. These were:

1. British subjects from the United Kingdom, Ireland, Newfoundland, New Zealand, Australia, or the Union of South Africa—

And so forth:

2. United States citizens, similarly possessed of means of maintenance.

3. Wives, unmarried children under 18, or fiancees of men resident in Canada.

4. Agriculturists with sufficient means to farm in Canada.

I think point No. 4 should be the first to be considered. If, after a careful survey of all our farm acreage, we find that we can absorb farmers to add to the natural growth of the population, which is fair enough in some districts, I do not need to name them; it is well, but not before being sure of it. Why take the risk of increasing the population of the cities? There may come a period when the breadlines will be created again and the country will have too many to take care of. One has to foresee that eventuality, and I am glad to see in the declaration this:

During the 1930's due to the adverse economic conditions of the period, these provisions were necessarily interpreted in a restrictive manner.

It is the duty of a good government to foresee the possible return of bad conditions, not necessarily coming out of the internal situation, but due to the intimate connection of the different countries of the world on the economic ground. I read again:

The government has also extended admissibility to persons who are suitable for employment in the primary industries. As hon. members are aware, Canada's primary industries are experiencing an acute shortage of man-power.

Much has been said lately about the hon. member for Beauce (Mr. Dionne) and about the Department of Immigration granting him permission to bring from Europe Ukrainian girls to work in his industry. Special conditions prevailing there, I do not see any scandal in that fact. The hon. member for Beauce and all the former members for Beauce whom I knew, are too good Canadians to discriminate against their own constituents and their own population. I read in the statement these following lines:

Canada is not obliged, as a result of membership in the united nations or under the constitution of the international refugee organization, to accept any specific number of refugees or displaced persons. We have, nevertheless, a moral obligation to assist in meeting the problem and this obligation we are prepared to recognize.

I have here an article from *L'Action Catholique* of Quebec, setting out a declaration of the Archbishop of Montreal, Monseigneur Charbonneau, speaking on immigration, tolerance and education:

(Translation):

His Excellency Archbishop Joseph Charbonneau, guest of honour of the Montreal Chamber of Commerce yesterday, at the Windsor hotel, spoke in favour of a policy of selected immigration which would enable thousands of wretched and homeless Europeans living under woeful conditions to associate themselves with us and thus "cause our ancestral heritage to fructify, without threatening our traditions and institutions." The Archbishop of Montreal, continues the article, in expressing those views, was recalling an opinion stated by His Holiness Pope Pius XII in a

recent address in which he pointed to America as a country of boundless space and inexhaustible resources, and thus in a position to shelter many of those unfortunate people of Europe.

(Text):

I continue quoting from the statement of the Prime Minister:

With regard to the selection of immigrants, much has been said about discrimination.

This last quotation is extremely important.

I wish to make it quite clear that Canada is perfectly within her rights in selecting the persons whom we regard as desirable future citizens. It is not a "fundamental human right" of any alien to enter Canada. It is a privilege.

Let this privilege, Mr. Speaker, be granted to future good citizens only, and it is not discrimination against anyone but an undesirable citizen. This democracy wants to live. Let us not inoculate her with germs of death. As for mass immigration, I am absolutely opposed to it; I always was and I always will be.

In a conference speech delivered over CHRC in Quebec a month ago, I put my position very clearly. Since I have not the necessary ability to translate it as it reads, I will read excerpts from it in French. I know that for those interested in this national problem it will be easy to have the translation in *Hansard*.

(Translation):

In that lecture I made the following statement: There is one kind of immigration which is inevitable; there is one which, to a certain extent, is acceptable. There is still another which a government solicitous about the good administration, the welfare and the peace of the country they govern cannot accept and indeed must oppose, and that is the mass immigration advocated by some people interested in the setting up of powerful associations whose purpose is to promote extensive migrations.

The immigration that is inevitable is the moving of persons from one country to another; it involves people whose financial resources are considerable enough to entail a loss for the countries they leave and ensure a gain for those where they take up residence. That inevitable immigration also includes experts in all fields of science, whose talents are recognized throughout the world and whose services are often sought by universities which are anxious to benefit from their learning as well as from their outstanding reputation. It also includes bona fide settlers whose love for agriculture impels them to look for other more fertile lands, and who, to support their families, need a larger area of tillable land. Such immigrants leave their countries in order to improve their lot and because of their resourcefulness and industry they are a distinct asset to their new country.

Further, economic conditions are frequently the cause of greater migrations during difficult periods, thus favouring certain countries at the expense of others. Several years ago, we ourselves experienced a great migration of our compatriots from the province of Quebec to the New England states, where they now form an influential group; that was a distinct loss to Canada. Is it not true that in all countries and among all races, people very often feel the urge to travel from one place to another, in order to improve their lot, to seek larger fields of endeavour, or, as noted among certain tribes, to satisfy their thirst for adventure.

I spoke at the beginning of desirable immigrants. I mean by that people of sound mind, of excellent physical condition and possessed of sufficient means to be regarded as desirable in any country. Further, economic and political circumstances must play an important part in the selection of immigrants. I remember that, in 1937, a reporter of *L'Evénement* interviewed Canon Philippe Casgrain, chaplain of the Immigration Branch.

Because of prevailing conditions, therefore, Canon Casgrain had come to the conclusion that no one living in England or some other part of the British empire had anything to gain by settling in this country. After referring to the failure of the Hornby plan, submitted to the British House of Commons, the eminent cleric felt that England was too badly in need of her young people to allow their removal to Canada.

And on the basis of news brought us by various periodicals, we can readily realize that an act to promote British emigration would hardly be effective at this time, because British labour must have reinforcements for the completion of the established programme, the "planning" popularly so-called, of the new socialist government now in power.

England was then busy on its large-scale armaments programme.

Today, she is carrying out a sorely needed economic programme.

Furthermore, because of the terrible droughts which they had suffered in previous years, the western provinces were unable to absorb new immigrants, in spite of the vast areas of land which they could offer to a much greater population than they then had—

Well controlled and screened immigration may prove beneficial to the newcomers themselves and to the country in which they settle, inasmuch as they are desirable and their services

are required. But, on the contrary, if the country is not even in a position to offer work to its own people—

Such was the case during the unemployment period which lasted from 1930 to 1935.

—it is obvious that the increase in population resulting from immigration would in no way provide for better social and economic conditions. It would only make things worse.

Canon Casgrain, it must be remembered, spoke at a time when unemployment was rampant in Canada.

(Text):

I am through for tonight, Mr. Speaker, but I am going to watch very carefully how this new policy is put into force. This problem has always interested me deeply, and I am going to watch the Minister of Mines and Resources very carefully and closely. I repeat that I am against mass immigration. I think we can accept good, selected immigrants, but only in the proportion that our land can absorb them. It is no use having immigrants come to our cities. In my own province the proportion of population in the cities and rural districts has changed until now the larger proportion is in the cities. I think we should follow the policy set out in paragraph No. 4 of the Prime Minister's statement, and first bring in farmers and settlers, rather than workers whom we do not need in our cities. I know there are special cases, but I speak of matters in general. I have confidence in the minister and the government, and I hope they will not leave the door ajar, as an hon. member said last year in speaking on this subject. Let us not have any mass immigration; let us have selected immigrants, and for God's sake let us realize that in order to be democratic it is not necessary to call to Canada all these people from Europe and Asia. To be democratic we must save our own democracy first, and think as Canadians before everything.

Mr. JULIAN H. FERGUSON (Simcoe North): As a member of the federal parliament I shall endeavour to speak of immigration as it affects the Dominion of Canada in its entirety, not only the province of Ontario from which I come. The Prime Minister (Mr. Mackenzie King) dealt briefly with the subject of immigration. The war has been over for approximately two years, and the people of Canada are wondering what is to be done in regard to this vital matter. In my opinion it is one of the most vital questions with which we should be concerned at the present time. We lack information and the people require it in order that we may reap the benefits to which this country is entitled because of its natural resources and fertile fields from coast to coast. During the years from 1900 to 1907, when the Liberal party really functioned as such, I give them a great deal of credit for the immigration policy they put in force, under which people were brought from Europe to the western provinces. Today the sons and grandsons of those people are a credit to this country. Some of their sons sit in this House of Commons, and that just shows what happens when you bring the right type of people to this country.

During the last few days we have heard a great deal about the Chinese and the Japanese, about our obligations to these people and to the Poles. Today I understood the minister to state that this country had made no financial contribution toward the cost of bringing these Polish soldiers to this country. That may be so, but that was not the answer given a question asked in this house on March 27. The question was:

What has been the total cost of bringing Polish immigrants into Canada since January, 1946, including transportation, food, clothing, medicines and hospitalization . . .

How much of this expenditure has been borne by Canada?

The answer by the labour department to the question of how much of this expenditure has been borne by Canada was:

Approximately $121 per man borne by British government and $90 per man by the dominion of Canada.

Possibly the minister does not know what the labour department is doing in regard to immigration, but if they are that far apart I think they should get their heads together. Now let me read into the record a question asked on February 17 by the hon. member for Cumberland (Mr. Black):

What was the total transportation cost and by whom was it paid? How many Poles were permitted to enter Canada in 1946?

The answer by the Minister of Labour was:

Transportation from Halifax to central distribution centres in each province—approximately $125,000, paid by the federal Department of Labour.

During the war we saw many newspaper accounts about the bravery of the people of the British isles, England, Ireland and Scotland. If any subsidy is to be paid in order to bring immigrants of the right type to this country, I believe Canada could well afford to consider first those heroes from the British isles, their wives and their children. I have the utmost regard for what the Polish soldiers did for us; I also remember what some of them did against us. I hear hon. members speak about bringing displaced persons from

Poland and parts of Russia, but as I think back I recall that many of those who took part in acts of espionage against this country were of Russian origin. So I agree with the previous speaker that we cannot be too careful in dealing with this question. But if we are badly in need of immigrants, why not go to other parts of the world from which we know came the forefathers of many people in this country today, men who laid and carried out plans of which we are all proud? I could mention France, England, Germany. In the first war I fought against the Germans for four and a half years, and I am sure they fought as willingly for their country as I did for mine; but I must say that the German immigrants who came to this country prior to the first war were a credit to Canada, as were their children. And their children and grandchildren died for this country in the last war. I do not think it is sufficient for the Prime Minister to say:

> . . . the government has kept in active touch with shipping authorities and transportation companies in the United Kingdom to see what may be possible in the way of special shipping services. As to what may prove feasible, I am unable to make a report at this time.

I do not think it is enough to say that, after two years, the Prime Minister and the immigration branch cannot give this house a report on their findings in regard to shipping facilities. We need men badly in Canada. Some people seem to have the idea that the Englishman, the Scotsman and the Irishman cannot use an axe or cannot farm. Some years ago I had the good fortune to work back in the bush, up in the Hudson bay area. My brother and I at that time were the only two Canadians there, the rest of them being English, Irish and Scotch, who had never even seen a bush of that magnitude, and certainly had never had an axe in their hands prior to joining our party. But in the course of three weeks those men were able to cut bush with anyone. Do not think that because a man comes from London, England, he cannot learn how to use an axe, or cannot become acclimatized.

Mr. GAUTHIER (Portneuf): Nobody said that.

Mr. FERGUSON: I did not hear that.

Mr. GAUTHIER (Portneuf): Nobody said you cannot use an axe if you came from England.

Mr. FERGUSON: I have heard other people say it, and if my hon. friend wishes to take the *nom de plume* of a nobody, when he speaks about some people in Canada, that is his privilege. I heard many people in Canada say it, and I repeat it.

Mr. GAUTHIER (Portneuf): You said it before; I never said it.

Mr. FERGUSON: I believe we cannot allow this question of immigration to go along as it has been going. Our lumber companies, our paper companies, need men in the bush; and the right kind of immigrants, the right kind of persons coming to Canada, will not take necessary work from Canadians. It will not affect our returned soldier settlers.

We plastered this country from coast to coast with big signs reading "Welcome Home", when the soldiers were coming back. Now, did those signs mean that our Canadian soldiers who were returning were to remain in their home towns for a few days, and then go a thousand miles to Manitoba or two thousand to British Columbia to work in the bush? I say, no. Those men should be able to obtain employment in communities to which they were welcomed when they came home. This country can obtain immigrants who are willing and capable to go into our forests, into our mines and on our farms to produce the raw materials with which our soldiers can work in our factories and cities. And they are entitled to that privilege.

I am not an advocate of chasing the returned men out to the wilderness, when they have previously lived in towns, and calling them a bad lot because they do not take the first job offered to them a thousand miles from their own homes.

I personally severely censure the Minister of Mines and Resources (Mr. Glen) because, thus far, his statement has had no weight in it. There has been no substance in it, and it has given no encouragement and no enlightenment to the people of Canada on a most vital and important question. I understand from the press that Australia has endeavoured to and has succeeded in obtaining boats to transport British immigrants to Australia. Here we have a country of 12,000,000 people, closer geographically to England and the British isles than Australia is. Yet, according to the press, in order to obtain the type and calibre of immigrants we need, our immigration branch has failed to do this.

I believe we should encourage immigration from the United States. I have travelled through that country to some considerable extent, and I know that the eyes of many United States youths are focused on Canada and on the great possibilities in this country. If immigration were encouraged, and those

great possibilities were pointed out to the youth of the United States, they would come here, instead of our having the younger generation of this country leaving Canada at the rate of 20,000 a year. There is no rhyme or reason for it. There is no encouragement regarding immigration, and the great achievements which can be accomplished by the right kind of effort have not been pointed out by the government, and particularly by the immigration branch.

Mr. GLEN: Would the hon. member give some evidence on this point? He spoke about the transportation Australia had furnished for immigrants. Has he any evidence of it? Can he supply the house with evidence of it?

Mr. FERGUSON: I shall be delighted to look up the newspaper; possibly you missed it. It was published in several papers.

Mr. MITCHELL: I do not know whether I should add anything now, but I want to say this to my hon. friend, that I do not think anybody, including himself and myself and the government—

An hon. MEMBER: All right.

Mr. MITCHELL: I have some feeling in this matter. I know as regards my hon. friend and hon. members of the official opposition, or any other party in the house, none of them would place anything in the way of immigration from the British isles to Canada. Let us clearly understand that. But at this particular moment immigration from those British isles to Canada is as free as to any country in the world, including Australia and New Zealand. Let us be fair about it. My hon. friend talks about 50,000 people going to Australia, or 70,000.

Mr. TUSTIN: Who is making the speech?

Mr. MITCHELL: I am.

Mr. TUSTIN: Why should you; the other hon. member has the floor.

Mr. MITCHELL: But he sat down.

Mr. FERGUSON: I did not mention 50,000 or 70,000 people going to Australia. Do not put words into my mouth.

Mr. MITCHELL: Let us read the record. It is a target, you understand.

Mr. FERGUSON: What do you mean by a "target"?

Mr. MITCHELL: I mean that 50,000 or 70,000 is a target; I do not mean my hon. friend is a target.

Mr. FERGUSON: I did not mention 50,000 at all.

Mr. SPEAKER: Order. I would call the attention of the minister to the fact that we are on second reading of the bill, and that no member has the right to speak twice.

Mr. MITCHELL: I have the floor. I want to repeat that immigration, or emigration to Canada—

Mr. KNOWLES: On a point of order, is the minister asking the previous speaker a question, or is he—

Mr. MACKENZIE: He is making a speech on second reading.

Mr. MARTIN: Members of the government have a right to speak.

Mr. KNOWLES: Then, if the minister is making a speech, may I point out that he has already spoken in the debate on second reading. His speech is reported at page 325 of *Hansard*.

Mr. MITCHELL: Well, I was answering a question.

Mr. MACKENZIE: Yes, he was answering a question.

Mr. SPEAKER: Order. I am sorry to interrupt the minister, but I must call his attention to the fact that the privileges of the house apply to both sides, and that he can speak only once on second reading. Of course he has the privilege to put a question to the hon. member.

Mr. MARTIN: He is answering a question.

Mr. ADAMSON: On a point of order, I understood that the Minister of Mines and Resources put a question to the hon. member for Simcoe North, and that the hon. member yielded the floor so that the question could be asked. But he yielded only for the question. He had not concluded his remarks, and therefore he still has the floor.

Mr. MITCHELL: May I say this to the hon. member for Winnipeg North Centre, that I think he is the most expensive luxury in this house. I understand that the cost of debates is $60 a minute. He has taken up his share of time.

Mr. KNOWLES: If that is the minister's answer to the point of order I raised, it is an admission that he was wrong.

Mr. MACKENZIE: That is another $50.

Mr. MITCHELL: He could be a little charitable when I am answering a question.

Mr. SPEAKER: I suggest that the minister should wait until we get into committee of the whole.

Mr. E. B. McKAY (Weyburn): Mr. Speaker, I have a few words to say on this subject. First, I wish to commend the government upon the steps already taken to repeal the Chinese Immigration Act. Inadequate as this now appears to be, it is at least a step in the right direction. Because of that, I commend the government upon the action taken. The repeal of this act is a forward movement to eliminate, in part, racial discrimination exercised in the past against this group of Asiatic people. However it appears that much has yet to be done to remove all discriminatory tendencies in the administration of our immigration laws. May I refer at this time to a statement made by a prominent churchman, Very Reverend Doctor Peter Bryce, who stated in a recent speech:

> Race prejudice must go. Colour discrimination must be put aside. The Christian ethic is everlastingly true and not only true but indispensable.

Another statement has been issued by the Ottawa diocesan synod of the Church of England, which appeared in the Ottawa *Journal* of May 1, and I quote, in part:

> This synod opposes any advantage being given to immigrants of any racial or religious group.

There should not be any preferred races if Canada is to escape the charge of having discriminatory legislation. One race cannot be accepted as superior to another. Indeed there is no superior race. Canadian boys laid down their lives to defeat militarism promoted by a race which rated itself as supermen. Those people believed themselves fitted by their racial characteristics to rule the world. Let us have done with superior races and preferred nations. A continuance of such a policy gives rise only to hatreds and contributes to war psychology.

The world is faced with the problem of finding homes for refugees created as a result of militarism and anti-race prejudice run wild. The world has been saved from aggression and totalitarianism, but in the wake of that great world struggle to free the world from these influences there has been created much distress. I was glad to hear the Prime Minister (Mr. Mackenzie King) say in his statement yesterday to the House of Commons that, while Canada is not obligated as a result of membership in the united nations or under the constitution of the international refugee organization to accept any specified number of refugees or displaced persons, we admitted a moral obligation. We in this group are pleased that that admission of moral obligation was made. Undoubtedly Canada has that moral obligation.

But we must go farther than just to admit a moral obligation. The Prime Minister added to his first statement by saying that machinery is to be set up to move some thousands of refugees to Canada. I shall look forward with interest to the number that are admitted. I hope that not too many barriers will be placed against the qualification of these refugees for entry into Canada, and it is to be hoped that other limitations will not be used as an excuse for not bringing these folk to our shores. In this connection, may I refer again to the remarks made yesterday by the Prime Minister, as reported on page 2645 of *Hansard*. He said:

> The resettlement of refugees and displaced persons constitutes a special problem. In the intergovernmental committee on refugees, and in the discussions in the united nations leading to the establishment of the international refugee organization, Canada has taken an active part. In this connection, the government has taken measures respecting the admission of refugees and displaced persons, and also of Polish ex-soldiers. These measures, though not of wide scope, are practical steps within the present physical limitations imposed by transportation.

With regard to transportation I have heard several people say that the lack of shipping has been the chief reason why displaced persons have not been moved to Canada. May I ask the minister at this stage if representations have been made at any time by the British government with regard to relieving the situation of displaced persons in camps in British occupied Germany? Many fine people from the Baltic states are to be found in the British zone. While those people are of German ethnic origin, they have never been our enemies. Britain has already taken some 250,000 refugees but she is not in position to accept a great many more. I am sure that if Canada would agree to admit some of these Baltic people Great Britain would provide the shipping accommodation. Would the minister make a note of my question so that it can be answered at the conclusion of my remarks?

The situation facing these refugees is tragic and their condition is grave, so much so as to demand speedy action on the part of the Canadian government. Tens of thousands of these hopeless people are roaming the streets and highways of Germany, Austria and Italy. Day by day these people are becoming mentally sicker and sicker, believing that no country or people want them. Many thousands are dying of malnutrition and

disease. The condition of these people is such that anything which is to be done for them must be done with dispatch.

I believe that if Canadians were acquainted with the terrible conditions which these people face there would be a growing demand from all sections of the country that something be done on their behalf immediately. During the last war Canada poured out blood and treasure to establish freedom throughout the world, freedom not only for ourselves but for every people, regardless of race, colour or creed. If we are to have that freedom for all people which the united nations charter has set up as a right, some effort must be made to provide economic freedom for people as well as political freedom. There is very little hope of obtaining economic freedom for the displaced people in Europe.

Wars bring many after problems, not the least of which is a pressing refugee problem which appears most serious in many parts of Europe. The united nations are faced with the task of locating homes for these people who are the heirs of a militant fascism run wild. There are many folk in the areas laid waste by the invaders who face a hopeless future, a future in which there is little or no opportunity for them to earn a decent living. While some of these people may have political freedom, many are denied even a measure of economic liberty which all of us desire. This in large part nullifies the effect of any political liberty that they may have gained.

Canada as a responsible member of the united nations has a moral obligation to these helpless refugees. With our ample stores of natural resources and a territory largely unpeopled, Canada should be in a better position than most nations to accommodate large numbers of the world's homeless. Many of these people have knowledge and skills which Canada needs. Refugees admitted to Wales in the United Kingdom have been responsible for setting up sixty types of new industries. I have a clipping taken from the *Christian Science Monitor,* bearing the date line Cardiff, Wales, October 9, which reads:

> History is repeating itself here.
>
> More than a thousand years ago, the surrounding valleys began to rise to prosperity as a direct result of the welcome they gave foreign craftsmen—the Danes and the Saxons.
>
> Now a major part in rebuilding the shattered economy of industrial South Wales is once again being played by foreign firms, the greater part of them refugees from Europe.
>
> Like the Huguenots who found refuge in Britain from religious persecution in the 16th century and repaid a hundredfold by the establishment of the British silk industry, most of these firms which sought shelter from Hitler-dominated Europe now are repaying Wales for the welcome they received by establishing light industries completely new to this area.

Industries of a special character involving the manufacture of finer chinaware, jewellery, fine textiles and plastics now employ thousands of Britishers because of the establishment of these manufactures by refugees. A few have even made a contribution to Canada's economic progress by setting up industries here. Refugees of this type can aid in Canada's development. They will not contribute to our unemployment problem but rather will help to solve it. All too few of them have been admitted. Their numbers could be substantially augmented.

I may add that western Canada should be glad to welcome people with such knowledge and techniques in order to establish a balance between industry and agriculture, which is so much desired on the plains. There is on the western prairies an abundance of raw materials, a large consumer market, and quantities of cheap power in the form of coal, oil and natural gas, which should be an inducement to the establishing of industries on the western plains.

The refugee problem is a challenge to our humanity and hospitality. It is real and it is urgent. Many of these people are desirous of entering our gates as the applications for entry on files in the immigration branch can attest. It is an immediate problem which should be dealt with separately and not in any way confused with the immigration question as a whole.

These people need succour. Our humanity should dictate the course to follow and selfish interests should not prevail.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, representing a riding that sent many battalions and regiments and many, many thousands of soldiers overseas to fight in the last world war as well as in the first, it is not much wonder that I have been receiving communications approving particularly of section 3(4)(b) whereby the wives or widows and children of soldiers will now be able to come into Canada. Many of these soldiers left wives or widows and children overseas, and I am very glad, therefore, that the minister has seen fit to write into the bill this clause permitting of their entry into Canada. These soldiers were not all of Anglo-Saxon stock, although I am safe in saying that perhaps ninety per cent of them were of Anglo-Saxon stock. Davenport is a riding that gives a good cross-section, Your Honour, of every race, and I am proud of all the different races I have the honour to represent. Many of my constituents are Jews and I am glad to pay a

tribute to the Jews in my riding. They are a great business people, aside from other worthy characteristics. Many streets in Davenport riding have been built up by the Jewish merchants of Toronto, and to them and to their people I can say that I am happy indeed that they are there.

Many of these people have approached me to see if anything can be done to have admitted into Canada the last remaining member of their family in Europe. I have in mind one family that lived in Germany and consisted of thirty-six people altogether, grandfather, grandmother, brothers, sisters, uncles and children, and today just one is left out of the whole thirty-six, which means that the other thirty-five were killed in the war. They have been begging me to do what I can to have the last remaining member of the family admitted to Canada. Whether the bill permits that, I do not know, but I know the bigness of the heart of the minister and if the bill does not permit it, I trust that he will have some regulation made whereby the last remaining member of the Jewish family I have in mind—and the Jews suffered more than any other people on the continent during the war —will be permitted to come to Canada.

I have many Ukrainians in my riding, and having been in big business for many years, in the iron and steel business, I know that many Ukrainians were employed in that industry and did splendid work there. I am glad to have Ukrainians in my riding, not only because of their ability to work in industry, but because I know from my travels that there are perhaps no better farmers than the Ukrainians. I have seen them in every part of the west in which I have been and I can speak highly of that race too.

I have a number of French Canadian families in my riding, and I must tell my French Canadian compatriots that, though living in Toronto, they are just as loyal to Quebec and its traditions as if they were living in Quebec. I am happy to inform my French Canadian compatriots in the house that these French Canadian families in my riding do not carry on politics there because they all vote for me. I have been in some of their homes and I have found them thrifty people, keeping their homes in fine shape. The men are excellent workmen. They read the English papers and I send them the French papers too, so that they can keep abreast of happenings in Quebec.

I have quite a large number of Poles in my riding. In my time there were perhaps 250 or 300 Poles working in the large industry in which I was engaged. They are wonderful iron moulders. They take naturally to the iron industry, and as the bill introduced by the hon. member for Outremont (Mr. Rinfret) was under discussion tonight looking to the development of the iron mines in Labrador and northern Quebec, I thought to myself that, if that iron industry ever gets going, what a fine place that would be for our Polish citizens to serve and do a fine job. They are great industrial workers, but that is only one characteristic; they have great aptitudes in the arts and sciences, and I find them in high positions everywhere.

I have in mind a Ukrainian family. They are the grandchildren of the pioneer himself, a Ukrainian who could not speak a word of English when he came here. He brought his wife with him, of course, and raised a family here. One of the sons of that father has six children, of whom three are male and three are female. Three male members of the family of this pioneer, once removed from the grandfather pioneer, are highly educated men. Two of them are big engineers; the other is a doctor. The three girls have all graduated in arts from the university. Two of them are teaching school. One of them is a teacher in one of the big collegiates. Who in the world can complain of admitting people like that? These are excellent citizens. They help to build up a country. I love all races. I have not a feeling in my heart against any race. We are all God's creatures. We are just what we were born. We had nothing to do with our ancestors. I am happy to find all races doing well in Davenport riding.

I mentioned the Poles. In that regard I wish to say that some days ago I read in the papers an article that I just did not understand. It alleged that the hon. member for Broadview said something in the house about the Poles. I did not hear it myself. It seemed to be not too pleasant toward the Polish people. I can say this about the hon. member for Broadview, that no other race in the country has any more consistent defender than the hon. member has been of the Poles. The hon. member for Broadview would not intentionally say an unkind word about any race. I have known him for years, and particularly during the long years when he was mayor and controller in Toronto. I always thought he was the choice *par excellence* of all races. I am under the impression that what was in the paper must have been a misunderstanding of what the hon. member for Broadview said. He would not say anything about any race that was not in their favour.

In my riding I also have Italians. I can speak of them in the highest terms. The Italians in the Davenport riding are contractors and are doing good jobs. They are thrifty and are getting along as we would want to see them get along. They take part

in different activities, and in my contact with them I find they are as reputable citizens as one will find anywhere.

Then I have quite a number of Czechs in my riding. An hon. member spoke about the Czechs a few moments ago. Like the Germans they have the ability to invent and produce. In the Davenport riding there are quite a number of German and Czech families. Their inventions, their productions and their interest in industry are commendable. We are glad to have them here.

Hon. members will be surprised to learn that I have a few Japs in my riding. I am not one of those who despise the Jap, not by any means. The Japs with whom I have come in contact may not be the same kind of Japs that I have heard some hon. members speak about. All I can say is that the Japs in Davenport riding have given a good account of themselves. Those around them seem to consider them excellent citizens.

I have a number of Chinese in my riding. Earlier in the evening someone mentioned the Chinese. I doubt whether there is any race in the world that is more patient than the Chinese. Their patience is amazing. They are called the patient Chinese. They, too, have taken a good part in industry in Toronto, apart from laundries and things of that kind. They have big business establishments, and so long as they devote their time to building up the country they deserve consideration.

Then we have quite a number of coloured families who have come from the southern states. I suppose most of them are employed on the railways. I do not know what we would do without our coloured families; I do not know how we would get along if they did not do the jobs they do. Therefore Davenport riding is a cross-section of all races.

As I said at the beginning, I am going to close with this. The predominant part of my riding, not less than ninety to ninety-five per cent, is Anglo-Saxon. As I said a few moments ago, they sent many brigades and many regiments and many, many thousands of soldiers overseas by voluntary enlistment to defend the empire. Naturally I am just as proud as I can be; I could not be more proud, of the Anglo-Saxon population of Davenport riding. During the late war and in all the activities of the city, in business, in learning, in the arts and sciences they stand high. I shall conclude with this: None of us can afford to discount any race. In the world's history they have all been to the top. In the days of Caesar, the Italians were on top. Later on, the Poles were on top of the world. Even the Turks were on top of the world at one time. In the days of Napoleon the French swept Europe. Therefore they have all demonstrated that they have the characteristics to make real people, to make a real nation. And, sir, if they do their part here in Canada I for one will be glad to have them come here.

Mr. ANTHONY HLYNKA (Vegreville): The Prime Minister (Mr. Mackenzie King) made a statement yesterday on the government's immigration policy which falls, as he pointed out, into two parts: first, a long-range immigration policy, and second, immediate measures to permit entry to Canada of displaced persons and refugees. With the government's long-range policy I am in entire agreement, and I wish to commend the Prime Minister and the government on that policy, even though the announcement may have little practical value and may mean little for some time to come. Nevertheless the Prime Minister's statement in this connection makes Canada's position clear, and I am sure that the policy he announced will meet with the general approval of the Canadian people.

In dealing with the long-range immigration policy, the Prime Minister made what I consider to be eight important points, and I may add that I agree with every one of them. These were the eight points:

1. That the government was in favour of allowing a substantial number of immigrants to enter Canada.

2. That an increase in population would not lead to the lowering of our standard of living, but that the opposite would be true.

3. That a larger population would provide a larger market for our primary products and would reduce in some measure our dependence on export of our primary products.

4. That a large population would contribute substantially to the development of our natural resources.

5. That Canada should receive immigrants on the basis of our economic absorptive capacity.

6. That the people of Canada would not favour a fundamental alteration in the character of our population.

7. That Canada should reserve to herself the right to control the entry or non-entry of persons seeking to become Canadian citizens, regardless of the charge of discrimination.

8. And this point or consideration is the most important in my view, that Canada "cannot ignore the danger that lies in a small population attempting to hold so great a heritage as ours," to use the Prime Minister's own words. No responsible Canadian can disagree with the Prime Minister on that statesmanlike statement.

Coming now to the other part of the Prime Minister's statement, namely, the one covering the immediate immigration policy to provide entry to Canada of displaced persons and refugees, I must say that, although I shall support the bill, I have several reservations to make. In the first place, hon. members will have noticed that the statement which the Prime Minister made yesterday was extremely carefully prepared, which indicates that the Prime Minister attaches a great deal of importance to it.

Second, it was the Prime Minister who made the statement in the house and not the Minister of Mines and Resources (Mr. Glen). That, too, carries a certain significance. It is true that the Prime Minister made a general statement only and that the results may be better than those we have had in the first two years since the end of the war. But if the results are not any better than the government has shown in the past, then the government's announcement will be of little practical value. I do not wish to be unduly critical of the government's immediate immigration policy, but I am sure that past experience justifies me in taking a more or less scrutinizing attitude. It was on May 28 of last year that the government passed two orders in council granting permission to certain classes of people to enter Canada. It will be a year on the 28th of this month since those orders in council were passed and only a handful of people were permitted to come into Canada. If Canada is to show her humanitarian attitude in the solution of this problem, I personally believe that we must speed up the work in the immigration branch and also speed up the setting up of the various offices throughout Europe. So far, Canadian immigration offices were opened at Athens, Greece; at Lisbon, Portugal; at Paris, France; at Brussels, Belgium; at The Hague, Holland; at Oslo, Norway; in Czechoslovakia; and we are told that offices will soon be opened in Poland. If we are anxious to help displaced persons and refugees, if we are really sincere in our desire to help them, why not set up immigration offices in Germany, in Austria and in Italy? That is where the displaced persons are and that is where most of the countries have their immigration missions.

When I was in Rome two or three months ago I had the privilege of interviewing the Argentine immigration mission. They had their immigration minister in Rome selecting the type of people whom they wanted. It is very fine for us to say that we have set up offices in the various countries to help the refugees so that they may travel to all these points, apply for their visas and be examined medically. But the fact remains that refugees have no means of travelling to those points; refugees have no permission to leave their camps and travel to the various countries in order to be examined, and from which they could emigrate to Canada or other countries. The job must be done on the spot and that is one thing that we in Canada have overlooked.

I notice, from the report on immigration and labour, that the director of immigration, Mr. Jolliffe, made the statement that offices cannot be established in Germany, for Germany is under military occupation. That, Mr. Speaker, I submit is not correct; because, as I pointed out, the Argentine mission is in Rome; and Italy was until February 10 and, as a matter of fact, still is occupied territory. These various South American countries have their immigration missions travelling all over Europe selecting the best immigrants they can get. It seems to me that we are working more or less under a misapprehension that the displaced persons are the type of persons whom we must scrutinize almost with suspicion; we must of course, scrutinize them to a degree. But after having seen the displaced persons, I disagree with those hon. members who state, and repeat, that we must be perhaps overcareful and not allow any of them to come in. That would be the effect, because we are emphasizing so greatly the fact that we must be so careful. The very fact that displaced persons are where they are today is because they have held democratic ideals so high that they have given up their old homes and moved westward so that they may join the western European nations and the United States. Surely we will give those people an opportunity; surely we will choose or take our lot from the very first group that wants to come out.

I am going to be frank and say this: unless Canada moves at a more rapid pace than she has done thus far, we are not going to get the best type of immigrant. The best type of people will go elsewhere. They cannot continue to live in the camps which consist of old garages, old military barracks and old stables. In them are people of all ranks among whom are persons who, I must say, in many respects are much better than we are. There are in those camps persons who have written numbers of books and persons who can make the most remarkable things out of practically nothing. If any of us found ourselves in a camp, what could we do? What would our talents be? But we forget these things. We feel that we are on this continent and are safe, that we do not have to worry about anybody in Europe. I maintain that if the

Canadian government were serious in this matter they would have sent an immigration mission to Europe last year to investigate conditions and bring in certain recommendations to the government and to this parliament. But no. We do not care what happens to the displaced persons and refugees. We pass orders in council. Last year, on May 28, the Minister of Mines and Resources tabled certain orders in council in this chamber. Since then, in one year's time, only fourteen people of my origin were admitted to Canada. Those people cannot stay in the camps indefinitely and we must realize that.

I might point out that the organization known as IGCR—intergovernmental committee for refugees— is doing good work in Europe. I have had several interviews with Canadian representatives—as a matter of fact, they were Canadians themselves—and they were doing everything in their power to speed up the bringing of a certain number of displaced persons to Canada. But they were helpless. They pointed out that the regulations were such as to permit hardly anyone to leave. They could not go into the camps and demand that certain individuals be handed over, so that they might be examined and have their documents prepared in order that they might leave. First of all, they had to ascertain whether the person in a displaced persons camp was a relative; they had to investigate his history, and then on this side we make an investigation into the economic condition of the person applying for the admission of that relative, and so on. I spent three months travelling in Europe where these displaced persons are. I have seen these people; I have seen the conditions under which they live, and I must disagree with the suggestion by the Prime Minister that transportation facilities are not available and therefore we must wait until they are. As a matter of fact he stated that it may be more than a year before transportation can be provided. Well, if we are to wait another year some of these people in Europe will not be able to last that long.

Then the Prime Minister pointed out that it is not the regulations that matter, that they will not speed up the entry of these people into Canada. If it is a fact that ships cannot be provided, nothing can be done about that phase of the problem, but if these persons were granted permission to come to Canada; if they were given visas, then they could obtain transit visas which would enable them to go to France, Holland or Belgium, obtain employment there and help rebuild those countries. Then, when we could provide transportation we could call them up and they would be ready to leave. So I plead with the minister to give his most sympathetic and serious consideration to that partial solution of the problem. Grant visas to the people who are acceptable to us, who we feel might come to Canada, and let them emigrate elsewhere for the time being until they can be brought to this country. Then certainly we would be doing a humanitarian job.

I must say that when representatives of the various countries asked me about Canada's immigration policy I had to keep my lips closed and say nothing. They asked me why Canada with its vast area and rich natural resources would not accept any of these people, while a little country like Britain could accept hundreds of thousands of them. The British people stood by their humanitarian principles, and personally I bow my head to them. We know the British people are short of food and short of housing. We know it is more difficult for them to accommodate Europeans who do not speak their language, but they do accept them, while we are putting off playing our part in the matter. Two years have passed; now we have another announcement made in the house. What will be the next step?

As I have said, I agree wholeheartedly with the first part of the Prime Minister's statement, but if I understand that announcement properly the indications are that those people in displaced persons camps have little hope of coming to Canada, with the exception of those who may be able to stick it out, no matter what happens. Recently I read in the newspapers where some of the British and United States military authorities said that unless IRO takes over the problem of looking after displaced persons the British and American governments may be forced to send these people back under the Soviets, regardless of the people's wishes. Surely a statement like that is of great concern to Canadians who have relatives in these camps. I cannot emphasize this phase of the problem too strongly.

If time permitted I would wish to bring to the house a picture of the life of these people. Just here I might refer to an article appearing in *World Report* of August 15, 1946. in which it is stated that the United States of America, the United Kingdom and Canada contributed ninety-four per cent of all the money that was placed at the disposal of UNRRA. It was also stated that forty per cent of the supplies distributed by UNRRA were distributed in the areas dominated or controlled by the Soviet Union. It does not seem logical that the English-speaking countries of the world should contribute ninety-four per cent of all the money spent by UNRRA and yet allow themselves to be pushed around by the

Soviets on this question. That is, however, the fact. United States military authorities in the occupied zones of Austria and Germany, and the British military authorities in those countries, as well as in Italy where there is a joint occupation force, have simply allowed themselves to be pushed around at every suggestion coming from Moscow. They fear what Moscow is going to say if they refuse to hand over these people. They fear what Moscow may say if they help these people to emigrate to other countries. It seems to me that we should stand on our own feet to avoid being pushed over the precipice, and say we believe that we should provide an asylum for the homeless, the stateless, the unfortunate people of Europe. There is only a very small number of them. As a matter of fact, I think the problem has been exaggerated, so far as numbers are concerned. Many say that there are simply millions of people. There were; but displaced persons now constitute a very small problem, if a number of countries agreed to take a share of the responsibility. Canada could take a share of that responsibility, and need not move only at the time when the senate committee begins its work.

Incidentally, at this point I wish to pay tribute to the senate committee on immigration and labour for having done a great service for this nation in bringing about a discussion on immigration during the last session. I extend my hearty thanks to them again this year for having begun to do the same thing.

Those who are worried about the type of people found among displaced persons have no reason to worry. I for one am confident that they will love Canada and be grateful to Canada and we will love them if we allow them to come in. But I do want to say that of the many displaced persons in the camps, people of Ukrainian origin. people of Polish origin, people of Latvian, Lithuanian, Estonian and Yugoslav origin, not one is a communist. Surely that should be a point in their favour. I am certain that if they are allowed to come into Canada not one of them will ever support communism; they will be the strongest defenders of democracy. And they have proven it thus far, by having lost everything, by having to give up their homes and all their earthly possessions in order to defend and to stand up in defence of the principles of freedom.

I pointed out to General Fenshawe, who is head of UNRRA in the British zone, that he should do everything in his power not to allow forced repatriation of those unfortunate people. They have no armies behind them; they have no propaganda machines behind them; they have no economic means behind them. They are simply helpless, homeless and unfortunate people. I said to him, "Stand by these people, and you will never regret it." If we do not stand by them now, what will they think? If some of them live long enough to be shipped back under a dictatorship, surely we Canadians should rather welcome them now as immigrants than to meet some of them, perhaps, with bayonets, coming from the north. Surely we should realize that.

I am glad that when the Prime Minister made his statement he did not miss saying that we cannot ignore the danger which lies in a small population attempting to hold so great a heritage as ours. That is the most important point of all. If we disappoint these people now, after we have appealed to them for more than thirty years to believe in Christianity, to believe in democracy, and then, when they want to cling to democracy and Christianity, we tell them, "No, we cannot accept you; we are sorry, but our regulations do not permit of our taking you" or, "We have no boats", such answers are not good enough. They have given up everything for the ideals I have mentioned.

I should like now to read from an article which appeared in the *Evening Standard* of London, England, under date of February 7, 1947. Lieutenant-General Sir Frederick Morgan, in a speech delivered at a luncheon given by the *News Review World* held at the Savoy, said this:

> What a distressingly typical symptom of our rising tide of bureaucracy it is that has wished on these unfortunates the label "displaced persons." This unhappy term, carelessly or perhaps even cleverly used, has come to be associated in most people's minds with shiftless mendicancy, even with criminality. How wrong this is.
>
> Though most of you know why these displaced persons became displaced, it is not strikingly evident why they remain displaced and why it is so vitally urgent that something be done now to help them. They cannot help themselves. In the popular conception UNRRA has failed, and failed most notoriously in its DP operations. What better means of economising, you may argue, than to withdraw our help from the DPs and let them fend, somehow or other, for themselves. They have no governments at their backs likely to complain. Have I overdrawn the picture? Maybe, maybe not.
>
> Well, what is to be done now? Must anything be done? It must indeed. For whether we like it or not we are committed to succouring these homeless people.
>
> Have we helped them so far merely to turn round upon them now and tell them we intend to do no more? God forbid. Do we tell them to get back behind the iron curtain and take their medicine?

Why is it that we cannot grasp this problem of the absorption among our own teeming millions of this small remnant of misery that owes its sufferings so much to the fact that it has friendship towards us? What is stopping us? A rapid and positive solution is so much to be desired from every point of view. We in this country—

He is speaking of Great Britain.

—are crying out for labour.

I say roundly that it is incumbent on us, the British, to set an example in the matter by dealing quickly and fearlessly with our share of the problem with the quarter million or so of DPs in our British zone of Germany.

Let us bring them here, I say, not as expatriated minorities, but as the families of our friends, for such they are. You may adduce difficulties of feeding or of housing. But we feed them now in Germany.

To them, I assure you, the veriest pigsty in England would be a palace in comparison with what they have had to inhabit these many years. And there seems to have been, to be, little difficulty in housing, and feeding many thousands of our enemies and ex-enemies—prisoners of war.

Is this too much to ask? Are we, by any chance, afraid to face up to it for fear of what are called repercussions? If so, let us just remember that the obstacles which exist are man-made. Man made the restrictions, man can unmake them if he wills.

We should think this problem through carefully once more and we should set wheels in motion if we mean what we say. Passing orders in council and changing regulations are not going to help these people who are in displaced persons camps. It is an immediate problem; it is an urgent problem, and its solution has been dragged out now for two years. We have hardly admitted anyone; we simply clamped down and sat tight and said, "We are trying; we are considering the matter." That is not good enough. I should like to give the minister and his officials and the government all the credit to which they are entitled, based on the recent announcement, but I fear that if I begin to laud the government they will simply sit back, and the results at the end of the year will not be any better than they were at the end of last year. Whatever is to be done should be done quickly.

Even though it may be late, I suggest that the government should send an immigration mission to the United States and British zones of Germany and Austria and to Italy to see these people, to study them and to study the conditions under which they live. I can tell this house that some of these men and women whom I met there are just the type of people Canada could be proud of, and I am sure we would gain a lot by letting them in. I should like to commend the Minister of Mines and Resources (Mr. Glen), the Minister of Labour (Mr. Mitchell) and the Secretary of State for External Affairs (Mr. St. Laurent) upon having agreed to grant permission to several industrialists to bring in a few of these displaced persons.

Some hon. members have criticized the government for taking that step, but it seems to me that they are somewhat hasty because no one as yet has exploited these people. I believe these industrialists are sincere in trying to help these people. If they bring in a number of them at their own expense and later deduct transportation expenses from the money earned by the workers I think it is an excellent idea. It is one way of solving the problem and doing our share. So I thank the ministers for having agreed to permit the bringing in of a few of these people.

One could speak on this subject for hours and hours, but by saying over and over again what has been said once I might not be making the case any stronger. I have been critical of the immediate policy of the government in connection with the bringing in of displaced persons, because I feel so keenly about the matter. I know the conditions under which these people live. If we allow them to stay in these camps much longer some of them will simply not be able to stand it. We would not have been able to stand it if we were in their position. They have gone through six years of war and have been two years in these camps, and we are expecting them to wait still longer.

I will close by appealing to the minister and to the government to put into practice the regulations which have been tabled. If the whole job is speeded up and done well, I shall be only too glad to rise in my place to express thanks to the government for having done their part in solving this great humanitarian problem.

Mr. F. S. ZAPLITNY (Dauphin): Mr. Speaker, I do not intend to add very much to the remarks I made when I spoke on Monday last. However, I should like to comment on a point or two, now that we have the statement of the Prime Minister (Mr. Mackenzie King) before us. On Monday last I raised the question of action in the matter of displaced persons and particularly of refugees, and I was pleased to note that in a few days we had before the house something which gave us a basis for further discussion. I think the Minister of Mines and Resources (Mr. Glen) was prepared to say a word or two on Monday last, but he did not have an opportunity. I was glad to note that the Prime Minister used words which indicate that at

least something definite is being undertaken at this time. He is reported on page 2645 of *Hansard* as saying:

> The government is sending immigration officers to examine the situation among the refugee groups, and to take steps looking towards the early admission of some thousands of their number.

I take it, by taking those words at face value, the Prime Minister meant that the government is taking definite steps at this time toward speeding up the admission of these classes of people.

Before going on to the next point and as an aside I wish to say that I think the house ought to be congratulated upon the high plane of the discussion which has been carried on today. It was a great pleasure and satisfaction to me, listening to this problem in which I have such a close interest, to hear hon. members one after another deal with this problem from the point of view of a sense of responsibility which this country has. It is no use approaching it from one particular angle because it is a two-fold problem. First, we must consider what we can do with our immigration policy to help Canada and, second, what we can do to help people outside Canada. I was pleased to note that hon. members did not approach this problem from the one point of view alone, but took in the whole picture.

I was pleased also to note that those who referred to the various races which make up this country did so in the kindest terms. I think it augurs well for the future of this country when hon. members, regardless of race or creed, can rise in their places in this house and say things about each other in that fashion.

I wish to put on record a recommendation that was sent on to me and submitted, I believe, to the government some time ago by the Ukrainian Catholic Council of Canada, which speaks for five dominion-wide Catholic organizations. I do so, because in two simple paragraphs they set out clearly and succinctly what I believe the government might well consider as a short-term and a long-term policy. First, as a short-term programme, they set out this:

> It is desirous that the dominion government, at the least, arrange for the immigration of the refugees who already have affidavits from their Canadian next-of-kin, and for whose transportation and welfare guarantees have been made by these Canadian citizens.

Then, as a long-range policy, they suggest this:

> Furthermore, it is thought that the dominion government should embark upon a bold but sensible immigration policy, and like Canadian governments of the past seek to stimulate the material development of Canada by changing our stringent immigration laws and devising a wholesome government immigration plan that would integrate the flow of immigrants with the development of the country, geared to our potential resources and to a scientifically-determined, desirable population level.

That, in very few words, sets out an immediate and a long-range programme which we might very well consider. I think we all realize that there is a difficulty involved in trying to say today what our immigration policy should be a year hence or two years or five years from now, because the economic conditions of the country at that time will have a great deal to do with the absorptive capacity of the country.

I want to mention again a suggestion I placed before the Minister of Mines and Resources on Monday, and that is whether he would not take under consideration the issuing of visas to people who have been found to be in admissible classes but who, for the time being, cannot find transportation to come to Canada. I am sure that when he takes part in this debate he will have something to say on that subject. I think he realizes the importance and the necessity of doing that in certain cases, since there are many people who, because they have nothing to show that they will be admitted to Canada, are being hounded around and being told to go back to their country of origin or go elsewhere. In other words, they are not only displaced but find themselves as unwanted people in the displaced persons camps. A document of that sort in tangible form would be something for them to anchor themselves to and would give them hope.

I do not need to say much more. It is almost eleven o'clock; but before I conclude I wish to refer to the other part of this bill which has been almost forgotten in the recent discussion, and that is the provision for the repeal of the Chinese Immigration Act. I am not going to repeat all the fine things that have been said about those of the Chinese race in this country. I know we all want our laws to be as fair as possible to all concerned and, since this provision means the taking of one more step toward wiping out any discrimination which may exist, to that extent I am in favour of it. Much has been said in this debate about developing tolerance among the various races in this country. Desirable as that may be as an immediate objective, what we need in the long run is not mere tolerance but the real thing, which is the human instinct of mutual respect for

the sanctity of mankind. Nothing less than that will ever do away with discrimination in the end. I think we are slowly and perhaps a bit impatiently moving toward that goal.

On motion of Mr. Mutch the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, May 5, 1947

The house met at three o'clock.

UNITED NATIONS

ACTION BY COMMONWEALTH GOVERNMENTS RESPECTING ARTICLE 41 OF CHARTER

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, the other day the hon. member for Peel (Mr. Graydon) inquired about the action of the parliaments of the other units of the commonwealth with respect to article 41 of the charter of the united nations. Our files contained the information with respect to the United Kingdom and New Zealand, but did not contain anything definite with respect to the other units of the commonwealth. Through our high commissioners we have since ascertained exactly what the position is.

The House of Commons of the United Kingdom approved the charter of the united nations by resolution of August 23, 1945. The United Kingdom deposited its ratification on October 20, 1945. The parliament of the United Kingdom enacted the United Nations Act, 1946, which was assented to on April 15, 1946, and which contains provisions similar to those contained in our Bill No. 132, which is now before parliament.

Mr. GRAYDON: That is, relating to article 41?

Mr. ST. LAURENT: Relating to article 41, with the exception that there is no limitation in the United Kingdom Act upon the penalties which can be imposed for violating any regulation made under the powers delegated to the government of the United Kingdom.

The parliament of the Commonwealth of Australia has not enacted special legislation with respect to article 41 of the charter. It did, however, by act of parliament, approve the charter.

New Zealand deposited its instrument of ratification on September 19, 1945. The General Assembly of New Zealand in parliament assembled on September 16, 1946, enacted the United Nations Act, 1946, which empowers the government to make regulations in the manner provided for in our Bill No. 132. There is a limitation on the penalties which are fixed by the statute; and they are limited to twelve months' imprisonment or a fine not exceeding one hundred pounds for an individual or a fine not exceeding one thousand pounds in the case of a company.

In South Africa, although the instrument of ratification was deposited on November 7, 1945, there has not been any legislation with respect to article 41.

Mr. GRAYDON: Will the military staff committee's report to the security council with respect to an international police force have any effect on the present disposition to press this legislation at the present session?

Mr. ST. LAURENT: No, I do not think it will. As the hon. member knows, there are three procedures fixed for settling international disputes: (1) attempted conciliation; (2) measures under section 41 which involve sanctions other than military sanctions, and (3) recourse to military sanctions prescribed by the security council. This has to do with only the second stage of proceedings for settling disputes; and it was our feeling that although there might not be any immediate prospect of having to use these powers, we did not want to be in the position where any delay whatsoever in respect to the setting up of effective machinery of the united nations could be attributed to us.

PETITIONS

PROPOSED SEPARATION OF CERTAIN PARISHES FROM TEMISCOUATA CONSTITUENCY—REFERENCE OF PETITIONS TO STANDING ORDERS COMMITTEE

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, will you kindly give your ruling concerning the petitions which were submitted to the house the other day?

Mr. SPEAKER: On Friday last I said to the hon. member for Temiscouata, as reported at pages 2694 and 2695 of *Hansard:*

May I point out to the house that I have already refused some petitions because they were not prepared in accordance with the rules of the house. I should not like to put before the house the motion to accept the petition presented by the hon. member for Temiscouata before having had the opportunity of seeing it. I have noted the remarks made by the hon. member, and he may be assured that due consideration will be given to them.

I have examined the petition of the hon. member, and have prepared the following statement:

The house is not seized of a petition addressed to the members without mentioning the words "in parliament assembled". In that case a motion has to be made in order to bring it to the attention of the house. When petitions are not properly addressed, the clerk of petitions reports that they cannot be received. They may then be referred to the standing committee on standing orders which has power to report to the house whether or not they should be accepted.

The general allegations of the petition are concluded by what is called the "prayer", that is, the request in which the particular object of the petitioner is expressed. The words "and your petitioners as in duty bound will ever pray" are not essential. "May" says that those words are "generally added" but they are not necessary; and petitions without them are valid.

I suggest to the hon. member, therefore, that he present a motion that this petition be referred for consideration to the proper committee, which would be the standing committee on standing orders.

Mr. POULIOT: Thank you, Mr. Speaker. I therefore move:

That petition presented by the electors of the parishes of Notre Dame des Sept Douleurs, Ste. Rita, St. Paul de la Croix, St. Cyprien, St. Emile d'Auclair and St. Jean-Baptiste de l'Isle Verte be referred to the committee on standing orders.

Motion agreed to.

STANDING ORDERS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. MATTHEW MacLEAN (Cape Breton North-Victoria) moved:

That the first report of the standing committee on standing orders, presented on Friday, May 2, be now concurred in.

Motion agreed to.

CANNED LOBSTER

STATEMENT AS TO IMPORT LICENSING SYSTEM IN SWEDEN

Hon. H. F. G. BRIDGES (Minister of Fisheries): On Friday last the hon. member for Queens (Mr. McLure) asked whether the government of Sweden had imposed an import licensing system against our canned lobsters. I am informed after conversations with the Swedish legation that a temporary import licence procedure has been imposed in Sweden. The present shortage of United States and Canadian dollars permits them to import only essential goods. Canadian canned lobster is in good demand in Sweden, however, and if conditions improve sufficiently, imports of canned lobster may be permitted into Sweden later in the year.

I am unable to indicate what effect this present situation may have on lobster prices.

POLISH VETERANS

REFERENCE TO STATEMENT IN MONTREAL "STANDARD"

Hon. HUMPHREY MITCHELL (Minister of Labour): My attention has been called to an article appearing in the Montreal *Standard* of May 3 in which it is stated that a number of Polish veterans, who were brought from Italy last fall to work on Canadian farms, had served with the nazis. The heading of the article is entirely misleading. The impression which might be drawn from the heading and from a reading of this article is that the men referred to were men who were nazi sympathizers and that the Canadian selection mission had accepted these men for entry to Canada under pressure from the heads of the Polish corps. I wish to correct any such impression and to say that it is entirely unfounded.

The Canadian selection mission was initially instructed by the government that they were not to consider applications from any members of the Polish armed forces who had served with the German forces or behind the German front with the German labour corps during the period of the war. However, representations were made by the Polish military authorities pointing out that among those Polish veterans who desired to come to Canada there were a number who had been forcibly conscripted by the Germans and enrolled either in the German armed forces or in the German labour corps and who had deserted at the first opportunity and made their way into allied lines to join the Polish corps. It was represented that men in this category who had risked their lives to desert for the express purpose of joining the Polish corps and had subsequently enrolled in and had actually fought with the Polish corps against the axis powers prior to V-E day would be unfairly discriminated against if they were refused consideration for admission to Canada along with other Polish veterans. These representations were transmitted to the government and it was agreed that Polish veterans in this category would be con-

sidered eligible for selection purposes along with other Polish veterans. To this extent and to this extent only the original instructions to the mission were varied. All applicants for entry to Canada in this category were nevertheless screened by the security representatives on the mission in the same way as every other applicant. The screening included not only verbal interrogations but also a check of the military and intelligence records relating to them.

I wish to put this on the record in justice to the men themselves and to refute any suggestion that we have permitted any person to come to Canada in this group of Polish veterans who has nazi sympathies. This is not the case and in fact, as the statement shows, every precaution was taken to eliminate the possibility of inclusion of any such persons in the group selected for entry.

Mr. LOCKHART: Will the minister permit a supplementary question?

Mr. MITCHELL: Yes.

Mr. LOCKHART: Has there been any trouble or difficulty in connection with any of these men? Is it true that in some cases deportation proceedings are under consideration?

Mr. MITCHELL: I can be very frank with my hon. friend. There have been complaints in the opposite direction in regard to being nazi sympathizers. There are in this country a number of people who feel that anyone who does not agree with them is a nazi, and that goes for every member of this House of Commons.

Mr. SMITH (Calgary West): What do you mean by that?

Mr. MITCHELL: They call you that, too, if you bother to take notice of them. However, I may say that consideration is being given to sending two of these Polish veterans back to Great Britain.

PRIVATE BILL

TORONTO TYPE FOUNDRY COMPANY LIMITED

Mr. DAVID CROLL (Spadina—for Mr. Sinclair, Ontario) moved the first reading of Bill No. 178 (from the senate) respecting certain patents owned by Toronto Type Foundry Company Limited.

Some hon. MEMBERS: Explain.

Mr. SPEAKER: Carried.

Some hon. MEMBERS: Explain.

Mr. GRAYDON: You do not explain a senate bill.

Motion agreed to and bill read the first time.

BEAUHARNOIS LIGHT, HEAT AND POWER

GRANT OF WATER DIVERSION FROM ST. LAWRENCE RIVER

Hon. LIONEL CHEVRIER (Minister of Transport) moved the first reading of Bill No. 179 (from the senate) respecting the Beauharnois Light, Heat and Power Company.

Mr. CHURCH: Why is this a government bill?

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FEED GRAINS

Mr. WINTERS:

1. Did the increases in the price of No. 1 feed barley and No. 1 feed oats as announced by the Minister of Agriculture in his statement in the House of Commons on 17th March, 1947, increase the price of these grains in Nova Scotia, and, if so, by how much?

2. Did the above-mentioned increases in the price of barley and oats increase the cost to Nova Scotian farmers of feeds involving these grains?

Mr. GARDINER: I have discussed this question with the hon. member and we agreed that in its present form it will not get the information he requires. I therefore ask that it be dropped, in order that it may be reworded.

Question dropped.

MOUNTED POLICE—SALARIES, WORKING CONDITIONS, ETC.

Mr. KNOWLES:

1. Is there any machinery that provides for discussion between R.C.M.P. and its constables with reference to salaries, working conditions, etc., on a labour-management basis? If so, what is the nature thereof?

2. Does the R.C.M.P. maintain service files concerning members of the force?

3. If so, is this practice followed in the case of all constables or is it limited in any way? If limited, what are the limitations?

4. Are such service files available to the constable concerned and is the constable given any indication of the notations entered on his file?

5. Are R.C.M.P. constables sometimes transferred, as a result of notations made in their service files, to stations such as Esquimalt, Regina or "A" division, Ottawa?

6. If so, are such transfers made because of unfavourable reports and is the constable concerned advised of the nature of such reports?

7. What are the ranks of members of the force who normally make such reports?

8. When a constable is charged with an offence under the Royal Canadian Mounted Police Act, is he permitted to have a lawyer defend him at his trial and before whom is such a trial held?

9. Have any constables of "A" division, Ottawa, been assigned to other duties than guarding public buildings, etc., at any time since January 1, 1940? If so, what is the nature of such duties?

10. Since January 1, 1940, have any first-class constables been re-engaged as second or third class constables? If so, how many?

11. Is there any reduction in pay as a result of such re-engagement? If so, how much?

12. Are such constables advised of the reasons for such reduction by re-engagement and is there any relationship between such reduction by re-engagement and the service files referred to in question two?

Mr. ILSLEY:

1. Yes. Through the officers and staff of the personnel section, and all inspecting officers.

2. Yes.

3. The practice is followed for all members of the force.

4. No, with the exception of information referred to in No. 6.

5. No.

6. Members of the force are advised of all adverse reports.

7. Commissioned officers.

8. Legal counsel is not authorized, but a constable may request an officer or other member to assist in his defence. Charges under the Royal Canadian Mounted Police Act are heard before a commissioned officer.

9. Constables of "A" division are available for all duties performed by the force.

10. Yes, as their services were unsatisfactory. The number since January 1, 1940, is seven.

11. Yes, from 25 cents to 75 cents per diem, according to rank.

12. Yes, in all cases. There may, or may not, be any such relationship.

EXPORTS OF MOTOR VEHICLES

Mr. CAOUETTE:

1. Have any touring cars been shipped from Canada since June, 1946?

2. If so (a) how many of such cars were shipped in each month up to the present; (b) to what countries; (c) of what make and in what quantity for each make?

Mr. MacKINNON:

1. Yes.

2. (a) and (b) See statement below; (c) information not available.

Statement showing number of passenger cars exported from Canada during each month from June 1946 to March 1947

Country	June 1946	July 1946	Aug. 1946	Sept. 1946	Oct. 1946	Nov. 1946	Dec. 1946	Jan. 1947	Feb. 1947	Mar. 1947
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
United Kingdom	4	1	5	3	8	14	5	4	3	27
British East Africa	20	10	2	17	1	19	48	37	32	17
British South Africa	529	914	385	671	162	665	314	633	504	1,526
Southern Rhodesia	14	22	23	19	1	36	15	13	26	8
Nigeria	7	9	5	24	52	17	41	11	6	1
British India	204	264	268	156	2	231	98	398	409	652
Burma	.....	.....	.....	.....	.....	.....	.....	54	.....	6
Ceylon	30	.....	.....	24	.....	.....	24	24	.....	.....
Straits Settlements	8	95	81	52	56	20	14	26	31	118
Bermuda	.....	.....	.....	.....	.....	.....	72	.....	.....	.....
Barbados	8	9	26	5	6	4	3	28	2	4
Jamaica	.....	81	23	25	5	28	85	45	21	1
Trinidad	9	21	24	13	27	18	12	45	27	5
British West Indies, other	12	10	33	11	10	28	22	32	10	11
Hong Kong	18	21	12	7	7	1	11	5	1	7
Newfoundland	5	38	86	5	1	2	1	6	2	4
Malta	.....	2	3	.....	2	.....	1	22	12	20
Australia	2,086	3,033	3,563	1,897	73	828	1,477	1,541	1,696	2,180
New Zealand	5	493	37	289	48	317	294	422	202	282
Argentina	.....	.....	.....	.....	.....	.....	.....	46	.....	.....
Colombia	8	24	13	4	.....	1	.....	1	.....	4
Netherlands East Indies	.....	40	100	36	1	.....	117	276	138	156
United States	5	2	2	4	1	3	5	4	4	2
Other countries	20	29	34	41	25	35	55	60	71	71
Totals	2,992	5,118	4,725	3,303	488	2,267	2,714	3,733	3,197	5,102

AUSTRALIAN AND NEW ZEALAND BUTTER

Mr. DROPE:

1. How much Australian and New Zealand butter was brought into Canada this year?
2. What was the cost laid down per pound?
3. How much of this butter is still in the hands of the government agencies?

Mr. GARDINER:

1. 4,984,448 pounds.

2. Invoice value f.o.b. shipping point $1,873,710.67. Transportation costs are not complete at this date.

3. 38,808 pounds.

POSTAL SERVICE—REVENUE—POSTAGE RATES

Mr. LOCKHART:

1. What was the surplus revenue of the post office department during the years 1937 to 1946, inclusive?
2. What are the present postal rates in Canada and United States on (a) post cards; (b) letters; (c) air mail letters?
3. What are the present air mail rates from Canada and United States to Great Britain on (a) letters, stating rate per ounce; (b) parcels, stating rate per pound?

Mr. BERTRAND (Laurier):

1.

Fiscal Year	Surplus	Deficit
1936-37	$ 3,735,976.73	
1937-38	3,249,356.18	
1938-39		$167,961.80
1939-40	3,235.19	
1940-41	1,683,692.69	
1941-42	4,492,002.79	
1942-43	4,126,775.11	
1943-44	12,585,910.72	
1944-45	11,442,534.82	
1945-46	10,905,913.40	

2.

Canada

(a) 3 cents.

(b) General rate—4 cents first ounce, 2c each additional ounce.

For local delivery—3 cents first ounce, 1c each additional ounce.

(c) 7 cents first ounce, 5 cents each additional ounce.

United States

(a) 1 cent.

(b) General rate—3 cents each ounce.

For local delivery at other than letter carrier offices—1 cent each ounce.

(c) 5 cents each ounce.

3. (a) From Canada—15 cents each ¼ ounce. Air letters—10 cents each.

From United States—15 cents each ½ ounce, Air letters—10 cents each.

(b) There is no air parcel post service to Great Britain from either Canada or the United States but parcels may be forwarded via air mail from either country if prepaid at the regular air mail letter rate.

PRODUCTION OF FURNITURE, ELECTRICAL APPARATUS AND FARM MACHINERY

Mr. McKAY:

1. What was the value of (a) furniture; (b) electrical apparatus; (c) farm machinery, produced in Canada during the years 1945 and 1946?
2. What were the exports from Canada of each of the above named groups of commodities for each of the years 1945 and 1946?

Mr. MacKINNON:

1. Production	1945	1946
(a) Furniture	$ 59,856,000 (preliminary)	Not yet available
(b) Electrical apparatus	230,531,000	
(c) Farm machinery	38,701,000	
2. Exports		
(a) Furniture of wood	$ 462,342	$ 1,024,831
Furniture of metal	264,802	463,748
(b) Electrical apparatus	60,956,632	20,939,342
(c) Farm machinery	20,196,085	28,661,562

UNEMPLOYMENT INSURANCE—VETERANS

Mr. McKAY:

1. How many veterans were in receipt of (a) out of work benefits; (b) unemployment insurance in the months of (i) January; (ii) February; (iii) March, 1947?

Mr. MITCHELL: The following veterans received D.V.A. and U.I.C. benefits.

Month	(a) D.V.A.	(b) U.I.C.
(i) January, 1947	32,235	3,930
(ii) February, 1947	30,171	5,498
(iii) March, 1947	26,318	5,542

NATIONAL FILM BOARD—"FILLERS"

Mr. FULTON:

1. Who writes the "fillers" which are circulated to newspapers by the National Film Board?
2. Is the position of writer of "fillers" a paid position?
3. If it is a duty involving only part of the time of an official or officials of the department engaged on other publicity work, what percentage of his or their time is so employed?
4. What salary or salaries are paid to the writers of "fillers"?
5. What qualifications for this work have the writers?
6. What is the total cost of composing, printing and distributing these "fillers" for the fiscal year ending March 31, 1947, including salaries of writers?

Mr. McCANN:

1. Mr. Paul Gormley and Mr. Francois Morrisset.

2. Yes.

3. One-half hour each per month or one-third of one per cent.

4. Mr. Gormley, $270; Mr. Morrisset, $177.

5. Mr. Gormley: 14 years' newspaper experience and 3½ years as a government information officer.

Mr. Morrisset: B.A.; University of Ottawa, 1½ years as a government information officer.

6. Approximately $65.

AIR SERVICE BETWEEN PERU AND CANADA

Mr. DIEFENBAKER:

1. Has a licence been granted to Peruvian International Airways to operate an international air passenger and freight service between the republic of Peru and Canada?

2. If not, was an application made by said company to the Canadian government for permits to operate in Canada, and, if so, what is the present position of the matter and what disposition of such application has been made?

Mr. ST. LAURENT:

1. No.

2. No. In February, 1947, the Peruvian government approached the Canadian government concerning the initiation of negotiations leading to the conclusion of a bilateral agreement. They also enquired as to the possibility of securing a provisional permit for Peruvian International Airways pending the signature of such an agreement. They were informed that although the Canadian government was prepared to commence negotiations it is not our practice to grant provisional permits of this kind, but that until the proposed agreement is signed, any requests for the authorization of occasional flights into Canada could be made direct to the air transport board.

These matters are now under consideration by the Peruvian authorities.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WAR ASSETS—SALES TO SALABERRY OF VALLEYFIELD

Mr. RAYMOND (Beauharnois-Laprairie):

1. Did the war assets corporation sell any assets to the city of Salaberry of Valleyfield in 1944, 1945, 1946, and 1947?

2. If so (a) what were such assets; (b) what was the quantity of each kind in each year; (c) what was the selling price of each of such assets; (d) when and where was each delivery made; (e) on what date were such assets paid for?

Mr. McILRAITH: Return tabled.

[Mr. Fulton.]

EMPLOYMENT SERVICE—MARITIME REGION

Mr. ISNOR:

1. How many employees have been released from the national employment service in the maritime region from January 1 to March 31, 1947?

2. Of these, how many were (a) released in each office; (b) (i) males; (ii) females; (c) those with overseas service?

3. How many of the above released persons have since found employment through the offices of the national selective service?

4. What number were placed through each office in the following order—males, females and those with overseas service?

5. Of the total number released, how many held executive positions?

GRAIN SHIPMENTS THROUGH CHURCHILL

Mr. THATCHER:

1. What was the value of imports which entered Canada via Port Churchill during 1946?

2. How much wheat was stored at Port Churchill as at April 1, 1947?

3. What ships have been chartered to carry wheat from the port to Europe during 1947?

4. Have Canadian trade commissioners or other federal employees taken any steps during the past year, to secure incoming cargoes for the port?

5. How much wheat is it estimated will be shipped from the port during 1947?

SUGAR BEETS—TONNAGE PURCHASED AND REFINED

Mr. MURPHY:

1. Does the government (a) check or supervise weighing of sugar beets; (b) check total tonnage purchased from producers with total tonnage refined?

2. Does the government make any check to determine if total tonnage of sugar refined is same as paid producers who contract with refiners for beets on sugar content plus tonnage basis? If so, what years was checking done?

WAR ASSETS—FLEET AIRCRAFT

Mr. CASTLEDEN:

1. How many serviceable Fleet aircraft have passed through war assets corporation to date?

2. To whom were they sold?

3. What price was received for each?

4. What was the average cost of these aircraft to the Canadian government?

FEMALE TEXTILE WORKERS—BEAUCE, QUE.

Mr. MacINNIS:

1. What are the prevailing wage rates for women textile workers in Beauce, Quebec?

2. What housing accommodation, if any, is being provided for the 100 women workers now being recruited in Europe for the Dionne Spinning Mill Company under P.C. 1193?

SASKATCHEWAN RIVER—BRIDGES

Mr. BENTLEY:

1. What was the total cost of the bridge across the North Saskatchewan river at Borden, Saskatchewan?

2. What was the total cost of bridging the South Saskatchewan river at Outlook, Saskatchewan?

3. What was the total cost of building the last bridge across the South Saskatchewan river in the city of Saskatoon?

4. Did the dominion government pay any of the costs of building any or all of these bridges? If so, to what extent did the dominion participate in each case?

5. Has the dominion government contributed to the building of any other bridges in Canada since 1910? If so, what was the total cost in each case and to what extent did the dominion government contribute in each case, and in what year or years were such bridges built?

MOTION FOR PAPERS

BRILLIANT DAM, KOOTENAY RIVER, B.C.

Mr. HERRIDGE:

For a copy of all agreements, correspondence, letters, telegrams, memoranda, reports and other documents, exchanged from January 1, 1940 to December 31, 1946, between the government of Canada or any department or officer thereof and any officer, agent or representative of West Kootenay Power and Light Co. Ltd., or Consolidated Mining and Smelting Company of Canada Ltd., or of either of them or of any other corporation concerned with, interested in or participating in the construction of a dam and power plant on the Kootenay river near Brilliant, British Columbia, together with statements, accounts and reports showing the total cost of this project and the amount of accelerated depreciation allowed to any one or all of the above corporations in connection with their respective income taxes or excess profits taxes in respect of the above-mentioned power project.

EXCHEQUER COURT ACT

AUTHORIZATION OF PAYMENT OF SALARY TO REGISTRAR

Right Hon. J. L. ILSLEY (Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to amend the Exchequer Court Act to authorize the payment of a salary to the registrar of the court not exceeding six thousand five hundred dollars as the governor in council may fix.

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

Motion agreed to.

SUGAR BEETS

PRIVILEGE, MR. BLACKMORE—LABOUR SUPPLY—INTERNATIONAL POOL

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I rise to a question of privilege. On Friday I sought permission to ask of the Minister of Finance (Mr. Abbott) three questions, aiming to learn from the minister, in the first place, whether or not Ontario farmers are signing 1947 contracts to produce sugar beets for the Canada and Dominion Sugar Company in sufficient numbers to enable that company to run both of its factories during 1947; and, in the second place, whether or not the government realized that inability to run the Wallaceburg factory in 1947 would lose for Canada 50 million pounds of sugar, or about five pounds of sugar for every person in Canada.

Your Honour, considering the length of the questions, suggested that I put them on the order paper. To Your Honour's ruling I freely bow. Nevertheless there is attached to this matter of the Ontario beet sugar industry in 1947 such a degree of importance and immediate urgency that I conceive it to be my duty to move the adjournment of the house to discuss this matter. Having in mind, however, the fact that the house is anxious to make progress today with various pressing matters, and has therefore specially decided upon the programme for this afternoon, I wonder if it would not be fitting that I should rather ask the Minister of Finance if he will agree that I should present to him now certain questions concerning the progress of the Ontario beet sugar industry. Will the minister so agree?

Hon. DOUGLAS ABBOTT (Minister of Finance): The hon. member has sent me notice of the questions he intended to ask, but I have no objection to his putting them. I shall take them as notice and try to give him an answer tomorrow if possible.

Mr. BLACKMORE: The questions I desire to ask are these.

First, how many acres of sugar beet contracts had been signed for the company by noon of May 5?

Second, what steps does the government contemplate to enable Ontario beet growers to protect their labour supply from being attracted from them by tobacco growers as was done in 1946, and,

Third, has the government considered how adversely Canada's failure to produce beet sugar to her plant capacity in 1947 might affect the willingness of the United States to grant Canada sugar from the international pool in the years 1947 and 1948?

LUMBER

INCREASED DOMESTIC PRICES ON WEST COAST

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I should like to ask a question of the Minister of Reconstruction and Supply. As the April 30 lumber price increases on the domestic market appear to compensate British Columbia coastal operators several times over for losses through reduced export quotas, will the minister state what other factors, beyond compensation to the lumber companies, were taken into consideration in increasing domestic prices on the west coast by more than forty per cent?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): Several factors were taken into consideration. The first, as my hon. friend has mentioned, was the desire to obtain a greater proportion of the British Columbia cut for domestic use. Another factor was that prices for west coast lumber have not been changed for some eighteen months. In the meantime there has been a sharp increase in cost, in part through increased wages. Third, account must be taken of the fact that past prices for lumber are not only far below prices of any other lumber in Canada, but are far below the cost of production; and that fact is preventing the procurement of certain types of lumber, such as flooring and other high grades, which the mills will not produce at the old prices. The adjustment leaves the price in no event any more than sixty per cent of the price that is being obtained for lumber for export. The adjustment brings the price of British Columbia lumber about in line with prices in other parts of Canada; and it will, I think, mean a much better distribution of western lumber throughout Canada, which is highly desirable, as the shortage of heavy timber from British Columbia is having a serious effect in restricting construction work.

Mr. ARCHIBALD: Have any of those companies gone broke yet?

Mr. HOWE: No.

LABOUR CONDITIONS

WORK STOPPAGE IN NOVA SCOTIA AND NEW BRUNSWICK—SUBSIDY PAYMENTS

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I should like to ask a question of the Minister of Reconstruction and Supply, arising out of a statement which appeared in the Toronto *Star* of May 3, copy of which I have sent the minister and therefore I shall not read it into the record. It was to the effect that the minister had made some subsidy arrangement that might solve the work stoppage problem in Nova Scotia and New Brunswick. Has that statement been called to the minister's attention, and can he indicate what subsidies arrangement he intends to make for the purpose of meeting the difficulty in the two provinces mentioned?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): The Minister of Reconstruction and Supply has not been a party to the negotiations leading up to the settlement of the coal strike. The position of the minister was made clear in the house some time ago—that when settlement had been effected, appropriate subsidy arrangements will be made on the basis recommended by the royal commission on coal, namely that the subsidy be a transition subsidy, and that it be not larger than the subsidy paid before the strike took place. The department has informed the Minister of Labour that a subsidy will be granted in amount required to implement the proposal of the Minister of Labour for the settlement of the strike which was made in this house some weeks ago.

Mr. GILLIS: Then the statement in the *Star* has no foundation in fact?

Mr. HOWE: No.

BERRY PICKERS FOR THE FRASER VALLEY

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I should like to ask the Minister of Labour if any arrangements have been made between the dominion and provincial departments of labour to bring berry pickers from the prairie provinces to the Fraser valley for the coming season and, if not, will consideration be given to this matter?

Hon. HUMPHREY MITCHELL (Minister of Labour): I can assure my hon. friend that negotiations are going on between my department and the government of British Columbia, in fact with every province in Canada where a similar problem exists, in an effort to meet the situation. My hon. friend shakes his head, but this is a headache I have had for the last six years and there will be the same action taken this year.

Mr. CRUICKSHANK: You do not have berries in all the provinces.

Mr. MITCHELL: We will deliver the goods, I think, as we always have.

TOURIST TRADE

CANADIAN REPRESENTATION AT TRAVEL AND SPORTSMEN'S SHOWS

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): I should like to ask the Minister of Trade and Commerce a question. Is Canada represented at the international travel exhibition now being held at the Grand Central Palace, New York and if so, by what branches of the department?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): The policy of the department is to alternate with our exhibits between travel bureau shows and sportsmen's shows in the United States. At the present time we are exhibiting at the sportsmen's shows on the Pacific coast and next year we will use the facilities of the travel shows.

HOUSING

SURPLUS DWELLINGS IN BREMERTON AREA, STATE OF WASHINGTON

On the orders of the day:

Mr. H. C. GREEN (Vancouver South): I should like to ask the Minister of Reconstruction and Supply if he has received a telegram from the city clerk of Vancouver asking him to ascertain from Commissioner Dillon Myer, of federal public housing authority in Washington, D.C., whether or not a city approved non-profit organization would be granted the privilege of acquiring and bringing to Canada 1,600 war surplus dwellings which are now situated in the Bremerton area in the state of Washington? If that telegram has been received, could the minister say whether there has been any action taken along the lines suggested?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): The wire was received and this reply, signed by myself, was sent to the city clerk under date of May 2:

> We are only justified in approaching United States authorities if city of Vancouver or administrative organization formed by it will make firm bid at asking price which I understand is four hundred dollars per unit. On such advice will take matter up through Canadian embassy Washington. Provided city of Vancouver will take administrative responsibility directly or indirectly through non-profit organization such as citizens rehabilitation committee we will make emergency shelter grant of five hundred dollars per unit. Dominion will not import Bremerton houses on its own account nor are we prepared to make mortgage loans on Bremerton houses if moved to Vancouver.

I have tried to make clear in this house the position of the Bremerton houses. We regard them as being substandard housing. We regard the estimated cost of establishing them in Vancouver as being in excess of the cost of providing houses of the same standard with Canadian materials and Canadian workmanship, provided the government is willing to take the responsibility for providing that type of housing, which it is not. The government believes that it is justified only in building houses of a type suitable as permanent homes for Canadian citizens, and we regard the Bremerton houses as not being in that class.

BRAEFOOT VETERANS' LAND ACT PROJECT

On the orders of the day:

Mr. G. R. PEARKES (Nanaimo): I should like to ask the Minister of Veterans Affairs if instructions have been issued that one of the houses, namely, 1421 Harrop road, erected under the Braefoot Veterans' Land Act project, be torn down and the veteran occupant ordered to vacate? If so, is the veteran being provided with other accommodation while his home is rebuilt?

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): I received notice of my hon. friend's question just an hour ago and I endeavoured at once to get in touch with Victoria but without success. The information available here is that no house is being torn down. There is substantial reconditioning of one house. If I have any further information later on in the day I shall communicate at once with my hon. friend.

RADIO BROADCASTING

INQUIRY AS TO CALLING OF SPECIAL COMMITTEE

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Will the Minister of National Revenue please advise the house the reason for the delay in calling the radio broadcasting committee?

Hon. J. J. McCANN (Minister of National Revenue): On Thursday last the hon. member for Eglinton (Mr. Fleming) asked a similar question. Arrangements have been made with the whips of the parties whereby the committee will be called this week.

IMMIGRATION ACT

REPEAL OF CHINESE IMMIGRATION ACT—BONDING OF PERSONS IN TRANSIT THROUGH CANADA

The house resumed from Friday, May 2, consideration of the motion of Mr. Glen for the second reading of Bill No. 10, to amend the Immigration Act and to repeal the Chinese Immigration Act.

Mr. L. A. MUTCH (Winnipeg South): Mr. Speaker, because I consider the question of immigration the most important question before this house, indeed the most important that confronts the people of Canada now or will have to be faced in the measurable future, I find myself approaching what I have to say today with a great deal more diffidence than is usual when I rise to speak in this house.

I am sure I express not only my own opinion but that of the majority of the people of the province from which I come when I say that the section of the bill which rights the wrong respecting Chinese immigration has been long overdue and will be generally approved by the public.

I do not propose to deal this afternoon with the humanitarian arguments for immigration into Canada. No words of mine could add to the remarks of the hon. member for Rosthern (Mr. Tucker) on this and other occasions, to the moving and eloquent appeal last Friday night of the hon. member for Vegreville (Mr. Hlynka) or to the speeches of the hon. member for Spadina (Mr. Croll) to which we have listened on one or two occasions.

By the statement which he read to the house the other day the Prime Minister (Mr. Mackenzie King) made it abundantly clear that the government of the day, headed by himself, is fully cognizant of the responsibility of Canada and of our duty toward those unfortunate people from whom we may well seek immigration. I think I owe a debt to the Prime Minister for the conciseness of that declaration, because it eliminated much of what I would otherwise have had to say. I hope that in what I desire to put before the house this afternoon I may be able to contribute toward making his task and the task of the government easier in implementing the policy, both short and long term, which he enunciated the other day.

I think that no member of this house needs to be convinced of the unanswerableness of the humanitarian argument for immigration. I am equally sure that no intelligent member of this house needs to be convinced that there are two sides to the question of immigration. There is the duty which has been pointed out to us of making some contribution to the unfortunates of this war, and there is the duty, which we share with all parties in this house, of taking advantage of an opportunity which is now available to do something for Canada itself. In other words there is a great opportunity for Canada today in immigration, and it is of this opportunity, Mr. Speaker, and of our own needs, that I purpose speaking this afternoon.

[Mr. McCann.]

Ever since 1914-15, and the drying up at that time of the flow of immigration to this country, and even through the early thirties when there was some lowering of the bars and some immigration permitted, we Canadians generally have been busy explaining and apologizing for and explaining again the fact that we had abandoned the traditional policy of this country of seeking first to colonize our own territory and then to expand our population and our industries. Over the years the department of immigration has come to be relegated to the status of a subdepartment under another minister. I have not consulted with the Minister of Mines and Resources (Mr. Glen) with respect to the observations which I now propose to make, but I know something of his understanding of the problem and of his conception of his own responsibility, and I have no hesitation in saying that in so far as the proposals I shall make are designed to give clearer and quicker effect to the government policies enunciated by the Prime Minister with respect to the department over which the minister presides, he will I am sure be in full agreement with them. In so far as I am critical of the department of immigration I am equally sure that the minister will feel obligated to defend it.

During the years the department of immigration, once a great and important one, has been relegated to the position of a branch of another department, and there has not been in the past few years, as there once was, a minister charged with the responsibility of seeking and selecting immigrants abroad to meet a demand in this country. The department has been instinctively inclined to feel that its mission was to exclude those who sought to come here. With respect to this I charge no one in particular. I simply state it as an incontrovertible fact.

If Canada is to make either the short-term or the long-term policy enunciated in the house the other day by the Prime Minister work soon enough to be effective, to accomplish its humanitarian purpose and to produce the full benefits which Canada hopes to receive from that policy, the department of immigration needs at this time to be born again. It is my view that we need a full-time minister of immigration, and we need one now. The task of heading this department will, I submit, challenge the best brains which the Prime Minister can invite to the task. It needs something of the Canadianism of a Sir Wilfrid Laurier and the dynamic administrative capacity of a Clifford Sifton. More than that, it demands at this time a man who is able to distinguish between a

policy of immigration which was an attempt on the part of the country to colonize its own lands, and a policy of immigration such as we now need, the purpose of which will be to bring about a planned and controlled expansion in this country. There is a vast difference between the two. Because it is a terrific problem, because it is to my mind the greatest single problem that confronts the federal government in Canada today, I should like for a moment to examine some of the reasons which lead me to make that statement.

Does anyone anywhere in Canada think that without a sharply increased population we shall be able over the years to increase our national income, or even to keep it at its present level? Our industries are hopelessly localized in thinly populated areas in a country which is only thinly populated. That being so, if again we come to those times and conditions where a shift of population will be necessary in the interests of the workers as well as of the producers, we shall find ourselves in a difficult if not a hopeless situation unless we restore something of the original programme of immigration, which was to expand and develop a more thickly populated country.

Immigration means more than that. Planned and controlled immigration means a home market for our surplus production. It means, and this is equally important, adding to the productive power and skills of the workers of this country, which is so necessary to the economy of this country, so necessary if we are to retain our place in the markets of the world. Immigration means something more which is important to every person in the Dominion of Canada. It means broadening of the base of taxation to pay for the services which we demand, and to pay for and maintain the defence which Canada must have. I think it was in 1937 when, speaking in this house on defence, I said that 12,000,000 people cannot forever hold half a continent in a land-hungry world. Those words were true then; they are equally true now. I believe that if we do not seek to double or approximately double the population of this country in the next twenty years, we stand in imminent danger of losing our present position as a free and independent power. I believe that in June, 1940, we were within weeks of such a position. I fear that such a situation may arise again. I know that we can and do rely on our neighbours, the United States, to stand with us against any attempted violation of our territory, and I hope, Mr. Speaker, that I am realist enough to know what the price of that might ultimately be. Furthermore I believe that failing to carry out such an expansive policy of immigration the logic of circumstances and the pressure of economics will, apart from any threat of war, be sufficient during the years to accomplish that fusion of interests of the north American nations which would result in that same loss of sovereignty which I had anticipated in case of attack.

It is not to be assumed, Mr. Speaker, because I say these things that I speak for the open-door policy of immigration. That policy functioned well when we were following what I have called the Canadian policy of colonizing our own lands. I do not suggest that that policy would function in the changed conditions of the moment. But I do suggest that the people of Canada demand, with a growing impatience more liberal immigration policies—not just policies of immigration, but the carrying out of those policies in a way which will result in bringing immigrants to the shores of Canada.

I have said that there is an insistent demand for liberalized policies. I am equally convinced there is an insistent demand that the policy of today and tomorrow shall be one calculated to bring prospective immigrants in contact with a plan for making them part of the economy of this country. In other words there must be a direct correlation between the man and the woman and the job and industry in Canada. My view—and I suggest it is the view of the majority of Canadians—is that the need for immigrants is immediate, urgent and vital to Canada.

For fear that I be accused of speaking without authority I wish to quote from one or two resolutions which have come to my hand, as I think they have come to most hon. members. In a policy declaration of the seventeenth annual meeting of the Canadian chamber of commerce, which met in Winnipeg in 1946, under the heading "Immigration," there are these words, which I contend, sir, support the view I take:

> Canada must have a vigorous immigration policy immediately. This country needs and can support a very much greater population and the present opportunity may be the last in which we can freely choose the immigrants who will fill our thinly populated country.

I have another brief comment from the same source which I should like to give. It reads as follows:

> Canada was built by the energy, skill and initiative of immigrants and her future growth will be accelerated by bringing in those with technical and scientific skills and experience as well as those prepared for labour on the farms and in the factories. Today as perhaps never before there are men of skill and experience

with the capacities to establish new employment—creating industries, who are footloose in Europe and seeking opportunities in countries where they will be welcomed.

The Garment Manufacturers Association of western Canada, in a letter dated December 31, 1946, addressed to myself, again raised the question of immigration. With your permission, sir, I should like to quote one sentence from the letter, as follows:

> We are of the opinion that unless immigration is permitted, our industry is bound to suffer to a considerable extent.

I also hold in my hand a resolution of the Canadian Corps Association dated February 13, 1947. I should like to quote one sentence from the preamble, as follows:

> And whereas in the opinion of this association immigration is the most vital public necessity in Canada at the present moment . . .

These three quotations, Mr. Speaker, representing business men—the chamber of commerce, those who employ people—the needle trades, and one group of veterans in Canada, would seem to give point to the claim I make that there is general agreement on the part of the public in demanding the immediate opening up of immigration into Canada.

Speaking of the many thousands who can be assimilated into Canadian citizenship, as suggested in the chamber of commerce resolution I have just read, I realize the fact that such people do exist, and their need is as immediate, urgent and vital as is our need for immigrants. It is our good fortune that in coming to their assistance we, the people of Canada, are in a position not only to help them but to do a great service to our own country.

This and succeeding governments will be expected by the people of Canada to profit by their own mistakes and by the mistakes of their predecessors. It will be expected of them that Canadian standards of work and life, economic and cultural, shall be enriched and not debased by the type of immigrant who is encouraged to come to this country. This policy which we enunciate they will be expected in point of fact to put into practice.

I hope the house will not think that in emphasizing the urgency of immigration at this time I am unaware of the problems of transport and housing. I shall have something to say on that a little later. I am aware of the difficulty. I mention it because I am concerned that those who may be directing their attention to the problem of immigration shall not use these difficulties as an excuse or a cloak for inaction.

At long last it does seem that the people of Canada are awakening to the realization our fathers had, that we have both a duty and an opportunity to enrich our heritage and the heritage of our children. We need to remind ourselves over and over again that when we come to consider the question of immigration that it is we, the people of Canada, who in the long run profit by the right kind of immigration, and we profit more greatly than the immigrants themselves, no matter how difficult may be the situation from which they come.

May I say a word or two about the mechanics of immigration itself. At page 2645 of *Hansard* of May 1, 1947, the Prime Minister (Mr. Mackenzie King) said:

> The government is sending immigration officers to examine the situation among the refugee groups, and to take steps looking towards the early admission of some thousands of their number.

That is, of course, an evidence of the recognition of the urgency of the position. I am expressing my own view, and I am sure the view of most of the people of Canada, when I say I hope that these words will be implemented speedily by the actual arrival of immigrants to Canada.

Despite the shipping shortages, which are real, I suggest to the Minister of Mines and Resources, who is concerned with this problem, that probably five to ten empty vessels will arrive at the port of Churchill this summer. At slight cost, and I am sure without any complaint from the immigrants themselves as to the inconveniences which they might be called upon to suffer, it will be possible before this fall to bring several thousand immigrants into the heart of the country via that route. That it will be done I feel sure, if the department sincerely desires to get them and get them quickly.

Despite the housing situation in Canada I estimate, on the best information I can get, that Canada this year could absorb at least 80,000 single men or men who are married but whose families in the countries from which they come are adequately provided for until such time as the housing shortage no longer exists. Those who remember the former periods of immigration will recall that one of the largest exports from this country for a number of years was the money which was being sent home, to support their families, by men who came to this country as immigrants. That continued until such time as they could bring their families to Canada to live with them. It is a situation which is not too difficult.

I suggest that the 80,000 single men who could come in this summer be absorbed in the mines, in the forests and on the farms without causing a fraction of one per cent disturbance to the housing problem. Relatives of persons

who are already citizens of Canada could be brought in. They might cause a little inconvenience, but certainly less inconvenience than where they are now. It would be a beginning which, although small, would be satisfactory, and would be evidence not only of the good will but of the good faith of this dominion. If we have a department whose duty it will be to find and select people and get them here, I think with such a beginning we might safely feel we were at the dawn of a new and brighter era.

I should like to say a word or two about another aspect of the immigration problem, that of emigration. Far too much sentimental nonsense has been talked about Canadian born who themselves emigrate. I do not reproach those who lament the going to the United States or elsewhere of the sons and daughters of Canada; as a matter of fact, I share the feeling of loss. But, sir, when it is suggested that these migrations or emigrations of Canadians to the United States and elsewhere are somehow connected with the general question of immigration into Canada, then you get a picture of the situation which, I submit, is wholly erroneous. Large numbers of immigrants have come in the past, are coming now and will continue to come to Canada, just as they do to Mexico, because they have failed to get in under the immigration quotas in the United States where they have families and friends and where they desire to go. That condition is one over which at the moment we have no control, and probably never shall have; but a considerable number of those who came to this country and later went to the United States came for that purpose and in that fashion. There is no use in charging anyone with the job of finding out what their future intentions are, because it cannot be done. That accounts, I submit, for a considerable number of the immigrants who emigrate.

Not only that, but there is an emigration which consists largely of doctors and nurses, engineers and to quite a considerable extent chartered accountants. This represents a serious loss to the population and to the economic and social life of Canada. But I do not think anyone would suggest that the bringing in of immigrants who in the first instance come largely from the labouring classes has in any way contributed to the necessity for these leaving us. On the contrary I think that if we increased our immigration sharply, the opportunities for professional people who now emigrate would be very much better in Canada than they are today. Anyway, I wonder if the house or the people of Canada generally think it is necessarily a bad thing to have a steady flow of some of our best people from this country to the United States, our friendly neighbour, a country so much larger and stronger than we are that we should hardly dare to differ from them? And if the alternative is to keep these people at home, does anyone think that our sons or daughters, or even humanity itself, would be served to advantage if they were kept in Canada to do jobs which were far below their capacity?

Scotland's greatest contribution to the world has doubtless been made through her sons and daughters who have made their homes in the far corners of the earth. By their philosophy and their industry, their skills and capacities, they have contributed largely to the various societies of which they formed a part. It may be, Mr. Speaker, that we cry too much about our loss, which is so often humanity's gain. Back in the early twenties every member of the graduating class in engineering in a western university went to South Africa, South America or the United States. I took the trouble to check up in 1939 and I discovered that all but two were back here, employed in their professions; they were in responsible positions in the Canadian engineering world. We sometimes overlook the fact that our sons, by their excursions into other lands, seeking experience which it is difficult for them to gain at home, are but preparing themselves to make an even greater contribution to the life of their own country, Canada.

In closing, Mr. Speaker, may I say that I am deeply conscious that I have failed this afternoon to do justice to my theme. For instance, I have not emphasized the contribution which the last generation of immigrants made to this country. Without checking it up, I venture to say that a large number of the members of this house are themselves of that gallant company. I know that many more of us are the first-born sons of immigrants. That being the make-up of this House of Commons, I assume—and I think rightly—that we in this chamber are aware of the contributions generally which that generation of immigrants which came in the early 1900's—and some of them before that—have made to the peace and prosperity, the well-being and development, cultural, social and economic, of this country. There is no reason to believe that succeeding generations will not, under the conditions which prevail today—infinitely better than those which the earlier pioneers experienced—enhance their reputation as immigrants and do their part in making this Canada into the sort of place we believe it can be and which the Minister of Finance in his budget speech the other day, expressed belief it would be.

My plea, then, is for a national effort for what I conceive to be the great national need. We in Canada have established a high standard of social services, and we have no intention of going back. We hope for better things. We will not lower our standards without a struggle; and I suggest that we can maintain the social services and other high standards we have in the country only if we are able to maintain our national income. I for one do not believe that it will be possible to maintain our national income in the years to come without adding to our population. We must work, we must consume, we must export. That being so, we need the reinforcements which a fresh influx of controlled immigration will give in the field of initiative, in the highly skilled trades, as housing becomes available and in the places where they can be used at the moment; in the camps, on the farms, in the forests. I think these things are essential. The idea of full employment, as it has been bandied about by politicians and others in this country from time to time, is for the future meaningless unless we are able to develop a population which will be able to a larger extent to support itself, to defend itself, to bring fresh effort and endeavour, fresh experience and fresh knowledge into the battle of life. This is the normal situation in any country which depends as largely as we do on its relationships with the rest of the world. This government, this House of Commons and the people of Canada are faced with a decision. We may approach this great opportunity in a spirit which will delay and impede our national heritage; I hope we shall not do that. But, sir, I am so sure of the rightness and the inevitability of this policy in Canada that I believe the logic of figures and the march of time will save us from ourselves, if it is not too late.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, while I should like to take some time this afternoon in urging that Canada should offer hospitality to the homeless and helpless people in Europe, taking into account our great resources and their need, I propose to confine my remarks to the part of this bill affecting the repeal of the Chinese Immigration Act.

As a Canadian I blush with shame every time I think that for twenty-four long years we have had on the statute books of this country an act known as the Chinese Immigration Act which selects a group of people on the basis of race and says:

> The entry to or landing in Canada of persons of Chinese origin or descent irrespective of allegiance or citizenship, is confined to the following classes, that is to say,
>
> (a) The members of the diplomatic corps . . .
>
> (b) The children born in Canada of parents of Chinese race or descent, who have left Canada for educational or other purposes, on substantiating their identity to the satisfaction of the controller at the port or place where they seek to enter on their return;
>
> (c) (i) merchants . . .
>
> (ii) students . . .

I am sure that most Canadians welcomed the Prime Minister's statement on January 27 of this year to the effect that this obnoxious legislation was to be repealed. The Prime Minister in his press release of January 27 said that the effect of the repeal will be to remove all discrimination against the Chinese on account of race, and to bring Chinese persons under the general provisions of the Immigration Act and no longer under legislation applying exclusively to persons of Chinese origin.

Well, what do we find? We find the government does not propose to carry out the Prime Minister's promise, because both the Prime Minister and the Minister of Mines and Resources (Mr. Glen) have made it very clear that again there is to be racial discrimination, and the Chinese are to be brought under P.C. 2115 passed September 16, 1930. In part this order in council says:

> From and after the 16th August, 1930, and until otherwise ordered, the landing in Canada of any immigrant of any asiatic race is hereby prohibited, except as hereinafter provided.

If the Prime Minister's promise were to be carried out of course the Chinese would be placed in the same category as all others, and they would be admitted to Canada under P.C. 695, passed on March 21, 1931. This order in council permits the entry into Canada of the wife or unmarried child under eighteen years of age of any person legally admitted to and resident in Canada who is in a position to receive and care for such dependent. So the position is that we are still to have legislation in this country based on racial prejudice.

I would remind the house that Canada has subscribed to the charter of the united nations, which contains these words:

> We the peoples of the united nations, determined . . . to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small . . . and for these ends to practise tolerance and live together in peace with one another as good neighbours . . .

Then in article 1, paragraph 2, the purposes of the united nations are set out as follows:

> To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and to take other appropriate measures to strengthen universal peace.

And in article 55, chapter IX:

With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the united nations shall promote:

c. universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

Now in 1947 parliament is asked to repeal the Chinese Immigration Act but still keep the people of Chinese origin in an inferior position. My information is that only 8,746 of the Chinese resident in Canada will be eligible to bring in their relatives under the order in council that is to apply to them, which is P.C. 2115. It might be mentioned that for many years Chinese could not become citizens of Canada because of P.C. 1378, passed June 17, 1931, which prevented Chinese from becoming citizens without the consent of the Chinese government. No doubt there was some justification for the passing of that order in council at the time, because France, the United States and the United Kingdom had extraterritorial rights in China and probably it would have been possible for Chinese to take out citizenship in other countries and then take advantage of the rights granted to citizens of those countries. But in recent years the Chinese have been most anxious that citizens of that country should not be treated any differently than the citizens of other countries, in respect to obtaining citizenship in this country. I was very glad, during the debate on February 11, to hear the Minister of Mines and Resources state, in reply to criticism by the hon. member for Rosetown-Biggar (Mr. Coldwell), that this obnoxious order in council would be repealed, and that was done very soon after. The hon. member for Rosetown-Biggar quite correctly said, "You are perpetrating a cruel hoax if you allow this to go on after it has been pointed out to you. I say you are letting the Prime Minister down and placing the whole Liberal party in a position where they might be termed guilty of hypocrisy."

When this legislation was before the house in February the hon. member for Spadina (Mr. Croll) made a very commendable speech, as he does on many occasions. However, he did his party an injustice when he said that since the passing of this act only eight persons had been admitted from China. My information is that nine persons have been admitted, and I hope the hon. member will not mind this correction being made in the official record. I was interested in reading the debates which took place when this act was passed, and I would like to remind the house that the present Prime Minister was Prime Minister at that time as well. At page 2312 of *Hansard* for April 30, 1923, the Prime Minister said:

If, however, we lose sight of the international aspect and use expressions—either unguardedly or for other reasons—which are certain to be repugnant to peoples of another part of the world, I am afraid that instead of helping to relieve a very serious situation we shall only be creating—perhaps not for ourselves but for others—a situation which will be infinitely worse.

The Prime Minister took exception to the obnoxious head tax, and went on to say:

I could never see how Canada, from any self-respecting point of view, could impose a poll tax on working people coming from another country, and at the same time have its population subscribe to funds for missionary purposes to teach the heathen the most elementary principles of Christianity. The government has shared that view and has felt that any indignity of the character of the imposition of a poll tax upon a people in any other part of the world was something to which we, as a Christian community, should not lend our approval. So we have decided to abolish the head tax for that reason if for no other.

Still later the Prime Minister said:

I am not saying what the effect of this legislation may be when it is passed. What I am saying is that no country that I know of, under the British flag, has ever attempted, or in the name of British justice and fair play, and fair dealings with the peoples of other parts of the world would attempt, to enact an exclusion law against another nation, regardless altogether of the status or standing of the classes that may be affected.

Well, I hope the Prime Minister meant that. He did not know what the effect was going to be, but the hon. member for Spadina has told us the effect; the result has been that nine persons in twenty-four years have been admitted to Canada. If that is not an offence to the people of China I do not know what you would call it.

Mr. REID: So many of them were coming to Canada in those years that the exclusion act had to be put through. The head tax did not stop them.

Mr. NICHOLSON: The facts are—

Mr. REID: Those are the facts.

Mr. NICHOLSON: —that the parliament of this country passed legislation based on racial prejudice which never should have been passed by any self-respecting parliament; and in this day, when we are trying to create understanding, no self-respecting parliament can subscribe to legislation which selects a group of people and says, "You shall be debar-

red because we do not like your colour." regardless of whether or not persons desiring to come here have any crimes chalked up against them.

Mr. REID: If you had lived in British Columbia, you would have been with us on that occasion, too.

Mr. NICHOLSON: I would remind the house of the fine words expressed by the Prime Minister of Canada some twenty years later, under different circumstances. This was the day we had as our guest in this chamber a very distinguished world figure, Madame Chiang Kai-shek. On that occasion the Prime Minister was especially eloquent, when he said:

To Madame Chiang Kai-shek I extend the sincerest of welcomes on behalf of the government, the parliament and the people of Canada. We welcome Madame Chiang for what she is in herself. We welcome her as the devoted wife of Generalissimo Chiang Kai-shek, the great leader of the republic of China. And we welcome her as the interpreter of the needs and the virtues of the patient and heroic people of China, the first great power to resist axis aggression.

Later the Prime Minister said:

We would ask you, Madame Chiang, to carry to the Generalissimo the expression of our high regard for him, and the assurance that the people of Canada have unreservedly joined with the people of China in putting forth their utmost effort to destroy the evil forces that now seek to dominate the world.

We should like you to tell the men and women of China how unbounded is our admiration of their unswerving fortitude. Their uncomplaining courage has not been surpassed in the annals of human resistance. Canada, in common with all the united nations, is increasingly conscious of the debt that freedom owes to the unconquerable spirit of China.

Naturally all members of the house in this chamber on that occasion warmly and roundly applauded Canada's spokesman, as he certainly was speaking for the people of this country. And on the same day, after Madame had spoken, the present Minister of Mines and Resources (Mr. Glen), who at that time was occupying the position of Speaker, said:

Madame Chiang Kai-shek, I would seek to convey what has been made so manifest by this audience during your address—the deep sense of gratitude that you have evoked by your message, and the privilege which is ours to have heard not only the voice of China, but the voice of freedom, expressed by you in most eloquent terms and phrased in graceful English, comparable with the best in our literature. I speak not for both houses of parliament alone, but for all Canada, when I express the profound admiration of its citizens for Chung Hua Min Kou, or in our language, literally meaning "Chinese People's Country", the lovely name of the new China. And if I may be permitted to say, you have captivated all our hearts.

[Mr. Nicholson.]

And then at the close of his remarks:

It is for the good of all mankind that your and our race and peoples should understand and share friendship. May God in his infinite wisdom sustain and preserve you, and on that glorious day when this war shall cease, Canada will gladly join with your people in their long awaited triumph, and will joyously repeat with you: Forever China.

And if I may say so, I think the minister was in the finest form I had ever known him to be. He had the happy faculty in those days of expressing, more eloquently than most of us could, the sort of sentiments which should be expressed on an occasion of that kind.

Mr. MacNICOL: He is always in good form.

Mr. POULIOT: True.

Mr. NICHOLSON: I sincerely hope before this legislation is passed the Minister of Mines and Resources will indicate that he has changed his opinion, that order in council 2115 affecting Asiatic immigration has been repealed, and that all persons coming to Canada will be considered on exactly the same grounds, without any question of religion or race or origin.

Mr. GLEN: Is it the hon. member's argument that we should repeal order in council 2115?

Mr. NICHOLSON: Yes.

Mr. GLEN: And that all immigrants should then come under order in council 695, with the section dealing with Asiatic immigration deleted from 695?

Mr. NICHOLSON: That is right.

Mr. GLEN: That is your argument?

Mr. NICHOLSON: That is right. I feel that Canada cannot go to the meetings of the united nations and at the same time have discriminatory regulations, such as P.C. 2115, which apply to persons of Asiatic origin, and bar from our country the relatives of so many people. I am sure people in China can never accept the statements made by the Prime Minister and the Minister of Mines and Resources at their full value while they subscribe to that sort of legislation.

In the report on the second part of the first session of the general assembly of the united nations I noticed that Canada was forced to make a statement on November 25, 1946, regarding India's complaint against South Africa. While the name of the spokesman for Canada is not indicated, I presume it was our Secretary of State for External Affairs, who was chairman of the first committee on political security. If I am wrong

in this, the minister will no doubt correct the record. But I suggest it must have been most embarrassing for Canada to take part in a discussion where India was justly complaining about racial discrimination in South Africa. On November 25, 1946, Canada's spokesman said:

> As it seems to me, we are all agreed that the item presently before this joint meeting has legal and political aspects of the first magnitude.
>
> The Indian delegation has proposed that this assembly call upon the South African government to revise its policy in respect of Asiatics in general, and Indians in particular, and to report to the next session of this assembly the action it has taken in this regard.
>
> The South African delegation does not deny that there exists in South Africa legislation which discriminates against Indians.

And further down:

> I must at the outset express full agreement with the delegate of China that the question of policy involved in this issue is of greater significance than the question of law. It does not follow, however, that we can neglect to give adequate consideration to the important question of jurisdiction with which we are undoubtedly faced . . . It is worthy of note also that article I of the charter states in clear terms that it is a purpose of the united nations to promote international cooperation in "promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language or religion." This is an unqualified obligation which rests upon each member of the united nations.

I submit that it is hypocritical for any delegate from Canada to stand before a meeting of the united nations and throw stones at South Africa, while we have a skeleton in our closet which proposes to have one set of regulations for people of Asiatic origin and other regulations for people of non-Asiatic origin.

The hon. member for Middlesex East (Mr. White) on Friday made reference to a family in his constituency, and stated:

> In the city of London we have a Chinese family by the name of Wong, to whom I should like to refer. In that family are eight children, of whom three are doctors; one is now at Osgoode Hall a member of the legal profession, while the remaining four are in business in London. They are among the very finest of our citizens.

One of the members of the family was an interne in the city of Saskatoon, and I have heard from doctors and patients alike that she was one of the most brilliant young medical doctors they have had in their hospital. It could be argued with force that these three medical doctors, all of whom were born in Canada, are making a valuable contribution to our Canadian economy. It is proposed to bar the admission of such children, just because the father is not a Canadian subject.

So long as P.C. 1378 was in effect it was almost impossible for Chinese residents in Canada to get their citizenship papers. Not only had they to get consent of the central government in China, but they virtually had to repudiate the great country of China. Their applications had to go to the province, to the county, and then to the village. The people had it drawn to their attention that here was someone who had been born in China but who was now repudiating his country and wanted to take out allegiance to another country. It took months and sometimes years to get a final decision. And because of the red tape only a small number were ever able successfully to complete their papers.

Mr. JOHNSTON: Is the hon. member advocating that we throw down the immigration bars and let them come in without regard to any regulations?

Mr. NICHOLSON: No; I am suggesting that we should put people of all races in exactly the same position. Canada has the right to decide who will come. But I object to having legislation which says that we shall have one law for Asiatics, another for Scotch, another for French, and another for people from another country.

Mr. JOHNSTON: You think they should all be treated alike?

Mr. NICHOLSON: If Canada is going to subscribe seriously to the principles of the united nations, then I say we cannot afford to have racial discrimination in our statutes, or to have orders in council which give effect to racial prejudice.

The hon. member for Middlesex East referred to the Wong family, which is fairly well known in this part of Canada. Hon. members might be interested in hearing about a Saskatchewan man who is not well known except in one small centre. I refer to Charlie Quan, who came to my constituency in the hungry thirties when people in the dried out areas were going north to settle in the bush country. He felt that he should go too and he found himself in a little place by the name of Somme, which suggests that it was settled by veterans of world war I. He had the only restaurant, the only sleeping quarters that were available to the public. He was cashier, waiter, cook and dishwasher; he ran the entire establishment. One day his total sales amounted to only five cents for a package

of chewing gum, and on another day two chocolate bars comprised his total sales. The first time I stayed there the only sleeping quarters available were hard board bunks without any springs or mattress. However, there was no charge made for anyone making use of that accommodation; you merely paid for your meals. Out of his very small earnings Charlie was able to send money home to China to educate his children. His oldest son became a civil engineer. I have had correspondence with this young lad for a number of years. I remember his first letter was written while in high school, and he deferred sending it until he could have his English teacher check it. He mentioned to his father that it would be inexcusable for one who had had the advantages he had to make a mistake in English. I wish some of our Canadian youth were as anxious about the use of English.

Mr. SMITH (Calgary West): Why stop at the youth?

Mr. NICHOLSON: I have in my file a letter dated October 30, 1937, from the younger Quan in China. This was written about six months after he had become an engineer. He says:

> China is a nation fond of peace. After the fighting had started, several attempts were made to obtain a truce but all failed and fighting broke out. Events revealed that Japan is prepared to challenge China, Asia and then the whole world. China resists Japan's aggression not only for the preservation of our territory and rights but also for the preservation of harmony and peace in the world. China is ready for the coming long war. In case of necessity China makes the supreme sacrifice. We don't care or don't smile when one town or village is lost or recovered. We wait for the victory in the last fighting.
>
> In the past three months Japanese forces gain in China was not equal to loss. We trust the longer the fighting exists, the quicker the Japanese forces decompose.

I must thank the Minister of Mines and Resources for making it possible a year ago for this young man to visit his father. He had been selected by the Chinese government to take post-graduate work in the United States—and he finally found himself in San Francisco. The Canadian regulations would admit him provided he was assured he could return to the United States, but the United States authorities would not give him any guarantee that if he left the United States his status would be reestablished. Although he had not seen his father for twenty years, although they were only a few hundred miles apart, he was reconciled to going back to China without seeing his father. However, through the kindness of the minister it was made possible for him to be admitted to Canada to visit his father, after which he returned to the United States where he completed his work.

I think a great injustice is done when by regulation we bar such persons as young Quan just because of race prejudice. I hope the minister will give consideration to repealing this order just as he did the other objectionable order, P.C. 1378. If he can do that, I am sure that people in all parts of Canada will feel that we have taken a step forward. Just as the passing of legislation in 1923 was one of the things which made international understanding difficult, the maintaining of this type of legislation makes it more difficult for the nations of the world to understand and appreciate each other's difficulties. In view of the fact that there are very few people involved, I think the minister should meet the request that comes from this section of the house.

Mr. JEAN-FRANCOIS POULIOT (Temiscouata): Mr. Speaker, I have listened with great interest to the speech delivered by my hon. friend. If I am not mistaken he is in favour of mass immigration from the orient.

Mr. NICHOLSON: No, I did not say that; I merely asked that the Chinese be placed in the same position as people of other nationalities. I did not discuss the broader question of immigration; I was asking merely for the removal of regulations which result in discrimination.

Mr. POULIOT: On that I agree with the hon. member. I think one of the best speeches made since the beginning of the session was that made in another debate about the Japanese by the hon. member for Restigouche-Madawaska (Mr. Michaud). I speak as one who comes from the part of the country where there are the largest number of broad-minded people. I refer to the province of Quebec where no discrimination exists against any one. The people of my province have proved that on many occasions by electing English-speaking gentlemen in French-speaking constituencies. They were satisfied with them so long as they were satisfied with their policies. This should be known to all. On those occasions the province of Quebec proved to be broad-minded and without prejudice.

I wonder if this question of immigration is being considered as it should be. We are now discussing this bill and then we shall deal with the bill on housing. In my view we should have first settled the matter of housing and then we could see what we could do for immigrants. If we have no houses in which to shelter them when they come the

situation may be quite embarrassing. The housing problem is far from being settled in spite of the splendid efforts of the Minister of Reconstruction and Supply (Mr. Howe). It is strange that when we discuss certain matters we consider first that which should be in the second place, and this is one example.

When the Prime Minister (Mr. Mackenzie King) spoke a few days ago about immigration he said that transportation was limited. That is true, but transportation is not the main problem in connection with immigration. Transportation is a secondary problem; the main problem is that of selection. The hon. member who just spoke said that race should not be a consideration when the qualification of an immigrant was under review. He is perfectly right. There should be no question of race at all; the only question should be whether or not the newcomer will prove an asset to Canada. If a man has a good background; if he is willing to come to Canada and consider Canada as his country, then he should be admitted. It is only after that inspection has taken place that we should consider the transportation of that man and his family to this country.

We should not forget that the old pioneers of French as well as of British extraction were simply immigrants to this country. Champlain was an immigrant. Jacques Cartier was not; he was a navigator. Monseigneur de Laval, the first Quebec bishop, was an immigrant. He belonged to a noble family in France and was a chaplain at the French court. He could have done very well over there but he came here as an immigrant. So did many people of British extraction, but they decided to come and settle in this country, do their share in developing it and raise their children here. We are all the same. We have only to consider who the first pioneers in this country were to realize that we are all descendants of our ancestors who, the moment they decided to come here, made Canada the country of their choice. So I say that we are all descendants of immigrants, and we have no reason to be ashamed of that. It is the same in all the British dominions. In Australia, New Zealand and Africa, all the white people are descendants of those who went there from various parts of Europe, settled in those dominions and helped in their development.

At times we hear it said that we should have no immigrants. That is the point of view of some people, and while we may differ from it we must respect their right to their point of view. Any immigration we have should be selected immigration, selected at the source, and we should do nothing in our immigration policy just to please another nation. I do not see how our immigration policy should be related to the social, political and economic circumstances of other countries, even if those circumstances resulted from the war. We should consider the conditions in our own country and in each case we should consider the effect of the admission of one immigrant and his family to this country. How can we fix any quota on immigration now and say that we shall bring in so many displaced persons, one thousand, two thousand, five thousand, one hundred thousand, unless they are all examined in the first place to see whether they will be an asset to Canada if they do come here?

We are not far away from the last war and there is still prejudice against some peoples of European countries with whom we have been at war. I understand that these effects of war last quite a long time. During the war we heard so much propaganda against the peoples of central Europe that we are still under the impression that they might make bad citizens and that we must ban their entry into Canada.

In Europe so many people have suffered deeply during the war and post-war that they want to get away from Europe. They want to go to another country where they can enjoy a liberty which they have not known in Europe for a very long time, scores and scores of years. They say: We will go to America or Canada, where life is different, where people enjoy liberty. That is a great tribute to our country. But in the first place, to those who have suffered from the evils of both wars in Europe and to those who have suffered from hunger and cold and from the lack of shelter we must show the conditions which they will experience in Canada and tell them how they can make good in this country. For instance, if Canada is described to them as a land of liberty, as a true democracy, they will be greatly surprised to find controls in force in this country when they come here. We must not disappoint them. We should tell them the truth about this country. Advertisements should not be used only to promote the interests of transportation companies, rail and water. There should be no exaggeration in the advertisements; the people should be told the plain facts about Canada. They should be told about our mode of living, and as far as possible—and I believe this is possible—we should aim to admit only those who have the same mentality as our own.

I have no prejudice against Chinese women, although no one in Canada will contend that the majority of Chinese women have the culture of Madame Chiang. It is a serious mat-

ter to open the door too wide to Asiatic peoples, because their mode of living is entirely different from ours and they may be miserable after they get into this country. That is not a matter of discrimination at all. I just put it to hon. gentlemen: Is the education of Chinese women the same as that of white women? It is entirely different, and perhaps Chinese women would be disappointed when they got here. That is an angle of the question to which I draw the attention of my hon. friend.

Mr. NICHOLSON: That is what Ontario people say about the residents of Quebec.

Mr. POULIOT: I will not compare them with Chinese women, but I will say that their education is much more like that of the residents of Quebec than is the education of the Chinese and I am sure my hon. friend will admit that, although he is a great humourist at times.

I can understand that the people of Europe who have suffered so much not only physically but mentally now want a change, and if they break their family ties and get away from the traditions which they have so long cherished in their native land, whether it be the British isles, France, Germany or any other country, it is because they want something different. They want to come to a country where they can breathe. I hope no one of them will be disappointed when they come to Canada; that here they will enjoy liberty and the respect of their fellow citizens, provided that there is room for them here. So long as we have a certain number of unemployed I do not see how we can bring into this country people from outside who will do at lower rates work which does not exist for our own people. The standard of life in Canada is higher than the average standard of life of people under similar conditions in Europe. Therefore our people need more to live on than do Europeans. Asiatic people need less to live on than do Europeans.

If our own people suffer from unemployment for any consideration, because there is less work, because the company cannot afford to keep a certain personnel, et cetera, et cetera, they have to say at home receiving the benefits from the unemployment insurance commission. What will they think of immigrants coming to this country by the shipload to take their places in jobs, in plants, in any kind of work? It creates discontent, and discontent breeds many troubles.

It is not the question of race which should be the subject matter of the inspection of immigrants; it should be the background. The inspectors should be qualified men to consider not only the physical health of those who want to come to Canada but also their mentality, because those who come here as subversive agents are the most dangerous of all, and Ottawa is a place for spies. We know about it. We were all put to shame on account of it. But there is something else. It is common knowledge that a woman who was under the roof of the high commissioner for the United Kingdom was a pink communist since 1932. She was there under the wing of all the high commissioners who succeeded each other, spying for another country.

Mr. JAQUES: What is her name?

Mr. POULIOT: My friend knows as much about the matter as I do. I will not insist upon it. He knows about it. I am stating a fact which is public; it is not secret, and it has been announced in the press. Those who do spying, subversive propaganda and others may be wolves disguised as lambs to get into this country and create trouble. Therefore the check must not be on the race; the check must be on the person who is coming here. That is one point which I wish to bring to the attention of the house.

Moreover, sir, what shall we do with the mass of immigrants who may come to this country? Will they be farmers? There is no room for them. There is very little room left for farms in the St. Lawrence valley, in the Ottawa valley or in the west. The best lands have been taken. The only thing to do is to develop the north and bring selected immigrants to the north. But, first, the north should be opened. We should have railways to go there. There should be surveys of land. Make a choice of the best possible land, the most fertile land. We should send prospectors to the north to develop the mines. Can one expect the immigrants to live as the first pioneers did who came to this country, and go to the north in a canoe and portage and all that? We should have roads for them. Therefore, unless there are better communication facilities with the north, I do not see how we can have mass immigration into this country. There is great wealth in the north. According to the explorers, including the hon. member for Davenport (Mr. MacNicol), who spends so usefully his leisure time during the summer in visiting the far north, there is unsuspected wealth in the north. These are elementary considerations. If we are to bring immigrants to this country the coming of each of them should be such an asset to the country that he will repay Canada in some way or another by being a country builder.

If we have some difficulty it is precisely because the matter is not considered seriously enough. Some people would like to have only citizens of British countries come here. They know very well that in every British country, as in ours, there are citizens who belong to other races. I shall ask my hon. friends from the western provinces who are the best farmers that they have there. They will answer me quite rightly that there are some who are of every origin. If they take a farmer from central Europe, Hungarians and others, they will realize that they are progressive and they make a success of their farms. The same thing applies to those who come from countries nearer Russia, people from Germany, Italy and from all over Europe. Generally they do very well, and I do not see why they should be banned from this country when they would be an asset to Canada if they were admitted here.

I bring all these matters to the attention of the minister. He is an able man; he is gifted with that rare quality of common sense. I believe, too, that he is a good Canadian, notwithstanding the fact that he was not born in Canada. He is a much better Canadian than some who were born here, as I said to him also when he occupied the Chair.

We may naturally consider the question of refugees and displaced persons with Christian charity. We must do that, but the government should not be a benevolent society to assist all those who have suffered in Europe. It is a physical impossibility to do that. Because a man has suffered in Europe, it does not follow that he will become a good Canadian citizen. There must be something more than that. The fact that a man or woman is a refugee is not a qualification for admittance to Canada; not at all. But that is not to say that, because one is a refugee, he shall not be admitted to Canada with full honour if he has the necessary qualifications to show that he will be a good citizen and will live up to the expectations of the minister, the government and the population of this country.

I come now to the practical steps which may be taken within the present physical limitations imposed by transportation, and I say that we should not complain and say that the transportation facilities are not as good as they were previously. My reason for saying that is that it gives the minister the time in which to shape a policy of immigration. He may call it planning if he wishes; that is his own business. But it should be a well-thought-out and well-inspired policy. I do not believe in too great a moral obligation to assist other peoples of the world unless the people of Canada are well looked after and there is no unemployment in this country, at least in the technical trades. Assistance may be given individually by those who wish to do something; but, with the burden of taxation that we have, I do not see that as a nation we can any longer come to the assistance of the other countries of the world, especially when they snub Canada whenever she has a suggestion to make at the various meetings or conferences. If I say that, it is not because I have no Christian charity; it is because I think of my own people before thinking of others. I may be called a nationalist, but I believe that Canada is a country which exists and that Canadians should be looked after first; then, if we have something left over, we shall help others. I say that charity begins at home.

The Prime Minister mentioned some thousands who were coming here for early admission. What is the number? I will ask the minister these questions and he may answer me later. What will be the quota that Canada will accept as its share in meeting the general problem of immigration? What are the measures of productive immigration, and what is productive immigration as mentioned by the Prime Minister in his statement the other day? He said also the essential thing is that immigrants be selected and that their numbers be adjusted to the absorptive capacity of the country. What is the absorptive capacity of the country? How many immigrants can we accept, and where? They will land in Halifax, Montreal, Quebec city or Vancouver, but where will they go afterwards? That is not an academic matter. If a man, a woman and their children decide to come to Canada, it will probably be with the definite purpose of settling here. Therefore we should be ready to receive them just the same as when we invite them through the officers of the Department of Mines and Resources. They will be the guests of Canada until they settle down. But no one invites guests until he is able to offer them shelter and hospitality. That is the thing to think about, and I find that until now the discussion has been theoretical and vague; there has been nothing definite about what will be done with the immigrants after they have arrived in this country If Canada does not live up to their expectations, we shall be severely judged by them, and they will be right. They will have the right to blame the government and the people of this country for not delivering the goods when those immigrants come here.

I have tried to make a moderate speech, but this is a matter that I have been thinking

about for a long time. I am not opposed to the change with regard to the Chinese, but China is a country which is still at war with the communists. How can we make the distinction between a Chinaman who is a communist and a Chinaman who is not a communist? To us, they all look alike. In addition to that, the admission of Chinese will perhaps be one means of the infiltration of communism into this country. We are not at war with China; they were our allies during the war. Part of that immense country of China was our ally, but the other part is at war with our ally. Whether they are supported by another country, I do not know; I presume so. But they are communists. If the minister seeks to prevent the admission of communist Chinese men or women, it will be very easy—in fact, easier for them than for anybody else—to defraud the inspectors and put it over them. When I say that, it is not because I hold any feeling of discrimination against the Chinese but because I think of the future. I do not want any communists, whether Chinese or white, to come to this country. That is my point of view. The same situation prevails among the populations of Europe. There are communists among the British people, just the same as there are among peoples of different racial origin in the other countries of Europe. Suppose we have to admit one who is a communist, or a pink communist, such as one who came on an official mission not long ago; the hon. member for Eglinton (Mr. Fleming) fixed him up, and I tried to do my best too. He was admitted with full honours. I need not name him, which would only give him more publicity, but he came to this country, paraded here, and was very well received. We even had him at the parliamentary restaurant upstairs, where he made a little speech. He was a pink communist, but was welcomed here.

I leave all these considerations with the minister and trust that with his usual good judgment he will make the best of the problem. With his usual care and patriotism I am sure he will see to it that immigration is not resumed for the sole benefit of the transportation companies or those whose business it is to secure permits for the newcomers. This debate has been conducted on a high plane, and I hope it may continue so. I hope this important question of immigration will be scrutinized carefully by all members of parliament, just as it is considered very deeply by the Canadian people at large.

Mr. C. C. I. MERRITT (Vancouver-Burrard): In opening my remarks upon this subject, Mr. Speaker, I wish to offer my congratulations to the hon. member for Vegreville (Mr. Hlynka), to whose speech on Friday last we listened with great attention. I think everyone in the chamber must have been greatly impressed with his grasp of the subject and the sincerity with which he spoke, a sincerity due, I feel sure, to the personal knowledge he gained through an inspection of conditions in the displaced persons camps in Europe. I want to join with the hon. member in expressing fear lest this great announcement made by the Prime Minister (Mr. Mackenzie King)—great although a year or two years late—may not be followed up by that energetic action which is necessary to translate into something concrete, a good policy, wanted by the whole country for a long time. So far we have had only the word; we have only gotten over the first hump, that of deciding that we are going to increase the population of this country through immigration. As yet we have not gotten down to the equally important business of translating that word into vigorous action. When the Prime Minister spoke he indicated that such action was contemplated. I want to express my hope that it will not be necessary for various groups of interested people and members of parliament to exercise the same pressure that has been required to bring the government over the first hurdle they had to surmount. In dealing with this subject the Prime Minister said, at page 2645 of *Hansard:*

> The government is strongly of the view that our immigration policy should be devised in a positive sense, with the definite objective, as I have already stated, of enlarging the population of the country. This it will seek to attain through the development and energetic application of productive immigration measures.

We shall attempt to hold the government strictly to that statement, and see to it that they do adopt the energetic measures they promise. There is very much to be done before this decision, great as it is, can be translated into effective action. The necessary action does not lie only abroad, in the opening up of new immigration offices and making some special arrangements with regard to these refugees who so greatly desire to come to Canada. If we are to bring a large number of immigrants to this country over a period of years a great deal must be done internally if we are to absorb sufficient numbers to carry out the purpose laid down by the Prime Minister. It will require considerable cooperation between the government, industry and labour. It will require negotiations with other governments. Above all it will require a large capital development of our natural resources, so that we may put people to work and give them a stake before they go on the

land, as we probably hope most of them will do. We shall have to look to the north; we must see how we can stimulate prospecting and the mining industry generally, so that we can be sure of an ever-expanding number of jobs for people coming to this country. In a smaller compass we shall have to think in terms of assisted passages, special ships, and so on.

Then we must not overlook one important means of fostering immigration, to which I should now like to refer shortly; that is the scheme exemplified by the Fairbridge farm school near Duncan on Vancouver island. I am sure the minister knows about that scheme, but for the benefit of others who may not, let me say that it is a school set up for the training in Canadian ways of young boys and girls brought in from the British isles. The general policy of the school is set out in the principal's report for last year:

> It is to settle in Canada boys and girls of British origin, selected in England and approved by Canadian immigration authorities. The interpretation of the word "settle" by this administration is to give the children such education and training under conditions of home care as will fit them to earn their own living as responsible Canadian citizens.

I want now to read another important paragraph in order to bring the crux of the matter to the attention of the house and particularly to the attention of the minister:

> The extent of the education so given depends entirely on the funds available for that purpose whether supplied by the British isles or by Canada.

The school has been in operation for over eleven years, and has been very successful during that time, though all along it has been plagued by lack of funds; and it has not had any assistance from the dominion government. As at December 31, 1946, its strength was sixty boys and twenty-one girls. When it was designed I understood that its establishment was supposed to be fixed at 250. The difference, I suggest to the minister, is accounted for principally by the fact that funds for a much larger establishment have not been available. When one is considering the value of such schemes it is interesting to refer to the disposition of the graduates of the school in those eleven years. Of the male graduates, twenty-five per cent are now engaged in agriculture in Canada while four per cent are in occupations related to agriculture. Some twenty-one per cent are serving in the merchant service. We know how important that contribution was to our war effort. Then in industry and in business we have a further twenty-five per cent. The remainder are classified under manufacturing and building students, armed forces trades and miscellaneous. Of the girl graduates fifty-two per cent are engaged in applied home economics, twenty-six per cent are housewives and the remainder are classified under sales and service, business and nursing, manufacturing and miscellaneous. It will be noted that the majority of the graduates from this school have gone into occupations in Canada to which we sorely need recruits, and they have amply justified the purposes for which the Fairbridge school was established.

When one turns to the war record of the graduates, he finds it very good indeed. At the termination of hostilities with Japan, ninety-five per cent of the boys and thirty-six per cent of the girls eligible by age to volunteer to serve, had done so. I do not suppose that record has been exceeded by any other institution or group in Canada.

For this, school funds have been provided from two sources. Two-thirds are provided from Great Britain, and one-third comes from private donations by Canadian citizens, and by the British Columbia government.

The sums necessary to carry on the work for 1946 were divided as follows: private donations from Canada, $16,553, and a provincial grant of $12,500, making a total from Canada of about $29,000. From England the amount was $69,384. If this school is to be carried on in the future, and is to continue to make the contribution it has made toward training young people in Canadian ways and customs, it is urgently necessary that it be given further financial assistance in Canada. It becomes increasingly difficult to get funds from Great Britain and the total funds available have not been enough to fill up the establishment originally intended. There is a great field for the minister, not only in this one school on Vancouver island, but in the establishment of other schools operating on similar principles in other parts of Canada.

One of the energetic steps the minister could now take would be to look into this question of schools for the training of child immigrants in Canadian ways, and seeing to it that we have a continuous source of new Canadians brought in, in their tender years. There are many countries which at the present time are not willing to give up their manpower; but they would not mind making the young children available, if their parents wished them to come, so that they might have an opportunity for a greater future in this country. I hope the minister will take under his serious consideration, this particular scheme, and schemes of this kind, and perhaps make them one of his first energetic steps.

I wish now to turn to the matter of oriental immigration—Chinese immigration—for the sole purpose of refreshing the minister's mind on the questions asked by the hon. member for Kamloops (Mr. Fulton) when he spoke on Friday afternoon. I am anxious to hear the answers to these questions when the minister closes the debate, because they are most important to the people of British Columbia.

Dealing with the subject, the Prime Minister said this:

> I wish to make it quite clear that Canada is perfectly within her rights in selecting the persons whom we regard as desirable future citizens. It is not a "fundamental human right" of any alien to enter Canada. It is a privilege. It is a matter of domestic policy. Immigration is subject to the control of the parliament of Canada.

Those words will be most reassuring to the people of British Columbia. The Prime Minister went on to say that the Chinese Immigration Act was to be repealed upon the grounds of a seeming discrimination against our ally, China. I would join him in any attempt to remove any possible idea that Canada discriminates against that or any other country which was our ally in the war. But at the same time I wish to point out to the minister that the step we are taking in repealing this act, despite the clear enunciation of our policy, namely, that we have control over our own immigration, is a serious step for the house to take.

The Chinese Immigration Act, which was passed in 1923, was not put upon the statute books suddenly, but was enacted only after many years of effort on the part of those who were facing the practical problems we have heard discussed at such great length. We are now breaking down a safeguard which has existed on the statute books for twenty-four years, one which has been most important to many people in British Columbia. I shall not go into detail on that point, because I think it has been fully covered in debate. However, under the measure now before the house it would be possible, simply by the repeal of this act, for the Chinese population in Canada to be tripled.

If members from British Columbia are to justify the letting go of this safeguard, not only must they be told the policy of the government as stated by the Prime Minister, with which I am sure most of us agree, but they must be told also the practical results they may expect from the application of that policy. We must not be left in the position where we do not know what will flow from what we do today. We want to know, in particular, if this is really a friendly gesture to our ally, or if it involves a major change in practice.

With that in mind I would refer now to the questions asked by the hon. member for Kamloops. First of all, what is the situation with regard to the treaty with China? Have negotiations been broken off? Are they continuing? If they are continuing, do they include the subject of immigration? What relationship has the repeal of this act to the negotiations for a treaty with China?

Second, how many Chinese does the minister expect will come to Canada in 1947, 1948 and 1949 as a result of this policy? Will the policy permit wives of Canadian citizens of Chinese origin to be brought in when the marriage occurs after the date of the repeal of the act? I understand that we calculate most of our estimates of future population in relation to the year 1971, and I should like to know if the minister could make any forecast of what the Chinese population of Canada will be in that year and as a result of this policy?

Mr. MACKENZIE: Oh, oh.

Mr. MERRITT: I hear the Minister of Veterans Affairs laughing, but in his statement the Prime Minister was able to forecast the total population of Canada in 1971.

Mr. MACKENZIE: That is quite different.

Mr. GRAYDON: Since when have those two hon. gentlemen become experts in population?

Mr. MACKENZIE: That is a typical remark from Peel.

Mr. MERRITT: Perhaps the minister has the same information at his disposal as had the Prime Minister. Not only in connection with oriental immigration but in connection with our general immigration policy I am sure the house would like to hear from the minister about some of the practical measures which will arise out of the Prime Minister's statement. First, are we to control our general immigration on a quota basis? Second, how many immigrants, generally speaking, will be brought into Canada in 1947, 1948 and subsequent years as a result of the policy just enunciated. For instance, Australia made a forecast of how many they expected to bring in year by year, and I think the house would be interested in hearing what the minister has in mind.

Mr. D. S. HARKNESS (Calgary East): Mr. Speaker, I have been interested in immigration for quite a number of years, and in

the first speech which I made in this chamber in 1945 I made a plea to the government to adopt a large-scale immigration policy for Canada to be put into effect immediately our service men who were then overseas had been repatriated. Thus I was happy to hear the Prime Minister (Mr. Mackenzie King) announce, on Thursday last, an immigration policy of considerable extent. It was one of the few government announcements which I have heard with which I was in entire agreement. In fact it would appear that the government had been studying our party's policy on this matter and had decided to adopt it. Be that as it may, they have seen the light and I trust that the policy as announced will be carried out energetically. I would have been even happier with the Prime Minister's announcement if he had outlined specific means by which the policy was to be carried out. However that is an omission which the Minister of Mines and Resources (Mr. Glen) will probably correct when he makes his speech.

In connection with displaced persons in Europe, I hope that the suggestion made by the hon. member for Vegreville (Mr. Hlynka), as reported on page 2736 of *Hansard,* will be adopted and carried out by the government. He suggested that immigration offices be set up in Germany, Austria and Italy where these displaced persons are to be found. I agree thoroughly with him, because there is no use in setting up offices in places where displaced persons are not living. If we are to help these people by bringing in a considerable number as settlers, immigration offices must be located where they are or immigration officers must go to them. It is manifestly impossible for them to go to the immigration offices.

In this connection I should like to make a plea for the Balts, the former citizens of Estonia, Latvia and Lithuania. I understand that these people constitute the largest single group in the displaced persons camps in Germany. I understand also that a certain number of these people are of German extraction and, as the regulations stand at present, they would not be considered suitable immigrants to this country. I should like the government to wipe out or to pay no attention to that regulation which, I think, was made by some international organization having to do with moving these people out of Germany. I am sure that many of these people would make the best type of citizen. There is no question that a considerable proportion of our population of German origin have proved excellent settlers in this country, and I do not think we should hold the fact that they happen to be of that particular ethnic origin against these people and refuse to let them enter.

A considerable number of refugees are without relatives in Canada, and I have no doubt that many of these people are of the best type in the refugee camps. I hope that the policy as announced by the Prime Minister of bringing out relatives of persons now in Canada or workers for primary industries will not be carried out so as to exclude some of the best of the refugees in the displaced persons camps. I would much sooner bring out people who would make good citizens, who would make outstanding contributions to the life of this country, whether or not they have relatives here, than I would bring out a poorer type of refugee who happens to have relatives here. The suitability of the person and the contribution which he can make to this country should be overriding considerations when we are dealing with refugees.

The government gave financial assistance to the bringing out of certain Polish soldiers to this country, and I took it from the Prime Minister's statement that similar financial assistance would be given to some of the displaced persons now in Europe. I have no quarrel with that, but I should like to ask the minister whether the moneys which have been expended to bring out the Polish soldiers are considered as loans which they will be required to repay, or considered as outright gifts. My view is that they should be considered as loans, and I think the same thing should apply to the cost of bringing out refugees from Europe under the newly announced policy.

Financial assistance should, in my opinion, be extended in even greater measure to immigrants from the British isles. They follow our way of life; they have essentially the same laws and particularly they speak the same language. As a result, they are assimilated almost immediately upon arriving in Canada. In my view, one of the chief things to look for in selecting immigrants, no matter where they come from, is how readily they can be assimilated into the life of this country. There is not the slightest doubt that the people of the British isles can be assimilated much more rapidly than those from any other land, and therefore they should be given the preference. And so, Mr. Speaker, I say that when financial assistance is being given to people from any other country a greater measure of it should be given to assist people from the British isles. I am not advocating that the assistance should be in the form of straight grants but, if a system of repayable loans were put into operation to assist people

of the British isles to come to this country, you would have a large number of applicants. Undoubtedly at the present time millions of people in the British isles are anxious to emigrate, but a very large number of them have not the financial means to do so, particularly in view of the extremely high cost of ocean transport. I would strongly urge upon the government that consideration be given to a scheme of financial assistance to assist immigrants from the British isles.

I do not know whether the government have on foot any scheme or schemes to secure transport, which has been one of the big bottlenecks in bringing anybody to this country. If they have, before they bring anyone from Europe or anywhere else they should use some of that transport to bring to this country the fiancees of our own ex-servicemen. I know a considerable number in that class who are still in Europe. I have been working personally for over a year on the case of a well-to-do farmer just south of Calgary. During the war he was overseas and immediately upon his return he pleaded to get his fiancee brought out. Well over a year has passed, and the last I heard, some two weeks ago, was that his fiancee was still in England and unable to get transportation. To begin with, there was considerable delay because of the difficulties in getting all her papers in order. That is one thing which the immigration branch, now that its staff is to be increased, should iron out, so that people can get their papers quickly. There should be no delay on that score, but there was a considerable delay in her case.

Furthermore, when the government makes special provision for transportation, the very first people who should be brought out are the financees of our ex-servicemen. I have never been able to understand why fiancees were not included with wives in some modified form of the provisions which were made for bringing the dependents of our ex-servicemen back to this country.

I am in complete agreement with that part of the bill which deals with the bringing of dependents of ex-service men to Canada. But there are some cases of hardship caused by too strict and literal an interpretation of the act. and perhaps because of the wording of the act, which I find is interpreted literally.

I have another case on which I have been working for well over a year. It is that of a Canadian of Belgian extraction. He came to this country at the age of four with his parents. He returned to Belgium in 1931 and got married. He brought his wife back to Canada and lived here until shortly before the war. They had a child and his wife and child went back to Belgium with him. He returned to Canada just before the war broke out, and she was to remain a few months longer and then join him, but she was caught by the German invasion of Belgium and remained behind the German lines throughout the war. This man joined the army in 1940 and was overseas for more than five years. He did not get back to this country until January, 1946. He attempted to get his wife out under these provisions for bringing out dependents, wives and children, but was turned down because the act says that they must be dependents of men who were married overseas. He was not married overseas and therefore was not considered to come under the provisions relating to wife and children. He was not allowed to bring them back under this scheme, and as a matter of fact had considerable difficulty in getting them back under any scheme. It took him a long time and eventually cost him about $1,000. I do not think the act should be interpreted so literally as to exclude a case of that kind. particularly when the man's wife and child had endured some five years of the German occupation. When we come to consider the bill in committee I should like to have an assurance that cases of that kind will be included or that the wording of the act will be changed to include them. This was a case where great injustice was done. I think the man should be reimbursed the amount of money he has paid out to bring his wife and child to this country. The treatment he got was a very bad return for a soldier who spent five years overseas and went through the entire period of fighting in northwest Europe.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I am sorry to disappoint the minister by not allowing the bill to pass at this time, but I consider the subject matter of the bill so important that everyone in the house who is vocal should register an opinion upon it.

Mr. GREEN: We are all vocal.

Mr. GILLIS: I want to state, first, that I recognize the problem which was passed to the Minister of Mines and Resources (Mr. Glen). I agree with the hon. member for Winnipeg South (Mr. Mutch) that the immigration branch requires at this time a full-time minister. I do not think immigration can be properly handled by any one person who has to preside over all the ramifications of the Department of Mines and Resources, and if I were advising the Prime Minister (Mr. Mackenzie King) on the appointment of a minister of immigration I would recommend

the hon. gentleman who now occupies the post of Minister of Mines and Resources. I do not think the department could be in more capable or more humane hands. He has also demonstrated, while Speaker of the house, that he is very good at shadow-boxing among the different complexes to be found amongst members on all sides of the house. I believe he is sufficiently well posted in the art of diplomacy to handle this difficult problem of immigration, because it will involve many ramifications in the years to come. Whatever Canada is to be in the future will be determined by the people whom we bring into this country in the next few years.

I shall be as brief and as explicit in what I have to say as I possibly can. First, I wish to say that I see the question of immigration which confronts Canada today, in two ways. The first and immediate problem which has confronted Canada in the last few years is that of relieving misery in Europe. We were committed to undertake our proportionate share of that relief. Along with all the other countries which were our allies, we went to war for the purpose of liberating the oppressed peoples of Europe who were under nazi domination. Since the armies of liberation went in, about all we have succeeded in doing is impounding these people again. They are still in camps; they are still under military supervision; they are still wondering what is to happen.

When the Prime Minister (Mr. Mackenzie King) announced his new regulations a few days ago he said that the immediate concern of the Canadian government was to be that of bringing from Europe refugees and displaced persons who had relatives in this country who were able to provide for them if and when they arrived here. That recommendation must have been written by the Minister of Mines and Resources (Mr. Glen), because it is a Scotch recommendation. They are able to come if they can pay their way; if they are not they can stay in the camps in Europe.

Judging from the discussion which has taken place in the house, one would assume that no people were brought to this country during 1946, and that if there were any they were carefully scrutinized on the basis of the announcement of the Prime Minister. That is not true. A few days ago I was surprised when I picked up a copy of the standing committee on immigration and labour's report, dated April 30, 1947. I found that, according to figures tabled by Mr. Jolliffe, deputy minister for immigration, in 1946 we permitted to come to Canada 117,798 people. They were not displaced persons. Of that number, 71,719 came in from the United States, Britain, and so forth. Britain and the United States contributed the largest number. Canadian service personnel dependents to the number of 46,079 came in. That is quite all right. They were legitimately entitled to come, because to all intents and purposes they were Canadians. But the 71,719 who were brought in were not selected on the basis of relieving misery in Europe. They were brought in here apparently because we needed them, not that they needed us.

If the principles announced by the Prime Minister in amending the regulations are to be followed out, then we have to do more than just announce principles. There must be a practical application of them. We have taken a lot of people in 1946, but we did not relieve very much misery in Europe. That should have been the first and immediate problem. After the war finished, I believe we should have started immediately and permitted anyone to come into this country who had relatives and friends here who were permitted to assume obligation for them. We have fallen down on the job very badly there.

During the past couple of years our immigration regulations have been restrictive. The reason for that was, of course, the building up of machinery in Europe through which we could work. Nevertheless the practical application of the regulations we may have had has been violated badly, in my opinion, by the government permitting by order in council two industrialists in this country to proceed to Europe and select for their own industries people to come to this country and work. This was done during the time when the house was sitting, during the time when a bill was on the order paper to deal with the question of immigration. During that time an hon. member who operates a textile mill in Quebec was given permission by order in council to proceed to Europe and to select for himself personnel to take employment in his plant. I believe that is something which should be condemned by every right-thinking person in the country. That is commercialized immigration. That will not help relieve the stress among people who are impounded and who have sacrificed everything they had in other countries for the purpose of preserving democracy and freedom in this world. In my opinion, that smacks of the old auction block, of the days of slavery, when the slave was taken onto the market—

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

Mr. GILLIS: If it has any bearing on the subject before the house.

Mr. MICHAUD: Is the hon. member aware of the steps which the hon member for Beauce (Mr. Dionne) has taken within the past twelve months to recruit Canadian employees to work in his mills? Does the hon member know that a number of—

Mr. GILLIS: That is not a question.

Mr. MICHAUD: Does the hon. member know what proportion of his mills are not operating because of lack of personnel?

Mr. GILLIS: I do not know, and so far as I am concerned no hon. member knows what steps he took or in what condition is his industry. The matter was arranged behind the scenes. Permission was granted him by order in council while the house was in session. In my opinion, this should never have been done, because the question of immigration was to come before the house. In answer to the hon. member's question, I wish to say further that if wages and conditions in the hon. member's textile mills will guarantee a living wage to workers in this country there are thousands of Canadian girls in Canada who will take employment in the textile industry.

Mr. MICHAUD: Does the hon. member think so?

Mr. GILLIS: I am sure of it.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. GILLIS: Mr. Speaker, when the house rose at six o'clock, I was making some observations on our immigration policy. As I stated at the outset, I thought the problem was divided into two aspects. I was dealing with the humane aspect at that time and was being critical of the application of our policy along humane lines. I said that I agreed with the Prime Minister (Mr. Mackenzie King) that one of our first obligations should be the relieving of misery in Europe. I was pointing out to the house that I did not think the attitude, as set out in the order in council, was a proper one in permitting industrialists from this country to go to Europe and commercialize, as it were, the miseries of the people that we relieved from the nazi regime. To me it is not a new thing. That has been the immigration policy in Canada, as far back as I can remember, in any industry; not only in the textile industry, but in steel, in coal mining and in the heavy industries particularly.

Mr. BENTLEY: And west coast lumbering.

[Mr. Gillis.]

Mr. GILLIS: And lumbering, too. For many years the policy has been to allow those who wanted cheap labour to go to Europe or any other country they desired to go to and to bring into this country people who were worse off than ourselves, for the purpose of establishing low-wage standards for people to be employed in that industry.

Mr. MACKENZIE: May I correct my hon. friend there? That is not true of the early days in Quebec; it is not true of the early days in Nova Scotia, and it is not true of the early days in Manitoba.

Mr. GILLIS: I do not know upon what the minister bases his observations. But I do know it has been true of Nova Scotia at many times during my lifetime.

Mr. MACKENZIE: May I interrupt my hon. friend again?

Mr. GILLIS: Certainly.

Mr. MACKENZIE: The three movements of immigration in Nova Scotia were, first, in 1621 when the barons of Nova Scotia were allowed to take possession of the esplanade of Edinburgh castle; second when the *Hector* came to Pictou in 1773; and, third, when Norman Macleod came out in 1817, and that had nothing to do with industry.

Mr. GILLIS: The history that is now being cited by the Minister of Veterans Affairs (Mr. Mackenzie) is very well known to me.

Mr. MACKENZIE: You have forgotten it, then.

Mr. GILLIS: My ancestors happen to go back to stock who were driven out of Scotland at that time for economic reasons and who chopped the trees off the province of Nova Scotia. But at that time there were no heavy industries in Nova Scotia. I am talking about the period after heavy industry was established in that part of the country, after the Scotch had come in there and laid the basis for those industries. The legislatures in Nova Scotia deeded over their heritage to the economic royalists to do that, and also the resources that they won at that time. Their heritage was taken from them.

I said a moment ago that on many occasions during my lifetime, after the establishment of the steel and coal industries in that province, agents of these companies went to Europe and brought in European labour; and it was difficult, on several occasions within my memory, for the mine workers, the steel workers and those employed in the heavy industries in that end of the country—and I

think that is true of the whole of Canada—to hold the gains they had made over a period of years, because of the lack of knowledge on the part of these people who were brought in and the contracts which they were obliged to sign before they came in. That is the period I am talking about. This business of sending someone over to bring in labour from Europe is not something new. It is something that goes back at least thirty years in this country.

Mr. BENTLEY: And longer.

Mr. GILLIS: But at this time, in my opinion it is much worse to permit it than it was during those days, for the simple reason that I see an industrialist from Canada going to displaced persons camps in Europe in exactly the same way as I would see a lot of women crowding around Freiman's store tomorrow morning to attend a fire sale; only in this case it is a fire sale of human misery. Advantage is being taken of people who have nothing, where any door that is open to them is welcome. If we in this country are to take any people from displaced persons camps, for humanitarian reasons, it is our job to see to it that, if we have to take them in here, they will be given sanctuary and that, when they take employment in any industry, they take it upon the standards established by Canadians over the years.

An hon. MEMBER: That is what the idea is.

Mr. GILLIS: I am not going to argue that with you. You argue that in your own caucus and get the facts. We have not got them here.

An hon. MEMBER: What are you talking about?

Mr. GILLIS: I am telling you the story as I see it; and if you have anything to say which refutes anything I have said, you can get up in the house and put it on the record.

Mr. GRANT: Talk to the Chair.

Mr. GILLIS: The other angle of it is this. Our immigration laws are being exploited in many ways. I will give the house an example of what has been happening for the last couple of years. You have another form of backdoor immigration, particularly on your west coast. I have a clipping here from the Prince Rupert *News,* which is headed "World shipping racket exposed." What is happening there is that the merchant marine built up by the Americans and by ourselves is being sold to private interests. A ship which is commissioned in the United States by a private company will put aboard a United States crew. That ship cannot get a crew of any other nationality in the United States, because of their immigration laws. But that ship can go into Vancouver and discharge that United States crew—

Mr. SPEAKER: Order. I am sorry to interrupt the hon. gentleman, but he knows his remarks should be relevant to the principle of the bill which is before the house. We are not discussing the merchant marine. The bill before the house is entitled, "An act to amend the Immigration Act and to repeal the Chinese Immigration Act." The first section is to provide authority for the detention, guarding and bonding at the ports of entry and exit and while in transit, of parties travelling through Canada to some other country. The next section provides for the repeal of section 80 of the Immigration Act; and the third section provides for the admission to Canada of the dependents of those who have served overseas in the armed forces. Therefore I would ask the hon. member to discuss the principle of the bill.

Mr. GILLIS: That is what I am endeavouring to do, Mr. Speaker. I am talking about immigration; I am talking about backdoor immigration, and I am pointing out to the minister that the regulations, as we have them today, are being violated. I do not expect that the Minister of Mines and Resources (Mr. Glen), with the department he has to supervise today, is able to be in touch with every section of this country and know what is being done by way of immigration. I was pointing out to him that a ship can come in Vancouver, discharge the United States crew, take aboard a Chinese crew or one of any other nationality, and bring them in for that purpose. They do that merely by registering under the Panamanian government. This article, which I need not read—no doubt the minister has read it, since it is in a newspaper from his own province—points out that the merchant marine of both Britain and the United States is being threatened because of racketeers who have registered under the Panamanian government for the purpose of getting around the immigration regulations not only of Canada but also of the United States, by commissioning these ships in that way. So the point I want to make is that this form of backdoor immigration is leaving Canadian seamen on the streets in Vancouver, while these ships are commissioned with aliens under the Panamanian flag. I am just giving that as a piece

of information to show the minister that his regulations are not being observed as I think he would want them to be.

In regard to the long-range programme of immigration, I agree with the statement made by the Prime Minister, that we can take people into this country only as we are able to absorb them, and that, while we are taking them in, we should be careful to see that they fit into the economic structure of Canada. While I am on that subject I would point out to the minister that, before a long-range programme is undertaken on that basis, there is considerable checking up to be done in Canada. If immigration is to be carried on in this way it must be planned and integrated so that each province will be in a position to absorb its share.

I am going to speak for a moment about my own end of the country. I think it is about time the Canadian government endeavoured to organize the economy of the provinces of Nova Scotia and New Brunswick in such a way as to keep in this country the 15,000 Canadians we have been losing from the maritimes to the United States each year for the past fifteen or twenty years. That statement was made recently in the Nova Scotia legislature; it is not something I am throwing around. If we are to have a long-range immigration programme to bring people into this country, one of the first responsibilities of the government is to check our resources province by province; to develop those resources; to devise some method whereby our own poeple can be placed at work before more people are brought in and dumped into the ranks of the unemployed.

The situation in the maritimes is serious. There is plenty of land there, thousands of vacant farms throughout New Brunswick and Nova Scotia. The rehabilitation of those farms is necessary. People in Nova Scotia would go on farms, provided that they could get some assistance. Therefore one of the first obligations of the government in relation to a long-range immigration programme is to check our resources province by province, so that the people who come in will be placed where they may be able to make their best contribution.

In the matter of immigration, Canada is faced with the problem that today we have only two provinces in which there is any industry. The centralization of industry in Ontario and Quebec is one of the things that will retard immigration, and until there is decentralization and the establishment of at least secondary or subsidiary industries both east and west to take up what the basic industries are producing, and immigration handled accordingly, in such a way as to balance the economy, we shall not get very far with it.

Just here I should like to say a few words about something said during this debate by both the hon. member for Trinity (Mr. Skey) and the hon. member for Macleod (Mr. Hansell). I believe they made a statement which does not do very much credit to a member of this house. That statement is to be found at page 2702 of *Hansard* for May 2. The hon. member for Trinity was speaking, and had this to say:

> I am one who agrees with the hon. member for Macleod (Mr. Hansell) who stated yesterday that Britain is an occupied country, occupied by an alien government. I am prepared to say that socialism in the years to come will add to Britain's many other burdens which have resulted from the war. We must now be ready to receive the torch from these people, to accept the "know-how," and to give them the freedom which they will be denied at home.

Coming from a Conservative member particularly, I believe this is a statement that should be expunged from the record, because it is an insult to over eleven million English people who exercised their right under democracy to elect the kind of government that is today functioning in Britain. I should like to call to the attention of the hon. member for Trinity and the hon. member for Macleod—

Mr. HLYNKA: The hon. member for Macleod did not say that.

Mr. GILLIS: He is quoted here as having said it.

Mr. HLYNKA: Read what he said.

Mr. GILLIS: He had better read what the hon. member for Trinity said. I have here a clipping from the Ottawa *Journal*, which is not a socialist newspaper, quoting something it thought was good enough to take from the New York *Times*. The caption is "Courage and Liberation," and this is from the *Journal* of February 26, 1947:

> A noble tribute to Britain comes from the New York *Times* . . .
>
> "As a power, exercising dominion by force of arms, Britain has indeed grown weaker. She cannot now impose her wishes upon unwilling peoples. But this is not the whole picture—she no longer wishes to. The oak of British democracy, rooted in Magna Carta and the bill of rights, thrusting out new branches in the reform bills of the nineteenth century, in equal suffrage, in social security legislation, resisting the tempests of two world wars, has not ceased to grow. We may quarrel with the economic theories of the labour government. We cannot dispute that it is government of, by and for the people, and that it stands for a national conscience."

And further on:

"An old empire, in its imperial phase, is at its twilight. But the brave spirit which created it need not die . . . In its hour of darkness it breathes courage and liberation."

That certainly is not a statement from socialists; it is a statement from a Conservative paper, clipped from the New York *Times*, another conservative paper, which is at least fair enough—

Mr. MITCHELL: It is a Democratic paper, is it not?

Mr. GILLIS: Well, it is more or less independent, but it was reprinted in the Ottawa *Journal*. Without any further words from me, that slaps the hon. member for Trinity in the face for the small, weak, anaemic statement he made in reference to a government that was elected by a majority of the people in Britain.

Mr. H. W. HERRIDGE (Kootenay West): I have listened to this debate for some time with a good deal of interest. I must say I support the statement of the previous speaker in reference to the present government of Great Britain and his criticism of the statement of the hon. member for Macleod (Mr. Hansell) and the hon. member for Trinity (Mr. Skey). In one sense, however, they were quite correct. Britain is an occupied country, occupied by an idea whose time has arrived, and which no force can stop.

I was pleased the other day to hear the Prime Minister (Mr. Mackenzie King) announce the government's immigration policy. From now on, in order to answer the many letters I receive in this connection it will not be necessary for me to put together a lot of pieces in order to inform my constituents as to the government's immigration policy. We now have a clear statement, and I am sure that, on the whole, the policy will meet with general acceptance in the house and throughout the country. It was the usual carefully worded, cautious statement, and at the present time I see very little to criticize in connection with it. But I believe it will take a period of time after that policy is put into effect before we can correctly assess it.

Much has been said this evening on this question of immigration, and I am going to be quite brief. Personally, I think our first obligation, as far as immigration is concerned, is to those people, regardless of their nationality, who have suffered because of their opposition to nazism. We must first of all give consideration to admitting those who have demonstrated by their past activities their loyality to democratic principles—and again I say, "regardless of nationality."

It has always been noticeable to me throughout the years that these racial antagonisms grow when people are at distances from one another, and when they fail to know and understand one another. In the district in which I live there are people of many races: Italian, Polish, German, central Europeans and people of British stock; and these animosities disappear when they get to know one another and work together for some common objective. I have noticed in my experience the wonderful effect of working in cooperative organizations, trade unions and farmer organizations, where they seem to overcome these racial animosities, and build up a spirit of fellowship, by working for a common objective.

Our top priority should be the victims of the nazi concentration and work camps. Before passing on, I wish to urge upon the minister that the many thousands of British veterans who served in this country during the war, and who realize what a great country we have, should not be overlooked. They and their dependents should be brought as soon as possible as immigrants to this country.

The hon. member for Cape Breton South (Mr. Gillis) said, and correctly, that an immigration policy, to be successful, had to be tied to some planning and development of our natural resources. So far as our immediate immigration policy is concerned, I am all for doing all we can to relieve the suffering of those victims of tyranny in Europe, for bringing them out, possibly to stay with relatives, or to live under temporary conditions until permanently settled.

Then, so far as our long-term policy is concerned, I am quite sure it will not be successful unless it is tied to a planned development of our natural resources. I noticed that one or two speakers in the Progressive Conservative party referred to that, although perhaps they avoided the words "planned policy", or avoided the word "planning." I believe, if this policy is to be successful, the government must take into its confidence large representative groups of people. We have to build up in them a spirit of working with a common objective, as we did during the war. We have to give local communities and the larger districts—the provinces, and Canada as a whole—a common objective to work for in the future.

I believe the government should take into its confidence veterans organizations, labour organizations, farmer organizations and employer organizations, and tell them what it is doing from day to day. It should also tell them what it proposes to do, and should seek their advice, thereby so far as possible enmeshing the people of this country in the

putting into effect of the government's policies. If more of that is done we shall remove in some cases the causes of artificial differences, and give the people something to live for. I am convinced that the more the people are enmeshed in the administration of their own affairs, the better will be the development of this country.

Before concluding, may I say that when the minister speaks I suggest that he give the house more detail on this question of immigration. He should tell us where the government intends to locate immigration officers, the type of staff which will be used in those offices and how it will function, the procedure of selection, the forms to be filled out and the questionnaires used. It should tell us how it intends to make certain that no unsuitable person will enter Canada, the type of medical examination anticipated, and such things as financial standing, and matters of that kind. More than that, I believe that in a matter of immigration, in which all the people of Canada are concerned—and they are concerned in a successful immigration policy and the development of a successful immigration scheme—the government should make a periodical report, not only to the house but to the Canadian people, as to the success they are having in the development of the immigration policy, and in the distribution of these people throughout the country.

In conclusion, I should like to say a few words about the bill under discussion, a bill which, as presented to the house, still permits a measure of discrimination. I am hopeful that when we reach the committee stage the remarks made by various speakers in the debate will cause the minister to consider an amendment to the bill to remove this discrimination. However the bill is a great improvement on the present legislation and, because of that, while still hoping the minister will see fit to amend it, I intend to support it.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I wish for a few minutes to discuss this measure and, before I shall have finished, I crave your permission to bring one particular case to the attention of the minister.

During this debate we have heard much about doing things without discrimination as to race, colour, creed, sex and so on. These are not new words, nor is the expression a new one. It was adopted in the Atlantic charter by two of the greatest men of this age; it was followed at San Francisco, where the excellent representatives of this country attended. But I could not help wondering, as I sat listening, if all of us who use this expression, and affirm it, have been quite honest in so doing.

[Mr. Herridge.]

Idealism is a wonderful thing. No individual or no nation will get very far unless it holds these ideals high. But that is not the last word, because we live in a practical age. It is easy to say that if we all applied the golden rule to one another we would have no difficulty whatsoever. But unfortunately, sir, two of the most moving factors in human conduct continue to be fear and selfishness. As human beings we are far from perfect in our relationships with one another, or as nation to nation, continent to continent or block to block.

So I come back to this expression, "without discrimination as to race, colour and creed". It is a wonderful thing to say. It sounds well. I am not suggesting that anyone in the house has spoken, so to speak, with his tongue in his cheek. We speak about the coloured races and, with respect to them, we say that we want their immigration limited because they will not assimilate.

Let us consider our Jewish friends. I am proud to say that in the place from which I come there are many of them, and among them are some of my most intimate friends. I have discussed this problem with them. They say to me—and truthfully—"You say we are clannish, that we herd together". I say, "Yes, you do". The man I have in mind is an able man, belonging to my own profession, and he says to me, "I want to ask you this question: Why do we do it? The answer is: Because you compel us to do it".

Let us of the white race—and they are of the white race, of course—when we complain about others not being assimilable, admit that it is not the fault of those races. It is our fault that they are not assimilable into our life. I know I am not going to make any friends by what I say now, but I say that those people who rise to heights of oratory and accuse the government or anyone else of discrimination in matters of colour are not honest in doing so unless they are prepared to have their daughters marry these coloured people. That is tough, but it is realistic and it is absolutely true.

I turn now to the question of Chinese immigration, and I wish to say a word for my Chinese friends in the province from which I come. They are splendid citizens. You can go into any small town in Alberta and you will find that the Chinese with the store or restaurant is perhaps the most generous giver to charities, the largest subscriber to victory loans or to any community effort which you will find. In the city in which I live they are highly respected. Look over the crime annals of this country and you will find very few Chinese convicted of serious crimes. Just search your memory and you will find that

there are few indeed. But I am not suggesting for one moment that, because of that, our doors should be opened wide to large Chinese immigration. I say that, not because of prejudice with respect to race or colour; I say it, because I do not believe it to be in the interest, selfish if you like, of Canadians living in this country. These statements are at least frank and, as I say, they will not do me any good in many places.

I go a step farther. We must stop somewhere. We must admit that what we said in San Francisco means that we shall open our gates wide and lose sovereignty in choosing those people we suggest may come to our shores. We must do one thing or the other. I am still one of those people who, having regard to the interest of this country, think we should be just a little choosy in naming the persons, races if you like, that we ask to come to this country. I do not think this problem is entirely an immigration problem. Take the Chinese, for example. Speaking only for the part of the country where I know them, I know they have succeeded. Why? Because they are prepared to work any number of hours a day in order to get themselves along. My hon. friends over here talk about planning, and I am going to have a word to say about it. The hon. member for Kootenay West (Mr. Herridge) had something to say about that.

Mr. HERRIDGE: I am glad.

Mr. SMITH (Calgary West): I think you will be before I have finished, because I will convert you. The hon. member said a moment ago that we in this party had not mentioned the word "planning". I had not noticed that and I accept his word for it. Certainly we have not and I trust that we never shall mention that word "planning" the way that they use it. The word "planning" is a good word; it is an old word. Is there any business in the world, be it privately or corporately owned, that does not plan? Is the budget in this House of Commons anything other than a planning for the future? Are the estimates which we shall soon discuss anything other than planning the country's finances for the coming year? Nothing in this world succeeds without some planning, but the planning that hon. gentlemen to my left want is planning done by their little group to operate the lives of everyone in this country. That form of planning we do not want and I trust we never shall. Now I have dealt with their planning.

Mr. ZAPLITNY: You did not even come near to it.

Mr. SMITH (Calgary West): I hear a young hon. gentleman over here say that I did not even come near to it. He is half my age, but I will shoot him or I will run him and I will beat him.

To come back to what I was trying to say before I was so agreeably interrupted by my hon. friend to my left, you cannot consider your immigration problem without considering your economic problem. By that I mean hours of work and all that sort of thing. Some people are willing to work long hours, and it is to their credit that they do so in order to benefit themselves in this world. I think you will find that nearly everyone who has succeeded in this world has not paid much attention to an hourly day or an hourly week of some proportion. My hon. friends over here keep saying, "Let us cut the hours shorter and shorter," and at the same time they want to welcome people who are prepared to disregard daily and weekly hours completely. There is a gap there which I should like someone over here to fill in after I have finished.

I agree with the hon. member for Calgary East (Mr. Harkness) and other hon. members on this side who have stated that we are having great difficulty in the operation of our present regulations. In other words, I think the difficulty is technical. Lest anyone should misunderstand me, may I pay a tribute to Mr. Jolliffe, superintendent of immigration, who has been kindness itself to me and has given every assistance he can. I have been dealing with him in connection with a case, as has the hon. member for Winnipeg North Centre (Mr. Knowles). The facts are comparatively simple and I am going to give names.

There are two people by the name of Heimers who had lived for a long time in the city from which I come. This married couple worked for Picardy's, which is one of those lunch places that we have, which is owned and controlled in the effete east, which is how you describe Toronto when you want to be polite to them, which I rarely do. I am going to ask the minister to take a note of this case, and I want three ministers to take a note of it because it involves three different departments. These people went to Germany in 1939 to visit the parents of the husband, who lived in a town, the name of which I cannot remember at the moment. With them went a girl by the name of Scotland whose parents I do know very well. She was on her way to Switzerland to study at a university there. Heimers had return tickets both by sea and by rail and were on two months' leave from the positions

which they held with Picardy's, having saved up their holidays throughout the years. While they were in Germany, war broke out. They endeavoured in every way they could to get home, even consulting the Swiss diplomatic people and seeing everyone with whom they could get in touch. Unfortunately, in one of our bombing raids the Scotland girl, who was not allowed to go to Switzerland, was killed by one of our planes going over Germany.

This man is a naturalized British subject. The wife's parents are naturalized British subjects and live outside Winnipeg. She came with her parents to Canada when a babe three months of age, and she was under the impression that she had been born here. They were arrested by the gestapo and served a term in gestapo camps. He was beaten and received all the usual treatment that prisoners get in a gestapo camp. He was there officially because he had sought to leave Germany and had failed to join a troop, the name of which has escaped me for the moment. He escaped from camp just before the Americans came. He escaped with his wife and nurse who helped them to get out, and he met the United States troops. I have copies of letters from United States officers saying that in the skirmish that then took place twenty-four Americans were killed and that, had Heimers not given them information, their casualties would have been numbered in the hundreds.

Somebody has done something with respect to this man that I cannot find out. I have recommendations as to his character from the police in the occupation zone, from United States officers. The reason given that he was not allowed to return was that his wife had not told the truth as to her citizenship and that she was, in fact, a Russian. She came here a babe in arms at three months of age. Her parents were naturalized and she thought she was too. She travelled on a Canadian passport, which they still keep in shape. While the hon. member for Winnipeg North Centre and I were dealing with Mr. Jolliffe and receiving sympathetic consideration, we suddenly learned that the case was out of his hands. Why? Some other department of government is starting in to cancel this man's naturalization, and it has been cancelled, although he has not even been heard. He is told now that he can go to Berlin—I think it is Berlin—about the end of July and make his appeal.

I am not talking about people of whom I do not know something; although I do not know them personally, I know a great many of their friends. This man worked and organized one of those displaced persons camps for the Americans from May until July, resigned his job and started to go home. He cannot get to England. We are worrying about bringing people in from here and there. Let me in fairness say this. There may be something in this case which I do not know. The reason I do not know it is not because I have not tried to find out.

There we find these two people, Canadians if there ever were Canadians, imprisoned by the gestapo on account of a lack of sympathy with the nazi cause, and we cannot get them home. The man's naturalization is cancelled without his even being heard. With great respect, I want to know how this government or any agency of this government can cancel this man's naturalization without giving him an opportunity to be heard. An appeal at some indefinite time and at some indefinite place is just not good enough. I leave that. I have not mentioned it in this house, although we have been here for two and a half months, but in conversation with my hon. friend, the member for Winnipeg North Centre, we thought perhaps it was time that it was brought to the minister's attention. Let me again repeat that I have received no discourtesy whatever from the department, nothing but kindness and generosity in Mr. Jolliffe's treatment of me and, I am sure, of my hon. friend as well.

I now turn to the broad policy of immigration and I shall be only a moment or two. We heard the policy announced the other day and everyone has been loud in his praise of it. I am sure I would join that happy and cheering throng if I knew exactly what it meant. I can understand the short-range plan because that is simple. We are simply enlarging the field of relatives allowed in. We are all for that. I am quite sure that no one will deny that.

But what is this great long-range policy that we have heard of? I know it covers pages; but here is what it is in a sentence: We shall take what the country can absorb. That is it in one sentence. There is just nothing more to it. With that I am in hearty agreement. But—and here is where my planner friend, the hon. member for Kootenay West, might even agree with me, I think we should have something more than the mere statement, with which we will all agree, that we shall take as many as the absorptive capacity of the country can take. What is the absorptive capacity of the country? Is it one thousand, two thousand, ten thousand, one hundred thousand, two hundred thousand a year? I have not the least idea what it means and perhaps the minister would go into more detail when he closes the debate. I sincerely trust that he will, because no one will dispute that this country should have all the immigration that

its absorptive capacity will permit—and that, we are told by people on both sides of the house, is an immigration policy showing great vision! It is just a trite phrase, a truism. It is meaningless, unless we learn from the minister who operates this department just what that means in numbers and in the type of persons that we are to absorb.

I want to point out—and in saying this I appreciate the difficulties of the minister and of the government at this time—that the last large immigration we had was back in the 1900's. I knew something about that, because I worked on a railroad widening dump on an extra gang with a lot of people who had come in at that time. But in those days we had free homesteads and our immigration came largely to settle on free land. Instead of people reading figures to me out of books and telling me how many millions of acres of arable land we have in western Canada, I want somebody to tell me where they are. I want somebody to tell me how close they are to a railway. I want somebody to tell me how much brush and rock there are on them. We are not living today back in the 1900's. We have an entirely different situation to meet, and it seems to me that the immigration which we now seek must go largely into industry in this country. This confronts us with an entirely different problem from that which we met back in the 1900's.

Therefore may I close by saying that I am glad the Chinese Exclusion Act is being repealed. I thoroughly believe that at some day this house must admit that the problem of British Columbia with respect to orientals is not a provincial matter but a dominion matter, in the same way that I say, with the hon. member for Cape Breton South (Mr. Gillis), the coal mining industry in Nova Scotia has ceased to be a provincial matter and is something which must be regarded as for the benefit of the whole country.

Mr. STANLEY KNOWLES (Winnipeg North Centre): The hon. member for Calgary West (Mr. Smith) and I do not always see eye to eye; but, as he has already indicated, it was by agreement between the two of us that we decided to raise this afternoon or this evening the case to which he has already made reference. He has given the particulars in considerable detail and little more needs to be added; but I would join with him in urging the minister, either through his own department or by whatever necessary contact needs to be made with two other departments, to try to have this case settled as quickly as possible.

If he looks up the record he may find one slight discrepancy in the account which was given by the hon. member for Calgary West (Mr. Smith). I set it right so that the minister will not be able to tell my friend that he was wrong. It has to do with the status of Mrs. Heimers who did become a Canadian by the naturalization of her parents and who was a Canadian until she married. At the time she married, her husband had not yet been naturalized. He was naturalized later, but that naturalization did not cover her. She did not know that when she went to Germany. I emphasize the point, Mr. Speaker, as my hon. friend has already done, that these people, possessing the German language, Mr. Heimers being of German descent, endured a great deal of persecution, as one can imagine, because of their refusal to cooperate with the German authorities while they were in that country during the war.

It does seem to me that the appeal which the hon. member has made and which I support, should receive thorough consideration in the hope that action might be taken at an early date. As he has indicated, our contacts have been with three departments, the Department of Immigration, the Department of External Affairs and the Department of the Secretary of State. I hold in my hand a letter which I received a few days ago from the acting under-secretary of state for external affairs, dated April 25, referring to this case and saying in part:

> Mr. Heimers requested that his case be heard by a commission of inquiry.

The letter explains that a formal notice that his naturalization was to be revoked had been served on Mr. Heimers. I quote further:

> This request was granted, but the office of the registrar of Canadian citizenship advised by telephone today that the case would not be heard until August, 1947, which is the next sitting of the commission.

In the meantime, according to letters which I have received from members of the family here in Canada, Mr. and Mrs. Heimers have been moved from one camp to another, and their plight is really as pitiable as that of any of the displaced persons about whom so much has been rightly said during the course of this debate. These people, however, are Canadians, simply away from home.

I might explain that my connection with the case arises from the fact that Mrs. Heimers has a sister in Winnipeg whom I know, and they have two brothers who served in the Canadian forces during the war, one in the army and one in the air force. All these things together make it seem a pretty pitiable case, and I do hope that the action which my hon. friend and I have taken in raising this

matter in the house after so many months of contact with the departments concerned will result, in effect, in consideration being given to it at an early day.

While I am on my feet, I just want to add my voice to the expressions that have been given with regard to the progress we are making in eliminating racial discrimination from our statute books. I use that word advisedly. We are making progress. But the point that some of us have been trying to make is that the government will not get in the eyes of the world, if you like, the credit that it deserves for such steps as it has taken until it goes at least one little step farther. As the minister knows, until recently there were on the statute books of Canada three measures effecting discrimination against the Chinese. There was, first of all, the Chinese Immigration Act. Then there was the order in council denying to Chinese in Canada the right to become naturalized unless they got the permission of their government. Then there is order in council P.C. 2115. Of these three measures, two are now to go by the board. The bill before us, when it becomes law, will repeal the Chinese Immigration Act, and the other day the Prime Minister (Mr. Mackenzie King) announced the revocation of the order in council respecting naturalization. But that leaves upon the statute books of Canada order in council P.C. 2115, which still discriminates against people of Canada on racial lines.

I hold in my hand a copy of today's Toronto *Globe and Mail.* One perhaps should be quoting from the Winnipeg *Free Press* when he is addressing the government. Their pages are full of advice along these lines, but I quote this because it is current. The *Globe and Mail* takes the position that the government should surely go one step farther and give to all persons residing in Canada the same rights or impose against them the same restrictions without drawing a racial line. I quote the significant sentence from the *Globe and Mail* editorial:

> There should be no restrictions on human beings of any race or national origin living in Canada which do not apply with equal weight and effectivness to all.

I hope that when the minister replies in this debate he will tell us whether any consideration is being given to the repeal of P.C. 2115.

Mr. GLEN: May I interrupt the hon. gentleman?

Mr. KNOWLES: Yes.

Mr. GLEN: This afternoon the hon. member for Mackenzie (Mr. Nicholson) was speaking along the same line as the hon. member is now. I asked him this question: Did he advocate the repeal of order in council 2115 and thus bring all immigrants under order in council 695? I asked him then: Would he then have immigration under order in council 695 with the clause regarding Asiatic immigration deleted from it? And his answer was, Yes. Is that the hon. gentleman's answer?

Mr. KNOWLES: Yes. I would make definitely the same answer. There is no reference to Asiatics in P.C. 695.

Mr. MACKENZIE: That was not the question asked.

Mr. KNOWLES: The reference to Asiatics is in P.C. 2115. If I have misunderstood the minister's question I should be glad to have him put it again.

Mr. GLEN: The last sentence of P.C. 695 reads as follows:

> The provisions of this order in council shall not apply to immigrants of any Asiatic race.

I asked the hon. member for Mackenzie if all immigration then would be brought under order in council 695 and whether he was in favour of the deletion of the clause regarding Asiatic immigration and his answer was, yes.

Mr. KNOWLES: I am sorry; I did not understand the minister's question. My answer to both parts of it is, yes, and I hope that when the minister replies at the close of this debate he will tell us what the attitude of the government now is toward P.C. 2115; whether they will consider revoking it, and if not whether the government can suggest some further move, some compromise step, if you will, that might go a little bit farther toward removing these racial discriminations within our own country.

Mr. LEWIS MENARY (Wellington North): I wish to say a few words on this immigration bill. I come from a riding which, during the last war, sent as many men per capita as any rural riding in the Dominion of Canada. There are many families in my riding who sent four boys, and that is a record to be proud of. The population of my riding is mostly British, although some are Polish, Ukrainian, Swedish, Norwegian and German; and I must say that out of this great melting-pot they have emerged as true Canadians.

Last spring I had the pleasure of attending a reception in one township largely populated by Mennonites, and I was struck by the loyalty of these boys and the number enlisted as they came forward to receive their gifts presented by the township in appreciation of their sacrifices for Canada. I remember well speaking to one of these settlers; he was the father

of one of these boys. He told me that his father stole out of Germany at the age of seventeen, came to Canada, took up a bush lot, and out of the forest hewed a home for himself and his family. That these people have contributed much to our country, cannot be disputed. One needs only to drive through this district to see the fine barns and houses which have been erected.

I would ask the Minister of Mines and Resources (Mr. Glen) if offices where prospective immigrants may apply will be set up in England, Scotland and Ireland as well as in other countries mentioned. In this connection we should not forget that the Norwegians, the Swedes and the Danes blend well with our people. True, we must help with the displaced people of Europe, but we must see to it that we are not bringing to our shores those who are communistic in any way. That is the real danger. I am sure that the government will guard against this. We must build in Canada a nation of truly democratic people so that we may become a great nation. We have plenty of room and many vacant farms. I think an immigration policy along selective lines is the one for Canada. We want more people to use our products, to work in the factories and on the farms.

Mr. SPEAKER: May I point out that when the minister speaks, he will close the debate.

Hon. J. A. GLEN (Minister of Mines and Resources): Mr. Speaker, I must say, in the first instance, that I think this debate on immigration has been really worth while. I am indeed glad to have the expression of opinion which has been given from all sides of the house with regard to it. To me, the one surprising thing was the unanimity, the agreement that there was about the statement made by the Prime Minister (Mr. Mackenzie King) on May 1. That statement was, of course, the result of constant and close attention given to the many problems arising. It was felt—and I think all will agree—that it should come with the authority of the Prime Minister, and he made the statement for the government.

When opening the debate on this bill I did not speak at any great length, because I was of the opinion then, as I am now, that when I was dealing with a bill of this kind my duty was to confine myself to the terms of the bill, and that a general discussion of immigration on that bill was entirely out of order; and I expressed myself to that effect. But during the course of the debate it has broadened out, and has become a debate on immigration in general. Therefore I shall have to reply to many of the things which have been said, hoping that when we come to the bill we shall be able to confine ourselves to it.

The hon. member for Vancouver South (Mr. Green) was critical of my attitude in that respect. But I think he will agree with me that the attitude I took then was the proper one in the circumstances with regard to a bill such as this. I said then that the effects of the bill and the provisions of it I would be able to deal with in committee when we got to it; and I hope I shall be able now to deal with the criticism and the suggestions that have been made by hon. members, and do so within the time limit this time, although I may have to ask the consent of the house to extend it.

First of all, I would point out that when hon. members are talking about policy with regard to immigration, sometimes that term is loosely used, and what they are really asking for are amendments to the regulations under which our immigration policy is carried out. For the purposes of the record I think I should state now just the steps which have been taken with regard to immigration. From 1930 on, as everyone knows, there has been very little immigration. In that year, 1930, the Bennett government passed order in council P.C. 2115. That is the one which has been discussed a great deal by hon. gentlemen of the C.C.F. party. That order provides as follows:

> From and after the 16th August, 1930, until otherwise ordered, the landing in Canada of any immigrant of any Asiatic race is hereby prohibited except as hereinafter provided:
>
> The immigration officer in charge may admit any immigrant who otherwise complies with the provisions of the Immigration Act, if it is shown to his satisfaction that such immigrant is—
>
> The wife or unmarried child under eighteen years of age of any Canadian citizen legally admitted to and resident in Canada, who is in a position to receive and care for his dependents. Provided—
>
> And this proviso is the one that is a matter of concern at this moment.
>
> —that this regulation shall not apply to the nationals of any country in regard to which there is in operation a law, a special treaty, or agreement, or convention regulating immigration.

This order in council contained a proviso, as will be noted, which made it not applicable to persons of Chinese race, their admission being governed by the Chinese Immigration Act which we now have before us.

On March 21, 1931, the Bennett government passed order in council P.C. 695, which set forth the provisions under which immigrants may land in Canada and which drastically reduced immigration into the country. Certain amendments have been made by the present

government. The consequence of the passing of P.C. 695 and P.C. 2115 was to diminish immigration to a trickle, and the machinery for immigration was greatly reduced. When the war came in 1939, naturally all immigration from the continent of Europe ceased. The position in Europe today, two years after the war, is still chaotic. Travel is difficult and, in many cases, impossible. Frontier difficulties are extremely great, and the immigration authorities have found great difficulty in reestablishing their inspectional facilities on the continent.

The first duty of the government was to arrange for the return of service men and their dependents. This was accomplished in a shorter period than was ever contemplated, and the government was immediately faced with requests for the entrance of many people resident in Europe who had relatives in this country. Nine months after the finish of hostilities, the government widened the door to permit the entry of certain classes of relatives of these residents of Canada. The government believed that it could give relief to the anxieties of many of our residents and citizens by permitting the entry of their relatives, and that these should have a priority for entry from abroad. Further, these new immigrants could be accommodated with their relatives, and thus would not render more difficult the extreme shortage of housing, because at that time the housing problem was acute. Therefore order in council P.C. 2071 was passed on May 28, 1946, adding to the classes of immigrants who might enter Canada:

> The father or mother, the unmarried son or daughter eighteen years of age or over, the unmarried brother or sister, the orphan nephew or niece under sixteen years of age, of any person legally admitted to and resident in Canada who is in a position to receive and care for such relatives.
>
> The term "orphan" used in this clause means a child bereaved of both parents.

Since that date, following representations made by many people in Canada and after investigation by officials, the government decided to enlarge the provisions of the regulations with regard to the admissible classes of relatives and also to include and provide for the admission of other categories of occupational groups whose entry was desirable. Accordingly on 30th January of this year P.C. 371 was passed, providing for the admission of the wife, unmarried son, daughter, brother or sister, father or mother, widowed daughter or sister with or without unmarried children under eighteen years of age, orphan nephew or niece under eighteen years of age, of any person legally admitted to and resident in Canada who is in a position to receive and care for such relatives. The term "orphan" used in this clause means a child bereaved of both parents.

This order in council further provided for the admission of (a) an agriculturist having sufficient means to farm in Canada; (b) an agriculturist entering Canada to farm, when destined to a father, father-in-law, son, son-in-law, brother, brother-in-law, uncle or nephew engaged in agriculture as his principal occupation, who is in a position to receive such immigrant and establish him on a farm; (c) a farm labourer entering Canada to engage in assured farm employment; and (d) a person experienced in mining, lumbering or logging, entering Canada to engage in assured employment in any one of such industries. The last order in council was presented by the Prime Minister when he made his statement the other day. It substitutes paragraph 3 and makes the following as the regulations under which immigration will be coming to Canada. It provides for the husband or wife, the son, the daughter, the brother or sister together with husband or wife and unmarried children, if any; the father or mother, the orphan nephew or niece under twenty-one years of age of any person legally resident in Canada who is in a position to receive and care for such relatives. The term "orphan" used in this clause means a child bereaved of both parents; and 5: a person entering Canada for the purpose of marriage to a legal resident thereof, provided that the prospective husband is able to maintain his intended wife.

In order to cope with what undoubtedly would be greatly increased immigration, it was recognized that steps had to be taken immediately to set up inspectional services in Europe. This was no easy matter. Suitable accommodation had to be obtained, and what would have been simple in pre-war days became a major problem in war-ravaged Europe. There were further delays in the necessary negotiations with the different governments in the countries where these inspectional facilities had to be set up, but by the end of 1946 those facilities were established in France, Belgium and Holland, and facilities for examination were established by Canadian missions in Norway, Denmark, Greece and Portugal. Also facilities are now available for Switzerland and Czechoslovakia, and it is expected that arrangements will be made for Poland shortly. With every possible dispatch the department is completing the administrative details to cope with the large immigration created by these wider and amended regulations.

I was much interested in listening Friday evening to the hon. member for Vegreville (Mr. Hlynka) give an account of his recent experiences in Europe. The hon. gentleman probably left Germany before our inspectional teams went into that country, and the other evening he asked what arrangements if any had been made by this government with regard to refugees in that country. Prior to the war, under its mandate the IGCR dealt with persons who fled from their country of residence or citizenship before the second world war for reasons of race, religion, nationality or political oppression. During the second world war the mandate was extended to include additional displaced persons; persons who, as a result of the action of the nazi or fascist regimes, were deported from or obliged to leave their country of nationality or former residence for forced labour or other causes; persons who have resided in Germany or Austria, being of Jewish origin, or foreigners or stateless persons victims of nazi persecution. The mandate does not include nationals of enemy countries, volkdeutsche, prisoners of war in allied hands, war criminals, traitors, persons who have assisted enemy forces, and those who fled into Germany to avoid falling into allied hands.

The hon. gentleman asked, why not set up immigration offices in Germany, Austria and Italy? There would be no advantage in setting up regular immigration inspectional offices in those countries at this time, because prospective immigrants could not proceed to such points of examination. Those enemy countries are under military control, and residents cannot move freely from place to place. The department now has two inspectional teams in Germany examining displaced persons whose cases have been approved. The intergovernmental committee on refugees locates these prospective immigrants, obtains travel permits, et cetera, and transfers them to convenient centres for examination by the examination teams. These teams will also operate in Austria, and possibly in Italy in the same way.

On Friday the hon. member for Rosthern (Mr. Tucker) made reference to persons of German ethnic origin, but who are not German nationals, who are now in occupied territory. It is quite true that the IGCR is not empowered to deal with these people. The Canadian government, however, is prepared to accept as immigrants those of this category who are otherwise qualified for admission to our country. Canadian immigration officers have been directed to facilitate their entry. It is, of course, difficult under present circumstances to take effective action. We are, however, doing what we can to solve this problem.

Mr. MacNICOL: May I ask the minister to make a statement in reference to immigrants from Yugoslavia and Greece?

Mr. GLEN: Yugoslavia and Greece are not alien enemy countries, and therefore they will fall into the same category. As far as Greece is concerned, we may have immigration now, and we have offices in Greece in order to examine applicants there. We have no inspectional facilities set up in Jugoslavia, and therefore I cannot deal with them now.

At this stage, perhaps I should refer to some questions I was asked, before dealing with the bill. I was asked by the hon. member for Kamloops (Mr. Fulton), what is to be the effect of control on Asiatic and Chinese immigration? The hon. member suggested that P.C. 2115 is not enough, and that it could be repealed. That is true; it could be repealed, but I would refer the hon. gentleman to the statement made by the Prime Minister, in which at page 2646 of *Hansard* he said:

> I wish to state quite definitely that, apart from the repeal of the Chinese Immigration Act and the revocation of order in council P.C. 1378 of June 17, 1931, regarding naturalization, the government has no intention of removing the existing regulations respecting Asiatic immigration unless and until alternative measures of effective control have been worked out. Canada recognizes the right of all persons seeking to become permanent residents. We claim precisely the same right for our country.

I think that answers that question.

The other question the hon. member asked was, "I would like to ask the Prime Minister what has happened to that treaty"—meaning the Chinese immigration treaty—"and why has the treaty not been concluded. Is the matter still open, and is it intended to conclude such a treaty?"

The answer is that up to the present it has not been found possible to reach agreement on the basis of a treaty that would be satisfactory to both countries. The matter is still open for further negotiation. And I think the sentence I have already read with regard to the Canadian government's being prepared at any time to enter into negotiations with these countries for special agreements for the control and admission of immigrants on a basis of complete equality and reciprocity answers that question.

The other question the hon. gentleman asked was, "Does the present order in council, in the light of the Prime Minister's statement yesterday, mean that all the wives and families of those Canadian Chinese now resident in Canada shall be permitted to come to Canada

when this bill is repealed and the order in council is in force as the only means of governing Chinese immigration?"

The answer to that is that the wives, and the children under 18 years of age, of Canadian citizens, can come to Canada.

Then the hon. gentleman asked another question regarding the influx of these numbers and what it would mean, and whether they would all be in this year. I will reply to that later.

I should like now to deal with the question of what it has meant in the way of extension of the regulations by way of immigration. We have admitted to Canada, since the war ended, up to December 1946, immigrants to the number of 77,693, or equal to those admitted during the five-year period from 1935 to 1939; and this during the time when we were in the throes of transition from war to peace. I take it that these regulations will probably be sufficient to cover more immigrants than those for whom there is transportation available.

Mr. SMITH (Calgary West): Does the minister mean the average of those years from 1935 to 1939, or the whole period?

Mr. GLEN: The total of those admitted during that five-year period.

Mr. STEPHENSON: Has the minister a breakdown of that?

Mr. GLEN: I have not, but it can be obtained.

Mr. SMITH (Calgary West): That is a total?

Mr. GLEN: Yes, that is a total.

The hon. member for Lethbridge (Mr. Blackmore), after reading the provisions of the first two orders in council, expressed what seems to be the opinion of many, when he said that the minister had surely opened the door.

I should like now to deal with the bill before the house, because, after all, that is the only matter before us with which the house is called upon to deal.

According to the census of 1941, there is in Canada a total Chinese population of 34,627. Of these, there are 30,713 males and 3,914 females. They are settled by provinces as follows:

Prince Edward Island	45
Nova Scotia	373
New Brunswick	152
Quebec	2,378
Ontario	6,143
Manitoba	1,248
Saskatchewan	2,545
Alberta	3,122
British Columbia	18,619
Yukon Territory	3

The Chinese male population, married, is 23,556; the Chinese male population, single, is 5,866; the Chinese female population, married, is 1,177, and the Chinese female population, single, is 2,569. The separated, divorced or widowed number 1,459. There are 6,694 persons of the Chinese race born in Canada, who are therefore citizens of Canada, and 2,055 persons naturalized. This makes a total of 8,749, leaving approximately 26,000 of Chinese origin in Canada who are not Canadian citizens.

I do not develop these figures, and for two reasons: first, I have not been able to obtain a breakdown of those who are Canadian citizens according to conjugal status and sex and, second, because one would be more or less venturing into the realm of speculation by further development of the known figures.

However it has been estimated—and the house must understand that the following are purely estimates; the census of 1941 records that there are 2,202 females in the age group under nineteen years of age. This reduces the number of persons of the Chinese race who would be eligible to bring wives and children to Canada, under P.C. 2115, to a maximum of 6,547.

Of the 6,547 I have just mentioned—

(1) There are men who are married in Canada and whose wives reside with them. These are estimated at 300.

(2) There are men who brought their families to Canada before 1930. They are estimated at 700.

(3) There are Canadian-born males who will marry Canadian-born females, estimated at 2,000.

These three groups represent an estimated 3,000 persons. If these figures are substantially correct there are in Canada about 3,547 Canadian citizens of the Chinese race who will be eligible to bring their wives and families to Canada. One must take into consideration also that some of this number are not yet old enough to marry.

The hon. member for Vancouver South (Mr. Green) and the hon. member for Kamloops (Mr. Fulton) asked the question whether a single person could proceed to China, marry there, and then bring his wife to Canada, under the provisions of order in council P.C. 2115.

The answer is yes, provided that the man is a Canadian citizen.

A second question asked by the hon. member for Vancouver South was as to whether it would be permissible to bring to Canada "picture brides." The answer is, no.

Mr. GREEN: What about the Chinese in Canada now who becomes naturalized from this date forward? He can then bring his wife and children in?

Mr. GLEN: Yes, he can. I would point out that of the 26,000 who still remain in Canada, who are not citizens, and therefore do not obtain the benefit of this legislation until they become citizens, it will be a purely speculative effort to state how many may become citizens of Canada. The hon. member's guess would be just as good as mine in that respect.

Mr. GREEN: How many of them are now married?

Mr. GLEN: Of the 26,000?

Mr. GREEN: Yes.

Mr. GLEN: All I have here are the census records, and the figures I have already given. The number of persons who would be eligible to bring wives and children to Canada is now reduced to a maximum of 6,547.

Mr. GREEN: The minister should have the figures of married males in Canada, and of married females in Canada.

Mr. GLEN: I gave the figure of 23,556, for the Chinese male population, married.

Mr. GREEN: And only 1,177 females married?

Mr. GLEN: Yes, 1,177 females are married.

Mr. SPEAKER: I suggest that the hon. member wait until we reach the committee stage to ask his questions of the minister.

Mr. GLEN: As I said, the hon. member's guess in these matters is just as good as mine. If the proportion of the estimate which I have given would be eligible if the Chinese act were repealed meant approximately one-third, then it would mean one-third of 26,000 might take advantage of the law and become Canadian citizens. The families such citizens would have in China and the children under eighteen years of age are unknown, and therefore the number must, as I have already said, be in the realm of speculation.

I should like to address myself to the remarks of the leader of the C.C.F. party (Mr. Coldwell) and those made today by the hon. member for Mackenzie (Mr. Nicholson) and the hon. member for Winnipeg North Centre (Mr. Knowles). When the bill was first introduced on February 11 the hon. member for Rosetown-Biggar used pretty strong language in referring to what he termed "hoax" and "hypocrisy". As reported on page 331 of *Hansard,* he asked that P.C. 2115 be repealed and that citizens, regardless of race or creed or colour, be placed on the same footing in this country. After reading a press statement, he went on to say:

> What do we find upon examination of this measure? That discrimination is to remain unless, as the hon. member for Lake Centre (Mr. Diefenbaker) suggested this afternoon, we bring all our immigration under order in council P.C. 2115 instead of order in council P.C. 695. Because if we fail to remove this limited Chinese immigration from P.C. 2115 and bring it under P.C. 695, what have we? We have renewed discrimination: That a resident in Canada of Chinese origin must be a Canadian citizen before he can bring his wife and family into this country, whereas a Canadian resident of European origin can bring his wife and his children under eighteen years of age into this country, whether he is a citizen or not. To remove discrimination we must make the choice.

Well, now, what does that mean? P.C. 2115 was passed on September 16, 1930, by the Bennett government for the purpose of dealing with the entry of Asiatics into this country. That order, which I have already read, provided that the regulations should not apply to the nationals of any country in regard to which there was in operation a law or special treaty or agreement or convention regarding immigration. Such a law now exists with regard to the Chinese and will continue to exist until the house repeals the Chinese Immigration Act by Bill No. 10, which we are now discussing.

By repealing P.C. 2115 the hon. member has proposed to remove discrimination between Europeans and Asiatics and to place that Asiatic immigration under the provisions contained in P.C. 695. That has been emphasized this afternoon by both the hon. member for Winnipeg North Centre and the hon. member for Mackenzie. His last sentence in the paragraph I have read, reads, "To remove discrimination we must make the choice." Supposing we made that choice and removed the discrimination to which the hon. member refers. All Asiatics would then be entitled to apply to be admitted as immigrants who could comply with the provisions of P.C. 695. Take one category only—and others are equally applicable to Asiatics—that of a farm labourer entering Canada to engage in assured farm employment, as an example. Would any one doubt that many thousands of Chinese could qualify as such?

The house will recall that I asked both the hon. member for Winnipeg North Centre and the hon. member for Mackenzie if their argument was to repeal P.C. 2115, leave all immigration under P.C. 695 and delete from P.C. 695 the clause which provides that the provisions of the order in council shall not apply to immigrants of any Asiatic race. The hon. member for Winnipeg North Centre did not

understand my question, so I stated it again to him and I think he understood it.

Mr. FULTON: What was his answer?

Mr. KNOWLES: The answer was, yes.

Mr. MACKENZIE: In both cases.

Mr. GLEN: I wonder if the hon. gentleman realizes what his words meant? I am speaking now of the hon. member for Rosetown-Biggar. If what he meant in his argument to remove discrimination was as I have already stated, then certainly the only method which he must propose to remove that discrimination of which he spoke as between Europeans and Chinese is that the law should state that no Canadian resident of European origin may bring his wife and minor children into this country unless he is a citizen. He said, to remove discrimination we must make the choice; that is, the government must make the choice. I suggest to these hon. gentlemen that to remove discrimination they must make the choice as to whether they will include Asiatics in P.C. 695 and grant them all the privileges now enjoyed by European immigrants or, conversely, to remove that discrimination between these people and take from the Europeans, the Ukrainians, the Poles and all those from continental Europe the privileges which they have enjoyed for so many years under the law. The government would have to repeal the provisions concerning Asiatics as contained in P.C. 695.

These extensions, or widening of the doors as some call it, were made because of widespread opinion throughout the country that we should take some steps to assist people in Europe who were relatives of residents and citizens of Canada. The repeal of that order would not, I think, meet with very much approval. The hon. member for Rosetown-Biggar gave as his opinion on February 11 what I have quoted, but shortly thereafter he had somewhat of a change of mind. His oratorical outburst brought doubts and the apostolic certainty with which he then spoke required modification. In any event, the Ottawa *Citizen* of Saturday evening, February 15, reported an interview which he had given and in which he is reported to have said:

In conformity with the united nations charter there should be equality of treatment for all foreigners under Canadian immigration law.

Further on, he is reported to have said:

However, equality of treatment as to admission to Canada having been established by law, he favoured "gentlemen's agreements" being made with India and China on a reciprocal basis to govern the numbers of East Indians and Chinese to be admitted to the dominion.

[Mr. Glen.]

In a further paragraph it is stated:

Mr. Coldwell agreed that the acid test of assimilability is intermarriage but, he added, neither the Chinese nor the Indian governments favour intermarriage of their nationals coming to Canada.

Mr. COLDWELL: What is wrong with that? There is no conflict there between what I said in the house and what is reported in the newspaper. You are trying to make something appear which does not appear.

Mr. FULTON: So did you.

Mr. COLDWELL: There is no conflict there. A gentleman's agreement is not discrimination.

Mr. GLEN: I was dealing with the hon. gentleman's speech on February 11 when he was referring to "hoax" and "hypocrisy" with regard to the use of discrimination. I asked a question of the hon. member for Winnipeg North Centre and the hon. member for Mackenzie today, if their argument was to repeal P.C. 2115 and to have immigration brought under P.C. 695, which was, I take it, the argument which the hon. member for Rosetown-Biggar (Mr. Coldwell) had made on February 11, deleting the sentence at the end referring to Asiatics—

Mr. KNOWLES: And they both said, yes.

Mr. GLEN: Yes, they were in agreement with the hon. member for Rosetown-Biggar. I was pointing out that the repeal of P.C. 2115 meant that all the regulations with regard to immigration would come under P.C. 695, and that the deletion of the sentence at the end referring to Asiatics would give Asiatics the same right of entry into our country as Europeans obtained under the law. I pointed out that that would be the effect of the policy advocated by the hon. gentleman, and that, conversely, if he did not want that, he would have to remove the discrimination between Asiatics and Europeans by denying to Europeans the rights they have hitherto had under the law to obtain entry into Canada and bring in their wives and children.

The hon. gentleman asked the government to take its choice. The government is taking its choice. The choice is being taken by asking the house to repeal the Chinese Immigration Act, and the control will then be placed under P.C. 2115.

As to the admittance of Chinese residents in Canada to the privileges of citizenship, the impediment, which was almost insuperable, has been removed by rescinding the order in council requiring them to have the consent of the minister of the interior. The government

has made its choice and it is in conformity with the policy stated by the Prime Minister (Mr. Mackenzie King) in the house on May 1, at page 2646 of *Hansard*, where he said:

I wish to state quite definitely that, apart from the repeal of the Chinese Immigration Act and the revocation of order in council P.C. 1378 of June 17, 1931, regarding naturalization, the government has no intention of removing the existing regulations respecting Asiatic immigration unless and until alternative measures of effective control have been worked out. Canada recognizes the right of all other countries to control the entry or non-entry of persons seeking to become permanent residents. We claim precisely the same right for our country.

I wish to make it equally clear that the Canadian government is prepared, at any time, to enter into negotiations with other countries for special agreements for the control of admission of immigrants on a basis of complete equality and reciprocity.

The government has made its position clear.

The hon. gentleman also expressed grave anxiety and concern about Canada's position in the united nations if we did not accede to his wishes. I would be much more concerned and feel much more anxiety if this bill did not pass, because then it could be said with justice —and in my judgment the accusation would be unanswerable—that by refusing to give Canadian citizens of Chinese origin the right to have their wives and children live with them in Canada we had violated the charter and denied those citizens what has been and should be considered as an inalienable right to live in family. We say, further, that legal residents in Canada of Chinese origin may become citizens and have the right to bring their wives and children under eighteen years of age, and in order that no obstacle shall be placed in the way of doing that, P.C. 1378 has been repealed. This government has gone much farther than any preceding government. By the bill before us we are removing any hindrance to Chinese residents in Canada from becoming naturalized citizens. That is the policy which the Prime Minister enunciated in his statement of May 1, and that is what, I repeat, is being carried out.

The question was raised, and an endeavour made to make it a debating point, that Australia had made arrangements with the British government by which Australia was able to secure immigrants in much larger numbers than Canada was ever able to do. I would refer hon. members to the statement made in the House of Lords at Westminster by Lord Addison in column 1064 of the British *Hansard*. He was dealing with the question of how many emigrants the British government could deal with and said the numbers would be very much fewer than the number of applicants. He went on to say that the number moved in the first year would probably be 6,000 to 6,900, or something like that, and that the numbers would be more than doubled the next year. I mention that to show the house that the difficulty in obtaining transportation is very great. We are continually in communication with the high commissioner in London. We have explored and shall continue to explore and exhaust every avenue by which we may get ships to bring in the immigrants who are ready to come to our country in larger numbers.

In closing, let me say, so far as the anxiety of the hon. member for Rosetown-Biggar is concerned about our position before the united nations, I am quite sure that the representatives of this government in the person of the Prime Minister and the Secretary of State for External Affairs (Mr. St. Laurent) will so conduct themselves that the interests of Canada will not be prejudiced.

Motion (Mr. Glen) agreed to, on division, bill read the second time, and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—Company may be required to deposit bond.

Mr. GLEN: The purpose of the proposed amendment to section 33 of the Immigration Act is to give authority to the immigration inspector in charge at a port of entry to safeguard the passing in direct transit through Canada from one port to another of groups of persons who, not being admissible as immigrants, might remain in Canada if not so controlled. The proposed amendment will enable the inspector in charge at the port of entry to ensure the departure of such parties by requiring the transportation company carrying them across Canada to place a bond as a guarantee of departure. Paragraph 16 will authorize the governor general in council to prescribe the amount and form of the bonds and make regulations for the guarding of such persons while in transit and for their detention at the port of exit while waiting embarkation or completion of arrangements for their departure.

It often happens that bodies of men come from one port and go across Canada to the south. In order that we might have some control of these men, it is thought necessary to have this provision so that we shall know who the parties are that are going across the country.

Mr. CHURCH: I wish to correct a misunderstanding that has arisen with regard to my

speech on the matter of immigration. I spoke on the second reading of the bill on February 11. Outside of about five minutes that I took on Monday, April 28, to speak on the motion to go into supply, I have not had anything to say regarding the merits of the bill. For many years past I have been a consistent supporter of the Polish people. Today the Minister of Labour complained about misleading headlines in the Montreal *Standard* of Sunday last with regard to Polish soldiers. I wish to complain about the same thing. With regard to the Toronto newspaper I have in mind, especially the heading of April 29 last, I have not a complaint; it is just a difference of opinion.

In the return which the Minister of Labour gave to me he distinctly said that some of the Poles were conscripted into the German army, but that they fought on the Italian front and in northwest Europe. In addition to that, the minister of labour in the old country, Mr. Isaacs, reported to the British house that 58,000 of these men were in uniform in the military camps in Britain since the German war closed. They are not doing anything at all with the exception of 400 who are working on the farms and some in the woods. If we wish to bring them here, let us have some of these men, instead of those from Italy, because there were 1,902 Polish airmen killed in the battle of Britain. If there are to be priorities these are the Polish men who should be brought here instead of some of the others. There is a difference of opinion as to whether some of them or all enlisted voluntarily or were conscripted. There is a big difference of opinion on that; a difference in England, Italy, Canada, and a difference in the United States; so much so that Mr. Byrnes, who was secretary of state in the United States, refused to permit them to come to the United States.

I have always been, between the two wars and in them, a supporter of the Polish people. Before the second war I urged that we should lend them money, after Munich, to secure an airport. In conclusion, I wish to say that there should be a further check-up or report so that the Canadian people will know how many were volunteers and how many are not. The matter should be cleared up, because there are five or six different opinions on it. Looking through the British, Canadian and United States press, the British *Hansard,* the library, and reading Mr. Byrnes' statement and the statement of the minister of labour of Great Britain, Mr. Isaacs, and the Minister of Labour and the Minister of Immigration here who made a clear statement—he generally does

[Mr. Church.]

make a clear statement on any matter that he discusses—I find that there is a difference of opinion on this matter.

I have no objection to the bill. As I said at the beginning, I made a statement when the bill came up on February 11. Between the two wars a million men went away to the United States by emigration. With regard to priorities, it should be given to the British people.

My third reference is to shipping. There is not a ship today for British people to come to this country. On February 11, I urged that they should have priority; that we should utilize the merchant marine and all kinds of vessels to bring them here. During the war we borrowed many ships from the French, the United States and the British. If there is to be any priority at all, I have always contended that it should be shown to our own kith and kin in the old country before we open the doors wide to European-wide immigration, and provide emergency ships for them.

Mr. GREEN: During his speech the minister gave some figures with regard to the possible number of Chinese who would be bringing in their wives and children. May I ask—

Mr. GLEN: Would the hon. member ask that question on section 4?

Mr. GREEN: I do not care which section I ask it under so long as I am not ruled out of order. I warn the minister I want to ask also about the policy on the Japanese. That was included in the Prime Minister's statement the other day. I do not wish to let this section pass if I am to have the objection raised on section 4 of the bill that it is too late.

Mr. ST. LAURENT: It will not be any later then than now. There has been a broad debate on the second reading, and the bill is now in committee on four sections. The rule is that in committee the debate should be confined strictly to the section under consideration. There is in this bill no section which deals with Japanese immigration. After the time that has been spent in debating this bill, I do not think it would be conducive to the dispatching of the business of the house to reopen it.

Mr. GREEN: But the practice has been that fairly wide discussion is permitted on the first section of the bill. Where the Japanese come into the question is that P.C. 2115 is directly in issue in this bill because it is to become the policy covering Chinese immigration. I want to find out whether or

not P.C. 2115 is also to apply to Japanese in the future. Therefore there can be no question about my being in order in raising that subject. I have no objection to waiting until the fourth section is called if that is what the minister wishes.

Mr. GLEN: I was not expecting that the hon. gentleman would raise again the question of the Japanese because, after all, there is nothing more I can say with regard to the Japanese that has not already been said by the Prime Minister in the statement he made, as reported at page 2646 of *Hansard*. He said:

> With regard to the Japanese, I stated on August 4, 1944, at which time we were at war with Japan, that the government felt that in the years after the war the immigration of Japanese should not be permitted. This is the present view and policy of the government. It will be for future parliaments to consider what change, if any, should be made in this policy.

I submit that we are again out of order if we discuss the Japanese at this time. When the bill was before the house in the first instance I took exception to the general discussion. Twice I protested that the matter should not be discussed on the bill, but I was not successful in having my protest acceded to, and we have had a discussion for three days on the general policy of immigration, which is not referred to in the bill—

Mr. BLACKMORE: Will the minister speak a little louder, please? It is impossible to hear him down here.

Mr. GLEN: What I am saying is that I was endeavouring when the bill was first introduced—

Mr. BLACKMORE: Louder. You are discriminating against us down here.

Mr. GLEN: I do not want to do that.

Mr. GREEN: You will have the united nations after you.

Mr. GLEN: When the bill was first introduced in the house, I was taking exception to a general discussion of immigration on this bill. I thought the time for a general discussion on immigration should have come on my estimates. However I was not successful in having that practice lived up to, because for three days we have had a general discussion on immigration which has, in a way, something to do with this bill. If it is now proposed that we should also deal with the Japanese on this bill, which refers only to the Chinese, I submit that it is not in order. That general discussion is allowed on the first clause of a bill has been, I know, sometimes the practice, but it is not the law and is not according to the rules of procedure of this house. The law of the house is that the discussion shall take place on the sections of the bill. What may have been the practice before might have some merit if no lengthy discussion had been had with regard to the principle of the bill; but in this case an extremely lengthy discussion took place, and I submit that we are confined to the clauses of the bill and that from them we should not depart.

Mr. GREEN: As the minister knows very well, having presided over this house for five years, it is impossible to ask questions on the second reading of a bill. When he now says that, because there was a long discussion on the second reading, there should therefore be no questions asked when the house is in committee, he is neatly evading or edging around the problem.

Mr. GLEN: No. The hon. member is proposing the introduction of the Japanese into a bill which has to do with the Chinese.

Mr. GREEN: The policy on the Chinese in Canada has been covered in the debate, but the Prime Minister's statement has been the main topic of discussion and one paragraph of that statement is the paragraph just read by the minister, which deals with the future, and with this government's present policy on Japanese immigration. I want to ask the minister the method by which it is proposed to carry out that policy. I realize that there is another order in council which provides that there shall be no immigration from an enemy country. I presume that, for the time being, that order in council would prevent immigration from Japan. But how does the government propose to implement the policy announced by the Prime Minister concerning the prevention of Japanese immigration? That is the only question I wished to ask. That is the information I should like to get, and I think the committee is entitled to it.

Mr. GLEN: The hon. gentleman is asking me to explain what may be the policy of the government with regard to the administration of the law so far as the Japanese are concerned.

Mr. GREEN: The Prime Minister gave the policy. What I want to know is, how it is to be implemented?

Mr. GLEN: I wish to point out to the hon. member that the Prime Minister gave the policy not on the bill but as a statement

on motions before the house, with no intention that the contents of it would be brought into the discussion on this immigration bill. I cannot, and I do not think the hon. gentleman would ask me to go any farther in a statement on government policy than the Prime Minister has already gone in the statement which I have just read, and especially in that last sentence.

It will be for future parliaments to consider what change, if any, should be made in this policy.

As the hon. gentleman himself says, at the moment Japan is an enemy country and therefore we can have no dealing with her.

Mr. GREEN: I am not talking about a future change in policy. I am asking the method by which the government proposes to implement the policy announced by the Prime Minister. I would point out to you, Mr. Chairman, that the Prime Minister, when he made his statement on immigration on May 1, in the very first paragraph said that he was making the statement because there was to be a discussion on immigration; obviously he made that statement for the purpose that the whole statement would be available for discussion on this bill. It may be that the minister does not know how the Prime Minister's policy with regard to Japanese immigration is to be carried out. If he does not yet know how it is to be carried out, I would ask him to say so; we are entitled to know. On the other hand, if the government has some way of implementing that policy, we are also entitled to know what it is.

Mr. GLEN: I am sure that the hon. gentleman would not wish me to state a policy applicable to circumstances which have not yet arisen. When the time comes when we are dealing with the Japanese not as enemy aliens, that will be the time for the policy to be stated.

Mr. GREEN: You have not a policy or plan?

Mr. GLEN: There is no plan that I know of.

Mr. REID: I wish to ask the minister a question which has to do with transportation. We have been informed that transportation from Great Britain to Canada is limited. Has the minister any information as to the proportion of Canadians obtaining transportation on ships arriving at New York from Great Britain? The statement has been made that the United States have a greater proportion of passengers on those ships coming from Great Britain and arriving at New York. Has he any information regarding that? If that is so, I think a request should be made that this should be rectified.

Mr. GLEN: We have no information.

Section 1 agreed to.

On section 2—Repeal.

Mr. BLACKMORE: Just before the section passes, I wish to say a few words. I have no particular objection to the section passing, but I believe it is fitting that the members of the committee should realize what we are doing in passing this bill. The figures which the minister gave, if I remember correctly, indicate that there are just about as many Chinese in British Columbia as there are in all the rest of Canada put together. In passing this law we are simply saying to British Columbia, "We are going to dump an impossible problem on your doorstep; you must take it and like it". We in the other parts of Canada, many of the provinces of which have an almost negligible number of Chinese living in them, are telling British Columbia what she must take. I hope that, in the working out of the policy, the government and the minister will take some sort of measure to see that some sort of justice is given to British Columbia. If that is not done I believe the members of this house will live to rue the day. You cannot expect a province of British people to take a monstrous injustice, such as is being forced upon them in this bill, and tamely submit to it. I think we must face that fact.

All the time while the Japanese were going into British Columbia, the men in charge at Ottawa callously and short-sightedly disregarded the interests of British Columbia. What was the result? Something we are all sorry about today. We disregarded British Columbia, because all she could send here was about seventeen or eighteen members. Such a few members can talk themselves black in the face and the members from other parts of Canada can shrug indifferent shoulders and disregard their pleadings. In my judgment, that is not the kind of attitude upon which to build a strong, united and secure Canada.

There is another matter that comes to my mind. I do not wish to say anything to occasion undue alarm, but a good many members of the house would appear to be taking the point of view that we are never going to face any further difficulty with people from the orient, and that the last war has been fought with people from the orient. I do not think people in our generation have a right to take that supine attitude. We have in our keeping the welfare of generations yet unborn.

Once more I urge that, in working out this bill and in the administration of the policy, the minister and the government take pains to see that there is not an impossible accumulation of people of the oriental races in the province of British Columbia.

Mr. MACKENZIE: I wish to say at once that I deeply appreciate the solicitude of the hon. member for Lethbridge for British Columbia; but I want to tell him that as long as that province continues to send to this house such alert and vigilant representatives, in every party, as have been sent to this parliament, British Columbia has nothing to fear for the future.

Mr. GREEN: This section has to do with the Chinese, and I, too, should like to express to the hon. member for Lethbridge my appreciation, on behalf of the people of British Columbia, for his remarks this evening. We are always grateful for help of this type, and we have had it all too seldom here in years gone by. I should like to check with the minister the figures he gave a few minutes ago in the course of his speech, concerning the number of Chinese who might be able to bring in their wives and children under the new government policy. In the first place, I would ask whether those figures are of the present wives of Chinese, or whether they take into account future marriages.

Mr. GLEN: They are the present wives.

Mr. GREEN: I understand, then, that the figures the minister gave deal only with Chinese already married?

Mr. GLEN: The figures are from the census of 1941, giving the total population.

Mr. GREEN: I understood the minister to say there were 8,749 Chinese born in Canada or naturalized here. Was that figure correct? That was the figure the minister gave on February 11.

Mr. GLEN: Yes.

Mr. GREEN: And of that number, the minister said it was estimated there were 6,547 married Chinese who could take advantage of this change in the law.

Mr. GLEN: There were 6,694 persons of the Chinese race born in Canada.

Mr. GREEN: I am getting at the minister's estimate of the number in that group of 8,749 who could take advantage of the change in the law and bring their wives from China. The figure I have is 6,547.

Mr. GLEN: The number of persons of the Chinese race eligible to bring wives and children to Canada would be approximately 6,547.

Mr. GREEN: Then the minister said there were approximately 26,000 Chinese who are not Canadian citizens?

Mr. GLEN: Yes.

Mr. GREEN: Then the minister estimated that about one-third of those might take advantage of the new provision?

Mr. GLEN: That was a guess, an approximation.

Mr. GREEN: That would be about 8,666. As I understand it, from the figure of 6,547 the minister deducted 3,000 who, he said, probably would not take advantage of the provision. For example, he said about 2,000 young Chinese males in Canada would probably marry young Chinese females in Canada, and there were certain other exceptions, making a total of 3,000 which he deducted from the 6,547, leaving 3,547 who might take advantage of the provision.

Mr. GLEN: That is right.

Mr. GREEN: Add to that figure the 8,666 and we get a total of 12,213. So the estimate of the government is that 12,213 Chinese males, married at this time, may well take advantage of this provision and bring in their wives and children under eighteen years of age. Is that correct?

Mr. GLEN: Yes, that is substantially correct. Of course the assumption would be that they would become naturalized.

Mr. GREEN: Yes, the 8,666 would first have to become naturalized. In addition to that, as I understood it, any Chinese who is a Canadian citizen can go to China, get married and bring back his wife, though under our new citizenship law she is not a Canadian citizen. Is that correct?

Mr. GLEN: That is correct.

Mr. GREEN: There is no doubt about it; they can go to China, get married and bring their wives back to Canada?

Mr. GLEN: Yes. I would not want to limit the boundaries of love for a Chinese citizen of this country who wished to go abroad and marry someone in another country. I do not think I would care to be one of those to object.

Mr. GREEN: I am very glad the minister is such an ally and supporter of Cupid. I just want to get the figures. The position

then, is that, according to the government's own estimate, we face a possible influx of 12,213 Chinese wives, and, in addition, whatever children are under eighteen years of age. In addition, from now on we can have Chinese go to the orient, marry and bring back their wives?

Mr. GLEN: That will be the situation when the act is repealed.

Mr. GREEN: That is the position we face at the present time?

Mr. GLEN: Yes.

Mr. GREEN: Today about fifty-three per cent of all the Chinese in Canada are in British Columbia, so that British Columbia would have to face the prospect of having well over half those wives and children settling in that province. The minister will admit that is a reasonable estimate?

Mr. GLEN: It is purely an estimate.

Mr. GREEN: Well, may I suggest to the Minister of Veterans Affairs and other members from British Columbia, apart from the C.C.F. members who in the last few days in this house have spared no effort to get orientals for British Columbia, that this may very well be a serious situation, and that it may call for some change in government policy or for some amendment to P.C. 2115 when we can see just how the order in council works out. On the basis of the very estimate given by the Minister of Mines and Resources, there is the possibility of an influx into Canada of Chinese wives and children which may be as great as the total Chinese population in Canada at the present time, which is 34,627.

Mr. MITCHELL: Would the hon. member deny a husband, by law, the right to live with his wife?

Mr. GREEN: Then, can the minister tell us the present law in the United States? As I understand it, when they repealed their Chinese Exclusion Act they put the Chinese on a quota.

Mr. GLEN: That is right.

Mr. GREEN: I have here the reports from the United States congress, showing that the quota is 105 a year, allowed to come into the United States. There is some provision made in addition to that for the Chinese wives of United States citizens. That was passed in August, 1946.

I have been unable to get complete information with regard to the provision respecting the entry of wives. But, through the parliamentary library, did get a report from the Chinese embassy to the effect that the quota allowed is twenty-five Chinese wives who may be allowed to enter the United States; but, that in fact, since the change in the law only about ten had come into that country.

Mr. BENIDICKSON: That twenty-five is allowed how frequently?

Mr. GREEN: The answer from the librarian stated that the quota allowed twenty-five Chinese wives to enter the United States—and I presume that is each year—but that, in fact, only about ten had come into the country since then. I am not sure that these figures are accurate.

Mr. MACKENZIE: I do not think they are.

Mr. GREEN: Could the minister give us a full statement of the present United States law?

Mr. GLEN: I have not that.

Mr. GREEN: I would suggest that he get those figures, because it would seem there is quite a big difference between the United States law and the proposed Canadian law. That should be checked by the minister's department. I understand that at the present time he has no figures under the United States law.

Mr. GLEN: No.

Mr. MACKENZIE: My information—and probably it was entirely incorrect—was that the United States law was much more generous than we are trying to be in this instance.

Mr. GREEN: No; I think the minister will find that that is not so. Certainly the quota now for Chinese into the United States is 105 a year. There may be wives of United States citizens allowed over and above that. I would ask the minister to get those figures.

Mr. COLDWELL: The hon. member for Vancouver South said a few minutes ago that members of the C.C.F. group in the house—and I use the words he used—had spared no effort to get orientals for British Columbia in the last few days. That statement is so obviously inaccurate that I cannot but rise to comment upon it. We are not anxious to secure orientals for British Columbia.

Mr. GREEN: You certainly do not talk that way.

Mr. COLDWELL: Nor are we anxious in that respect for any part of Canada. But we are anxious to see to it that a country which calls itself democratic shall remove the last

vestiges of racial discrimination. That is the point. And so far as immigration of orientals into this country goes, there are few orientals who want to come to this country, a country in which they have never been particularly welcome. I say again to the minister, as I said on February 11, I think it was, that if this country were prepared to enter into a gentlemen's agreement with the Chinese government, the flow of Chinese immigrants into this country could be controlled.

But we are not discussing Chinese immigration in this bill. What we are discussing, actually, is the right of a Chinese to bring into this country his wife and his children under eighteen years of age. That is what we are discussing.

Mr. GLEN: Correct.

Mr. COLDWELL: And I say to the minister that the discrimination which has been kept on our statute books still remains, when the Chinese resident of Canada is put on a different basis from the resident of any other alien nationality in this country. There is a discrimination.

The minister says to me that I would do this, that and the other thing. I put it squarely up to the minister: How does he propose to remove this discrimination? It is all very well for us to talk in the house about oriental immigration, or all the rest of it, which does not come under this bill. But let me remind hon. gentlemen that the day is past when any nation, whatever its colour, can look down upon any other nation, and treat the nationals of that country as an inferior people.

Mr. JAQUES: Does that apply to Spain?

Mr. COLDWELL: It applies to every country of the world.

Mr. JAQUES: Then why did you want to keep them out of UNO?

Mr. COLDWELL: Why did we want to keep Spain out of UNO?

Mr. JAQUES: Yes.

Mr. COLDWELL: Because UNO is an organization of democratic peace-loving countries. And so long as Francisco Franco remains dictator of Spain, is it right to call Spain a democratic country or a peace-loving country?

Mr. JAQUES: It is racial and religious discrimination.

Mr. COLDWELL: I will not enter into a controversy with the hon. member regarding Spain, because Spain does not come under this bill.

Mr. JAQUES: According to you.

Mr. COLDWELL: But I am quite willing to enter into a discussion with my hon. friend as to what constitutes democracy.

Mr. JAQUES: That is what you say.

Mr. COLDWELL: And as to what constitutes justice among the people of a nation.

Mr. JAQUES: Are you the supreme judge?

Mr. COLDWELL: I do not accept race hatred, as it is preached by some people in the United States, and their fellow travellers in the Dominion of Canada.

But what I was saying was this, that my objection to this particular measure—and I am going to support it, because it does go a considerable way toward removing discrimination—my objection to an aspect of this measure is that it does not remove discrimination that should be removed at this time.

We are members of the united nations organization. We have removed several skeletons from the Canadian cupboard lately, when the province of British Columbia removed disabilities against East Indians and Chinese, in the matter of the franchise. Those skeletons have been removed from our cupboard, I am thankful to say. But so long as any vestige of racial discrimination remains, we are open to attack in the united nations organization, because we are not carrying out the principles upon which that organization was founded.

Mr. GREEN: May I ask the hon. member a question?

Mr. COLDWELL: Yes.

Mr. GREEN: Does he believe that the control of immigration is a matter for a country itself—and in our instance, Canada—or does he think the united nations organization has authority over immigration into Canada?

Mr. COLDWELL: I shall answer that clearly and concisely. The united nations organization has no authority to decide anything that we shall do within the sphere of our domestic jurisdiction. But we have a moral obligation when we sign a charter guaranteeing human rights and fundamental freedoms, when we pledge our word to remove discrimination on account of race, creed or colour.

I say to my hon. friend the member for Vancouver South that I agree, immediately, that this country has a right to decide upon its immigration policy. But I say to my hon. friend also that no liberal—and I use the

term in the proper sense, with a small "l", and not in a political sense—can possibly condone any policy based upon racial discrimination. That is what I say. No liberal, no man who calls himself a liberal, can possibly condone a policy which is founded upon racial discrimination, discrimination on account of race, or creed or of colour.

The bill before us is a very simple bill and, since it removes certain disabilities, we are going to support it. But I say to my hon. friend that, had the government been consistent and followed the policy which we understood the Prime Minister laid down in his statement when he said that all discrimination would be removed, then all residents in Canada—that is all we are talking about—whether they be of Czech origini, or Scandinavian origin or of any other origin, would be at liberty to bring in their wives and children under eighteen years as they may do now and would be in exactly the same position as residents of Chinese origin. In other words, if we allow Czech, the Swede, the Norwegian or any other national resident in this country to bring in his wife and children, then the resident of Chinese origin should be accorded the same privilege if we are removing all vestiges of discrimination as the Prime Minister indicated. That is the point I am making.

To the minister who turns to me and says, "What would you do?" I say, "What are you going to do to remove this vestige of discrimination?" What is he going to do to remove this blight on the escutcheon of Canada? What is he going to do to justify the calling of that government over there a Liberal government. Liberalism once stood for something very different from that which is included in this bill.

Mr. MACKENZIE: I am greatly thrilled indeed to have a lecture on Liberalism from an arch socialist in this house. I want to tell him that I was raised in the cradle of Liberalism and I have been a Liberal all my life. He has not met the point raised by the hon. member for Vancouver South, who referred to the possibility of a great preponderance of population of another race coming into our province of British Columbia with only a million people. We have to face this question not only as a nation but as a province which must consider the proper preponderance in order to keep the herd pure, in order to keep the old Anglo-Saxon-French balance and the central European balance proper in this country. When he talks about Liberalism to me, my goodness, it is the biggest insult I ever had in this house.

[Mr. Coldwell.]

Mr. STEWART (Winnipeg North): He was talking to a member of the herd.

Mr. MACKENZIE: I have reason to believe that my hon. friend was once tinged with Toryism, that he was possibly a Tory, but now he is a red-hot, fire-brand socialist. We over here are Liberal reformers; we believe in the essential idealism of Liberalism; we believe in the essential principles of liberty and freedom; we believe in the dominance of the white race in the Dominion of Canada, and for that we stand.

Mr. GLEN: I was objecting at the beginning to the introduction of something other than the clauses of this bill tonight. The hon. gentleman has astutely taken the opportunity to reply to me, but he forgets the issue. I am putting the question to the hon. member—

Mr. COLDWELL: I will speak again.

Mr. MACKENZIE: So will I.

Mr. GLEN: —as was stated by two of his followers this afternoon, that he believed and that they believed, that their argument was that immigration should be brought under P.C. 695 with the deletion of the clause regarding Asiatics. Is that the position the hon. member is taking?

Mr. COLDWELL: Yes, but not with your interpretation of that position. Do not try to twist what we are saying. We want the removal of racial discrimination in so far as that order in council goes. You know where the discrimination is as well as I do.

Mr. GLEN: The question that was asked of those two hon. members was: Are you proposing to repeal order in council 2115, and the answer was, yes.

Mr. MACKENZIE: They said so.

Mr. GLEN: The repeal of order in council 2115 would place immigration under the regulation of order in council 695. I asked them if they proposed to take the clause dealing with Asiatics out of P.C. 695, and the answer was, yes. That means that the law and the regulations governing immigration into this country, if their wishes were acceded to, would be under P.C. 695, and then any person resident in Canada could bring in his father, his mother, his brother and every one of the denominations in the categories that are included in 695. That is where you would be.

Mr. NICHOLSON: Why not?

Mr. GLEN: Is it the policy of the C.C.F. party that every Chinese in this country may bring in his father, his mother and all the other categories?

Mr. COLDWELL: Can other races do the same thing?

Mr. NICHOLSON: All the Chinese who have been legally admitted to Canada would be in the same position as the Swedish or other people.

Mr. GLEN: Also agriculturists.

Mr. NICHOLSON: Certainly.

Mr. GLEN: I read to the house the statement the hon. member made with regard to the assimilability of these people. He said that the acid test of assimilability is intermarriage, but that neither the Chinese nor the Indian governments favour intermarriage of their nationals coming to Canada.

Mr. COLDWELL: I said that, yes.

Mr. GLEN: The hon. member stated, I think positively, that they will not assimilate with our Canadian people. Therefore he wishes a gentleman's agreement. That is not what was said today.

Mr. COLDWELL: It is what I said.

Mr. GLEN: Your two followers did not say that.

Mr. COLDWELL: Do you agree with everything in every particular that individuals behind you say?

Mr. GLEN: Your followers said today that they wanted immigration under P.C. 695; yet in the interview you gave you said that the acid test of assimilability is intermarriage, but that neither the Chinese nor the Indian governments favour intermarriage of their nationals coming to Canada.

Mr. COLDWELL: I say that the acid test of any nation's non-discriminatory policy is equality. You are trying to dodge the question: What will you do?

Mr. GLEN: Exactly what this bill is doing.

Mr. COLDWELL: Then you do not remove discrimination.

Mr. GLEN: We take the position, as was stated by the Prime Minister, that Canada recognizes the right of all other countries to control the entry or non-entry of persons seeking to become permanent residents and that we claim precisely the same right for our country. That is the position I am taking.

Mr. JAQUES: We have heard a lot about racial discrimination as applied to orientals and the people outside Canada, but I should like to take up the case of racial discrimination against the oldest citizens of Canada. I ask the leader of the C.C.F. to answer this question: Is it not the fact that Indians in this country are not allowed to consume alcoholic beverages as white men are?

The CHAIRMAN: Order. I would remind the hon. member that we are dealing with section 2, which relates to the repeal of section 80 of the Immigration Act. That refers to the Chinese only.

Mr. JAQUES: I was merely giving an illustration of racial discrimination, and I wanted to hear the answer of the leader of the C.C.F. on this particular aspect of racial discrimination. I state the fact that the Indians as a race, and for no other reason than that they are of the Indian race, are not allowed to take a drink the same as I am allowed to take a drink, or as the leader of the C.C.F. is allowed to take a drink; and I ask the leader of the C.C.F. whether he would advocate that Indians be allowed to drink as freely as he and I are allowed to do, and if not, why not?

Mr. COLDWELL: Mr. Chairman, this has nothing to do with the matter.

Mr. JAQUES: It is an example of racial discrimination.

Mr. COLDWELL: I will, however, answer the question. The way in which the Indians in this country have been treated has been a blot on Canada's good name.

The CHAIRMAN: I think the hon. member for Rosetown-Biggar is correct when he says that the question has nothing to do with the section under consideration.

Mr. MacINNIS: We have been making a great fuss over who is going to flood the country and who is going to have a drink and who is not, and I think it is time that we got down to a reasonable understanding of the issues involved. If the Chinese are put on the same basis as other people so far as their right to enter this country is concerned, that does not mean that Canada must allow the entry of every Chinese who comes within the regulations and asks to come here. We do not admit everybody from other countries who comes within the regulations. It is pretty difficult, as a matter of fact, for any person of any race who does come within the regulations to enter Canada now. There is, I suppose, no discrimination against Poles entering this country. As a matter of fact, quite a number of them entered Canada fairly easily not so long ago. Yet I have been making inquiries on behalf of a Canadian citizen who fought in the last war and whose daughter was in Great Britain during the war and married a Polish soldier. This Canadian citizen wants to

bring his daughter and son-in-law to Canada but he cannot. If we can apply restrictions of that kind to Poles why cannot we apply them to the Chinese without being charged with discrimination? We certainly can make what laws we like, but these laws should apply equally to peoples of all nations. If the Minister of Mines and Resources says that he does not agree with that, he is repudiating the statement which the Prime Minister made in January, that we were removing all discrimination. You cannot remove discrimination and at the same time maintain it.

Mr. FULTON: How would you reduce the number of the Chinese who may come in? If you say that any agricultural labourer may come in, how are you going to keep the Chinese out?

Mr. MacINNIS: I do not think any agricultural labourer from any other country who wants to come to Canada can come in now. If they can, very few of them are coming in. With the removal of all discrimination there is no reason in the world why conditions cannot be made that will limit the number of Chinese coming into this country in proportion to the numbers of any other race entering the country.

Mr. FULTON: That is quite different.

Mr. MacINNIS: It is not different at all.

Mr. GLEN: The hon. member is speaking of a quota system?

Mr. MacINNIS: I am speaking of a quota system. If the removal of discrimination requires a quota system, then let us have a quota system, but do not let us shout to the world that we are removing discrimination while at the same time we are maintaining it.

Mr. NICHOLSON: The minister made reference to my remarks this afternoon and I feel that he did not draw effective conclusions. I will repeat again what the hon. member for Rosetown-Biggar said. On January 27 the Prime Minister promised this country and the world that, so far as Canada was concerned, the effect of the repeal would be to remove all discrimination against the Chinese on account of race and to bring the Chinese under the general provisions of the Immigration Act and no longer under legislation applying exclusively to people of Chinese origin.

The minister has said that the government is going back on that promise of the Prime Minister, that it is not the intention to remove racial discrimination. I would draw the attention of the committee to the fact that normally quite a number of Canadians go to China as merchants or as missionaries. We would think it unreasonable of the Chinese government if they insisted that every Canadian who went to China should become a citizen of that country before being permitted to bring in his wife and children, and naturally the people of China consider it unreasonable that we have one law for the Chinese and another for Europeans.

It was mentioned earlier tonight that the United States was still discriminating against the Chinese. but according to my information the United States in 1943 repealed their Chinese exclusion act. The president of the day, the late President Roosevelt, is quoted as saying:

> China's resistance does not depend alone on guns and planes and on attacks on land, on the sea and from the air. It is based as much on the spirit of her people and her faith in her allies. We owe it to the Chinese to strengthen that faith. One step in this direction is to wipe from the statute books those anachronisms in our law which forbid the immigration of Chinese people into this country and which bar Chinese residents from American citizenship.

That was in 1943. If P.C. 695 does not meet with the approval of the administration I think it is imperative that an order in council be drafted immediately which will be acceptable to the government and which will remove completely any discrimination on account of race or religion. I make this last plea with the minister to repeal P.C. 2115, and, if he cannot accept P.C. 695 with the last paragraph struck out, that he amend it to place all people in the same position because, as the hon. member for Vancouver East has pointed out, it would not mean that every applicant would be accepted. The administration would still have the authority to decide who should be admitted. But we cannot go to the united nations meeting with this sort of regulation in effect in Canada.

Mr. KNOWLES: I should like to put one more simple question to the minister. Those of us who have been talking about this question in the house and those who have been writing editorials about it have tried to focus attention on what amounts to one pretty small group. I am not going back on any of the general statements I have made, but we are talking now of one small specific group, namely, Chinese persons resident in Canada who are not citizens, and our suggestion is that Chinese persons legally resident in Canada who are not citizens should have the same right as European persons legally resident in Canada. We made our suggestion as to how that right should be extended to them, the right to bring in their wives and children. The minister objected to our way of doing it on the ground that it was opening the doors

too wide. Other members of this group have made an answer to that and I am not going into it farther.

Mr. GLEN: What was the answer? I did not get the answer, if there was one.

Mr. KNOWLES: I am not going to take up the time to give it again. It is on the record from the leader of this group and from the hon. member for Vancouver East. I am really trying to narrow this down to the specific group which most of us are immediately concerned about. What I am saying is that if the minister does not approve the way that we suggest doing it, on the ground that it opens the doors too far, has he not some suggestion to meet this particular group? Is there not some way in which he can provide for Chinese residents now resident in Canada, whether citizens or not, by permitting them to bring in their wives, just as European persons do who are resident in Canada and who do not happen to be citizens? One answer that he might make is that they can become citizens. That is admitting that he is prepared to have that number come in. Why not remove from the statute books that racial discrimination with respect to these people? Has he any suggestion?

Mr. GLEN: As I understand the hon. member's question, he is asking that I should consent to P.C. 695 being applicable to Chinese in the same way as it is applicable to anyone else. Because of the argument that the hon. member for Winnipeg North Centre was adducing in the house when he was speaking and also the hon. member for Mackenzie, I asked the specific question whether that was their argument. That would mean that under P.C. 695 the Chinese would have the same rights as Europeans to come into this country and in a year bring in their wives under certain conditions and all the other categories of relatives. Does the hon. gentleman seriously mean that I should consent to such an amendment.

Mr. COLDWELL: We are not asking that.

Mr. KNOWLES: I am sure the minister must have misunderstood the question I was putting to him, for he asked me this question before and I gave him my answer categorically without any hesitation. I have accepted the fact that we cannot agree on that, and I am trying to see now if there is not some point between his position and mine to which the government might move. I am trying to ask him if there is not some way, in an amended form of P.C. 695, if you like, by means of which provision can be made just for Chinese persons resident in Canada, whether citizens or not, to bring in their wives and children.

Mr. GLEN: I should not like to say that there was. At the moment I would not care to say that we could meet the wishes of the hon. gentleman.

Mr. KNOWLES: I am asking the government to give consideration to that point.

Mr. BLACKMORE: I should like to recall to the committee a matter which I brought to the attention of the house some days ago. If we allow a sufficient number of Chinese to come into British Columbia to become the predominating element I should like members of the C.C.F. to tell us how we should be able to prevent discrimination against the white people in British Columbia.

Mr. GILLIS: Why pick on British Columbia?

Mr. BLACKMORE: Because it is an illustration. Hon. members have simple minds. I am trying to get the matter down so that they can get hold of it. Hon. members of the committee must bear this in mind. We must prevent the white race from being discriminated against, and particularly the Anglo-Saxons. It is a simple matter for us to put so many people into this country who are not of our particular way of life as would make it impossible for us to have a chance to live.

An hon. MEMBER: What about the French-Canadians?

Mr. BLACKMORE: All right; I shall put them in too. You can get so many Chinese and Japanese into this country that the ordinary Canadian, French or British would not have any chance to live according to the standard of life to which they are accustomed. If anyone pretends that a situation such as that would not be discriminating against our own people I should like to see him rise in his place and give his reasons for his belief. This is a matter which needs to be faced.

Mr. STEWART (Winnipeg North): I assume that the transportation system on the Pacific is just as bad as it is on the Atlantic.

An hon. MEMBER: Worse.

Mr. STEWART (Winnipeg North): Very well. That strengthens the argument I am going to advance. Within a year Chinese residents in Canada can take out citizenship papers. Then they are entitled to bring their wives and children under eighteen years of age to this country. If we grant them that right now as residents, with the situation on the Pacific being as bad as it is on the

Atlantic, they will not be able to bring these relatives of theirs into this country for more than a year. Therefore, why maintain this discrimination against them? Will the minister please answer?

Mr. GLEN: I do not know what the question is, really.

Mr. STEWART (Winnipeg North): It is a statement of fact, that if we grant that same equality of right to the Chinese residents in Canada that we do to other residents, because of the nature of things in the shipping world they cannot bring their relatives to Canada within a year or two. If we permit them to take out citizenship, as we shall, I assume, they will do so by the time the year has expired. Then they will have the right to bring their families here. We are making no difference at all so far as immigration into this country within a year is concerned. Why then continue this discrimination?

Section agreed to.

On section 3—Dependents permitted to enter Canada.

Mr. HARKNESS: Since we are now off the Chinese question for the time being, I should like to bring up the matter of the transportation of dependents of ex-service men to the country. Can the minister tell us what arrangements are being made for the transportation of such of these dependents as are still overseas? What space is being secured? When are these people to be able to get over here?

Mr. GLEN: I am informed that they must apply for their own space in order to get here.

Mr. HARKNESS: Does the Canadian government make no arrangements so far as space for these people is concerned? Does it not aid them in securing space?

Mr. GLEN: Up to the end of last year they did, but not now. There is no provision made for it now.

Mr. HARKNESS: I should like to urge upon the minister that arrangements be made to secure space for these people, and in addition to the particular dependents who are mentioned in this section, that aid be given to secure space for the categories of people I mentioned this afternoon, fiancees of returned men and close relatives, mothers, brothers, sisters, fathers, and so forth. I do not think we shall be able to say that we have solved the problem of bringing these dependents of ex-service personnel to this country until these people are over here.

Mr. MACKENZIE: May I say to my hon. friend that a committee is now functioning in England under the chairmanship, I think, of Mr. Norman Robertson, considering all these related questions with reference to transportation of relatives and dependents of ex-service men.

Mr. HARKNESS: I should like to know how the thing is functioning. Is it actually getting these people over? I mentioned the case of the fiancee of one of these men of ours who has been trying now for well over a year to get the girl over, but she is still in England. What is actually being done?

Mr. CLAXTON: There never was any provision for fiancees.

Mr. HARKNESS: I am urging that there should be.

Mr. MACKENZIE: That is one of our hardships.

Mr. BRACKEN: It is eleven o'clock.

Mr. HARKNESS: Call it eleven o'clock.

Mr. MACKENZIE: Is it not possible to get this bill to the third reading stage for tomorrow in order to get it over to the other house? We have had a very fine discussion on all stages of this bill. If the committee would consent to get it up to the third reading stage tonight they could bring up the other points tomorrow with the consent of the house.

Mr. FULTON: I have a question to ask. The minister gave figures of 77,000 tonight. Can he say how many of these include dependents such as are covered in this bill, and fiancees and brides of Canadian soldiers who returned to Canada?

Mr. GLEN: Wives, 31,807; children, 14,272; total, 46,079.

Mr. FULTON: Of the 77,000, 46,000 are war brides and families?

Mr. GLEN: Yes.

The CHAIRMAN: Shall section 3 carry?

Mr. HARKNESS: No, Mr. Chairman. There is one other matter I wish to take up in connection with this. It is the case of men who were married before the war started, whose wives were caught over in Europe—in England, or wherever the case may be—and who, because of the particular wording of subsection 4 (b) of this particular act, are not included. I asked this afternoon if the minister, when we came to take up this section, would say whether anything would be done for those people. I instanced particularly the case of a man whose wife was caught in Belgium, who

had great difficulty in getting her back after the war, and who had to pay for her himself. I expressed my idea that wives and children of men who did serve overseas should have the same privilege as wives who were secure whilst the men were over there. Has the minister anything to say in that connection?

Mr. GLEN: I am afraid I am not in a position to help them. There are many in the same category as those the hon. gentleman speaks of where the expense had to be borne by somebody but not by the government. I am afraid I cannot do anything to help in that connection.

The CHAIRMAN: Does the section carry?

Mr. HARKNESS: No, Mr. Chairman. In that event I should like to move a small amendment: in line 29, after the world "while", insert the words "or before". The subsection would then read:

> The wife or widow of a member of the forces who is not resident in Canada and who was married to such member of the forces while or before such member of the forces was serving outside of Canada or the territorial waters thereof . . .

And so on. I offer that amendment in order to protect those people, however many there are—I do not suppose the number is very great, but there is a great hardship on those who are in that situation—and to bring them within the meaning of this act.

Some hon. MEMBERS: Carried.

Mr. GLEN: No. This would mean an addition to the amounts that might be provided, so far as I can see it just now; and I am afraid that I could not accept that amendment.

Mr. SMITH (Calgary West): Mr. Chairman, I wonder if the minister has got the point?

Some hon. MEMBERS: Eleven o'clock.

Mr. SMITH (Calgary West): Why should a man who got married, who was over in London and who perhaps did not do any fighting but had an office job and picks up a bride over there, be in the position where we bring her back, yet here is a married chap—one who was married in Canada, with a Canadian wife who was caught in Belgium, which was the illustration given today—whose wife is discriminated against in favour of a bride that a soldier picked up?

Some hon. MEMBERS: Oh, oh.

Mr. SMITH (Calgary West): Why should that be? This husband served five years over there and he fought all through northwestern Europe. Apparently I have used a wrong expression somewhere, Mr. Chairman. That does seem to me to be a reasonable change which is asked for.

Mr. MACKENZIE: Would my hon. friend consent to this? The amendment is obviously out of order, as pointed out by my hon. colleague, the Minister of Mines and Resources. Would he leave it to the two departments of immigration and veterans affairs to look into this matter very carefully and sympathetically, and see what they can do to meet the suggestion made by the hon. member for Calgary East?

Mr. HARKNESS: Have you ruled my amendment out of order, Mr. Chairman?

The CHAIRMAN: It is obviously out of order if it calls for an additional expenditure. The minister has stated that it would involve additional expenditure, and therefore I rule it out of order.

Mr. HARKNESS: Then, if the amendment is ruled out of order, Mr. Chairman, I shall certainly accept the suggestion made by the Minister of Veterans Affairs, that the matter be looked into. I trust that it will be looked into and that something will be done about it; because I think it is a disgraceful situation that we should have people in the situation of the man that I described this afternoon as compared with other men who went over, merely took part in the occupation force, secured wives and the government brought them back.

The CHAIRMAN: Shall the section carry?

Section agreed to.

Section 4 agreed to.

Title agreed to.

Bill reported.

On motion of Mr. Mackenzie the house adjourned at 11.08 p.m.

Tuesday, May 6, 1947

The house met at three o'clock.

REDISTRIBUTION

PETITION AGAINST ENLARGEMENT OF YUKON CONSTITUENCY TO INCLUDE MACKENZIE

Mr. GEORGE BLACK (Yukon): With the leave of the house I present to the honourable the House of Commons of Canada in parliament assembled the petition of a number of Canadian and British subjects residing in Yukon, petitioning parliament not to add the Mackenzie district of the Northwest

Territories to Yukon electoral district, and giving their reasons for such petition. I think the petition will be found in order according to the form.

PRIVILEGE

MR. TUCKER—VETERANS AFFAIRS—ALLEGATIONS AS TO CONDUCT OF COMMITTEE

On the order of motions:

Mr. W. A. TUCKER (Parliamentary Assistant to the Minister of Veterans Affairs): I should like to speak on a question of privilege affecting this parliament and a committee of parliament. It has to do with a letter which is being sent through the mails bearing the signature of Tom L. Poulsom, Rochfort Bridge, Alberta. From time to time since the session started members of parliament have drawn to my attention copies of this letter which they have received by mail from constituents. They have suggested that as the conduct of the special select committee on veterans affairs for 1946 is called in question, as chairman of that committee I should make a statement. I had hoped that the sending out of these letters would cease and perhaps a statement would not need to be made. However these letters seem to be still going out so I decided I should give the facts to the house.

This letter makes general accusations of forgery and theft against the soldier settlement board. It suggests that the veterans affairs committee should have called him, Poulsom, as a witness, and that in not doing so, criminal civil servants, in his words, were being "shielded" and "wet-nursed" and that swindling of the veteran, dominion treasury and taxpayer was being permitted to go unchecked by members of parliament.

At the start of its work the veterans affairs committee, in accordance with the usual practice, set up a steering committee. This committee, consisting of Messrs. Green, Brooks, Wright, Quelch, Croll, Tremblay and myself, was to decide, among other things, on what witnesses should be called. When Poulsom made his first accusation, pursuant to instructions by the steering committee I asked him to send details of his charges giving specific facts, names, dates, places and details; otherwise the committee would not consider them. Mr. Poulsom's response was to repeat his general charges.

The steering committee thereupon on May 23, 1946, further considered the matter. It had formerly decided that so much work lay before it that it was doubtful if it could be completed no matter how assiduously the committee worked. The steering committee had therefore recommended to the committee as a whole that no individual case would be heard unless same was sponsored by some representative organization. This recommendation had been communicated to the committee as a whole and was accepted and approved by the committee. The committee, as the house knows, consisted of sixty members of parliament, all ex-servicemen. In view of this policy of the committee and the further fact that Poulsom had not been willing to bring forward a single fact to substantiate his general charges or even to make a specific charge of wrong-doing, the steering committee on May 23, 1946, decided to recommend that Mr. Poulsom be informed of the committee's policy not to hear representations from individuals unless sponsored by representative veteran organizations or other responsible bodies. This recommendation of the steering committee was concurred in on May 23, 1946, by the committee itself on a motion duly made and carried. References to the matter may be found in the records of our proceedings of May 21 and 23.

From the foregoing, it will be seen that my actions in the matter were taken on the instructions of the committee itself.

To the extent that Mr. Poulsom's charges relate to his own dealings with the soldier settlement board the director reports as follows: T. L. Poulsom was established under the Soldier Settlement Act by an agreement for sale dated October 16, 1919. Due to his failure to live up to his agreement he was served with notice of rescission of contract on December 8, 1942. Poulsom's appeal was heard by Judge Matheson at Edmonton on March 29, 1943. Matters in dispute were fully heard. Poulsom's solicitor was J. Boyd McBride, K.C. A final settlement was reached between Poulsom and the board.

Confirmation of the settlement is contained in an official letter dated March 29, 1943, from Poulsom's solicitor to the district superintendent at Edmonton in part as follows:

> This is a final and absolute settlement of all points which heretofore have been in dispute extending over a period of many years . . . this letter has been dictated in Mr. Poulsom's presence.

The director reports that he has carried out his part of these proposals.

He also reports that Mr. Poulsom has from time to time circulated charges against the soldier settlement administration alleging perjury, forgery, theft and other crimes. The director reports that there is no evidence in departmental records indicating that any of the alleged offences have been committed by members of the departmental staff, but if Mr.

Poulsom thinks any offence has been committed, he may lay a charge before a magistrate. He was invited to do so a year previously, but no such action has been taken by him.

So far as I am concerned I repudiate any suggestion that our veterans affairs committee shielded any wrongdoer. Such a suggestion is most unfair and unjust to the members of this house who were members of our veterans affairs committee. Poulsom was given a chance to make a specific charge. He refused to do so but continues to circulate his general charges. These charges are of such a general nature that it would be difficult for anyone to take action on them to disprove them, and so they are unfair to the civil servants involved. They are also unfair to a committee of ex-servicemen who did a great deal of work in two sessions considering and recommending legislation to improve the programme for the rehabilitation and reestablishment of our ex-servicemen and women. I need hardly say that in the course of its work our committee protected or shielded nobody.

PRIVILEGE

MR. STUART (CHARLOTTE)—STRAIT OF CANSO

Mr. A. W. STUART (Charlotte): Mr. Speaker, I rise to a point of privilege in reference to statements in the Halifax *Herald* of April 26 and 30, which I feel should be brought to the attention of the hon. members of this house, particularly the maritime members.

The first article appeared on the front page of the Halifax *Herald* of April 26, and featured, "Canso project laughed down in house session," by Evelyn S. Tufts, staff correspondent of the Halifax *Herald*. The second item appears on the editorial page of the Halifax *Herald* of April 30:

> And with Mr. Gillis laughed down, one may wonder what the other maritimers were doing? Was no voice raised to champion the questioner?
>
> Surely important public works projects which afford new facilities for maritime industry and transportation are worthy of the consideration of all maritime members, regardless of party. Surely any move towards relieving unemployment in maritime areas is their concern, as well. Let us believe that, if they did not support the member for Cape Breton South, at least they refrained from the ill-timed laughter.

I was in my seat, Mr. Speaker, when the hon. member for Cape Breton South (Mr. Gillis) rose to ask the Minister of Transport the question I have mentioned, which was ruled out of order by the Speaker. If a scene such as described in the Halifax *Herald* did take place at that time, I failed to see it. "The general uproar—the cruel, vulgar, ill-timed laughter"—this statement is unwarranted and greatly exaggerated and would appear to be steeped in political prejudice.

As I have stated in this house on previous occasions, constructive criticism is very helpful and should be appreciated.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I would ask the hon. member to state his question of privilege as briefly as possible.

Mr. GILLIS: Without reading it.

Mr. GRAYDON: Stop making a political speech.

Mr. STUART (Charlotte): This is of great importance to the maritime provinces. As I have said in the house on previous occasions, constructive criticism is very helpful and should be appreciated.

Mr. SPEAKER: Order.

Mr. STUART (Charlotte): Criticism of this nature, however, contributes little and has a very damaging effect.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I really believe I have given the hon. member enough latitude.

Mr. KNOWLES: Too much.

Mr. STUART (Charlotte): Mr. Speaker, it is this type of journalism—

Mr. SPEAKER: Order. I would ask the hon. member to abide by the rules. He has had ample time to state his question of privilege, and should not use it to make a speech.

Mr. MacINNIS: Let him make the rest of his speech on the budget.

TRANS-CANADA AIR LINES

VANCOUVER AIRPORT—PROPOSAL TO TRANSFER FACILITIES TO ABBOTSFORD

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I should like to ask a question of the Minister of Reconstruction and Supply or, in his absence, his parliamentary assistant. This might be taken as a notice. According to the press, Mayor G. McGeer is not willing to accept an agreement for the Vancouver airport. If this is correct, will the minister arrange to transfer Pacific coast Trans-Canada Air Lines facilities to the Abbotsford airport, which is the only one on the Pacific coast free from fog the year round and capable of expansion to handle the largest Trans-Pacific aircraft?

Mr. G. J. McILRAITH (Parliamentary Assistant to the Minister of Reconstruction and Supply): I have not had an opportunity of getting an answer to the question. Perhaps the hon. member would let it stand as notice.

LABOUR CONDITIONS

STRIKE AT MASSEY-HARRIS PLANT, BRANTFORD—DISPOSAL OF WORKERS FROM NOVA SCOTIA

On the orders of the day:

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, the hon. member for Cape Breton South (Mr. Gillis) is interested in the present position of the men who left the Cape Breton area of Nova Scotia to work for the Massey-Harris Company, Limited, at Brantford, where there is a stoppage of work. I would like to inform him that ninety men left the area referred to in order to work in the factory at that plant. Since twenty-four moulders walked off the job on April 30, the entire factory, employing 500 men, has been closed. All the ninety men from Nova Scotia have been offered other employment by the company, that is, clean-up work, yard work, etc., at the minimum rate of pay they were guaranteed before leaving Nova Scotia. So far, sixty men have accepted the offer, leaving 30 men not now working. All these men are being furnished with board and accommodation in the company's bunkhouse.

Mr. GILLIS: Thank you very much.

STRAIT OF CANSO

BRIDGING PROJECT—CALLS FOR TENDERS

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I should like to ask a question of the Minister of Transport. Have tenders yet been called for the construction of a causeway across the strait of Canso? If not, are they in the course of preparation?

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, the hon. member asked that question the other day. At that time he was called to order, and told that the question should have been put on the order paper—just as this one could. But I will say this to him now, that the method of transportation at Canso is being given very serious consideration. When a decision is arrived at it will be announced in this house as government policy.

[Mr. Cruickshank.]

CANADA EVIDENCE ACT

AMENDMENT TO INCLUDE INDUSTRIAL DEVELOPMENT BANK AND BANK OF CANADA

Right Hon. J. L. ILSLEY (Minister of Justice) moved the third reading of Bill No. 175, to amend the Canada Evidence Act.

Motion agreed to, and bill read the third time and passed.

IMMIGRATION ACT

REPEAL OF CHINESE IMMIGRATION ACT—BONDING OF PERSONS IN TRANSIT THROUGH CANADA

Hon. J. A. GLEN (Minister of Mines and Resources) moved the third reading of Bill No. 10, to amend the Immigration Act and to repeal the Chinese Immigration Act.

Motion agreed to, and bill read the third time and passed.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Tuesday, April 29, consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, I shall have to ask some indulgence from the house today because I have been ill and have not been able to prepare myself as I would have liked. However, the house will at least benefit, inasmuch as I shall not speak as long as I otherwise would.

When we adjourned on Tuesday last we were in what I suppose might be called a sort of sunshine atmosphere. The budget which the minister had read was one which it so happened that most of us in this chamber were able to benefit from, and we were inclined to think well of it. But I am inclined to think that as time has gone on there are people who began to reflect and as other considerations entered into the matter some misgivings may have entered their minds and they may not be quite so sure that all is well.

I do not intend to labour again the question of the surplus. That has been dealt with, and I have no doubt will be dealt with again. I think really it was a bit of good clean fun, but it does occur to me that if some of the finance ministers of former days, men like Mr. Fielding and Sir George Foster, were able to come and ask the minister, "Is it really true that you were able to have a surplus which was

made up by selling things which you had not had to pay for out of taxes, which were paid for out of borrowed money?" and if the minister had said, as he would have said, "Yes, that is quite true," they would have said, "Well, these are rather strange and wonderful days; you have certainly progressed beyond the days when we lived."

What should we ask of a budget? What is it for? Obviously, first of all, it is a statement of the country's expected receipts and disbursements, and also it is a statement of any changes in taxation. In the second place, and perhaps just as important, it should try to give us, and the minister did at considerable length, a picture of the country's position —not merely a set of figures, although they are important, but an attempt to try to make the people of the country understand the situation that they are facing. In the old days when one year merged into another, and there was practically no change except a few dollars here or there, that was not of great importance, but in a year like this, when we stand on the verge of so many new and strange things, it becomes of vast importance. Later on I shall have some things to say about that.

I come now to the matter of the budget, and I want to say one or two things about it. We have a measure of taxation relief which has been given to a group of people in the country that I think deserve great consideration, people whom I call—I am speaking now of people with incomes of from $3,000 to $7,500—the middle class. It seems to me that all history shows that where the middle class is strong, then the state is strong. Where the middle class disintegrates and disappears, then the state is weak. I want to come back to that.

At the moment all I say is that I welcome—I hope it is not an entirely selfish remark when I make it—what the minister did. My only regret is that there were other things that were not done. My only regret is, and I shall have more to say about this later, that it seems that the minister has taken the view that he cannot do anything for business because business is doing pretty well and therefore he would just let well enough alone, until the end of the year at any rate. There is another great class in the community which is affected mainly by indirect taxes such as sales and others for which nothing has been done. Indeed their position at the present moment is being rather worsened.

I know the difficulties that have arisen, and I sympathize with the minister because of his position at the present time. This is perhaps a difficult moment for advantages to be given to others and not to these people because at the present time they are suffering from nothing more than this: I fear that during the war they got the idea that there was never going to be any readjustment, that the big money was going to go on, that somehow or other they could have big money and that prices would be kept down. In other words, they thought they were going to have it both ways.

At the moment it is particularly unfortunate that we here who believe in removing controls, and I am one of those, at the present time are at a most unsatisfactory moment, as you might say, from the point of view of the people of the class of which I am speaking. We are in a period when there is bound to be a certain shaking out of prices, a certain inequality. In the United States they are beginning to get the benefit of production and I am glad to observe that for the last three weeks the trend of prices has definitely been downward. We have not that condition here as we would like to have it, and therefore at the moment we have the unfortunate situation, to which I shall refer again, that the minister has done absolutely nothing—I think that is a fair statement—to take measures to meet the difficulties which notwithstanding his optimistic statement he himself sees only too clearly.

Having said that, I wish to say also that while the minister has put in many caveats—I am going to read one or two of them—while the minister has brought out this and that difficulty, nevertheless as a whole the minister's line is that things are good, that things are booming, that everything is going well and that all we need to do is to keep along in that way. I want to point out first of all that the minister is cautious. He has several caveats here and I shall read one or two of them. He said:

> . . . We must also recognize the special and temporary character of much of the expenditure that is the stimulus of our present high level of income . . .

He says again:

> Much of the large expenditure of business on plant and equipment represents accumulated or postponed requirements and does not give us any reliable guidance as to what we may expect on a continuing basis.

Again he says:

> Consumers, too, are probably . . . spending more and saving less than they normally would with incomes at present levels.

All these things he says, and yet I leave it to anyone who heard or read his speech that the general tenor left in our minds was that we are virtually in the midst of a boom; that

we ought to be satisfied and extremely happy, that there is nobody on the whole who should be more contented than we are, and of course that is correct. Nevertheless I am not satisfied with the position which the minister gave.

If you will remember, the minister talked constantly about money, money. He measured things in terms of money; he measured progress in terms of money. I have had for many years a friend whose business it was to try to gauge the course of business in various countries of the world, and he always used to say to me, "Don't talk to me money. Talk to me commodities. Talk to me quantities of goods—real things." Therefore when I find the minister saying as he did say and apparently confining himself to that, that our national income was such and such, I say: Don't talk to me national income. I say talk to me commodities, goods, quantities of this and that.

The minister laid great stress on the fact that our income had gone up from 1939, when it was $5·5 billion, to 1947, when it was $11·1 billion. That sounds in a way quite magnificent. You will say we have doubled our national income. And not a word was said to warn us: Oh, but there is a great catch in this. You must remember that the money is twice as big but the quantities are not twice as much, the goods are not twice as much. Though I confess it is hard to arrive at the true correcting figure, nevertheless if you take the rise in prices and apply them you will reduce that $11·1 billion of money to something not very far from $7·5 billion in goods. If that is correct then the increase from 1939 is not double, from $5·5 to $11·1; it is really from $5·5 to something like $7·5 billion. What does that mean? That to me is the explanation of what we hear every day, of what we have dinned into our ears every day. It is the explanation of shortages and I confess I have found it perplexing. That is why we hear everywhere and every day that something or other is short, and we all do hear it. Therefore I suggest that when we talk about this figure of money, when we deal only with that and talk only of national income, we are dealing with something which is illusory, something which means nothing until you begin to define it.

And so I say that this situation which the minister shows us is not anything like as good as those figures would indicate. In fact it is a very dangerous situation because it is a situation such as was described to the British people in a white paper that said something like this. They said that in England there are seven billion pounds of money chasing around six billion pounds of goods, and they said of course that that situation is fraught with great danger because it is one of the greatest pressures towards inflation. I think at the present time that truths like this are needed to be told and understood. There is no question in my mind that we are in for a difficult period. There is no question in my mind that people have got to understand that there has to be forbearance, that if everyone rushes off without delay seeking what seems his own immediate interest the common interest may be so greatly injured that the interests of every one of us may be injured. I think what we need is a great deal of wholesome telling of the truth in a way that people can understand it. We are not in an easy position. The minister was very frank to say that. He has protected his position. He has given us really a very fair position except for this, that he has left us with this picture of wonderful progress. He has left us on the whole with the feeling that everything is good, and that if it is not good there is nothing we can do about it. Because, mark you, while the minister outlined these difficulties, and in particular said that if things went bad in the United States that would be very serious for us here, as it will, nevertheless if things go bad in the United States there will be a lot of things here that we shall have to try to do and we should be trying to prepare ourselves for that now.

I want to say a word about this question of prices. It is so full of importance and so full of difficulty. Let me take a case that is before us right now, one that is in everyone's mind because it happened no longer than within a day or so of the minister's budget, and because it affects every household. Let me take the price of butter. The average price of butter from 1926 to 1929—some farmer correct me if I am wrong—was 44 cents. Then in the depression from 1935 to 1939 it went down to 28 cents, and in August 1939 it was 27 cents. I suppose there is not one of us who went through that depression who did not think what a dreadful thing it was that the farmers were getting only 27 cents. When I say one of us I mean people like us who are intelligent. There was no serious man who was not troubled about the fact that the farmer was getting so little, and who did not want to find a way for the farmer to get more, and who did not realize that an improvement in the farmer's position would improve the position of all of us. Well, very good. The farmer was getting 27 cents in August 1939, and gradually during the war the price was allowed up to 45 cents, which I suppose was

little if any more than the cost. Bear in mind, if you go back to 1926-29 the price was 44 cents then.

Mr. FAIR: How do 1929 and 1935 compare?

Mr. MACDONNELL (Muskoka-Ontario): I told you. I said the price was 28 cents in 1935.

Mr. FAIR: And between 1929 and 1935?

Mr. MACDONNELL (Muskoka-Ontario): I will just go back to this. The price in the reasonably good years was 44 cents. It came down to 27 cents in 1939. During the war it went up to 45 cents, which was the price it had been away back in 1926, and now it has been increased. Some people talk as if the end of the world had come. Why is that? It is not because these people are unreasonable. It is because they have been deluded. It is because they have somehow or other got the idea that wages could go up and that other prices could be maintained indefinitely. The fortunate thing is—and this is what the hon. member for Stanstead (Mr. Hackett) has been saying for many months—that butter production is now beginning to increase, and we may have the better situation which we have been waiting for so long.

I want to end this by making this point. We need I think a great deal of wholesome plain truth-telling from those in authority so that there shall at the present time be the maximum self-restraint, self-control, mutual understanding, unwillingness to believe that every other man in the community is a crook. The place to get that from is in wise and considered statements from those in authority.

I would like to turn for a moment to deal with the three bases of our economic position as it is. I suppose it would be fair to say that the three main bases are: first, government expenditures; second, foreign trade, and third, the improvements and extensions being made by individual companies.

As to government expenditures I shall say nothing. That has been dealt with. We know that this year they will be less than last, but they will still be substantial.

As to foreign trade, all I wish to say at the moment is that there we have a situation which has been painted for us so clearly many times, and that is one of the reasons why I feel so regretful that the Minister of Finance has done nothing to consider the situation of business, the situation which has been painted so many times so clearly, and recently by the governor of the Bank of Canada. Much of our foreign trade is made possible only by the fact that we lend the money.

I wish to say a word about improvements and extensions, because this item is astonishingly large, and I think it is well for us to dwell on it. It is well for us to dwell on it for a moment, particularly because of some observations that were made in the house some weeks ago by the hon. member for Rosetown-Biggar (Mr. Coldwell). The figure for improvements and extensions during the current year is $1,700 million, a staggering sum, much the largest on record. In the low point of the depression I believe the corresponding sum was only $200 million. In 1929 I believe it was $1,100 million and it was the same in 1945. Here we have a record of $1,700 million. Most of that comes from where? Most of it comes from profit. It is desirable for us to know that. I took occasion to check up to make sure whether most of these amounts would be made up of bank loans, and I was assured it was not. The great bulk of it would be made up of profits, from the accumulation of companies themselves. I want to point out what an enormous work that is doing; and that leads me to say just a word about the question of profits.

In the house some weeks ago the hon. member for Rosetown-Biggar mentioned quite a list of profits, many of them large. I hope I do not do him an injustice, but if my memory serves me rightly, when he gave these profits he practically said, isn't that terrible? He did not ask whether fair prices had been charged; he did not ask whether fair wages had been paid; he did not ask whether moderate dividends had been paid; he did not ask whether this money was available, as we know it is, for the most useful social services that can be given. I do not believe that these points were absent from the mind of the hon. member for Rosetown-Biggar, but I fear he felt it was enough for him to say that there were large profits and that that was what interested a great many people. I suggest to him that if he finds that the prices and the wages are fair and that there are no inordinate dividends—and he can satisfy himself on that—then these profits are a perfectly social thing, and that as we see it now, they are being used in a most social way.

I wish to say a word about these companies' expenditures. No one will agree more readily than the minister—and he has already stated it—on how vital they are for our well being in this very year; how vital it is that the confidence, the courage and the readiness to take risks which impels people to launch out the vast sums, shall continue. He will agree that if want of confidence should arise, if the situation should change, it would be a very serious thing indeed. Therefore I find myself regretting very much two things: first of all the excess profits tax was not done away with.

I would not have dared to say that in the house eighteen months ago, but I hope I have been here long enough, whatever people may think of my opinion, that they now believe I express at any rate my own opinion and do not speak for anyone else. I just wish to say this about the excess profits tax. I am all in favour of corporations being taxed, but I believe they should be taxed intelligently. The former Minister of Finance (Mr. Ilsley) spoke strongly about the excess profits tax in the beginning of 1945. The present Minister of Finance did nothing to show that he disagreed with him, and yet that tax, I regret to admit, induces people sometimes to hold back when they should not. It has a tendency to induce business to carry on business in a bad way, in an inefficient way, in an extravagant way. There is no reason that I can see for continuing it. It just seems to me as though no one was ready to make a decision.

The second thing I want to say is that I think it is the greatest pity in the world that nothing is done in this country to try to encourage new industry, new enterprises. I was surprised to learn not so long ago that in the United States they gave advantages, preferences to new industries to a considerable amount—I believe as high as 38 per cent in taxation so that they can get on their feet. Those of us who believe in free enterprise must believe that the very cornerstone of it is that new enterprise must come in; that it must correct the balance; that it must provide competition; that it must be the balance wheel which prevents the evils which my friends to the left often speak about, and that difficulties sometimes exist.

Mr. IRVINE: Always.

Mr. MACDONNELL (Muskoka-Ontario): No, not always; we would not be here if they existed always.

I wish to say just a word about the method of tax collection. We have heard about that for some time, and I think we are growing disappointed that so little is done. The other day I took occasion to call up a friend who has a great deal to do with tax collection, and I said to him: "Is it just as bad as ever?" He said: "Yes, practically as bad as ever." He said: "Of course, it is not the fault of the department; it is the fault of the law". I was relieved to hear the minister say the other day that a new act was on the way. I was relieved to see that he was taking time off to look at it himself, because he is an expert and an experienced man; but it is only one of the many things he has to do. I believe it is so urgent to get it done that I hope at last it will be shoved along and that we shall have no more dilly-dallying with it.

I am not going to say anything today about economy. I hope and believe that some of my colleagues will fill up the gaps in my speech. I just wish to say that I think it is terribly hard, when one has been spending billions, to get down to mere millions, and when one has been spending millions to get down to mere thousands. I shall not do more than mention the classic remark of the Minister of Reconstruction and Supply (Mr. Howe), made to myself, incidentally: "Oh, yes, we may have saved a million, but what is that?" or words to that effect. I was struck by the speech made by the present Minister of Finance a year ago in connection with the budget, in which he laid a great deal of stress on the fact that members of the opposition had been a little irresponsible in asking for expenditures. I would refer him to the third chapter of Genesis where he will find words to this effect, "The woman tempted me and I did eat." Speaking seriously, I would say that the government is the government and we here after all can only bat things up to them. They have to make the decision. But I was disappointed, because I have always regarded him as a very serious man, with the remark made in this house last summer by the present Minister of Justice (Mr. Ilsley) in his reply on the budget speech. If I remember correctly, after referring almost with contempt, I must say, to various suggestions which had been made on this side for economy, which he characterized as rather unworthy of serious consideration, he then said, "Well, we will have to try to think up something ourselves." I thought that was late. The estimates were down—I am not sure whether the supplementaries were down —and it seemed to me to show an attitude towards this question which is not likely to produce the results that we want.

I want to say a word about inflation, just a word dealing wholly with the question of money supply. The minister did not deal with that, and in a way I was sorry that he did not because I think it is important. I think it is important for us to remember that the means of payment in the hands of the public, that is to say, the money or its equivalent which people have in their hands, is two and a half times what it was in 1939. It was then $2,400 million and now it is $7 billion. I would urge strongly that that huge amount should be reduced, and incidentally I am glad to see the minister the other day began a measure of reduction by partly paying off a maturing loan

out of the government's own resources. I will not say more about that, particularly as I see that my time is running on.

I want to say a word about the whole question of easy money policy and I want to connect it with the question of interest rates. I also want to connect that particularly with that middle class that I spoke of a while ago, because in my opinion the existence of a strong middle class is vital and I believe the existence of a strong middle class is imperilled and perhaps made almost impossible by the conditions of today. I will not spend more than a minute in recalling to your minds what has happened to those countries where either they had no middle class or where the middle class disappeared.

Let me say that by middle class I mean people, neither rich nor poor, who have a great desire to look after themselves, to provide for their present and for their future, and to be beholden to nobody, not even the state. They used to be regarded without question as the backbone of the community. They existed only to a very small extent in Russia, and that was why revolution could so easily make itself felt and control Russia. The middle class used to be strong in Germany. We can remember when before the first great war the socialists were strong. They were not socialists in the modern sense; perhaps they would be called radicals or leftists; nevertheless they were strong and they had an influence. But they disappeared. There was inflation first of all in 1924 and then around 1931, and then finally in Hitler's day they were wiped out and that made possible this terrible abortion of the constitution, the terrible abortion of human relationships which prevailed in Germany.

For that reason I say that I believe the preservation of a strong middle class is important not merely economically but as going down to the very roots of our political being. What is happening to the middle class at present? Let us compare them with, say, fifty years ago. I think three things have happened. First of all of course costs have gone up; secondly, to a considerable extent, payment by special effort has become less common and they have not been able relatively to make the same wages; thirdly, the rate of interest has struck them. Fifty years ago the man who retired with a modest competency could get five or six per cent on it and he could reckon on living the rest of his life upon the proceeds. What happens today when he receives three per cent? And he is lucky if he gets that.

I believe that when we are considering this matter of the low-interest rate policy—and I know it is difficult, though it is attractive from the government's point of view—when, I say, we are considering this low-interest rate policy I suggest that this very important factor be taken into consideration—it is very important indeed—that there are large elements in the community who are suffering greatly by that policy. One other thing I would like to say in this connection. I would ask whether we can go on freeing other things and leaving the rate of interest tied down tight. Personally I very much doubt it and I think it is a matter worthy of the most serious consideration.

I want to say a word about the United States exchange. I thought the minister dealt with that in rather an airy fashion. He did say that we had suffered a loss of resources of some $600 million, but he pointed out, what is true enough, that that is because we were prosperous and had to import a lot. Nevertheless the fact is that our resources were greatly depleted. Then he went on to say, and this surprised me: "Well, if it gets difficult, after all we had a difficult situation in 1942 and we took some quiet, effective measures then"—as much as to say, "We will deal with the situation now in the same way."

Well, let us look at 1942. Although there was wisdom on our part, it was not our unaided wisdom in 1942 that dealt with the situation. The truth is that in 1942 the war dealt with it; the needs of the United States dealt with it. We remember very well that in 1942 the United States had need of many things from us. We for example had skills in war manufacture which they did not have at all. We were ahead of them in radar and in this and that, and for us to look with equanimity upon this situation now and bring in 1942 as a parallel is to me not dealing with the matter at all.

Finally I was disturbed with a remark which is attributed in the press to the governor of the Bank of Canada. I want to be very careful on this because it was only in the press and I think it may have been an off-hand remark. I would not take it too seriously, but the governor was quoted as saying that it would be to our advantage—this is in connection with the whole question of exchange—if the price of gold were increased in the United States. That disturbed me very much because, I suppose, there could not be a more inflationary measure and because it seemed to me that if that was the only way, or was one of the serious ways, which the government regarded as a possibility of dealing

with this thing, or of finding a way out, then it seemed to me the matter was not being dealt with as it should. Of course we all know that the final solution of exchange is trade, and I think we all agree, with reservations—I mean reservations in that we do not give up what we have until there is something better—that what we need is multilateral trade. But I call attention to the fact that even in our own cabinet we seem to have very great disagreement on that point. We have the Department of Finance in favour of multilateral trade, but apparently we have the Department of Agriculture absolutely against it, because whatever can be said for or against the bulk agreements with Britain, certainly they are not in accordance with multilateral trade. Certainly they are going to make it difficult; and incidentally it is highly open to question whether it was necessary for us to sell all the wheat to Britain at such a low price and whether we needed to entirely let out the United States from carrying some of the load.

So, Mr. Speaker, I would say that to me this budget, in spite of its sunshine features, is disappointing. It is a kind of wait and see budget, a kind of do nothing budget; yet before the year is out there may be a good many things that need to be done, and we may look back and regret that at least some of them were not done.

But the thing about which I complain most in this budget, the thing I wish to mention in closing, is this. I think of all the neglects of this budget by far the greatest is in respect of the field of dominion-provincial relations. I make no apology for coming back to this question, as I have done several times, because I believe not only that it is of vast importance but that somehow or other it is being relegated to a sphere far below that which it is entitled to occupy. It seemed to me that the other night the minister spoke about the relations between the dominion and the provinces as you might speak about the relations between any group of eight or nine persons or institutions who had found it convenient to make a business arrangement with each other and who had carried on that arrangement as long as it was convenient, but who must be always ready to face the fact that perhaps they might not continue to find it very convenient to work along together. To me that is not only profoundly wrong; to me it attacks the very basis of our society. I should like to read, to the minister particularly, some words of a man who is often quoted. I understand he was a very dull speaker, and always emptied the House of Commons, but certainly he wrote well. I want to read these words, and as I do so perhaps some hon. members will be inclined first of all to say, "Well, that is just a lot of high falutin' sort of sermon stuff." I do not think it is, and later I shall say why I do not think so. This is Burke on society:

> Society is indeed a contract. Subordinate contracts for objects of mere occasional interest may be dissolved at pleasure—but the state ought not to be considered as nothing better than a partnership agreement in a trade of pepper and coffee, calico or tobacco, or some other such low concern, to be taken up for a little temporary interest, and to be dissolved by the fancy of the parties. It is to be looked on with other reverence; because it is not a partnership in things subservient only to the gross animal existence of a temporary and perishable nature. It is a partnership in all science; a partnership in all art; a partnership in every virtue, and in all perfection. As the ends of such a partnership cannot be obtained in many generations, it becomes a partnership not only between those who are living, but between those who are living, those who are dead, and those who are to be born. Each contract of each particular state is but a clause in the great primeval contract of eternal society, linking the lower with the higher natures, connecting the visible and invisible world, according to a fixed compact which holds all physical and all moral natures each in their appointed place.

Now I want to make the statement that if it were not that what I have read is a plain statement of fact, we would not be in this house today. It is only because those things are true, and practically true, and because there always have been enough men who lived up to them and made them true, that we are here today. Consider what is happening now. Here am I, an ordinary member of the opposition. I am able to stand up and express my views; I have just the same right, or almost the same right to speak as the Prime Minister has. Is that not a remarkable thing? Does that not mean this is a marvellous institution? What is the genius of our whole institution? It is the rights of minorities. Why, when we put pieces of paper in ballot boxes every five years, do we accept the verdict? Several times during the last twenty years I have not liked the verdict at all, but I have always obeyed it; and why? Because deep down I felt that the rights of the minority would be protected, that the minority would have a chance, and that this great institution built on these principles, spiritual principles and no others, would see to that; and that it was worth protecting, even though in the judgment of the electorate we had not been able to persuade them that we were right. Then take another thing; take the majesty of the law, on which we very often fail to reflect. Think of the majesty of the law; and I need not go further. I simply say that the principles I read to you

very briefly go to the very basis. They are practical. There is nothing illusory about them. We would not be here today; we would not be enjoying the prosperity we have today if it were not for the moral background which is behind this.

Now I want to read a short extract from a very different person, a brilliant man well known in this country, who died in his prime. I often think of what he might have done had he only lived. These are the words of D'Arcy McGee, speaking just before confederation:

> Miracles would cease to be miracles if they were events of everyday occurrence; the very nature of wonders requires that they should be rare; and this is a miraculous and wonderful circumstance, that men at the head of the governments in five separate provinces, and men at the head of the parties opposing them, all agreed at the same time to sink party differences for the good of all, and did not shrink, at the risk of having their motives misunderstood, from associating together for the purpose of bringing about this result.

I have just one thing to add. I suppose we must admit there have been times within this last year when it would have been difficult to reconvene the dominion-provincial conference. It might have been suggested that on the part of one or other it was being done from weakness, that it was an act of appeasement, that somebody was going down on his knees to somebody else. But I suggest, Mr. Speaker, that the present economy is free of all those difficulties. The governments have balanced their budgets. They are out in the open. Nobody need take off his hat to anybody else. Everything is free and clear, and they can talk man to man.

But I do suggest this, that in this confederation nobody can suggest that things are happy at the present time. We have our difficulties. Here in the House of Commons we learn from each other—at least I hope we do. They have a saying in French, I believe, *tout comprendre c'est tout pardonner*. We learn to understand each other better here, and therefore we overcome our difficulties. But the difficulties are there. And it seems to me that every day that goes on, as things are now, the matter gets worse. Mark you this: things are well enough now, but of some of the difficulties outlined so clearly by the Minister of Finance should come upon us, let us say within the next six, nine or twelve months, we should need every ounce of strength that comes from standing shoulder to shoulder. And if this time should come, and we were not all together, the people of this country might well ask some questions. We have always said—and everyone is guilty of this—that there are certain things which needed unity, which needed the action of all.

Here you have a family—and I am not forgetting the late Mr. Lapointe's saying that the dominion was not the father but, as I believe he said, the child of the provinces. I am not speaking constitutionally; I am just speaking in a human way. Here we have a family capable of working together, and yet we have at the present time the two eldest—

Mr. IRVINE: The prodigal son.

Mr. MACDONNELL (Muskoka-Ontario): My hon. friend knows his bible well, but sometimes wrongly. Here we have the two eldest who have grown up to be bigger and stronger than the others, but who want to play their part together—we have them for the present, I say, partly outside. Is it necessary that we should go on like that? I said the other day that a friend of mine had said that it was a scandal, and I do not know if that word is too strong. But I would say this, that it seems perfectly clear the initiative must come from the dominion.

The Prime Minister (Mr. Mackenzie King), as was fit and proper, was the chairman of the conference. But I say again that if there are those who can recapture enough of that spirit—and it was a real spirit—which put this country together, and carried on through unbelievable difficulties, and if that spirit could be recaptured today, we would have a chance to get together, and to go along together, instead of as at the present time, hopelessly divided.

I wish to move the following amendment, seconded by the hon. member for Vancouver South (Mr. Green):

> That all the words after "that" be struck out and the following substituted therefor:
>
> "This house regrets that the proposals of the Minister of Finance
>
> (a) offer no relief from the oppressive burden of indirect and hidden taxes on staple necessities that compose the family budget, all of which taxes directly increase the cost of living;
>
> (b) offer no encouragement to those engaged in the development of our natural resources, especially mining and agriculture;
>
> (c) fail to provide for reconvening the dominion-provincial conference in order to complete satisfactory agreements with the provinces and a dominion-provincial programme of social security, health and public investment."

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I wish first of all to congratulate the Minister of Finance (Mr. Abbott) upon the great honour conferred upon him in his being selected to follow a distinguished line of ministers of finance and to introduce the annual budget. I was unable to be present

that evening, but I am told by my colleagues that the minister's speech was of a kind which followed well the traditions of his predecessors.

I wish to say, too, I am glad to see the hon. member from Muskoka-Ontario (Mr. Macdonnell) back in his seat this afternoon, and able to act on behalf of the official opposition. I disagree with most of what he said, but I appreciate the contribution he makes to the debates of the house.

First let me make a comment on his criticism of my reference a few weeks ago to the profits that had been made in Canada over the past year. I had drawn attention to the largely increased profits made at a time when the costs of living were rising and the ordinary common man found it difficult to meet his obligations and to provide for his family. The figures I used on that occasion were, I believe, all from the *Financial Post*, although one or two may have been taken from some of the published reports in the *Globe and Mail*. I pointed out that one company showed an increase in profits for 1946 over 1945 of 309 per cent, that the Bruck Silk Mills Limited showed an increase of 255 per cent. I admit I was wrong in one of my percentages, that dealing with Moirs Chocolate Company. I am glad to correct that this afternoon. The error was not my fault, but was due to a typographical error in the *Financial Post*. They gave a figure of $266,000 as profits, when the figure should have been $206,000. So I shall have to reduce the amount of profits which I gave, on a percentage basis, from an increase of 226 per cent down to 153 per cent.

But, Mr. Speaker, I still contend that even if the profits are used in the manner in which my hon. friend from Muskoka-Ontario says they are used, and not for the immediate payment of dividends, yet they are retained and added to the capital of these vast incorporations; so that after a period of time what actually happens is this, that the community has paid for the industry, and the shareholders own it. That is the effect of adding to capital from profits. May I point out that at the very outset of the war we urged the imposition of a capital gains tax. We foresaw large accumulations of capital in the war period, and prices and depreciation allowances were such that we contended it would be appropriate for the government to introduce a capital gains tax. Such a tax sooner or later will have to be considered by a successor to the present Minister of Finance.

I was particularly interested in the argument of the hon. member for Muskoka-Ontario with regard to purchasing power. Hon. members will recall that he gave the amount of circulating medium or money at the present time as $7,500 million or thereabouts, and suggested that this should be reduced—at a time when it is essential that our people shall have circulating medium in order to buy what we hope will be the additional products of peace time industry. It seems to me that that is going entirely the wrong way about the matter. As for interest rates, an increase of course would be satisfactory to the people who clip coupons and collect interest, but it would be most unsatisfactory to the hundreds of thousands of people who lack houses and other facilities and who would have to pay that interest. I am glad that the government intends to maintain the kind of cheap money policy that has been followed in this country for the past number of years.

I want to come now to a criticism of the budget from the point of view of this party. As I said, the minister made a remarkable speech, and he introduced a remarkable budget. Not only did he place before the house the results of the country's financial activities last year, the receipts and expenditures, but he showed in cold figures the effect of the great struggle we were lately engaged in and which not so long ago was brought to a victorious conclusion. The condensed estimated balance sheet of the dominion given by the minister to the house shows that on March 31 this year our net national debt had reached the colossal figure of $13,069,261,000. That is more than half the estimated value of the assets of every kind of all the people in Canada in 1927. The interest on this colossal debt is more than three times as large as it was before the war.

If we take the unmatured funded debt of Canada, which was given also in the table submitted to the house by the minister last week, of $16,524,161,000, we find that the interest obligation on that huge sum amounts to $437 million a year, or, as my recollection serves me, within $120 million of the total pre-war budget of this country. Thus apart from the sorrow and suffering occasioned by our losses in killed and wounded, we see what modern war entails in financial debt and interest obligations. May I take this opportunity of saying again that the lessons of this war should teach us that not only is war costly, but if we are to play our part to end the anarchy in international affairs which lies at the root of all war, we must be prepared not only to stand with the united nations against aggression wherever it may occur, but to do all in our power to remove, within as well as without our borders, the economic anarchy which produces war. Of course that this will

involve the nations in a surrender of a portion of their national sovereignty should not deter them from the task.

I think the budget was greeted with rather premature approval. The minister was able to make some statements which caught the public eye but which will not withstand close analysis. He was pleased that the government had entered the year with—and I use his words—a surplus larger than the accumulated total of all previous surpluses in our history. I am going to join the hon. member for Muskoka-Ontario in the criticism he made the night the budget was introduced of the large surplus of the financial year, but I shall do so from an entirely different standpoint. I question, not the amount but the manner in which this surplus was achieved.

The minister said that the total revenues for the year exceeded by $509 million the forecast made in the budget speech last year. The hon. member for Muskoka-Ontario said that we should not be grateful because the government took several hundred million dollars in taxes more than they needed to take. Neither the minister nor the financial critic of the opposition pointed out the real causes of this very large surplus, which I think in the main were two. First, there were the huge profits extracted from the people by industry and corporations, and which were reflected in the large increase in the proceeds from excess profits taxes and corporation income taxes. These accounted for the receipt of an additional $147,700,000. The second factor, however, I think is more important. I refer to the reduction or the elimination of subsidies on various consumer goods such as milk, edible oils, starch, sugar, beans, molasses, soap, tea, coffee, wool, cotton and other essentials which enter so largely into the cost of living of persons in the lowest income brackets. Some of these were removed only recently and did not affect it to any great extent, but the milk subsidy was removed last October. If profits had been curbed and the subsidies continued the surplus would have been far less.

In other words, the minister's surplus was achieved at the expense of every consumer in Canada, an expense falling most heavily on those least able to bear the burden. It is therefore not a matter which should invite congratulation, but on the contrary it should invite some condemnation. Incidentally this condemnation should be directed not only at the members of the government but at the members of the official opposition and such other hon. members who were persistent in their efforts to remove subsidies and controls.

Equally deceptive is the widely heralded approval of tax reductions. Newspapers last Wednesday morning headlined their stories with such captions as, "Personal income tax slashed." They took the minister at his word when he said:

> I am consequently proposing to make a substantial reduction of taxation in this budget. Moreover I am proposing to concentrate this reduction almost entirely in the field of personal income tax.

But did he do so? No. The total reduction in personal income tax is about $110 million, but the reduction in the excess profits tax of $279 million made in last year's budget, and the additional $10 million in this year's budget, make a total reduction of $289 million. Thus the estimated total excess profits tax for the fiscal year ending March 31, 1948, is $160 million as against $449 million for the fiscal year ending March 31, 1947.

Viewed in this light one can characterize the budget as a big business budget, which should satisfy our friends of the official opposition.

Nor will the reductions in personal income taxes bear very close scrutiny. The minister contended that the greatest proportion of relief was given to taxpayers in the low income brackets. He based his contention on what I think was a deceptive calculation, that of percentage reduction from the old tax levels. He said this:

> The reduction as compared with present rates is as much as 54 per cent in the bottom bracket, but is limited to about 6 per cent or 7 per cent in the top brackets.

As a statement of fact, of course, that is quite true. Then the minister put on *Hansard* three tables of three different categories of taxpayers, comparing the new and old rates on the percentage basis. I have looked up the records and I cannot find when a similar percentage comparison was used before. On the contrary in some cases where there have been sharp increases or sharp decreases in personal income tax the amounts have usually been stated to the house in dollars. I am therefore going to ask permission of the house to table the same three categories of income taxpayers with the percentages given by the minister translated into dollars. May I have the permission of the house, Mr. Speaker, to do that?

Mr. DEPUTY SPEAKER: Has the hon. member the permission of the house?

Some hon. MEMBERS: Agreed.

Mr. COLDWELL: Thank you. I may say this is the first time in my twelve years here that I have asked to put a table on *Hansard,* and I am pleased to get the permission of the house to do so this afternoon.

The tables follow:

Proposed income tax reductions, in dollars

Single Taxpayer

Income	Actual $ Reduction 1948 Rates
$ 750	$
800	6
900	17
1,000	26
1,200	44
1,500	60
1,800	77
2,000	93
2,250	113
2,500	133
2,750	153
3,000	173
3,500	220
4,000	275
5,000	370
7,500	593
10,000	785
20,000	1,385
30,000	1,672
50,000	2,635
75,000	4,098
100,000	5,385
200,000	10,385

Married Taxpayer, No Children

$ 1,500	$
1,600	12
1,800	32
2,000	48
2,250	60
2,500	73
2,750	83
3,000	113
3,500	153
4,000	193
5,000	303
7,500	533
10,000	733
20,000	1,348
30,000	1,673
50,000	2,598
75,000	4,023
100,000	5,348
200,000	10,348

Married Taxpayer with two children of Family Allowance Age

$ 1,700	$
1,800	10
2,000	32
2,250	50
2,500	63
2,750	77
3,000	97
3,500	137
4,000	177
5,000	281
7,500	517
10,000	717
20,000	1,338
30,000	1,673
50,000	2,588
75,000	4,003
100,000	5,338
200,000	10,338

Those tables give a very different picture of the reductions. Thus the minister's 54 per cent reduction for a single taxpayer in the lowest income brackets amounts to only $6 per year, but the 7 per cent reduction for the taxpayer in the $200,000 bracket means a reduction of $10,385.

Mr. ABBOTT: You might put on a table showing what the increase was.

Mr. COLDWELL: The man with an income of $5,000, in the group for which the hon. member for Muskoka-Ontario was making a plea just now, has a reduction more than fourteen times as great, and a man with an income of $10,000 a reduction more than thirty times as great as the man with the $1,000 income.

The minister said that in making these reductions he wished to remove any serious barrier against a taxpayer working overtime. In our opinion the effective means to that end would have been to increase the exemptions to say $1,000 for a single man and $2,000 for a married man. Any objection that this would be reflected in the higher brackets, and of course objection would have been raised, could have been met by making the necessary adjustments in the graduated income tax. Increased exemptions, I might add, would have removed entirely, perhaps, in the case of the average working man, and almost entirely or at all events would have gone a long way towards meeting the criticism in the case of the farmer, doing away with what I consider to be entirely legitimate grievances.

Equally deceptive was the comparison between the proposed new Canadian personal income tax and the proposed new taxes in the United States. The minister's table is designed to support his contention that he is taxing the low groups in Canada less and the higher groups more than in the United States. That is incorrect, because he takes no account of the fact that in most of the states of the United States there is a state income tax as well as a federal income tax.

Mr. ABBOTT: I put a footnote to the table to that effect.

Mr. COLDWELL: I think that is probably right, but I am taking the minister's statement in his budget speech. New York, for example, imposes a state tax of 7 per cent on incomes of $10,000 or more. The married man with an income of $10,000 in New York state would pay $1,619 in federal income tax, plus $700 in state income tax, or a total of $2,319, while the same taxpayer in Canada will pay $1,990 or $329 less.

The minister said that Canada could not carry a tax burden significantly higher than that in the United States because, and again

I use his own words, "There is a risk of a serious drain of Canadian personnel to the south for this reason alone". I wonder if the minister really thinks this is a significant reason for the loss of young Canadians to the United States. To my mind the real cause of the drift of our young people to the United States is that the standards of living as expressed in wages and agricultural returns in Canada are too low in comparison with the costs of living and the costs of farm production. I think that is probably the reason.

Mr. JACKMAN: How about the C.C.F.?

Mr. COLDWELL: The hon. member asks me how about the C.C.F. We were not in power anywhere in Canada from 1930 to 1935 when emigration to the south and deportations to England were on a scale such as we had never had before in the whole period of our history. I would hope that any kind of government in the future would endeavour to see to it that—

Mr. MACKENZIE: We were not in power then.

Mr. COLDWELL: No. I thought my hon. friend would assume, the question having come from a supporter of the government that was then in power, that that in itself was an adequate answer to the question put.

The minister also said that because of the influence exerted by the larger economy, that of the United States, upon the smaller one, Canada, we cannot for long follow widely divergent tax policies without causing serious stress. Mr. Towers, the governor of the Bank of Canada, made a similar statement quite recently. He said that sooner or later our price level would have to be adjusted with that of the United States. One is hearing that quite frequently these days. It implies that Canada's economic and tariff policies must inevitably be governed by what the United States does. I think that practically all members of the house will agree that that is a dangerous attitude to take. If we accept the domination of our economy by the United States we admit that we have lost the battle for full employment and continuing prosperity as well as our long-continued struggle for Canadian independence. My colleagues and I refuse to submit to such domination in this field—and, may I add, in any other field.

Mr. ABBOTT: There was no suggestion by Mr. Towers or myself that we were under the economic domination of the United States

Mr. COLDWELL: It is implicit in the minister's statement.

Mr. ABBOTT: No, it is not implicit.

Mr. COLDWELL: We shall not quarrel about that. I am simply expressing our point of view. We are not narrow nationalists, but we want Canada to occupy her proper place among the family of nations to which alone we are willing to allot certain aspects of our national sovereignty.

No; this budget does not do what the government would have us believe it does. The exemptions under the new budget are $750 for a single person, $1,500 for a married couple, and $1,700 for a couple with two children.

During the course of his argument the minister made a significant statement which I should like to underline. He said, as reported at page 2554 of *Hansard:*

> The exemption levels established last year are high enough to exempt completely from tax more than half the people earning incomes in Canada.

No doubt this statement was carefully checked by his advisers, but surely, Mr. Speaker, it is a sad commentary on the standard of living in this country, during the period of the highest national income that Canada has ever experienced. Indeed the minister expressed satisfaction because, as he said, as reported at page 2543 of *Hansard:*

> Today we see a Canada enjoying a degree of prosperity never exceeded in living memory.

He commented:

> We would appear to have ample excuse for self satisfaction and easy optimism if we took account only of our immediate situation here at home.

But the Toronto welfare council estimated that in 1944 a family of five required $1,864 a year in order to meet their bare living requirements. No frills were provided, no insurance, no allowance for health services, no provision for telephone, none for old age and so on—just the bare necessities of living. Since then, as I said a moment ago, the costs of living have risen sharply. The night before last I heard that the bureau of statistics had issued its recent figures showing that the cost of living jumped sharply in the month of March—not April, when a number of controls were removed, including rents—by 1·7 per cent, and that we were now over 30 per cent higher in cost of living than the pre-war level. So that according to the minister more than half the people of Canada are living below a minimum standard. Where is the cause for easy optimism and self satisfaction of which he spoke? Where is the justification for sticking to the exemptions which were in effect last year? Indeed apparently the minister intends to profit by the increases in price level. Last

year he collected $298 million in sales tax. This year he expects to collect $325 million through the sales tax. Again let us remember that these bear most heavily upon those whose incomes are small, and like the tariff, the excise tax and so forth, they are hidden taxes; they are subjected to pyramiding as the articles pass from the wholesaler to the retailer, to the ultimate consumer and so on.

Then, too, the government is retaining the refundable portion of the income tax paid in former years. Food, clothing and shelter have risen sharply. Many families require these amounts now to meet the necessity of the purchase of houses, furniture, and clothing. To my mind, the consumer, and indeed the small business man as well, could very well do with payment of these refundable amounts. I know that that would mean that the government would have to change the policy which it has laid down, but I think it would be justified in doing so. Because of what I have already said I wish to move a subamendment, seconded by the hon. member for Vancouver East (Mr. MacInnis):

That the following words be added to the amendment:

"(d) fail to raise the income tax exemption levels; and

(e) fail to make any provision for the more than half of our population who are compelled to live on incomes below the present exemption levels."

Indeed I find the budget speech in other respects somewhat illogical. The minister said, for example:

Had our taxes been raised gradually and under normal conditions to their present levels, had they been increased for the productive peacetime purposes of national development and social security rather than for the unproductive purposes of war, then the present levels might perhaps have been acceptable and tolerable as continuing levels.

The minister then argued that since the tax level had been raised for war purposes, it must be reduced. In other words the productive peacetime purposes of national development, well-being and social security must be secondary to the unproductive purposes of war. That is post-war defeatism which we must not accept. Indeed the minister warned that a recession might come—I put it mildly. This house should be concerned in maintaining those high levels of production, accompanied by a wide distribution of purchasing power, to ensure that depression will not come. The answer as to how higher standards of living can be secured is summed up in just two words, higher production. The major aim of the government's fiscal policy should be directed to maintaining and enhancing the high levels to which the minister referred in such glowing terms. But the budget will not do this.

Another criticism I make of the budget is this. A modern budget must be more than merely a discussion of revenues and expenditures. Its financial proposals should form a part of an integrated national plan for increased production and the distribution of purchasing power among the people. Ever since the movement represented by this group was founded—and indeed long before that time—the men who represented labour and farmer parties in this house, the old Progressive party, the old Independent Labour party and so on, contended that what is physically possible is also financially possible. This, of course, depends upon intelligent planning for the increased production of goods, and their equitable distribution being regarded as the principal problem facing this nation. Upon its solution depends the maintenance of full employment and the level of agricultural returns. These depend again on spending. Spending is of two kinds, consumption spending and investment spending, spending for capital equipment. Consumption spending gives employment, while savings give employment only if they are invested for the purpose of capital equipment, such as factories, machines and so on. This is where conscious economic planning in the public interest becomes essential; for there is nothing under private enterprise which automatically maintains both types of expenditure at a sufficiently high level for prolonged periods to guarantee the maintenance of employment and of purchasing power.

Under private enterprise, decisions to save and to invest are made by different people at different times. If a boom develops, investment is high; but if a recession threatens, investment capital remains idle and after a while a depression follows. Obviously the state can have very little control over the rate of saving of the individual under capitalism or indeed under any modern democratic system. Hence it is essential in a highly developed society like ours that there shall be a considerable control over investment if we are to maintain anything approaching a high level of employment. Indeed at times it will be necessary, we believe, for the state to supplement savings by financial operations through a publicly controlled financial system to maintain both a satisfactory rate of investment and purchasing power. But under our system of private enterprise and private banking there is no adequate machinery to direct

investment into desirable socially useful and effective channels. Indeed, no private agency could possess either the knowledge or the facilities to perform the task. Government reports all indicate that plans made by individual private businesses last year fell far short of their targets because they did not know the over-all picture concerning available supplies and so on. I venture to say that the statement tabled in the house this afternoon on behalf of the Minister of Reconstruction and Supply (Mr. Howe), giving an outline of the business possibilities for the coming year, will have exactly the same defect, because each individual planning does not know what the over-all picture of the economy is in which he plans.

The view that investment must be planned and controlled by public agencies is not peculiar to the C.C.F., nor is it peculiar to socialists. Lord Keynes in his book on the "General Theory of Employment, Interest and Money", said:

> The duty of ordering the current volume of investment cannot safely be left in private hands.

This view was emphasized by Sir William Beveridge in his report to the British government several years ago on "Full Employment in a Free Society". Hence the modern budget should devote attention, and considerable attention, to the planning of investment, and this parliament should establish a national investment board to operate under a statute of parliament, defining its responsibilities and its powers.

Now obviously the control of investment cannot be effective without proper control of the banking system. The Bank of Canada under the present system can and does exercise some, if inadequate, control over the volume of credit, and that is a great gain over what we had some years ago. But the national central Bank of Canada can exercise no control over the direction of credit. This is in the hands of private chartered banks. They must be governed by the protection of the interest of their shareholders and, I do not think it is unfair to say, of the corporations and interests in which they, that is the banks or those who control them, have some interest. But lest someone should say that I am making a charge against directors of banks, may I say that there is nothing improper in their doing that—as long as the banks are private institutions. The *Financial Post* survey of corporate securities, and the directory of Canadian directors, show that 94 directors of three of the largest banks in Canada hold between them some 800 directorships in 484 corporations and dozens of major industries. Included in the 800 directorships are 185 chairmanships or presidencies of companies, and knowing the conditions within the industries they direct, and being responsible for their success, they might be expected, to say the least, to be overcautious in financing the establishment or expansion of competitive enterprise.

Thus we believe that the banking, monetary and investment policies as well as taxation must be under the control of economic organizations responsible to the Canadian people through their elected representatives. The rules of the house preclude our moving for the socializing of the financial system. On February 3 of this year we sought to amend in this particular, the motion to adopt the address and approve the speech from the throne. The house did not then approve of our oft-repeated demand in the words we used calling for "the socialization of the financial institutions and monopolistic industries of the country" so that we could "plan the full and proper use of our natural resources and our currency and credit, in such a way as to provide full production and a rising standard of living for the Canadian people." That is what our amendment in February stated.

Events since then—this budget itself, and fears expressed by the minister and highly-placed economists and authorities, that a recession may come and come soon—emphasize the need for the policy outlined in our amendment to the address, and if the rules of the house permitted we would have moved it again today instead of what we have moved, although we believe that what we have moved is an important criticism of the budget policy.

In our opinion, then, the budget on the whole is disappointing, for it neither relieves the man in the lower brackets from burdens imposed by government policy and rising prices caused by removal of desirable controls and the abandonment of useful subsidies, nor indeed does it plan adequately for the future welfare of the Canadian people.

Mr. SOLON E. LOW (Peace River): I have listened with great interest to the two speeches that have been delivered this afternoon and I must say that with much of what both speakers have said I can agree. There were, of course, in each some things which I could not accept, but as the leader of the C.C.F. (Mr. Coldwell) spoke I could imagine that if he remains long enough in the house he will become a pretty good social crediter. He is making real progress. There were a number of

things, which he said in a considerably better way than I could have said them, which reflected entirely the views which I take on a number of important problems that face Canadians at this time. I want to congratulate him and also to congratulate my hon. friend the member for Muskoka-Ontario (Mr. Macdonnell). It was unfortunate that the hon. member for Muskoka-Ontario was not physically up to par today. I should like to have seen him in form, ready to tear into the budget, as I know he could very well have done had he been well.

With those words I should like to place squarely before the house the position of this group with respect to the budget. My first words must, of course, be words of sincere congratulation to the Minister of Finance (Mr. Abbott) on his maiden effort in presenting the budget. I believe everyone in the house enjoyed, as I know I did, his clear and rather jaunty but forceful presentation. In fact the minister had a way about him, an air of jovial, good-natured flexibility that carried us along in such a happy mood that we did not fully appreciate for some hours afterwards just what kind of medicine he was prescribing for members of the house and the people of the country. The minister's announcements of a huge surplus and of his income tax reductions were greeted with more real enthusiasm, I believe, than any budget announcements have received in a good many years.

But upon more sober reflection during the days following the presentation of the budget the enthusiasm of members of the house and of the people generally throughout this country subsided to a considerable extent. I believe most hon. members fully appreciate the indications in the budget of the strong present position of Canada and the highly satisfactory degree of stability with which we seem to have emerged from a disastrous war. Whether those indications are real or somewhat fancied will, of course, become apparent in the years to come, but I think the Minister of Finance has much reason for satisfaction in that he has been able to begin his career in the treasury department by bringing in one of the few balanced budgets Canada has had since confederation, and that he has been able to report at the outset of his experience that Canada's prestige is high throughout the world. It is only to be regretted that the retiring minister of finance (Mr. Ilsley) did not have that privilege after the burdensome war years during which he occupied that position.

I feel certain the minister himself realizes that, while he has been able to bring down a budget reflecting among other things Canada's strength, stability, balance and prestige, in reality we are at a most critical stage in the development of our country. There is no need for me to emphasize that the eyes of the world are on Canada, because our responsibilities in the world community of nations are very great indeed. We are poised in an in-between period. The war, with its strained activity, its restrictions, scarcities and lavish spending for destruction, is behind us, and we face an era in which our newly realized powers of production are seeking to be set free to make available a great abundance of much more diverse products than Canada has ever before known in her history. We are one of the remaining countries committed to a system of individual enterprise; and, though sometimes it appears that our commitment in that respect is something of a half-hearted, vacillating affair, nevertheless we are committed. And because that is so, the eyes of the world are upon us, some hoping we shall succeed in demonstrating to a confused world the superiority of that system, others hoping and planning that we shall fail utterly. That is why this is such a critical time. That is why people had every right to look for some evidence in this budget that the government is aware of our position and that it realizes the necessity of bold and sensible action to meet the needs of the challenging, dangerous time immediately ahead.

I do not wish to be pessimistic at all in my approach to a criticism of the budget. Actually I have great faith in our country and considerable optimism about its future. But when I think of what governments and finance ministers of the past eighty years have done to Canada I feel much as the old churchman felt when, in commenting upon the results of the missionary work his church had been doing, he was led to explain, "Surely God is with us, or these missionaries would have ruined the church a long time ago." I am sure Canada can achieve a glorious future, but if we are to realize that future I say that governments and finance ministers will have to repent immediately of the errors of commission and omission that have made waste of so much of our heritage.

Mr. BELZILE: And listen to the prophets.

Mr. LOW: Yes, and listen to some of the prophets, but I do not see very many in front of me, particularly in the section occupied by the intruder.

As I view this budget, Mr. Speaker, I fail to see in it any tangible evidence that the government realizes the extremely critical nature of the times in which we are living.

Perhaps when the minister gives his rebuttal he will point out to us what things in the budget provide for a serious programme of conservation and an orderly development of our resources. Perhaps in his rebuttal he will tell us what there is in the budget to indicate any determination on the part of the government to do its part in keeping the gross national production high; what provisions in the budget reflect the government's determination to keep useful employment at a high level, at least a level high enough to guarantee widespread contentment on the part of the Canadian people; and what encouragement there is in the budget for business to expand to meet the pressing need for goods and services in this country. Thoughtful people are asking what there is in the budget to indicate that, as we advance into the period of mass production of consumer goods, the government will have in readiness a policy and machinery to maintain consumer purchasing power at a level sufficiently high to maintain a balanced economy. These and many other questions are being asked by Canadians as they search this budget for signs upon which to base their hopes for the future.

In a general way, the budget is a whopping big $2,450 million baby. I must say that, buoyant as were the spirits of the minister when he presented it to us, he himself must have been aware that this offspring will take considerable nourishment from the Canadian people. The sum of $2,200 million is a large amount to lift from 3,000,000 families in one year, but $2,200 million is what the minister proposes to tax out of the Canadian people in 1947. This means that the average Canadian family will have to dig up over $700 in taxes during next year. The average Canadian family therefore wonders if it can carry that load and still meet its own needs in these times. Wearily most of them look ahead wondering if there is to be any substantial relief from the heavy burden they bore so patiently during the war. I commend them for their patient forbearance during that time.

The average taxpayer is to be congratulated on what he did during the war. Without complaining he met conditions as they arose, and he met them extremely well. But as our taxpayers strain to see into the future two facts stare them straight in the face. The first of these is this. It appears that the government has committed itself to yearly expenditures of around $2,000 million, a sum more than three times the budget of the last year before the war. The second fact is that the load can be borne only if the gross national production and Canada's business activity remain at or very near their present high levels. These are sobering facts, to be sure, and no one will blame the Canadian taxpayers if they show some anxiety about the future. Even if this national production remains at over $11,000 million a year, we shall have to pay over to this government twenty per cent of that production in the form of taxes.

At first glance the budget appears to have made sweeping reductions in the income tax rates. This phase the minister emphasized with such gusto that most of us were at first inclined to overlook the fact that he disappointed many thousands of Canadians by not raising the exemptions as they confidently expected him to do. Speaking for this group, we have always advocated the raising of the exemptions, and we will not relax our efforts in that respect. We still feel that these exemptions should have been raised and that more taxpayers in Canada should have been relieved entirely of the burden of taxes, particularly in the light of the fact that so many of our people, as has been pointed out already by the hon. member for Rosetown-Biggar (Mr. Coldwell) have been languishing on a standard of living away below what they should have had. One newspaper writer put it in this way: "It will be Liberal strategy, of course, to whoop up the size of the cuts in the income tax and to hush up the omission of reductions in sales and excise taxes." But let us take a look at the income tax reductions and see if they really are sweeping. I think hon. members will recall that a few weeks ago the Ottawa *Citizen* carried a budget for the married man living in Ottawa, and having a weekly income of $40. How would he fare under this budget? He will pay in 1947 the sum of $94, as compared with $118 under the old rates. He will save the huge sum of $24, or about forty-eight cents a week! His saving will be cold comfort in the light of the increase in the cost of his living which came at about the time the budget was brought down.

This example gives a fair indication of what has been done to taxpayers generally. Let me hasten to say to the minister that he is to be congratulated upon framing his income tax proposals at least with a view to encouraging wage-earners who are in the middle brackets, and wishing to provide them with an incentive to higher earnings, and therefore a greater productive effort. Had the cost of living remained at pre-budget levels, the minister's action would have done much to settle labour generally. Reductions in their income tax would have been clear salary or wage increases,

as indeed they will be in the future when an abundance of consumer goods available will bring living costs down.

It will be much to the advantage of wage-earners, therefore, to hasten the day of lower consumer goods prices by maximum effort now to produce goods, so that the finance minister's promise for the next year might be made good. Labouring men and wage-earners generally are not likely soon to forget that the so-called tax relief for this year is only a gesture. About 2,000,000 wage-earners in Canada are fully conscious of the fact that this budget does not mean a single thing for them, except higher living costs for some months to come, a thing largely avoidable when one considers that another $100 million could have been taken off taxes in such a way as to reduce the cost of living, and without in any way endangering the financial stability of the government.

The minister is planning for a large surplus, anyway, a surplus much larger than he has any right to expect the Canadian people to be happy about, in the light of their present circumstances. It is my judgment that the government owes it to the Canadian people generally to tackle the problem of hidden and nuisance taxes, and to tackle that problem with earnestness and sincerity. That would indicate, it seems to me, whether or not the Liberal party is really interested in the common man—the little fellows—as they so often say they are.

The government proposes to take from Canadians this year $1,045 million in the form of indirect taxes, most of which are hidden or nuisance taxes. That means that around forty-seven per cent of all the tax revenue this year will represent feathers plucked from the goose in the so-called painless method. From the government's point of view there is, of course, something to be said for these indirect, hidden taxes. But from the point of view of the common man there is much more to be said for the removal of many of them at the earliest possible time. These are the taxes which are responsible for the increasing costs of production. They are applied at various stages of manufacture and the assembly of consumer and capital goods, so that they have a general pyramiding effect upon prices. The ultimate consumer is the goat who has to pay them. And it is mainly those taxes which have been responsible for the widening divergence between farmers' incomes and the cost to them of the many things which they have to buy.

I should say it would make a most interesting research problem, if one were to attempt to untangle the maze of hidden and indirect tax applications to a selected list of common things bought every day by the people. But I will say this, that I have gone far enough into the matter to be convinced that it would be far from easy, and I am convinced it would take the skill of highly trained cost accountants to get anything like an accurate picture of the whole complicated mess; because that is just what it is, a complicated mess.

I have not the full facts before me, but one can get some idea of what is involved by taking cigarettes as an example. I am told that the actual legitimate cost involved in a package of cigarettes that sells for thirty-two cents is about eight cents. The remainder of twenty-four cents is pyramided taxes of a great many varieties. This may be an extreme example; it probably is.

I am not so much concerned about luxuries as I am about things we have to buy from day to day in order to live, but the example illustrates the general effect that hidden taxes have on consumer prices. Certainly the Minister of Finance could have performed a real service to the Canadian people by removing some of these taxes altogether, and by reducing others to a lower economic level. He could have taken off safely this year, in my estimation, $110 million of this particular tax burden; and, had he done so, the resulting possible decrease in living costs would have made his income tax rates reductions worth something to the Canadian consumer. Before I leave that may I say that it would have meant something tangible to the more than 2,000,000 wage-earners in this country who are not included in the benefits derived by the reduced income tax rates.

In this connection there is another angle which I should like briefly to mention. In my estimation the best barometer for measuring efficiency of government is the tax level, compared with the services that are being granted to the people for their money. People can readily measure the efficiency of their government only if their tax levels are easy to see, if they are right out in front of them, like a huge thermometer. But if the goose is to be plucked without knowing it is losing its feathers, or, in other words, if fully half our taxes are hidden ones that people cannot see, or cannot immediately discern, then Canadians can have no accurate way of telling whether or not their government is doing a decent job.

For this, and also for the reason that indirect taxes do add to the cost of production, the minister has utterly failed the Canadian people at this time by not including in the budget provision for abolishing and/or lowering sales, excise and nuisance taxes. When the people

of Canada learn the true facts about our tax system, they will surely rise in righteous indignation, and put into office a government which will begin at once the simplification and downward revision of the whole process of tax structure.

I should like to turn for a few moments to the matter of trade. In his speech the Minister of Finance made these two statements:

> We now have reached the time when Canada may expect to benefit from the new international machinery which has been established during recent years to aid in international monetary and financial affairs.

And again he said:

> Some of our largest customers are buying more from Canada, because of their abnormal needs at present, and because other normal sources of supply are not available, than we can reasonably expect them to buy on a continuing basis. We must be prepared for reductions in some or all of these abnormal expenditures of various types in the not-too-distant future, and we must be prepared for the changes and adjustments in our production necessary to fit it into a more permanent pattern.

With regard to the first statement, I shall content myself at this time by simply saying that I sincerely trust it is not merely an expression of a pious hope. At the time we ratified Canada's approval of the Bretton Woods agreement, I did not hear much, if anything, from the government about what action they were prepared to take to impress upon large creditor nations with which Canada does business that a high and satisfactory level of international trade must depend upon their willingness to accept imports of goods from us to pay for their exports of goods to us.

The government, as we have already pointed out, rushed into that agreement without stopping to consider the very high price that Canada is likely to have to pay for a very doubtful privilege. But, now that we are a party to this tax, our job is to use our influence on every possible occasion to drive home to our neighbour to the south, especially, her sacred responsibility in this whole matter of trade. I believe I am right when I say that to a very large extent the economic stability of nearly every country on the earth and the peace and security of the world depend upon the attitude of the United States of America toward trade. Somehow the man on the street in that great country must come to understand how great that responsibility really is.

With regard to the second extract from the minister's speech I should like to say just a few words. Canada ought to prepare herself and her machinery right now to meet what the minister has forecast with respect to a reduced foreign demand for Canadian goods. Two things are prominently in my mind about that matter at this time. The first is this. It stands to reason that as keener competition for markets develops throughout the world—and that will come sooner than many people expect—we in Canada will be forced to lower our cost of production of a good many things if we are to retain our markets abroad. Here again I contend is a strong argument for the complete overhaul of our taxation structure and for the abolition of much of our indirect taxation that adds to the cost of production. In my judgment it would be worse than short-sighted for us merely to wait and see what happens, as is so often the attitude adopted. The removal of these taxes now will help to put us in a much better competitive position later on when the need is upon us.

In the second place, we ought to be giving much attention to the local market. After all, only a comparatively small percentage of Canada's business is done with countries abroad. We ought to be turning our attention to the fullest possible satisfaction of our internal demand for the goods and services which we in Canada can produce. I do not mean by this to neglect our foreign trade. Far from it; let us expand it to the utmost without lowering the standard of living of the Canadian people; I emphasize that, without lowering the standard of living of the Canadian people.

That means, of course, balancing our exports with our imports. What I have in mind is that when the time comes that the present abnormal demand for our products drops off abroad we should be well on our way to potential economic self-sufficiency in the essentials of living. I am sure that is the only safe position for Canada in the next fifteen years or so. We should take every precaution to see that if strikes or social upheavals in other countries or war interfere with our sources of supply our people will not suffer because we have neglected to develop our own resources at least to the extent that we could within reasonable time satisfy our own basic needs. I would have felt much better about the budget if I could have found in it some evidence that the government intends putting Canada into such a position at the earliest possible time.

It was gratifying to note from the minister's speech that he expects production in Canada during 1947 to reach $12,000 million at prices slightly higher than those prevailing in 1946. We may be fairly hopeful then that employment will continue at a high level during the year. It is most important that such be the case, for without a high level of income the people will not be able to pay the tre-

mendous volume of taxes required by the government to fulfil its commitments. In fact there can be no guarantee of real prosperity if we do not make possible the production of vast quantities of goods and their distribution to the masses of the Canadian people. I wonder if this government is facing up squarely to the problems associated with keeping production high. There is little in the budget to indicate its attitude in this respect.

Competent authorities estimate that it will require production to the value of approximately $1,000 a year per head of population if we are to maintain a high and satisfactory level of wage-earning employment. Investigation in the United States, where conditions are not very much different from our own, indicate that that country must produce not less than $170 billion worth of goods a year to reach anything like full employment. From that it would appear that in Canada we must maintain between $11 and $12 billion worth of production a year to do a similar job. Henry Kaiser recently made this statement:

If we fail to have full employment we will not only face national bankruptcy but a social upheaval in which the American democratic form of government might well be swept away.

I believe it is just that serious a matter. Now I do not like the term "full employment", because there is something about it which reminds me of Schikelgruber and his "full employment", but I do recognize the need of providing opportunities for useful employment with appropriate incomes for the vast majority of our people. I believe this calls for careful organization and for vision on the part of the leaders of this nation.

Many leading men in the United States have been studying the whole problem of employment, with its related problems of production, markets and maintenance of purchasing power at a level to balance with the production. The United States congress has recognized its responsibility in meeting the problem by passing the full employment bill. They are determined to provide jobs with pay to all Americans who wish to work. There is much evidence that leading thinkers in the United States now recognize that the major difficulty to overcome in any programme of high production and employment is that of maintaining consumer purchasing power at the point where the goods produced and the services offered can be taken off the market and consumed and used by the people.

Beardsley Ruml, about whom the hon. member for Acadia (Mr. Quelch) spoke a few days ago, educator, social scientist and business executive, chairman of the board of R. H. Macy, Incorporated, and a director of the national bureau of economic research in the United States, said recently in an article he wrote for *Cosmopolitan* magazine:

We were able to sell what we produced in 1946 as a result of four strong abnormal forces operating in 1946—reconversion spending, inventory building, net exports abroad, and lower government receipts than expenditures during most of the year. The forces that gave us full employment in 1946 will be weaker in 1947. And so we will have a weakening of the 1946 basis for full employment. The future must find the substitutes for the abnormal war and war conversion props to consumer purchasing power. Will they be found in 1947?

The production in 1946, to which he refers, in the United States was approximately $180,000 million. What Mr. Ruml said of his own country holds good here in Canada. There will be no use in thinking that pent-up wartime savings will prop up consumer demand. Mr. Ruml had something to say about this, too, and I quote:

There is no solace in a so-called pent-up demand. There has always been a pent-up demand, even at the lowest points of depression. The question is not demand, but effective demand. Our economic reconversion must be to find a peace-time substitute for those non-recurring strong forces which were the legacy of war and post-war disorder.

It is the quantity of money in the pockets to buy that makes employment. Our biggest job in the future will be to maintain that kind of purchasing power at a level high enough to ensure the distribution of our whole production. If we fail in that, our way of life, our freedom, the individual system of responsible enterprise are all doomed. There are a great many people thinking in just those terms today. Take a look at what *Harper's* magazine crack writer John Fischer has to say, as reported by Richard L. Strout:

Russians are scared by their cast-iron Marxist logic about American capitalism. No amount of argument will shake their doctrinaire belief that American capitalism will produce a major depression in the next fifteen years, that this will produce fascism, and that this will produce war.

He continues:

Thus if there isn't a depression in the next fifteen years, the Russians might change their tune. Facts will speak louder than words. From all this it can be argued that one way to preserve international peace in the world is to prevent that depression which the Russians believe will lead to war.

That argument applies equally to the widely-held opposite thesis that Russia is hoping for a major depression in the United States, with the consequent weakening of American economic and political power abroad, paving the way for further Russian expansion and influence. Thus a healthy American economy and wise trade policy are considered imperative checks to the spread of communism.

Mr. Speaker, however we look at the situation we are facing a most serious situation and problems which have their very roots in our economic system. In Canada we are challenged by the same forces that challenge the United States. If we fail now to meet that challenge, if we fail to make the necessary adjustments in our financial and economic organization by which we can avoid these disastrous depressions, we might just as well make up our minds that freedom of enterprise and every other kind of freedom will move out of Canada and communism will move in.

The minister, it seems to me, could have made himself the white-haired boy if in his budget speech he had declared he would find a way of maintaining purchasing power in the people's pockets sufficient to guarantee continued high production and employment for our people and freedom from the fear of depression and insecurity, even if it means the necessity of cutting loose from the present restrictive outworn system of distribution. I recommend to him, we have always recommended and we continue to recommend, the compensated-price discount or subsidy machinery put forward by the group with which I am associated, together with the earliest possible institution of a debt-free money system. I say there is yet time for the hon. Minister of Finance to become the white-haired boy. I challenge him—and I hope he will listen to what I say to him at this time—to rise in his place in this house and in his rebuttal say what he will do when there begin to appear unsaleable surpluses of goods in our country, the first signs of coming depression. A bold declaration from him would do more than even he could imagine to settle the minds of the people and to make the enemies of our way of life crawl away into their holes to stay. Let the Minister of Finance remember that communism and marxism and fascism do not thrive and spread amongst a happy and contented people who have dynamic faith in their way of life, a faith that is buttressed by the treatment which their way of life metes out to them in the form of security and freedom.

I do not wish to speak longer. If the rules of the house did not forbid I might at this time move an amendment, but the rules forbid that until one or the other of the amendments at present before the house is disposed of.

Mr. KNOWLES: You cannot do it even then on the budget.

Mr. LOW: No; I was mistaken. Under the rules we are not allowed to present an amendment. But were it not that the rules forbid it, we would have presented an amendment along the lines of our economic policies in which we in this group have great faith.

Mr. J. M. DECHENE (Athabaska): Mr. Speaker, as I rise this afternoon to ask you for the privilege of the floor and to address this august assembly I assure you that I shall present my own thoughts, not written and rewritten and corrected, but the sincere beliefs that I hold myself, which possibly may not make as fine reading as the impeccable language we have heard this afternoon, but will, I repeat, be my own thoughts and those, I believe, of the majority of the people of the great province from which I come.

As I enter the arena this afternoon I do not do so with the thought of breaking a lance with the redoubtable warriors who have already entered it. I wish only to help the Minister of Finance (Mr. Abbott) and this Canada of ours by once more pointing out to him and to the hon. gentlemen of this assembly the tremendous possibilities of the resources of Alberta which I am going to ask all hon. members to help develop.

Some of the statements made by speakers who have preceded me struck me as requiring some answer; but, having recently sustained an injury which has compelled me to be quiet and from which I am not yet fully recovered, I thought my duty would be better fulfilled were I to speak only of the things I mentioned at the outset.

Lately the Imperial Oil Company has made a great discovery of oil. I am not boosting the Imperial Oil Company; I am simply reciting a fact. They have discovered one of the most important oil wells ever found in Alberta, a few miles south of the city of Edmonton, near the town of Leduc. Many times in this house I, as member for Athabaska, have tried to impress the people of this country with the possibilities of the tar sands of that great Athabaska region. I have said to the doubting Thomases of eastern Canada that over there lie resources which are so vast and so immense as to stagger the imagination and which could make this Canada of ours, in spite of the doubts expressed in this budget debate so far, one of the wealthiest and most self-contained countries in the world.

First I mention oil, then gas and coal. No nation can be powerful in time of war and rich and prosperous in time of peace unless it has a plentiful supply of these resources. We all know but often forget that Alberta possesses more coal, lignite, bituminous, semi-bituminous and semi-anthracite, than all the rest of the provinces put together, and that they constitute a large percentage of the coal

resources of the British empire. I do not overlook the fact, and I hope nobody does, that a shortage of this material, without which no nation can be great and powerful, may develop. Experts in the United States are predicting today a shorter life for the oil resources of that country than for Canada's. Lignite was used by the Germans for years as a source of oil and gas. In the tar sands of McMurray and along the great Athabaska river are hundreds of millions, yes, billions of barrels of potential oil if we Canadians would only use the talents and the courage that we have in this country and show the same adventurous spirit of our ancestors who centuries ago were drawn there by the appeal of this great western country. I say to the Minister of Finance, who presented such a wonderful budget, cheerful and able, that if we develop the resources of Alberta alone, in a few years, in a few decades at most, the Minister of Finance can close his books and not worry about surpluses or meeting the obligations of Canada.

Some hon. members listening to me today may doubt the incredible, the staggering resources we have in that province which today has a population of less than the city of Montreal. That population may be only 800,000, but what a great population it is, what a population of pioneers! When I was a young fellow in the Edmonton district with my father, who homesteaded some twenty-five miles north of that city nearly sixty years ago, we had confidence in that country; we had confidence in ourselves. Some years later, in the legislature of Alberta as well as in the House of Commons of Canada, this country of youth, I was astounded and sorrowed by the expressions of doubts, of despair even, of the future of that great country and particularly of the possibilities of Alberta. I am now, sir, walking in the shadow of life, but I still have the spirit and the courage of youth, and I use my voice to the best of my ability to boost Alberta.

In 1922, on the floor of the legislature of Alberta I predicted that under the soil of the province—and may I say that that soil is good enough for anything; its fecundity is beyond comparison—there was the wealth of which I have spoken, immense resources of oil and of all minerals; but I was made the butt of jokes when I asked the province of Alberta to pay a bonus of from $50,000 to $100,000 to the first company or individual that would find this oil and bring in a producing well of at least 1,000 barrels a day. How they laughed at me! Today, Mr. Speaker, the work has been done and the field has been proved. At that time I deplored and I still deplore the fact that our public men, the provincial government as well as the federal government, never saw fit to retain to the holders of the topsoil the natural resources underneath. When a homesteader went out west, thirty, forty or fifty years ago and gave everything he had, gave his health, his brawn and his courage in order to develop that great western country our government, if you please, saw fit, I suppose for the sake of the large corporations now benefiting by their development, when they gave title to the homesteader, to give him title to the surface only. He could cut the trees, pull the stumps, take out the stones and through that labour break his heart and his back in developing that great country, but if there was a million dollars under it, it went to somebody else; he had no right to it.

Mr. BLACKMORE: It is still going on there.

Mr. DECHENE: I do not wish to be interrupted, Mr. Speaker, in the picture I am giving of that great country, but I say to the hon. member for Lethbridge that both of us should be boosting Alberta.

Mr. BLACKMORE: You are doing a splendid job.

Mr. DECHENE: I proposed a motion that a bonus should be paid, but I was thought to be foolish. What is happening right now? Go down to the Edmonton district where an oil boom is taking place. What do you find? A large company with unlimited capital has already filed claims on the whole country. There are farmers who have been there for fifty and sixty years, and all that the law compels the big company to do is to pay them for some ten or fifteen acres which they may take. They may pay them $50 or possibly $100 an acre in damages and take out oil worth millions of dollars. They are not compelled to pay them a cent of royalty, because, according to the opinion of the people of those days, the resources should be retained by the crown, for the benefit of whom? Not for the benefit of the homesteader.

I know I have not enough time at my disposal to tell the whole story. Forty minutes is not long enough. One could speak for two or three hours about Alberta and its possibilities and not tell one-quarter of the story. The thing that we want done in that province, the thing that we hope hon. gentlemen from eastern Canada who control the finances and the power will do, is to develop that province. Do not just criticize us because we speak about wheat. If there were another crop failure in western Canada where we would not have ten bushels of wheat to export, every

business house from Halifax to the head of the lakes would be worrying and losing money, because that is where the money comes from. That great country has grown tremendous exportable surpluses of billions of bushels of wheat. It has raised millions of dollars worth of cattle, millions of dollars worth of hogs, which have been placed on the markets of this country. It has been the lifeblood of this country. All that we require is something to help us for further development. We have done more for the lifeblood of this country; we have put more into the business system of this nation than will ever be computed or paid back. We have in a few seasons put far more into Ontario and Quebec in the years before the war than people realize or recognize. Sometimes when I sit here in this corner of the house I wonder at the ideas I hear expressed by some eastern members about the supposed beggars from western Canada. I do not come here as a beggar; I come here as a man representing one of the wealthiest provinces in resources not only of this country but of any country in the world of a comparable area. I said we have coal, oil, gas and resources of every kind and people. And what people, the best human stock in the world. Let us carry on in the tradition of the old-timers who went beyond the great lakes, beyond the prairies, and who saw the vision of wealth and of achievement, who saw, through the rays of the setting sun in the great Pacific, over the ice fields of the Rocky mountains, the smile of hope, the smile of nature, who saw a country which God has so generously endowed. What a place for our young men!

I shall not discuss the details of the budget this afternoon, but I should like to show you, Mr. Speaker, the possibilities of that great province. We have to do something to develop its resources. That is why I am here today. I am not here with my hat in hand or on bended knees asking anything from anyone except what is coming to us. I have lived in that province for nearly sixty years. I would ask all hon. members to support me in the appeal I have made, as set out in a simple resolution which I have had on the order paper for many sessions, to have these gaps of railways filled in. I am not asking for anything that would cost this country unnecessarily a five-cent piece—that is an expression which is well known. I say, Mr. Speaker, that we have no right to refuse that appeal made on behalf of the people in that district.

The word of a government should be as sacred as the word of honour of any man engaged in business. I remember when I was a young fellow my father said to me, "Boy, we did not need any notes in my young days. When you made a deal with a friendly farmer or businessman in our province and that man said he would pay you on the first of November, you did not need any note from him. He would pay you on that date; if he did not, he was dead, because nothing would prevent him from meeting his obligations."

When those settlers went west in that Alberta and Athabaska country and developed homesteads they had a right to expect that communications would be supplied them. I would remind hon. gentlemen of what the Saskatchewan government did in the years from 1930 to 1938. There is a man, right in this building working for one of the top men of this government, who was one of the officials that helped to move the people from the dust bowl in Saskatchewan and Alberta. We had given charters for these proposed railways and that should have meant that these roads would be built. The Canadian Pacific Railway Company secured a charter for a road from Prince Albert in a westerly direction, through Meadow Lake, to connect with the Canadian National Railways, in the vicinity of Cold Lake, and we thought that railway would be built so as to carry out the terms of that charter. The Canadian Pacific Railway Company I say is responsible, and if the shareholders will not agree to the spending of the necessary money to complete the gaps in that line, so that the road may join with that which my good friend the hon. member for Cariboo (Mr. Irvine) has advocated so eloquently in this house, and which the hon. member for Peace River (Mr. Low) has also advocated, so that communication might be carried on to the west coast, providing the necessary transportation in that northern country—I say, sir, that if the Canadian Pacific Railway Company will not begin operations on that work we should cancel the charter and set the Canadian National Railways to work in that territory with a view to having these lines built for the service of these people.

On other occasions I have spoken of the condition of these people. It was not lack of initiative or lack of courage or endurance that was responsible for their plight, but conditions over which they had no control, a calamity similar to that which had also afflicted the United States and the people of the mother country who, as we know, have suffered in the past winter from terrific storms. Sometimes you may wonder why these people in the district I speak of had to move away

from the soil that they had cultivated, but the answer is obvious. That soil would no longer grow anything for them. They suffered from these conditions for two, three, five years and we had to take them out of that part of the country. We brought these people to the north country.

I have seen hundreds of these people going through my own town with broken-down hay racks and wagons, their horses played out, with a cow or two, which they had somehow or another saved from starvation, lagging behind because they were too weak to keep up with the procession. But these people had one thing left. They had the courage and the guts to move hundreds of miles to the north country, and there they are now. And, believe it or not, under those conditions they have made good again. There are prosperous settlers now in that country. Let us give them those lines which they have been depending upon in order that the fruits of their toil and of their courage, seeing that they have started life twice over, so to speak, shall not be lost to them.

I do not know what politics has in store for me, and that is not very important. The fate of an ordinary man in politics is of no consequence; it is only a drop in the bucket, and as a man gets older it is worth still less to him. But I should like to live long enough to be able to tell those people, whose sacrifices I have witnessed, to whose courage I can testify, that the transportation facilities which we promised them have been built by the country.

I am making this plea tonight for those people and, I repeat, I am not asking a favour. I am not asking for anything on bended knee, or hat in hand, because we never do that in that country. I do not very often ask for the privilege of holding the floor, Mr. Speaker, and this is the first time I am speaking this session, so that I am sure you will bear with me as I tell the story of the people in that part of Canada. Some weeks ago, over in the Chateau Laurier, one of the engineers of the Department of Mines and Resources presented a report on the new findings in the Fort McMurray field, some twenty or twenty-five miles west of the location where we had been working in connection with the Abasand oil. In that district they found clear lakes of bitumen. Anyone who wishes to inspect them can see the plans in the department which the engineers brought back and the description of the lakes containing bitumen to a considerable depth ready to lay on the roads of the country to make pavements. These lakes, according to the chief engineer, who is one of the best in the country—I do not suppose I need to mention his name—have a capacity of 500,000,000 barrels of bitumen; something simply staggering. To those hon. gentlemen from eastern Canada these figures may appear incredible, but they are not so to the people in that part of the country. We have heard farmers talking about yields of from fifty thousand to sixty thousand bushels of wheat, and that is not a dream; it is true. Well, if you operate on fifty acres and you lose your crop you can get by; but when you operate on an area of a thousand or two or three thousand acres, failure means a very great deal to you. That is why our farmers are so greatly interested in the prices of twine, gas and everything else. I suggest to hon. gentlemen that they should not criticize the farmers too severely if the latter seem to be bitter at times, because they have to operate on such an extensive scale that it is a tremendously expensive business to them, and if we do not help them to secure the instruments of production as cheaply as possible, we cannot be surprised if they complain.

May I ask, Mr. Speaker, that you call it six o'clock. I had hoped to be able to complete my remarks before the dinner hour, but I have taken only twenty minutes and I should like to speak for the other twenty minutes this evening.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

MARJORIE WINNIFRED BEARMAN SMEALL

Mr. DAVID CROLL (Spadina, for Mr. Maybank) moved the second reading of Bill No. 155, for the relief of Marjorie Winnifred Bearman Smeall.

He said: Mr. Speaker, I have on the order paper resolution No. 42, which I realize I cannot hope will be reached this session, so that I am going to take this opportunity of saying what I had intended to say in speaking on that resolution. First, I want to bring to the attention of the house the fact that the divorce laws of Canada are perhaps the most restrictive in the western world, and I think reforms are long overdue to remedy the grievances brought about by our present iron-clad laws. In order that the house may appreciate the shortcomings of our legislation, I should like to relate briefly the history of divorce in England, on whose laws the Canadian law is founded.

Mr. MACKENZIE: I know I am completely out of order, but I wonder if my hon. friend would permit the committee to give consideration to the non-divorce bills on the list, and then take up this divorce legislation?

Mr. DEPUTY SPEAKER: Do I understand that the debate is being adjourned?

Mr. MACKENZIE: No; let it stand temporarily. If Your Honour will be kind enough to call those bills on the list which are not divorce bills the house might deal with them and then consider any objections there may be to the divorce legislation.

Mr. CHURCH: Under what rule is that done?

Mr. MACKENZIE: No rule at all, but I think it would be a sensible thing to do.

Mr. DEPUTY SPEAKER: With the unanimous consent of the house Bill No. 155 stands.

CANADIAN NURSES' ASSOCIATION

Mr. W. M. BENIDICKSON (Kenora-Rainy River) moved the second reading of Bill No. 171, to incorporate Canadian Nurses' Association.

Mr. MARTIN: I just want to say that I have discussed this bill with the sponsor, and I will offer a suggested amendment in committee, which may well be considered there. I need not take up the time of the house with the proposed amendment this evening.

Mr. CHURCH: I understand that this bill will be considered by the private bills committee. That is necessary, because there is a difference of opinion among the nurses as to the desirability of having a Canadian body at present, at a time like this.

Motion agreed to and bill read the second time.

GUARANTY TRUST COMPANY

Mr. D. F. BROWN (Essex West) moved the second reading of Bill No. 172, respecting Guaranty Trust Company of Canada.

Mr. CHURCH: Would the mover explain the bill? We have quite a few of these trust companies now.

Mr. BROWN: As sponsor of this bill I shall be very happy to explain it if my hon. friend would like an explanation. It so happens that in the statutes of 1931 the parliament of Canada enacted that the aggregate of the sums of money borrowed and money entrusted to the company for investment, the repayment of which is guaranteed by the company, shall not exceed seven times the amount of the company's unimpaired paid-up capital and reserve. The annual statement of Guaranty Trust Company for 1946 shows that authorized and fully paid-up shares amounted to $500,000 and the reserve fund to $400,000, or a total of $900,000. Seven times this amount would be $6,300,000. It also shows that the guaranteed trust account, being trust funds for investment, were $5,683,042.28, which is nearly seven times the amount of the authorized, fully paid-up capital stock and the reserve fund. So in order to protect investors and persons such as widows and orphans whose funds are entrusted to this company, it is necessary that an application be made to increase the capital stock.

Mr. GRAYDON: May I ask my hon. friend if this is the same company that is reported in the newspapers to have recently purchased the Capital Trust Company of Ottawa and Toronto?

Mr. BROWN: I do not know whether this is the proper time to discuss these matters. My understanding is that bills of this kind are referred to a committee where full disclosure is made and questions are asked by members of this house. For the information of my hon. friend, however, I may tell him that I understand it is the same company; but this has absolutely nothing to do with the taking over of any other trust company.

Mr. CHURCH: Some of these trust companies are not for the general advantage of Canada at all. They have been much criticized in one or two court decisions, and this parliament should be very careful. A number of companies were established during the war; many of them moved their head offices around and increased their capital stock. This company is moving from Windsor to Toronto and increasing its stock from $500,000 to $1,000,000. There are some paper charters out at the present time, and I just wish to protect public rights. The public who have business with these trust companies deserve some protection, because the matters dealt with and the properties covered are very largely provincial. There has been some criticism by the securities commission of certain companies coming here to Ottawa and getting federal charters when they are not federal at all. I hope this bill will be carefully examined by the private bills committee as to the necessity for the change, the increase in capital and the objects; I hope they will investigate the finances of the company and all the rest of it, and if it is all right, then parliament can act.

Motion agreed to and bill read the second time.

WOMAN'S AUXILIARY, MISSIONARY SOCIETY, CHURCH OF ENGLAND IN CANADA

Mr. T. L. CHURCH (Broadview) moved the second reading of Bill No. 173, respecting the Woman's Auxiliary to the Missionary Society of the Church of England in Canada.

He said: This is purely a change in name; formerly it was just called the woman's auxiliary.

Motion agreed to and bill read the second time.

QUEBEC NORTH SHORE AND LABRADOR RAILWAY COMPANY

The house resumed from Friday, May 2, consideration in committee of Bill No. 106, to incorporate Quebec North Shore and Labrador Railway Company—Mr. Rinfret—Mr. Golding in the chair.

On section 7—Line of railway described.

Mr. DORION: Mr. Chairman, as I am the representative for the constituency in which this railroad is to be built, I believe I should say a few words on section 7, especially in view of the amazing contentions introduced into the discussion recently by some hon. members. I should like to say, first of all, that, notwithstanding the wishes of certain individuals there are still in Canada provinces which have their rights and powers, and it seems to me that it might as well be said once and for all that no one can foresee the day when there will be only one central power in Canada. If any such thing should ever happen, the confederation would be broken altogether.

As has been already said by the hon. member for Outremont, section 7 deals exclusively with the right to build a railroad. It has not anything to do with mining development. According to paragraph 5 of section 92 of the British North America Act, each provincial legislature may exclusively make laws in relation to matters coming within the class of subjects therein enumerated; and paragraph 5 refers to the management and sale of the public lands belonging to the province and of the timber and wood thereon.

Then, if we want to know what are the public lands belonging to the provinces we must refer to section 117 of the British North America Act, which states:

> The several provinces shall retain all their respective public property not otherwise disposed of in this act, subject to the right of Canada to assume any lands or public property required for fortification or for the defence of the country.

[Mr. Church.]

And we must also refer to sections 108 and 109, which state that in matters such as this the provincial governments have the absolute right to dispose of the lands, and to grant permits to mining corporations.

In virtue of the powers thus given, the legislature of Quebec passed a law in 1946, which is set out as chapter 42, 10 George VI, of the statutes for that province. This measure is entitled, "an Act to promote mining and industrial development within New Quebec. In sections 1 and 2 it is stated:

> 1. The minister of mines—

That is the provincial minister.

> —is authorized to grant to Hollinger North Shore Exploration Company Limited, in replacement of the special licence number 4676 which it presently holds, a special exploration licence under conditions specified in—

—the following sections.

And in section 2 of the same act it is stated:

> This licence shall be issued for a period of time running from the date of its issue until June 30, 1952.

Therefore, Mr. Chairman, it is entirely out of order to discuss in this chamber the granting to the Hollinger company of the necessary permit for the exploitation of the mining fields in that area. That must be taken as a *fait accompli;* and the only question is this: Is this parliament to give to another company the right to build a railroad to facilitate the exploitation of these mining fields? Therefore I am entirely in favour of the principle of the bill, and I shall support section 7.

Mr. HERRIDGE: I should like to make a few remarks on section 7, which gives the right to build this railroad. Before we proceed to give this right I suggest that we should be most careful. Looking back over the history of this country, one realizes that similar rights have been granted without full information and without guarantees as to what was to be done with these rights. In many instances this has resulted in restricting the development of the country.

I was a member of the committee which dealt with this bill and gave it serious consideration. This is an important matter, but no record was kept of the proceedings of that committee. A record should be kept of a committee of that type, something in the nature of our *Hansard* report, so that we may have some record of what was said in committee by witnesses.

In addition to that, this large corporation—I presume it is such—had the unmitigated gall to come before the committee without pre-

senting any proof or any complete information as to what they intend to do, as to what developments are intended, nor did they give any guarantees for the future. It is because of that that I wish to speak on this section.

I remember when I was a small boy, coming from England to this country, that we traversed the west looking for land, and considered settling in Saskatchewan at one time. That was the time, of course, when no Englishman need apply, except at a real estate office or a recruiting office. We applied at the real estate office, and put down $100 an acre, cash, for heavily timbered land in British Columbia. That was forty years ago. It was land which had been purchased by a corporation connected with a railroad.

The DEPUTY CHAIRMAN: Order. I would ask the hon. member to confine his remarks to the section.

Mr. HERRIDGE: I am illustrating the principle of granting this right. It is only one illustration out of hundreds, where companies bought land previously from the government for $5 an acre, surveyed it, often incorrectly and sold it to British settlers in the following year for $100 an acre, cash.

The DEPUTY CHAIRMAN: Order. Section 7 deals only with "line of railway described." The section only describes the railroad, and has no reference to what happened forty years ago.

Mr. HERRIDGE: Mr. Chairman, I think I have the right to illustrate what happened years ago, and what may happen again in the future.

This is a most important matter. As I pointed out before, there was no verbatim report of the committee proceedings, and the sponsor of the bill has not given a complete and elaborate statement to this committee. If I am permitted to do so I am going to present some facts as to what has happened in the past, to illustrate that this very same procedure in the past has worked to the detriment of many Canadian people, and to the detriment of the development of Canada.

Hundreds of those people, many of them without any substantial means, sweat out years of their lives in developing those properties. The owners who purchased from the government guaranteed certain rights and also guaranteed certain road developments. Those developments did not happen. Why? Because at that time they were not tied down. They made a verbal bargain, and had made certain promises in their literature. The government of the day had nothing concrete from which they could work to keep those people to their agreements.

That is why I object to this bill, without knowing more about these proposals. I have before me a book called "The History of Canadian Wealth," by Myers, a volume I would recommend to hon. members who are interested in the development of Canada. They will get it in the parliamentary library, and I recommend that they read it, because it gives dozens of illustrations of what happened in the past in connection with the development of this country. I am just going to read the preface before going on with my argument. It reads:

> The rapid concentration of wealth in Canada is no mere fancy. Already, it is estimated, less than fifty men control $4,000,000,000, or more than one-third of Canada's material wealth as expressed in railways, banks, factories, mines, land and other properties and resources.
>
> To say that this small group of individuals control so vast a wealth and the agencies of its production does not imply that they own it all. Between ownership and control there is a difference, yet the reverse of that is commonly supposed. By means of their control of financial markets and distributive systems, a small number of men may effectively control sources of wealth which still may remain under individual ownership, as witness the case of the farms, of which control farmers throughout Canada are bitterly complaining. Also it is not necessary for magnates to own all of the stock of railroads, banks, factories and mines; much of that ownership may be distributed among small shareholders, yet by their predominantly large holdings of stock, and through their power of directorship, those magnates can and do control those diversified, and often financially interconnected, sources of wealth.
>
> The process of centralization of wealth has been steadily going on for nearly thirty-five years. The removal of unrestricted competition was first evidenced in the case of the railways of Canada. Beginning in about the year 1879, a considerable number of smaller and formerly independent railways (some of which had already amalgamated) were absorbed by the large systems such as the Grand Trunk—

Mr. SMITH (Calgary West): Surely this is all out of order?

The DEPUTY CHAIRMAN: I agree with the hon. member for Calgary West. The section states that the company may lay out, construct and operate a railway starting at a point on the St. Lawrence river, and I do not see how the hon. member, when he is dealing with this particular clause, can bring in something that happened long ago.

Mr. HERRIDGE: I am trying to bring it in, in this way—

The DEPUTY CHAIRMAN: I think the point of order raised by the hon. member for Calgary West is sound and I ask the hon. member to deal specifically with the clause.

Mr. HERRIDGE: Do you rule that I am out of order when I am quoting this in support of my argument?

The DEPUTY CHAIRMAN: I am asking the hon. member to deal specifically with the clause.

Mr. GILLIS: May I say something on the point of order? I can understand why the hon. member for Calgary West does not like this story, because apparently it is treading on the corns of some of his friends. The particular bill before the committee is simply history repeating itself. The hon. member for Kootenay West is dealing with boundaries and territories and resources which were handed over to previous railway companies, and section 7 describes the territories that this company is to take over. He is trying to avoid a repetition of the handing over of the resources of this country which was done in the past.

The DEPUTY CHAIRMAN: If the hon. member will deal specifically with the territory through which this railway proposes to go he will be in order, but surely he is not in order in dealing with something that happened long ago. My hon. friend knows that speeches in committee must be strictly relevant to the section being considered. If the hon. member will deal with this section he will be perfectly in order.

Mr. SMITH (Calgary West): On a point of order, the hon. member for Cape Breton South said that I was raising the point of order because this hurt some of my friends. I do not even know the name of one man who is connected with the railway, nor do I know any person who has anything to do with it at all.

Mr. GILLIS: I was referring to the little bit of history being read by the hon. member for Kootenay West, not to this bill.

The DEPUTY CHAIRMAN: I would ask the hon. member to try to keep within the terms of the section.

Mr. HERRIDGE: I am quoting from this book to show what happened in the past when clauses of this kind were passed by former parliaments without any guarantees. The preface continues:

> The highly centralized character of the Canadian banks is well known; the branches of the important banks extend over an immense territory; twenty-six of these institutions have 2,888 branches.

The DEPUTY CHAIRMAN: Again I ask the hon. member to deal with the territory through which this line is going; to deal particularly with this section.

[The Deputy Chairman.]

Mr. POULIOT: On that point of order, what the hon. member is reading has reference to grants of land being made for the building of railroads, but this case is entirely different. The area belongs to the province which has made a deal with the company. An act has been passed by the legislature of Quebec and there is no question of property rights. There is no question of our granting lands to this company; the only question is giving them the right to build a railroad on land which they already have. That is entirely different and that is why the hon. member is out of order. What he is reading may be interesting but it is not at all pertinent to the case.

Mr. ADAMSON: This bill does not pretend to deal with the granting of land, which in this case belongs to the province of Quebec.

Mr. HERRIDGE: Mr. Chairman—

Mr. POULIOT: Mr. Chairman, will you decide my point of order?

The DEPUTY CHAIRMAN: I think the hon. member for Kootenay West should deal with this clause.

Mr. HERRIDGE: I quite understand that lands are within provincial jurisdiction, but this parliament can ask that certain information be given by this company before the bill is passed, in order to protect the rights of the people in the province as well as the rights of the province concerned. We all know that the granting of a charter to a transportation system will give monopolistic control over the area concerned. I maintain that this parliament can do something to protect the people of this country and the people of that province by making certain that this railroad will be built within a certain time and by insisting upon having full information as to the owners of this company, their intentions, the developments they intend to undertake, when they intend to complete the road and so on. That is why I take exception to this bill being passed without that information being given to this committee.

Mr. RINFRET: A full opportunity was given to every hon. member to go to the committee on railways and ask the representatives of the company any questions they wished.

Mr. SINCLAIR (Vancouver North): I should like to rise to a point of order. No member of parliament has to go before a parliamentary committee as do outside people. Our place to ask questions is in committee of the whole, if we so wish.

Mr. CHURCH: I want to ask one question about section 7. We are giving the company the right to build a railway and, as the Secretary of State for External Affairs said the other night, we can only give them jurisdiction in Canada, and only capacity to act. I would call the attention of the government to a meeting held today between fifteen representatives of Newfoundland and the British government in London, England, regarding Newfoundland's future government. The representatives of Newfoundland were insisting that Labrador be part of that country, and said they are now to come to Canada in June and go into the question of the tenth province of Canada's federation, Newfoundland and Labrador, and the whole future of it. Under section 7 the company is given power to act, capacity powers only as a corporation to construct within Canada. To proceed with construction beyond Canada they will have to deal with Newfoundland and Labrador. I understand that they dealt with them twenty years ago but spent only about $100,000. While I do not believe in railways and coal mines and electric distribution systems being taken over as is now being done in England, I believe that the Canadian National Railways should have had a survey made of this territory not only in Canada but in Labrador. The policy of our national railway in the past has been to go into territories far less profitable than this proposition may turn out to be. While these mining men are going in at their own expense and surveys have been made under section 7, the fact remains that we are giving away public property. We have only the capacity to give the company railway and subsidiary powers to operate within Canada. For anything else the company wants outside Canada, hotels, power, highways, ocean services, vessels, elevators, wharves, it will have to deal with the provisional government of Labrador and Newfoundland. I would ask the Secretary of State for External Affairs if that is not right?

Mr. ST. LAURENT: I think the hon. gentleman is quite right, though perhaps not quite complete. The purposes of this bill as I read it are two-fold. One is to incorporate a company, thereby giving it the capacity to acquire powers through any jurisdiction that may be willing to grant powers to it; and the other is to build a railway from a point on the St. Lawrence in Quebec to the border between Quebec and Labrador. That is something which, under the British North America Act, can be granted only by parliament. There is no doubt that the parliament of Canada cannot grant the right to the company to build a railway in Labrador, but the parliament of Canada can grant the capacity to the corporation to go to the government of Labrador and acquire from that government the right to build in the territory governed by the commission government.

Mr. POULIOT: A moment ago I heard one hon. member say that he has the right to argue in this committee just as well as in the railway committee. He is perfectly right. The difference is that in the railway committee witnesses and experts can be heard and be asked questions to satisfy the minds of hon. members who desire information.

(Translation):

Mr. Chairman, in order to ascertain the opinion of the provincial government in regard to this bill, I sent a copy thereof to the premier of Quebec, asking him to kindly let me have his views.

I received today the following telegram, copy of which I shall hand over to the hon. member for Outremont (Mr. Rinfret). It reads as follows:

Thank you for your kindness in sending me copy of Bill "H" *re* Quebec North Shore and Labrador Railway Company, which I have received this morning, a few moments before the house met. Insofar as the territory of the province of Quebec is concerned, it is obvious that the provincial authorities alone have the power to deal with hotels, water power and their operation as well as with transportation by truck, bus and automobile. In the province of Quebec, there are proper agencies having the power and the duty to supervise and control the operations arising from the use of highways and the development of provincial natural resources. As always, we are prepared to cooperate sincerely with the federal authorities in order to solve the problems which concern both the dominion and the provincial authorities, according to their respective constitutional rights and on a friendly basis if possible. However, you understand that encroachments can never serve as a basis for cooperation. Again I thank you for your courtesy in this connection.

Maurice L. Duplessis.

I wish to ask the hon. member who has sponsored this bill whether it is the intention of the company to have subsidiary companies exercise the rights which may be granted to it under this bill. It is necessary to distinguish as between the right itself and the power to exercise such right.

This information would be of great interest to the public.

(Text):

Mr. RINFRET: I do not think the general remarks just made by the hon. member for Temiscouata apply to section 7. They might apply to section 11. I will reserve my reply until we reach that section.

Mr. CHURCH: The subsidiary companies operating power sites, elevators, hotels, ocean services, wharves, aeronautics services outside Canadian territory are not under the control of the province, and must deal also with Labrador. High power costs have added heavy costs to mining production in Canada.

Section agreed to.

On section 8—Issue of securities.

Mr. FRASER: This section says:

The securities issued by the company shall not exceed the cost of the railway constructed or under contract to be constructed.

How does section 16 fit into that? Section 16 says:

The company may lay out, construct, instal, maintain, equip and operate a pipe line or lines for the purpose of the transportation or transmission of oil . . .

And so forth. Does that mean that the securities issued under section 8 could not be used for this purpose?

Mr. RINFRET: Section 16 was amended in the committee.

Section agreed to.

On section 9—Agreements with other companies for sale, lease or amalgamation.

Mr. HERRIDGE: Would the sponsor of the bill explain this section?

Mr. RINFRET: It deals with working agreements with other railways. At the present time there are no other railways in sight there or near this railway, and therefore it may appear curious to have this provision in the bill. But, as the hon. member will have seen by section 7, the Labrador government will be asked to grant permission by way of agreement for this railway line to pass through Labrador, and it might well be that Labrador might insist on having a railway company incorporated in Labrador. In that case this railway will have to be connected with the Labrador railway and power has to be taken to make the necessary agreement with this new company. That is the purpose of section 9.

Mr. MacINNIS: With reference to subsection 2, section 147 of the Railway Act prohibits the railway company from either directly or indirectly employing any of its funds in the purchase of its own stock. Why is that section being set aside? Does this come under a special act, or is it otherwise provided for in the Railway Act itself?

Mr. RINFRET: As the hon. member has pointed out, section 147 of the Railway Act prohibits any one railway company, unless specially authorized, from investing in the shares or security of another railway company, but, as I have pointed out, it might be that another railway company will have to be incorporated in Labrador which will have to be financed by this company. Of course we shall have to get the power to incorporate under subsection 2 of section 9. That is the purpose of it.

Mr. CHURCH: I should like to ask a question on section 9, subsection 2. There is no railway company yet. How can they acquire the stock, shares, bonds or other securities of other companies?

Mr. RINFRET: I have just explained it.

Mr. CHURCH: I do not see how they can do it; they are not an entity yet, or a railway yet. It is contrary to the Railway Act also, and outside Canada.

Mr. GILLIS: This road will not be built for ten years, anyway.

Mr. RINFRET: Five years.

Mr. GILLIS: I should like to find out if under section 9 of this bill as worded it would be permissible for the company now seeking the charter to form holding companies outside Canada. The note in the margin says: "Agreements with other companies for sale, lease or amalgamation." The section itself concludes by saying, "whether within the legislative authority of the parliament of Canada or not and whether within or outside Canada." Does this section permit the company to set up holding companies outside Canada over which this parliament or the Quebec legislature has no jurisdiction?

Mr. RINFRET: I do not think the section goes that far. It authorizes the company to enter into agreements with another railway company outside Canada, such as a railway company in Labrador, in case the government of Labrador insists upon having a railway company incorporated under its laws instead of coming to an agreement without any incorporation.

Mr. GILLIS: What I have in mind is not particularly a railway company. With this road goes a lot of other powers, the development of electricity, pipe lines, gas and that kind of thing. Could this company form a holding company in the United States and sub-lease the resources in that area to a company outside Canada over which none of our legislative bodies have any jurisdiction?

Mr. RINFRET: Section 151 of the Railway Act deals with exactly that, and section 9 is subject to the provisions of section 151 of the Railway Act. Does that answer the hon. member's question?

Mr. KNIGHT: In reading section 9 of the bill, the sponsor has referred to another railway company. Section 9 says "any other company"; it makes no reference to a railway company.

Mr. RINFRET: That is exactly the last answer I gave. If the hon. member refers to section 151 of the Railway Act he will find the answer.

Mr. GILLIS: Will the hon. member give us a brief explanation of it?

Mr. RINFRET: It is a long section.

Mr. GILLIS: Summarize it.

Mr. RINFRET: The note says: "Agreement for sale, lease or amalgamation of railway." Then it refers to "approval of shareholders; board to recommend sanction; notice in *Canada Gazette*; newspapers", and so forth. The notice has to be put in the *Canada Gazette* and in the newspapers. Then it refers to proceedings upon sanction, notice of evidence and exemptions in certain cases.

Mr. GILLIS: They deal with railways.

Mr. RINFRET: With railways.

Mr. GILLIS: This section deals with other companies.

Mr. RINFRET: Section 9, subsection 1 reads:

> Subject to the provisions of sections one hundred and fifty-one, one hundred and fifty-two and one hundred and fifty-three of the Railway Act . . .

I have just referred to section 151 which refers only to railway companies.

Mr. ZAPLITNY: Subsection 2 of section 9 reads:

> Notwithstanding the provisions of section one hundred and forty-seven of the Railway Act the company may acquire the stock, shares, bonds or other securities issued by any such railway company or acquire any interest in any such stock, shares, bonds or other securities.

Is it necessary in this case to set aside section 147 of the Railway Act?

Mr. RINFRET: As I said a moment ago, section 147 of the Railway Act prohibits any railway company from investing in shares and securities of any other railway company except as specially authorized. The connection in this case will be between the Canadian railroad and what might be the Labrador railroad. Because of that, there has to be a special authorization from parliament to authorize this company to buy the shares or stocks of the other Labrador railway.

Section agreed to.

Section 10 agreed to.

On section 11—Electric and other power.

Mr. CHURCH: Has anybody control over the power rates under this section? High power costs have been fatal to mining production in Canada.

Mr. DORION: This section deals with powers that come under provincial jurisdiction. It deals with electric power, power to generate, acquire, use, transmit and distribute electric and other power. My submission is that we cannot give to the board of railway commissioners any power to deal with matters that come under the jurisdiction of the province of Quebec. Quebec has a board to deal with such matters. The board is set up under the provincial electricity board act, which was passed by the Quebec legislative assembly in 1945. If we were to pass this section as it stands it would come in conflict with what we already have in Quebec. Therefore I move, seconded by the hon. member for Chicoutimi (Mr. Gagnon):

> That, in the first and second lines of section eleven, the words "section three hundred and sixty-eight of the Railway Act" be deleted and that the words "chapter twenty-one of the Statutes of Quebec, 9 George VI, 1945" be substituted therefor.

Mr. RINFRET: A few moments ago the hon. member for Charlevoix-Saguenay (Mr. Dorion) referred to various sections of the British North America Act. I did not answer him because I knew this amendment was coming. Section 92 of the B.N.A. Act, subsection 10, reads as follows:

> In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated; that is to say,—
>
> 10. Local works and undertakings other than such as are of the following classes:
>
> (a) Lines of steam or other ships; railways, canals, telegraphs and other works and undertakings connecting the provinces with any other or others of the provinces, or extending beyond the limits of the province.

Therefore, under section 92 of the B.N.A. Act railways extending beyond one province do not come within provincial jurisdiction, but within federal jurisdiction. So far as section 117 is concerned, which he referred to a moment ago, it reads as follows:

> The several provinces shall retain all their respective public property not otherwise disposed of in this act . . .

I suggest that section 92, subsection 10, to which I have just referred, deals with property which has been otherwise disposed of. To my way of thinking, what is now being attempted

is much more an encroachment by the province upon federal rights than the other way around.

So far as the telegram which the hon. member for Temiscouata (Mr. Pouliot) read is concerned, and the question which he has put on that matter, I wish to assure him that if at any time the company have a surplus of power over what they need for their own purposes they will certainly form a new company which will have a provincial charter and which will come under the jurisdiction of the provincial board.

So far as sections 14 and 15 are concerned—I know the question is going to be put there—if at any time the bus service becomes more extensive than for the company's own purposes a new company will be formed to render public service, and that company will be a provincial company and will therefore come under the provincial board.

Mr. DORION: The hon. member has referred to subsection 10 of section 92 of the British North America Act. That subsection deals only with lines of steam or other ships, railways, canals, telegraphs and so on. Here in section 11 of this bill we are dealing with electric power. As I said a few minutes ago, we are called upon to give the company power to generate, acquire, use, transmit and distribute electric and other power, and this comes under provincial jurisdiction. That is why I moved the amendment.

Mr. RINFRET: I would refer the hon. member to section 368 of the Railway Act, which reads:

> Whenever in any special act passed after the seventh day of July, one thousand nine hundred and nineteen, it is stated or provided that a railway company shall have power to acquire, transmit and distribute electric and other power or energy, such company, subject to the provisions of this Act, may for the purposes of its undertaking acquire, but not by expropriation, electric and other power or energy, and transmit and deliver the same to any place in the municipalities through which the railway is built, and receive, transform, transmit, distribute and supply such power or energy in any form; and may dispose of the surplus thereof, and collect rates and charges therefor, but no such rate or charge shall be demanded or taken until it has been approved of by the board, and the board may revise such rates and charges whenever it deems proper.

So that I may satisfy the hon. member for Charlevoix-Saguenay as far as I possibly can, I would move—

The DEPUTY CHAIRMAN: Order. The hon. member is about to move an amendment, but we can have only one amendment at a time.

[Mr. Rinfret.]

Mr. DORION: I have only one more word to say. In section 368 of the Railway Act, just read by the hon. member, it is stated that the company might have the right to organize electric power, but the section states definitely "for the purposes of its undertaking". Here in section 11, however, we are giving a general power to generate power and distribute electricity.

Mr. CHEVRIER: I am not interested in this bill except from the point of view of the Department of Transport, and I have read carefully the amendment which my hon. friend has proposed. The amendment, if passed, would have the effect of delegating from the federal parliament powers to a provincial government, and the effect of that would be to render this section wholly unconstitutional. Anyone could thereafter move before the courts to strike out and declare this section unconstitutional. That is borne out by the judgment of the Supreme Court of Canada in the case of Quebec Railway versus the city of Beauport.

Mr. SMITH (Calgary West): Has he not something there in the words "for the purposes of its undertaking"?

Mr. DORION: The minister has referred to the Quebec Railway, Light and Power Company case. I have here the judgment of the supreme court, which will be found in Canada Supreme Court Reports, 1945 at page 16. The notes were read by five judges and, as the report states at page 17, this question came before the supreme court when the Quebec Railway, Light and Power Company asked the board of railway commissioners to fix rates of tolls that were to be charged. The company applied for an order of the board of transport commissioners approving its tariff of tolls for the carriage of passengers on the motor buses operated by it. It was held by Justices Rinfret, Kerwin and Rand that in 1939 an amendment to the charter of the Quebec Railway, Light and Power Company was passed by this house which amendment read:

> It is enacted and declared that the company's now existing powers—

Mr. MACKENZIE: I rise to a point of order, Mr. Chairman. Just before we began the discussion of these particular bills, my good friend the hon. member for Spadina (Mr. Croll) moved a resolution in regard to certain other bills, and I think it would be proper to have that debate adjourned so as to keep the proceedings in order.

Progress reported.

MARJORIE WINNIFRED BEARMAN SMEALL

The house resumed consideration of the motion of Mr. Croll (for Mr. Maybank) for the second reading of Bill No. 155, for the relief of Marjorie Winnifred Bearman Smeall.

Mr. DEPUTY SPEAKER: Earlier in the evening the hon. member for Spadina moved the second reading of certain divorce bills. He now moves that the debate be adjourned.

Motion agreed to and debate adjourned.

THE BUDGET

DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell (Muskoka-Ontario), and the amendment to the amendment of Mr. Coldwell.

Mr. DECHENE: Mr. Speaker, it is with deep regret that I admit I could not complete my remarks before six o'clock and that therefore I must inflict myself upon you for a few minutes longer. I believe that in my style —as you notice, I have nothing written before me—and being in the habit of saying what I think and talking about things I am supposed to know something about, I have made a point as to the necessity of this government and the government of Alberta coming to a thorough understanding of the immense possibilities in the development of the tremendous natural resources of that province, which I discussed for a few minutes. I know that this time will not be lost.

Some time ago I was reading one of the greatest writers and thinkers of his century, Victor Hugo, and I was struck with one statement he made at a time when things were most desperate for his great country, France, as bad almost as they were in the last war. I speak of 1871, and I would ask for a minute of your time to refer to those days, because at that moment everything seemed to be lost. The country was absolutely defeated; its armies were dispersed over the soil of France; the conquerors were tramping through the halls of the nation with their hobnailed boots, imposing harsh terms of peace. Hugo was himself a member of the chamber of deputies, which met under the walls while the commune was burning the city. Everything seemed desperate; they said, "Well, what is the use?" Then Hugo uttered these words: "Gentlemen, no effort is ever lost." You all know how true that is. Sometimes you have wondered what is the use of what you are trying to do. I see around me young members, men of talent, ability and courage, who one day are going to make their mark in this chamber where I am so proud to be tonight. Sometimes they will be inclined to be discouraged and to ask, "What is the use?" If they remain true to the cause they espouse; if they keep pressing forward they will find later, when perhaps they think their ideas have been forgotten, that their efforts have not been lost. Therefore tonight I repeat that celebrated phrase, which I am unable to translate: "Fût-on un million d'esclaves, je suis libre." It is because I know I am appealing to a friendly house, because I feel that I am appealing to real Canadians, because I know, as I said a moment ago, that these efforts will not be lost, that I am asking the house to consider building the gaps in these railroads about which I have spoken so often. I say again that if the Canadian Pacific Railway Company are unable to complete the gaps on their line because they must produce profits for the shareholders, we have the right here to cancel the charter they obtained in what, after all, was Canadian National territory. They were granted these charters away back in the boom years of 1927, 1928 and 1929 because even then they could see the tremendous possibilities of that great northland, which knows no crop failure.

I remember in 1937, when Saskatchewan suffered drought, hearing a man express the view that Saskatchewan was done. What an awful thing to say! Why, we have only started in the west. We are only beginning; and all we are asking you, through my feeble voice as member for one of the largest ridings in this dominion, is to lend us your help so that the development of that great western country may be carried out as promptly as possible. The province of Alberta cannot by itself construct the highways and railroads that are needed. For instance, they are unable to construct the highway from Fort McMurray to Edmonton which would make available those great tar resources of which I was speaking this afternoon.

If I had time I should like to say a word about another resource.

Some hon. MEMBERS: Go ahead.

Mr. DECHENE: My voice is giving out. I know what I am about to say will sound like heresy to my good friends from the east and west coasts, but I say quite sincerely that the greatest fish in the world, bar none, do not come from our coastal fisheries but from our northern lakes. I have in my constituency

Cold lake, where we catch trout at depths of three and four hundred feet. They are so good, so incomparable that we find it hard to get any for our own use, because the Chicago and New York markets will take every fish they can possibly get from that part of the country. In that connection hatcheries should be built. I may be told that this is a provincial matter, but that is not entirely the case. We must work this thing out together.

Having said so much, let me say this. I would not speak in this way if I did not have confidence in this government and in the Minister of Finance (Mr. Abbott). I know that all of us, no matter what may be our political affiliations, are proud of the tremendous job done by the former Minister of Finance (Mr. Ilsley) during the war. I met him on a street-car one day after a difficult evening during one of the most sombre, terrible years of the war, when he was being criticized not only from across the way but right from this side of the house by some very able men. If I tell this incident I know you will all appreciate it. He said to me, "I hope I am doing the right thing; that is all I worry about, doing what is right." He went on to say, "Those two men may drive me out of political life, but if they do I will go down with the feeling that I have done my duty to my country in its years of struggle and peril." I said to the Right Hon. J. L. Ilsley, "Your name will stand high. It will be remembered in the schools of this land when those other men have been absolutely forgotten." And in his successor I salute one of the ablest young men in the political life of this country. Under the former Minister of Finance the bonds of the province of Alberta were redeemed, so that today our credit is 100 per cent. I know when the province of Alberta comes to the present minister it will be received as that province and its people ought and deserve to be received.

I will not keep the house any longer. I regret having inflicted myself upon you; but since I have a few minutes left I should like to describe northern Alberta in June. Let us go home for June. Then the wild roses grow rank along the highways. Their aroma is the first thing that strikes a stranger. They grow almost like trees, and they are the colour of the cheeks of our girls and women. There is nothing more beautiful than northern Alberta in June, nothing lovelier than a northern Alberta June bride. Now, in spite of a late spring, our farmers are on the land. They may crab about the price of gas, the price of twine, the price of this and the price of that, but don't worry; the strong, valiant, courageous yeomen of Alberta are on the land now patiently putting in their crops. Through you, sir, may I tonight address a prayer from the bottom of my heart to Providence to bless their labour and give them a bumper crop.

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, after listening to the hon. member for Athabaska (Mr. Dechene), I realize that there is a place in Canada almost as beautiful as my own riding of Peterborough. The hon. member spoke about the wonderful fish in Athabaska. I know he has never been to my riding and caught some of our wonderful muskellunge, because I believe Peterborough is the best game fishing district in the whole of Canada.

In taking part in this debate, I consider it proper to offer some constructive suggestions and also do a little criticizing of the government, because I believe they deserve quite a bit of criticism. I happened to be in New York city, attending the assembly of the united nations, when the budget was brought down, and I noted that the New York newspapers placed a rather rosy appearance on it. But that rosy appearance was only on the surface, and was likely created only by the rose-coloured spectacles of the Minister of Finance (Mr. Abbott). When the average Canadian citizen had a chance to sit down with a copy of the budget speech before him and, with the aid of his own reading glasses, had an opportunity to digest the speech, he found it was not as rosy as it appeared at first glance. Indeed, one worker in my constituency said to me last Saturday that he thought the Minister of Finance was trying to follow in the footsteps of Barnum, that great founder of the circus, and the man who coined the expression, "There's a sucker born every minute". He built his circus on that assumption.

However, today the people of Canada are not fooled as easily as they were in those days. Although we find some reductions in the income tax, the reductions which the people of Canada expected, after two years of peace, are not there. In fact, at the present time war taxes are still found in the budget. The Minister of Finance failed to remove luxury taxes on articles which are not luxuries at the present time. In that connection I would refer, first of all, to table silverware—knives, forks and spoons—which we require in our ordinary everyday lives. Veterans returning from the war had to pay a twenty-five per cent tax on all the flatware they required for their tables.

Another luxury tax is the one on alarm clocks. I am particularly interested in this,

because they are manufactured in my own city, and I do not think an alarm clock is a luxury.

Mr. MAYHEW: It's a nuisance.

Mr. FRASER: A worker has to pay about $3 for an alarm clock, and on top of that a luxury tax of seventy-five cents. He must pay for the luxury of having an alarm clock to waken him in the morning so that he may go to work to earn a living, and to earn enough so that at the end of the week he may have the luxury of seeing taxes deducted from his wage cheque, by way of income tax.

As I said before, on the surface the budget looks all right, and it would seem that the government had been able to manage the country efficiently. But that is only on the surface; because the methods used by the government, as pointed out this afternoon by the hon. member for Muskoka-Ontario (Mr. Macdonnell), to balance the budget, were certainly unethical, and methods which would not be allowed in any ordinary business in Canada or in any other country of the world. They have robbed Peter to pay Paul; they have taken money out of one pocket and put it into another. They have taken capital and used it for income. And when I say that I mean that their surplus is nothing more than the proceeds from the sale of war assets, war assets which were bought by the taxpayers of Canada during the years of war, and with their money. But today, instead of those proceeds being placed back in capital account to pay off part of our tremendous debt, they are shoved into income. We see listed the sum of $372 million from the sale of war assets; and in this amount is included amounts received from the sale of ships which were built after the close of the war at a cost of $80,000, but which were sold off the ways for only $20,000. Then, office equipment was sold in the original crates at practically scrap prices. Many more millions of dollars could have been added to that $372 million from the sale of war assets if War Assets Corporation had been run on a businesslike basis, instead of on the catch-as-catch-can basis on which it was operated. According to a return tabled in my name on March 15, War Assets Corporation spent $210,631.08 last year, just to remodel and alter their office building in Montreal to take care of some of their 7,000 employees.

In his budget speech the Minister of Finance said there would be a reduction of twenty-nine per cent right across the board. This, too, was featured in the newspapers. But he did not tell us that that was only twenty-nine per cent off present income tax, and that even with that percentage taken off it was far from putting the taxpayer back on the level of pre-war years.

In 1938 a married man with his wife and two children, and with an income of $3,000, paid only $9 in taxes. But in 1948 the same man must pay $230 in taxes, or an amount twenty-five times as great as that he paid in 1938. A single man with an income of $3,000 paid $104 as a tax in 1938, while in 1948 the same man must pay $420, or four times the former amount.

No consideration whatsoever has been given to the fact that a married man with a family must look after and rear his children. Believe me, the man with a family finds today that it costs at least three times as much to bring them up as it did in 1938, on account of increased taxes and prices.

After a comparison of the taxes of 1948 with those of 1938, it is clear that there is absolutely no reason in the world why the government should not have a real instead of a false surplus this year, because they are getting in so much extra taxation, as compared with the amount taken in before the war. But they have not been able to declare that real surplus because they have been extravagant in practically every department. Until they cut out that extravagance and waste they will never have a real surplus.

After paying income tax, the average family today finds that there is no chance of putting anything aside for a rainy day, no chance of saving anything to buy a home—even if they could buy one, because the government has certainly failed to provide homes for the people of Canada. The average family today finds it almost impossible, after paying income tax, to put aside a little money even to take a summer holiday. Prices are at an extremely high level. When I was speaking on the budget last year I said that the cost of living index was based, not on what you could buy but on what you could not buy. This year the cost of living index is still not right. If any hon. member doubts my word all he has to do is to go on the street and ask any housewife. She will soon tell him what is what. Here is a clipping with regard to that which states:

> Finally admit cost of living index wrong
>
> The dominion bureau of statistics confirmed with figures Friday what any housewife could have told it a long time ago: That the cost of keeping the larder filled, the body clothed and the house furnished is considerably more than the official cost of living index.
>
> Between August, 1939, and the end of 1946 the official increase was 26·1 per cent. By last month it had risen an additional 2·8 per cent.
>
> But while these figures represented the official average advance, they did not give much indica-

tion of some of the things housewives have been howling about. Egg prices are 70 per cent higher than they averaged in the period 1935-39. In the same class are cheese, round steak, rolled rib roast, stewing beef, veal, bacon, lard, rice, beans, corn syrup and lemons.

The bureau computes its index by averaging the weighted representative price figure for each of six main essential item groups: Fuel, rent, foods, clothing, home furnishings and services and miscellaneous.

The food group advanced 47·4 per cent, clothing 31·1 and home furnishings and services 28·2. Fuel moved ahead 10·3 per cent, rent (computed before the recent increase in domestic rentals), 9·2 and miscellaneous, 12·6.

The clipping does not say that at the present time, in order to secure things for her home, the housewife must wear out shoe leather going from store to store trying to find the things she wants. She can find no shirts for her husband, no diapers for the baby and no soap with which to wash them. Butter is up ten cents a pound; bacon is up over seventy per cent and is as scarce as hens' teeth. Rentals are supposed to be up only nine per cent, but try to find a house, an apartment, a room or even a dugout. You will find it is almost impossible. If you can get an unfurnished room you will find that it will cost you almost as much as a furnished room cost in 1938, perhaps with board thrown in. The poor taxpayer has been getting it in the neck right along and it is time that more consideration was shown for him, especially the man in the low-income group.

It costs more for clothes, more for home supplies, and more for a car if you can get one. Then, added to that, in order to make the taxpayer's life more miserable, the government has retained the sales tax on electrical power. There is also the tax on telephones, and the transportation tax which gets you coming and going. A few departments have reduced their expenditures this year but they should have been cut far more. It would have been easy for them to cut expenditures this year, because some of the departments last year had carryovers from the war which they have not this year. Perhaps it is time that all departments had a real good house-cleaning. I feel quite sure that if a survey were made of each department hundreds of thousands of dollars could be lopped off the estimates.

I should like to give a few cases. While these may represent only small amounts, when enough small amounts are added up it runs into the millions. The government have been thinking in billions and I know it is hard for them to get down again to millions. They should remember that Canada has a population of only 12,000,000; we are not in the billion dollar class.

[Mr. Fraser.]

I had an answer a short time ago to a question I had asked regarding a piece of property the health department was renting on Parkdale avenue, Ottawa. The department is paying $18,000 a year rental for this property. There is no reason why that department should rent this building at the present time, because the government has buildings which were erected during the war and which would be suitable to house this department for the time being until building materials are more plentiful and until such time as building is needed in order to give employment to our people.

I said the rental of this building was $18,000 a year and I should like to figure this out in income taxes. A married man, with a wife and two children dependent upon him, paid no income tax on a $2,000 salary in 1938, but in 1948 his tax will be $36. On that basis it would take 500 taxpayers paying $36 each into the government treasury to look after this one rental. On top of that the health department is going to remodel the building. I have not the figures, but from what the return says I should judge that will run into another $18,000. That means another 500 taxpayers to look after the repairs, or a total of 1,000 taxpayers to look after the total expenses of one building which is not needed at all. That is certainly poor business on the part of the government. The return states that it is the intention of the Department of Public Works to have this building fitted up with special plumbing, sinks, partitions, et cetera, to meet the requirements of the health department.

I have another case, small as it may be, but, as I said before these small amounts run into the millions when they are added up. The Central Mortgage and Housing Corporation issue a booklet every two months, or six times a year. This booklet is fifty-two pages in size and weighs about half a pound. I have one of them here. It does not help building in Canada one bit, because it deals only with housing in the United Kingdom, the United States, Australia, New Zealand, South Africa, Sweden and so on. It may be interesting but it does not help the veteran in Canada to get a home. I consider this is something that is absolutely useless and could be done away with.

Another thing that could be done away with because it is not of much use to Canada is the short-wave broadcasting station on the Atlantic coast. It is no use for Canada to try to keep up with the Joneses. This is costing us over $3,000 a day. I have here a clipping stating that the appropriations committee of the house of representatives in the

United States have definitely decided to do away with their short-wave station. This report, which is dated April 23, states:

House group kills programme of U.S. broadcasts abroad.

The state department's entire programme for broadcasting the American way of life to the world has been doomed by an appropriation sub-committee of the house of representatives, it was learned today.

Mr. Speaker, I imagine that you and most hon. members have visited a circus at one time and perhaps you carried water for the elephants, as I have done. You know what an elephant eats; you know how much they eat. At the present time the dominion government has a white elephant on its hands. This is just as much an elephant as any you have ever seen or ever expect to see. This year that white elephant is asking for $819,409 more than last year. In fact it is keeping the poor old taxpayer doubled up trying to pay for the feed of that elephant. The elephant I am speaking of is the film board. The film board perhaps is doing some good in putting out films for schools and for educational purposes, but the process of making these films is an extremely costly proposition. There are other ways in which the films could be made that would cost the country a great deal less money.

That same film board is at the present time subscribing to 127 magazines, periodicals and journals. I do not know what they cost, but I have my doubts whether there are ten men or women in the film board who ever read a quarter of these publications. This year nearly every branch of the film board is asking for more money. There does not seem to be any real check on the expenses of this outfit. I have a sample of their expense accounts here on my desk. Here is one for the period just before and during the 1945 election. It is for different members of the film board: trip to Quebec city, April 14, $200; May 28, another trip, $120; trip to Quebec, $300; May, another one, $350; other trips, $50 and $48. These are all for different persons and are dated around April, May and June. Here are two more trips, one for $150 and another for $300; June 7, trips to the maritimes, trips to Toronto. There are trips all over the country.

An hon. MEMBER: One to Halifax?

Mr. FRASER: They will likely be going to Halifax for the election there.

We also have the Canadian information service, now under the Department of External Affairs. The cost this year of that information service as far as I can gather from the estimates is $241,200. That is not bad if it were not for the fact that nearly every department of the government advertised last year through the civil service commission for additional staff to handle advertising publicity in the respective departments. This extra help they are taking on in each department will amount to over $91,000, plus several other thousand dollars on which I have not been able to get the exact figures.

The Canadian information service, according to a return that was tabled in my name this year, show that in their offices in London they have three men receiving salaries, living allowance and travelling expenses; in Paris they have three men or women all receiving salaries, living allowance and expenses; in Washington they have twelve in the office, all receiving fairly good salaries, living allowance and travelling expenses; in New York they have seven, all receiving salaries and a living allowance which runs as high as $1,680, and travelling expenses—$424 is the highest. In all, the total is $82,872. They are getting nearly as bad as the C.C.F. in Saskatchewan, where they have jumped the expenditures on their information service from some $31,000 up to $73,000 in the last couple of years. They are using it to put out C.C.F. literature, or at all events they were. The Canadian information service, as I have said, have offices all over the country. If they are going to do a job they should keep it in one office and not have it in every branch of the government.

This year the following departments of the government have all increased their expenditures: Transport, up over $5,000,000; Secretary of State; Reconstruction and Supply, up over $10,000,000; Public Works, Public Archives, Prime Minister's Office, Post Office, National Revenue, up over $5,000,000; National Health and Welfare, up over $13,000,000; Mines and Resources, Legislation, Labour, Justice, Fisheries, External Affairs, up $1,779,000; Agriculture. I could go on for hours—

An hon. MEMBER: No, no.

Mr. FRASER: Yes, I know you do not like to hear of the government wasting the taxpayers' money.

I have a few suggestions to make before I sit down, and I hope that they are constructive. During the past year, many people have spoken to me about deductions from their income tax for medical expenses. The majority of people feel that the present exemption is not right. They consider that all medical and hospital expenses should be allowed, especially for those in the low-income brackets. A man with a salary or wage of $2,000 a year would have

to have medical and hospital expenses in excess of $80 a year before he could make any deduction for medical expenses.

An hon. MEMBER: Try the C.C.F. plan.

Mr. FRASER: And you pay for it through the nose in Saskatchewan. If a man's medical and hospital expenses amount to $82 he could deduct $2 from his taxable income, and that is all. This question of deductions for medical expenses should have been considered by the Minister of Finance when making up his budget. If he would allow all deductions for medical and hospital expenses we would have a healthier Canada, because people would feel a little more free to go to the doctor if they felt that there would be some relief for them. But at the present time there is absolutely none.

Mr. SMITH (Calgary West): That is always a problem, going to the doctor for relief.

Mr. FRASER: If more people would go to the doctor before they are sick we would have much less sickness in Canada. An ounce of prevention is worth a pound of cure.

Another method by which the taxpayer could be saved a few dollars is in the cashing of war savings certificates, some of which become due this year. The chartered banks of Canada should be allowed to cash these certificates for their customers whom they know and who have accounts with them. In that way the government would be protected; the holder of the certificate would be protected, and the bank would be protected. As it is now holders of these certificates must take them to the post office and must wait for perhaps months for their money to come back to them, and there is the chance that their certificates might get lost as many certificates were lost when people were subscribing for them.

I should like to ask the minister a question. He is not in the house at the present time. Before he left the chamber he told me that he had a bad cold, and he excused himself. At that time I suggested to him that he go to his hotel and go to bed. That is the only way to get rid of a cold. His parliamentary assistant is in the house, and I shall put to him the question that I intended to put to the minister.

Mr. MAYHEW: If the hon. member has any good suggestions they will reach the minister.

Mr. FRASER: It is not a suggestion; it is a question. Is there anything in the income tax act which says that the taxpayer must make out his own income tax return? If he is wrong he is penalized for it. If he makes a mistake they charge him extra. I know we are all told we have to make out our own income tax returns.

Mr. MAYHEW: No.

Mr. McCANN: You make your own returns.

Mr. FRASER: Yes. It is the job of the Minister of National Revenue (Mr. McCann) to collect the revenue, but the Minister of Finance (Mr. Abbott) is, I understand, the one who checks the returns.

Mr. McCANN: Not at all; he has nothing to do with it.

Mr. FRASER: It all has to go through the hands of the Minister of Finance.

Mr. McCANN: No.

Mr. FRASER: If the return is wrong the taxpayer is charged an extra tax. A simple form should be prepared by the Minister of National Revenue. On that form the taxpayer should be asked what is his income, what is his status, and what are his deductions. That form should be sent in to the minister's office and the minister's department should figure out what the tax is.

Mr. McCANN: No. The law is that every man must assess himself.

Mr. FRASER: I know, but look at the mistakes which have been made. That is the reason I am bringing this up. I have a return here which proves I am right. It is dated February 14, 1947. The first question was:

How many income taxpayers (a) individual; (b) corporation were paid rebates during 1946?

The answer was:

(a) 1,312,112.
(b) 1,033.

That meant all kinds of extra work for the minister's department. It would have been much easier—

Mr. GIBSON (Hamilton West): There was tax deduction at the source.

Mr. FRASER: Yes; that could be done too. The minister's department will eventually have to make out the taxes for the people. Last year there were $49,538,800 rebated to the individual taxpayer.

Mr. McCANN: That shows good work.

Mr. FRASER: It might be good work, but a lot of that rebate went away back to 1940 because the minister's department is so far behind in its work.

Mr. McCANN: No, it is not.

Mr. FRASER: Perhaps not now; the department is gradually catching up. I know some people have not received final receipts for their 1943 returns yet.

Mr. McCANN: Excuse me for interrupting. I can say that with reference to the assessments, if you take the district of Ottawa, at the end of December, 1946, 99·5 per cent of the 1945 returns which were made on April 30, 1946, were assessed and completed. You cannot beat that record. I will admit that in some divisions, in some district offices it was away below that. We have had an enormous shortage of staff.

Mr. FRASER: That proves what I have said. In Ottawa where they have the head office to look after their returns and do not have to bother with four or five different offices to check on them the return is looked at, checked, and sent out again, but with the district offices it is an entirely different proposition. In these offices they tell you that your return is all right. You make out your cheque and give it to them. Some months, or perhaps two or three years after, you are told that you owe an extra $2, $3, $4, $5, or perhaps $200, $300, $400 or $500, and then you are charged interest on that.

In closing, I wish to quote two paragraphs from an editorial of the Peterborough *Examiner* of May 1, which I believe hits the nail on the head.

Mr. MACKENZIE: Which nail? I thought there were none left.

Mr. FRASER: I do not mean wire nails.

Mr. GIBSON (Hamilton West): Finger-nails.

Mr. FRASER: It is only a figure of speech. The Secretary of State said "finger-nails." But the builders of Canada find it impossible to get nails of any kind.

Mr. MARTIN: Stick to income tax.

Mr. MACKENZIE: How can you hit them on the head?

Mr. FRASER: The Minister of National Health and Welfare suggests that I should stick to income tax. He does not know nails. Perhaps there are none left in his riding.

Mr. MAYHEW: What about the editorial?

Mr. FRASER: The editorial reads as follows:

> Each citizen would be wise to balance some of his increases in living costs against the reduction in his income tax. Butter has just risen ten cents a pound; what does that mean to you in a year? What will the increase in your fuel bill be? Do these, and other increases leave you much of what you are supposed to gain by your tax reduction?

You will find that you are in the hole and very much so. I continue with the editorial:

> It may be that the budget has hidden virtues which have escaped us. We hope so. But we shall not feel any benefits which may be inherent in it for some time. Meanwhile, it appears to us to do little except make certain adjustments designed to preserve the existing balance.

Mr. R. H. WINTERS (Queens-Lunenburg): Any hon. members who reflect the feeling of the house when the Minister of Finance (Mr. Abbott) brought down the budget on April 29 and any of those who represent the true feelings of their constituents, must, I am convinced, come to the conclusion that the budget was generally satisfactory to all Canadians and outstandingly satisfactory to the vast majority of them.

At the outset, Mr. Speaker, I wish to pay tribute to the former Minister of Finance (Mr. Ilsley) who, in recent years, through his untiring efforts helped to develop Canada to the point where such a budget was possible. But for him it might well be that the relief granted would not have been anything like the amount it was. In saying this, I do not wish in any way to detract from the present Minister of Finance, who certainly started out on the right foot in presenting his first budget.

What was needed to counter the widespread criticism as well as to stimulate necessary production was a sizeable decrease in personal income tax. The relief afforded was beyond the hope of most. In a country the size of Canada it is entirely impossible to satisfy everybody. There will be complaints from private citizens and from opposition members. Many of these complaints may be bitter and a few of them may even be justified, but it cannot be denied that the government is steering a safe and steady course. It is the even breeze and not the squall that results in a ship's best over-all progress.

From Nova Scotia's point of view one of the main considerations in the dominion-provincial financial discussions is the matter of the small tax fields, particularly the electricity, amusement, and pari-mutuel taxes. The revenues from these sources in Nova Scotia are not large, but there is a worth-while principle involved if it is acknowledged that the provinces, in order to obtain a full measure of autonomy, are to have tax fields of their own. These particular fields can be regarded as emergency fields. They were entered into only during the war, when it was necessary to tap sources of revenue previously untouched. I share the opinion of the Hon. Angus L. Macdonald and the Nova Scotia government that the federal government should withdraw

from these fields at the earliest possible date, and, having done so, should not return to them unless there is another emergency.

The budget speech dealt briefly with subsidies. This is a word that, in itself, is the antithesis of free enterprise because, if an industry or function can flourish on its own merits, subsidies are not necessary. It is only when industries are not self-supporting but when they are nevertheless essential to the over-all economic structure that subsidies as we know them become necessary. Nova Scotia is in the unfortunate position of being concerned with subsidies probably more than any other province, and I know that in Canada there is an impression, either conscious or subconscious, that the particular subsidies which Nova Scotia is paid, or has been paid, for the operation of her coal mines, and is being paid on freight rates and other phases of her economy, are a shameful indication of the province's weakness. This impression does not reflect the true situation.

When one analyses the circumstances more closely, it becomes evident that this matter of subsidies is anything but one-sided. That Nova Scotia and other outlying provinces have subsidized Ontario and Quebec since confederation is well known and evidenced by many facts, among them being that the large percentage of our manufactured goods is obtained from these two provinces, and that in many instances the large taxable revenues in these provinces are derived from estates and other sources built on moneys funneling to them from the outlying provinces.

The transactions of the Canadian export board and the Canadian Commercial Corporation alone will serve to underline my point in this connection. In a reply tabled on March 17, 1947, to a question I placed on the order paper, it was shown that the total value of contracts awarded by the Canadian export board and the Canadian Commercial Corporation as of that date was $330,872,575. This amount was broken down by provinces as follows:

British Columbia	$32,356,280
Alberta	1,273,956
Saskatchewan	70,990
Manitoba	931,626
Ontario	122,637,489
Quebec	171,102,255
New Brunswick	348,628
Nova Scotia	2,151,351

A closer analysis will reveal that of this amount, by provinces, Ontario received $30 per capita, Quebec $47 per capita, and Nova Scotia $3·4 per capita. The over-all average for all of Canada was $27 per capita. On a percentage basis Ontario received 37 per cent, Quebec 51·5 per cent, and Nova Scotia ·65 per cent. It might sting New Brunswick and Prince Edward Island members to know that their provinces received ·105 per cent and zero per cent respectively.

It is true the above returns show that the prairie provinces fared rather badly, but when one considers the amounts accruing to these provinces from contracts for wheat, beef, hogs and other farm products, Prairie Farm Rehabilitation Act and Prairie Farm Assistance Act, it becomes clearly evident that the maritime provinces get anything but the best of the deal. British Columbia members will be pleased to know that their province stands third highest in point of benefits from the contracts in question.

I do not wish to create the impression that I am criticizing the manner in which the Canadian Commercial Corporation or its predecessor, the Canadian export board, have placed these contracts. I have seen no evidence of partiality and with very few exceptions I believe the contracts to have been awarded in the best possible way. I have the highest regard for Mr. Low and the other officers of the corporation. I am merely trying to show the disadvantages Nova Scotia suffers through force of circumstances and the fact that she is not a producer of products which are normally in primary demand by foreign countries.

When the question of loans to foreign countries was before the house, maritime members supported it strongly. We took the stand that being favourably located on the Atlantic seaboard, and with good harbour facilities available at Halifax, Saint John, Sydney, Lunenburg, Liverpool and elsewhere, we were naturally in line for a large return, because we have always felt that, based on tradition as well as practical considerations, our natural field was export to European and South American countries, the United States and other countries which are more readily accessible from our ports than from any other ports in Canada.

With such disappointing returns developing in the face of our optimistic expectations, the various members may draw their own conclusions as to how they would feel if the province they represent found itself in the same predicament.

At the risk of drawing this argument too fine, but with the purpose in mind of placing clearly before the house Nova Scotia's attitude toward the over-all economic set-up and this matter of subsidies, I should like to go a few steps farther, using as my basis this total amount of $330,872,575 in contracts awarded by the Canadian Commercial Corporation.

Quebec and Ontario together, with sixty-three per cent of the population in Canada, derived, from contracts let in these provinces,

a financial return of 88·5 per cent of the total, whereas Nova Scotia, with five per cent of the population, received only ·65 or slightly more than one-half of one per cent of the financial return. If one considers that the average return per capita for all of Canada from contracts let was $27, and that for Nova Scotia it was only $3·4, it is a simple matter to show that on this deal alone Nova Scotia subsidized the rest of Canada in the amount of approximately $15 million and, Mr. Speaker, this is by no means an isolated illustration. It goes on all the time, year in and year out. Nova Scotia, New Brunswick and Prince Edward Island are, in fact, subsidizing the rest of Canada, despite the fact that some of the other provinces choose to give the impression that they are subsidizing us. This is the reason why, when coal subsidies were removed some time ago, I stated in this house, during the debate on emergency powers, that Nova Scotians need not feel badly in accepting payment of subsidies, and that this practice is not nearly as iniquitous as many people would have us believe.

Then, too, we must not lose sight of the fact that many products are manufactured in central Canada under the protection of tariffs, and we in the outlying provinces are forced to buy from these sources goods that we could obtain cheaper from other countries if there were no tariffs. This, in our opinion, is a direct subsidy, paid by provinces such as Nova Scotia to central Canadian industry. This is an old and well recognized story, but I again wish to make it clear that these problems are real. Nova Scotians are realistic; they want to see Canada go forward as a nation, and if these tariffs help toward our industrial development as a country, we cannot oppose them; but Nova Scotia wants an equal opportunity to advance with the rest of Canada. I wish to emphasize again that we do not seek or wish any of our undertakings to be subsidized to the point where industry or labour feel they do not need to exert their greatest and most efficient efforts to achieve maximum output, but where subsidies are indicated in order to allow outlying provinces, having economic problems such as those facing the maritime provinces, to assume their rightful place in Canada's economy, we do not make any excuse for justifying them.

This inequality in Canada's economy is one of the reasons, too, why Nova Scotia was justified in seeking the best possible settlement under the dominion-provincial tax agreements, because the proposals offer a means of tapping the revenue of the more fortunate provinces and distributing it to the less fortunate provinces.

Mr. FLEMING: If the hon. member would permit a question, does he think the dominion government ought now to reconvene the dominion-provincial conference with a view to bringing about satisfactory agreements covering the tax fields, social security and public investment?

Mr. WINTERS: In that regard, Mr. Speaker, I do not believe I can improve upon the statement made in this house by the Prime Minister (Mr. Mackenzie King).

Mr. FLEMING: If the hon. gentleman will permit me, I did not direct my question to the Prime Minister; I asked the hon. gentleman's view on that matter, if he cared to give it.

Mr. WINTERS: While dealing with Nova Scotia's economy, I should like to draw the attention of this house to a few problems respecting our fisheries. I will not deal with fishing operations at any great length at this time, because there will be another opportunity later, when the fisheries estimates are before the house; but I wish to say a few words about labour problems as they apply to our fishermen. Before doing so, however, I should like to express the view held by all fishermen that this budget is eminently satisfactory to them, in that it provides a good measure of relief from personal income tax. The policy of averaging incomes over three years is also meeting with universal approval. In Nova Scotia generally, and in Queens-Lunenburg in particular, we have always prided ourselves on the harmony existing between labour and management. Communities and towns are comparatively small, with the result that people in all walks of life grow up together as neighbours. Almost without exception they have known each other well, and I am aware of no other place where there is less of what is commonly called "class distinction." Without fear of contradiction I can say that we have had happy community lives. During the war, returns from fishing were good, and when compared with many other industries it must be accepted that a relatively high standard of living obtained. Then suddenly into this harmonious picture were injected seeds of dissension, culminating in what may yet prove to be a ruinous strike in which the issue boiled down to one of union recognition, the union involved being the Canadian fishermen's union.

Let me say at this point that the lot of the fisherman has not always been happy. He was the poor relative in our working class. His hours were long and his returns small, but in recent years the government has assumed its

rightful responsibility on his behalf, with the result that his status has been considerably improved. With respect to the recent strike, then, one cannot help seeking in one's mind the underlying reasons for the strange and contradictory developments. It came as a sad realization to us within the constituency, and a surprise to the rest of Canada, to know that the worm boring from within, as is so often said, was communism. We are usually led to believe and we generally accept as a fact that communism breeds on dissension and poverty, but in this instance neither of these elements was present. This was not a classical field for communism, and that fact, in itself, makes the happenings all the more sinister. That this element could come into communities where happy, harmonious relationships prevailed, and where pride in standard of living abounded, should be a matter of the gravest concern for every thinking Canadian.

That the fishermen should be entitled to collective bargaining and other union privileges is denied by no one; in fact I personally and, almost without exception, the fish operators feel that labour should be encouraged and guided in this direction for its own good and the good of the country at large. I am sure that if the fishermen wish to organize within the framework of applicable legislation they will be given every support and encouragement, so that they may have an opportunity of enjoying the benefits of collective bargaining. In fact the Nova Scotia government is enacting measures to provide the legal facilities.

As a class, fishermen must not be discriminated against, and I am sure they will find there is no such intention. The rank and file of the fishermen realize that the right to organize and enjoy the benefits of unionization involves responsibility, and that they must develop their organization on a sound basis in order to inspire trust and confidence. It goes without saying that part of this responsibility is the selection of good leaders. No one denies the fishermen the right to choose their own leaders, but they will realize that in large measure the success they achieve as a union will depend upon the men they elect to direct them; and I am sure they are aware that their future is not associated with communism, which has shown itself to be vicious and irresponsible. The welfare of the fishermen is emphatically not its first consideration. As Hon. Angus L. Macdonald, premier of Nova Scotia, said when speaking in the Nova Scotia legislature, "communism is not a political party; it is a revolution".

[Mr. Winters.]

Too often the farmer is the forgotten man in Nova Scotia's economy. Our farmers feel that in many respects the farm policy is based upon the western farm colony and overlooks the small farmer who is contributing in a worth-while way without any opportunity for a sizeable return. There are in Queens and Lunenburg counties hundreds of farmers struggling under what would be considered by western farmers to be extremely adverse conditions. It is almost impossible to obtain farm labour, and when it is available it is at rates which are almost prohibitive. Costs of feed are high, and the fear is that they will go higher. A recently authorized increase in the price to the western farmer of barley and oats resulted in an increase of feed prices in Nova Scotia which in many cases turned a self-supporting operation into a losing one. I refer particularly to poultry. At about the same time that the price of feeds was increased the ceiling on eggs was lifted as a measure of compensation, and at a later date it was completely removed. However, instead of the price of eggs going up it actually went down, and the farmers were forced to destroy thousands of chicks. It is hoped that the recent upward revision in the price of eggs sold under British contract will rectify this situation. I refer to the announcement made by the Minister of Agriculture in this house on April 30.

Another handicap to the farmers of Queens and Lunenburg counties is the lack of the bovine tuberculin test. This test has not been applied for some years, with the result that farmers in these two counties are not allowed to sell their stock in tuberculosis-free counties and are obliged to accept correspondingly lower prices for their products. I am well aware that there is an over-all shortage of qualified veterinarians in Canada, but I would impress upon the minister the great importance attached to this problem and urge him to take the necessary action to have these tests applied at the earliest possible day.

In closing, Mr. Speaker, I would say that Nova Scotia's economic problems are far-reaching. The budget as such did not provide a solution of our provincial problems, but we hope that the dominion-provincial financial agreements, which were presented last year and subsequently modified, will go a long way in that direction. The average individual in Nova Scotia feels that the budget has gone a long way to solve his own personal problems, and as such the citizens of the constituency of Queens-Lunenburg endorse it.

Mr. E. B. McKAY (Weyburn): Mr. Speaker, at this time I wish to discuss a subject which is of the utmost importance to western Canada; that is the subject of irrigation. This is now considered by the people of western Canada as of paramount importance to the rehabilitation of the dried-out areas of the western prairies. The interest in irrigation which has recently developed in western Canada is the logical result of the associating of memories of the drought-stricken prairies of the thirties with the evidence of the value of irrigation, which has been so well demonstrated by successful projects in southern Alberta and in the semi-arid regions of the United States. One need hardly recall the suffering which the series of dry years brought to the prairie people, and in particular to the residents of southern Saskatchewan. The fear of those terrifying and depressing years still persists. That is the major reason why, during the past dozen or more years, people have been moving from southern Saskatchewan in such large numbers. A larger proportion of these people have abandoned farming entirely, since for them it was a hopeless venture. These farmers were so disillusioned that they decided to seek other means of making a livelihood. And because Saskatchewan is largely an agricultural province, people desirous of seeking other occupations were obliged in a great many cases to seek employment elsewhere.

The drift from Saskatchewan has been most alarming. The census of 1941 showed that the province had 25,000 people less than in 1931. When the natural increase of some 11,000 persons a year is added to this loss, it will be observed that in the decade 1931-41 more than 135,000 people have migrated from Saskatchewan, the great majority of them to British Columbia, eastern Canada or the United States. And I would point out that this vast loss occurred before the present C.C.F. government took office in that province; it took place during the regime of a Liberal administration. But no one would, I hope, be so unwise as to blame any provincial government for this trek from the Saskatchewan plains. It is the result of repeated years of drought; and no government has control over climatic conditions. If blame is to be placed anywhere for this situation, one must fix it on the federal governments of the nineties, and the first quarter of this century. While these governments could not control the weather in the area affected, they did have, at that time, control of immigration and colonization. It is now generally accepted in the west that the peopling of the Palliser triangle was a grave mistake, and federal governments of the nineties, and even later, are responsible for this error. Certainly the people who settled there are not responsible, because they knew very little about the country when they settled in that particular region. Thousands of people from eastern Canada, the United States and Europe came to this area with faith in their hearts, and with the hope of making a good living on the land. They remained only to lose faith and to find poverty, where the promise of wealth was held out to them by colonization officials.

The rainfall in many parts of the region is too uncertain to permit of successful farming, except for those who can afford modern power machinery and large acreages of land. The early settlers had limited resources, and therefore in most cases were unable to cope with the vicissitudes of the drought-ridden areas. By dint of hard labour, and by depriving themselves and their families of the necessities of life, few have become independent; but they are all too few.

Why this mistake was made it is difficult to understand. Almost a hundred years ago Palliser reported that most of what is now populated country was little more than a semi-arid desert. People were nevertheless induced to settle in that area, by the gift of free land by the federal authorities. Railways were constructed; towns and villages sprang into being, while the newcomers looked to the future with hope. Occasionally there was a good crop. Farmers then paid off their most pressing debts, allowing the remainder to wait in the hope of another bumper yield.

But there were more failures than big crops. In the past forty years, at least twenty crops were recorded as failures in a large part of southern Saskatchewan. That is the cause of the decline in population of that region in the west today. But despite this depopulation, there are still hundreds of thousands of people residing in the area of the Palliser triangle. In that area are many millions of dollars of investments in railways, elevators and other properties. The removal of this whole population to other regions is unthinkable, and quite unnecessary if the country were irrigated. And, despite unfavourable weather conditions at times, the people of southern Saskatchewan love the prairies. They are remaining in the hope that irrigation projects will make living there more pleasant and profitable in the future, and that Canada will soon realize that the irrigation of that area is practicable.

The region I have been discussing can produce great wealth in agricultural products. This has been amply shown when the rains

come. The provision of irrigation works to provide moisture would meet the need when the rains fail. This huge area cannot be set aside as wasteland without seriously disturbing the national economy of the country. Many people and organizations are today advocating increased immigration to Canada. Thousands of newcomers to this nation could find homes within the Palliser triangle, if the region were irrigated.

It is necessary to provide water only during the crop growing season of a few weeks each year. Many small streams such as the Souris, Qu'Appelle, Long and Wascana creeks have sufficient spring flow, if conserved, to provide moisture for hundreds of thousands of acres of land, the finest in Canada.

The period of reconstruction following a devastating war has arrived. Irrigation of the Palliser triangle could make of the vast dried-out areas a populous and Eden-like garden of fertility. The value of irrigation has been well demonstrated in the Lethbridge district of Alberta and in scores of semi-arid regions of the central and northwest United States. These projects are rehabilitating farm land and have resulted in the production of millions of dollars worth of agricultural products.

More than 500,000 acres have been irrigated in Alberta and 4,500 successful farm units have been set up. Farms in the irrigated district now have assured yearly incomes. New industries have followed this development and employ many workers. To illustrate, I need only refer to the sugar refining industry which has contributed so largely to Alberta's economy. Last year this industry produced millions of pounds of sugar; in fact, eleven per cent of Canada's 1946 consumption.

Irrigated farms also permit of more stock raising and dairying because a supply of fodder is assured. Ranges which supported one steer on forty acres now finish for market two animals per acre. Soil which formerly produced sixty-five cents worth of beef now produces $130 worth of sugar beets per acre. Land which could barely average ten bushels of wheat per acre now produces thirty bushels and upward. It is estimated that for every square mile irrigated the population in the district increased ten-fold.

That is only a small part of what irrigation can do for the prairie lands within the Palliser triangle. It will make the output of new wealth constant and will direct into the national economy a stream of revenue which will not fluctuate with recurring periods of drought. Irrigation has done great things in the United States. The following article clipped from the *Globe and Mail* of April 30 of this year indicates what is happening in the United States:

> The large scale "grass roots" movement like that now taking hold in the west is a proved device in the United States. Several years ago, to stimulate the development of irrigation in the northwestern states, a similar organization was set up. The results have been truly remarkable. Since the movement commenced, 5,000,000 dry acres have been placed "under ditch" and plans call for the extension of water facilities to a further 10,000,000. Washington has spent about one billion dollars on this work. If this figure seems extravagant, one need only balance it against dividends on investment. The total cash returns from crops in the reclaimed areas in the United States for the combined years of 1945 and 1946 equalled almost $900,000,000, or 90 per cent of capital outlay.

Subsidies and Prairie Farm Assistance Act benefits may temporarily relieve a condition and have served a useful purpose, but they cannot solve the problem of recurring drought. Irrigation is the only answer. The proposed irrigation scheme on the South Saskatchewan river would irrigate a large tract of land. The experience gained by the operation of the Prairie Farm Rehabilitation Act justifies embarking on such a venture. The cost of such an enterprise on the Saskatchewan river would involve the expenditure of upwards of $25,000,000. This, together with other suggested projects, might even necessitate an expenditure of $100,000,000. But this programme would provide water for some 2,000,000 acres of excellent soil, and 20,000 farms of 100 acres each would be established. The servicing of the newly irrigated area would require thousands of people. In all, a project of this kind would support more than a quarter of a million population.

Such a development would create millions of dollars of new wealth. Small industries associated with agriculture would be set up. Sugar refining, canning, meat packing plants and dairying are accepted as certainties. Young people who seek employment elsewhere in Canada could find profitable employment in their own province. The drift of population from the prairies would be retarded, if not wholly stopped.

This new wealth will make a prosperous prairie region. As a result, eastern industries could not help but profit from the increased sales of consumer goods to the western provinces. But the major benefits are not to be measured in dollars and cents. The people in the west would have a new faith in confederation. They could look to the east with a feeling of friendship and appreciation. A new unity would result and a harmony prevail which hitherto has often been lacking.

The development of a full-scale irrigation programme for the prairies would be an investment in the future of Canada. I submit that such a project would be a sound reconstruction venture which would return tremendous dividends to the whole of Canada's economy. The undertaking would require a large initial outlay of capital, but the war proved to Canadians that what is physically possible is financially possible. Officials of P.F.R.A. state the project is physically possible, so I ask: Why the delay? The need is obvious. The land in the area is the world's finest and the water potential available in the Saskatchewan river and the other streams in the province. Canada cannot afford to procrastinate in this matter. The area must be rehabilitated. A western Canada irrigation programme should be the government's major reconstruction measure. I appeal to the government to embark on this national project without delay.

Mr. W. A. McMASTER (High Park): Mr. Speaker, I rise at this late hour to make a few observations on the budget and with regard to several subjects dealt with therein. I should first like to say something about the method of bookkeeping which has been carried out during the last year by the Minister of Finance (Mr. Abbott). It is unfortunate perhaps that news was given out early in the year by the Minister of Finance that there would be a substantial surplus, because it started a great demand for lower taxes. The minister said frankly that perhaps this was not justified by the facts, and he stated, as reported on page 2553 of *Hansard*:

> Economic conditions alone would hardly justify immediate tax reduction. As I have already stated, there are still substantial inflationary pressures pushing our prices and costs up. Reductions in taxes may add to these pressures in some measure, though they should reduce some of the demand for higher wage rates.

I would suggest that that is a poor foundation for a reduction in taxes unless a corresponding cut is made in the expenditures of the country. The matter is really worse than it looks. The minister has stated that the expected surplus of $352,000,000 was simply because we had received from War Assets $372,000,000 from the sale of certain articles, which by every system of good bookkeeping should have been capital return. If that had been capital return there would have been a deficit of $20,000,000.

I have watched with a great deal of concern the operations of the foreign exchange control board. I have felt certain over the past year, as I am today, that the operations of the board will work a great hardship on the people of Canada. It will mean that we shall have to take an immense loss which we would have been saved if the exchange had been allowed to find its own level. It is a sort of system of subsidies which people do not appreciate and which benefits most perhaps those who need it least, and in the long run the loss to the country will be considerable. On page 17 of the 1946 report of the foreign exchange control board appears this statement:

> Canada's external United States dollar assets were reduced by $330 million in 1946, of which $263 million is accounted for by the decline in liquid reserves of gold and United States dollars.

If I understand the operations of this board that means that we have lost $330 million just as surely as though we had spent it in another way and that we have nothing to show for it except perhaps greater trade with the United States. This must have been known to the board. It was so, because in the proceedings before the committee in the other place the governor of the bank said that would likely be the case and then he made the remarkable statement that he thought it would be good for Canada to import as much as she could, regardless of how it was to be paid for.

In the last year it has been stated that our trade with the United States was an adverse one of $603 million. That was progressively getting worse during the year. According to a recent statistical report for the month of March, that trend is continuing, because in that month our imports from the United States amounted to $136,606,000, while our exports to that country amounted to $79,453,000, showing an adverse balance of over $57,000,000, and if that is continued during the year it will mean a greater adverse balance than we had last year. It is likely to continue, because in the month of February our exports had dropped from approximately $79,000,000 to approximately $63,000,000. The latest report does not give the imports. But there was a falling off in our exports to the United States of $16,000,000 in February. If that continues, then as surely as anything in this world Canada will lose a substantial amount of money by the operations of the foreign exchange control board and this will be another debt to be shouldered by the people of Canada.

The minister expected a revenue of about $2,450 million during the present year and against that he had estimated ordinary expenditures of $1,285 million, or an increase over the previous year of about $52,000,000, and a very great increase over the year before that.

He has also other expenditures of $710 million, or total expenditures of $1,995 million. Yet nothing is said about the large amounts of money that must be advanced to the United Kingdom during the present year. About $600 million of the one and a quarter billion has already been given; another $600 million is to be advanced, and perhaps $300 million more will be advanced to other countries of the world on the three quarters of a billion dollar loan promised to them. So in the immediate future Canada will not be paying her way, because these are very doubtful assets, and the rate of interest paid by the people of Canada will increase to a great extent during the coming years.

There has been an advantage given to the taxpayers in Canada in all income brackets, but the advantages are much less for the taxpayer with a low income than the benefit he would have received if some of the hidden taxes were removed. I have made a computation of some of these hidden taxes, using as a basis the amount that an ordinary man with a family would spend on these taxes. I have dealt with only four or five special taxes. I have dealt, of course, with the sales tax, which produces $328 million, or an average of $27 for every Canadian citizen. I have preferred to say that each ordinary citizen might spend $13.50 a year as his share of this sales tax, leaving the man in the higher income brackets, the wealthier people, to pay a considerably larger proportion. But the man in the lower brackets has to pay his share of the sugar tax, for instance, the soap tax and the amusement tax and for candy and other things like that which the children must have. I have found that the average man with a wife and two children would be paying $60 a year in these taxes.

On that basis I find that the ordinary family is paying a considerable amount of money in this hidden way, far more than the relief it is getting through the income tax deductions just made. I find that married men under the $3,000 bracket without children, who are saving in income tax, according to the latest statistics of taxpayers issued by the income tax office, $8,170,000, are paying $10,000,000 in these hidden taxes. That is, they have been saved $8,170,000 in income tax and they are paying $10,000,000 in hidden taxes. Married men, with an income less than $3,000, with a wife and one child, have a saving of $7,350,000, and they are paying hidden taxes amounting to $9,850,000. Married men, with two children—and this is the favourite example given by the Minister of Finance—make a saving in the case of those with incomes of under $3,000—I am dealing only with incomes of $3,000 or less—of $2,800,000. But actually the men in that class, including those who do not pay taxes at all, pay $13,500,000 in hidden taxes. Married men with three children save $1,300,000 and contribute to these hidden taxes about $7,000,000. Married men with four children save only $500,000 by these income tax reductions, yet contribute in hidden taxes, $9,000,000. The family with five children or more, because of the greater amount they must buy, save nothing but must pay in sales tax alone at least $15,000,000. I am speaking only of those with incomes of $3,000 or less.

Therefore 726,000 people of Canada have been saved $18 million. These same 726,000 people contribute the sum of $64 million to the treasury in these hidden taxes. These are all people in income brackets of less than $3,000. The minister has said that in these brackets he is relieving a great many taxpayers. The computation which I have made leads me to believe that, while it has relieved some, there are at least 720,000 single income taxpayers and about one million married taxpayers who are still paying taxes.

I have tried to prove my figures of who have paid sales taxes and other taxes by the number of families that receive family allowances. From the last report which I have at hand I find that 1,592,751 families receive family allowances. They have a total number of children of 3,638,030. On the basis of $60 for each family they would spend about $94 million in these taxes. There are 475,000 married people with no children who are spending on the basis of half the amount of $60 a family on these hidden taxes. They spend $14 million a year. If we take it in that way it would amount to $108 million that is spent by married men with children and without children on these hidden taxes. For that reason I believe the minister should have reduced the sales taxes and these other hidden taxes. They are hidden taxes, but they affect the people more nearly and more severely than do the income taxes. They see the income tax; they know about it, but these sales taxes they do not see. The larger the family, the more of these taxes they pay. For this reason I would say that the minister has not framed his budget in a way which will relieve the family man and the man in the lower income bracket. It will relieve them to only a small extent. It does give a measure of relief to some, but it does not go far enough to help those whom it should be his duty to help.

On motion of Mr. Thatcher the debate was adjourned.

On motion of Mr. Mackenzie the house adjourned at 10.45 p.m.

Wednesday, May 7, 1947

The house met at three o'clock.

PRIVILEGE

MR. COLDWELL—CORRECTION OF STATEMENT MADE IN BUDGET DEBATE

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I rise to a question of privilege. I wish to ask the indulgence of the house, as a matter of privilege, while I correct an error I made yesterday in my speech on the budget. At page 2807 of *Hansard* I am reported to have said:

> The total reduction in personal income tax is about $70 million, but the reduction in the excess profits tax which will come into effect at the end of this current year is $279 million, or nearly four times as much.

And then I added, "I took the figures from the minister's own budget". I am sorry I made an error in calculation and I should like to correct it. I stated that the reduction in the excess profits tax which will come into effect at the end of the year was $279 million. This is not correct. This reduction is not the one which will come into effect at the end of this year but is the anticipated reduction made by the previous Minister of Finance in his last budget.

The minister stated that the total tax reductions in the current year would be $160 million. Reductions in personal income and gasoline taxes total, according to the minister, $150 million, of which $40 million is gasoline tax. Therefore the figure of $70 million which I gave is incorrect; it should be $110 million. This means then that the reduction in the excess profits tax from December 31, 1947—when it will end—to March 31, 1948 will be $10 million. The result is that the total excess profits tax for the fiscal year ending March 31, 1948, is estimated at $160 million as against $449 million for the fiscal year ending March 31, 1947. But while I am correct in saying that there will be a reduction of $289 million, not $279 million, the present Minister of Finance is responsible for only $10 million in this financial year. Therefore my statement yesterday was to that extent in error and I am pleased that the house has allowed me to make this correction.

INDIAN ACT

Third report of joint committee of the Senate and the House of Commons appointed to examine and consider The Indian Act.—Mr. Brown.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

MOUNTED POLICE—F. J. MEAD

Mr. PROBE:

1. What position in the R.C.M.P. is now held by Mr. F. J. Mead, former deputy commissioner?
2. What are the duties of such position?
3. Is he on pension? If so, how much?
4. Does he receive any salary, allowances or expenses in connection with any duties now being performed?
5. Who is the present deputy commissioner of the R.C.M.P.?

Mr. ILSLEY:

1. Special official and consultant.
2. Special official and consultant in connection with general problems of a police nature such as those connected with industrial disputes, the Japanese question, the youth movement, etc.
3. No.
4. Yes.
5. Deputy Commissionner H. A. R. Gagnon, C.B.E., A.D.C.

HALIFAX HOTEL

Mr. GILLIS:

1. Did the federal government purchase the Halifax Hotel in Halifax, Nova Scotia? If so, for what purpose?
2. From whom was it purchased?
3. What amount of money was paid for the hotel, including the legal fees for transactions necessary for the transfer?
4. Who acted as the agent of the government in making the purchase and was any commission or salary paid?
5. When was this hotel built and what was the original cost of building?

Mr. ILSLEY:

1. Yes, for the use of the Royal Canadian Mounted Police.
2. The Commercial Housing Limited, Halifax, N.S.
3. $100,000 for the hotel and its contents.
4. Messrs. Burchell, Smith, Parker and Fogo, Barristers and Solicitors, Halifax. No commission or salary paid but only their account for professional services.

5. The original part of the hotel had been erected in 1861, but other portions have been added to it at various times, especially the upper stories. The original cost is not known.

VETERANS BUSINESS AND PROFESSIONAL LOANS ACT

Mr. POULIOT:

1. In virtue of the Veterans' Business and Professional Loans Act, and in each province, how many loans have been (a) applied for, and (b) granted?

2. What is the total amount of the loans granted in each province, in virtue of that act?

Mr. MAYHEW:

1 and 2. (a) No record is available as to the number of loans applied for which the banks do not forward to the department of veterans affairs for concurrence. The department of veterans affairs has concurred in the following applications up to and including May 5, 1947:

Province	Number	Amount
British Columbia	203	$ 391,661 57
Alberta	319	542,556 88
Saskatchewan	185	322,889 28
Manitoba	124	238,416 65
Ontario	656	1,112,052 47
Quebec	134	213,538 34
New Brunswick	45	65,112 50
Nova Scotia	70	104,425 32
Prince Edward Island ..	26	38,601 00
Total	1762	$3,029,254 01

(b) Reports of loans granted by the banks are made quarterly. The figures for the period January 15, 1947, when the Act was proclaimed, to March 31, 1947, are as follows:

Province	*Number	*Amount
British Columbia	57	$112,712 80
Alberta	114	185,390 40
Saskatchewan	43	67,572 33
Manitoba	35	68,190 66
Ontario	179	275,132 98
Quebec	36	67,790 00
New Brunswick	9	15,529 00
Nova Scotia	13	15,621 66
Prince Edward Island ..	7	8,300 00
	493	$816,239 83

*Subject to adjustment.

The difference between the number and amount of loans concurred in and the number and amount of loans made, is due to (1) difference in dates; (2) delay in delivery of equipment, etc., for which loans were concurred; (3) delay in making loans pending completion of legal formalities.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADA'S OCCUPATION FORCES IN EUROPE

Mr. HAZEN:

1. Have France, Belgium, Holland and Denmark submitted claims to the Canadian government arising out of the occupation and/or operation of Canada's armed forces in those countries during the war?

2. If so, how much did each of these countries claim and how were the claims made up?

3. Have all the claims that were made been settled?

4. How much has been paid to each of these countries on account of their claims to date?

5. How much export credit was extended by the Canadian government to each of these countries?

6. How much of the amount extended has been used up?

Mr. GIBSON (Hamilton West): Return tabled.

ELECTRIC ENERGY—TAXATION

Mr. BLACK (Cumberland):

1. What was the total of kilowatt hours of electric energy generated in each of the past five fiscal years by provinces?

2. What amount of such electric energy in each province was generated and sold or distributed by (a) the province or an agency thereof; (b) the municipalities within each province; (c) private corporations or interests?

3. What electric current so generated and sold or distributed was (a) subject to federal sales taxes, corporation taxes, and other dominion government taxes; (b) exempt from such taxes?

4. What amount was the amount of such taxes payable each year in each province?

BARBARA ANN SCOTT

QUESTION OF AMATEUR STATUS

On the orders of the day:

Mr. KARL HOMUTH (Waterloo South): Perhaps the question which I am about to ask should be addressed to the Minister of Finance (Mr. Abbott), but the Prime Minister might take this as a notice. In view of the alarming news in this morning's papers with regard to the Olympic status of Barbara Ann Scott, I wonder if the government has cabled or will cable our Olympic representative in England, Mr. J. C. Patteson, to see that her interests are protected.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I would be the first to do everything in my power to protect the inter-

ests of Miss Barbara Ann Scott, but I think the young lady is more than able to take care of herself.

SUGAR BEETS

CANADA AND DOMINION SUGAR COMPANY—CONTRACTS—ALLOCATIONS TO CANADA—LABOUR

On the orders of the day:

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): It will be recalled that on Friday last the hon. member for Lethbridge (Mr. Blackmore) asked three questions of the Minister of Finance (Mr. Abbott). I propose now to answer the first and third questions; the second will be answered by the Minister of Labour.

The first question was as to how many acres of sugar beet contracts had been signed by the Canada and Dominion Sugar Company by noon, May 5. The answer is that we are informed by the Canada and Dominion Sugar Company that up to May 5 they had signed contract for 26,029 acres of sugar beets.

The next question was whether or not the government had considered how adversely Canada's failure to produce beet sugar to her plant capacity in 1947 might affect the willingness of the United States to grant Canada sugar from the international pool in 1948. In reply I would state that sugar is not allocated to Canada by the United States, but through the international emergency food council of which Canada and the United States, as well as many other countries, are members. Beet sugar production in Canada in 1946 was 30 per cent greater than the average for 1935-39. This is a greater increase than that of any other beet sugar producing country. Given at least average climatic conditions it is expected that production in Canada in 1947 will exceed that of 1946. In the light of these facts there can be no adverse reflection upon Canada's contribution to the world sugar position.

Hon. HUMPHREY MITCHELL (Minister of Labour): The hon. member for Lethbridge asked what steps the government contemplated taking to enable Ontario beet growers to protect their labour supply from being attracted from them by the tobacco growers. I am not aware of any serious difficulties that occurred in 1946 because of competition between tobacco growers and those engaged in the raising of sugar beets. I am advised that the labour supply was adequate for both those branches of our agricultural economy. As my hon. friend knows, the control over the movement of labour was abolished some time ago and it is not the intention of the government to direct anybody into the sugar beet or tobacco fields. That was a war emergency and, thank goodness, it is past and gone.

I might say that it is anticipated that the labour supply for agriculture generally in Ontario will be tight this year. Policies which have been so successful in the past, one of which was the recruitment of labour in the southern states for the tobacco fields, will be carried out this year. The dominion-provincial machinery for the supply of seasonal farm labour will be in operation in 1947. It is anticipated that there will be some hundreds of former Polish soldiers arriving in Canada in the course of the next few weeks, and they will be apportioned in consultation with the provincial authorities.

EVAPORATED MILK

PRICE INCREASE—PROPORTIONS TO PRODUCER, PROCESSOR AND WHOLESALER

On the orders of the day:

Mr. K. R. DANIEL (Oxford): I should like to direct a question to the Minister of Agriculture (Mr. Gardiner) and I am sorry I have not given him notice. While my question may not be a matter of national emergency, judging by the number of telephone calls I received while I was home over the week-end it must be very close to it. My question is this: What portion of the recent one cent per tin increase in the price of evaporated milk is to be received by the producer, the processor and the wholesaler? Will the minister please provide the same breakdown with regard to the price rise in cheese and butter?

Mr. DEPUTY SPEAKER: I would think that is a question which should go on the order paper.

SUGAR

ALLOTMENTS TO CANADA FROM INTERNATIONAL POOL

On the orders of the day:

Mr. JOHN T. HACKETT (Stanstead): Will the parliamentary assistant to the Minister of Finance state how many short tons of sugar have been allotted this year to Canada by the international food pool?

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): I am sorry I cannot give the hon. member an answer today, but I shall see that he gets it.

FARM IMPLEMENTS

SHORTAGE OF TRACTORS

On the orders of the day:

Mr. N. J. M. LOCKHART (Lincoln): I am sorry I did not have an opportunity to give notice of this question, but according to a message I have just received it is of most urgent importance, particularly to a couple of young farmers. I will direct my question to the Minister of Agriculture although there may be other ministers who are affected. This young man says it is impossible for him and some of his neighbours to get tractors. Will the minister state what is the actual situation? This man says that he cannot go on with his spring work.

Right Hon. J. G. GARDINER (Minister of Agriculture): That is not a question which I would be in position to answer, nor would any of my officials, because it concerns others. I would point out that there is a shortage of tractors. Farmers write in to me saying that they are not able to get tractors. The fact is that there are not the tractors available in Canada today to meet the demand. As to why these particular men are not able to get theirs, I cannot say without having more information.

Mr. LOCKHART: It is reported that forty per cent more are being manufactured in the United States than were manufactured last year. Perhaps we might get a larger quota.

Mr. GARDINER: There is an agreement with the Americans as to how many come here.

CEMENT

AVAILABILITY TO VETERANS FOR CONSTRUCTION OF HOUSES

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): I should like to direct a question to the parliamentary assistant to the Minister of Reconstruction and Supply. I have not given him notice, but I do not think it is necessary, because this is really urgent. Will he tell the house what is being done by his department to see that veterans are able to secure cement in order to construct their houses? There is a desperate shortage throughout the country at the present time.

An hon. MEMBER: Order paper.

Mr. FRASER: That is not for the order paper.

Mr. G. J. McILRAITH (Parliamentary Assistant to the Minister of Reconstruction and Supply): That is a type of question which it is difficult to answer offhand, particularly without notice. The production of cement in Canada today is higher than at any time in the history of the country. The veterans are receiving the priorities with respect to their housing which have been outlined previously.

Mr. FRASER: Will the parliamentary assistant check this matter and give a full answer tomorrow?

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Tuesday, May 6, consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell (Muskoka-Ontario), and the amendment to the amendment of Mr. Coldwell.

Mr. W. ROSS THATCHER (Moose Jaw): Mr. Speaker, in taking part in this debate I should like first to join with others who have congratulated the new Minister of Finance (Mr. Abbott) upon the capable way in which he introduced his first budget. I tell him sincerely that it is a pleasure for those of us who are inexperienced in the house, particularly on the opposition side, to work with a minister who remains at all times courteous and friendly.

Some people look upon the budget merely as a balance sheet of the nation's affairs. If it shows a surplus, they feel in a general way that it is a good budget. I think most members of the house will agree that this is a rather superficial viewpoint. I agree that a balanced budget is desirable, and I think that wherever possible the government should present one. But I do not think that a surplus should be the controlling aim of the Minister of Finance, because after all it is conceivable that a budget might be balanced on the hardships and difficulties of the Canadian people.

In analysing the effectiveness of this budget I think we should look at the way in which it proposes to meet the major problems facing this nation today. As I see it, if this budget is a good one it should do three things. First, it should provide tax relief particularly for Canadians in the lower income groups; second, it should extend social services; and third, it should make plans to keep employment at a high level in the future. If this is a good budget it will, in my opinion, meet those tests; but if it is not a good budget, it will fail to do so.

During the year the minister reported a surplus of $352 million. After the tremendous

deficits of the war years I think most Canadians will welcome that rather agreeable figure. At the same time, as the minister himself admitted, we must remember that that surplus was achieved by very unusual methods, such as the sale of war assets. Moreover it was achieved by removing subsidies on certain articles which vitally affect the cost of living, a procedure which is causing real hardship among our small wage earners in this country. Therefore I am in agreement with the hon. member for Muskoka-Ontario (Mr. Macdonnell), although for different reasons, that the government should not be too proud about this surplus.

For the ensuing year the minister is forecasting a surplus of $190 million in round figures. Whether that surplus will be achieved or not depends largely upon economic conditions. I understand that if Ontario and Quebec should soon sign tax agreements with the dominion government the federal treasury will have to pay out annually an additional $110 million. Therefore I suggest that it is problematical whether the government will achieve the surplus that is forecast for the coming year.

A comparison of governmental receipts today with pre-war receipts is interesting. In the last fiscal year according to the minister's statement the federal receipts were $2,984 million. In 1938, the last year of peace they were only $516 million. That means that our taxes in Canada today are still roughly about five times what they were prior to the war. Some people are wondering if this very great discrepancy can be justified.

The main change brought about by the budget, indeed so far as I can see about the only change, was the provision for a reduction in the personal income tax. That was a welcome provision, yet the reduction was considerably less than we were originally led to believe. At page 2554 of *Hansard* the Minister of Finance stated:

> Under this new schedule, the average amount of tax will be reduced by about 29 per cent.

Newspapers all across the country featured this statement. Perhaps my mathematics are not what they should be, and I speak subject to correction, but so far as I can figure it out, the personal income tax has only been reduced by about 15 per cent—not 29 per cent.

At page 2552 of *Hansard,* according to the minister's figures, personal income tax receipts in the fiscal year 1946-47 amounted to $695 million. At page 2557 of *Hansard* the minister estimated that in 1947-48 personal income tax receipts will be reduced by $110 million. That works out, as far as I can see, to a reduction of 15 per cent or a little better, and not 29 per cent. There is quite a difference. Notwithstanding that fact I am quite prepared to admit that taxpayers in the upper and middle income groups have been given a real measure of tax relief. But the budget fails completely to provide proportionate benefits for those who are in the lower rungs of the economic ladder.

Once again when we first look at the minister's figures we may think that the lower income groups are being given a substantial reduction; the figure of 54 per cent was mentioned as the reduction being made for those in the lowest bracket. But when you boil these percentages down to dollars and cents you see that the concessions do not amount to very much. The actual increase in take-home pay is increased by 50 cents for those in the lowest category and by one or two dollars a month for those in the next brackets. In other words the reduction is far below the tax relief that would have been granted if the minister had raised the exemption levels.

What is even more significant is the fact that no relief whatever is given by the budget to wage earners who do not make enough money to pay income tax, and more than half of all Canadian wage earners are in this category. In other words the group hardest hit by the increase in the cost of living gains nothing by this budget.

The minister saw fit in his budget address to lecture Canadian business, and perhaps Canadian business needed to be lectured, on the need for business to get busy and reduce prices. But a day later another minister saw fit to make an announcement in the house which permitted the prices of butter, cheese and eggs to go up. There is no consistency there, because these articles affect very considerably the cost of living. On the one hand the government's decontrol policy is allowing the cost of living for the small wage earner to increase steadily. On the other hand the government gives him no help whatever by way of reduced taxation. I do not think that this budget is giving the "little man" a fair deal, and I contend that this is the first defect of the budget.

The second question which I think we should ask ourselves in analysing the budget is this. Does it attempt to extend social services? As hon. members know, in this country today there are many Canadians such as our aged, our crippled and others, who are living in conditions of hardship, and some even in conditions of poverty. The only security that these people can have is through adequate social service measures. The government made a

start in building up a system of social services in Canada some years ago when it introduced the family allowances bill and the Unemployment Insurance Act, but there are still three yawning gaps in Canada's system of social services. We lack health insurance; we lack unemployment assistance; we still lack adequate national old age pensions, and even if the new old age pension bill is introduced next week I think we shall still lack adequate old age pensions.

In its proposals to the dominion-provincial conference in August, 1945, the government had this to say at page 28 of its brief:

. . . there still remains a tremendous job to be done in improving the national health and in extending the benefits of modern science and medical care to all parts of the nation and all sections of the population.

At that time the government urged the early implementation of a comprehensive social security programme. Dealing with costs it had this to say:

A significant volume of social security payments, flowing into the consumer spending stream, will stabilize the economy of the country as a whole and work against a fall in the national income. Social security payments therefore become, in these circumstances, a powerful weapon with which to ward off general economic depression.

These are good statements, Mr. Speaker, but if the government really believes them, and I think it does, why has more not been done about them?—because even the government's supporters will admit that since August, 1945, Canada has not gone very far along the road to social security. Instead the government has used as a reason, or an excuse, for not proceeding, the failure of the dominion-provincial conference.

In his budget the minister had this to say about social services as reported at page 2548 of *Hansard*:

The government of Canada looks forward to the day when the agreement of all or substantially all the provinces will make possible the achievement—

Then he goes on:

. . . of a comprehensive programme . . . of . . . social security.

Surely in view of the huge surplus which the government professes to have shown, we might have expected more in the way of social security. The budget presented by the Minister of Finance contrasted sharply with the budget which was presented in the British House of Commons a few weeks ago by the chancellor of the exchequer, Mr. Dalton. Here is what Mr. Dalton had to say in his budget speech about social service in Great Britain:

During this last year we have made history in the social services. We have mounted without halt or hesitation the great social programme which the electors voted for when this majority was returned. The National Insurance Act, the National Health Service Act and the Industrial Injuries Act have been placed upon the statute books and family allowances have been paid from August 1, 1946, and the higher old age pensions has been paid from the beginning of last October. We are entitled to say that the new Britain represented by this House of Commons has taken the cost of social security proudly in its stride, and the money has been found, and the measures passed and the benefits are being enjoyed by those entitled to them.

I ask the house to contrast that budget statement with the one made by our own Minister of Finance. Britain, ravaged and devastated by war; Britain, with her trade and with her industries disrupted, has still been able to bring in a system of social security which includes every person in the British isles. Poor as they are, they have found the money to do these things.

Today six provinces have agreed to the dominion proposals. I understand that a seventh is almost ready to do so. I wonder whether the government could not consider the institution of social services in the provinces which have already signed the agreement. In my opinion the failure of the government to extend social services is the second defect of the current budget.

The third question which we should ask ourselves in analysing this budget is, what steps have the government taken to maintain a high level of employment in the future? Many people in this country today are worried lest the current economic boom may soon end. They are worried about the possibility of another depression, and consequent unemployment such as we had prior to the last war. The minister himself must share these fears, because time and again in his budget he referred to the fact that our present levels of prosperity and high employment are temporary, and that sooner or later we must expect a reduction. At page 2548 of *Hansard* he said:

Our revenues are based on very high levels of production, incomes and imports, which we probably cannot expect as normal levels in future years.

And again on page 2549:

Our surplus is a real one . . . but it has been obtained at high levels of revenue and expenditure which do not necessarily give an accurate indication of the shape of things to come.

In other words, the minister admitted in his budget speech that he is expecting that levels of income and prosperity may soon be lower; yet so far as I can find in the budget, there is no indication anywhere that the government has tangible plans to do

something about that situation. We in the C.C.F. believe that this is the third major defect of the budget.

The government's attitude toward trade is typical of their lack of planning. About one-third of our national income comes from exports, and about three out of every eight workers depend on the healthy condition of the export trade, for their jobs. In his white paper on "Employment and Income" tabled in the house in April, 1945, the Minister of Reconstruction and Supply (Mr. Howe) had this to say:

"Post-war collaboration along equally bold and imaginative lines is essential if expanded world trade is to reinforce domestic employment policies and contribute to freedom from want . . ."

And again:

The government has pressed and is continuing to press actively for a wide collaboration in the reciprocal reduction and removal of trade barriers—agreements must be reached at an early date.

And yet two years after this statement of government trade policy we in Canada have not had one single tariff decrease. Instead a few months ago, the minister announced that on dozens or even hundreds of articles the tariff which we had in the pre-war years would be reimposed. These tariffs had been suspended during the war. I wonder whether the reimposition of pre-war tariffs, is the bold and imaginative trade policy which the government has spoken about. Personally I cannot see anything imaginative about such a policy. It seems to me on the contrary that the government's trade policy is timid and vacillating. The present budget has not one tariff decrease in it. In view of the deteriorating position of our export trade today I think this situation could be very dangerous.

During the past two years Canada, for humanitarian and business reasons, extended loans and credits to European countries to the amount of several billion dollars. These credits allowed our foreign trade to reach almost fantastic proportions. But many Canadians have not realized that the prosperity which we have enjoyed has been artificial, and it still is artificial. Today these loans are being used up very quickly, and yet the economy of the countries in Europe is still so badly crippled that when the loans are gone it is doubtful whether they will be able to continue to buy in Canada. Here is what a Reuters correspondent had to say about it some weeks ago:

It is probable that, within a year from now, Britain will simply not have enough money to buy all the goods that the overseas primary producing countries will want to sell her. France, and most of the other European importing countries, may be in an even worse case.

In other words, our country is faced with the blunt fact that very shortly we are likely, unless something happens, to see our export trade drop very considerably. Today we in Canada are watching our credits and loans being used up, knowing that when these credits are gone we face a shrinkage of our markets; knowing that if that shrinkage comes, we shall have considerable unemployment; and yet all that the government has to say in its budget speech about trade is this—and I quote from the minister's speech:

We hope that out of the negotiations will come sufficient reductions in tariffs to make it practicable to establish an international trade organization.

Surely too much is at stake to base our trade policy on a hope, yet that is precisely what the current budget does.

At the moment the Geneva trade conference is sitting. Before our delegation went to Geneva this parliament was given no opportunity to discuss the policy which they would follow there, nor was it given an opportunity to debate the policy which the delegation would take to the imperial conference which preceded it. Perhaps the Geneva conference will succeed. I think everyone in the house and in the country hopes that it will; yet newspaper reports which come from Geneva seem to be increasingly pessimistic so far as I can see. If that conference does fail I ask the government what alternative policy it has to offer the people of Canada.

The budget, moreover, gives no indication of better planning in the domestic field. This is very strange, in view of what the Minister of Reconstruction and Supply had to say a few years ago in the white paper to which I have referred, and from which I quote the following, at page 1:

In setting as its aim a high and stable level of employment and income, the government is not selecting a lower target than "full employment."

On page 4:

. . . it will be necessary in this (post-war) period to initiate plans and programmes to provide over later years for the successful pursuit of policies directed to the attainment of high and stable employment and income.

And on page 14:

Government expenditures, like private expenditures, play an important part in determining the level of employment and income.

These are very fine and, I think, correct statements; but despite these laudible objectives I can see little indication that the government has done very much about them. That is to be regretted because there are so many projects which Canada urgently needs today. To refer to only a few, I would point

to irrigation works in western Canada. In the west we are facing another drought cycle, yet very little is being done to remedy the situation. Irrigation works are self-liquidating and eventually would not cost the taxpayer anything. There are other projects of a like nature.

Our criticism of this budget is that it does not plan. It holds out no hope whatever that we can have steady and enduring prosperity in peace time. I contend that the third requirement of a good budget has not been filled by the government. The budget, then, has overlooked the lessons which were learned during the war years. It has failed the people of Canada in this critical time in three respects: first, by its failure to provide tax relief for Canadians in the small income category; second, by its failure to extend social services; and third, by its failure to plan for future full employment. In short, it has not provided security for the people of this nation.

(Translation):

Mr. Speaker, I should now like to say a few words in French so as to emphasize the following inference: In these critical times, the budget has frustrated the hopes of the Canadian people on three main points.

First, it has not lightened the small wage-earner's burden of taxes.

Second, it has introduced no social service proposals.

Third, it has suggested no definite plans to prevent an unemployment crisis.

Some hon. MEMBERS: Hear, hear!

Mr. THATCHER: In short, Mr. Speaker, it has not provided for the material security of the nation.

Some hon. MEMBERS: Hear, hear!

(Text):

Hon. W. EARL ROWE (Dufferin-Simcoe): I have listened to budgets in this parliament from several ministers of finance, and I feel that I too must congratulate the new Minister of Finance (Mr. Abbott) on the presentation of his government's financial statement. The presentation of a budget is always a solemn occasion. I can well remember ministers of finance who seemed to be nervous and fearful of the outcome, but I was a little doubtful when I observed the genial new Minister of Finance present what was in a way a bigger budget than any we have had, with much more assurance—in fact in comparison with many other ministers of finance he seemed to display almost reckless assurance—that everything was going to be all right anyway.

[Mr. Thatcher.]

I could not help thinking of the difference between this budget and budgets that have been presented in this house in the past. I believe the first budget to which I listened in this house was for $340 million. Prior to the war, as the hon. member for Moose Jaw (Mr. Thatcher) has just said, the revenue in Canada was $436 million. In 1946-47, almost two years after the war, we find ourselves with a revenue, from taxes, of $2,459 million.

In his presentation of the budget the minister pointed to many decreases in our tax burdens, but as was said by the previous speaker, they are not exactly as they look on paper. They do not come into effect until the first of July, and therefore the 29½ per cent average reduction in income tax is actually only 14½ per cent; and when you consider that almost fifty per cent of Canadian taxation is indirect, in the form of sales tax and many other levies, then the reduction is only about seven per cent. It is therefore not very much of a decrease.

I know that those interested in business, in the development of this country, and in the question of providing employment, are greatly alarmed that there was not a real decrease in our taxation. Only 52·5 per cent of our taxes today represent direct levies, while 47·5 per cent are indirect; in other words, one-half is received through the front door and the other half is brought in by the back door. But they all come from the Canadian people just the same. And there is no consideration, may I point out, for the poor man as regards the sales tax on the shoes he buys for his children.

We are, it is true, in a time of post-war prosperity, and no one should assume we are preaching depression if we suggest that we may return to normal times sooner or later. But there is little preparation in this budget. There are only expressions of fear from the government, but there is little preparation for the day that might very well come upon us. I do not mean by that we have to recede to a day of depression. I think this country is strong enough to endure even the weaknesses of the government now responsible for the management of its affairs. I have great faith in Canada, and one needs great faith in view of the reckless experiments we observe from time to time.

The true test of whether we are taxed in accordance with our business ability is not alone in the rate of taxation, or the number of dollars which are collected now or what might have been collected in 1938 or 1939. The test must have reference to the proportion of the tax to national income. I say to those on the government benches—and I have given

some thought to this matter, which I think is worthy of note—that in 1938, the year before the war, on our national income, which it is true was much less—it was at that time about five billions whereas it is approximately now twelve billion dollars—the proportion of the tax was only 8·55 per cent. The year following the war, with a national income of twelve billion dollars, we are extracting from the people in direct and indirect taxation $2,459 million, or 20·49 per cent of the national income. If there is a business man within sound of my voice I would ask him to take cognizance of this situation; for the rate is 150 per cent higher than what was imposed upon the national income in 1938 and 1939.

I feel that in view of this trend the government might well have considered reducing our taxes further. In the third year following the war, the huge spending machine that was built up of necessity during the war might be dismantled. At least we should have some signs of an attempt to dismantle it. I realize that the veterans' payments, family allowances and old age pensions all must be provided for. But surely the time has come to insulate our economy against the days when we may return to a more normal condition. I cannot help but think that while our economic position internationally is strong, there is no one so optimistic who does not pause to realize that when we return to normal times, this period of more or less inflated economy will be changed to a certain extent. I cannot help but think that the government must have listened to many throughout the country. It must have listened to the leader of the opposition (Mr. Bracken) when he urged them to reduce taxation by at least 33⅓ per cent; and on the strength of the government's own estimates submitted to this house, that could have been done. Last year the taxation burden upon the people was very heavy. I realize, however, that you cannot decrease taxation so long as there is inefficiency and reckless extravagance in government; and, Mr. Speaker, I charge this government with being reckless in their extravagance in maintaining a bureaucracy which was built up, evidently through necessity in time of war, and adding to a regiment of civil servants which should have been decreased instead of increased. Unless we get down to hard, sound business—

Mr. MITCHELL: I thought my hon. friend was going to say, let us get down to hard times.

Mr. ROWE: No one contributes more to hard times, Mr. Speaker, than those who talk about them; and if this government fail to tax themselves into hard times, they will likely talk themselves into hard times.

Mr. MITCHELL: You will never get full employment as a prophet of gloom. Don't be so gloomy about it. You talk as though you wanted a depression in this country.

Mr. ROWE: I was telling you that there was no need for a depression; but if you have something new on employment, I shall be glad to have it.

Mr. MITCHELL: We have the highest employment figures in the history of this nation.

Mr. ROWE: You have many things higher. I am telling you that you have the highest taxes, too, in the history of this nation. I am not going to be sidetracked, Mr. Speaker. The minister often does not contribute much when he himself is speaking, and he always contributes less when I am speaking. But I do say that one of the reasons—and no one knows it better than the minister who has just interrupted me, why we have these high taxes. There were 2,655 added to the department of the controller of the treasury and 492 to the Department of Agriculture. I know there is a lot of help needed there, but I wonder if 492 were necessary to that department. It is little wonder that 237 had to be added to the civil service commission to count the numbers going into the other departments. No wonder it is difficult to relieve the burden of taxation.

The minister has heeded the call for some reduction in taxation, and has given a few reductions where it is most politically expedient. But business has had no relief; corporations have had no relief; development enterprise has had no relief. There is no relief or encouragement for individual endeavour, individual initiative or private enterprise, which some of those on the other side still believe is the fair way of developing a nation's economy and giving employment.

But, sir, we have the hidden taxes that are bringing in about fifty per cent of this revenue. About fifty per cent of the revenue is being recklessly spent in adding more and more to the government bureaucracy to carry out functions of departments that are supposed to be almost extinct. Today if a farmer puts a wire fence around his field, or buys a cake of soap for the kitchen, he pays hundreds of taxes, and they are covered up accordingly in the costs. You do not need to take my word for it, Mr. Speaker. You and the minister are both hero worshippers of the ex-minister of finance. I remember what he

said in 1941, and I quote from his speech as reported in *Hansard* of April 29, of that year, at page 2354:

> These indirect taxes are not such as I should be comfortable in recommending in normal times but when the need for revenue is great and when the need for concentrating our energies on the successful prosecution of the war is so vitally necessary, we must have recourse to taxes which if not good taxes are better than others which we have rejected.

Nuisance taxes and the ones which he referred to are not good taxes, but Mr. Speaker, they are still with us. The war is over and the government is now boasting about a surplus. Surely if these taxes were not good taxes in a time of emergency, in that bitter and tragic time, when we needed money to fight an enemy, they are bad taxes when we are boasting of a surplus. As I say, the people are asking that these nuisance taxes be removed; they are asking the government to give them room to breathe and room in enterprise to meet some of the ordinary taxes. Even if the government has decided to hold on to these nuisance taxes and indirect taxes until just a few months before an election, surely they might have been humanitarian enough to take the nuisance tax off soft drinks and the baby's candies at this time. Surely they would still have enough left, because there will be a list of taxes a page long that can be removed at election time. Not only will they be removed then, but they will have to be removed economically if the government does not want to tax this country into a depression, let alone talk it into it.

I can hear the rumblings over in the east block when that budget was being prepared: "When are we going to have an election?" "We are not going to have one this year; go easy boys. leave them on." Yes, the need is evident, Mr. Speaker, when it is realized that these hidden taxes are not only on luxuries; they bear just as heavily on the poor man's family requirements as on the rich man's family. They are, however, different to this extent. They can be taken more or less by painless extraction. Years ago if a man happened to mangle his leg in the bush it was sawed off without an anaesthetic. But as a result of the thankful march of science we have arrived at the point where he is taken away and, through the use of ether, the leg is removed very gently. It doesn't hurt as much, but the man winds up without a leg just the same. At the present time we find that this government has dealt with only about fifty per cent of taxation. Under the present tax system, as the present prosperity recedes, we automatically raise the percentage of tax to the national income. Just as the previous speaker has mentioned, in this budget the taxes are raised. This year the taxes are as high on the poor man's requirements as they were last year. The effect of taxes over the whole dominion is higher because of the increased cost of living, and because of the increased cost of production. The sales tax was 8 per cent on a $100 article; it is now 8 per cent on a $125 or $150 article under inflated prices that prevail at present.

I noticed that the day before the budget was brought down the Minister of Finance tabled the report of the foreign exchange control board. In that it is evident, from the point of view of trade, Canada is on a fantastically dangerous road. We are paying for our purchases in the United States, and we are selling our products elsewhere for money we have already lent. In other words, we are paying for our own exports at the present time.

The day before the budget was brought down the Minister of Finance brought in the report of the foreign exchange control board. I do not think it was ever intended that it would get as much publicity as the budget. The budget was more political, and this was more factual. But at page 13 of the report of the foreign exchange control board for the year 1946 we see where we bought $430 million worth of merchandise more than we sold to the United States. This is $74 million more of an adverse balance of trade than we had in 1939.

We have had, true, a balance of $100 million in non-monetary gold, and that was in spite of the fact that this government in an arbitrary manner last July reduced the price of gold $3.50 an ounce, and did nothing in this year to restore any encouragement to the gold mining industry which probably did more in time of depression than did any other industry to pull this country through. And if they were preparing for the days that some of them say are going to be less prosperous than today, then surely they might have given some slight attention to some form of development which would increase prosperity and enable us to withstand an adverse balance if there was one.

Our tourist trade netted us $83 million last year. That was $20 million less than 1929. Our net interest and dividend payments are up. They were $204 million. or $32 million more than they were in 1929. Our payments for freight and shipping is put at $66 million, or $32 million more than in 1929. And the miscellaneous items are listed at $82 million, which is $68 million more than 1929.

All in all we are down $603 million in our accounts with the United States of America

in the year 1946. We would have been worse off had it not been for certain war supplies which were sold to the United States. We are told that $372 million worth of war supplies were sold. They were paid for out of wartime taxation, and in many cases they were sold for a fraction of what they cost. The proceeds from sales of war assets have been used in peace time to cover peacetime inefficiency. Thus we have a political surplus of $350 million instead of a factual deficit, on operating deficit, of $20 million.

Now, I do feel that no one would think for a minute that it is a fair presentation to the people of Canada. I ask the government this question: When they had so much money lying around, and such inflated revenues, why did they not present their budget to the people of Canada in a businesslike way? I know if I presented to the company for which I am responsible a financial report such as this, I would be apt to be put in gaol.

Mr. MITCHELL: Did you hear the comment that has just been made?

Mr. ROWE: No; are you going to transmit it to me? What is it?

Mr. GARDINER: Just as well you do not know.

Mr. ROWE: Well, there would be no chance of the Minister of Finance being there with me; but probably some of the rest would make fair company. But I know this, that those in the cabinet who are laughing can laugh this off just as glibly as the Minister of Finance can say it. That is a sample of the glibness and of the smug complacency which prevails throughout the department of finance, and even at a time when our revenues and expenses are two or three times higher than they were, and a couple of times higher than they should be.

There seems to be a reckless assurance that nothing can happen. Like the reckless optimist, they do not care what happens as long as it does not happen to them. They do not seem to have taken seriously the thought that this will ever end. It is like the group who had a party, and when the party was over they did not know what to do with what was left over, or what was not spent.

What has this government done to lighten the burden of these payments to the United States? The Minister of Agriculture (Mr. Gardiner) is almost moved to tears when he tells us about what his department and the country have done for Great Britain. But his colleague the Minister of Finance does not tell the same story. I see according to page 15 of this same report of the foreign exchange control board that we exacted $150 million in gold from the British people in order partly to offset this adverse United States balance.

I notice further that the Minister of Reconstruction and Supply (Mr. Howe), through the wartime prices and trade board, allows, in respect of lumber to house the poor, cold Britisher at the present time, a charge almost twice that which is charged in Canada. But when the Canadian wheat producer sells Great Britain wheat they must sell it at $1 a bushel beneath what they can get on the world market.

Such, Mr. Speaker, is the policy of this government, which does not know where it is going. I realize, too, that we have collected $87 million of United States funds from sales to UNRRA. A few weeks ago the leader of the socialist party, to my left, suggested we were charging too much in Canada for pulp and paper. But I observe what the Minister of Finance says at page 15 of this same report, namely that that was one of the main items which saved us from further disaster.

What is this government doing about it? The simple answer is: Nothing. They have no fixed policy. In fact, they have as many policies as they have ministers of the crown. I think the Right Hon. the Minister of Agriculture should be a minister without portfolio, as well as heading the department of agriculture, because it would seem that he speaks for all departments of government. He went out west a month ago and announced an immigration policy.

Mr. GARDINER: And you did not vote against it.

Mr. ROWE: He said 12 million people would be brought to Canada by his government.

Mr. GARDINER: And in the house you would not vote against it.

Mr. ROWE: You did not bring that in, because the Minister of Mines and Resources (Mr. Glen), who is in charge of the immigration branch, evidently made another speech altogether. I will give you his; it is not the same as yours at all. Evidently he was away too. You have been wrong in your own department so much I hope you do not attempt to make him wrong in his.

Mr. GARDINER: You voted for it.

Mr. ROWE: According to the Vancouver *Province* the Minister of Agriculture stated that we want millions from Europe, that we need 12 million. When he came east to

Edmonton he dropped his figure a bit. As he came east his figure got lower, and by the time he reached Edmonton it had dropped to 10 million. But in the matter of immigration I say that if anybody is to give the policy in parliament, then surely the Minister of Mines and Resources, as the responsible minister, should be left with that responsibility. Evidently his figure is not the same as that of the Minister of Agriculture.

Mr. GARDINER: It is about the same.

Mr. ROWE: Is it about the same? But it sounds different, and it was said differently, and the people do not believe it is the same. I would ask those who are not interrupting me to find any similarity at all in those two statements.

On the one hand we have the verbatim report of the statement of the Prime Minister, the real minister in charge of immigration—not the political minister—when he says at page 2645 of *Hansard* of the present session:

> It is of the utmost importance to relate immigration to absorptive capacity. In the past, Canada has received many millions of immigrants but at the same time many millions of people have emigrated. Of the latter a large proportion were young people born in Canada, and others who had benefited by education or training received in Canada. The objective of the government is to secure what new population we can absorb, but not to exceed that number.

It is reported by the British government that 300,000 from the United Kingdom are ready to go to the dominions. Plans are said to be under way for the transportation of 200,000 to Australia. It is reported that plans are laid for 40,000 to go to South Africa. Yet here we are, the senior British dominion, faced with uncertainties brought about by the different policies that have been enunciated. We find now that because of those uncertainties there is virtually a blockade against British immigrants coming to Canada.

The Minister of Agriculture went west and announced a new policy of national socialism; suppose we should call it Liberal national socialism. I have an article here but I know he recalls it well enough to make it needless for me to read it.

Mr. GARDINER: You do not understand it.

Mr. ROWE: Evidently you did not understand it very well because you said that anything that a corporation would make in times of prosperity, they should give to you in taxes, and yet when they had a loss in other times they should bear the loss themselves. The minister understands how to add up revenue. He also can add four or five hundred more civil servants to his department, a department that has been dismally responsible for the failure—

Mr. GARDINER: You had better stick to your paper.

Mr. ROWE: Well, if I stuck to agriculture as close as you did I would hope to do a better job than you have done.

Mr. MACKENZIE: Nobody in Canada believes that.

Mr. ROWE: You are not a farmer.

Mr. GARDINER: You had better try sitting on the treasury benches for a little while.

Mr. ROWE: Thank you, but I would not sit with those who are sitting there now.

Mr. GARDINER: The people did not leave you very long when you were sitting here.

Mr. ROWE: I am not inviting myself. No doubt the right hon. minister feels that it is good talk in certain quarters, and I can understand that because his friendship to those to my left has been more obvious and more conspicuous than any of the speeches he has made. I can understand why he would take that attitude. We do not seem to have one government; we seem to have one that is masquerading with two policies, one for the country and one for parliament. The minister states and the governor of the Bank of Canada states that our chance of untangling ourselves from the North American orbit is through a return to free exchange trading. The Minister of Agriculture was sent to London by the Prime Minister to make a wheat agreement. He made an agreement which is virtually an agricultural cartel, a cartel embodying agreements covering nearly all our farm products, tying socialistically our whole economy to the European system and making it impossible for us to sell our farm products in the United States. If our farmers were allowed to sell their products in the United States, as our lumbermen and manufacturers are allowed to sell theirs, you would have a rectification of our balance of trade almost immediately. As the minister knows well, our farmers would receive thirty per cent more for their products. The Minister of Reconstruction and Supply (Mr. Howe) raised lumber prices fifteen to twenty-five per cent to increase production, and that lumber is going to house the shivering Britishers, but the Minister of Agriculture, even though his customers are starving over there and the production of farm items is falling off in almost every line, states that if we

are to have stabilized prices for farm products, then prices cannot rise every time costs of production rise.

Mr. GARDINER: What would the poor taxpayer have done?

Mr. ROWE: You had better talk to the farmers; there are enough taxpayers among them to know what you haven't done.

Mr. GARDINER: What would the poor taxpayer have done if he had had to pay thirty per cent more for his food?

Mr. ROWE: I have just as much regard for the taxpayer as the minister has and my party would never have exacted such impositions on him as the minister's party has.

Mr. GARDINER: Five cents per pound for butter when your party was in power.

Mr. ROWE: And we got for him more than world prices, and your government gets him less. I shall have a little more to say about that later on, if the minister will wait in patience. The Minister of Agriculture assures us that the British government will not break its agreements for Canadian farm products, but as a matter of fact he has broken nearly every agreement he has made with the British. He has established a precedent and set the pace for the breaking of agreements. His bacon agreement of 1946 has not been consummated. He has failed to meet his egg agreement of 1946. His cheese agreement of 1943-44 fell short of fulfilment; his cheese agreement of 1946 was another lost hope. His evaporated milk agreement of 1940-41 was a dismal failure, and his evaporated milk agreement of 1942 was an idle dream. What does the Minister of Agriculture do in order to salvage some of the agreements he has made?

With his other socialist friends he has repeatedly anticipated an early depression. In consequence he agrees to sell 600,000,000 bushels of Canadian wheat four years in advance to the British government at prices ranging downward from $1.55 to $1 a bushel, and accordingly is selling to the British government at prices ranging from fifty cents to $1.23 less than the prices the wheat board are quoting to other customers. It is common knowledge that the greatest contributor to a depression is the bear operator, and one of the greatest bear operators in Canada today is the Minister of Agriculture.

No government with a vestige of prudence would sell any farm products short, let alone 600,000,000 bushels of wheat. The facts of the situation are that they make this British socialist government the single purchaser of our export surplus of wheat. We now observe the novel spectacle of a Liberal government in Canada closing the grain exchange in Winnipeg and a socialist United Kingdom government opening the corn exchanges in Liverpool. We have our government today pleading with the farmers to produce more, but they are told that if their costs rise they will not get increased prices.

When the wheat board bill was being discussed in parliament the government tabled an international agreement and our delegates were sent to London to discuss that agreement. It is common history that the conference in London broke up because the British government would not agree to a price of $1.20 for the crop year 1949-50, and $1.10 for the crop year 1950-51, the first year after the agreement expired. When the British empire agreements were made I can recall Liberal members of parliament denouncing them vigorously for a full six weeks. There are some hon. members here now who were here then and I know it would be embarrassing to them if I read some of their speeches. I have not the time to do so, but I know it would be amusing.

Mr. MACKENZIE: It might do you good.

Mr. ROWE: It would not do you any good. I think it would be amusing for the rest of the house to hear what some of those who sit so complacently on the government benches had to say. I know that the minister who just interrupted me was one. I think he ridiculed the British preference proposals.

Mr. MITCHELL: What was the price then?

Mr. ROWE: You were not there.

Mr. MITCHELL: Oh, yes, I was.

Mr. ROWE: You were down in the corner. I can remember now; you were one of the conscripts to liberalism.

Mr. MITCHELL: I want to say to my hon. friend that he never had a chance to be a conscript and the Minister of Labour was never a conscript—and I speak in a military sense—I was a volunteer.

Mr. ROWE: Does the minister mean that he volunteered to become a Liberal? I did not know that.

Mr. MITCHELL: I said I was not a conscript.

Mr. ROWE: The ministers who are so glib in interrupting me were most vigorous in their opposition, and I can remember that very well. I remember at one time they twitted the Right Honourable Mr. Bennett for receiving only six cents more for wheat on the

British market, but here today we are asked by the same glib-tongued critics to take $1.25 a bushel less.

Mr. MACKENZIE: Did you not vote for it?

Mr. ROWE: Yes, I voted for British preference, but you did not.

Mr. MACKENZIE: Did you not vote for it when it was before the house?

Mr. ROWE: No, I did not vote for the wheat agreement.

Mr. MACKENZIE: You were not here.

Mr. ROWE: You did not vote for the imperial preferences in 1932. Yours was the party which rebelled because we were receiving only $10 million more than world prices. You now ask us to support your government when you are going to receive $200 million less a year. The Minister of Agriculture made just one mistake about the Hon. Mr. Strachey, the British food minister. The Hon. Mr. Strachey is a clever man, but he is an Englishman working for England. The Minister of Agriculture made one mistake; he thought Mr. Strachey was working for Canada. The Minister of Agriculture is a great politician but a tragically impotent businessman.

The government knock down the price of wheat and force the western farmers to grow oats and barley while the world pleads for wheat. They seize the oats and barley and have it fed to Canadian hogs to try to salvage the remnants of the broken bacon agreements, and when all that fails they call on the taxpayers of Canada to put up enough money to keep the Danish hog producer out of the British market. Such is this negative policy of the present government.

Mr. GARDINER: Why not get a new speech?

Mr. ROWE: No one needs a new speech more than the minister, who has interrupted. You will find little but politics in anything he has said in the last ten years. Let me tell him that the farmers are not asking for a new speech from him but for a new policy, and the minister hears the rumbling in the mulberry bushes; make no mistake about that. If there is an unpopular man among the farmers of this country it is the right hon. gentleman who just interrupted.

I have already mentioned wheat prices and the disadvantage under which our Canadian producer sells.

An hon. MEMBER: Make your own speech.

[Mr. Rowe]

Mr. ROWE: Mr. Speaker, I will do like ministers sometimes do in the question period and say: If you have any further questions to ask, meet me out in the hall and I can explain there with less embarrassment to yourself and the gallery and the government. I have already mentioned wheat prices and why the farmers are dissatisfied with the present government. Personally I like the right hon. gentleman who interrupted very much, much more than I do politically. He is a much better politician than statesman ,and everybody knows very well why.

I turn now to hog prices. On March 1, last, the price of hogs in Toronto was $16.50 and $29.08 in Chicago. Cattle were $15 per 100 pounds in Toronto and $25.15 in Chicago. Lambs were $16 in Toronto and $23.60 in Chicago. On March 6, the price of wheat in Canada was $1.35 against $2.89 in Chicago. Potatoes were $1.64 per 100 pounds at Saint John, New Brunswick, and $2.70 in New York. Oats were 61½ cents in Winnipeg and ninety-nine cents in Chicago. Butter was forty-two cents in Montreal and sixty-nine cents in New York. And now after the Minister of Agriculture has made such unique progress in demoralizing our Canadian agriculture, he says that here the wheat farmers are on their own, that the government will not pay any further losses. Speaking in this house on February 25, last, as reported at page 768 of *Hansard,* he said that the government would stand for no further losses, that the farmers had to do their own stabilizing hereafter. The farmers now realize that they have a ceiling and no floor, and it is no wonder that the agricultural walls are beginning to collapse all over the country.

A word on international trade. Those of us who sat in this house in 1932 can remember how the members of the Liberal party at that time spent six weeks in opposing the empire agreements and finally voted against them. But now the Liberal party, after all these years, realizes what a splendid foundation those empire agreements were for negotiating trade agrements with the United States. Two weeks after the present Prime Minister (Mr. Mackenzie King) came into power he completed the negotiations for an agreement which Mr. Bennett had begun with the United States.

Mr. DEPUTY SPEAKER: I must remind the hon. member that his time has expired.

Some hon. MEMBERS: Go on.

Mr. DEPUTY SPEAKER: With the unanimous consent of the house the hon. member may continue.

Mr. ROWE: As my genial interrupting friends have permitted me to go on I will be sporty enough to say that they can interrupt me as much as they like. I am sorry the Prime Minister is not here just now but am glad that he was able to be in the chamber at the opening of the sitting. He was leading the opposition in this house at the time of the empire trade agreements in 1932 and how well I remember him saying on one occasion that they were the work of a Tory conspiracy. What does the Liberal party think today of that Tory conspiracy? On April 14 last the Acting Prime Minister (Mr. St. Laurent) in answer to a question is reported at page 2000 of *Hansard* to have said:

> I think we all regard the empire preferences as something quite precious which we do not intend to give up unless we get something which together we consider to be better than what we already have.

Mr. MACKENZIE: May I point out to my hon. friend that the empire preferences were Liberal policies introduced by Fielding in 1897 and had nothing to do with the Ottawa agreements, which were quite a different thing.

Mr. ROWE: That is true, and the hon. member for Vancouver Centre said that away back in 1932, but unfortunately he was not present to support the policy of Laurier in 1898, but in 1932 he saw fit to oppose them. I cannot understand why he would do that. If I had been in the hon. member's place I would have supported the old Liberal chieftain, and I should like here to compliment Laurier who had a much stronger British preference policy than the hon. member's present leader has.

I see by the *Financial Post* that Mr. Clayton, under-secretary for external affairs in the United States, stated recently that the reason why so many United States industries moved to Canada in 1932 was the preferences which had been secured by the Bennett government in the empire trade agreements. Mr. Clayton is no more politically-minded than you or I—

Mr. MACKENZIE: Speak for yourself.

Mr. ROWE: My hon. friend has, of course, every right to be proud of Vancouver, but other cities in western Canada are anxious to get more industrial plants and they appreciate that many United States industries set up branch plants in Canada as a result of the empire trade policies which my hon. friend's leader on one occasion called a Tory conspiracy.

Mr. MACKENZIE: The growth was because of Liberal policies.

Mr. ROWE: But it was some satisfaction at last to hear the Acting Prime Minister say "We all regard the empire preferences as something quite precious." It was some satisfaction to find that those who came to scoff in 1932, like the hon. member for Vancouver Centre, remained to appreciate the empire preferences in 1947. There is an old saying that some day the chickens come home to roost. What the Bennett government did in those days made it possible for the present government to boast about so many things which they have since done as a result of those agreements.

The Prime Minister no doubt may speak with the cautious dignity of his years; the Minister of Finance (Mr. Abbott) may give his budget with more reckless assurance, but I believe that the country is doubtful as to who is leading Liberalism in Canada today. I should like to compliment the Minister of Agriculture. I believe he is probably leading Liberalism at the moment. In fact I shall go a step farther and say that I cannot conceive of any conspiracy in Canada to supplant Liberalism in this country by a policy of national socialism which would be more effective than the leadership he has given. We often wonder why we see the friendship between those to your right, Mr. Speaker, and those to our left. One promises socialism of industry in the future while the other gives us socialism of agriculture in the present. The utopia of the socialists to our left is to control industry first and agriculture last. That has now been supplanted by the Minister of Agriculture, who gives us the modern form of Liberalism which is to control agriculture first and industry last. The government supporters call this modern Liberalism; the taxpayers call it stream-lined socialism. Similarity between these two socialistic groups is no less conspicuous now than their friendship. One discourages free enterprise by reckless talking; the other discourages its progress by reckless taxation.

There is nothing so fearful as fear. I do not want to twit the Minister of Labour (Mr. Mitchell) who said he was twitting me the other day. I do not think either he or I have contributed anything by preaching depression in this country. I am satisfied—and I know he and every hon. member who listens to me this afternoon will agree with this—that there is nothing more important than to tell the world of the strength of Canada. To speak seriously, Canada is a strong government. As I said at the outset, it must be strong or it could never endure this administration—

Mr. MITCHELL: You just said "government"; don't change the record.

Mr. ROWE: The letter killeth but the spirit giveth light. May I say that there is nothing so fearful as fear. In that there may be vague hopes of political success for the C.C.F. socialists, the party to my left. The only hope they have is in a depression. I say, Mr. Speaker, that no single factor contributes more to a depression than their continuous talk about depression and of a return to the 1932 period. I say that in all sincerity.

Mr. KNOWLES: Who has talked about a depression for the last hour?

Mr. ROWE: I have not. I have emphasized on many occasions that we are going to return to normal prosperity. Surely the hon. member knows the difference between that and a depression.

Mr. KNOWLES: The hon. member has been talking about a recession for the last hour.

Mr. ROWE: I was talking about a return to normal prosperity, and if the hon. member for Winnipeg North Centre (Mr. Knowles) is so foolish as to think we are not going to return to normal prosperity, then he would make a bad colleague for his party if they ever assumed the responsibility of controlling all the industries of Canada.

Mr. WRIGHT: Tell us what "normal prosperity" means in your language.

Mr. ROWE: Normal prosperity in my language would not mean depression in yours, if you were telling the truth.

Nothing can do more to frighten and hinder venture capital than talking of a depression. If the Minister of Finance were here he would say the same thing. Canada is a great country and can endure minor weaknesses, and it has endured the talk and noise of those to my left. Unless we have a return to a depression hon. members to my left have very little chance of ever assuming power.

We should develop our own resources by having more courage. Let us think of the courage which won the war; let us think of how we can win the peace. If we get down to hard business and give enterprise a chance to breathe we shall have prosperity. Let us, however, beware of false economy. At the present time half of our taxes come from an inflated national income through indirect and wartime levies. Let us prevent depression by preparing for normal times. Let us encourage development by reducing taxes further. The war is now over. For twenty-five years, those who sit to your right drummed across the dominion national unity as their watchword and political war cry. It was bannered and heralded from coast to coast. I urge their leader with all his years of experience—and I say in all sincerity I regret that he is not here this afternoon—that in the twilight of his years, after having flown the banner of national unity to meet political expedience, he use it once more to see if we cannot halt the trend toward centralization of government, to see if we cannot tear up the blueprint of the federal wartime control system which we adhered to during the war because we thought it was necessary. Let him now make national unity a slogan of reality. Let him restore to our provincial governments their rightful place in the constitutional government of this country. Surely if our forefathers could meet almost a hundred years ago and establish the unity which was then established, the man who has carried the banner of national unity for a quarter of a century so glibly can now, before he leaves office, do something to bring the provinces together. Today they are wider apart than they were when the present Prime Minister took office. In all sincerity, I would urge the government to consider meeting the provinces once more to see if they cannot revive and restore the unity which their regime has evidently shaken so badly.

Mr. LIGUORI LACOMBE (Laval-Two Mountains): The income tax reductions which are being over-publicized are quite deceitful. The wage-earners in the lower brackets are always the hardest hit. Can anybody with a family lead a decent life under the circumstances imposed by the present budget? The government is reducing the income tax, whereas it should be stamped out altogether for this category of wage-earners. Is it reasonable to tax the salary of the head of the family who is drawing such a small salary?

People earning between $1,800 to $3,000 should not pay income tax, owing to the increase in the cost of living. For the same reasons, salaries of single persons earning up to $1,200 should be tax free. And married people without children should pay no income tax up to $2,000.

Let us examine our so-called commercial prosperity. As a matter of fact it is non-existent. I can prove this statement by quoting the following warning given by Mr. Towers, governor of the Bank of Canada:

> Canada cannot continue indefinitely to sell on credit on overseas markets, while it must make up with American dollars the huge deficit in its commercial balance with the United States.

Under long-term contract, we are selling a considerable amount of our products at prices below those at present prevailing on the inter-

national market. As long as we follow such methods, the commercial prosperity of Canada will remain artificial. The presents and gifts which the government granted and is still granting to overseas countries forecast a dire future for our country.

Our Canadian economy cannot survive on such a basis of commercial exchanges. Let us not forget that our trade with the United States is important inasmuch as our economy is concerned. In 1946 our exports to the United States amounted to $894 million while we exported only $610 million worth to Great Britain. How is the United Kingdom paying for these exports? Not with its money. It digs into our pocket-book in order to pay the debts it owes us. On the whole, we are being fooled. We are sending to Great Britain wheat, meat, minerals, building materials, thousands of automobiles, while our own people cannot obtain an automobile and must purchase nails, tin and all their building materials on the black market. England enters into commercial agreements with European countries like Poland, and these agreements are based upon considerable quantities of products which England is buying from Canada on credit. As far as England is concerned, this is a true political economy; for Canada, it simply means abandoning our economy and our prosperity.

It is high time that we look toward the United States inasmuch as our trade is concerned. Canada needs United States dollars urgently, otherwise we shall have to face the most terrible inflation. The danger is imminent. Commercial institutions are continuously warning the government. Canada should reduce to its lowest possible minimum the credit sales of its export products. We cannot maintain our commercial balance by continuously floating loans. These facts must be revealed. The Canadian people should not delude themselves and live in a dreamland. Our country must not be duped into a state of illusive prosperity.

I now wish to draw to the attention of the government the considerable increase in the cost of living. It seems that every effort is being attempted to bring about inflation. In spite of an adverse vote of the House of Commons, the government abolished the subsidy paid to milk producers. In the interests of producers and consumers, parliament went on record as being against the removal of this subsidy. The Canadian people, through their representatives, requested that it be continued. Our so-called champions of democracy did not pay any attention to this request. Once more, they infringed upon the prerogatives and sovereignty of parliament. Like dictators, they rule by orders in council. They also recently discontinued the subsidies paid to butter producers and producers of other vital foodstuffs. Thus the small wage-earners will be all the more exploited. The decrease in income tax, embodied in the present budget, will be null and void, because the consumer will pay much higher prices for the milk and butter which are essential to the existence of his family. This budget was devised for reasons of strategy and appeasement. The government has been doing so for many years. It endeavours to appease and postpone action. It learned this during the war. It acted gradually, step by step, when it wished to induce us to participate in the war, and again to have us swallow mobilization and conscription. Always the same indirect means, the same promises and commitments which are never fulfilled.

Through the servility of the Canadian Broadcasting Corporation, which has been its maid of all work, for the last ten years the government has been spreading its insidious propaganda over the air. This publicity agent has become its servant, its slave and its monopoly. It lent its broadcasting facilities to communist spies and traitors. It refused to outlaw the communist party. Recently, in a public address in Great Britain, Tim Buck severely criticized and insulted Canada before the whole world. And Tim Buck is still free; he was never put out of the way. But Laval-Two Mountains is being done away with. The Liberal party cannot tolerate a member who keeps his word and honours the mandate he received from his constituents. It cannot forgive the one who is now speaking to you, the victories he obtained in 1940 and 1945, despite the bandits who were stealing or manipulating the contents of ballot boxes. I have nothing but contempt for those who are trying to suppress me today. The people are with me, and I scorn the petty politicians. They are inferior beings who are appreciated as such by their fellow-Canadians. Time is a great master. Envy was not created by God, but by the devil. And God is stronger than the devil. God annihilated all plots of Lucifer. Hitler the antichrist, his ally Mussolini, were caught in their own snares. Stalin, the sacrilegious, atheist and godless potentate; Stalin the cherished child of the Liberal party; Stalin, the grand master of espionage in Canada and throughout the world, will meet his Waterloo like all the others. Ambition and injustice kill their authors. Some persons have no other object in life. They are the first to disappear. They will no longer be here; I will remain because I always lined

up with truth. Because they have no ideal of beauty and truth, persons with a partial, disloyal, unfair and persecuting mind inevitably bog down in the mire of their own lives. Since the redistribution of electoral divisions will cost the public treasury considerable amounts of money, I consider it my duty to refer to this matter, which I intend to examine more thoroughly at the end of my remarks.

A while ago, I referred to the possibility of an economic crisis which will be inevitably brought about by the policy of the government. In support of this statement, let me quote the opinion of the experts of the Banque Canadienne Nationale:

> Before the war, our favourable commercial balance with the United Kingdom approximately counter balanced, year in and year out, our deficit with the United States. But the pound sterling can no longer be converted freely against American dollars. Although London promised to reestablish the free convertibility of its pound on July 12 next, it is to be feared that this will be impossible. This action would not give us any American dollars, whatever be the amount of our favourable commercial balance with the United Kingdom, as long as we do not procure Great Britain with the means of paying its purchases in Canada.

At the end of their report the financial experts of the same bank give this solemn warning:

> As long as our trade with the United States shows a deficit which we cannot normally make up, the state of prosperity which certain people proclaim will be artificial. We should not create an atmosphere of false prosperity which will only lead us to a tragic awakening.

Nevertheless the government is opening our doors wider and wider to immigration. Is it relying on the artificial prosperity of Canada? It should be very cautious if it does not wish to witness once more the period of unemployment and extreme poverty we went through a few years ago. As long as we can not give employment to our own fellow citizens, we should close our doors upon immigration. Our own people should come first. If we tolerate that foreigners fill the jobs to which our own workers are entitled, we shall deny them their right to existence, we shall be ignoring the sacrifices of our veterans on the battlefields.

Now let us examine a much talked-about subject, dominion-provincial relations. The powers of the dominion and the provinces with regard to taxation are defined in the British North America Act. If the federal government had adhered to that act, all these useless discussions and unending conferences could have been avoided. In spite of the privileges granted the provinces, the federal government keeps on infringing every year upon the taxation domain reserved to the provinces, by violating the jurisdiction determined by our constitution.

Mr. MICHAUD: Which?

Mr. LACOMBE: I do not wish to be interrupted without my permission, in accordance with the rules of the house. I want my forty minutes.

Mr. MICHAUD: All right.

Mr. LACOMBE: The most serious danger is this interference by the central government as regards the collection of taxes granted the provinces by the British North America Act. In support of my statement, I refer to the memorandum of the chamber of commerce of the district of Montreal. More than four thousand businessmen protested against this invasion of provincial jurisdiction by the federal government. This memorandum states that the economic and taxation problems cannot be solved by a violation of the constitutional rights and prerogatives of the provinces. Ottawa will never be able to subdue the prerogatives which the provinces hold in their own right. In his budget speech the Minister of Finance (Mr. Abbott) raises no hope as to a possible reopening of discussion between the federal government and the provinces on this most important national subject.

Mr. Speaker, I find, as many others do, that the attitude of some members of this house is strange. They are loud in their demands for tax reductions. These same members voted for Canada's participation in the war, mobilization and conscription. Their vote brought death to more than fifty thousand of our young men. They are the ones who supported the handing over of thousands of millions in gifts to England.

Those whose votes accumulated a debt of $20 billion which the taxpayer must now foot, are not entitled to be inconsistent to such an extent. Are they now satisfied with their work? Canada is the laughing-stock of the world. We are excluded from world peace conferences. Canada is either playing the part of a secondary nation, or takes no part at all. Its territory is invaded by the soviet spies whom this country has fostered. Communist cells are multiplying in this country under the benevolence of the present government which refuses to outlaw the communist-minded Labour-Progressive party. The same government refuses to appoint an ambassador to the Vatican. And yet, peace, charity and justice shall come from nowhere but the Vatican. But the next war will spring from the Jewish and masonic clique who are against the appointment of an ambassador to the Vatican.

This war will come sooner than we think, in a world armed to the teeth with infernal machines invented by the diabolical genius of a few persons. The next war will not spring from Christian Spain, already condemned by Mr. Wilgress, who was then representing our country at the united nations. It will come from atheistic and godless Russia. Where the Lord is not, there we find hatred, ambition, domination, injustice and wholesome death. As ever, thanks to our imperialists, our colonials, and those men without backbone, we shall be caught in the turmoil. When that day comes, the world shall have lived.

Referring once more to the redistribution, I wish to draw the attention of the house to the following facts. At the very first meeting of the House of Commons committee appointed for the purpose of readjusting the representation in this house, I submitted to the members of the committee representations which I deemed fair and reasonable. I then asked that the towns of Laval des Rapides and Pont Viau be annexed to the riding of Laval-Deux Montagnes. According to the 1941 census, Laval-Deux Montagnes had a population of 33,498 persons. Since that time, this figure has increased considerably. If the members of the committee had accepted my viewpoint, they would have done justice not only to Laval-Deux Montagnes, but also to Argenteuil. As a matter of fact, according to the 1941 census, the population of Laval-Deux Montagnes, together with that of Laval des Rapides and Pont Viau, which actually belong to l'Ile Jesus, would have totalled 38,082 persons. Nobody can deny that such a population was sufficient, when one compares it to the population of Glengarry, 18,000; Vaudreuil-Soulanges, 22,498; Stanstead, 27,972.

The ACTING SPEAKER (Mr. Golding): Order. I must call the hon. member's attention to the fact that he cannot discuss the redistribution bill because that bill is before a special committee.

Mr. RINFRET: Let him go on.

Mr. LACOMBE: I am actually discussing the budget, Mr. Speaker; the redistribution of the federal divisions will necessarily involve expense.

The ACTING SPEAKER (Mr. Golding): Order. That matter is before a special committee, and it is not in order for any hon. member to discuss it until that committee has made its report.

Mr. RINFRET: Let him go on.

Mr. KNOWLES: Oh, no. What are rules for?

Mr. LACOMBE: All right, Mr. Speaker; I will wait and discuss the question when the report of the committee is made in the House of Commons.

Mr. MICHAUD: That is better.

Mr. REAL CAOUETTE (Pontiac) (Translation): Mr. Speaker, I wish to speak on behalf of the electors of Pontiac county, of the Electors' Union of the same county, of the Electors' Union of my province and of Canada at large, since everyone in Canada wants the same results.

I am responsible neither to nor for any political party; I am only responsible to my constitutents and I must therefore speak in their name.

It was my intention to say a few words about redistribution, but I shall not do so until the committee has submitted a report.

As for the budget, the liberal press and controlled radio have tried to impress upon the population that the Minister of Finance (Mr. Abbott) had revealed himself an ideal treasurer and that his budget would be hailed throughout the country. It is rather the opposite. Everyone expected that exemptions would be boosted to at least $1,000 for single persons and $2,000 for married persons. Nothing of the kind happened. The young man earning over $750 per year ($14.45 per week) will still be unable to keep his small income entirely to himself, and that also applies to married persons whose income exceeds $1,500 per year (or $28.85 per week). The government demands its share. Income tax, therefore, is levied on as many people as before.

True the amount to be paid has been reduced, but the reduction is very slight, as far as the small wage-earners are concerned. The income tax of a person who is single and who earns $1,000 per annum will be $26 lower than last year, that is to say, 50 cents less per week. That person will pocket an extra half dollar, which is a most comforting thought when, at the same time, there is an increase of 10 cents a pound in the price of butter, 4 cents a pound in that of cheese, 1½ cent a dozen in the price of eggs, all of which results from the policy of the very government which decided to substitute rising consumer prices for producer subsidies.

Those who are in the higher income brackets ought to be more thankful than anyone else to Mr. Abbott. Granted, the income tax of the single taxpayer earning $1,000 is decreased by $26 and that of a father earning $2,000, is reduced by $32, but that of the single taxpayer who has the good fortune of netting himself $5,000 is lower by $370, while if his income

amounts to $10,000, he pockets $785 more than previously. The hon. minister annually favours the single taxpayer in the $50,000 bracket with $2,598.

Apart from these income tax cuts, insignificant as far as ordinary incomes are concerned, the budget offers no new features.

True to the practice followed by his predecessors, the Minister of Finance has presented us nothing but a statement of our estimated revenues and expenditures. The people of Canada have had nothing more. One finds no statement of our assets and liabilities. We have no means to know which side of our balance sheet shows greater progress, if our country has increased its wealth and what part of that increase is to be divided among the country's shareholders, the Canadian people. The budget speech is silent on those points. Can one imagine a business firm being satisfied with a simple statement of its revenues and expenditures? What company knows nothing of its assets and liabilities?

Is there also a company that fails to distribute dividends when it is prosperous?

Is Canada prosperous? Yes, if we are to believe the Minister of Finance. But what makes, according to him, the prosperity of Canada? Where is it to be found? Does it reside in the amount of goods exported from the country or in the amount consumed by our people?

In the minister's mind, it consists probably in the amount of money that may be extorted from the taxpayers without causing open revolt.

The Union of Electors stood for the removal of income tax on all incomes under $3,000 per annum. Personally, I have received thousands of petition cards and signatures—

Some hon. MEMBERS: What a farce.

Mr. CAOUETTE: My hon. friends opposite should open their ears and shut their big mouths if they wish to understand.

Mr. GAUTHIER (Portneuf): Why don't you shut yours?

An hon. MEMBER: I too have received some.

Mr. CAOUETTE: Hundreds of requests came to me, asking for the removal of income tax on all incomes under $3,000 per annum. The Honourable Minister of Finance has completely forgotten that voters throughout the country have made similar representations and are clamouring for the exemption from taxation of all incomes under $3,000 per annum.

Of course the budget which has been brought down represents the total of taxes and expenses of the government. His Holiness Pope Pius XI stated in *Quadragesimo Anno* that those who control money and credit are the masters of our lives and without their permission no one dares even breathe. Without the permission of those who control money and credit, no one dares even breathe.

Mr. COTE (Matapedia-Matane): Did you read it in Latin?

Mr. CAOUETTE: My hon. friend should read it in French in order to get it through his thick skull and grasp its true meaning.

Who controls money and credit in this country? Who controls the economic lifeblood of the Canadian people? It is certainly not the government since they spend their time digging into the pockets of the taxpayers and taking their money away from them.

Mr. BRUNELLE: They are "diggers".

Mr. CAOUETTE: They dig into the pockets of the Canadian taxpayers to take away from them the money which they have earned by the sweat of their brow.

An hon. MEMBER: Shame.

Mr. CAOUETTE: And they spend all the taxes which they levy on scarcities while there are in Canada tremendous possibilities for development.

Mr. MICHAUD: Hear, hear.

Mr. CAOUETTE: There are tremendous physical resources which could provide the Canadian people with comforts, freedom and security through the distribution of money and purchasing power to the consumers, and this we can do by the distribution of a national dividend out of the profits which the people of this country, as individuals, have earned by their labour, in the 300 years since the discovery of Canada. Mr. Speaker. . .

An hon. MEMBER: It's 400 years!

Mr. CAOUETTE: Four hundred years. All the better.

Mr. Speaker, after three or four hundred years of toil on the part of our ancestors, the first settlers of Canada, when those citizens have worked hard at scientific development, and have progressed, is the Canadian people to be deluded into the belief that Canadian society is forging ahead? It is heading for disaster, for it shows a deficit instead of a profit. Instead of surplus of assets, we are shown an increase of liabilities. Electors are being misled, the Canadian people is being

hoodwinked, dazzled by figures purely and simply made up by Canadian bankers. Mr. Speaker, money and credit are controlled by the leaders who gave the signal for war in 1939, the leaders who started the depression in 1929. Those who control credit and money are responsible for the last ten years and for World War II. Unless and until the government does away with those "controllers" of our economic blood, or deprives them of their powers over this nation, there is no use hoping for a better democracy or a better standard of living for Canadians. In a country like ours, wealth cannot be distributed as long as it is held by those who "control" the economic life-blood, those who want, by all means, to create destitution in the midst of abundance, who wish to keep the people in a state akin to slavery. Unless such a situation is done away with, our country will turn more and more to communism.

An hon. MEMBER: Hear, hear!

Mr. CAOUETTE: Mr. Speaker, in 1931 the same Pope Pius XI stated, in *quadragesimo Anno*:

Our leaders have forsaken their noble tasks and have become the servants of private interests.

Our leaders have become but the slaves of financiers; such is the meaning of that excerpt. In times past, I believe, Canada had a good Conservative government, but it was no better than the Liberal government. In 1935, depression was still with us; it ended only in 1939, when Hitler, the scapegrace, decided to invade poor Poland. Therefore, it was Hitler who put an end to the 1929-1939 depression and brought prosperity to the world, since we enjoyed its benefits only during the war.

During the war, the government has borrowed fabulous sums of money; it has increased our national debt to such an extent that it will be impossible to repay it, since according to the budget speech now in the red in the amount of some $17,000,000,000.

Mr. Speaker, during the 1939-45 war, an Englishman, a German and a Canadian were talking about science and the progress it had made during the war.

An hon. MEMBER: That one has whiskers on it.

Mr. CAOUETTE: So have you, my friend. Speaking first the Englishman said:

An hon. MEMBER: We have heard it before.

Mr. CAOUETTE: In order to show how his country was advanced in science, the Englishman said: "My friends, when a man dies of heart trouble, we take out the old heart, put in an artificial one and the man comes back to life." The German meant to prove that science had made such progress in Germany that when a man had his head cut from the shoulders they had a special glue with which to stick it back in place and that after the operation the patient was feeling fine. The Canadian found that very funny and started to laugh. "In Canada," he said, "science is much more advanced than that. We have found out long ago how to replace a human heart by an artificial one. Sticking one head on shoulders is easy in Canada, we can even stick a dozen heads on the same shoulders. We have made even further progress, because men without head and without heart are at the helm in our country.

Mr. Speaker, after the war years we have gone through, there are some unemployed in the country. We find them everywhere in Canada, in Montreal, in Quebec and in all other cities; yet the Minister of Finance states that prosperity prevails in Canada. Representations have been made from all over the country urging the minister of Finance to bring down a sensible budget, in line with Canada's assets. Representations have even been made by little children asking that taxes on chocolate and soft drinks be removed. Protests have come from all parts of the country. I have here a wire requesting the repeal of the tax on soft drinks. I have a letter from an educational institution of my riding and a wire from the Val d'Or Bottling Works stating that the quantity and quality of soft drinks even at five cents a bottle would equal the pre-war standard. Poulin and Son, Rouyn bottlers, have sent me the following wire:

Do utmost to repeal soft drink sales tax plus bringing price back to five cents and benefiting public. Quantity and quality will remain the same in each bottle. Counting on your help.

Here is another one from A. N. Drouin, of Val d'Or:

You may rest assured that the quality of my products will remain the same and the retail price five cents should the tax on soft drinks be removed.

I have also a letter from Saint-Michel-Archange School, Rouyn, Quebec, asking for the removal of the tax on soft drinks and stating that the same request was made last year without any tangible result. I quote from that letter, the following excerpt:

As we explained last year, the said tax is still in force despite the fact that the war has been over more than seventeen months. The two-cent

war tax represents a 40 per cent increase in the pre-war price and, in our opinion, no other Canadian product is saddled with such a heavy tax.

Our school boys and school girls drink the greater part of our soft drinks. Since they have but little money available for the purchase of a few delicacies, they are often compelled to envy their comrades who can afford those harmless drinks which they covet but are unable to buy owing to the two-cent increase.

I submit that these children should be granted by the Minister of Finance their request for the privilege of buying and consuming chocolate bars and soft drinks.

I have here, Mr. Speaker, another letter asking for the removal of the tax on soft drinks. It was sent to me by the Sacred Heart League in Rouyn. But the Minister of Finance takes no heed. Such representations are not coming only from Pontiac county but from everywhere in the country.

An hon. MEMBER: What about Coca-Cola?

Mr. CAOUETTE: Coca-Cola and Pepsi-Cola as well. These requests are coming perhaps from your own children also.

Mr. MICHAUD: Milk is much better for them.

Mr. CAOUETTE: Mr. Speaker, some people are beginning to realize that prosperity in Canada depends upon the exportation of many of our products. We think that by exporting our goods we increase the wealth of the country. I asked a question last week on the production and export of automobiles in Canada. Canadians are anxious to buy cars in many cases for their business while shortages are being created in order to force those who secure those automobiles to pay four, five and even six hundred dollars extra on the black market.

During a ten-month period, from June, 1946, to March, 1947, Canada has exported 33,238 passenger automobiles while the Canadian people are clamouring for cars.

It is claimed that those countries where motor cars have been shipped are suffering from distress and dire poverty; why then send them automobiles to drive in? We should send them foodstuffs instead and keep our automobiles for our own people who need them.

Mr. GAGNON: That is right.

Mr. CAOUETTE: Then we would serve our own people before serving people from other countries.

Mr. GAGNON: Quite true.

[Mr. Caouette.]

Mr. CAOUETTE: The commodities which find their way into the homes of our own people are a true yardstick of our prosperity.

His Holiness Pope Pius XI said in the *Quadragesimo Anno* encyclical that the economic system will serve its true purpose only when it provides everyone with a share of the goods which nature and industry can supply. That share should be sufficient to provide everyone with the means required for an honest livelihood.

When shall each and every citizen of this country be assured of at least a decent living? When Canadians are given the buying power that will guarantee them a decent livelihood, a decent competency.

That is why the budget speech of the Hon. Minister of Finance should have included a paragraph—I should have been delighted to find it there—granting each and every Canadian citizen a national dividend based on surplus production, in fact on their own buying power, out of salaries and profits.

If Canada is really and truly prosperous, why not grant this dividend to this country's shareholders, to everyone of its citizens? Companies do it for their own shareholders; why cannot Canada do it for its shareholders, those who hold a stake in Canadian society?

Mr. Speaker, we now hear about communism more than ever before. There is talk of legislation to outlaw communism. Already, in the province of Quebec, a law was enacted some ten years ago prohibiting communistic activities within the province. Representations have already been made, in Ottawa, to have the labour-progressive party banished from Canada. Possibly hundreds more will be made within six months or a year.

Mr. Speaker, it will be useless to enact anticommunist legislation, measures to abolish the labour-progressive party, or padlock laws. Never shall we be successful in checking communism through legislative means. There is but one easy and swift way of checking its spread and that is by guaranteeing every citizen of the country a decent competency, a minimum standard of living and the possibility of earning his keep and avoiding unemployment. If we ensure that our citizens enjoy these benefits there will never be any threat of communism in Canada.

To support what I have just said, I wish to read from a series of publications entitled "Construire" (To Build) an article by Rev. Father Dugre in number 10 of that series:

Doctors tell us that germs are present everywhere, that we swallow them wholesale, but that they are dangerous only in so far as they fall on favourable ground. So, Russian propaganda is ever present; but if the Canadian or Quebec

social state is in such a healthy condition that the germs fall among a happy people, communism will ever strike inattentive ears.

"Thank you. We are doing all right. We can still do without a revolution."

Would that not be our best defence? We are offered the Russian style of happiness; let us oppose it to our own sort of happiness; let us organize a social life that will challenge all competition, develop for ourselves and the poor, those easy victims of communism, a beneficent and general prosperity that will leave no room for discontent and will relieve the plight of our families, of our young boys and girls and of the overflow of our population. Then we may feel secure. If, on the contrary, we should limit ourselves to appeals to patience, to hopes for eternal bliss in the midst of poverty, without consideration for a minimum of earthly happiness, we would be betraying the Church.

If there is a country where material well-being is possible, it is Canada. In the wealth which God has placed at our disposal, for us to develop, we must find a full rich life or else we are clumsily transgressing the will of our Creator. Yet he is not to blame. The guilty ones are those shortsighted statesmen, who would try to justify their inertia by such excuses as "strictest economy" or by contending that "unemployment is worldwide," as though the function of money were not to serve the people and as if our vast and young Canada were in the same condition as those overcrowded countries of the Old World.

Here is another very important paragraph, Mr. Speaker:

Let us leave unto Caesar the task that belongs to Caesar and ask him to consider our lowly citizens. He has the responsibility over those questions on which depends social happiness, bread and butter, houses for our people, the establishment of our youth, joyful employment and the movement of money. Caesar will have to exert himself. Some poisons act as remedies: the fear of communism will begin to inject wisdom into needed reforms. Let us not delude ourselves: our democracy is imperfect, often hypocritical and heartless. It overdoes "taking into serious consideration" warranted complaints, requests for readjustment, reform, assistance and land. It is too weak towards the powerful, too harsh on the little man. Hence, speculation, abuse pluralism, questionable contracts which give rise to bitterness, envy and desperate actions. None of this should happen in our young country with a potential prosperity from millions of sources hampered by filthy lucre or reserved for immigrants.

Mr. Speaker, my time is almost up, but I could carry on for another forty minutes; however, I shall await a further opportunity to continue the education of my hon. friends from the Little Chicago section.

Mr. LANGLOIS: Thank you, sir, you are very kind.

Mr. CAOUETTE: If for one moment after the bringing down of the budget I had been allowed to enact a bill or to replace the hon. minister of Finance, my first step would have been to deprive the banks of their power to create money, that is to say, the credit of the nation; I would have forbidden all those Canadian bankers to create money or credit in this country and I would have transferred that power to the government. If a single banker had then tried to create credit or money he would have been treated in the same way as any other individual who is guilty of counterfeiting five dollar bills or bills of any other denomination; I would immediately have asked the officials of the Department of Finance to distribute one hundred dollars to each Canadian citizen, for a period of six months, instead of straining themselves to find ways and means of taxing the people.

An hon. MEMBER: That is not enough.

Mr. GAUTHIER (Portneuf): You should have given more.

An hon. MEMBER: The period is too short!

Mr. CAOUETTE: I would have immediately told the people, by means of the radio and the newspapers, you will not receive any more cheques for that amount before six months.

Some may say that a family of ten would get $1,000 and a family of twenty, $2,000. But there can never be more than thirty-six people in one family.

Distribution would be general for the benefit of every Canadian. People would be encouraged to work and to produce more. I would tell them that during the next six months no new money will be issued, that they will earn their wages as usual, without anybody being socialized, and that at the end of that period, if they have produced more, they will be given more. If they have produced much, they will receive much. If they cease producing and there be more money than products, money surpluses will have to be taxed where they lie. They will have to be taxed if there is too much money in circulation for the available goods. This would be in the interest of our people. In this way, employees and workers would be encouraged to work and to produce more. We have the example of the subsidies which were granted during the war to encourage production. When they were removed, prices went up. Consumers could not buy as much as before and producers had to produce less because of a curtailed demand. Therefore I suggest that subsidies should be continued while controls should be removed in this country. The Minister of Finance, as well as the hon. members opposite, claim that to distribute the sum of $100 to each Canadian citizen would be sheer folly. Parliament has

the power and the duty to assume control of the issue of money and credit in the country and to distribute them fairly in order to help all our citizens and to provide them with the security and the freedom which would be theirs if purchasing power were based upon the tremendous possibilities of Canada. Mr. Speaker, my hon. friends have voted themselves an additional $2,000 last year; did this increase in their indemnities make them any lazier than they were last year?

An hon. MEMBER: You have accepted it yourself.

Mr. CAOUETTE: Yes I did and I would accept an additional $2,000, but before doing so I would vote $2,000 for my constituents and for the citizens of Canada. Mr. Speaker, I am not easily offended but sometimes I cannot help it.

An hon. MEMBER: Go ahead, you are doing fine.

Mr. CAOUETTE: Mr. Speaker, is it impossible to carry out such a programme? The Liberal party frowns as much as I do upon communism.

Some hon. MEMBERS: Hear, hear.

Mr. CAOUETTE: Likewise the Conservative party.

Some hon. MEMBERS: No.

Mr. CAOUETTE: And I think that the members of the C.C.F. party are not fond of it either.

Some hon. MEMBERS: We are not too sure about that.

Mr. CAOUETTE: Members of the Social Credit group are flatly and irrevocably against communism in all its forms.

Some hon. MEMBERS: Hear, hear.

Mr. CAOUETTE: Mr. Speaker, if we wish to ward off communism, it is time the members of this house united their efforts in fighting the rise of communism in this country. In order to do so, it is time we struck a balance of this country's assets and liabilities, we determined the profits earned by the work of organized society and distributed new money to all members of that society who shared in the economic and social activities which led to Canada's vast production, a society which represents the great physical producing power of our country.

Mr. Speaker, were everyone in this house to contribute toward giving the Canadian people that guarantee, toward giving Canada to the Canadians, toward using Canadian money and production to the advantage of the citizens of our country, I could warrant that communism would never win any ground here, because our people would be happy and fully satisfied, knowing that Canada would henceforth be theirs and realizing how grand it is to live in such a wealthy country as ours, in a country that needs no one from outside to dictate to it. Let us be worthy of our responsibilities. We are all responsible to the Canadian electors and not to a party. Our duty demands that we deprive the financial magnates of their power to control and that we place the assets of the country at the service of the Canadian people.

(Text):

Mr. DANIEL McIVOR (Fort William): After listening and catching the odd word, I am sure that some of us have regrets at not having a real knowledge of French so that we could understand the oratory and enthusiasm to which we have just listened. However, I still see the Minister of Finance (Mr. Abbott) delivering his budget. He stood up; he spoke up; he had something that he was extremely proud of, and then he sat down. If other hon. members did the same thing we would not have the urgent need for improvement in our acoustics.

I had some regrets when I heard the budget. I thought the luxury taxes would be eliminated. I had not understood thoroughly the reductions that had been made. Of course, to me jewellery and jewellery stores should not be taxed as luxuries because they sell things which are absolutely necessary to the home life of Canada. Take clocks and watches and wedding rings. Anybody would admit that the use of a wedding ring is necessary for the upbuilding of a good home. I congratulate the minister on the announcement which appears in the press today that $17,500 will be proposed in the supplementary estimates for the support of the Olympic games. I think it is in keeping with good Liberal policies, and it is telling the youth of Canada that they should keep fit physically and mentally. I am sure that when the Olympic games are on and our own flag rolls up high, when our lady from Ottawa, Miss Barbara Ann Scott, takes part, whether she wins or not, we shall be extremely proud of her.

This brings to mind one of the outstanding needs of the House of Commons—and it is not loud speakers that I am going to speak about. The outstanding need of the House of Commons is, first, a good gymnasium and, second, a good swimming pool. When we

come here and the session opens we are in fit physical shape, but we have to do so much sitting around that we do not get our physical exercise or our setting up exercises unless we do them in our own rooms. I can see men putting on fat. Hon. members will agree that fat is a dead weight, and doctors will tell us that it is a tug on the heart; therefore we should have a good gymnasium. I hope that when Ottawa is beautified we shall have this institution to help to beautify the human body.

I should like to make some reference to the provinces. Perhaps somebody with more weight and intelligence could deal with this matter better than I, but I am going to deal with it in my own way. I look on Canada, the land of my adoption, as a big family. A properly regulated Christian family has authority somewhere. It should be in the father; sometimes it is in the mother, but it is usually in a combination of both, since they are one. The family of Canada should not have its authority in British Columbia; it should not have it in Quebec; it should not have it in Ontario; it should have it here in Ottawa. There should be an authority that Canada will be proud of. I do not think we would be very proud of our cabinet ministers if they went so far as to change the constitution of Canada to the detriment of our country. I hope that there will be no breakdown in that regard. I am thinking of the song that is sometimes sung here, "The more we are together, the happier we will be."

I should like to congratulate the minister in that he did not forget old age pensions. In that respect he supported what was contained in the speech from the throne. Some people outside the house thought there would be an increase in old age pensions. If the pension is increased to $30 I hope that every province in Canada will add as much as British Columbia has added to it, and therefore there will be a decent pension for our old age pensioners. As I said before, if the Liberal government is left long enough in power I expect that one day the old age pension will be $50 a month.

I should like to speak of the pensioners of the first great war. I have congratulated the Minister of Veterans Affairs (Mr. Mackenzie) behind his back on the work that he, his committee and the government have done in looking after the pensioners of the recent war, but I find that pensioners of the first war need some consideration. I have had delegations call on me, and I had sense enough not to promise more than I was sure of. I had one group of men tell me of a pensioner who was getting a 100 per cent pension, and this is what I found. He pays $33 a month rent; groceries, $30; coal, $10, and that does not heat the house very well; meat, $12; milk $9; bread, $2.50; light and telephone, $7.50, making a total of $104. All he gets is $100, and his rent is to be raised $5 a month because of the change in the rental regulations. The same amounts I have given do not include anything extra for medicine; they do not include anything for clothes for himself or his wife. They do not include anything for insurance or the odd bottle of ginger ale, and I think the Minister of Veterans Affairs will give more consideration to these pensioners. I have advocated before that employees on railways and elsewhere should have a national pension sponsored by a central authority in the dominion government. It should be contributory, because, as we know men who earn good salaries are inclined to spend their money as they receive it and they are nearly always broke the first week after they get their pay. But if a man is compelled to contribute to a pension fund he will have something in his old age. Alternatively, he should be compelled to put his money into annuities.

In Fort William there are two things that we would like the government to pay a little more attention to. Our hospitals are in straitened circumstances. When I think of our hospital and what it is doing for the dominion government, I suggest that we should have more consideration in connection with the building of the new McKellar hospital wing. I am informed by our hospital board that fifteen beds are necessary at all times for veterans and Indians. I will not say more about that just now, but I think some attention should be given to it.

When I spoke before in the house I mentioned an outstanding need in northwestern Ontario and west of Fort William, and that is that some consideration be given to the distress under which gold miners are trying to do their work. We have in the Shebandowan district a splendid place for operations in gold mining and we think some relief should be given. We have these resources that are perhaps second to none in all Canada.

Some reference was made this afternoon to the Minister of Agriculture (Mr. Gardiner). A good deal was said, and then I thought of the farmers in my own district and the benefit they have derived from the experimental substation there. I can remember when I bought eggs at fifteen cents a dozen by the case, but farmers do not have to sell eggs at that figure today. They are better off and are better sat-

isfied than they have ever been, and we hope that we shall not find it necessary to go back to the old way of doing things.

When I think of the reduction in taxation proposed in this budget, and how it affects me, I can see that it will give me a little more money to spend, and if there is anything I like to do it is to spend money that is my own, so that the more I get in the form of a reduction in taxes, the more I shall have to spend. I think, therefore, that what is given in the budget in this way comes in very handy.

I am sorry that the children cannot get their chocolate bars and soft drinks, but I am informed by a doctor of dentistry that this is not so bad because it is a splendid thing for children's teeth when they do not have so much sugar. I know from my experience as a boy that the more candy you eat, the oftener you have to go to the dentist.

When I think of the reduction in taxes I think of a donkey we had on the farm at one time. If you twisted his tail something was bound to happen and you would not be standing there when it did. But if you twisted the donkey's tail the donkey would be there just the same. You did not change the donkey. Well, you can find fault with this budget all you like, but the reduction it makes is a splendid thing and I congratulate the minister.

Mr. JACKMAN: Mr. Speaker, I understand that the house would like to go into supply and, since it is almost six o'clock, with your permission I would ask that you call it six o'clock.

Mr. DEPUTY SPEAKER: Mr. Jackman moves that the debate be adjourned.

Motion agreed to and debate adjourned.

SUPPLY

The house in committee of supply, Mr. Golding in the chair.

DEPARTMENT OF NATIONAL DEFENCE

Normal services—

190. Grants to military associations and institutes, as detailed in the estimates, $113,350.

Mr. MACKENZIE: The object in calling the item is merely to get it before the committee and not for discussion. I would ask that it stand.

Item stands.

DEPARTMENT OF MINES AND RESOURCES

130. Departmental administration, $183,173.

Mr. MACKENZIE: The purpose here is also to get the item before the committee.

Item stands.

[Mr. McIvor.]

Mr. STIRLING: May I ask how many departments are now in?

Mr. MACKENZIE: I think this will make eight. That is my recollection. I believe there were six in before tonight.

Progress reported.

On motion of Mr. Mackenzie the house adjourned at 5.50 p.m.

Thursday, May 8, 1947

The house met at three o'clock.

REPORTS OF COMMITTEES

BANKING AND COMMERCE

Fifth report of standing committee on banking and commerce.—Mr. Cleaver.

RAILWAYS AND SHIPPING—SECOND REPORT—REFERENCE OF CERTAIN ITEMS TO COMMITTEE OF SUPPLY

Mr. S. M. CLARK (Essex South) presented the second report of the special committee on railways and shipping owned, operated and controlled by the government.

Hon. DOUGLAS ABBOTT (Minister of Finance) moved:

That items Nos. 434, 435 and 479 of the estimates for 1947-48, approved and reported upon on Thursday, May 8, 1947, by the sessional committee on railways and shipping owned, operated and controlled by the government, be referred to the committee of supply.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

APPLES AND HAY—GREY COUNTY, ONT.

Mr. CASE:

1. To whom was the concession awarded in connection with tenders for apples and hay in the A.F.V. range, St. Vincent township, Grey county?
2. What was the amount of the successful tender?
3. Was this the highest tender submitted?
4. What was the amount of the second highest tender and by whom was it submitted?
5. Is the concession let for a period of five years?
6. Has a surety bond been required to guarantee the proper care and maintenance of the orchards? If so, in what amount?

Mr. LAPOINTE:

1. Mr. H. L. Isaacs, Thornbury, Ontario.
2. $3,800 a year.
3. Yes.

4. $3,500 a year. Mr. Richard F. Doran, Meaford, Ontario.

5. Yes.

6. No.

SUGAR BEET DISEASE—NEMATODE

Mr. MURPHY:

1. What areas in Canada are infected with the sugar beet disease known as nematode?

2. Are any areas infected with any other sugar beet disease? If so, where?

3. What efforts are being made to control or eliminate these diseases?

4. Is transport of sugar beets restricted in any of these areas? If so, where, and what transport restrictions or orders are in effect?

5. Have any representations been made with respect to control or elimination of this disease? If so, by whom?

6. Has any provincial government suggested a dominion and provincial proposal, contribution or action to control or eliminate this disease? If so, what provinces made such offer or proposal and what action has the government taken?

7. What are the main causes for spreading this disease, and what, if any, action by entomologists, engineers or other government agents has been taken or recommended to eliminate such causes?

Mr. GARDINER:

1. A single field at Glencoe, Middlesex county, Ontario, and twenty-three farms embraced in an area of approximately four square miles at Blackwell, Lambton county, Ontario.

2. Yes. Sugar beet diseases of at least occasional economic importance in Canada, together with the provinces in which they are known to occur, are listed below:

Cercospora leaf spot (C. beticola)—British Columbia, Alberta, Ontario, Quebec, New Brunswick.

Fusarium root rot of seedlings (F. culmorum)—Alberta.

Phoma leaf spot and black leg (Phoma Betae)—British Columbia, Manitoba, Ontario.

Ramularia leaf spot (R. beticola)—British Columbia.

Rust (Uromyces Betae)—British Columbia.

Damping off (Rhizoctonia Solani)—Manitoba.

Black root of seedlings (various fungi)—Ontario.

Black heart (boron deficiency)—Ontario, Quebec.

Curly top (virus)—British Columbia.

Savoy (virus)—Ontario.

Mosaic (virus)—Ontario.

Rhizoctonia rot (Rhizoctonia Solani)—Ontario.

3. All the diseases listed are under observation or study and where of known value or use recommendations for their control are made known to the affected growers or industries:

Cercospora leaf spot, Fusarium root rot, Phoma leaf spot and damping off are only occasionally sufficiently prevalent to be of economic importance, but not sufficiently so to warrant recommending control measures.

Ramularia leaf spot and rust are occasionally severe enough to cause an appreciable decrease in crops of beet seeds in the Fraser river valley and on Vancouver island, B.C. These are under study at the Dominion Laboratory of Plant Pathology, Saanichton.

Black heart, which occurs occasionally, can be controlled by an application of borax to the soil.

Curly top and mosaic occur occasionally in seed fields, and can be controlled by roguing the infected plants in the seed fields and in the fields where stecklings are being grown.

Savoy is occasionally present in sugar beets destined for the sugar factory. Since infection has already taken place, nothing can be done to control the trouble; removing the infected plants only reduces the crop.

Black root of seedlings is prevalent wherever sugar beets are grown in south western Ontario. Several fungi are usually found associated with the trouble, and some adverse soil condition is no doubt partly responsible. It may cause as high as six per cent of the acreage sown to sugar beet in that part of Ontario to be abandoned—ploughed up and sown to something else. It is more prevalent in late sown than in early sown sugar beet fields. This trouble is being investigated by the Dominion Laboratory of Plant Pathology, Harrow.

Rhizoctonia rot of sugar beet may cause a loss of roots as high as 20 per cent in some fields in some years. Crop sanitation and crop rotation are the only practicable means of control.

4. Yes. The nematode in question, Heterodera schachtii, has been designated a plant disease within the meaning of the Plant Disease Act of the Province of Ontario, R.S.O. 1937, chapter 346 (as amended by 1941, chapter 42, and as amended by 1942, chapter 30). The regulations under this act are in force in the Blackwell area described as follows:

"The area in the township of Sarnia, in the county of Lambton, bounded on the north by lake Huron; on the east by the Brigden sideroad from lake Huron to the king's highway No. 7; on the south commencing at the Brigden sideroad by the king's highway No. 7 in a westerly direction to where the said highway curves south, thence continuing along the old road which continues westerly from the point

the king's highway No. 7 curves south to the sideroad between lots 21 and 22; and on the west commencing at the said old road in a northerly direction to lake Huron along the sideroad between lots 21 and 22, and as continued northerly to lake Huron, is hereby designated as a 'precautionary area'."

The transport restrictions in this area, as covered by regulation under this act, are as follows:

"Sugar beets within the precautionary area shall not be transported, except by railway cars, outside of such area and sugar beets from outside such area shall not be transported into the precautionary area provided that sugar beets outside the precautionary area may, with the written approval of the provincial entomologist, be transported to the London Road shipping station.

"(a) Wagons and trucks used in the precautionary area in the handling and delivering of sugar beets shall have boxes with tight fitting bottoms and tight fitting sides and ends for four inches above the bottoms and shall be free from holes and cracks of sufficient size for dirt to sift through.

"(b) In the precautionary area sugar beets shall be forked from the boxes of the wagons and trucks and all the dirt remaining in the boxes shall in each case be weighed out with the wagons and trucks.

"In the precautionary area dirt shall be returned to the field from which the sugar beets are harvested.

"Earth from railway cars used in the transportation of sugar beets from the precautionary area shall be completely removed by washing at the sugar factory and all such earth and water shall be disposed of in a manner approved by the provincial entomologist."

Further orders in effect are:

"Sugar beets on any field which is found to be infested with the nematode, Heterodera schachtii (Sugar Beet Strain), shall be harvested as early as possible and shipped in as few railway cars as may be arranged.

"Beet seed shall not be grown within the precautionary area.

"If the owner or lessee of any property affected by the provisions of the act or of these regulations, fails to comply with the act or these regulations, or if the owner or lessee of such property is out of the province or his whereabouts are unknown to the inspector, the inspector, with the approval of the provincial entomologist, may make such arrangements as he deems necessary to have such control measures or treatments carried out and any expense incurred shall be payable by and recoverable from the owner or lessee of any such property in accordance with the provisions of the act."

[Mr. Murphy.]

5. Yes. By the Canada and Dominion Sugar Company.

6. No. There being no proposal no action could be taken.

7. The nematode is spread by flood water, transported in infested soil on the best crop or crop remains, by mud and soil adhering to footwear, the feet of farm animals and equipment. The restrictions stated above in reply to questions 3 and 4 are all designed to reduce to the practical minimum the spread of the nematode. The pest has been under study and investigation since 1931. For the last two years, in cooperation with the sugar company and chemical industry, the dominion Department of Agriculture has been actively studying the utility of soil fumigants as a control measure. These might, if an ideal fumigant could be found, conceivably eliminate the pest.

INDIANS—MOTHERS' ALLOWANCES

Mr. CASTLEDEN:

1. Has any assistance in the form of mothers' allowance been paid to Indians on reserves in the province of Quebec by the government of that province?

2. Were instructions given to any officials of the Indian Affairs Branch to have this assistance discontinued? If so, what instructions?

3. What steps have been taken by any officials of the Indian Affairs Branch to have such payments discontinued?

Mr. GLEN:

1. Yes.

2. No.

3. The Acting Inspector of Indian Agencies in verbal conversations with the responsible provincial officers drew their attention to the existence of duplication of relief services already provided by the Indian Affairs branch, as a result of such payments.

FEED GRAINS—COST TO NOVA SCOTIA FARMERS

Mr. WINTERS:

1. Has there been an increase in the price of No. 1 feed barley and No. 1 feed oats since 17th March, 1947, and, if so, how much?

2. Did the above-mentioned increases in the price of barley and oats increase the cost to Nova Scotia farmers of feeds involving these grains?

Mr. GARDINER:

1. Oats:

New ceiling, 65 cents in store Fort William.

Previous ceiling, 51½ cents in store Fort William.

Or advance in ceiling of 13½ cents.

New subsidy, 10 cents.

Authorized advance in price 3½ cents per bushel.

Barley:

New ceiling, 93 cents in store Fort William.

Previous ceiling, 64¾ cents in store Fort William.

Or advance in ceiling of 28¼ cents.

New subsidy, 25 cents.

Authorized advance in price, 3¼ cents per bushel.

If all grades of oats and barley trade at ceiling as they are at present, the advance would be as above.

If oats trade at floor prices, there would be no advance in oat prices for No. 1 feed or lower grades, as the floor price is 61½ cents per bushel (10 cents above the old ceiling, and this is covered by subsidy).

If barley trades at floor prices, there would be an advance of ¼ cent a bushel for No. 1 feed or lower grades, as the floor price is 90 cents per bushel or 25¼ cents above the old ceiling (25 cents per bushel of which is covered by subsidy).

The floor price schedule is as follows:

No. 1 C.W. oats, 65 cents per bushel until further notice.

No. 2 C.W. oats, 65 cents per bushel until further notice.

Extra No. 3 C.W. oats, 64 cents per bushel until further notice.

No. 3 C.W. oats, 63 cents per bushel until further notice.

Extra No. 1 feed oats, 63 cents per bushel until further notice.

No. 1 feed oats, 61½ cents per bushel until July 31, 1948.

No. 2 feed oats, 61½ cents per bushel until July 31, 1948.

No. 3 feed oats, 61½ cents per bushel until July 31, 1948.

No. 1 C.W. 6 row barley, 93 cents per bushel until further notice.

No. 2 C.W. 6 row barley, 93 cents per bushel until further notice.

No. 1 C.W. 2 row barley, 93 cents per bushel until further notice.

No. 2 C.W. 2 row barley, 93 cents per bushel until further notice.

No. 2 C.W. yellow barley, 92 cents per bushel until further notice.

No. 3 C.W. yellow barley, 91 cents per bushel until further notice.

No. 3 C.W. 6 row barley, 91 cents per bushel until further notice.

No. 1 feed barley, 90 cents per bushel until July 31, 1948.

No. 2 feed barley, 90 cents per bushel until July 31, 1948.

No. 3 feed barley, 90 cents per bushel until July 31, 1948.

In the case of off-grades, and grades lower than No. 1 feed oats or No. 1 feed barley, the selling price will be the spot price or 61½ cents per bushel in the case of oats, and the spot price or 90 cents per bushel in the case of barley, whichever is the higher in either case.

2. Answered by No. 1. Increase, if any, would be in proportion to the oats and/or barley used in preparation of the feed.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WAR ASSETS—SCRAP METAL

Mr. CASTLEDEN:

1. Was any scrap metal sold to the Anaconda American Brass Limited by War Assets Corporation and War Assets Limited, to date? If so, of what type and quantity?

2. What price did Anaconda American Brass pay for these scrap materials?

3. Was any non-ferrous metals sold to (a) Anaconda American Brass Limited, of Toronto and (b) Consolidated Mining and Smelting Corporation, by War Assets Corporation and War Assets Limited, to date? If so, what type and quantity to each of them?

4. What was the price received by war assets for this material from each of these companies?

Mr. McILRAITH: Return tabled.

WAR ASSETS—EMPLOYEES AND INVENTORIES

Mr. JACKMAN:

1. When did war assets corporation have the greatest number of employees on its payroll?

2. How many employees were there?

3. At that time what was the value of goods declared surplus and carried on the books of war assets corporation?

4. What was the basis of value?

5. As of March 31, 1947, how many employees did war assets corporation have on its payroll?

6. As of March 31, 1947, what was the value of the inventory still remaining with war assets corporation?

7. What was the amount of sales of war assets corporation during the first 3 months?

8. What was the value of goods declared surplus during 1947 by (a) the navy; (b) the army; (c) the R.C.A.F.; (d) other government departments or agencies?

9. Have any of the above sources further supplies likely to be declared surplus?

10. If so, what sources and how much from each source?

BARBARA ANN SCOTT

QUESTION OF AMATEUR STATUS—MESSAGE TO CANADIAN REPRESENTATIVE ON OLYMPIC COMMITTEE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, yesterday the hon. member for Waterloo South (Mr.

Homuth) asked me if I would interest myself in the cause of Barbara Ann Scott, and see that the young lady got all the protection possible. He asked me if the government would send some message to the Canadian representative on the international Olympic committee. Yesterday, after the meeting of the house, I sent the following message:

Ottawa, May 7, 1947

J. C. Patteson, Esq.,
Canadian Pacific Railways,
London, England

I was asked in the Commons today if the government would cable you as the Canadian representative on the international Olympic committee to see that Barbara Ann Scott's interests were protected in the present controversy. Government will appreciate your doing all possible to protect Barbara Ann's interests to the full. Please advise what reply you would wish me to make to the Commons on your behalf.

Mackenzie King

I received the following message this morning:

London, 1947, May 8

Mackenzie King,
Ottawa

Yours seventh. Am awaiting report from Canadian Olympic committee concerning Barbara Ann Scott which understand air mailed sixth. Upon receipt will immediately reply to President Edstrom at Stockholm who you can safely assume will consider facts impartially and dispassionately. You have my assurance do all possible protect her interests.

Meantime deprecate this excessive publicity which is certainly not helpful.

J. C. Patteson

EXTERNAL AFFAIRS

REPORTED WITHDRAWAL FROM SERVICE OF CHIEF OF INFORMATION SERVICE

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Mr. Speaker, yesterday in the press there was an intimation that the chief of the information service of the Department of External Affairs was contemplating leaving his position. Is the minister in a position to make an announcement with respect to the authenticity of that report?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I cannot say what any member of the public service may be contemplating. All I can say is that there was no intimation of any such contemplation given to me.

Mr. GRAYDON: Does that mean directly or indirectly?

Mr. ST. LAURENT: Neither directly nor indirectly.

[Mr. Mackenzie King.]

COAL

USE OF OIL-DRIVEN LOCOMOTIVES—EFFECT ON MARKET FOR NOVA SCOTIA COAL

On the orders of the day:

Mr. P. C. BLACK (Cumberland): I should like to ask a question of the Minister of Transport. Is his department replacing the coal and steam-operated locomotives in Prince Edward Island with oil-driven diesel engines, and also is it testing out large unit diesels between Montreal and Halifax? Let me point out that if that is so, this would destroy one of the best home markets we have for Nova Scotia coal.

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, the hon. member did not give me notice of his question. While I would be prepared to make a statement on it now, I do not think it would be wise to do this until I have ascertained all the facts. Then I shall be glad to give a reply.

PRIVILEGE

MR. JAQUES—REFERENCE TO REPORT IN MONTREAL "GAZETTE"

On the orders of the day:

Mr. NORMAN JAQUES (Wetaskiwin): Mr. Speaker, I rise to a question of privilege. My attention has been called to an article on the front page of today's Montreal *Gazette*. The so-called interview was a statement which I gave to the *Gazette* yesterday over the telephone. Obviously most of the remarks, including the quotations attributed to me, are pure fabrications. What I said of Gerald Smith was that he had done more to expose communist plots than any other public man in the United States of America. And what I said I would do in Canada was that I would do my best to expose communist plots here.

It is true that I did address a meeting in Philadelphia last Thursday night. The meeting was sponsored by the American Gold Star Mothers—mothers who have lost a son or sons in the war.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. The hon. member has stated his question of privilege, and should be satisfied, without feeling that he is obliged to make a speech.

Mr. JAQUES: I have only one sentence to finish, Mr. Speaker. This was a meeting of mothers who had lost a son or sons in the war; and I am proud to say they gave me a most friendly reception.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Wednesday, May 7, consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell (Muskoka-Ontario), and the amendment to the amendment of Mr. Coldwell.

Mr. H. R. JACKMAN (Rosedale): Mr. Speaker, may I congratulate the Minister of Finance (Mr. Abbott) upon the presentation of his first budget. It might be termed a tax-weary budget, and I predict it will not be his last one.

Before mentioning the various provisions presented to the house, I should like to correct an impression the hon. member for Rosetown-Biggar (Mr. Coldwell) may have made when he answered an interjection of mine in regard to why our young men were leaving for the United States. I suggested the C.C.F.; and the leader of the C.C.F. mentioned that there might be other reasons. To quote him precisely, he said this:

> The hon. member asks me about the C.C.F. We were not in power anywhere in Canada from 1930 to 1935 when emigration to the south and deportations to England were on a scale such as we had never had before in the whole period of our history.

That was a statement which, at that time, I was not able to refute. Since then, however, I have obtained figures

Mr. SPEAKER: Order. There is too much noise in the chamber. I must ask hon. gentlemen to moderate their voices, because it is most disagreeable for the hon. member who has the floor.

Mr. JACKMAN: I have, however, obtained figures for emigration to the United States from Canada for the five-year period ending 1930, and I find that it amounted to 299,000. And for the five-year period ending 1935 it amounted to 37,000, which is in strange contrast with the words of the hon. member, when he said that emigration was on a scale such as we had never had before in the whole period of our history.

As to the deportation of people from Great Britain, who had not acquired the five-year citizenship period in this country, I find that for the whole ten-year period 1932-42 they amounted to 9,501. I should also like to point out that the number of Canadians returning from the United States during the five-year period ending 1935 was 56,000, whereas the number of Canadians who emigrated to the United States was 37,000. Apparently many Canadians who were in the United States found that conditions in Canada under Right Hon. R. B. Bennett were much more favourable than were conditions in the United States. I trust that the leader of the C.C.F. will be more careful in statements he gives to the house. Up to the present I have always taken them at their full face value; now I realize I must scrutinize every word, and I am afraid I must advise the Canadian public to do likewise.

The Minister of Finance cautioned business not to increase their prices unduly. That was sound advice, and in this regard the minister was following in the footsteps of President Truman. What he said was that business men should reduce their prices as volume and efficiency of business expand. That is all to the good, and a course of action which sound business men willingly follow; for nothing attracts additional competition like high profits.

I should like to put on record the margin of profit on a dollar of sales of some of our representative companies for the year 1946. May I say to the C.C.F. that some businesses did not do so well in 1946 as they did in previous years. I think it will be apparent to the house that the margin of profit per dollar of sales is not as substantial a factor in the price level as is commonly believed, and perhaps the attempt to make business the whipping boy is not as well founded as our C.C.F. friends would like to make out.

The following is a list of companies selected because the figures were readily available, showing the percentage net profit per dollar of sales in 1946: Aluminium Limited, 10·95 per cent; British Columbia Packers, 2·16; Burns & Company Packers, ·035, or one-third of one cent; Dominion Dairies, 1·55 per cent; Dominion Stores, 1·29; International Nickel 22·30; Laura Secord candies, 7·91; Loblaw Groceterias, 2·28; Massey-Harris, 3·03; Silverwood Dairies, 1·80; Tamblyn's drug stores, 3·87; Zeller's Limited, 4·36 cents. It is obvious that even in a sellers' market the margin of earnings is a small factor in the price to the consumer.

In relating these percentages to one another two considerations must be borne in mind. One is the rapidity and volume of turnover, and the other is the relative proportion of capital to other factors. If at great capital cost an industry renders itself entirely automatic, as the hydro-electric industry virtually has, almost the sole cost is the servicing of the

capital; hence the earnings per dollar of sales must be greater than in many other industries. This explains why all heavy industries with great plant expenditures must have a relatively high return per dollar of sales. Another factor is that some companies do a single operation and make a profit, while others handle the article from the raw material stage to the consumer's home, and there is only one profit, despite the many handlings.

Earnings generally were good last year due to abnormal volume making up the slack of the war years and the filling of inventory pipe lines and the virtual absence of selling costs. The value which the public is putting on the price of shares would indicate that much harder sledding is ahead.

May I now say a word or two in regard to the figures which the Minister of Finance brought down in his budget. Last year this country contributed to the coffers of the federal treasury almost $3,000 million. The expenditures were $2,632 million, leaving an apparent surplus of $352 million. We may indeed rub our eyes when we see such colossal figures, for it does not seem many years ago when our normal budget of revenue and expenditures ran around $500 million, and the C.N.R. deficits of $50 million were considered by many to be leading the country into bankruptcy. That does seem a long way away from the present. Canada is, however, but the sum total of its people, and no one's individual finances have mounted in anything like the scale in which the dominion government's finances have gone up. Since governments create nothing, the people are therefore entitled to get some idea in regard to taxation and the spending of the huge sums of money which today the government takes from the people.

The government is without question the biggest business in the country, and yet we find in the cabinet thirteen lawyers and two business men. That may be why we have a political rather than a business budget.

Mr. McILRAITH: A good budget and a good cabinet.

Mr. MACKENZIE: A people's budget.

Mr. JACKMAN: We have already heard about the alleged surplus of $352 million arising from the fact that the sales of war assets amounted to $372 million, an extraordinary item. The bonds which were sold to buy these assets are still outstanding and remain unpaid. They are held by the banks, insurance companies and by the people generally, and yet the money which was received from the sales of these goods was not used to retire any of the debt. Indeed I wonder what the government would have done had they received from the sales of war assets not $372 million but let us say $1,000 million or $2,000 million. Surely their consciences would have pricked them then, but the principle remains the same in any situation.

Mr. ABBOTT: We would have reduced the debt by that amount.

Mr. JACKMAN: Last year there was also the failure to set up an adequate reserve against the large amounts lent to Great Britain and to various European countries for the purpose of rehabilitating them and purchasing goods in Canada. Altogether about $1,700 million in loans were granted, and yet this government set up a reserve of $25 million. It is very much like a good man lending a group of friends, who had been sick or who were recovering from operations about $1,000, hoping that when they recovered they might be able to get on their feet and repay him, but in the meantime he set up a reserve of $15 against the possibility that one or more of them would not be able to repay in full. If the government had acted as a business man would naturally act in such circumstances, and set up a reserve of about 20 per cent, the total surplus of $350 million would have been used for that purpose. It serves no useful purpose to fool ourselves about these loans. We hope that they will come back one hundred per cent, but it is only common ordinary prudence to allow for some reserve, and that reserve should be allowed for when the proceeds of these loans are being spent in Canada to swell our whole economy on which our tax rates are based, and on which the coffers of our treasury becomes swollen. This is the time when the reserve should be set up, and not at some other time.

We are not so much interested in the criticism of the government's presentation of its accounts for last year as we are in how it proposes to run the business of the country for the coming year. The estimates last year exceeded expenditures by $137 million. Not only the government but perhaps we of the opposition are also subject to criticism for allowing estimates to go through beyond the spending possibility of the government, and that spending possibility has never been underestimated. Perhaps it might be well if we adopted more of the method carried on in the United States, where appropriations come before the house in a more general over-all way than they do under our system. Certainly when the estimates come down it

is very difficult to get items substantially reduced, and the government therefore must take the responsibility for the vast expenditures which it has saddled upon the people of the country. This year the estimated expenditures on ordinary account are up $12 million at $1,304 million, or $108 per head of population. Then we have in addition demobilization and reconversion expenditures of $56 per capita, equal to $164 in all, on both ordinary and special account.

I am quite sure that many people in my riding would rather be content with half the services which the government is providing and have $82 per head returned to them for their own use. Little do they realize that these vast sums of money are being extracted from them, because so much of it is taken silently through indirect taxation. If they could have the money themselves they could spent it in their own way, which they would much prefer to do rather than have the government dictate to them exactly what they shall have and what they shall not have.

I do feel, Mr. Speaker, that the only way we can get our taxation down, the only way in which we can get the economy of this country on a sound basis, is not by attacking all the individual items which come before us in the large blue book of estimates; we must decide how much we can spend, just as any ordinary person or ordinary business would do. Here it has always been the custom to spend all we like on everything we need. Of course, we can afford it because we have twelve million people! But we never seem to think how we shall raise the money or what sacrifices will be entailed on the part of our people when we are considering the spending of money.

We should first of all estimate what we can safely take from the people of Canada in the form of taxation and keep our economy in full production, and then decide how much, and whether all of it would be usefully spent. But as it is, we have gone on spending for years and years various amounts, and the day of reckoning must come when ways and means must be found for the raising of this money. Only last night all hon. members received in their mail an envelope containing a number of blue sheets from the civil service commission advertising for new staff.

I have nothing against any one of these items, which I shall put on the record, but if we do not consider whether we can afford things before we go and spend our money or do our hiring we shall never get the expenditures of the country down and taxes down to a rate where we shall be able to restore incentive to our people. I do not suppose there is a member in this chamber who could not use the services of some other person. I could use the services of a research worker, as many others no doubt could in their business; we can all use additional staff now and then. If it were merely a question of writing out a ticket and getting additional staff by that simple operation we would have considerable expenses to cope with and there would be nothing left. The cost of services would go up. But this government decides that something may be useful and therefore we must have it.

This is the list of the applications which are called for in the public service. This is in one day's mail. For the experimental farm there are four assistants with salaries from $2,100 to $3,600. Then, also in the Department of Agriculture, there are eight soil specialists, male, with salaries from $2,100 to $3,300. There is an inspector of concentrated milk plants, Department of Agriculture, salary $2,700 to $3,000. In the Department of Mines and Resources they are calling for no less than thirteen associate geologists ranging from $3,000 to $3,900. Then there is a publicity editor and writer for the Department of Fisheries, Ottawa, $3,600 to $3,900. Then we have for the Department of External Affairs, foreign service, officers required, grades 1 and 2, a total of from 25 to 30 with salaries ranging from $2,700 to $3,900.

I do not doubt for a moment but that all these positions are required or that the persons to be employed would be useful. But this is building up a tremendous overhead for the country to carry, and I do not think we have any proper control. If this goes on we shall get ourselves into the position where the people—those that are left who are not already on the public payroll—will find that they have a crushing burden which they can no longer support, and we shall find ourselves in a first-class depression.

It is only through increased production that we can raise the standard of living. The present budget should be looked at from that point of view and from that point of view alone. Is it a production budget or is it just a political budget? This budget, in the words of the minister, proposes to concentrate the reduction almost entirely in the field of personal income tax. What the minister did was good, but it did not go far enough. He has at last discovered that the people are tax weary, that the present scale, to use his own words again, would constitute a serious impediment to the full working effort and a brake upon the drive and initiative of men and women in all groups and classes—and I would underline "all groups and classes."

However else the minister might have liked to distribute his reductions, political and economic necessity required that he should first give attention to the lowering of the personal income tax. This necessity made the budget a comparatively simple one as far as what it did was concerned. Its sins of omission are more important. For those whose modest incomes do not bring them into the taxable brackets, the failure of the government to reduce indirect taxes on a long list of items such as clocks, watches, radios, phonographs, toilet articles, leather goods, telephone and telegraph tolls, silver-plated tableware, candy, soft drinks, to say nothing of the heavy special taxes on amusements, motor cars, tires and the 25 cent tax on a 33 cent packet of cigarettes, the budget brought no relief. These taxes bear most heavily on those who can least afford to pay them. The removal of rent controls and the cancellation of wartime tariff suspensions also increase the cost of living.

Of far greater importance to the low-income group was the withdrawal of subsidies with no compensating benefit. Last year those subsidies which made things seem cheaper than they really were—goods sold below cost—amounted to $208 million, or $17 per head, for every man, woman and child, and when you take the small family budget in the lower income groups, you can realize how much that difference will mean to them.

Mr. KNOWLES: How much did they save as a result of that?

Mr. JACKMAN: The lower income groups?

Mr. KNOWLES: Yes.

Mr. JACKMAN: As a result of the removal of subsidies?

Mr. KNOWLES: Because of the $208 million, how much was saved to the consumers of Canada?

Mr. JACKMAN: What I am suggesting is that $208 million was used to subsidize various articles and these subsidies are fast disappearing and the people will have to pay that much more. Perhaps the member for Winnipeg North Centre (Mr. Knowles) realizes that butter went up ten cents a pound the next day, and cheese four cents. In my riding, may I say to him, many families will be doubly grateful that this parliament passed unanimously the Family Allowances Act.

What the Progressive Conservative party has advocated for some time would now afford some relief to that great class of taxpayers whose incomes are in the low taxable brackets, and will be hard hit by the increased cost of living due to the government's action. We have advocated the raising of the minimum exemptions from $750 to $1,000 for single persons and from $1,500 to $2,000 for married persons. The government claims that if the exemptions were increased it would be unfair to those who pay no taxes. What then, may I ask, was the case last year when the very slight increase in the exemptions exempted half a million small taxpayers from paying any tax at all? The government cannot have it both ways. What the government should do is follow a production expansionist policy, and give the workers every encouragement to earn more by producing more. In any event it is not desirable to tax incomes below the $1,000 and $2,000 limits, which I consider "socially necessary exemptions". Our government should not become an agency for lowering the standard of living of the Canadian people.

Let me say here, Mr. Speaker, that experience does not bear out the popularly held opinion, which at one time I shared, that some tax on everyone makes all the people tax conscious and therefore government-spending conscious. The theory seemed good, but the result has been quite to the contrary. The parliamentarian, much less the workingman, can scarcely grasp the billion dollar figures in which we now deal, and the only result of taxation in the brackets below the "socially necessary exemptions", as well as higher rates of taxation above those brackets, has been to demand higher take-home pay. That is the only pay that counts. High taxation—and last year it began at 22 per cent above the minimum exemption of $1,500—was a fruitful cause of labour unrest. Such taxation does not have the educative effect it was believed to have, and results in permanently raising the cost of production.

Apart from the refusal to raise the exemptions, the schedule of reductions is not well designed to raise the standard of living, which can be done only through greater production. The minister used honeyed words when he said:

> Nine out of ten taxpayers will find their taxes reduced by 29 per cent or more from existing rates.

That is good politics, because nine out of ten votes are more than sufficient to ensure anyone's election. Perhaps the government forgot to count the very great number who are not taxpayers or who pay very little tax, and to whom the increased cost of living, due to the budget, is worse than a positive increase in taxation. The minister then went on to say:

> The reduction as compared with present rates is as much as 54 per cent in the bottom bracket, but is limited to about 6 per cent or 7 per cent in the top brackets.

Of course everyone knows that taxation must consider ability to pay—that is, the higher the income the higher the rate—but everyone in all economic classes is faced with greatly increased living costs. The severe impediment to a full working effort, and the brake upon the drive and initiative of men and women in all groups and classes which the minister mentioned, applies to all classes. Extraordinary rates of taxation were cheerfully borne during the war years as a relative small sacrifice; but if the minister had been as much interested in production as in votes, he would have realized that the same carrot which he admitted had to be dangled before the humblest workingman to remove "the serious impediment" or to take "the brake" off, must also be dangled before the biggest business or professional man.

One of the advantages of being a politician is that one has friends in all walks of life; and I have yet to find that people are really very different when it comes to the important things of life. Generally speaking they are moved by the same desires; and two common desires are economic security and advancement, even though they may be on different levels. If the minister felt it was necessary to provide a carrot with 54 per cent nutrition for one class, we might have thought the same reasoning would have led him to follow a similar course, and certainly a course which was better than to have provided a carrot with only 6 per cent nutrition, for those in the upper brackets. The government is budgeting for a surplus next year of $190,000,000, so that there might easily have been a little more nutrition all round and, may I say, a little more production.

A businessman would be just as much interested, if not a little more so, in encouraging those whose work in a competitive market had entitled them to higher pay. Because on them he is relying for his most difficult type of work, and they are the hardest to replace; but not so the Liberal government. Since there are not very many in the higher pay class, their votes are not really important.

Mr. ABBOTT: Those rates affect the individuals with an income of $250,000. There are not very many of them.

Mr. JACKMAN: No, and there are not very many above $10,000 a year.

Mr. ABBOTT: They get about twenty per cent.

Mr. JACKMAN: If the government did what was right, it might be misunderstood politically. A glance at the rapid increase in tax rates, not in the $250,000 bracket with which the Minister of Finance seems to be so familiar—

Mr. ABBOTT: Just by hearsay.

Mr. JACKMAN: —but in that bracket after $1,500, we find that on the next $100 the tax is 10 per cent; on the second $100 it is 12 per cent, and it goes up to 18 per cent on the fifth $100 after $1,500. The rate still goes up on a scale which no one could possibly climb, because the degree of ascent is much too great. That shows how quickly the government starts to discourage the worker nowadays. If one looks at the report of the Canadian National Railways and divides the total wage bill by the number of employees, he will find that $2,000 is considerably below the average salary. A married man pays a tax at the rate of 20 per cent on anything over $2,000. Quickly it climbs until at $17,000 it becomes 50 per cent and then climbs up to 80 per cent until it reaches the class with which the Minister of Finance is so familiar.

Then there is the surtax on investment income, which may be substantial. My own opinion is that while there must be some scale, it ascends too rapidly and too high to restore the incentives and to take off the brakes the minister mentioned. Unless some people are human and some are mechanical, I am quite sure that he is wrong.

It is also interesting to look at the comparison of our new rates with those proposed in the United States. Up to $2,750 income the new rates in Canada will actually be lower than they are in the United States. But after $2,750 it will be more expensive to earn your living in Canada than to go across the line. I should have thought that the minister and the government would have been just as much interested in keeping on this side of the line those bright young people, some of our best technically trained young men and women, who are leaving Canada to go to the United States; yet he fixes a limit of $2,750. Let me tell him here and now that that is not the objective which these young people have in mind when they leave our country and go across the border. One wonders why the Minister of Finance, inasmuch as he is an old gunner of the first war, does not raise his sights and aim at the target instead of at no man's land; because that is what he is doing here.

Mr. ABBOTT: That is a striking figure of speech; it is pretty good.

Mr. JACKMAN: When the minister draws up this scale with the dividing line of $2,750, he is doing something which accomplishes absolutely nothing; because a man earning less than $2,750 is very likely to be a workingman, and let him try to go across the

border. It will be found that he comes under the contract labour classification and is not allowed across the border. But if you take a young man in the white collar class, a university man or other technically trained person, he will have no difficulty in crossing the border. So the minister's proposal accomplishes nothing. He is aiming at a class which cannot get across the border, and he gives no satisfaction to those who can.

Income tax in Canada in pre-war days was sufficiently moderate not to prove a brake on incentive. The rate of increase during the war was astounding; and in addition to pointing out the need for revenue the government used to argue that because of the increased prosperity and the shortage of civilian goods some of the money or purchasing power had to be drawn off in taxation in order to prevent competitive bidding for goods in short supply. The house will recall that even compulsory savings were resorted to in order to accomplish this end. Many goods no longer are in short supply and it is expected that many producers soon will be looking for buyers. If we are to keep full employment, as much purchasing power as possible should be restored to our people.

One of the greatest disappointments of the whole budget was that it contained no reference at all to the income of married women and the effect that the earning power has on the taxes of the husband. As it stands today a wife may earn only $250; once she earns more than that amount the husband's marital exemption of $750 is reduced dollar for dollar with the wife's income. The result is that if the wife earns $750 or over she is not only taxed by the government but the husband loses his entire marital exemption of $750. So, looking at it from the standpoint of the family income, the wife who works is subjected to an enormous tax, and this has a very bad effect on our whole working economy. The result is that incentive is gone. What the country needs today in order to meet its problems is more production; but solely as the result of government planning—and I hope my C.C.F. friends will take a look at government planning here—we find married women workers in our light industries, our textile trades, dress goods factories, domestic help, office help, nurses, and so on, stopping work just as soon as they have earned $250. Yesterday in this very building one of my friends told me his experience was not only that they stopped work; they came to work one day and did not feel like working the next day, when they wanted to go shopping or to do something else. So they just left and did not turn up until it pleased them, and did not care very much because they could only work so many days in the year, and if they did not work in his factory there were plenty of other factories looking for work people. So this halter on incentive, if you like, this check on production leads to great difficulties in running our factories, particularly in the light trades. Many of these married women do not have to work; they have available time, and are prepared to work only if there is enough incentive. The previous Minister of Finance said he thought it would be unfair to give the husband his marital exemption in any case, but has the government ever looked into the situation? The fact that a married woman works means that additional family expenses are incurred; there are more meals outside the home, perhaps someone to do the housework, and less economy in the running of the household. And this whole matter is not one which concerns any real reduction in revenue, because it might easily be shown that there would be a positive increase in revenue if this very foolish taxation of married couples where both are working was removed. So it is simply a matter of government policy, which is foolish in the extreme.

Before leaving the personal income tax brackets might I remind the house that in all the remarks of the Minister of Finance it was implied that such reductions as he brought down were due to the insistent demand of the people, not to government leadership. Further reductions are necessary; but if these incentive reductions must come through popular clamour I fail to see how we are ever going to get a production budget which is so necessary for the welfare of our people, for without business leadership and the ability to assume risk our economy will stagnate and all our people will suffer. At page 2554 of *Hansard* we find the minister saying:

> It is the high marginal rate of tax on additional earnings that discourages additional work, enterprise and initiative, and consequently we must aim in our reductions at cutting down these marginal rates of tax.

Unless some Canadians are human and some are mechanical it is absurd to argue that a man in the 22 per cent bracket, which was the starting bracket after $1,500, needed a reduction to restore his incentive and to take the brake off production, and at the same time to say that the man in the 50 per cent bracket does not need the same treatment. This budget gives one man a 59 per cent reduction and the other a reduction of about 18 per cent.

Those who provide business leadership, those who are willing to risk their savings and their capital, are vital to the expansion of our industry and to full employment. Present tax rates prevent saving for investment; they require annual inroads on capital to maintain the standard of living to which their work has entitled them, and result in refusal to undertake the risk of new business because the government shares only the profit and not the loss. They find government bonds, which are as nearly riskless as anything can be, better investments. We need the best brains—

Some hon. MEMBERS: Oh, oh.

Mr. JACKMAN: —the best management, the best leadership, the best workmen in all fields that we can provide and encourage. I say to some of those who seem to be amused that I certainly do not find the best brains over there.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. gentleman, but his time has expired.

Mr. JACKMAN: May I just say, then, that a good engineer does not oil part of his machine only. The government creates nothing; let us be sure that it does not destroy!

Mr. GORDON B. ISNOR (Halifax): Mr. Speaker, several of those who have preceded me have complimented the Minister of Finance (Mr. Abbott) on this remarkable budget, so I do not think it necessary to add to those complimentary remarks at this time. Rather I should like to express my regret that the financial critic of the official opposition was not feeling at his best in his effort to criticize the budget. I say that in all sincerity, Mr. Speaker, because I believe the hon. member for Muskoka-Ontario (Mr. Macdonnell) can do a great deal better than he did the other evening.

Mr. MERRITT: That is very generous of you.

Mr. JACKMAN: He did extraordinarily well, we thought.

Mr. ROSS (Souris): How is the weather in Halifax?

Mr. ISNOR: Someone suggested that I was about to make a political speech in connection with the Halifax by-election, and may I say in all frankness that I hope it will help. If I could make a speech equal to the budget speech there would be no question of the by-election in Halifax.

Mr. FRASER: There evidently is a question about it.

Mr. ISNOR: No, not very much.

Mr. MACKENZIE: Not if you go down there.

Mr. ISNOR: I should like to touch upon one or two points raised by the hon. member for Rosedale (Mr. Jackman). He referred to the criticism of immigration by the hon. member for Rosetown-Biggar (Mr. Coldwell). I do not intend to go into the figures, because it is not necessary; a simple explanation is all that is needed. The same conditions existed in the United States from 1930 to 1935 as unfortunately we had to put up with under the Bennett regime. It is only natural that young Canadians who were in the United States were unable to pay their board and therefore returned home where they would not have expenses to meet. I think to a large extent that is the answer, and it requires no elaboration.

The hon. member referred also to the large revenues we were taking from the people of Canada. The fact that the people of Canada are able to pay that, and pay it cheerfully, indicates the great prosperity we have. I do not think anyone minds paying a fairly good price for an article provided he has the money, but if you have not the money, no matter how cheap a thing is it is still dear. That is an old business maxim that is fairly well recognized. I think we are in a very fortunate position in Canada to be able to carry on in such a cheerful manner.

The hon. member referred to war assets having been taken into consideration in arriving at the surplus. It is true that there was a return of $362 million from the disposal of war assets, but the hon. member must remember that those goods were paid for and charged up in our regular budgets of previous years. You cannot show it in one place and not in another. It was debited to the country in the regular way and naturally when these things are sold the receipts are put into revenues.

Mr. COCKERAM: This was borrowed money, and they were paid for out of taxes.

Mr. ISNOR: You cannot repudiate a statement made by a former minister of finance that we were both taxing and borrowing to pay for our war effort. It is safe to say that the great bulk of the war assets were paid for out of taxes obtained from the people of this country, so why should not the $362 million go into our revenues?

Mr. ROWE: That is a new way of financing.

Mr. ISNOR: Does the hon. member know of any better way after we have disposed of the goods than to use the revenue for carrying on our operations? Perhaps at some future time he will enlighten me.

Mr. ROWE: I certainly know a better way, but I do not want to take up your time.

Mr. BERTRAND (Laurier): Tell it to the country.

Mr. ISNOR: The hon. member referred to this budget as being not a business budget but a political budget. I do not know what he meant by that. It may be because of my lack of experience in the political arena, or because I cannot follow political manœuvres as well as the hon. member for Rosedale, but I say to him that it does not matter where he goes, he will find people praising the Minister of Finance for one of the finest budgets that has ever been brought down.

Mr. ROSS (Souris): Very few.

Mr. JACKMAN: I am sure it is not the way the hon. member runs his business.

Mr. MACKENZIE: Even in Toronto.

Mr. ISNOR: The hon. member for Rosedale says that that is not the way I run my business. I run my business in the same economical manner as the government.

Mr. ABBOTT: And you are equally successful.

Mr. ISNOR: I have the same objective in mind—not to have a deficit, as happened so often when hon. friends on the other side were in power, but rather to work for a surplus, and a handsome one.

Mr. ROWE: You did not sell part of your building to get a surplus, did you?

Mr. JACKMAN: You did not charge the cost of your inventory into your sales?

Mr. SPEAKER: I should like to remind hon. members that on second reading of a bill they do not have the right to speak twice.

Mr. ISNOR: Thank you, Mr. Speaker, for trying to prevent these interruptions. However, I do not mind them because this afternoon we have had it fairly dull up to now. When nine out of ten people you meet are smiling, you know that there is good reason. That reason is to be found in the words used by the Minister of Finance when he said that nine out of every ten are going to enjoy income tax reductions of from 29 to 54 per cent. This budget has been particularly pleasing to a large class of people with which the hon. member for Rosedale has not been in particularly close touch, those in the lower brackets who are going to enjoy a 54 per cent reduction.

Mr. ROSS (Souris): How much does that 54 per cent work out to in dollars?

Mr. ISNOR: I will tell you in just a minute. To a large number of taxpayers the proposed rates of income tax will bring the Canadian personal income tax below the proposed United States tax. It is true, as the hon. member for Rosedale has said, that there will be a slight difference for those in the higher brackets, but as the hon. member for Vancouver North (Mr. Sinclair) so rightly said, that is the way it should be. I am for those in that particular income bracket—and perhaps that also will be classed as a political statement. All right; if it is, the fact is that we are looking after the greatest number of our population who are wage earners. Those are the people I am particularly interested in. I know that the hon. member for Rosedale and the people of his particular circle are well able to look after themselves, but I think the government is to be complimented upon taking particular pains to see that the reductions apply particularly to these other people.

Mr. JACKMAN: Will the hon. member tell me whether I am right or wrong when I say that during the depression years when the Liberal government were in power there were 10,000 people on relief in Rosedale riding?

Mr. ISNOR: If there were 10,000 people on relief in Rosedale riding it certainly would surprise me. If that is so, then there was something lacking somewhere in Ontario which I did not know about.

Mr. JACKMAN: It was under a Liberal government.

Mr. MACKENZIE: What about your provincial government?

Mr. ISNOR: I can only say that when one is dealing with a budget which applies to all parts of Canada you cannot take one little section of a riding, even though it is considered important by the representative; you must take the over-all picture. At the end of March, 1947, we had the greatest number of usefully and gainfully employed we ever had in the history of Canada. and this is due largely to the policies of the present Liberal government.

Mr. BROOKS: What about Nova Scotia today?

Mr. ROSS (Souris): Yes, what about Nova Scotia?

Mr. ISNOR: I will answer for Nova Scotia in a moment, but I suggest to the hon. member for Royal that he stick to New Brunswick and let his deskmate ask questions about Nova Scotia.

Mr. FRASER: Don't worry; he can look after himself.

Mr. ISNOR: I cannot help thinking back to the evening when the Minister of Finance presented this budget. I sat here looking at the faces of my friends opposite in the Progressive Conservative party. I saw the expressions of wonderment on their faces.

Mr. ROSS (Souris): He always was a good performer, with little to work with.

Mr. ISNOR: Then I looked beyond, to their left, down to the C.C.F. group. Their faces led me to think that they must be asking themselves: "Could this really happen? Could a budget such as this be brought down, particularly when we have heard so much about blue ruin, depression and the like?" Then I looked into the galleries and I saw there the happy expressions which joined with the Liberals in saying, "Well, that is a wonderful budget."

Mr. GILLIS: What were you drinking that night?

Mr. ISNOR: In a broadcast I made recently I said I wanted to be fair to the social crediters; they semed to be just as happy as hon. members sitting on the government side of the house.

Mr. ROSS (Souris): They do not realize what 54 per cent means.

Mr. ISNOR: I remember the generous applause which greeted the Minister of Finance when he rose to speak, and the loud acclaim which was given his opening optimism when he declared, in ringing tones, that the huge and difficult budgets of war years were behind, and that we were all very, very happy to realize that fact. I noted the loud acclaim which met his declaration that Canada is today enjoying matchless prosperity.

May I pause here to pay tribute to a great Nova Scotian, the former minister of finance. I think it is because of his policies, and the policies of the government, that the present Minister of Finance was able to present to the house and the country such a splendid budget.

Mr. BROOKS: There must have been some reason.

Mr. ABBOTT: That is a good one.

Mr. ISNOR: I am not detracting at all from the Minister of Finance—and, indeed, he is sincere enough to agree with me on that.

Mr. ABBOTT: And the minister did say it.

Mr. ISNOR: In fact I think he is one of the most brilliant men we have ever had in the house.

Mr. ROSS (Souris): Which one?

Mr. MICHAUD: Hear, hear.

Mr. BROOKS: What about that fellow who shouts "hear, hear" all the time; what about him?

Mr. ISNOR: I was glad to hear the Minister of Finance say that the government was in accord with the general principles of free enterprise, and stated that it was a sensible way of getting things done. I do not wish to discuss this whole question of free enterprise this afternoon, because it might not properly link up with a discussion of the budget—this fine budget which is so acceptable to the people of Canada.

The hon. member for Rosedale referred to increasing supplies. With increasing supplies of materials, with efficiency and cooperation of labour, with greater production and with ample salaries, Canadian business enterprise is in a most favourable position. Last weekend it was my privilege to visit the busy city of Hamilton, and I was pleased with the manner in which they carry on business in that city. Members from all the groups in the house were present, and they, with me, remarked about the efficiency of one plant in particular that we visited, where we saw the complete production from start to finish of a Canadian product. This was not just an assembly plant, but rather a plant doing a complete job. What did the president of that organization say? He said, "We are expanding, and we hope to build another unit"—and he told us the size of it—"which will employ an additional 600, as soon as we can get the materials to build and to go ahead with our plant." There was no blue ruin there, no fear of expanding production so far as that plant was concerned.

The same applies to a great many of our industrial plants. They are not afraid to go ahead because of the excess profits tax, they are expanding as quickly as it is possible for them to do so. This is a good sign for Canada.

Mr. LOCKHART: The hon. member missed the best part of the area down there; he went right by it.

Mr. ISNOR: Oh, no; we saw your part of the country, but like some other sections of Canada you are a little backward so far as the weather is concerned.

Yesterday the hon. member for Dufferin-Simcoe (Mr. Rowe) said there was no relief for business and earlier in the debate the hon. member for Muskoka-Ontario could not find anything in the budget that would be good for business. Let me refer to a large class which this budget will affect in a satisfactory manner. I would refer hon. members to the year book for 1945, which shows that in 1941 we had engaged in the wholesale business in Canada 24,758 employers. They, in turn, employed 94,627 males and 22,844 females. In addition there are 13,656 proprietors actively engaged in wholesale lines. I shall add the figures together later on, to show the effectiveness of it.

In the retail business there were 137,331 retail stores employing 297,047 full-time employees. That is subdivided into 188,658 males and 108,389 females. In addition there were 95,561 part-time employees. Added to these were 131,823 proprietor workers engaged in their own stores. These are figures which are worth thinking about. These are the people who are going to enjoy the benefits of the budget in a marked fashion.

In personal services, such as barber shops, beauty shops and the like, there were 14,259. Again referring to the city of Halifax—and possibly I shall be criticized for mentioning this, because of the approaching by-election—we have 915 retail stores, each employing in proportion the same number of employees as are employed elsewhere in Canada. In the town of Dartmouth we have 147 stores. All these will benefit. There is a total of 669,817 taxpayers who will derive direct benefit from the budget.

As at May 1, 1947, the Dominion Bureau of Statistics shows that there were 17,425 reporting employers, who reported 1,853,195 employees. This figure is exceeded only by those of 1943 and 1944. Just think of that—1,853,195 gainfully employed in Canada at the present time. The average weekly earnings of workers in these firms reporting stood at $35.88 as compared with $32.44 a year ago. A weekly salary of $35.88 for fifty-two weeks of the year would give a total of $1,850.16 per individual. Of this group of 1,853,195 who averaged $1,850 a year, if single they paid a tax last year of $257. Under the new taxation rates they will pay $180, which means a saving of $77 for each individual, or roughly speaking a saving of 30 per cent of their tax. The married man who was paying $68 will pay $36 under the new rates, which will give him an additional spending power of $32 or 47 per cent. If you take the number that I have given and multiply it by the $77 saving I have mentioned, you will find that the total saving to this class alone amounts to $142,696,015. That is a remarkable saving, and yet my hon. friends of the opposition rise in their places and say that it does not mean a thing to the average taxpayer.

Mr. ROWE: It does not, if you take the increased cost of living into account.

Mr. ISNOR: If you put "ifs" in you can build up any kind of structure. I shall answer by saying if this had not taken place they would have felt the increased cost of living much more.

But speaking of the increased cost of living, I should like to refer my hon. friends to the increases following the first great war as compared with the present situation. I say that is once again a tribute to the present government. They took action which was not taken after the close of the first great war. Because of the control exercised and the foresight of this government our buyers are placed in a splendid position. It is true that the cost of living is high but, to use the word used by my hon. friend, if these controls had not been exercised it would be a great deal higher than it is today.

Mr. GRANT: That will keep them quiet.

Mr. FRASER: It will not keep us quiet because you cannot buy the stuff today. The index is based on the things you cannot get.

Mr. ROSS (Souris): The minister from Kings!

Mr. GRANT: Louder.

Mr. ISNOR: Knowing that I am a business man I am sure that some of my hon. friends on the other side are wondering what I shall have to say about the excess profits tax.

Mr. ROWE: And the sales tax.

Mr. ISNOR: That is about the only thing I have heard any real criticism of over there. They have asked why we did not do away with the excess profits tax to allow expansion of industry in Ontario and Quebec. Even though this may be a little hard for the big men in Ontario and Quebec to take I shall say right here that for the rest of Canada, for the maritimes from which the hon. member for Royal (Mr. Brooks) and the hon. member for Cumberland (Mr. Black) come, and elsewhere in Canada with the possible exception of Ontario, it is good news, because they do not want the excess profits tax to be thrown back

into the laps of these big men, particularly at the present time when they are still operating to some extent under wartime prosperity. I do not hesitate to say I believe that if we had not put the excess profits tax into effect during the war we would have created a large number of millionaires in Canada, which would not have helped the situation.

Mr. COCKERAM: Business did not object to it during the war.

Mr. ISNOR: What has happened to these men? It is true that they had a standard profit fixed for them on the 1936-39 basis. They were given pretty generous treatment, but they were obliged to pay the excess amount over their normal business, and rightly so. I say that as a business man. Why? Because I believe that owing to the excess profits tax they were able to set up a reserve which it is doubtful that any except a very few would have done. They have that 20 per cent refund coming to them, which is a good nest-egg.

Mr. ROWE: What is the situation if they had a small profit in those years?

Mr. ISNOR: In which years?

Mr. ROWE: In the years of standard profit.

Mr. ISNOR: The hon. member intimated a moment ago that perhaps he was better versed in business matters than I am. Surely he must know that these men had an opportunity to overcome that difficulty. If they had a depressed business during the period, they were permitted to appear before a board of referees and have a standard profit set. It could have been properly adjusted. In fact during the past two or three months auditors and chartered accountants throughout the country have been kept exceptionally busy because they felt that the excess profits tax would be wiped out and they would not have the opportunity in the future of presenting their case.

Mr. COCKERAM: Some of them are not adjusted yet.

Mr. ISNOR: Some of which?

Mr. COCKERAM: Some of the standard rates.

Mr. ISNOR: There may be the odd one, but the great majority are adjusted. They have cleaned up practically all of them. I would say they have done an exceptionally good job so far as the adjusting of profits standards are concerned.

Mr. McIVOR: Were any millionaires made in this war?

Mr. ISNOR: None of my friends were in that class; therefore I cannot answer.

Mr. COCKERAM: You did very well.

Mr. ISNOR: I was fairly successful; I worked hard. I did not kick about the excess profits tax.

Mr. COCKERAM: You are saying other people did, which is not correct.

Mr. ISNOR: I used it to good advantage, to continue people in employment, to do my little bit toward helping the country.

Since I have paid so many compliments to the Minister of Finance perhaps I may be permitted to be a little critical at the moment.

Some hon. MEMBERS: Good.

Mr. ISNOR: That is the beauty of being an independent member like myself; I can be critical even of my own government.

Mr. BROOKS: It must be pretty bad when you criticize it.

Mr. ISNOR: I am going to mention the luxury taxes, because I feel there is discrimination against certain people. There are not many retailers in the House of Commons; therefore I am justified in bringing this to the attention of the minister. No doubt he had to decide this year—he does not take me into his confidence—what would be best for the country as a whole. In his judgment he decided that he should allow certain taxes to remain and to give, as he did, certain taxpayers reductions ranging from 29 per cent to 54 per cent. I should like to point out to him that the sales tax is spread over every commodity and over practically every type of sale. In addition he penalizes jewellers, furriers, the leather people and other trades. It is because of that discrimination that I draw his attention to the luxury tax, and I suggest to him that it should be looked into. Perhaps it is too late to do anything this year, but it should be looked into for the future in order to bring all on the same level.

I hold in my hand a brief which no doubt has been received by all hon. members. It comes from the Canadian Retail Federation. I have not had an opportunity of studying the particular sections referred to, but I do know the story well enough to refer to such items as the hon. member for Rosedale has already mentioned. A fountain pen is a very necessary thing in these days, and yet the Minister of Finance says that to use a fountain pen you must pay a 25 per cent additional tax. Clocks—some of us cannot get up in the morning without a clock—have a luxury tax

placed on them. Trunks, billfolds, shopping bags, are taxable; oil paintings, oriental rugs, and many other items incidental to living in the way enjoyed by the hon. member for Rosedale, are not taxed. That is why I say there is discrimination.

Mr. COCKERAM: There is discrimination.

Mr. LOCKHART: The minister is in the same high category.

Mr. ISNOR: My hearing is pretty good, but I cannot hear a whisper. I quote from the brief of the federation.

> It has been suggested that the moment is inopportune to repeal the excise tax upon the items to which we have referred, because to do so would involve pressure from other groups who would demand similar treatment. If this argumen is valid, it would appear to us that it would be applicable to any budget period—which gives rise to the fear that these so-called special wartime taxes are now to become part of our permanent economy.

I think the Minister of Finance will agree that these were purely wartime measures put on to prevent spending and an increase in the moneys that came into the hands of individuals. I quite agree that during war time that was justified.

Mr. McCANN: Revenue was needed too.

Mr. ROSS (Souris): Cut out some of the extravagance.

Mr. ISNOR: I do not think that revenue was the really important point. Some of these items did not run into very many million dollars. I would point out to the Minister of National Revenue, and I do so in a kindly spirit, that there is a question whether it is wise from another angle. The great majority of our merchants in Canada keep proper records, but there are those, and there are such people in all classes, who evade this type of tax, and it is this type of tax that leads to evasion, rather than the regular sales tax, collected as it is in a fair manner. I hope the minister will bear that in mind.

Mr. McCANN: We know that, and we have caught up with a lot of them.

Mr. ISNOR: I thought I would mention this as a duty to those who have presented the matter to me from time to time.

I was struck by an article I saw recently in the *Financial Post*. I generally look to the *Financial Post* to see what it has to say, since it leans to a great extent to the views of those whom some would call our Tory friends, but whom I prefer to describe as Conservatives. The *Financial Post* says that the Tories ask first to raise old age pensions, then eliminate the radio licence fees, then increase agricultural floor prices—that, I believe, came from the leader of the opposition—then raise income tax exemptions, as the member for Rosedale suggested, and treat veterans more generously, just to mention a few of their suggestions; and in the same breath they ask that taxes be reduced.

Mr. ROSS (Souris): Cut out the extravagance.

Mr. ISNOR: I would ask the hon. gentleman to look over the estimates and then point definitely to any extravagance so far as this government is concerned.

Mr. ROSS (Souris): I have done it on more occasions than one.

Mr. ISNOR: I have referred to the statement of the Minister of Finance that the object of the budget was to encourage free enterprise. I do not know whether that is the best term these days. I prefer "progressive" enterprise. I looked up the word "enterprise" in the Oxford dictionary and I find this meaning given:

> Enterprise: Undertaking, bold or difficult one, courage, readiness to engage.
>
> The method of the enterprising is to plan with audacity and execute with vigour; to sketch out a map of possibilities and then to treat them as probabilities.

That is what the Minister of Finance is doing in his budget—looking to the future, and giving the average taxpayer an opportunity to increase his spending power, thus keeping up employment and production, in which my Conservative friends are so greatly interested. I suggest that they should be supporting the budget to the limit instead of engaging in petty criticism.

May I say a word to those representing labour?—and I believe that in a measure I represent labour. I believe the real interest of labour lies with an independent economy rather than with socialism, which again and again has destroyed labour's opportunity. Organized labour has a greater stake in the private enterprise system than either management or capital; for that system is the union's chief hope of survival, and I say that without fear of contradiction by any of those who pose as leaders and supporters of the labour group.

I wish to throw out another constructive thought. I have nothing whatever to say about the social measures being brought out by this government. The country as a whole owes them a debt of gratitude for the manner in which they have enlarged social services, and with the additional social measures coming into operation I would hesitate to be the least bit critical, but I believe that we

can invest in undertakings that would be productive and self-liquidating. We could invest to a greater extent in that direction than we are now doing. I believe the country would do well to follow the advice that has been given, not from one source but from different quarters in this regard. The member for Vancouver North (Mr. Sinclair) brought up the question of irrigation as it applies to his particular section of the country, and other members from the west have also discussed the question. If it can be shown that such projects are self-liquidating, then I think the government would be well advised to undertake them. With that thought in mind I would ask the government to give serious consideration to greater investment in projects that might be undertaken in connection with breakwaters and wharves for the benefit of the fishermen along the Atlantic. I could elaborate on that, but I think that one sentence covers the subject as well as it could be dealt with if I spent half an hour trying to make a stronger case.

I throw out these suggestions to the Minister of Finance, but I am not unmindful of the representations that have been made in the past and during recent years in regard to the marshlands of Nova Scotia. There is a wonderful opportunity to do some useful work that would add to the wealth of our province. If these projects are undertaken—fisheries and the marshlands—we can look forward to a greater degree of prosperity in the maritimes.

I am in accord with what has been said—and I do not hesitate to give him credit for having raised the question—by the hon. member for Cape Breton South (Mr. Gillis) with reference to the Canso project. The question has also been raised from time to time by others. Last year the member for Inverness-Richmond (Mr. McGarry) made a very strong appeal to the government in the matter. I am happy to associate myself with these gentlemen and other members who have brought this question to the attention of the government. I also associate myself with the member for Queens-Lunenburg (Mr. Winters) who last night discussed subjects relating to Nova Scotia.

Mr. FRASER: The member for Cumberland (Mr. Black) has been bringing up the question of the marshes for the last six years.

Mr. ISNOR: I said there were others. The hon. member would not allow me to forget the member for Cumberland—

Mr. FRASER: You would not forget him.

Mr. ISNOR: —and I am happy to link his name with the others. I might even go beyond that and look back to the period from 1940 to 1945 when the then member for Colchester-Hants, Mr. Purdy, made such a strong plea. At that time the member for Cumberland joined Mr. Purdy in his representations.

Mr. BROOKS: What has been done about it?

Mr. ISNOR: It has been getting careful attention, and I am very hopeful.

Mr. ROSS (Souris): Due consideration.

Mr. ISNOR: I am surprised at the hon. member for Royal laughing it off.

Mr. BROOKS: I was not laughing it off. I was laughing at your ancient history and nothing being done; that is all.

Mr. ISNOR: I for one am anxious to see these three projects undertaken, along with others.

Mr. DEPUTY SPEAKER: Order. I must inform the hon. member that his time has expired.

Mr. ROSS (Souris): He has unanimous consent; give him a new start.

Mr. DEPUTY SPEAKER: With the unanimous consent of the house, the hon. member may continue.

Mr. ISNOR: Thank you, sir. I was just going to make one more point in connection with the transfer of labour from the maritimes. It is unfortunate that such a thing has to take place. All members from Nova Scotia regret it. The hon. member for Colchester-Hants (Mr. Stanfield) will appreciate what has taken place so far as his own town is concerned. There is an article in to-day's Truro paper headed, "Shortage of materials affecting Truro's textile mills." It goes on to say that this company from Ontario, the Monarch Knitting Company, are now in the maritimes looking for women workers to be transferred to Ontario for employment. Truro is an aggressive and enterprising town. We are very fortunate to have here in the House of Commons a man of the type of the hon. member for Colchester-Hants. His firm has done a great deal for Nova Scotia and for Truro. I should hate to have the continued employment which he has given to the town of Truro affected by the transfer of workers or by people from Ontario being permitted to come in and take from him and from other manufacturers any of their skilled help. The manufacturers in Truro have done a wonderful job, not only for Truro but also for Nova Scotia and the whole of Canada. As an hon. member said to me one day about

Stanfield's underwear, "It is right there on your breast, no doubt." The great majority of members are no doubt wearing it. Stanfield's underwear is sold from one end of Canada to the other. I suggest to the Minister of Labour and those on the government benches that they do not permit the transfer of labour from Nova Scotia but that instead they encourage to the greatest extent possible the purchase of products made in Nova Scotia and in the maritimes generally in order to increase employment in that part of the country.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, with at least two of the observations made by the hon. member who has just taken his seat (Mr. Isnor) I am in hearty accord. The first is that we should encourage all over Canada the establishment of self-liquidating projects and enterprises. The second is that the industry of this country should be decentralized. I wish to join with the hon. member in a protest against the way in which the industries of Nova Scotia and the maritimes have been undermined, weakened, destroyed and brought to the central provinces in times past. I wish to support him in the contention that these industries should be restored to the maritimes; and if it requires government assistance to accomplish that objective, I should be in favour of government assistance even though it does require expenditure.

This afternoon I had intended to speak about the matter of taxation and debt, but certain things which have occurred in the house have made me feel that it was my duty to leave those two topics for discussion at a later time and to turn my attention, and that of such members of the house as will follow me, to the problem of our beet sugar industry in this dominion.

At the present time we are in danger of losing 50,000,000 pounds of sugar production in 1947. I have brought that fact to the attention of the house two or three times already by means of questions. Let me once more draw the matter to the attention of the house and the country; it is not one which should be treated lightly. Last year, Canada and Dominion Sugar Company had 26,681 acres of beets signed up by contract. Of that number. 23,375 acres were harvested. They produced 70,000,000 pounds of beet sugar. Evidence for this can be found in Wellington Jeffers' article in the *Globe and Mail* of January 18, 1947.

Only yesterday, on May 7, hon. members heard the hon. member for Victoria (Mr. Mayhew) announce that up to noon May 5, this sugar company has had signed up only 26,089 acres. It is quite obvious that the sugar company has not the chance this year to produce the amount of sugar that it had last, even if it has the exceptional weather conditions which favoured its efforts then.

The farmers are not signing up because they fear a shortage of labour. In 1946, 575 acres of beets were lost because there was not sufficient labour to care for them. Hon. members heard the announcement made by the Minister of Labour (Mr. Mitchell) yesterday, but his announcement was like most of the announcements which have come from the government during the last few months with regard to the sugar industry—it was full of fallacies, misrepresentations and illusions.

For the information which I am going to give to the house this afternoon, I shall draw largely on a pamphlet entitled, "When can Ontario's Beet Sugar Production be Restored?" published by Canada and Dominion Sugar Company Limited, Chatham, Ont., in January, 1947. Hon. members will therefore know that the figures which I use are pretty likely to be dependable.

It might not be generally known that Mr. S. R. Noble, sugar controller during the war, on January 27, 1947, told the joint delegation of the Canadian Sugar Beet Growers' Association and the Beet Sugar Processors of Canada that he was apprehensive of a more critical situation in Canada's sugar supply for the end of 1947 and the first half of 1948 than anything which has yet existed. Evidence for this will be found in a document entitled, "Notes on the dominion subsidy on domestic beet sugar production." I do not know how many hon. members have access to this document, but anyone interested may read the one in my possession. The document is signed by Mr. H. Sulkers, secretary of the Canadian Beet Producers' Association and other men prominent in the beet sugar business. Their signatures make the document authentic. In the light of the fact that Mr. Noble told these gentlemen that solemn truth, I must say that I find myself completely at a loss to understand the indifferent attitude which the government is taking in the matter of signing up the remainder of these beet contracts for this year. There is plenty of labour in the country if the beet sugar industry can get it, and there is plenty of land available.

On May 7, as recorded at page 2845 of *Hansard*, the Minister of Labour made this remark:

I am not aware of any serious difficulties that occurred in 1946 because of competition between tobacco growers and those engaged in the rais-

ing of sugar beets. I am advised that the labour supply was adequate for both those branches of our agricultural economy.

It is quite evident that the minister had not gone into the problem far enough, or he would not have made a statement like that. May I tell hon. members some of the things that occurred last year, according to the information in my possession. Last year the Canada and Dominion Sugar Company sent out scouts to enlist labour for the beet fields. These scouts visited the counties of Norfolk and Simcoe and the Niagara peninsula, and had a considerable measure of success. At the Petrolia camp the company established a hostel to make it easier for those working in the beet fields to find accommodation, in order to encourage them to remain there. One day there were thirty beet workers, a cook and a helper at that hostel. The next day only the cook and helper were left; all the men had been lured away by the tobacco growers. How had they done this? They had offered the men higher wages than the beet raisers could afford, considering the relatively meagre income they were to receive from their beets. I am told the tobacco growers offered the men $125 a month, and in addition said they would give them work inside during the stormy weather. These attractions were simply beyond the power of the beet growers to meet, and as a result the men left. All a farmer has to do, if he is contemplating signing a beet contract or refusing to sign one, is to keep in mind one or two bitter experiences like that. All that is necessary is to see a part of that 575 acres of beets going to ruin because of lack of labour, to warn him off any possibility of signing a beet contract. There are, at best, so many risks involved in beet growing that he cannot afford to take an additional chance like that.

Mr. MAYHEW: I wonder if the hon. gentleman would put on record the last part of the statement I made in the house, starting with the words "Beet sugar production in Canada." Otherwise I think he will leave the impression that there has not been an increase in the production of beet sugar in Canada.

Mr. BLACKMORE: I thank the hon. gentleman. I was just going to do that, and by the time I get through I think he will prefer that I had not done so, because once more the statement is based on too little information. The minister meant well, but he did not have the whole picture. May I read from the statement of the hon. member for Victoria (Mr. Mayhew) as recorded at page 2845 of *Hansard* for yesterday:

> Beet sugar production in Canada in 1946 was 30 per cent greater than the average for 1935-39. This is a greater increase than that of any other beet sugar producing country. Given at least average climatic conditions it is expected that production in Canada in 1947 will exceed that of 1946. In the light of these facts there can be no adverse reflection upon Canada's contribution to the world sugar position.

I now point out to the minister something which, in his busy life, he has probably not had an opportunity to investigate. What we are discussing at the present time is the production in Ontario, not the over-all production throughout Canada. It is quite true that in Alberta, where conditions in regard to the obtaining of labour were much more favourable, production was increased. There the competition of hoed crops, cash crops, with the beet sugar industry was not so intense as in Ontario, as I shall point out in the course of my remarks. In the Ontario scene, however, the picture is very disheartening indeed, as I think the minister will recognize in the light of the figures I shall put on *Hansard* in a moment. What we are discussing, let me repeat is the Ontario production, for it was in Ontario last year that 50,000,000 pounds of sugar which could have been produced were not produced, because not enough beets were available to supply both the Wallaceburg and Chatham factories, the consequence being that the Wallaceburg factory was left idle. The minister will also be interested to consider that there was a great deal of adverse comment in high places in the United States because of the fact that last year Canada produced so small a percentage of her sugar needs as compared with what she disposal. If Canada does no better this year could have produced with the capacity at her in comparison with what she could do, then I am afraid that adverse criticism in the United States will be much louder and more dangerous, and will be heard much higher up.

May I now give some figures to show the minister how serious has been the deterioration in the beet sugar industry in Ontario during the war years, since the administrator took over. Perhaps I ought to stop here and say that I do not wish to reflect too much on certain hon. gentlemen; but in considering the beet sugar situation since Mr. Noble took over as administrator I have had the impression that he has been deliberately designing the destruction of the beet sugar industry in Canada, and I cannot escape the conviction that he has been deliberately seeking to destroy the beet sugar industry in Ontario. I do not propose to bring before the house at the present time evidence to substantiate that allegation, but before this session is over I shall do so and give the administrator and all his friends opportunity to present a defence, if

they feel disposed to do so and if they can. With respect to Ontario's production since the administrator took over, I now quote figures given on page 4 of the pamphlet to which I referred previously, "When can Ontario's beet sugar production be restored?" These are the figures showing Ontario's production of beets, in long tons:

Year	Long tons
1939	39,706
1940	43,747
1941	37,974

Now we begin to see the policies of the administrator taking effect:

Year	Long tons
1942	26,355
1943	8,329
1944	17,629
1945	19,560
1946	31,250

Hon. members will notice that whereas in 1939 this province produced 39,706 tons, in 1946 the production was only 31,250 tons. This shows pretty clearly that something serious has happened to the Ontario beet industry. So much for that.

Now, I think hon. members will be quite astonished when they hear of the devices which have been used to weaken, to choke out, to smother, to strangle the Ontario beet sugar industry. First, there were price ceilings. The price ceiling on sugar has been maintained so low in comparison with ceilings on other crops such as tomatoes, tobacco, beans and corn, that the beet sugar industry has been placed at a serious disadvantage. The price ceiling on beet sugar was brought in at a relatively early period, and has been rather consistently maintained. I am not objecting to the establishment of price ceilings. It was well that the Canadian people should have been able to buy their sugar at a low rate, but the difference should have been made up by the government to the sugar factories or the sugar companies by way of a subsidy, which would have enabled them to carry on and expand without causing the people to suffer. This is an extremely important matter. Another device used was subsidies given to competing crops such as corn, peas, beans, tomatoes and perhaps tobacco, although I doubt there was a subsidy on tobacco. Subsidies were given to these other crops which put them in an advantageous position in competition with the beet sugar industry as regards available labour. This has had a serious effect, being one of the factors which brought about the closing of the Wallaceburg plant during several of the war years.

[Mr. Blackmore.]

Another thing has been done about which the ordinary man on the street or even the ordinary member of parliament knows nothing. The beet sugar companies customarily have sold their sugar on the basis of delivered-to-the-trade. They usually have sold their beet sugar in the winter time when rates of transportation on the lakes were higher than in the summer. But the price was fixed on the basis of the lower summer rates. That bled a little more out of the beet sugar industry of Ontario. Not very much blood needs to drip away from a person's body in any given minute to constitute a fearful drain provided that it continues long enough. This drain has been going on constantly during the war years and I am told it is still going on. Hon. members will find this discussed on page 5 of the pamphlet to which I referred.

Prices are the really vital factors which affect the stability of any factory and certainly prices have seriously affected the stability of the beet sugar factories. I should like to quote some figures to show hon. members what has been happening with respect to prices and how it has affected the sugar beet industry in Ontario. First, I should like to read a passage from the bottom of page 6 of the pamphlet from which I am drawing my information. It follows:

> But price was a factor, the only really vital factor, as is shown by comparison with tomatoes and tobacco, both of which increased in acreage as prices increased, despite the fact that the labour requirements of these crops are fully equal to sugar beets.

In that statement a sad story is conveyed. Before giving the acreage figures for sugar beets, tobacco and tomatoes in southwestern Ontario since 1939, I should like to point out that tobacco and tomatoes are the major competitors which have tended to choke out the Ontario beet sugar industry. I feel that these figures may not be very interesting to hon. members, so I shall read them off rapidly and they can get them out of *Hansard*. The figures for acreage are as follows:

	Sugar beets acres	Tobacco acres	Tomatoes acres
1939	35,850	77,900	21,970
1940	38,010	53,450	22,730
1941	30,100	57,450	24,065
1942	20,700	67,830	22,915
1943	9,200	63,340	20,941
1944	14,500	79,359	29,400
1945	17,660	83,140	26,684

Those figures are significant; they will show hon. members why it is the beet sugar industry in Ontario requires a special kind of help at the present time.

The following figures show the subsidies and other assistance in dollars per ton which have been given to various crops by the federal government since 1942:

	Sugar beets Per ton	Tomatoes Per ton	Sweet Corn Per ton	Peas Per ton	Green Beans Per ton
1942	$2.08	$1.00	$2.00	$7.50	$5.00
1943	3.33	3.00	4.00	10.00	7.50
1944	3.33	6.00	4.00	10.00	7.50
1945	3.33	6.00	4.00	10.00	7.50
1946	4.85	(Subsidy replaced by equivalent increase in ceiling price)			

Hon. members can see what has been happening to the beet sugar industry. It has just been gradually choked out. The note to these figures reads:

Dominion government assistance as applied to sugar beets of 16 per cent sugar content. All of these subsidies were paid to growers except the equivalent of 63 cents per ton of beets which went to the processor.

I think that is probably sufficient on that aspect of the question.

I turn now to page 8 of the pamphlet to which I have been referring, where details of the average returns per acre on three important field crops of high labour requirements are given for two recent years:

	1944	1945
Tomatoes	$155.80	$100.80
Burley tobacco	299.00	262.50
Sugar beets	112.53	108.50

Almost anyone will wonder why in the world, in the case of a commodity so important to the Canadian people as sugar, there should have been allowed to continue such a wide disparity in prices. If it was not by design, then how did it happen?

Mr. JOHNSTON: It could have been stupidity.

Mr. BLACKMORE: It might have been stupidity and we will allow for that.

Next, I should like to give a comparison of prices per ton on various crops as between 1941 and 1945:

	1941 Per ton	1945 Per ton
Burley tobacco	$290.00	$520.00
Tomatoes	14.10	20.35
Corn, canning	10.75	14.00
Peas	45.00	55.30
Green beans	47.00	77.50
Sugar beets	7.64	10.36

Those figures must impress all hon. members. Supporters of the government in the house, and in radio programmes over the air, have been endeavouring to impress upon the people that the reason the beet sugar industry was not doing so well was that it was not able to compete successfully. How can an industry compete when its hands are tied; and not only when its hands are tied, but when its feet are tied—"hog-tied", as we say in the west.

I turn now to the labour costs aspect of the question. With net returns on sugar beets up thirty-six per cent, labour costs have grown as follows: in 1941, $18 per acre, and in 1945, $33 per acre, or almost double. That is an increase of $15, or eighty-three per cent. The rise in labour cost per acre is greater by over thirty per cent than the rise in net return to the farmer, even including the Ontario provincial subsidy.

I turn to the question of losses through various other kinds of manipulation, which have been exercised to the detriment of the beet sugar industry. I refer to page 9. Two by-products of the beet sugar industry which are of considerable importance are beet pulp and beet molasses. The Canada and Dominion Sugar Company sells dried beet pulp I am told; most of the other companies sell the beet pulp wet. Dry beet pulp, and molasses from beets, constitute two lucrative by-products which greatly add to the general profitability of the beet sugar industry.

Let us see what managers in Canada have done in respect of these two important items. About two-thirds of the dried beet pulp from Ontario in pre-war years was sold in the United States. As from 1941, the Ontario company was directed by the Ottawa feeds controller to sell the product for feed in Canada. In January, 1947, the difference between prices in the United States and those in Canada was as follows: The Canadian ceiling price f.o.b. plant is $26.40 a ton, while the United States price, f.o.b. Michigan plant, just across the border, is $49.40 a ton, or almost twice as much; and the differential against the Canadian producer is $23 a ton.

A similar situation prevails with respect to beet molasses. The Canadian ceiling price f.o.b. plants is $28.75 a ton, and the United States price f.o.b. Michigan plants is $38 a ton, or a differential against the Canadian producer of $9.25.

All that is to be remembered is that the amount of money which the company was able to derive from some of these by-products entered into the amount it paid the farmers for the production of their beets. So that when the company was restricted in its income from the sale of these two by-products it was necessarily restricted in the amount of money it could pay the farmer for producing beets; consequently the farmer was automatically restricted in the amount he could pay for labour.

In 1941 the total Ontario production of beet molasses was 15,628 tons, of which 10,475 tons, or sixty-seven per cent, was shipped to the United States. A similar percentage of beet pulp was shipped to that country. However, of the 1946 output a relatively small percentage was allowed to be exported to the United States.

Under ceiling prices, pulp is relatively cheaper than other cattle feeds, so that the demand has grown in Canada under price control. The demand for beet molasses has also grown in Canada. It is used in the manufacture of yeast, citric acid, and many other products.

Hon. gentlemen will ask if I would advocate that the price should have been allowed to rise, or if I would have favoured keeping prices down for Canadian stock feeders. Well, obviously I would agree that the cattle producer or stock producer in Canada should have been able to get feed cheaply. But that is no reason why the producer of beet pulp should have been penalized. There should have been, I say again, a substantial subsidy which would have made up to the Canadian producer that which he lost because his product was under a ceiling price; but no such subsidy was forthcoming. The dictator who presided as administrator over Canadian sugar concerns just would not listen as regards any of these matters. The result has been that an important Canadian industry has suffered.

I believe that is sufficient on that aspect of the matter. Meanwhile, while all these other adverse developments have been in progress, processing costs have been rising rapidly. At page 10 of the pamphlet to which I referred we find a list of increases in processing costs. These increases are shown as follows:

	1941	1946
Labour (base rate per hour)	40 cents	70 cents
Coal (per ton)	$6.29	$7.70
Miscellaneous supplies (per unit)	21·5 cents	48·9 cents
Bags (sugar) (each)...	14·2 cents	23·5 cents
Bags (pulp) (each)	17 cents	31·5 cents

Notwithstanding all the considerations I have mentioned, we have people like the Minister of Justice (Mr. Ilsley), who will rise in their places and try to convey to the house and the country that this industry would require altogether too much by way of subsidies and too much tariff protection in order to survive. How can one describe such an attitude? One cannot possibly characterize it properly without violating the rules in respect of parliamentary good taste.

[Mr. Blackmore.]

There is another aspect which, while not so important, has had its serious effect, since the closing of the Wallaceburg plant. Obviously farmers who produce beets are located throughout the areas in which the Wallaceburg and Chatham plants are situated. When one of those plants is closed, then farmers must transport their produce some considerable distance in order to deliver it to the other plant. The sugar factory had to absorb this cost. I am told that the farmer was paid on the delivered-to-the-factory basis. This is found in the pamphlet to which I referred. Thus the company has had to absorb this loss. Then, too, the company has had to finance subsidies from delivery of beets to the factory to the time of payment for the sugar. In order that hon. members may understand this situation, let me point out that certain subsidies were being paid on the beets, and the factory generally paid those subsidies about the time the beets were delivered. Then, until the sugar was sold the factory could not get reimbursement from the government for the amount it had paid out. The result was that the factory became a sort of banker for the government during six or eight months of the year. Just think of that, for an outrage!

Yet, would the sugar administrator listen? Would the Minister of Finance listen? Would the chairman of the wartime prices and trade board listen? No, not they. They would not listen to this or to any other of these problems, or provide any sort of remedial measure. No wonder the province of Ontario had to step in, with its own provincial subsidies, to save the sugar industry in that province from complete destruction.

The beet sugar industry throughout the war came to the dominion government time after time with well-reasoned briefs—moderate, scientific and factual—and asked certain considerations. Never once have the beet sugar people been given what they have asked for. This year of 1947 was no exception. On January 27, and dates following, the combined beet producers and beet processors of Canada met government officials—first the sugar administrator, and then others—and presented their case. Mr. Sulkers, secretary of the Canadian Beet Growers' Association, asked that an additional subsidy of $1.08 be allowed beyond the 60¾ cents given in 1946, because, said Mr. Sulkers, "the administrator is going to pay eight-five cents a ton more for his raw canes from abroad than he was paying in 1946. If he is to give us parity he must increase the price which we are to receive, and this is what we compute to be the increase which he ought to give us". Would

the sugar administrator listen to that? Not he. Would the Minister of Finance listen? Not he.

The beet people asked for certain subsidiary advantages not difficult to give. They asked that the controls be lifted on dried beet pulp and on molasses or the raising of the ceiling price. (Here I would point out, there could have been a subsidy to make up for what they wished.) It was refused. Molasses was decontrolled shortly after, but I do not know that it was because these people asked for it; it may have been.

In addition, they asked that an allotment of three pounds of sugar per ton of beets delivered be given to the man who delivered the beets, up to 200 pounds or up to 100 pounds. The idea behind this suggestion was that a man farming would be encouraged to produce three or four acres of beets to a farm in order to be able to get the additional sugar. It is an obvious device. It would not have cost the government anything. The man, before he got his additional three pounds per ton of sugar, would have produced a ton of beets, and about 300 lbs. of sugar. Would these wiseacres we had in authority in Canada agree with that request? Not at all; that would have been to intelligent for them. They would rather leave the sugar unproduced, which they are doing.

The beet men asked that the factories be not required to finance the subsidies between the delivery of the beets and the sale of the sugar, but that was denied. May I read to the house a statement from the document to which I referred a short time ago, prepared by the beet people and signed by Mr. Sulkers. I read from the bottom of page 2 as follows:

> It was represented with all the vigour at the command of the various spokesmen that maximum domestic beet sugar production would not be achieved in 1947 unless the sugar administrator set his sights considerably higher by way of subsidy.

There is no excuse for the sugar administrator; there is no excuse for the Minister of Finance; there is no excuse for the government. The whole situation was made abundantly clear to them.

Let me now point out two or three other aspects of this question which are serious. In the main, Canada's sugar supply comes from the international sugar pool. Yesterday the hon. member for Victoria, B.C., pointed out that we got our sugar supply from the international pool. That is granted, but practically the dominating factor in the sugar pool is the United States of America. According to information which I have, the United States government bought the whole of the Cuban 1947 crop, which is the important element, the deciding factor in the whole situation. They bought the whole of the crop for 1947. The United States therefore controls it. Let the United States once get the idea that Canada simply does not intend to play her part, that she does not mean to play ball, what would be the obvious decision and conclusion of the United States? I say that, as matters stand, our whole sugar situation in the year 1947-48 is in jeopardy.

There is another aspect of this question which should have a little attention before I close. Much has been said against beet sugar because it requires tariff protection. The argument is advanced all over the country that the industry should not be allowed to survive because it needs tariff protection. Let us look at the tariff protection which some other agricultural products have. Take barley. One would hardly think barley required protection in Canada. Barley has a twenty-five cents a bushel protection under the general tariff and 22½ under the intermediate tariff. Beef has four cents a pound protection under the British preferential tariff, eight cents a pound under the general tariff and six cents a pound under the intermediate tariff. Butter has eight cents a pound protection under the British preference and fourteen cents a pound under the general tariff, twelve cents under the intermediate tariff. I could go on and give a list that comprises practically every commodity which Canada produces on her farms. Look at the protection we have to give to our butter. No one can manufacture and sell oleomargarine in Canada because it comes into competition with butter!

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member, but his time has expired.

Mr. BLACKMORE: I do not wish to encroach on the time of the house. I will simply close by urging that without further delay the government go to work on this problem and devise means whereby the men who would sign up to raise sugar beets for the Dominion Sugar Company shall be guaranteed their labour, and whatever other encouragement they require.

Mr. R. E. DROPE (Northumberland, Ont.): The budget is a subject of great concern to the people of Canada, most of whom were disappointed in it, because some of the taxes that were on might have been taken off, and because some so-called nuisance taxes, as they are known, were not abolished. I am thinking particularly of the heavy taxes on soft

drinks and chocolate bars which are largely purchased by the youth of our land. It would seem, now that the war is over, that these taxes might be discontinued. The radio licence should also be abolished. The tax of twenty-five per cent on silverware which was put on during the war, was imposed, if the former Minister of Finance (Mr. Ilsley) is reported correctly, with the idea of discouraging production. This tax has served its purpose, which was to discourage the use of critical materials needed for war purposes. Surely there is no need to continue this argument now that the war has been over for two years. Many veterans and young couples are attempting to establish their homes. Knives and forks are a necessity which should not be subject to a luxury tax of twenty-five per cent.

The special excise tax discriminates between one type of retail sale and another and, in effect, is discriminatory. For example, a refrigerator is taxable; an icebox is not. An electric range is taxable; a coal range is not. Clocks, watches, shopping bags, et cetera, are taxable, while oil paintings, oriental rugs and many other items incidental to luxury living are not taxable. It has been suggested that the moment is inopportune to repeal the extra tax on the items to which I have referred, because to do so would involve protests from other groups who would demand similar treatment. If this argument is valid it would appear to me that it would be applicable to any budget period, which gives rise to the fear that these so-called special wartime taxes are now to become part of our permanent economy. In my opinion it is most desirable, in the interest of maintaining reasonable business confidence, that these irritating and discriminatory taxes should be removed.

The Post Office Department appears to be making considerable money. Apparently it had a surplus of over $10 million last year. Is it not time that consideration be given to bringing the postal rate back to three cents instead of the four-cent rate which has been in effect for some time. I do not think it was the intention that the post office should be a money-making concern; rather it should be a service to the people at cost.

The price of dairy products is of great concern to the people of Northumberland county as well as to the majority of Canadians. Prices have been supported by subsidies and ceiling prices have been put on many products. The last announcement of the Minister of Agriculture (Mr. Gardiner) on behalf of the government is, in my opinion, most unsatisfactory. On May 1, the ceiling price on butter was raised ten cents. If it was the intention of the government to assure reasonable prices to the producers a floor price should have been established at the same time. We have reached the time of year in this country when production exceeds consumption in butter; therefore it is necessary for someone to carry surplus butter during the summer months, which is the high production season. It is unreasonable to expect that any buyer will pay the ceiling price and carry butter for several months only to sell it at the same ceiling price. Producers of butter fat have been placed in an impossible position by this government paying higher amounts for other dairy products, and thereby cream producers are placed at a disadvantage as compared with others.

This situation was accepted during the war, but it is surely unreasonable to expect that it should now be continued. It is owing to wrong government policy that it is necessary to import several million pounds of New Zealand butter, which should have been sent to the British people, who are so greatly in need of fats. Moreover, I understand that some 38,808 pounds of this butter have not been sold in this country after having been brought in.

All the butter that is required could be produced in this country if the producers received a reasonable price. As a result of the present government's policy, consumers are paying more for butter and producers are receiving less. If the ceiling price and rationing are to be continued, a better floor price should be put on products to assume farmers reasonable prices. The cheese producers are not satisfied with the price they are receiving. The minister announced the other day that he would take all cheese at the floor price. Surely this is discouraging to the cheese producers, to hear that the government are going to take all their cheese at the floor price.

Mr. GARDINER: We did not announce that.

Mr. DROPE: If it is necessary to sell at less, then the farmers should be paid a better price and the difference carried by all the people of Canada. A prosperous agriculture will provide one of the best markets for our manufactured goods, and everything possible should be done to assure a reasonable return for our basic industries.

Mr. CLARENCE GILLIS (Cape Breton South): I am going to contribute my little bit to this debate. This is not a large or enthusiastic house. The budget, which has been played up both by the Minister of

Finance (Mr. Abbott) and by the members who have spoken from that side of the house, is, in my opinion, a complicated document. To make an analysis of that budget from the financial point of view, under the mechanics of things as they are today, is not a realistic approach to it.

At this time I am not going to make a financial analysis of the budget. The hon. member for Rosetown-Biggar (Mr. Coldwell), speaking in this debate, spoke for this group, and I think he went pretty thoroughly into the financial ramifications of the budget. I am in hearty accord with what he said, and I believe that even from that point of view he pretty well exploded the airy pronouncements of the Minister of Finance.

I am going to attempt to tell the house what I think of this budget as viewed by the man in the street, and you cannot discuss this budget realistically without relating it to the rapid increases in the cost of living, because in the final analysis what the dollar will buy for the average man is the thing that counts. Giving him slight tax relief here and there and then taking 100 per cent back from him by increasing his cost of living and lowering his standards is not relief, and that is why I say it is tricky. Viewed as it was reviewed by the headlines of the press, the budget is likely to appear to people as having done something. In my opinion the reverse is true.

Let me mention this in passing, for example. Working the relief out on a percentage basis, taking the statement in the press that the lower income groups were relieved by fifty-four per cent, let us see what that actually means to the man who receives $150 a month and who has a couple of children—and that is about the average across the country, if we take those who are employed and are paying taxes. That fifty-four per cent means a relief of nineteen cents a week. That man eats every week; he pays bills every week, and he saves nineteen cents by that fifty-four per cent reduction. Then the Minister of Agriculture (Mr. Gardiner) comes along the next day and announces an increase of ten cents a pound on butter. The average family, or the family I have been discussing in that $150 income group, will consume about 2·3 pounds of butter a week. Therefore the Minister of Finance the night before gave him a relief of nineteen cents and the Minister of Agriculture took twenty-three cents from him the following day.

Mr. GARDINER: The last member said they didn't pay it.

Mr. GILLIS: The group I am talking about does. So that this man is four cents worse off so far as the actual purchasing power of the dollar, or the standard of living, is concerned than he was before the budget was announced. That is on that one item of food alone. Of course, fifty per cent of our wage-earners are in the group that pays no taxes at all. These people have not sufficient income to pay taxes. Well, the fellow who does not pay taxes is twenty-three cents a week worse off than before the minister brought down his budget, because the Minister of Agriculture, in that one item of food alone, threw back upon him twenty-three cents and he got no relief. He is that much worse off.

Mr. MAYHEW: Suppose the Minister of Agriculture had made his announcement first.

Mr. GILLIS: It would not make any difference, but it was timed very well for political purposes. The Minister of Finance gets headlines to the effect that he is relieving those in the low-income groups, while the Minister of Agriculture might not have been noticed in the ballyhoo there was in the press about the budget. His announcement may not have been noticed; perhaps it has not been noticed to any great extent except by members who are trying to police the standard of living of the Canadian people.

I think what would have been more realistic on the part of the government would have been to step up the exemptions to the figures mentioned by the hon. member for Rosetown-Biggar. That would have done away with the necessity for returns. For this group that has suffered a decrease in its standard of living under this budget, plus increases in prices, it would have obviated the necessity of filing any income tax returns, and that in turn would have saved the government a large amount of money in administration expenses. If the government had wanted to do something for the lower income group, and that is the group for which something has to be done, that is the sort of action which should have been taken. This filing of income tax returns, every member will agree, is one of the greatest yearly headaches, and the chap who is not getting anything at all by way of relief and who has to continue filing that return finds himself worse off at the end of the year than before the budget was brought down. If the suggestion I make had been followed, this chap would at least have been saved this headache of filing returns and the government would have got rid of much surplus staff which they have checking returns that do not mean very much to anyone.

Of course the worst beating that people in the low-income groups have taken during the last year has been that increase in the cost of living. I have here a clipping from the Ottawa *Journal* of May 4, which does not bear out many statements one hears with regard to increases in prices. This clipping states—and these are official figures too:

> The cost of living index, reeling under the impact of higher prices, advanced 1·7 points during March to 130·6 at April 1—the biggest jog in the line since 1941—the Dominion Bureau of Statistics reported on Saturday.

This is dated May 4. Continuing:

> Higher food prices accounted for most of the increase, while clothing and home furnishings also contributed to the unprecedented rise.
>
> The bureau's food index mounted from 148·7 on March 1, to 151·6 as beef, sugar, vegetables and fruits were chalked up higher in grocery stores across the dominion. Price increases for a broad range of clothing items advanced the index from 133·1 to 136·9.

Anyone who tries to argue that the low-income groups in this country have received any relief from this budget is either badly informed or trying to fool somebody; because, in the final analysis, by this action alone—by the removal of price controls and by the removal of subsidies—the low-income groups have taken a terrific licking, and the budget offers to them no relief in any way, shape or form. That is the way it affects the man in the street, as he will find when he has had time to analyse it. That budget, if it was brought down for political purposes, will certainly not draw any water to the mill of the government.

I want to devote most of the time at my disposal in this debate to the part of the country from which I come. I hear members of the house say, "The C.C.F. is talking depression; they would welcome a depression; they are going to bring on a depression." May I say that some of the most outstanding economists in North America today are writing books on the subject and, if they know anything about it, they forecast a trend in that direction within the next few years. But at this time I am not going to talk about the general trend. I wish to inform the Minister of Finance and the members of this house, particularly the maritime members, that the maritime provinces have already struck a depression. They have been in the throes of a depression for the last year, and from an economic point of view they are today in as bad a condition as they were in at any time during the depression which preceded this war. I wish to compliment the hon. member for Queens-Lunenburg (Mr. Winters), who spoke last evening. Not enough of the maritime members, particularly those on the government side of the house, approach the matter as courageously as he did. By figures which I am not going to bother quoting again, he definitely pointed out the inequality in the distribution of the wealth of this country, as it applies to the maritime provinces. They are, as it were, the step-children of confederation. He did a realistic job.

There are one or two things, however, on which I do not agree with him. He said that one of the main considerations in dominion-provincial relations was the right of the province to retain certain small taxing fields. I do not agree with that statement. I think the tax agreements were a minor item when placed alongside other problems involved in dominion-provincial relations, such as, for example, the question of social security as contained in the original proposals made by the dominion government to the provinces. We cannot forget that most of the people in this country are suffering from the want of medical attention because they cannot afford to pay for it. That applies right across the dominion, with the exception of Saskatchewan, in which province a health programme has been instituted with regard to which some progress has been made. But, generally speaking, you can have as much health in this country as you can buy, under present circumstances; and no more or no less. In their original submissions, the dominion government did propose to institute a health programme. The thing we do not want to forget is that we have a large number of people between the ages of sixty-five and seventy who would have obtained some relief under the original proposals. They are calling for it. I think every member of this house, if he visits his constituency occasionally, will have the same experience that I had. I have had women come in, particularly those who had raised families and had given them to the nation, had lost them overseas—some came back but cannot secure employment—with no income whatsoever and no home, wondering when the old age pension is to be brought down to sixty-five years and take them in. That is a question which would have been settled under dominion-provincial relations. Lack of security is one of the things which is responsible for most of the isms that creep into a country.

Mr. MACKENZIE: May I ask the hon. member how many veterans who came back from overseas have been out of employment in Canada?

Mr. GILLIS: I can tell the minister that on the island of Cape Breton, from which I come, there are 2,600 registered unemployed.

Mr. MACKENZIE: That is a particular case.

Mr. GILLIS: That is quite all right. I am speaking for the part of the country from which I come.

Mr. MACKENZIE: I am talking about the whole country.

Mr. GILLIS: It is up to the other members of the house to speak for their ridings. In the section I come from there are 2,600 unemployed. That is the number registered; and there are many unemployed who are not registered. I will talk to the minister about veterans affairs when his estimates are before the house.

Mr. MACKENZIE: And I will talk to you, too.

Mr. GILLIS: I shall have a lot to say; and after we get through the minister may not be as cocky as he is now.

I was talking about the mothers who had contributed sons to the services which saved the institutions of this country in order that we may sit in seats of this kind and grow fat. These are the people I am talking about. I am talking about dominion-provincial relations, and I am not giving our own premier in Nova Scotia much credit for the quibbling that has been done on this matter.

Mr. MACKENZIE: He is a very fine man.

Mr. GILLIS: Yes; he is a good Tory.

Mr. MACKENZIE: He is a very fine progressive Liberal.

Mr. GILLIS: He is a good Tory. Just a few days ago I noticed an item in the *Globe and Mail,* which said that Premier Duplessis stood up in his place in Quebec and deprecated the fact that Premier Macdonald was being insulted. He considered that himself, Drew and Macdonald were the future saviours of this country.

Mr. MACKENZIE: You had better leave Macdonald alone.

Mr. MICHAUD: Nobody can use abusive language better than Mr. Duplessis.

Mr. GILLIS: A person is known by the company he keeps. You have that group which I have mentioned which has received no relief from this budget, and who are panhandling a living, as it were, after contributing their all to the nation. That problem might have been solved under dominion-provincial relations.

I said a moment ago that fear is the thing which breeds most of the isms in a country. The Prime Minister (Mr. Mackenzie King) a short time ago deprecated the fact that there are several groups in this house. What brought them here? It was the failure of the old-line parties to solve the problems of this country. They are the original protesters against the inactivity of those entrusted with the management of the affairs of Canada.

Mr. MACKENZIE: They are in great minority.

Mr. GILLIS: They will flourish and grow to the extent that you people continue the policy which you have had for the last seventy-five years and which, as far as I can see, you have not changed in any respect, not even in this budget. As to the average man who today produces the wealth of this country—and this goes for the farmer, the fisherman and for every industrial worker—fear is the thing which drives him away from the machines that have exploited him in the past. It is fear of old age, after he has slaved and worn himself out on a farm or in industry, with nothing ahead of him but the scrap heap by way of social security in this country.

Mr. ABBOTT: Governments cannot cure old age.

Mr. GILLIS: But you can provide for it, just as you provide for judges and everyone else in the government service. It is the government's function to provide for it. You are squawking because communism is developing in the country, but you fail to provide for those who built this country and produced its wealth.

Mr. MACKENZIE: May I point out to hon. members that twenty-five years ago we had sixty-five members down in that corner, and what have we now?

Mr. GILLIS: Well, what is here today is solid, and we are going to stay here and fight this battle to its conclusion. I say, to the extent you continue to legislate for fear in the hearts and minds of the people who produce the wealth of this country, to that extent groups such as this will grow and eventually take power in Canada. All you have to do is look across the ocean to Great Britain, Australia and New Zealand, where the modern mechanics of government are being applied to their resources for the alleviation of human misery rather than the amassing of wealth. I said the average farmer and worker feared old age, which means they have to go to the scrap heap. We see thousands of them in this country hobbling around on sticks, with no chance for medical attention. They cannot get in a hospital because they cannot pay for it. Many of them are worn out prematurely. They cannot qualify for that pauper's allowance called the old age

pension, so they just walk the streets or depend on what some member of the family may be able to give them.

Mr. McCANN: There was never a citizen of Canada denied hospitalization because he could not pay for it.

Mr. MACKENZIE: It is the best country in the world.

Mr. GILLIS: I do not know anything about what the minister has just said, but I know that I have had to take veterans of the first war to a hospital in a car, and become personally responsible for the bill.

Mr. McCANN: Where?

Mr. GILLIS: In the part of the country from which I come, and it is no different from the rest of Canada.

Mr. MACKENZIE: Does my hon. friend suggest for one second that the veterans of Canada are not better looked after than the veterans of any other country in the world today?

Mr. GILLIS: I am saying that maintenance allowances and everything else applying to the veterans should be increased fifty per cent and they would not be too well taken care of.

Mr. MACKENZIE: We all agree with that, but last year this country spent $807,000,000 for the care and after-care of veterans in Canada. That was spent by 12,000,000 people, and I think it was pretty decent, generous action on the part of the people.

Mr. GILLIS: Well, as I told you in your veterans affairs committee and your pension committee, the solution is not to dump all the social security problems upon the veterans affairs department. Other legislation is necessary in this country to augment it. You are handling many problems—

Mr. MACKENZIE: Who started it?

Mr. GILLIS: You are handling many problems in connection with veterans of the first war because there is no place else to send them. You generously do what you can for them, but other social security measures should be applied in this country to care for them, because in the final analysis they are not war service disabilities but disabilities of the ordinary citizens of this country.

Mr. MACKENZIE: That is part of the programme of the government.

Mr. GILLIS: Yes, but it is class legislation. You can do something about it for the veterans, while many thousands of citizens of this country are denied any relief for the same disabilities. I was talking about fear because of lack of security. You live in fear from the day you start to work until you go to the grave; and what does the average worker in this country do for most of his lifetime? He tries to carry a $1,000 life insurance policy so that his family may be sure there will be enough money to bury him after he dies He is afraid to die; he is afraid of leaving a family to the tender mercies of an unknown future without his protecting hand. The minister wants to travel a bit in this country.

Mr. MACKENZIE: I have travelled it far more than my hon. friend has. I can tell him that I have been in ten times more places in Canada than he has.

Mr. GILLIS: Well, I did not travel in a private car, at the expense of the taxpayers.

Mr. MACKENZIE: Nor did I. I travelled through the Peace river country by canoe in 1923.

Mr. GILLIS: You should take a spy-glass with you.

Mr. MACKENZIE: I travelled this country as an immigrant. My hon. friend can never hurl that accusation at me.

Mr. GILLIS: Well, I am hurling it. You travelled on the wrong side of the tracks.

Mr. MACKENZIE: I know more about the picture than you do.

The ACTING SPEAKER (Mr. Golding): Order. I would ask hon. members not to interrupt the hon. gentleman who is speaking.

Mr. GILLIS: Thank you, Mr. Speaker. The minister is a bit touchy this afternoon. Either he is getting a little old, or his conscience is bothering him.

Mr. GARDINER: You would like to get into a private car yourself.

Mr. GILLIS: I did travel in a private car, but the caption on the door of the car was "Twelve horses or forty men."

Mr. ABBOTT: I travelled in that car, too.

Mr. GILLIS: It was a private car, and I was never ashamed of it.

Mr. GARDINER: But you would like to get into one of the other kind, too.

Mr. GILLIS: I am not so sure. I'll tag along with the rank and file. I was trying to describe a condition to men who have never had any fear of insecurity, and who have never experienced any of the fears I have been trying to point out. I was going on to say that if the Prime Minister is afraid of

groups developing in this country, a situation which he does not like, the thing for him to do is remove that fear from the minds and hearts of the working people by a proper overall social security plan. That will remove it; and you need not be afraid of taxing people for such a plan, either. I had the privilege, for twenty-six years, of working as hard as anyone in this house has worked. I was never afraid of paying taxes. When I had an income that put me in the income tax bracket I was quite satisfied; and I was never afraid of being taxed for the purpose of providing security. I have taken part in meetings for twenty odd years. I have helped write pension acts and insurance acts which we tried to sell to the government of our province or to the corporation for which we worked. We were quite willing to pay our proportionate share of those security measures, but we could never get anyone to go along with us on them. If you are providing something in return for that tax the working people of this country will not be afraid to pay it, but they have not the opportunity.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. GILLIS: Mr. Speaker, at six o'clock I was doing my best to make everybody on the other side of the house as mad as possible. For the remainder of my time I am going to be specific and try not to tramp on anyone's corns. At six o'clock I was pointing out that the budget could not be properly analysed as to the benefits accruing to the people of Canada unless it was checked with the increasing cost of living. It is no use giving a person something with one hand and taking it away from him with the other. The hon. member for Queens-Lunenburg (Mr. Winters) stated on Tuesday evening that he came from a riding largely made up of people engaged in the fishing industry, and he said that the fishermen of his constituency would approve the present budget. That might be so if one relies on the press, particularly the headlines in certain sections of the country, but I still submit that the fishermen, on both the east and west coasts, is still the forgotten man. I have a few figures which will illustrate the position of the fishermen, on the east coast at least. The prices for fish quoted in Halifax on May 3 were as follows:

	Cents per pound
Cod	2½
Haddock	4½
Halibut	16 to 20

That is what the fisherman received. On the same day chain stores in Ottawa were offering fish at the following prices:

	Cents per pound
Cod, frozen	37
Smoked fillet	39
Halibut	42

There is a terrific spread between what the man who goes to sea to catch the fish and undergoes most of the hardship is receiving under present price ceilings and what the consumer in central Canada is paying. I am not going to go into the fisheries question in detail, but I should like to refer to a brief put out by the fisheries council of Canada, located at Ottawa. They make a few recommendations which I think should be checked and implemented as soon as possible. One is:

> The "Act for the Support of the Prices of Fisheries Products" approved by parliament on August 15, 1944, has not as yet been made effective.
>
> The fisheries council desires to urge upon the government the importance of proclaiming this legislation at the earliest possible date. The council's views of this important subject are amplified later in this brief and now may be summarized as follows:
>
> 1. Early proclamation of the act.
>
> 2. Board to contain representatives of the industry.
>
> 3. Use of funds available to promote long term benefits to the fishermen rather than as relief payments or the dole.

I suggest that the Minister of Fisheries (Mr. Bridges) should proclaim that act at the first opportunity so that it may become operative.

Mr. MACKENZIE: How much of the difference between what is paid to the producer and what the consumer in Ottawa pays is absorbed by transportation costs?

Mr. GILLIS: I have not figured it out, but I imagine there is quite a lot of it.

Mr. COCKERAM: And the processing.

Mr. GILLIS: However I think it is something the Minister of Fisheries should take up. The act should be proclaimed and the necessary machinery set up. At the present time, with the prices the fishermen are receiving, they are not able to maintain a standard of living equal to that of those in the rest of Canada who are steadily employed. Some effort should be made to set up the necessary machinery whereby the fisherman will get a

reasonable share of the national income. He is certainly working as hard as anyone else in this country.

I should like to say something more with regard to prices, to the Minister of Finance. There is an agitation right across the country for the removal of the tax on soft drinks in order to bring the bottle of pop back to a nickel, and there is also the chocolate bar problem. These two nuisance taxes should be removed, but if they are removed an effort should be made to see that prices do not go up rather than come down.

Mr. REID: I wonder if the hon. member has examined the balance sheets of the soft drink and chocolate manufacturers? I have examined them and I am surprised the hon. member is advocating what he is.

Mr. GILLIS: I am not advocating the removal of these taxes for the benefit of manufacturers of soft drinks and chocolate bars; I am advocating their removal for the benefit of the children who purchase them. I have no more faith than has the hon. member that the larger manufacturers will not shove prices up rather than bring them down, but in the soft drink industry there are a number of small manufacturers in whom I have confidence, and I believe they would pass on that saving to the consuming public. Some control would have to be exercised by the government over the larger ones in order to see that prices were brought down.

I want to say a few words about the depressed condition of the maritimes, and I am going to be as unprovocative as possible. Most people in central Canada, particularly in Quebec and Ontario, when they hear us talking about employment in the maritimes and asking for subventions, are apt to say, "You want this, that or the other thing," and believe that they are giving us something. The reverse is true. When the maritime provinces entered confederation they were the most prosperous part of Canada, and the statesmen of that time hesitated about coming into confederation. The fears which they expressed at that time were well founded because, after confederation, everything that existed in that part of the country that was wealth producing began to be siphoned into central and western Canada.

I want to show the house what was taken from the maritimes, and I am going to speak only about Nova Scotia. I shall let the New Brunswick members speak for themselves. I do not intend to go back beyond forty or fifty years. I say this because I have always looked upon governments, both federal and provincial, as trustees of the resources of the country, who would supervise their exploitation so that the greatest value to every section of the country might result from that exploitation.

The picture I see today in Nova Scotia is largely attributable to Liberal government; because it will be remembered that we have not had Conservative governments on many occasions since confederation in that province.

Mr. MacNICOL: Bad luck for Nova Scotia.

Mr. MACKENZIE: Very lucky.

Mr. GILLIS: The fact of the matter is that we have not any representatives in the present legislature of Nova Scotia from that party. At least the Liberals have sense enough in that province not to get wrapped up in the other party, and become contaminated, as they have in western Canada.

Mr. MACKENZIE: You get good government in Nova Scotia.

Mr. GILLIS: Here is how good it has been, as I see it. As I said a moment ago, I am not going back very far. A Liberal government had been custodian of our resources during the period I am going to mention. And what did we lose to central Canada? I should like the hon. member for Halifax (Mr. Isnor)—the only member from that city at the present time—to pay attention to what I am saying, because he waxed most eloquent this afternoon on how good things were in that part of the country.

Fifty years ago we lost control of our finances. At that time we had the Merchants Bank, the Bank of Nova Scotia, the Halifax Banking Company, the Commercial Bank of Windsor, and the Union Bank of Halifax. Maritime capital was being applied to the resources of that province for the purpose of developing it. But all the control of her finances is now in Montreal and Toronto.

Mr. ISNOR: What happened to those five banks?

Mr. GILLIS: They were amalgamated, or siphoned off. Try to get money from them today to develop an industry in Nova Scotia which competes with something up here, and find out what happens. They hamstring you. He who controls finance, controls the country.

In addition to that, we lost industry. We lost a cotton mill at Halifax, and one at Windsor. We lost a paint works at Halifax, and three tobacco factories. We lost four or five shoe factories which were employing people, and the people they employed were spending money in Nova Scotia. We lost two silk factories and several woollen mills. We lost a cheese factory at Antigonish, and a

fairly large one at that. We lost a cement works which drifted into a merger, and came into Quebec. We lost a large fertilizer plant at Sydney, and a tinplate plant operated by Shaw and Mason of Sydney. We lost a large tar and chemical plant from Sydney. We lost a skate factory at Dartmouth, and a sugar refinery from the same place during the war. We lost a nut and bolt plant which employed 1,500 men, and had been a peacetime industry for some thirty years. It left there in 1943. We lost shipyards at Pictou and a plate mill at Sydney. The Minister of Reconstruction and Supply (Mr. Howe) will remember that one. It employed 600 men during the war and it is not operating now. I hope to sell it in the near future, though.

That is the picture showing how well they managed it. That is the way the east has been depressed. That is why there are 30,000 unemployed.

Mr. MacNICOL: Are there 30,000 unemployed in Nova Scotia?

Mr. GILLIS: In the maritimes; 15,000 of them are in Nova Scotia. If any business employed that kind of manager for two years, and he showed that kind of record in his balance sheet, on the assets side of his ledger, what would happen? They would put him into gaol for about thirty years; and rightly so.

Mr. JOHNSTON: They would make him a Liberal member of parliament.

Mr. GILLIS: We hear a lot about planning. What does it mean to that part of the country? We have lost all that wealth. We do not quarrel so much about what somebody else may have as we do about the control they may exercise over our natural resources, thereby stopping the creation of new wealth. This is the kind of thing that is doing it—centralization in the two central provinces in connection with the financing of industry, and because the distributing organizations are able to keep the east and west depressed, at their will. It is the control they exercise which we complain about mostly.

But they say that private enterprise is planning. Here is the planning they are doing; and it means precious little relief they will bring to the maritime provinces. These statistics are taken from page 9 of the forecast for 1947 on investment by Canadian business, which was made by the Department of Reconstruction and Supply, and tabled in the house a month or so ago by the minister of that department.

In 1947 they plan to spend $1,066,458,000. That is a lot of money. Where are they going to spend it? They are going to spend five per cent of it in the maritimes; they are going to spend 26·7 per cent in Quebec; they are going to spend fifty per cent in Ontario; they are going to spend eight per cent in the prairie provinces, and they are going to spend ten per cent in British Columbia.

Your free enterprisers, who have money to invest, will spend the most of it in the two central provinces, with the complete centralization which they have today. The east and the west will remain the overseers of the poor, as they have been for a good many years.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member, but I must remind him that he has exhausted his time.

Some hon. MEMBERS: Go on.

Mr. GILLIS: I shall finish in a few minutes. In order to get some degree of balance in the economy of this country, if Canada is to become a nation, it will be necessary for the federal government to do some planning itself. So far as I can see, unless the federal government is prepared to institute a programme of public investment in the maritime provinces by way of secondary industries, there is no solution for the problem; it will become worse and worse as the years go by.

I notice that the provincial government has a capital budget this year, and it is spending some money, a little on the highways and on hospitals, and on hotel extension.

Mr. ISNOR: What do you call a little?

Mr. GILLIS: Not much; an odd million or half a million here and there. But the point I make is this, that while these expenditures are all desirable, none of them is a wealth-producing project. They will take the edge off for a short time by some construction work, and will result in hiring some labour at thirty cents an hour to work on the highways, as usual. But some secondary industries must be put into that part of the country.

We have tried it. For example, a small canning factory attempted to open up in Sydney, but they have been held up for about seven months on a molasses quota; and they are still held up. The bridging of the strait of Canso would have got us through this transition period, so far as unemployment is concerned; and that was recommended to the house by a committee of the house in 1942. Nothing has yet been done about it. The borings are completed; the cost of the project is known. In a return tabled in the house on April 23 the Minister of Transport (Mr.

Chevrier) definitely stated that a causeway across the strait of Canso would cost $17,797,000; a bridge, $27,276,000. He ended by saying that this project could not be started because the policy had not been determined. They have been determining that since 1942. That project would have employed 4,000 men for a period of three years and would have got us through this difficult period.

Mr. MacNICOL: May I ask the hon. member who quotes $26 million?

Mr. GILLIS: That is an estimate from the Department of Transport, contained in a return brought down in answer to a question by the hon. member for Cumberland (Mr. Black). In 1946 an appropriation of $300,000 was voted for the building of a breakwater on Cape Breton island. Although the money was appropriated, nothing has so far been done. That would have created considerable employment. A fish processing plant and a big freezing plant are held up on the island of Cape Breton because the necessary repairs to a wharf in the Point Edward area along the Waterford coastline is held up. Those necessary establishments are held up because the necessary repairs have not been made to a wharf. Many things could be done down there.

I should like to conclude my remarks by saying that if the government is saving its public works programme to take the country over a difficult period which may come two years from now—I will not say for election purposes—they are making a mistake. Quite a few hon. members on the other side of the house who know something about the system and about economics realize that there will be a recession within the next couple of years. It may be a good thing to save the public works programme in Ontario and Quebec and other provinces where there is no recession, but in the maritime provinces the time to commence public works programmes was a year ago. The public works projects to which I have referred are national assets, because, if they are not carried out, when the government gets around to creating some employment in Nova Scotia there will be nobody there to work, since they are leaving that province every day. Our best people are leaving. In the maritimes we lose fifteen thousand a year to the United States. The people who were employed are pulling out.

I would seriously suggest that subsidies, which dovetail into the budget, should again be paid. The removal of the subsidies is the thing which will prevent us from holding the price line and everything else. I do not think it can be held without subsidies.

[Mr. Gillis.]

The minister said that he had a large surplus. That is fine, if the function of the government is to save money and produce large surpluses and allow certain sections of the country to go to pieces, but I do not think it is good government. If the minister had taken some of the millions of dollars which he boasted about here a few nights ago; if he had taken $5 million of that surplus and given it to the Minister of Labour (Mr. Mitchell) in February, we would not have had the whole economy of Nova Scotia torn to pieces today because of a strike in the coal industry, which is the basis of the whole economy of that province. I seriously suggest that the Minister of Finance and the Minister of Labour have a conference to see if the Minister of Labour cannot wheedle a subsidy out of the Minister of Finance in order to break the deadlock down there and get something done.

Mr. PAUL EDMOND GAGNON (Chicoutimi) (Translation): Mr. Speaker, I fail to see, for the Canadian people, any occasion for excessive rejoicings in the advent of a new minister in the Department of Finance. Although no doubt can be entertained as to the ability of both the present minister (Mr. Abbott) and his predecessor, it nevertheless remains apparent to all who listen to them or bow to their wishes, that both these men are equally intent on emptying, as far as possible, the pockets of the Canadian taxpayers.

"The country", states the hon. the Minister of Finance, "enjoys a degree of prosperity unknown in our generation." Without fear of contradiction one might also add that it enjoys the very doubtful privilege of having the most extensive black market organization ever, that the people are still at the beck and call of the most powerful and costliest bureaucracy of our history, that they experience the most terrible scarcity of building materials ever known and that hundreds of Canadians wear themselves out hunting for non-existent housing accommodation, that the burden of taxation is the heaviest ever born by our people in peace time, that the gross debt of Canada is at its peak, since, on March 31, 1947 it had reached a total of $17,659,627,000, while it stood at $3,540,237,614, on March 31, 1938.

The government has announced a surplus of $352,000,000 for the fiscal year just ended, but it should not be forgotten that in addition to the revenue derived from the liberal War Assets Corporation, Canadians, during the fiscal year 1946-47, paid $16,340,000 in excise

taxes on automobiles compared to $6,701,000 in 1945-46, which represents an increase of $9,639,000.

On cigars, cigarettes and tobacco, they paid $76,318,000 as against $70,229,000 in 1945-46, the increase amounting to $6,089,000.

On cigarette paper and tubes, $6,943,000 as against $4,645,000 in 1945-46, which represents an increase of $2,298,000.

On gasoline, car owners paid $36,220,000, compared with $29,836,000 in 1945-46, the increase amounting to $6,384,000.

On phonographs, radios and tubes, $2,526,000 as against $646,000 in 1945-46, the increase amounting to $1,880,000.

In 1946-47, Canadians paid $1,185,000 on imports but only $787,000 in 1945-46, which represents an increase of $398,000.

On sugar, $11,339,000 in 1946-47 as against $9,974,000 in 1945-46, which represents an increase of $1,365,000.

On amusements, $14,552,000 in 1946-47 as against $13,387,000 in 1945-46, representing an increase of $1,165,000.

On non-alcoholic beverages, they paid $18,-634,000 as against $16,657,000 in 1945-46, the increase amounting to $1,977,000.

In other words, Canadian taxpayers paid a total of $1,022,120,000 in indirect taxes, as against $821,485,000 in 1945-46, which represents an increase of $200,635,000.

After paying $1,436,400,000 in direct taxes, including $695,000,000 in the form of personal income tax, I am of the opinion that the taxpayers really deserved more than the slight income tax reductions provided for in the budget. The Minister of Finance should have thanked the Canadian people for its magnificent financial support and modestly conceded that the Government had been free to spend as it wished the money thus obtained.

I also find the Minister of Finance rather presuming in his praise of the "speed and smoothness with which we have made the transition from war to peace."

In the opinion of many people, this transition is on the contrary quite difficult and even more costly than the one which followed the first world war. The last two wars in which we have been forced to participate have left painful memories in our minds, and have deeply affected both our hearts and our pocketbooks. People have not forgotten that from 1915 to 1944 they gave away to the federal government, in war taxes and succession duties alone, a total of $9,476,158,656. They are hoping for a breathing spell. The workers who toiled and moiled from 1939 to 1947 to fill the sieve-like coffers of the dominion treasury feel perfectly justified in asking leave to think of themselves and their families. Too much of their war-time wages has been swallowed up by Ottawa for them to put money aside, while this year's budget holds the promise of a future that is anything but rosy. A substantial reduction in tax rates, especially on personal incomes, is necessary if the government wish to avoid criticism on the part of poor people and small wage-earners, if they sincerely desire to prevent the spread of subversive ideas and if they intend to leave to the worker the fruits of his labour so that he may face the future with some confidence. Let us provide our people with bread, clothing and houses and they, in turn, will show their gratitude to their leaders by their respect of the laws and their disregard for diabolical suggestions put forward by communist or other agitators. Such is the request which I place before the authorities on behalf of the fine constituency of Chicoutimi which I have the honour to represent in this house.

I thank the hon. Minister of Finance for his statement that the government of which he is a member "do not contemplate a continuing, large-scale programme of government lending to finance our exports." It is gratifying to hear that the gifts to England have ended and that our government have now decided to look after the affairs of our own country.

Then, he will perhaps find time to solve the problem of dominion-provincial relations, about which I hope I may be allowed to say a few words.

On April 2, 1947, the Montreal chamber of commerce, whose 4,300 members are business men of that city, unanimously passed an important brief on dominion-provincial relations.

Since the problem is weighty and the group which has tackled it extremely competent, the brief deserves the attention of our present leaders and I believe all who are interested in seeing happy relations between the dominion and the provinces would be well advised to consider it.

After openly heralding the importance of "fully preserving all constitutional guarantees granted the provinces," the chamber of commerce stated that:

> . . . the present dominion proposals would bring about too great an economic and financial centralization.
>
> It adds that the principle on which these proposals are based invariably suggests that the provinces surrender, in return for financial compensation, their power to tax incomes, profits and estates.

The very definition of that procedure evidently implies at least partial centralization as regards not only the levying of tax, but also the enacting of tax legislation. Because of this latter implication, such procedure impedes the free exercise of the rights granted the provinces by the constitution. Provincial autonomy in the taxation field does not consist only in the collection of revenue now purported to be sufficient; a government which is deprived of its power to levy taxes is no longer a true government, because its action is dependent upon that of the authority holding the power of the purse.

After warning against the danger of subsidies which inevitably lead to bargaining between the dominion and the provinces, the memorandum continues as follows:

Much stress is laid on the fact that the agreements would be of a temporary nature, thus preserving the autonomy of the provinces, which could recover at the end of the five-year period, the rights yielded to the dominion government. This argument is in itself sufficient proof that they would have to abandon temporarily the rights and privileges conferred by their autonomy.

As the reasons given to justify such relinquishment are of a permanent nature (maintenance of prosperity through a centralized cyclical budget, through a centralized policy of social security and full employment), it is difficult to see how the nominal five-year period provided for in the proposed agreements could really be significant. Such agreements do not contain any automatic resolutory clause; therefore it would be necessary for the dissatisfied provinces to denounce them in order theoretically to put an end to their operation after the expiration of the basic period. Any province which is not ready to relinquish definitely its taxing power in the fields covered by such agreements must, if it is conscious of its responsibilities to its cititzens and to the country, refrain from authorizing the dominion to put into operation a comprehensive and permanent economic control and social security programme if, in order to retain its constitutional rights it must, five years hence, withdraw from the programme and thus disrupt this machinery. In other words, the settlement of permanent problems, such as full employment and social security by means of temporary agreements could give rise to serious political strife at a time when the country would be in the greatest need of the loyal cooperation of every party.

Finally, in their belief that "agreements between Ottawa and the provinces are needed to maintain in this country the atmosphere of security which is essential to its progress" the Chamber of Commerce submits as a basis for a common understanding that—

(a) each government retain the right to initiate legislation in the fields of taxation allotted to it under the constitution, which seems to be the only system consistent with their respective autonomies;

(b) the provincial governments being restricted to direct taxation, they should be free to resort to it according to their needs;

(c) all governments agree to simplify the tax collection system and to exchange all information needed for such a simplification and for the standardization of legislation.

I believe, Mr. Speaker, that the Montreal Chamber of Commerce is to be commended. It has proved equal to the fine reputation which it has gained throughout Canada in the past. Coming as it does in the wake of the Quebec premier's statement, his brief clearly shows that the people of this country are of one mind on this vital matter and that representations made on their behalf by the provincial authorities truly reflect their outlook and aspirations.

My last point is about the Canadian National Railways, whose deficit of over nine and a half millions we've had to make good this year. Should not the government be well advised to consider the possibility of refinancing our railway system's consolidated indebtedness through a new government-backed bond issue at only 2 per cent? With the present rate of between 3 and 5 per cent, in 1946 alone the Canadian public have had to foot an interest bill of $23,358,514.18 on a debt of $530,422,997.55. At 2 per cent, they wouldn't have to pay more than $10,608,459.95.

The saving thus achieved, namely $12,750,054.23, might well be used to improve the service between Montreal, Quebec City and Chicoutimi, so that our district might at long last receive the decent and fair treatment it deserves. The government would do well to give this matter special attention and, they will earn the gratitude of the people of Canada, especially those in the county of Chicoutimi, if the necessary steps are taken.

(Text):

Mr. BENOIT MICHAUD (Restigouche-Madawaska): If I had been sure that the estimates of the Department of Agriculture would be taken up in the not too distant future, Mr. Speaker, I might have refrained from speaking on this occasion. However I deem it expedient to come back to this question which to such a great degree interests the potato growers of New Brunswick. On February 4, I covered the problem in a general manner and pointed out that it is in bumper crop years that prices go down below the cost of production. I also pointed out that, in the opinion of the farmers of New Brunswick, something should be done to ensure reasonable marketing at all times. In furtherance of that objective I expressed the view that an adequate price could be obtained only through some sort of orderly marketing under an agency of the government. As far as I know, that was the first time that such a policy had been advocated in the house. I was not sure

then that the idea would meet with universal approval. It would be presumptuous on my part to claim that it did meet with universal approval, but I can stay that all those who wrote to me or spoke to me about it—and there were many who did—agreed entirely with the suggestions I made on that occasion. In any event, nobody expresed disagreement with the plan suggested, and for that reason I feel that it meets with practically universal approval on the part of our growers.

Before turning to what I feel should be done as regards the future, may I say a word as to what has happened since I spoke in the house on February 4. As hon. members know, shortly after that date the United Kingdom placed an order for a considerable quantity of table stock potatoes from Prince Edward Island, something which probably never happened before and is not likely to occur in the future. Then we received orders from Portugal and Brazil, which was also something unheard of as regards table stock potatoes. In the meantime it turned out that the United States found out to their sorrow that they were short of potatoes with which to fill orders they had accepted from European countries. We all know that early last winter the United States government destroyed considerable quantities of potatoes because, at that time, they had no hope of finding a market for them. But somehow or another they carried the dumping of potatoes too far in the state of Maine. This is the only reason why the price of potatoes rose around April 20. In other words, it was the blunder of the United States government which brought some measure of relief to our farmers recently and at the same time saved this government from the serious embarrassment of having to go into the potato business on May 1, pursuant to the order in council passed last October. In my opinion, this is nothing short of miraculous and it is not likely to happen another year.

The fact that the government was miraculously saved from serious embarrassment as a result of improvident action in the United States should not prevent us from facing the problem for the future as it should be faced. The wheat growers of the west have their Canadian Wheat Board Act which guarantees them a floor price for their product. There is an effective minimum or floor price for practically all farm products. Potatoes are the only exception. The result is that we are left to struggle with the implacable law of supply and demand, which is neither fair nor equitable in years such as 1946. We are also exposed to, and are often victims of, unfair competition in marketing. In the winter of 1945, when I sat in the legislature of New Brunswick, I heard it said time and again that unfair marketing practices were being carried on in New Brunswick particularly as regards the marketing of seed potatoes in South and Central America. An order would come up and a certain price would be arrived at between the dealers. Then another dealer would underbid the former and get the order. It would appear that such unfortunate practices occurred again during the present crop year. It is commonly stated, and not denied, that on the Saint John river, as a result of such unfair competition, the farmers lost money to the tune of some $35,000 in connection with the sale to Argentina last fall.

Mr. SINNOTT: That is peanuts.

Mr. MICHAUD: It may be peanuts to the hon. member for Springfield, but it is not peanuts to the average farmer in my constituency and it possibly is not peanuts to the average farmer in his own constituency. The farmers are again under the impression that something similar occurred recently in connection with the orders from Portugal. Whether there is any truth in the rumour or not is of no practical consequence now, because prices have gone up above anything that the farmers could possibly get on those orders from Portugal and Brazil.

I bring out those facts in order to illustrate the necessity of an effective marketing agency for our farmers. The farmers do ask for such an agency. In support of their request, may I quote from certain reports published in divers papers at the time of the farmers' convention or meeting here in Ottawa sometime around the end of February. The first one is from the Ottawa *Journal* of February 27, and reads in part as follows:

> The meeting, called by the Canadian Federation of Agriculture requested the directors of the federation to place before the government a draft federal agricultural products marketing act to be dealt with at the present session of parliament.

And further down:

> The proposed act would set up a dominion marketing board with control over distribution, quantity, quality, variety and maximum and minimum prices of regulated farm products in interprovincial and export markets.

And further down:

> G. F. Perkin, Ontario government director of marketing, told the delegates "practically all" cash crops in his province were under marketing schemes, but many farmers felt the need of extending regulations to cover interprovincial and export trade.

When the large majority of producers of a particular product agreed on a marketing plan for their crops, it was "a question of fairness or common justice' that the plan should apply to all.

In the *Telegraph-Journal*, a New Brunswick newspaper, of February 28, we find a report of the meeting, from which I want to quote just one paragraph:

The federation would have the government set up a dominion marketing board with powers to regulate, distribution, grades, quantity, prices and marketing of certain farm goods going from one province to another or into foreign trade.

Again in the *Telegraph-Journal* of March 3 I read the report of a meeting of farmers held at Bristol, which I think is in the county of Carleton:

A well attended meeting of potato growers and shippers was held in the community hall at Bristol. Mr. . . . was named chairman and Mr. . . . secretary.

I skip part of it and come to the material paragraph:

It was decided that it was advisable at this time to send a delegation to Ottawa. Setting up of a marketing board and steps to bring about acreage control were discussed. A committee of five was set up to meet the New Brunswick potato council to discuss various matters.

The meeting went on record as being unanimously behind any organization set-up to assist the growers obtain a fair price for potatoes.

There does not seem to be any doubt that our farmers want efficient marketing agencies for their products. Our next consideration is, which government has jurisdiction in the matter? I am well aware of the fact that on this question of marketing we touch upon a complicated constitutional problem. I hardly know more than the ABC's of constitutional law, but the experts of the Department of Justice will be able to correct me if I go too far astray. For that reason I venture to express the following views on the constitutional aspects of the problem. In the first place, I feel that the matter of controlled acreage is strictly one within provincial jurisdiction. The question of marketing, however, may be a matter of either provincial or federal jurisdiction according to the extent of the trade involved. Under section 91 (2) of the British North America Act the federal government has jurisdiction with regard to the regulation of trade and commerce. This section of the act has come up for interpretation in a number of cases, most of which went to the privy council. I have carefully reviewed the digests of the cases, and have come to the conclusion that the gist of the decisions is that the provinces have jurisdiction to regulate trade and commerce within their own boundaries but have no authority or jurisdiction to regulate foreign and interprovincial trade.

[Mr. Michaud.]

It is probably due to that generally accepted interpretation that the province of New Brunswick in its act of 1937 respecting the control of agricultural products purported to give to its board authority to—

—fix from time to time, the price or prices, maximum price or prices, minimum price or prices, at which natural products may be sold in the province at wholesale for resale or use in the province.

That is section 4(1)(c) of our provincial act. Under this act the province cannot fix prices on agricultural products going out of the province. I presume the Minister of Agriculture (Mr. Gardiner) has good reasons for not introducing during the course of the present session a farm products marketing act in accordance with the representations of the Canadian Federation of Agriculture. The need for this legislation may not be so urgent in regard to farm products other than potatoes. It is true that under our export and import permits legislation, which was passed early this session, it might be possible to regulate to some extent the export of our potatoes to foreign countries, but in my opinion this would be a clumsy and unsatisfactory manner of trying to regulate this important part of our external trade. Potatoes are one of our important cash crops, possibly the second largest export cash crop, though I have not the figures to make that statement without reservation. In any event, it is of considerable importance, and for that reason I feel that something should be done to ensure proper export marketing.

Then there is the matter of interprovincial trade. New Brunswick and Prince Edward Island supply a considerable quantity of the potatoes consumed in other provinces, particularly in Quebec and Ontario. Marketing in these provinces has never been satisfactory because of the lack of proper marketing organizations. For those reasons I feel that we should have a potato marketing board immediately, quite independent of any agricultural products act which may be set up at some future time. May I point out to the Minister of Agriculture that the provincial minister of agriculture agrees with me in this matter. In order that there may be no misunderstanding about it, I wish to quote from a letter from him dated April 22, 1947. Mr. Taylor, who by the way is possibly the most competent minister of agriculture we have had in New Brunswick since confederation, writes in part as follows:

I am definitely of the opinion that a central marketing agency is the only means by which

New Brunswick potatoes can be marketed to the satisfaction of all concerned. I have stressed this in no uncertain terms with the growers, the dealers and the federal authorities.

Then he refers to our New Brunswick act:

This act is largely along similar lines to that which is in effect in a great many of the provinces, but acts of this nature have no authority in regard to controlling the marketing of any product in export or interprovincial movement. A marketing plan was set up under this act but due to its being general knowledge that there was no legislative power dealing with the export it was of no effect. I have strongly urged on the federal authorities that in order to make provincial marketing legislation effective it is necessary to have a federal act that has the authority in regard to interprovincial and export movements.

And further down:

I trust that the present legislation which is being considered in Ottawa will give the federal authority that is necessary to make a complete job of the necessary legislative authority and should that be the case we would be only too glad to urge on the producers in New Brunswick to organize in order that they may take advantage of same, but failing to provide federal legislation it is absolutely out of the question for our growers to organize and control the marketing under our provincial legislation.

Mr. F. W. Squires, a member of the New Brunswick legislature and former leader of the opposition, recently referred to this matter, I believe in the month of April although I have not the exact date. As reported in the *Telegraph-Journal* he had this to say:

I must say, however, that as regards the expansion of our potato industry, that the minister of agriculture—

He is referring to the provincial minister.

—has done the best he could, but has met with a refusal to cooperate from certain interests and by a cold-blooded and refractory attitude by the dominion government.

I know those remarks are not justified in so far as they relate to the federal government, but I just wanted to point out to the minister the form of criticism which is likely to materialize in New Brunswick if something is not done by this government to bring about a better marketing of our huge crop of potatoes. I urge the minister either to introduce legislation during the present session or to give such assurance regarding marketing as may be necessary to put our farmers at rest in connection with this problem which is so vital to them. I want to emphasize the importance of their having something definite in this connection before seeding gets underway in my province, and that is the reason I am speaking tonight.

If we are to rely entirely on the Agricultural Prices Support Act should our 1947 crop turn out to be as heavy as the 1946 crop, what will be the policy of the board in assisting the farmers? I wish to warn the minister that, although the steps taken last fall were sound and he is to be commended for taking them, any purchasing which may be done by the government in order to relieve a situation similar to the one we had this winter will have to be done before May 1, and even before April 1, if it is to be of any real assistance to the farmer. The peak price for potatoes is reached about March 1, and I submit that any future policy similar to the one adopted last year should provide for a date not later than March 1. How the date of May 1 was arrived at last fall I do not know, but there has been considerable criticism along the Saint John river as to what occurred when a high official of this Department of Agriculture went there. I do not wish to air that criticism on the floor of the house, but if the minister wishes I shall be glad to tell him confidentially what the farmers are complaining about, and, in my opinion, rightly so.

The easiest and the wisest way to overcome all this difficulty is to provide marketing legislation during the present session. I submit that a potato marketing board could be operated with a minimum of cost to the government and a maximum of efficiency for our farmers. I know some hon. members will say that this is socialistic legislation. Personally I do not care very much about words and definitions; what I am interested in is results. After all, it is hardly conceivable to have a state 100 per cent socialistic or 100 per cent private enterprise. The business of any government should be to strike a happy medium between those two extreme views. We have already nationalized a number of the utilities and services in this country, and with good results. In any event, this marketing board would not be any more socalistic than the wheat board and the other boards which, in my opinion, are performing useful functions. Before leaving this point I wish to urge the minister once more to tell our farmers what they may depend upon next year in the nature of assistance against the possibility of a situation similar to that which prevailed until a few weeks ago in New Brunswick.

Before resuming my seat I wish to make a few comments on some of the criticisms which were voiced by some of the members of the opposition. As we say in French, "A tout seigneur tout honneur". I shall begin with the hon. member for Muskoka-Ontario (Mr. Macdonnell). In his able speech he used the word "disappointment" very often. To those of us who were sitting on this side

of the house it was easy to read disappointment on the faces of the Conservative members when the Minister of Finance (Mr. Abbott) announced the reduction in personal income taxes. The leader of the opposition (Mr. Bracken) previously had advocated a cut of thirty per cent. He made sure that the target was too high to be reached by the Minister of Finance, but when it turned out that the average reduction was twenty-nine per cent our hon. friends opposite were very much disappointed and their disappointment was evident on their faces.

The hon. member for Muskoka-Ontario referred, with tears in his eyes, to the middle class which was not being properly looked after, and he defined that middle class as those with incomes between $3,000 and $7,500. What should be understood by the term "middle class" is not easy to determine. One might think it referred to the middle third of our population from the income point of view, and a more liberal interpretation might take in a larger proportion, possibly the fifty per cent of the middle group between the lower and the higher income brackets. But no matter how we look at it, I cannot agree with the hon. member as to where this middle class should fit in to the scale of income earners.

During the 1946 session the hon. member for Lethbridge (Mr. Blackmore) placed on *Hansard* a letter received from the bureau of statistics over the signature of Mr. J. L. Forsyth, statistician. From this letter it appears that according to the 1941 census 32·9 of all wage-earners in Canada had an income of less than $450 a year—that is for the year from June 1, 1940 to June 1, 1941—31·6 per cent had an income of less than $950; 91·5 per cent had an income of less than $1,950, and there were only 6·8 per cent in receipt of incomes over $1,950 a year. Assuming that those figures would require revision upwards in order to bring them in line with present-day wages, I think it is fair to assume that possibly today 75 per cent instead of 91·5 per cent, as in 1941, do not earn more than $2,000.

If we look at the problem from the point of view of income tax returns filed for the year 1945 we find that there are only 165,000 taxpayers with incomes between $3,000 and $7,500, which is much less than seven per cent of the total number of income taxpayers and is only 1·4 per cent of the total population of Canada. In addition, there are 34,500 income taxpayers paying on incomes of $7,500 or more. If we take all taxpayers with net incomes of $3,000 or more we find that they represent about eight per cent of the total taxpayers, and only about 1·7 per cent of the total population. I submit that those figures establish conclusively that the middle class referred to by the financial critic of the opposition cannot, by any stretch of the imagination, be considered as a truly middle class of our population. It may be said at the most that it constitutes the middle class of the top five or six per cent in the upper income brackets. As I look at those figures I come to the conclusion that what I consider our middle class is practically income tax exempt, at least so far as married people are concerned, and it is with those people that the government should be primarily concerned.

The hon. gentleman mentioned that much of our foreign trade is made possible only by the fact that we lend money. According to an answer to a question asked by the hon. member for Kootenay West (Mr. Herridge), and, I think, filed during the present session, it appears that our exports for 1946 amounted roughly to $2,300 million as against $1,900 million for our imports, leaving a favourable trade balance of some $400 million.

Our loans to Great Britain and to other European countries amounted to something in the neighbourhood of $2 billion, of which $648 million were used up in 1946. The loan clearly contemplated—and no one knows this better than the hon. member for Muskoka-Ontario—and may I say I am sorry he is not in his seat—

Mr. CASSELMAN: He is ill, as a matter of fact.

Mr. MICHAUD: The loan contemplated that, to the extent and for the duration of the loan period, we should carry out this loan to a very large extent by our excess of exports over our imports. How could it be done otherwise? Would the hon. gentleman find it better business if our imports had balanced evenly with our exports, with the result that we should have had to advance in actual cash the whole sum of $648 million instead of approximately $264 million, as we actually did.

If we subtract from our total exports that portion which was made possible through lending, there are still left exports to the extent of $1,700 million, which is approximately twice our pre-war exports, and even higher than our wartime exports prior to 1942. When we bear this in mind it will be recognized that Canada is not doing too badly in the matter of foreign trade. And for that reason I cannot see any object in the remarks to which I have just referred, to the effect that our foreign trade is possible only by the fact that we lend money. When the

financial critic of the opposition has to refer to this type of criticism, it strikes me that their party cannot find much that is seriously wrong with the budget.

There is just one other subject of criticism from the same hon. gentleman, which struck me most forcibly. It is his reference to the easy money policy of this government and the question of interest rates.

At page 2803 of *Hansard* we find the following remarks:

> For that reason I say that I believe the preservation of a strong middle class—

Again the middle class.

> —is important not merely economically but as going down to the very roots of our political being.

And further down:

> Fifty years ago the man who retired with a modest competency could get five or six per cent on it and he could reckon on living the rest of his life upon the proceeds. What happens today when he receives three per cent? And he is lucky if he gets that.

And further down:

> I suggest that this very important factor be taken into consideration—it is very important indeed—that there are large elements in the community who are suffering greatly by that policy. One other thing I would like to say in that connection. I would ask whether we can go on freeing other things and leaving the rate of interest tied down tight.

Mr. Speaker, this is where I and, I hope, the vast majority of Liberal members in the house—I am sure my hon. friends directly opposite share this view—and, I hope, the great majority of the people of this country, say we differ radically from the policy of the Progressive Conservative party.

On the other hand, I am grateful that the party has so clearly expounded its position on this important question. The hon. member fears that interest rates will remain tied down tight. I regret to say that his fears fill me with joy. Yes; I do hope that interest rates will remain tied down and will be pressed further down, and tighter. In the middle ages theologians and moralists took the view that it was sinful to charge interest on money lent. This practice was generally described as usury. The immortal drama by Shakespeare, "The Merchant of Venice", is based almost entirely on this very principle. For some reason or another the churches relaxed from this hard and fast rule, and gave tacit approval to the charging of interest. I suppose the answer of the moralist to this change of attitude as regards the ethics of charging interest might be explained in terms somewhat similar to those of the Divine Teacher when asked why, under the old law, a man was permitted to have more than one wife. When it comes to quoting scripture, I am not well versed, and I would not know where to find the passage in question. But my recollection is that the answer was somewhat along this line, that it was on account of the hardness of their hearts. Possibly it was on account of the hardness of the hearts of moneylenders that interest rates were subsequently tacitly approved by moralists and theologians.

Why should anyone be reaping interest, clipping coupons on gilt-edged securities, and sit idle, while someone else toils to pay the interest on those bonds? Why should anyone thrive, in that manner, on the fat of the land? Our present-day civilization, with its highly developed economic and financial system, makes it possible for a person to set aside for the future the proceeds of his labour, in excess of his immediate wants. This excess of his productive activity he can convert into money or liquid assets, and tuck it away in absolute safety to be used at some future time. This happy state of affairs was hardly possible centuries ago, and it is not likely possible in countries which have not reached our degree of civilization, as, for instance, great portions of Asia and Africa.

But the fact that our society makes this situation possible should be sufficient reward for the saver. Therefore there should be no necessity for paying him, in addition, juicy interest in the nature of additional reward for his savings. Please bear in mind that in speaking about interest in this vein I have in mind gilt-edged securities, such as government bonds, and so on. There are a great many people in this country who think as I do. May I just refer to one of them for the time being. Every member in the house knows, or should know, about Wilfred C. Krug, who, every once in a while, writes open letters and advises the Minister of Finance and parliament how to handle money situations. I had heard of this gentleman some time before coming to this house, and I agreed with him almost entirely on financial matters. For that reason I save every letter that comes from him, and commend his writings to the attention of all those who are eager to listen to the other side of the story. Much as I should like to quote extensively from Mr. Krug, I shall confine myself to just two paragraphs which appeared in a letter reproduced in the Windsor *Daily Star* of March 26, 1947:

> While we detest the reparation policy that Russia is trying to impose on conquered countries, we completely overlook the burden that was imposed upon the Canadian people as a result of the war. A sum of $481,207,000 annually is being exacted from the Canadian people in the form of interest on the national debt. It is a form of reparation demanded by a creditor class for loaning money to help win the

war. While those who stayed at home loaned their money at interest, one million Canadians offered their lives without interest. This creditor class will receive approximately $10,000 million interest (reparation) during the coming twenty years and the debt will still remain unpaid. The class will profit year after year because of war. "The burden will continue to be onerous not only for us but for the next two or three generations" unless we do something sensible about the matter.

While we condemn Russia for the violation of the rights of people in other countries, it behooves us to make sure that the rights of our own Canadians are observed here in Canada. These rights are not observed when the Canadian people are taxed $481,207,000 annually in order to permit a creditor class to profit year after year from war. By refunding the national debt, as it matures, through the Bank of Canada, we can get rid of the interest burden. The Bank of Canada has been used to finance $1,868,000,000 of the national debt. It can be used to finance the remaining $15,000 million as well.

I know the hon. member for Muskoka-Ontario and most of his colleagues would not be able to subscribe to the views of Mr. Krug. I am particularly glad, however, that the Conservative party has placed itself on record in no uncertain terms on this much debated question of interest rates.

Mr. BENTLEY: Are you placing the Liberals on record?

Mr. MICHAUD: I am placing my views on record. If there were any doubt as to whether the Conservatives had receded to some extent from their former position as defenders of big interests and special privileges this doubt has now been completely dispelled by the speech of the financial critic of their party, and for this fact I think we should all be duly grateful.

Just one more word on this point, and it is to urge the government to use the Bank of Canada to finance our national lending as suggested by Mr. Krug. If, however, they should be unable to subscribe wholly to this view I suggest then that everything be done to bring it about slowly by reducing interest rates gradually so that eventually the same results can be achieved. In my opinion there is only one justification for interest being charged, and it is in cases where some degree of risk is involved. If I borrow money to go into business—the lender is perfectly justified in charging me interest at a rate commensurate with the risk involved, but where there is no risk, as in government bonds, I fail entirely to see the reason for the payment of interest, at least at more than a nominal rate. I think my time has expired. Much as I should like to continue I shall conclude.

Mr. J. W. BURTON (Humboldt): This budget reminds me somewhat of the weather; very few people like it; everybody talks about it, and the only one who can do anything about it does not seem to want to. However, speaking in support of the subamendment moved by my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), I desire to use most of my time in dealing with the budget and its effects on the farmers of this country. But before doing so, may I make a few observations of a general nature?

First, I wish to repeat what I have said on many previous occasions, that the first charge on the production of a nation must be a decent standard of living for those people who make that production possible. A corollary to that is the fact that a nation's greatness is judged by how well it provides for the aged, the sick, and those suffering from physical handicaps. This was so ably presented by my colleagues, the hon. member for Cape Breton South (Mr. Gillis) and the hon. member for Moose Jaw (Mr. Thatcher), that I need not enlarge on it. But I wish to underline their questions wherein they asked why this government is so reluctant to establish the social security programme outlined prior to the dominion-provincial conferences; I would even go farther and add, at least with those provinces that have shown their willingness to cooperate by signing an agreement.

While we all enjoyed the able speech delivered by the Minister of Finance (Mr. Abbott), yet it was astounding to many of us that a man in such a responsible position could adopt such an air of easy indifference to the needs of so many people. For example, he said, as reported on page 2554 of *Hansard:*

> The exemption levels established last year are high enough to exempt completely from tax more than half the people earning incomes in Canada. Consequently it can be said that any person who pays income tax now has more than an average income, taking his or her marital and dependent status into account.

As my leader so ably proved in his statement which appears on page 2809 of *Hansard,* the present exemptions are below bare living requirements. Is any greater indictment needed of our present financial and economic system than that, in the peak years of national production and income, over half of our people earning incomes should be forced to exist on substandard levels? But our Minister of Finance blandly goes on in the style of a barker for Ringling Brothers. A person could almost hear him say, "Hurry, hurry, hurry; come this way and see the biggest freak of the year." Just listen to what he said on page 2554 of *Hansard:*

> I am consequently proposing to make a substantial reduction in taxation in this budget. Moreover I am proposing to concentrate this reduction almost entirely in the field of personal income tax.

If the general public fall for that kind of shell game, then P. T. Barnum's famous words are true. The minister said that he was proposing to concentrate the reduction in taxation almost entirely in the field of personal income tax, while conveniently obscuring the fact that he was piling another $10 million reduction on the $279 million melon that big business had presented to them in the previous budget. In addition to this, the excess profits tax will disappear entirely before this fiscal year is over, which, in the ultimate end, means that the personal income taxpayer is at the short end of the bargain.

When we look at the table on page 2552 of *Hansard* we find that the Minister of Finance expects a revenue of $325 million from the sales tax, which is an increase of $27 million above last year. It must be borne in mind, as has been pointed out on previous occasions, that the sales tax bears most heavily on those who can least afford it, and should have been reduced or entirely eliminated from everything except those articles which are out-and-out luxuries. But in his hurry to eliminate the excess profits tax the minister could not see his way clear to do so. He even turned a deaf ear to the kiddies in their plea, and continues to filch pennies from them when they buy their pop and candies. Here is another gem from the minister's speech at page 2559 of *Hansard:*

A short time ago in this house I urged Canadian business men to reduce their prices as their volume and efficiency of business expand. I stated that it is neither proper nor even good business to charge all the traffic will bear. I want to emphasize that view again now. We in the government, and the vast majority in this house and in this country—

I believe he took in too much territory there, I may interject.

—believe in what is now called "free enterprise." We believe in it not as a windy doctrine or a mystic ideology, but as a sensible way of getting things done.

I will prove to him before I am through what that is worth.

It must prove itself and justify itself by its results. With the orderly removal of controls, with increasing supplies of material, with efficient and cooperative labour—

He does not want much, does he?

—and with ample markets, Canadian business enterprise is in a most favourable situation. We all expect it to show its mettle both in production and in marketing. We expect it to show its ability to keep down costs and prices.

And how, I may interject.

In its own long-run interest, as well as in the national interest, business must keep its prices down and its profits within reason.

What a hope! Yes, what a hope! I have here a clipping from the *Rural Co-operator* entitled "Surprise":

It is only a year ago that the Right Hon. J. L. Ilsley, then Minister of Finance, solemnly told parliament that the wartime prices and trade board had assured itself that even with an increase of 12½ per cent in implement prices the manufacturer would be earning for the ensuing year profits less than the average of 1936-1939. It must have been a surprise, therefore, to Mr. Ilsley when he learned the other day that Massey-Harris Company Limited had, in 1946, at $2,125,569, its highest net profit since 1929.

Later on, the same paper says:

The one-hundredth anniversary of this company is therefore an occasion for rejoicing, although perhaps more so along Bay and King streets than out on Ontario farms. One index of the progress of Massey-Harris during 1946 was a net gain of four points in the listed value of the common stock. This meant a gain of thirty per cent on capital for anyone who shrewdly bought at the beginning of the year and sold at the end of the year—and, it should be borne in mind, such a gain would be untaxable income. Let a farmer buy a herd of purebred cattle at the beginning of the year and sell the same animals at the end of the year at thirty per cent gain—and he finds the profit on buying and selling that stock is taxable income.

The *Rural Co-operator* says further:

There would be more justice and wisdom in taxing the speculator's gain and exempting the farmer's.

I most heartily concur in that statement. This is not the only company that showed these profits. Just before I came to the chamber there was a slip on my desk referring to the Toronto *Star* of May 6, wherein it is said that an average increase of 54.9 per cent in net profits is revealed in the annual reports for 1946 of twenty-seven industrial companies. Again I say to the minister, what a hope!

We in this group and most of the organized farmers agreed to the wheat agreement, believing that the government would hold the price line on the cost of living and production. But the government's action during past weeks caused many of us to believe that once again we have been betrayed, and this budget proves that suspicion. I wish that every farmer in the country could read the speech of the Minister of Finance and then read the one by my leader, the member for Rosetown-Biggar, because I am certain that at least eighty per cent of those farmers would vote for our subamendment wherein we express regret that the government failed to raise income tax exemptions and failed to make provision so as to enable more than half the population who are compelled to live on incomes below the present exemptions to have an opportunity to improve their standards of living.

The farming industry has more than its share of those who must live on a substandard level. I have here a table compiled from figures issued by the dominion bureau of statistics. These figures show that, according to the 1941 census, farm operators comprised seventeen per cent of the country's workers; yet in that year they received only 9.6 per cent of the national income. Here are the percentages for several other years:

Year	Per cent
1938	10·7
1939	11·6
1940	10·4
1941	9·6
1942	13·2
1943	11·0
1944	12·8
1945 (Preliminary estimate)	11·0

That is not all. I have here a copy of sessional paper No. 228, dated April 14, 1947, being a return to a motion of the hon. member for Battle River (Mr. Fair). It discloses this information, showing the number of farmers who filed income tax papers in the years listed and the number of those who were not assessable:

Year	Number filing income tax returns	Number not assessable
1939-40	8,927	7,572
1940-41	18,918	16,783
1941-42	29,281	22,506
1942-43	29,741	22,227
1943-44	68,791	48,544
1944-45	104,588	75,459
1945-46	136,039	82,731

I may say, too, that this return shows the amount of money collected from farmers for income tax in various provinces. This is interesting. The following amounts were paid by farmers in the fiscal year 1945-46.

Ontario	$1,086,179
Manitoba	1,866,590
Saskatchewan	2,587,632
Alberta	1,114,000

All the other provinces put together paid in from the farmers in income tax sums amounting to only chicken-feed, including the province of British Columbia.

Mr. REID: Have you British Columbia?

Mr. BURTON: The British Columbia farmers paid $317,025 in that year. All the other provinces including British Columbia contributed very little compared with the amount paid by these provinces in the way of income tax, which goes to show that those provinces in the farming industry are not so hot as some people would lead us to believe they are. I have not the time to go into all the figures contained in this return, but I can assure the house that it is interesting. Furthermore, I have here a return which was tabled, sessional paper No. 228 D, moved for by the hon. member for Rosetown-Biggar, and dated May 1. The figures in that return are brought up to date on percentages and so on. Of the 652,928 farm operators as per the 1941 census, 20·8 per cent filed income tax papers for 1945-46; and, mark you this, only 8·2 per cent of those were assessable, while 12·6 per cent were not assessable. While some of the remaining 80 per cent, or very near that percentage, that did not file returns may be taxable, yet with the severe penalties attached for failure to do so, it is safe to assume that the majority of those whose net income were above the exemption figures have filed their returns.

I contend that the information contained in those two returns once again proves that the farmers of this country have not received their fair share of the national income. It must also be borne in mind that many of the farmers who have been assessed are treated in an unfair manner, because in most cases the small net income on which the farmer must pay a tax is the combined income of two, three or sometimes more members of the family. There are also quite a number of other cases where the income tax regulations place an undue handicap on the farmers. I may say that in this morning's mail I received from one of my constituents a letter, part of which I should like to read for the benefit of the Minister of Finance (Mr. Abbott) as well as the Minister of National Revenue (Mr. McCann). Again this is only an example, one of hundreds if not thousands of similar cases throughout the country. Here is what this man had to say:

> We hauled water winter and summer for twenty years, round trip of four and a half miles for all the stock until 1944 when we drilled a well that in all cost us approximately $900. We were on the point of selling this farm for what we could get for it, and move elsewhere; now my son is willing to carry on right here. I know of two near neighbours contemplating drilling wells this summer. but because of no income tax deduction on it are hesitating; they think they would rather reduce their stock and buy some power equipment instead, which I think is a mistake. I think a drilled well should have a ten-year scale of deduction.

With that and with many other things along that line I most heartily agree. But again time presses and I need not bring more cases to the attention of the ministers. Surely if they look for them, they can find them.

I wish to bring to the attention of hon. members what Mr. W. A. Drummond, a Canadian agricultural economist, had to say, namely:

> Canadian agricultural history shows that with few exceptions it has not been possible to secure

enough revenue from any single branch of farm enterprise to keep the farmer and his family throughout the twelve months and to do it consistently year after year.

Is it not strange that an outstanding victim of capitalism is the little man, be he farmer or small businessman? These are the people who would practise private enterprise in its true sense, were it not for the stranglehold that monopoly capitalism exercises on our national economy. Economically, farmers are still little men. They are, therefore, one of the most consistent victims of our present capitalist order. That fact is the underlying reason for the recurring agriculture crisis in our generation. Very often, when spokesmen for big business are talking to the farmers, they try to lead them to believe that we in the C.C.F. would take their farms from them. This is not true. It has been denied officially on many occasions, but still that malicious campaign is going on in some parts of the country. Therefore I wish to deal briefly with the C.C.F. agriculture policy, which is the fourth plank in the Regina manifesto, and I quote:

4. Agriculture.

Security of tenure for the farmer upon his farm—

Let me repeat that, "upon his farm."

—on conditions to be laid down by individual provinces; insurance against unavoidable crop failure; removal of the tariff burden from the operations of agriculture; encouragement of producers' and consumers' cooperatives; the restoration and maintenance of an equitable relationship between prices of agricultural products and those of other commodities and services; and improving the efficiency of export trade in farm products.

The security of tenure for the farmer upon his farm which is imperilled by the present disastrous situation of the whole industry, together with adequate social insurance, ought to be guaranteed under equitable conditions.

The prosperity of agriculture, the greatest Canadian industry, depends upon a rising volume of purchasing power of the masses in Canada for all farm goods consumed at home, and upon the maintenance of large-scale exports of the stable commodities at satisfactory prices or equitable commodity exchange.

Mr. MACKENZIE: May I ask the date of that manifesto?

Mr. BURTON: That was July, 1933, the original manifesto of the C.C.F. It has been the basis of the C.C.F. policy during all these years.

Mr. MACKENZIE: Was there not a second Regina manifesto?

Mr. BENTLEY: It has not changed once since then.

Mr. BURTON: It has not changed once in so far as that policy is concerned.

Mr. GARDINER: Read from the question and answer handbook.

Mr. COLDWELL: Yours?

Mr. GARDINER: The one you wrote.

Mr. COLDWELL: I didn't write it.

Mr. MACKENZIE: I am glad you didn't.

Mr. BURTON: If only one of these ministers would talk at a time, Mr. Speaker, maybe I could deal with them. I do not hesitate to deal with them, and I want to say this much as far as the Minister of Agriculture (Mr. Gardiner) is concerned. He may bring his handbook here and my leader, the hon. member for Rosetown-Biggar, will deal with it at any time and in any way that he wants him to.

Mr. GARDINER: I know it by heart.

Mr. BURTON: And the minister cannot get away with some of the twists that he and some of his colleagues in Saskatchewan tried to pull off at that time. So far as the Minister of Veterans Affairs is concerned, I want to say that we in the C.C.F. have our annual provincial conventions, and we have our national conventions every two years. Our organization is run from the bottom up and not from the top down, as are some other people's political organizations. I also want to say that so long as the fundamental principles which were laid down in the first manifesto issued at Regina in July, 1933, are retained and built upon, we are always prepared to make changes in detail to meet the conditions and the times.

Mr. GARDINER: Why did Agnes MacPhail quit at that meeting?

Mr. COLDWELL: You had better ask Miss Agnes MacPhail, and she will tell you herself. Ask her at the same time why she joined the C.C.F. afterward.

Mr. GARDINER: Why did she leave?

Mr. MACKENZIE: If I may ask a question, did the C.C.F. ever come out definitely for a policy of the socialization and nationalization of land in Canada?

Mr. BURTON: No.

Mr. COLDWELL: The minister knows better. Why repeat these canards?

Mr. MACKENZIE: They are not canards.

Mr. BURTON: Apparently those people who are spreading this malicious campaign about the C.C.F. do not all do it in behind the bush. At least I am glad to see some of them have enough courage to come out in the open. Some of those people do not like

this Regina manifesto, because that was the first Magna Carta the farmers and ordinary people of this country had. Some people do not like to be confronted with the actual platform of the C.C.F.; they would rather go out and tell the people in and around and behind what they think the C.C.F. policy is.

Perhaps I might be allowed to go on with this manifesto. Some day I would be more than delighted to take the Minister of Veterans Affairs (Mr. Mackenzie) and the Minister of Agriculture (Mr. Gardiner) to a little school we have, so that they may learn the C.C.F. policy properly. This manifesto goes on for several paragraphs to deal with the depression as it existed at that time.

Mr. MACKENZIE: Will my hon. friend permit me at some future time to produce proof that the C.C.F. party did definitely come out for a policy of the socialization and nationalization of land in Canada?

Mr. COLDWELL: Certainly. Any time you can produce proof we shall be glad to see it.

Mr. BURTON: If I may be allowed to continue I should like to quote from the manifesto:

We propose therefore:

(1) The improvement of the position of the farmer by the increase of purchasing power made possible by the social control of the financial system. This control must be directed towards the increase of employment as laid down elsewhere and towards raising the prices of farm commodities by appropriate credit and foreign policies.

(2) Whilst the family farm is the accepted basis for agricultural production in Canada the position of the farmer may be much improved by:

(a) The extension of consumers' cooperatives for the purchase of farm supplies and domestic requirements; and

(b) The extension of cooperative institutions for the processing and marketing of farm products.

Both of the foregoing to have suitable state encouragement and assistance.

(3) The adoption of a planned system of agricultural development based upon scientific soil surveys directed towards better land utilization, and a scientific policy of agricultural development for the whole of Canada.

(4) The substitution for the present system of foreign trade, of a system of import and export boards to improve the efficiency of overseas marketing, to control prices, and to integrate the foreign trade policy with the requirements of the national economic plan.

In season and out of season, Mr. Speaker, we have stated that ownership of property by the individual is not only desirable but should be encouraged. Furthermore, we have frequently made it plain that private ownership of property becomes vicious and undesirable only when such ownership deprives others of similar opportunities; or, even worse, when individuals or groups of individuals use such ownership to dominate and exploit their fellow men. If spokesmen for the other parties wish to criticize our policy in that respect that is their right and privilege; but I do ask them as honourable gentlemen not to misrepresent that policy to the farmers. Or, which is just as bad, when it suits their convenience they tell others that we want to socialize the property of everybody but the farmers. Again that is not true.

Mr. MACKENZIE: What does that mean? What does my hon. friend mean by that remark? To socialize everyone but the farmers; and that is not true?

Mr. BURTON: That is something your friends do when it suits their convenience; they go out and tell certain people that we want to socialize the business of everybody but the farmers.

Mr. MACKENZIE: And that is not true?

Mr. BURTON: That is not true.

Mr. GARDINER: Whom are you going to socialize? What are you going to socialize?

Mr. BURTON: You come to that little school some day and you will learn all about it. I just pointed out to hon. gentlemen that the whole basis of our socialization programme is that those properties which lend themselves to the domination and exploitation of other men are the properties which need to be socialized. I want to say to my hon. friends that the problems of the farmers will not be solved in the way some of them want to do it, by misrepresenting the C.C.F. policies. Nor will tactics of that kind help to solve any of our problems, national or provincial. Therefore I plead for tolerance, fair play and better understanding, that in the end we can all say we have played our fair share in an endeavour to bring about the brotherhood of man.

Mr. C. C. MILLER (Portage la Prairie): In the province of Manitoba, Mr. Speaker, there are other parts as well as the constituency of Portage la Prairie. Tonight, in opening my little speech, I should like to talk for a while about a situation in the federal constituency of Churchill, and I hope and anticipate that the hon. member who represents that constituency will support me in what I have to say, and also that all hon. members from Manitoba will rise in this house and echo or at least endorse the sentiments I propose to express.

In the newspapers of Manitoba within the last few days there has been talk even of the secession of the town of Flin Flon, in Churchill riding, from the boundaries of that province. There have been meetings, not of four or five agitators but of as many as a thousand and fifteen hundred citizens, who have been discussing what they consider to be a grievance, which has assumed such proportions that I feel justified, as I am sure the hon. member for Churchill (Mr. Moore) will feel justified, in bringing it to the attention of this house. Their quarrel or grievance is this. The town of Flin Flon is an important mining centre. It has a population generally admitted to be at least ten thousand, though there was some disagreement between the people who carried out the census and the officials of the town. However I believe that is the population. Flin Flon is the entrance to an important mining area in the north. They go into that area by railroad, but they have no highway into it. They feel they are entitled to a road, and I think almost everyone who lives in Manitoba agrees with the citizens of that town in their argument.

The province of Manitoba has a problem in this connection. They have a story to tell; they have a defence to the charge made by the citizens of Flin Flon, but notwithstanding any defence the province may have the citizens of that town have a real grievance. I believe the road should be built. The answer of the province is ths. The Garson government say they do not know what it will cost. I do not think any government could be asked to build a road without the cost first being ascertained. They suggest also that they cannot get contractors to undertake this job or even surveyors to make the preliminary surveys in order to ascertain the cost. If there is really talk of secession—and I hope it is only talk because I cannot believe the people of Flin Flon really want that—the matter would, of necessity, come before this house because it would require an amendment to the Manitoba act in order to change the boundaries of that province.

If the province of Manitoba cannot get surveyors to make a survey of this desired road I think the federal government should undertake the work, whether or not the provincial authorities ask them to do so. If the provincial authorities do ask them, then I think the dominion government should agree to lend the provincial authorities the necessary engineers and surveyors to complete a preliminary survey. I suggest that the federal government should volunteer assistance in the construction of this road or at least study the situation to see whether the road could be built either under joint arrangement between the dominion and the province or solely by the dominion. It might be said that the dominion does not have to build this road because it is a provincial problem. Normally that is true, but in this country and in Manitoba the dominion government has assumed the responsibility for building roads into mining areas, and this is one of the richest mining areas in the whole dominion.

This mining area has no road at all and it is entitled to one. Roads have been built to mines, and I submit that the people of Flin Flon are justified in complaining that some government has not seen their plight and come to their rescue. I am pleading for the town of Flin Flon in the constituency of Churchill, Manitoba, because I maintain that one of the richest industries in our province is being affected by lack of road transportation into and out of Flin Flon.

The building of the road could be justified on the ground of its being an attraction to the tourist trade. We have heard of the great value to this country of the tourist trade and I ask hon. members, what would bring United States tourists and United States dollars into this country in greater numbers than a good tourist road into that vast untouched northwestern part of this country? I will leave that and I hope other hon. members from my province will take it up in their speech.

There is one matter in connection with income tax that I wish to mention tonight and I do not intend to do so in any critical way. I want to refer to a situation which has developed in the western provinces as a result of the disclosures made by the figures referred to by the hon. member for Humboldt (Mr. Burton). Whether they are right or wrong does not matter; that is what the people believe. If that belief is erroneous, it should be corrected immediately. There is scarcely a farmer in Manitoba—and I venture the same is true of the farmers in Saskatchewan—who does not feel that he is being discriminated against as compared with farmers in other provinces in the collection of income tax. I can scarcely believe that there is any such discrimination, but the rumour exists and it is causing ill-feeling among the farmers of the west. That rumour should be contradicted immediately by the Minister of National Revenue (Mr. McCann) or the Minister of Finance (Mr. Abbott), whoever should make the correction.

I am not arguing whether it is true or whether it is false, but our farmers believe that there are at least seven income tax assessors in the city of Winnipeg working

solely on farmers' returns for Manitoba while there are only two in the city of Toronto working on farmers' returns for Ontario. If that is true I submit that the farmers of western Canada should be given exactly the same treatment as the farmers in other provinces. I am not suggesting that the Minister of National Revenue should chase the farmers of Ontario or Quebec; all I am suggesting is that these fears should be cleared up, so that the farmers of western Canada may know whether or not they are being discriminated against in the collection of income taxes. I call upon the Minister of National Revenue to tell this house frankly how many income tax assessors are working out of each income tax division and directing their full-time efforts toward a review of farmers' returns. I maintain that that is something to which this house and the farmers of this country are entitled.

There are some features about the budget that one might like. I do not think the hon. member for Restigouche-Madawaska (Mr. Michaud) is fair when he says that we on this side do not like the income tax deductions. Does he think we are fools or we are less than human? That was a childish statement which should not have been made by a man of mature years. As far as I am concerned, there are five or six objections to the budget. In the first place, I maintain that the Minister of Finance should have increased the exemptions. Had that been done, the measure of relief would have been more in keeping with what the people are entitled to.

I read what the minister said and I heard him deliver his budget speech. It was his first budget and it was the first one I heard, so that we started out together. However, on reading and re-reading what he said I cannot follow the logic of his argument. I still maintain that the proper and better method of providing relief to the people of this country would have been to raise the exemptions. The figures I suggest are $1,000 for single people and $2,000 for married people. People earning less than that should have been set aside and not taxed in any shape or form. It should have been a true exemption; it should have been set aside, regardless of the amount earned. We would then have the position where people who did not earn over $2,000 would not be taxable. The people in the middle income brackets would have had some relief through the raising of the exemptions, relief to which they were entitled.

Mr. ABBOTT: You would have had to tax them in another way; that is the only difference.

Mr. MILLER: I cannot see that argument.

[Mr. Miller.]

Mr. ABBOTT: There are not enough people earning $2,000 a year and up.

Mr. MILLER: We would suggest, perhaps in an amateurish way, that some of the seventeen departments which are showing increased expenditures should show decreases. There is one matter of local interest to me, the taxation of electrical energy. That was a wartime tax which was necessary, but from its inception it has been collected unfairly. The tax is a percentage of the electric light bill. In Manitoba, to which I should perhaps confine myself, there is Portage la Prairie, from which I come; there is the city of Brandon, not far from us, and there is the city of Winnipeg. Winnipeg has a cheap electric power rate. While the rates charged in Portage la Prairie may not be large, they are much larger than those charged in Winnipeg. As I say, these electric light bills are taxed on a percentage basis. In the city of Winnipeg the same number of kilowatt hours would bring a bill of roughly $4, as compared with $10 in the city of Portage la Prairie. We both pay a percentage, and I say that is unjust. I maintain that the tax, if it is left at all, should be on the basis of the kilowatt hours used, and not on the basis of the amount of money set out on the electric light bill. As a matter of fact, I believe the tax is unfair, anyway, and it should have been brushed off the map altogether.

I am going to join with those who said that the tax on chocolate bars and soft drinks should have been taken off. All of us have received letters from these organizations. It is quite obvious that was not a spontaneous effort on the part of the young people themselves. Nevertheless I believe their contentions have great merit. In my own city of Portage la Prairie we have a small soft drink company which employs quite a few people of whom all, I believe, are returned men and women. That industry, if nickel drinks were restored to the market, could enlarge and hire extra people.

Mr. ABBOTT: It could not get any more sugar, though.

Mr. MILLER: The sugar situation could be handled, because I do not think it is a factor, not in the soda-water business. I believe, if the price were returned to a nickel, there would be an expansion, because the whole industry has been built up on the nickel drink. The tax brings in only something like $20 million or $22 million. I believe the highest amount ever taken in was $22 million.

Mr. ABBOTT: That is a lot of money.

Mr. MILLER: Yes, it is a lot of money, even to the Minister of Finance. But it is not so much, I suppose, when one talks about a budget of over $2 billion. I know the difficulties with which the minister is faced; nevertheless I am adding my voice to the voices of those who have gone before, protesting against this tax.

I am also not satisfied—and I realize I can do nothing about the matter but raise my objection tonight—that consideration has not been given by the Minister of Finance in his budget to the giving of income tax exemption rights in respect of other members of a farmer's family. I believe consideration has not been had for the fact that, to earn an amount of money, a farmer must earn it through the joint enterprise and joint effort of his wife and family on the farm. I do not believe that has been properly brought home to the people in the towns and cities. However that may be, it is true. Certainly I believe some adjustment should be worked out, so that this fact would be taken into consideration. Certainly if any of us had to bring our wives and families down to our offices to help us make our livings, we would figure out some way whereby our wives and children would receive some consideration in the matter of income tax exemptions.

I also regret that small businessmen, of whom there are many in the riding from which I come, have had little relief in the budget. I shall not enlarge upon that, but shall be content to subscribe to what was said by the hon. member for Halifax (Mr. Isnor) and the hon. member for Northumberland (Mr. Drope) this afternoon. I had one of those briefs sent to me, the same as other hon. members did. However I believe much could be done to encourage small businessmen in the small towns; because, after all, during the period of hard times in the west those small businessmen had a pretty tough time of it. They can make a little money now, and I say to them, "All power to you". Let them have every encouragement we can give them.

I realize the difficulty there would be in carrying out my next suggestion; but I must express my regrets that, with his ingenuity, the Minister of Finance did not devise some ways or means of giving some sort of taxation exemption to hog raisers, so as to encourage hog production. I know that is difficult of application, and it is difficult to discriminate between classes. But at the same time it is so urgent, not only to meet our market commitments, but also in the economy of the west, that, in my humble judgment, that hog industry, which is rapidly dying out, should be encouraged. That is the way I still maintain it can best be encouraged.

There is one feature about the budget speech of the Minister of Finance which I like very much, and I want to tell him about it. That was the prophecy he made in his speech where he stated that he would remodel the present Income War Tax Act; and I think he would even change the name of it. I hope that when the new form of legislation is produced in the house it will have the twin advantage of being understandable not only by laymen but by lawyers who, up to date, have not been able to understand the income tax law.

In Portage la Prairie we have an industry of which we are proud, and I should like to say something about it. We are extremely grateful that that industry was located in our midst. It is a pilot flax fibre mill. The Department of Agriculture has built and is operating a creditable experiment in the production of flax for fibre purposes in the western provinces.

An extensive investigation was made as to where that plant should be located and, after a most thorough investigation by experienced men in that line, the city of Portage la Prairie was chosen as the site for it. I understand that it was chosen because the land surrounding Portage la Prairie had been proven to be the producer of one of the best types of fibre flax that could be produced anywhere in western Canada.

On December 21, 1945, I, in common with many citizens of Portage la Prairie and district, attended at the formal opening of that pilot flax mill. Believe me, there were few there who did not have great hopes that at last, in the city of Portage la Prairie and district, we had the mechanics of an industry which might do much not only for our own area, but for the entire province of Manitoba and, indeed, for the whole of western Canada.

Professor T. J. Harrison, chairman of the Manitoba fibre flax committee, was at the meeting, along with the minister of agriculture of Manitoba, and other notables. Professor Harrison told us why the site at Portage la Prairie had been chosen, and the reason he gave was the one I have just placed before the house.

During that time, even while the mill was under construction, there were seeded and already growing in the area surrounding the city 100 acres of fibre flax and 100 acres of oil flax. There was also a ten-acre experimental plot on the provincial government farm. This mill, as constructed, can handle, roughly, 1,000 acres; but there were never, so far as I know, 1,000 acres seeded to both kinds of flax.

Mr. MACKENZIE: What year was that?

Mr. MILLER: The mill was opened officially on December 21, 1945, and it has a capacity to handle 1,000 acres of flax. I know the mill cost over $100,000, and that it has in it the best possible equipment. There is also available equipment for harvesting flax. I am not sure of the figure, but I believe that probably the entire investment by the Dominion of Canada in that plant would be in the neighbourhood of $250,000 or $300,000.

I understand that it employs twelve or fifteen persons, including scientists who are conducting scientific experiments. As I said before, we had great hopes for that mill. We had been led to believe—and not necessarily by officials of the department—that it would be used for experiments, not altogether in connection with oil flax, but mainly in respect of fibre flax. We also calculated that when it proved that flax could be profitably raised and that it was a good type of flax, perhaps the mill would be turned over by the government to private enterprise and expanded, or perhaps the government would expand it themselves. I do not think the experimental stage has yet passed, but in any event the people of the area are slightly worried that the operations of the plant are to be curtailed. That would be a tragedy, not only to us who have, as I said, great hopes for it, but a tragedy to the whole west, because I believe it has been proved that flax to maintain a mill like this can be grown in western Canada.

Mr. GARDINER: May I ask where the suggestion has come from that the activities were to be curtailed?

Mr. MILLER: I am leading up to that. The suggestion has come from the farmers, because ordinarily arrangements have been made to seed, as I say, from 80 to 200 acres of flax in that area. This year no arrangements are being made with the farmers to seed any flax. At the moment fifty-six or sixty stacks of fibre flax—two I think are linseed flax—are piled up in the yard near the plant. But that flax will all be run through by August or September, and all that is in sight is ten acres of flax which is being grown on the provincial farm in the Portage la Prairie area. The board of trade of the city of Portage la Prairie are concerned because we do not want that plant to be curtailed. What we want to know—and perhaps the Minister of Agriculture will tell us that when he speaks—is what is to be the future of this mill. I should like to know if the experimental period has been completed. Is the mill to be expanded by the government? Is it to be sold to private enterprise for the purpose of expansion? Do the officials of the minister's department believe that good fibre flax can be grown in that area and in western Canada? May I just say that I am not complaining or criticizing in any shape or form the officials of the minister's department. On the contrary, I have always had the greatest courtesy and cooperation from Doctor Archibald, from the chief of the fibre division and also from the local manager of the plant at Portage la Prairie. But I suggest that the plant should not be curtailed in any way. I am hoping that it will not, because it is an industry that can do much for the west in proving that this type of flax can be grown in the west.

As I said, the whole district is proud of the mill. We are hopeful of its future and we are confident that something good for the west will come out of it. Our hope is that there will be no curtailment of its activities; that it will be expanded rather than curtailed.

I should lake to say a few words about the Prairie Farm Assistance Act, and they will be few because quite frankly I know not a great deal about it. I wish to make a few remarks, because I believe that the Minister of Agriculture is still considering whether he will bring in certain changes or a new act at this session. The farmers in our community, which happens to be a reasonably good one, feel that not a great deal of benefit is derived by the farmers of Manitoba from this act. They are not so unselfish as to feel, though, that they would particularly object to a continuation of the one per cent deduction from the sale price of their grains; but they believe that the adjustments of claims should be on an individual basis rather than on the block system as followed now. They would also like to have some provision put in the act for the withdrawal of the farmers of any province who would desire to withdraw from the scheme. I do not know how it could be worked out, except that I imagine it would have to be done with the permission or at the request of the provincial legislature. But I should like to have some consideration given to a provision for the withdrawal of farmers in Manitoba from the scheme if they desire to do so. I am inclined to think that if they could withdraw they would do so; certainly that is true of the most of the area which I represent, unless the act is changed to provide for individual consideration of claims rather than on the present system of the block scheme.

The income tax deductions which were announced by the minister in his budget are not too great an achievement. We were entitled to expect that there would be deductions to that extent. They are certainly nevertheless an acceptable step in the right direction, notwithstanding what might be suggested by the hon. member for Restigouche-Madawaska (Mr. Michaud).

In closing, let me urge upon the minister and upon his department that the government endeavour to economize in the year which lies ahead, so that next year they will have their financial house in order, as it should be now, and be in a position to give the people of this country additional tax reductions, not only income tax deductions but deductions in those nuisance taxes, sales taxes and other taxes which are bearing so grievously upon them.

Mr. M. E. McGARRY (Inverness-Richmond): In rising to say a few words in the debate on the budget, I wish to preface my brief remarks by extending hearty congratulations to the Minister of Finance (Mr. Abbott) who presented a very good budget in a lucid and impressive way. The minister has brought to the house, to the taxpayers, to the industrialists and to all who are concerned with the economy of the nation an encouraging message. He presented it in such a lucid way that all intelligent people can interpret and understand it, and I am sure they will appreciate it as well. I submit, as the minister himself has admitted, that the job of preparing a budget such as this, with all its virtues, was made comparatively easy because of the splendid condition in which he found the Department of Finance and the economy of the nation, owing to the efficient control afforded by his predecessor and by the series of controls which kept prices down and prevented them from sky-rocketing to altitudes which would be disastrous.

I wish to congratulate the hon. member for Muskoka-Ontario (Mr. Macdonnell) on his splendid efforts. I join in the expression of sympathy extended to him by my colleague the hon. member for Halifax (Mr. Isnor). I really believe that we harbour in our hearts more compassion for the hon. member than did his own party because, knowing he was not physically fit on that day, they imposed an impossible task upon him. They asked him to weave a fabric of constructive criticism when they knew full well that he had not the warp or the woof to make such a garment. In spite of the fact that the workman was quite efficient, he had no material to work with.

The hon. member for Muskoka-Ontario pictured a dim and gloomy condition for the industry and economy of the nation. His diagnosis was not correct, and when he undertook then to pronounce a prognosis for what was to occur in the future, I say that, as these two things go, particularly in medicine—I believe it is the same in politics—if your diagnosis is wrong you have very little upon which to base your prognosis.

I disagree with the hon. member's diagnosis when he pictures such a gloomy condition in our economic affairs, because certainly he knows very well, as everyone in Canada knows and as the world knows, that the economic condition in this country today is quite sound. It must be. After a comparatively short period, after the cessation of the most depleting war, we find 1,000,000 men who were engaged in war services now being placed in industrial pursuits. We find today that our external trade has reached a level that was never before attained. We find that the savings in the banks have increased by large proportions since 1939. We find a great increase in bond holdings, a great increase in life insurance. So that when one looks around him, if he is not prejudiced, I cannot understand why any person would stand up in this house or anywhere else and say that our economic and industrial condition is deplorable, when, as I said before, not only the Canadian people but people throughout the world know that our condition in that respect is sound.

I now come to a point of agreement with the hon. member for Muskoka-Ontario, when he says that governments cannot start industries, that they are not supposed to start industries. I agree with him there. But what governments can do, and what is the responsibility of governments, is to legislate so that opportunity for the initiation and the development of industries will be made possible. On the other hand, private industry must do its share. It is not a bit of use for the government to legislate wisely or to afford opportunities for private industry unless private industry and we ourselves take advantage of that opportunity.

We will all admit that during 1946 a great many of these opportunities were not taken advantage of. At a time when the whole world was hungry, many people starving, and prices and production were at such a high rate, it was unfortunate that we in this resourceful country did not take advantage of that condition and increase production to its full limit. But our production was

hampered by strikes and labour disorders and disagreements. In a resourceful country like Canada, where we are capable of consuming only one-fifth of what we are capable of producing, and with the countries of Europe in the condition in which they are today, there should be no such thing as the lowering of production with the resultant unemployment conditions that obtain.

Production and employment are, I believe, the elixirs of the life of a nation, and if we are to bring about peace and prosperity in this country these are the two factors which we must consider as essential. On the other hand, there is no use in asking the primary producer or the industrialist to increase production if the facilities which warrant that production are not afforded. Let us take a few of our primary producers. Take the fisherman, for instance. He is an important element of our producing population, and it is no use asking him to increase his production if he has not an entrance to his harbour; if he has not adequate wharfage room in order to land and process his fish. If he has to leave his boat out to the mercy of the winds and waves; if he has not proper shelter for his boats; if he has not some centre of refrigeration where he can feel secure that he has bait in order to carry on his operations, he cannot produce.

In the constituency where I live and where fishing is carried on to a comparatively high degree, I know of instances, at the time when fish are schooling—I am speaking of shore fishing—when for want of bait the fishermen's production is nil. They should have the facilities. Another thing that should be afforded at certain points along the fishing coast is life-boats, so that the fishermen would have security when they are out and are caught in a storm, in order that they may have a chance to save their lives. I know what happens along that shore. Men who have only comparatively small boats are afraid to go out any distance, but they would certainly undertake to go and increase production greatly if they had that security.

So much for the fishermen. I would say that in the same way every stimulus should be given to the farmer. He must be given every opportunity and every inducement not only to remain on his farm but to increase his production. I agree with what the hon. member for Cape Breton South said with regard to the marshlands. I think it was he who referred to them. I believe that this is something which should receive the attention of the Department of Agriculture this year. I am not finding any fault with the assistance which is given to the prairie farmers; in fact, if I were going to make any comment, I would say that it should be increased. I believe that the Prairie Farm Assistance Act should be extended so as to deal with the whole of the Dominion of Canada.

Not only do I refer to the marshlands, but we have another menacing agency bringing about destruction of our lands along our river shores. Right in the community where I live, the farmers who have intervale land are every year losing acres and acres of it through erosion and ice floes. I think I would be safe in saying that there are some farmers who had twenty acres of intervale land when I went there twenty-five years ago but who, I believe, have not half that amount left today. I know for a fact that the farmers along these rivers have done everything they could to protect their land, but so much damage has been done and so many inroads have been made on the land that today it is impossible for the individual farmer to cope with the problem. When this act is extended, which I hope will be this year, circumstances like this should be taken into account.

As far as the lumber industry is concerned, I believe I can say that in Nova Scotia our production is greater than the demand. I agree with the hon. member for Halifax (Mr. Isnor), who suggested the other day that it would be to the advantage of the lumbermen of Nova Scotia if the export quota were increased.

I now come to the mining industry. That is one of our greatest problems in the maritimes. In a country with a climate like that of Canada, everyone will realize that the production of coal is essential. We all know what happens in countries where shortages of coal obtain, as in England. We found that the coal industry there was almost paralyzed. We found that lighting had to be rationed and, what was more deplorable, that there were a great many cold children and people living in those areas.

I understand that most of our coal reserves are in Alberta. We have coal in the maritimes and in British Columbia, but in those areas the mining of coal is difficult and costly. Another drawback with respect to Nova Scotia and New Brunswick coal is that we are so far removed from our natural markets. This makes transportation an impotrant part of the operation. It is therefore no wonder that the coal problem, particularly in the maritime provinces, has been one of our greatest political and economic troubles.

We have the problem of supplying coal for our home needs and of maintaining a market. The problem is that we must endeavour to maintain not only a supply for our own needs, but a lasting and profitable market in the only

place where we can dispose of our coal. We will all admit that the coal miner is a vital part of our economy, and it so happens that he is subjected to more danger in his operations, possibly, than any other person engaged in any other industry. The maritime coal problem is complicated just now by strikes, and this, of course, is one of the vital and serious matters of today. Before the strike was declared, the problem was complicated by a lowering of our production. When production is lowered, the cost of producing rises proportionately. Some people, who are not likely well qualified to judge, blame the miners; some others, who are equally unqualified to find the cause, blame the operating companies. I can say that the miners in the maritime provinces have been accepting a wage which has been consistently lower than that paid to the United States miner or the British Columbia miner.

There is another feature which should be mentioned. The average age of the miner in the maritime provinces is higher than that in either the United States or British Columbia. As far as the companies are concerned, it is a fact that the location of the coal seams makes it difficult to reach them and expensive to work them. There is another factor. I do not know whether it is the fault of the company or not, but, as I understand it, they are now operating on lines which were laid down many years ago. So I say that the companies are quite justified in pointing out their physical handicaps, and the miners are equally justified in pointing out what I have stated before, namely, their lower wage level, their higher average age and the fact that figures on absenteeism must be examined with great care.

Finding a solution for a problem involving so many factors is not going to be easy, and we have not too much time in which to do it; for it is generally accepted that, unless some remedy is soon forthcoming, the mining industry of the maritime provinces is headed for disaster. This disaster would affect the maritimes first and most seriously, but eventually its effect would be felt all over this dominion; and many of the effects would be profound. Therefore I say that it becomes a problem for the entire nation. After all, the prosperity of Canada depends upon the accumulated prosperity of the major factors. Therefore I would say that, in the emergent need for a solution of this serious national problem, the best planning efforts of the coal industry itself, the miners' unions and the government should be coordinated and combined. If we are to maintain the industry, we must have it so arranged that the miner must get a fair wage, the company must have a fair profit and coal must be produced at such a price that it will be competitive with other coals which will appear on the only market we have.

The coal problem is not the only serious difficulty confronting the maritimes, for we now have the problem of unemployment. During the war period we had no unemployment in Nova Scotia. We had no war projects, but enlistment for war service and war work outside the maritimes provided employment for our people. There is one project which was mooted years ago and was promised priority after the war. The hon. member for Cape Breton South (Mr. Gillis) referred to this project in his speech this evening. It is a project which has been proved feasible by competent engineers, a project to which we look hopefully to relieve our unemployment and the resultant exodus of young people from our province. I refer to the spanning of the strait of Canso. This will cost some money, but the amount required will be comparatively small, compared with the amounts spent in other parts of the dominion for projects not so strongly indicated; and it must be remembered that these other projects were far from Nova Scotia but we never hesitated or complained about paying our full share of their cost.

Apart from the benefits which would accrue directly to Cape Breton and the whole of the maritime provinces, and indirectly to the whole dominion, this project has an economic value. If I had time I could show by authentic figures that the savings to be made by eliminating the cost of operating the Canadian National ferry and the highway ferries over a reasonable period of years would more than equal the interest and sinking fund which would be necessary to defray the capital cost. I believe this is a business proposition for the government. The completion of this project will render a long delayed service. It was promised as one of the first postwar undertakings. The plan is feasible; it is of national importance; it is economical. Thousands of our people are idle, so that there should be no delay in getting the project under way. Full employment and full production were two important factors in Canada's successful war effort. The same two factors are equally essential in this conflict on rehabilitation and reconstruction.

I have no doubt that the government has a complete realization of all this, and my reference is for the purpose of emphasis. A chain is no stronger than its weakest link, nor is a nation stronger than its major component parts. The maritimes are one of the

major component units of this great confederation. They have contributed their share to the cost of public works in other parts of the dominion. They should not be forgotten when their needs are greatest, when they ask for the public works they so greatly need and so richly deserve, particularly when the project for which they ask is for the good and benefit of the whole dominion.

On motion of Mr. McCann the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, May 9, 1947

The house met at three o'clock.

RADIO BROADCASTING

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. RALPH MAYBANK (Winnipeg South Centre) presented the first report of the special committee on radio broadcasting, and moved that the report be concurred in.

Motion agreed to.

VETERANS AFFAIRS

DISABLED VETERANS ATTENDING UNIVERSITY—FULL TRAINING ALLOWANCE AND FULL PENSION

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs): Mr. Speaker, I wish to table P.C. 1668, amending the regulations under the Veterans Rehabilitation Act. The effect is to allow pensioners in receipt of training benefit to be paid full pension and full training allowance. Hitherto a disability pensioner on training benefit has received less than the combined maximum.

Where there are dependents the pensioner will receive the full augmentation of training allowances applicable to dependents as heretofore and the total amount of pension to which he is entitled as a single man.

This amendment will ease the lot of disabled veterans attending university or other training courses and will, we hope, encourage others to take training.

The regulations permit outside earnings up to $75 a month, but the disabled veteran is less able than his physically fit companion to take advantage of this legislation. By allowing him to receive the full amount of both pension and allowances, we remove what has proved to be a real handicap upon the pensioner.

[Mr. McGarry.]

Mr. FULTON: May I ask the minister when the order in council which he has just tabled will become effective, and whether its provisions are retroactive in effect?

Mr. MACKENZIE: The provisions are effective forthwith, but they will not be retroactive.

FUEL OIL

STATEMENT ON DOMESTIC SUPPLY POSITION

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): Mr. Speaker, I feel that I should make a statement on fuel oil. Last summer I convened a meeting of the various oil producing and distributing companies for the purpose of reviewing the domestic fuel oil situation. Hon. members will recall that at that time there was very serious concern about our coal supply, arising partly because of the coal strike in the United States and partly because of the shipping strike on the great lakes.

The oil companies agreed that if they were given assistance in the creation of storage facilities, they could meet the increasing demand for domestic fuel oil. Assistance was rendered by the steel controller to the oil companies and to the burner manufacturers. As a result, a considerable number of heating units were installed in domestic establishments throughout Canada.

I am now advised that the fuel oil supply for the next heating season is definitely limited, and that the producers and distributors will not be able to cope with the greatly increased demand. In fact it has been stated by some of the companies that there may be difficulty in providing oil to existing customers.

The demand for fuel oil has become so acute that even were it possible to provide substantially increased storage facilities, it is most unlikely that adequate supplies of oil could be imported or produced.

The government has no control at present over the production and distribution of fuel oil. Responsibility for supply rests wholly on the oil companies and their agents. I am bringing the matter to the attention of the house in order that the Canadian public may be warned of the situation that obtains. In our view, any householder who is proposing to instal an oil burner or oil burning space heater in his home should first make sure that he has a firm contract for the supply of fuel oil directly with the manufacturer or importer of fuel oil, or a contract that otherwise clearly ensures a supply of fuel oil from these suppliers.

CEMENT

AVAILABILITY TO VETERANS FOR CONSTRUCTION OF HOUSES

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): Mr. Speaker, I should like to answer a question asked by the hon. member for Peterborough West (Mr. Fraser): "Can the minister tell the house what is being done by the department to see that veterans are able to secure cement in order to construct their houses?" As my hon. friend knows, veterans have full priority in obtaining materials for house building. Examination of our records indicates that we have no applications from veterans for cement priorities in the Peterborough area. On a national basis cement is not in as short supply as formerly, and if the veterans in Peterborough will apply to the controller of priorities for assistance it will be forthcoming.

Mr. FRASER: May I ask the minister a question on that? The veteran is allowed priority if he has his house 50 per cent completed. What about the cement for the first 50 per cent?

Mr. HOWE: I may tell my hon. friend that today the veteran has full priority in house building. The 50 per cent requirement has been eliminated.

Mr. FRASER: Further in reference to the statement made by the Minister of Reconstruction and Supply that full preference was given to the veteran building his own house, will the minister tell the house when the regulation was changed from 50 per cent to full priority?

Mr. HOWE: I cannot say the exact date, but I shall be glad to look it up. The notice does not seem to have received wide attention; therefore I shall make a statement in the house.

Mr. STEPHENSON: May I address a question to the Minister of Reconstruction and Supply? In the course of his statement he made reference to full priority being given to veterans. It is possible that veterans may have to get their nails from the local hardware stores. Will something be done to see that equitable distribution of nails is made to the hardware stores so that the veterans can get nails?

Mr. HOWE: Under the system of full priority the veteran will get priority on nails. Arrangements will be made to see that nails are available to him.

TRANS-CANADA AIR LINES

VANCOUVER AIRPORT—PROPOSAL TO TRANSFER FACILITIES TO ABBOTSFORD

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): The hon. member for Fraser Valley (Mr. Cruickshank) asked whether the Pacific terminal of Trans-Canada Air Lines could be moved from Vancouver airport to Abbotsford. I am afraid that the citizens of Vancouver would object, and I cannot promise him that that will be done.

REDISTRIBUTION

PETITION AGAINST ENLARGEMENT OF YUKON ELECTORAL DISTRICT TO INCLUDE MACKENZIE

Mr. GEORGE BLACK (Yukon): With the leave of the house I present to the honourable the House of Commons of Canada in parliament assembled the petition of a number of Canadian and British subjects residing in Yukon, petitioning parliament that the district of Mackenzie and Northwest Territories be not included in or added to the electoral district of Yukon, and stating their reasons for the petition.

HOUSING

ELIMINATION OF VETERANS' PREFERENCE

On the orders of the day:

Mr. THOMAS REID (New Westminster): Will the Minister of Reconstruction and Supply take this question as a notice? A report has just reached me that returned men in New Westminster and the Fraser Valley are complaining that priority credits have been eliminated and that all subsidiary preference given to them at the beginning of the year is now gone. Many of them are being cut off supplies.

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I shall investigate the situation. Certainly it is not the policy of the department to cut off any veterans' preferences, and if anything has happened to that end I shall see that it is corrected.

PATENT ACT

PROVISIONS FOR EXTENSIONS OF TIME—SECRECY—ADJUSTMENT OF TARIFF FEES

Hon. COLIN GIBSON (Secretary of State) moved the second reading of and concurrence in amendments made by the senate to Bill No. 16, to amend the Patent Act, 1935.

Mr. GRAYDON: May I ask the Secretary of State whether the amendments which the

senate have made to this bill are acceptable to the government? In addition perhaps he might explain the change of date, which I notice in various places, and which corrects or alters the date the government originally proposed.

Mr. GIBSON (Hamilton West): When the bill was first introduced it was to provide extension of time for the taking of certain actions required by the Patent Act. The bill has not passed as rapidly as had been hoped when it was first introduced, with the result that it is now necessary to extend the dates. The amendments provide the full time which it is believed should be given to the holders of patents. The government is prepared to accept the amendments.

Motion agreed to; amendments read the second time and concurred in.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Thursday, May 8, consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell (Muskoka-Ontario), and the amendment to the amendment of Mr. Coldwell.

Hon. J. J. McCANN (Minister of National Revenue): Mr. Speaker, my sole purpose in taking part in this budget debate this afternoon is to refute and correct some extravagant and inaccurate statements made in connection with departmental expenditures, statements made by the hon. member for Peterborough West (Mr. Fraser) during the debate on May 6, and to answer a charge made by the hon. member for Dufferin-Simcoe (Mr. Rowe) when he spoke in this debate on May 7. However, before dealing with these two specific subjects I wish to make a few general observations on the budget as I see it, and as have been conveyed to me by my constituents since the budget was delivered.

It may well be said that "Solomon in all his wisdom" could not fashion a budget that would please everyone. In times like these it is difficult for governments in framing taxation policy to be both popular and wise. The government and the Minister of Finance, I submit, deserve to be congratulated on both counts.

This budget has been acclaimed as a popular budget, and the government has shown courage and statesmanship in the policy which it has pursued. The general reaction to the budget has been favourable if one can take as a criterion the press comments and public conversation which one hears from day to day. It is true that there have been a few blasts of criticism in the house from the opposition. In the main they have been ineffectual and they have only helped to confirm in the public mind the merits of the proposals put forth by the government.

Interest in this budget centres of course upon the changes in taxation. This budget gives nine out of every ten taxpayers a 29 per cent reduction in income tax. Indeed, a great number get much more than that, up to as high as 54 per cent in the lowest brackets, and all told $110 million has been lopped off the collective income tax payments. As compared with the previous rates of 1942, the new rates announced represent an over-all reduction of 51 per cent in the total personal income tax burden of the Canadian people.

Tax relief has been given where tax relief was most needed, to the earners of wages or of medium salaries. I think it can be safely said that our middle class population and people on fixed salaries benefited less from war conditions and suffered more from war taxes than any other class. The budget is framed to ease the burden on those in this income category, which includes young professional and scientific men.

Relief too, and often more substantial relief, has gone to the wage earner. Under the budget of last year 550,000 workers and recipients of small incomes were absolved from taxes. That was brought about by raising the income tax exemption of $750 for single people and $1,500 for married people, which was made applicable from January 1.

An hon. MEMBER: What did you do about them this year?

Mr. McCANN: I will tell you if you listen. Just be patient. There have been no further changes in exemptions, but under the present proposed reductions a married man with two children who earns $1,800 a year will pay this year only $16. Surely this cannot be considered unreasonable. In a great many instances the amounts of reduction have been equivalent to a ten cent per hour rise in wages.

The opposition have been urging the raising of income tax exemptions. It is very evident that they have followed this policy with an eye purely to the political rather than to economic consequences. It is true that there have been no immediate gifts for business. The excess profits tax remains for the present but will go at the end of the calendar year. The corporation tax remains at 30 per

cent now compared with 40 per cent throughout the war years. Business men may complain, but they should try to remember that under existing taxes business has been doing very well. The corporation tax may be high and the excess profits tax high, but the fact remains that even after paying corporation taxes and providing for excess profits, most of our business enterprises have been showing substantial profits and doing far better than before the war, and in many cases much better than during the war years. Their statements prove what I have said. Furthermore, business must remember that the government has to find its money somewhere, that in the long run nothing could be more harmful to business than for the government to have an unbalanced budget.

This year we have been in the very happy position of having a surplus of $354 million.

An hon. MEMBER: Where did it come from?

Mr. McCANN: Where did it come from? From taxation and from the sale of some surplus materials we had left over from the war and which gentlemen opposite of your party wanted as gifts to the municipalities to which you belong. In addition, we have been able to reduce the public debt by $354 million. I submit that that is good business and that that is the policy which should be followed when times are as good as they are at present.

A nation is no different from an individual, and any individual who does not attempt to liquidate his debts when his earning power is good, when times are good, has not the first rudiments of business instinct.

I have been in this house now, Mr. Speaker, for a period of twelve years. I have listened to a dozen or more budgets, and I think I can honestly say that this is the first time I have listened to a budget when there has not been one cent of new taxation. That I think should be borne in mind.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: I would remind the house that the hon. member who has the floor should not be interrupted without his permission. Moreover, anyone who wishes to interrupt an hon. member should rise and ask permission to do so.

Mr. McCANN: Mr. Speaker, I would like to refer for a moment to the amendments made by the official opposition and the C.C.F. party. I submit that the motion for the Speaker to leave the chair for the house to resolve itself into committee of ways and means ought to be passed unanimously by this house. Furthermore, I do not think that so much time should be spent on this budget debate. In the British house the debate on the budget was completed and the budget items put through all stages of committee in a period of three days. We could well emulate the example which the British house has set.

With reference to the budget amendments that have been made, what is the position should these amendments carry? It means that the government goes out of business and before a new government can come in or the same government comes back it will be impossible to implement the provisions of the budget which give reductions to hundreds of thousands of people throughout the country—reductions which come into effect on the first of July. I submit to you that the opposition and the C.C.F. party, in their amendment and in their subamendment, and in voting as they will, deny to the people of the country, the taxpayers, the right to these tax concessions which have been put into effect.

Now, Mr. Speaker, may I revert to the matter with which I said I would deal, the statements of the hon. member for Peterborough West. In his speech on May 6, in dealing with a great variety of subjects, he spoke of circuses and of his experience in carrying water for elephants. This may be the background for his statement. He likes dealing with big things. He compared the national film board to an elephant, and a white elephant at that. He evidently concedes some purity in the organization.

Mr. FRASER: There is very little.

Mr. McCANN: He said this year the white elephant is asking for $819,409 more than last year. This statement is inaccurate and extravagant. Had the hon. gentleman examined the estimates he would have found that actually the estimates for the present fiscal year are $211,274 less than a year ago.

Mr. FRASER: Not on ordinary expenses.

Mr. McCANN: The government policy in regard to the national film board is one of retrenchment, both as to expenditure and as to personnel. The hon. gentleman is more than $1,000,000 out. He must have known by now that his statements were wrong.

Mr. ROSS (Souris): He has been listening to the minister of reconstruction (Mr. Howe).

Mr. McCANN: He has had ample time during the last three days to make a correction, but he has not had the good grace to do so.

Mr. FRASER: That is not under ordinary expenditure.

Mr. McCANN: On many occasions I have heard the hon. gentleman on a question of privilege correct slight inaccuracies when they concerned himself or his party, which he had a perfect right to do. But when it comes to a matter of wrongly accusing the government or an agency of the government of over-expenditure or extravagance, apparently he is content to have it broadcast from one end of the country to the other.

Mr. FRASER: As it should be.

Mr. McCANN: I am not averse to criticism—

Mr. FRASER: Because you are absolutely wrong.

Mr. McCANN: But I do suggest that the hon. gentleman should have some regard for accuracy and not make such extravagant and untrue statements as he did on May 6.

Now I come to the speech made by the hon. member for Dufferin-Simcoe.

Mr. MACKENZIE That was not a speech.

Mr. McCANN: He too evidently thought he was at the circus, but not in the capacity of carrying water. In fact he appeared to be the main spieler in front of the big tent inside the main gate where they keep the elephants.

Mr. GRAYDON: Maybe that is why *Hansard* confused him with the minister of reconstruction.

Mr. McCANN: He spoke of reckless extravagance and inefficiency with no specific instances to back up his contention. He even went further, Mr. Speaker; he made a direct charge, and I quote from *Hansard* of May 7, 1947, page 2851. Talking of expenditures, he said:

> Last year the taxation burden upon the people was very heavy. I realize, however, that you cannot decrease taxation so long as there is inefficiency and reckless extravagance in government; and, Mr. Speaker,—

Here are his words.

> —I charge this government with being reckless in their extravagance in maintaining a bureaucracy which was built up, evidently through necessity in time of war, and adding to a regiment of civil servants which should have been decreased instead of increased.

An hon. MEMBER: That is true.

Mr. MACKENZIE: Listen to the facts.

Mr. GRAYDON: Whose speech is this?

Mr. McCANN: In refutation of that charge, and in view of the not infrequent recurrence during recent months of inquiries relating to the fluctuations of total personnel in the civil service since 1939, it was felt that a brief but comprehensive review of the situation might contribute to a better understanding of this whole question by hon. members as well as by the general public. The reason I speak as I do, Mr. Speaker, and in this capacity, is that I was chairman of a committee of a cabinet which investigated the matter of civil service reduction.

During the war years the civil service grew from 52,000 in 1939 to a peak of 142,000 at May 1, 1945. This increase was largely due to the creation of purely wartime departments such as munitions and supply, wartime prices and trade board, national war services, and to the civilian complement of our greatly augmented armed forces. Part of this increase can also be attributed to the additional war duties that were undertaken by many of the old established departments. It must be further borne in mind that during this period the total strength of the so-called servicing departments such as finance, comptroller of the treasury, public works, civil service commission and so on, was necessarily in direct proportion to the over-all strength of the service.

Following the cessation of hostilities in Europe in May, 1945, there was a steady decline in the number of civil servants to a total of 129,000 in January, 1946. This period of retrenchment was followed by one of expansion until, in October, 1946, the total strength of the civil service had all but reached the wartime peak of 1945. Anomalous as this may appear on the surface, there is a logical explanation in fact. As a result of new legislation and post-war reorganization, new departments such as national health and welfare and veterans affairs were being organized and staffed more quickly than certain war departments could be contracted. Further, a more rapid rate of demobilization than had been anticipated in the armed forces necessitated in many instances the taking on of civilians to fill posts normally held by military personnel.

It was at this time, in September of last year, that the civil service reduction programme which had been instituted in the early summer of 1945, was reorganized under the immediate direction of a special ministerial committee. Surveys, conducted by competent authorities, indicated that if vigorous and determined steps were taken by the various departments, reductions of from 15,000 to 20,000 might be effected by the end of the fiscal year without impairing efficiency or interfering unduly with the performance of necessary services.

The objective set for April 1, 1947, has in fact been exceeded since the total net reduction during this six-month period has been slightly more than 21,000 or, on a percentage basis, approximately fifteen per cent.

Total staff fluctuations since 1939 have therefore been as follows:

1939	52,000
War peak (May, 1945)	142,000
January 1, 1946	129,000
October 1, 1946	142,000
April 1, 1947	121,000

Mr. FLEMING: Will the minister permit a question?

Mr. McCANN: It should be noted that the figures I have quoted represent, as accurately as possible and to the nearest thousand, the total number of civil servants on the government payrolls at a given moment, and that they do not include casual employees paid by the hour, revenue postmasters, and crown companies personnel.

With the consent of the house I propose to place on *Hansard* a detailed table showing, in parallel columns, the wartime employment peak in all government departments and the total staff in these same departments on April 1 of this year.

The table follows:

Total number of civil servants by departments

	War peak	April 1, 1947
I. Government departments in existence prior to the war		
(a) Servicing		
Auditor General	386	190
Finance	758	612
Compt. of Treasury	9,352	5,342
Civil Service Commission.	733	571
Royal Canadian Mint	296	287
Public Works	6,058	6,317
Printing Bureau	821	781
(b) Administrative		
House of Commons	301	301
Senate	88	82
Library of Parliament	27	27
Chief Electoral Officer	23	10
Governor General's Secretary	14	11
Privy Council	52	39
Int. Joint Commission	6	3
(c) Revenue departments		
Post Office	14,495	16,496
Customs and Excise (NR)	4,473	4,950
Income Tax (NR)	6,599	7,498
(d) Trade and diplomatic		
Trade and Commerce (1)	1,775	3,314
External Affairs	436	725
(e) Others		
Archives	46	57
Farmers Creditors' Arrangement Act (Fin.)	25	18
Tariff Board (Fin.)	20	12
Insurance	61	55
Justice	1,216	1,227
Secretary of State	471	475
R.C.M.P.	508	425
Transport (2)	8,030	7,306
Agriculture	3,867	3,998
Fisheries	979	581
Mines and Resources	3,591	3,658
National Research Council	1,486	2,119
Labour	2,813	873
II. New departments established since 1939		
(a) Social services		
Health and Welfare	2,300	2,249
Unemployment Insurance.	10,185	8,077
National Film Board	787	662
(b) Veterans' services		
Veterans Affairs	8,102	19,253
Soldiers' Settlement and Veterans' Land Act	641	1,716
(c) Air Transport Board	54	41
III. War departments being consolidated or liquidated		
(a) Defence Depts. (3)	68,376	15,762
(b) National War Services.	2,041	4
(c) Wartime Prices and Trade Board	5,726	3,920
(d) Reconstruction and Supply	14,540	902
Total	(4)	120,946

(1) Includes Board of Grain Commissioners, Canadian Government Elevators.

(2) Includes Board of Transport Commissioners.

(3) Includes Army, Navy, Air Force Inspection Board.

(4) In view of the fact that various departments reached their respective employment peaks on different dates, the sum total of this column would be greater than the over-all civil service employment peak, which never exceeded 142,000.

Although the present total number of civil servants substantially exceeds the 1939 total, this is to a large extent an inevitable consequence of many factors, amongst the more important of which are the following:

1. The implementation of new legislation since the beginning of the war. The unemployment insurance commission, the Department of National Health and Welfare, the national film board, the air transport board and the Department of Veterans Affairs are virtually new departments which have come into being as a direct consequence of new legislation. Indeed, the total personnel employed in those departments on April 1 this year numbered 31,998. This is an increase of 28,515 over the 3,483 persons employed in related services in 1939. The departments then were pensions, national health, and the national film board.

2. In several instances new or amended legislation has also resulted in the creation of new branches or divisions in old established departments, such as the citizenship branch in the Department of the Secretary of State, certain branches of the Department of Agriculture, and so on.

3. There have been considerable increases since 1939 in the staffs of the Department of National Revenue, the Post Office Department, the Department of National Defence, the Department of Trade and Commerce and in external affairs. These increases, however, are governed by uncontrollable factors of revenue, national security, foreign trade and

international relations, the requirements for all of which have grown substantially since the beginning of the war.

4. As I have pointed out, the size of the servicing departments such as public works, comptroller of the treasury and the civil service commission is mathematically related to the size of the civil service as a whole.

These are but a few of the reasons that illustrate the difficulty of estimating even approximately the normal peacetime strength of the public service. The civil service will continue to be reduced on a graduated scale, largely through diminishing veterans' requirements and the final liquidation of remaining wartime departments.

In the table which I have placed on the record, showing the total number of civil servants by departments, and giving the war peak and personnel as of April 1, 1947, it will be noted that the war departments which are being consolidated or liquidated include the defence departments, which had a civilian war peak of 68,376, and today have 15,762, including army, navy, air force and inspection boards. The further war departments being liquidated include national war services, which at the war peak had a personnel of 2,041 and now has four. During the war the Department of Munitions and Supply had a peak personnel of 14,540; today the Department of Reconstruction and Supply has a personnel of 902.

Therefore I submit, Mr. Speaker, that this statement is a complete refutation of the accusation made by the hon. member for Dufferin-Simcoe (Mr. Rowe). I suggest that the charge he made had no basis in fact, and has been entirely answered by this statement.

Mr. FRASER: On a question of privilege, Mr. Speaker, the minister said my figures were wrong but if he will look at page 29 of the estimates for 1947-48 he will see that the 1947-48 estimate for the film board is given as $2,078,874, while the amount for 1946-47 is shown as $1,259,465. The increase, as shown in these estimates, is $819,409, which was the figure I gave. I want to say this is just a sample of what happens in connection with the film board.

Mr. SPEAKER: I would like to remind the hon. member for Peterborough West that an hon. member has not the right to speak twice on the same matter.

Mr. FLEMING: I wonder if I might ask the minister a question before he takes his seat. Has he the figure of the number of employees of boards outside the government departments, including those of crown companies?

Mr. McCANN: If I had them I would have given them.

Mr. FLEMING: Why were they not included? The figures are incomplete without them.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I am not going to take time this afternoon to reply to the Minister of National Revenue (Mr. McCann). We all listened to the presentation of a budget which had been very carefully prepared by the young and popular minister, and which has been received with applause by some and disappointment by others. However, I congratulate also the minister's predecessor, Right Hon. J. L. Ilsley, who brought in a surplus from war assets of $372 million, and the two ministers a surplus of $352 million.

The other evening we had a splendid reply by the financial critic of the opposition, the member for Muskoka-Ontario (Mr. Macdonnell), who was ill. As you will understand, Mr. Speaker, I am acting this afternoon in a sort of utility role, to fill in on the budget. Yesterday afternoon very little interest was taken in the debate, so much so that I thought many of the members were attending the gymnasium proposed by the hon. member for Fort William (Mr. McIvor). I thought perhaps the hon. member for Temiscouata (Mr. Pouliot) and the hon. member for Laval-Two Mountains (Mr. Lacombe) might be working out on the parallel bars. However, I want to say right here and now that the speech of the minister, giving all these surveys and reports, was the usual budget statement containing very little comfort for the country. We have squandered our resources at a great rate, and as a result we are now part and parcel of the United States economic system. If history repeats itself in connection with financial matters I am afraid that before long they may be in a very difficult position, and I believe that will have a very serious effect on Canada.

Certainly after the years of war the people were looking for some relief from the present intolerable taxes, but I suppose as long as we have over-government and over-taxation there is not much hope. Look at the provincial parliaments; in my opinion they simply duplicate the municipal system, and never should have been created. They were just an afterthought in the minds of the fathers of confederation. That is why we have such heavy

taxes. Let me remind hon. members that the last year Sir Charles Tupper was here, when Sir Wilfrid Laurier came in, they required only $36,000,000 to operate the whole country. Now we are spending about $1,700,000,000. Then look at the provinces. Ontario used to get along with $6,000,000 a year. Today Ontario expenditures total $127,000,000. Then you go on to the municipalities, and where it is all going to end I do not know.

As I have said before, the most important problem facing us at the present time, into which everything fits and on which everything depends, can be expressed in this way: parliamentary reform, constitutional reform, cabinet reform and law reform. Would it not be in the public interest, Mr. Speaker, if we had the municipal system, under which in committee of supply a private member could rise and move to strike so much money out of the estimates? We cannot strike a dollar off this tax rate, so that all this debate does not mean anything. If a dollar is struck off the tax rate and the government is defeated, it must resign. I say that is a wrong principle. It is my belief that we should change our committee of ways and means so that it would be something like the system they have in Washington, under which congress has some say about the tax rate. If they see fit they can reduce the amount by hundreds of millions of dollars. I believe something similar would be in the public interest in Canada. Something should be done about it.

On February 17, 1937, as reported at page 973 of *Hansard,* I said:

> A lot of provincial legislatures were created. These are all spending money and the result is over-taxation. These provinces are nothing but a lot of Balkan states fighting among themselves, and the taxpayer is made to pay. The short-sightedness of this act of 1867 should not be allowed to continue any longer because it has brought about in Canada the creation of a state equivalent to slavery among our men, women and children.

And at that time I referred to the over-taxation of the workers and the toilers who have to pay taxes. In my opinion something should be done about it. The provinces of Ontario and Quebec are paying over 75 per cent of the cash taxes of the dominion. Ontario is the forgotten province in confederation. It gets little or nothing, because the Ontario members do not stand together, as do the members from the Pacific coast and from the maritime provinces.

I believe the day is not far distant when something will have to be done about it. Certainly the dominion-provincial conference should have been reconvened long ago, and something should be done to give Ontario some assistance in this way. As hon. members know, the island of Montreal is represented by five federal cabinet ministers. Since 1935 we in the city of Toronto have not had one minister of the crown to represent us in parliament. And this is the condition, despite the fact that our taxes are going up by leaps and bounds, including income tax and sales tax. Receipts from the post office department operations in Toronto were over $13 million in one year. Consider the tax rate, and remember that we have no direct representation in the cabinet. It was in respect of that principle, taxation without representation, that the American colonies rebelled at the time of the Boston tea party, away back in the days of the American revolutionary war.

In my opinion too much of this budget—at least 50 per cent of it—is made up of indirect taxation. This comes from sales tax, and other forms of petty nuisance taxes. The other 50 per cent is from direct taxation. I believe the time is not far distant when we should have some relief from the panic of reckless expenditure which has been going on—spending money like water. Because, do not forget this, that considerably more of our budget should be charged to capital account, and less of it charged to income. This generation has to suffer, in flesh and blood, as well as bear the brunt of pay-as-you-go taxation. We cannot have a pay-as-you-go principle, in view of the gigantic war payment expenditures we must make, amounting to four or five billion dollars in a year.

Something should have been done to eliminate these nuisance taxes which, so far as the working classes are concerned, yield very little profit or revenue to the government. We should have drop letters at one cent in the cities and three cents in the country. Then, in addition to that the nuisance taxes on soft drinks, chocolate bars, and nuisance taxes in other forms should be eliminated almost immediately. But nothing has been done about it. The removal of many of these controls which have hamstrung the public and private business, both wholesale and retail, should have been accomplished long ago.

The key to the solution for inflation is production. Then, we are met with increased prices for coal, milk, rent, food, and many other commodities. The price of butter has gone up ten cents. The time has come when we will have to have a system of checks and balances every year. When one examines the income tax he finds that it is not a reduction of 29½ per cent on the tax levied against many

of the people included in the schedule read out by the minister. The tax amounts to only 14½ per cent. In addition to that, all the other forms of taxation have remained high.

As I have said before, production is the barometer which would have kept down inflation; the law of supply and demand would take care of that. On many commodities that law forced down prices in the United States, after the controls were taken off. The government has failed to give any relief in the manner I have mentioned, and in my opinion it has shown a lack of vision and of consideration for the taxpayers.

The extravagance of the government in connection with ambassadors is beyond description. I see that the Department of External Affairs alone is spending $1,779,000 more than it did last year. Ambassadors are travelling all over the seven seas. Some of them do not know enough, when they speak in the language of a foreign country, to ask for their laundry. They are out there, acting as our ambassadors across the seas, but they are only amateurs who learn by experience, with no knowledge of foreign affairs and no knowledge of external affairs. We have now reached the sixty-fifth day of this session, and it is nearly time we had a day devoted to the discussion of foreign affairs, instead of submitting ourselves to the catechism style of: A question a day keeps the ambassadors away.

Some of the members of the press have made good ambassadors and have gone all over the world. In fact, so many ambassadors have been named that we have discovered that the great basic industry for solving unemployment in Ottawa is the appointment of ambassadors, and this is known as the ambassador cure for unemployment. We are spending $1,779,000 more for ambassadors, and the end of it is not yet in sight, because there are at least 200 more days left in the year. Appointing an ambassador a day will keep the tax rate away up, according to the way I look at it.

As I said before, we will have a cold winter next winter. We are now around the middle of May, and our fires are still on in our homes and in this building. In only two or three months the fires must be put on again. Where will we get the coal and other kinds of fuel? What is the government going to do to get it? We have been talking about a national fuel policy; I brought the matter up in the house in 1923, but everybody opposed it. They did not believe in a national system of bonuses, subventions and subsidies to bring coal from Alberta or from the maritimes to central Canada. The government opposed it for five or six years, and then it adopted a system of bonuses, subventions and subsidies. Ontario wants to use coal from Wales, Alberta and the maritimes if it can get it; but nothing is being done about it. Next winter we will have a terrible state of affairs, with old age pensioners freezing in their houses and homes. I do not know how they are going to avoid it.

Then, not only should we have a national fuel policy, but we should have a national hydro-electric policy. I pointed out in 1924 that we should have a national hydro-electric policy for Canada. A return I received at that time shows that we have a potential horse-power in Canada of 45 million of which only 7 million has been developed and some of that is only seasonal, operating in the summer time. One-sixth, or 7 million horse-power has been developed. It was shown that we had not been progressive enough, and that we should have had further utilization of our hydro-electric resources, for heating purposes where possible. I was surprised in 1927 when I was there to find that British Columbia, one of the richest provinces in power, had made very little progress in that direction. That would be a fine solution for the trouble they are having with regard to fuel.

I have been surprised to find that in these days no one wants to own a house, because even if you own it you cannot get into it. Many people are complaining. No contractor wants to build a house. In Toronto 65 or 70 per cent of our citizens used to own their own homes. Today the builders are getting out of house building because nobody wants to own houses or real estate. The government should do something about it. The city architect at Toronto, Mr. Gillies, said the other day the difficulty is that a shortage of low-priced land within the city, and the high price of materials and of labour make it prohibitive for anyone to build houses.

I am going to ask the government a few questions. Why is there a housing shortage? Does the government realize how urgent the problem will be during the coming winter? How quickly shall we get these houses built? Why cannot all the building trades workers be drawn out of the forces and the factories? Is all the building trades labour which is now available being used for the building of houses? No. Go around the streets of Ottawa and in the playgrounds and you will see the answer to that for yourself. Will the government's housing programme be held up because public authorities cannot get land? What are people going to do while they are waiting for houses to be built? Our veterans are living in hovels and basements although they have

put their gratuities into buying houses which they cannot get into. There will be a boom in the building trades for five years and then a slump.

In 1935, at my suggestion, the Bennett government appointed a committee of the house to inquire into housing and reconstruction. The committee made a study of the matter and its report was adopted. The money was lent through the banks at a low interest rate, and $86 million was spent to build houses all over our cities. Only $16,000 or less was lost in that venture. We should have a system like that now.

Who is going to do the building? Nobody wants to build except the government. It costs so much to build that the working classes cannot pay the rent asked. What about the materials for the houses and the price of those materials? What is the government doing about that? Nothing that I know of. The cost of materials is prohibitive and the materials are in short supply. That is why one of the leaders in the other place said that nobody nowadays wants to build a house or own one. What about the cost of the new houses and the rent of the temporary houses? On top of all that you have a control system which prevents anybody from getting into his own home. Yet we have money to spend like water all over the seven seas. Where are we getting the money to spend on the Olympic games overseas? Imagine 4,000 contestants going over there with the food, fuel, housing and shipping situation what it is. Do you not think the time has come to drop this government assistance and tell those who want to go to the Olympic games to pay their own expenses? But the government is providing $17,500 for the Olympic games. It would be far better to drop the Olympic games until 1950 and let those who want to go pay for it—contestants, officials and people with badges—4,000 people. Where are you going to get these people housed in London, England? These games should be postponed until 1950 at least. That fine estimable Ottawa young lady would be far better advised to drop the Olympic games altogether and keep the car that was given to her. We should not vote money for the Olympic games because they cause more disunion than union. Hon. members will remember the riots and disorder at some of these contests in Europe in other years. It would be far better for Canada to have them in some large city—at the Canadian national exhibition.

I believe this budget should be criticized because it forgets all about the British empire. Our whole trade from the very start has been based on our relationship with the empire. I quote what Sir John A. Macdonald said at Kingston in 1844:

> I, therefore, need scarcely state my firm belief that the prosperity of Canada depends upon its permanent connection with the mother country, and that I shall resist to the utmost any attempt, from whatever quarter it may come, which may tend to weaken that union.

Forty-seven years afterwards, in February, 1891, he reaffirmed the same doctrine of our close relationship with the mother country, in these words:

> For a century and a half this country has grown and flourished under the protecting aegis of the British crown. Under the broad folds of the union jack, we enjoy the most ample liberty, we govern ourselves as we please, and at the same time we participate in the advantages which flow with association of the mightiest empire the world has ever seen. As for myself, my course is clear. A British subject I was born and a British subject I will die.

That is the policy we should follow—the empire first, last and all the time. Trade should follow the flag, and the flag the trade. We should not give up the British preferences. My friends opposite and my friends to the left used to believe in free trade. They said that the grain trade should flow north and south instead of east and west to Britain and our allies, and the result was that on one occasion wheat went down to 38 cents a bushel. Mr. Fielding and Sir Wilfrid Laurier in 1897 brought in preferential trade within the empire and the six cents preference on grain. That policy should have been continued but it was ended by Canada in 1938. But this budget forgets that, and forgets that we are part and parcel of the British empire. I was the only one on these benches who in 1945 voted against the Bretton Woods agreements because I saw the dangers of liquidating empire trade and preferences. I have always strongly supported preferential trade within the empire and shall continue to do so and I believe that a large body of public opinion supports it at the present time. The whole future of the mother country depends upon the dominions. Without the dominions the mother country will become a second Denmark at the edge of Europe, and we shall have little or nothing to say in the peace terms.

What did free trade ever do for the dominions or for the people of this country? As a result of British preferential trade 2,500 United States branch plants and affiliated industries have been established in this country, fifty per cent of them being manufacturing establishments and the others being engaged in finance, insurance, shipping and other services. Many of these branch plants

were established in Canada to take advantage of the British preference. I will oppose any change in that policy. It is in this respect that the budget mainly fails.

In 1945 when Germany was beaten—the mother country with the help of the dominions which went it alone for two years was mainly responsible for the victory—the mother country was at the height of its power. We were to see the dawn of a new day for the dominions and the mother country because she then stood at the top of the world. There were certain people who thought that the empire was gone, that it would be disrupted. But in 1945 Britain was at the height of her power and the same is true of the dominions. Our other allies who came in at the end did wonderful work, but if it had not been for the mother country and the dominions they would not have had a chance to win the war. The resources of the empire are vastly superior to those of Russia and the United States because Russia and the United States are land entity propositions while the British empire is spread over the seven seas. Why should we not band ourselves together in preferential trade within the empire? How has it come about that it seems to be almost dangerous for anybody in this house to mention the word empire which has done so much for our civilization?

Are we, the Conservative party, to stand still here?—because it is the Conservative party although it is called "Progressive Conservative." We who have been with the party have supported certain principles. I believe we are making a mistake. We would sweep the country if we stood up for the mother country and advocated those principles instead of standing by and seeing the empire scuttled the way it is. How does it come about that such a thing is so? I have been bewildered when I see what is going on in the press and in other agencies about these matters, about India, Palestine and Egypt and all that kind of thing. I have been surprised at the lack of planning, not only in the budget but with regard to trade, defence and migration within the empire. I have referred before to such things as defence, migration and trade within the empire. The lack of faith which is shown in the budget is illuminating; and faith without works is dead. It seems to me we have more faith in Washington. One of the big mistakes we made in this war was when we surrendered too much political, military, economic and financial initiative to Washington. That was one of the first fatal mistakes we made.

Coming to defence and migration, may I say that history always repeats itself. Yesterday Mr. Attlee said that we are as close to war now as we have ever been. He spoke words of wisdom when he said that. That is obvious when you look at the absolute failure of the united nations and the disappointments at its lack of action. They are holding a meeting in New York on matters which do not concern this country. These matters were settled at San Francisco when they passed the veto. We agreed to it. We had delegates down there who agreed to the veto. One of the big four can veto the other three. One of the players wants to rule the other three. Just imagine a hockey game in which the referee could not rule three players off because of a veto of the majority, 4 to 3. The referee would get the worst of it. That is what is happening in the security council.

I do not blame delegates for wanting to go to New York. We had a banquet the other night but we had only two or three courses; down there they have luxury banquets with fourteen courses and all the liquid refreshments one could desire, 50-cent and one-dollar cigars, and all that kind of thing. That is going on while people are starving. I have read about the banquets in *Time* magazine and *The Patriot* of London, England. It is no wonder that our delegates are anxious to go down there. No wonder all parties want to go down there. They can go to see a hockey game, a baseball game or to the theatres. They can go to the Knickerbocker and see oil paintings of Old King Cole while attending this Tower of Babel. All that kind of thing is going on down there while the poor people of Europe are starving. It is no wonder that so far UNO is a failure. All this is going on at a time when in Britain there is no light, no power, and a great scarcity of food.

I will admit that economics is partly the basis of war. I should like to quote from the first epistle of St. James, chapter 4, verse 1:

> From whence come wars and fightings among you? Come they not hence, even of your lusts that war in your members?

Only through psychology can we hope to solve all these things, these terrible problems of war which Mr. Attlee yesterday said was hanging most menacingly over us because we keep forgetting the very basis of Christianity, as I said a month ago. One thing has come out of the discovery of the atomic bomb; science and religion are coming closer together than they have ever been since the time of our Lord. The very same condition exists in the far east, in the same territory where St. James used these words, "Whence come wars and fightings among you?" All that kind of thing is going on and has been for the past two thousand years. As I said, there is one

thing about this atomic bomb; science and religion are marching more closely together, and if we are to have everlasting peace we shall have to carry out what the apostle said in the verse which I have quoted. We should send missionaries to the UNO to help change the hearts of men. The budget forgets all about these things; it says nothing at all about these things.

I hold in my hand a copy of an address given at Winnipeg by Mr. Edward Mallory, of the Department of Trade and Commerce, in which he points out the effects of preferential trade upon industry. Over 2,500 industries have come in the country because of it. As I said the other day in this house:

The Ottawa agreements increased the trade between Canada and Britain by forty-one per cent and between Britain and Canada by forty-three per cent, and we have had multilateral trade. Formerly it was known as most favoured nation treaties. We made these treaties with some thirty-two different countries between the two wars, but they brought us very little in the way of exports. What countries can afford an export market for Canadian goods? Upon exports we live. Markets are available with respect to many things, but the only great agricultural market left in the world for Canada is Great Britain. We acquired a preference in that market for wheat at six cents a bushel, which Sir Wilfrid Laurier once said he would give almost anything to obtain. It is equally true that the preference on apples, pears and so on meant the sale of a million barrels of these fruits from Nova Scotia in one year. What we lack is markets for our exports; and if anyone thinks we are going to find in the United States a market for either our agricultural products on any substantial scale, or for manufactured goods, I am afraid he will be disappointed. The only things they will be willing to take from us are the raw materials from which to manufacture finished products, as they have done previously.

I am much disturbed at the present state of the world. I do not like the terms of the loans made by the United States. In my opinion they are much more like the ruthless and vindictive demands of a victor made upon a vanquished foe than arrangements between allies. It must be apparent by this time that, had it not been for Britain alone, and with her holding out as she did, all would have been ended, and there would have been a complete collapse of civilization.

Then again I said:

I refer to the subject of the bases. The principle of the joint Anglo-American use of bases is now in full operation. But the precedent of long-term leases of bases from Newfoundland to British Guiana, under the fifty-destroyers agreement of 1940 contains the seeds of future conflict. That agreement, which confers 99-year leases on the United States, does not provide for the British use of these bases and apparently contains no release clause in any form. If bases are to be held jointly such arrangements should be made on terms of strict reciprocity. In the present case, the use of land and the cost of bases in allied territory should be charged to lend-lease account and an agreement should at the same time be made to terminate the 99-year lease and cancel it and to transfer the costs of the destroyers to lend-lease account.

That should have been done long ago. I hope it will be done later on. What Mr. Attlee said yesterday is true. Much talk has gone on about British imperialism. As Burke said, we should elevate our minds to the greatness of that trust to which the order of Providence has called us. That glorious empire has gone to the seven seas and has won the admiration of the world. In the places to which the empire has gone it has given freedom, liberty, good government and civilization. Britain went to war because of her pledge to Poland. The United States and Russia went to war because they were invaded, which is different.

The two bases of Russian expansion are political and economical. As I said last year, quoting the great *National Review*:

There have been no public claims like Hitler's demands that people of German origin everywhere should be brought within the German sphere. But at the Paris conference there have been statements from the Russian group raising the racial issue. In arguing for the acceptance of Bulgarian claims the Polish delegate, Mr. Rzymowski, declared: "In our opinion Bulgars should receive humane and indulgent treatment. It is the only Slav people among the ex-enemy states." While Molotov was greeted with enthusiastic applause from the Russian group when he said: "The time is past when Slav lands were material for partition among the European powers, when Slav peoples groaned under the yoke of western or eastern invaders. It is well known that the Slav nations have now found their place in the ranks of the allied states and that political life in all Slav countries is being built up along progressive democratic lines.

The prospect for the future looks dismal. There have even been threats from the Russian group of a third world war put in typical Soviet fashion, inversely. Opposition to the aims of the Russion group is said to be due or encouraged by reactionary cliques and fascist remnants who wish to see a third world war. Must, then, the Soviets be allowed a free hand to avoid such a catastrophe?

Recent history surely proves that opposition in time to the nazis might have averted a war which President Roosevelt once declared should be named the war of survival. Opposition now to Russian pretensions is one way in which another world war, another war of survival for our western conception of life, can be avoided.

Here is what a great British newspaper said the other day, quoting a recent speech delivered overseas by Lord Bennett, who used to be prime minister here, in which he made reference to "those powerful factors that are at work in a conspiracy to undermine the unity and destroy the life of the British com-

monwealth of nations. For some time there has not been an imperial conference at which the various members of the British commonwealth could state their views. We have had no imperial parliament to speak for us. We are developing separate policies in the various nations of the commonwealth, and you cannot have a commonwealth that will endure if the various nations comprising it pursue independent policies."

At no time in the history of the empire has it been more necessary for the dominion of Canada to give support, even if it is only moral support, to the motherland. Our foreign policy should be wrapped up with that of the mother country. Never has it been more necessary that this should be done than now. There is no use in saying that we can depend upon pan-Americanism and the Monroe doctrine. We depended on them in the past and they were found wanting. We are entirely dependent upon the mother country for our liberty and freedom. I am surprised that something has not been said along the line of what Sir John A. Macdonald and Sir Wilfrid Laurier stated, that when England is at war Canada also is at war. I believe that if the time comes again this country will do its duty towards the motherland as it has always done in the past.

The government would be well advised to send at once all the food we can possibly spare for the people in the old land. Instead of that, they have been begging the question all along. The strength and unity of the British empire have been built up by centuries of statesmanship. The dominions, once colonies, have become independent nations under the crown. In Palestine the situation goes from bad to worse for lack of statesmanship; while the little kingdom of Sarawak has been bludgeoned into accepting the status of crown colony in place of its former independence.

Discard preference and let foreigners swamp empire markets and you create unemployment and sacrifice one of the main factors which have welded the British empire into the greatest influence for good since the coming of Christianity. But this is exactly what the government have threatened to do.

The British empire came into being by the colonization of overseas territories and the reservation of the trade of those territories to the mother country. A strong commercial position was built up but as times changed the system was modified. Trade was extended to foreign countries but advantages were given both to Britain and to the colonies by lower rates of duty than those imposed on foreigners.

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

Mr. CHURCH: Well, Mr. Speaker, there will be another opportunity.

Mrs. GLADYS STRUM (Qu'Appelle): I cannot share the enthusiasm of the Minister of Finance (Mr. Abbott) or the Minister of National Revenue (Mr. McCann) for the budget. I do not know what handling money does to people, but it makes these two ministers genial, and I suggest that it might be a good idea to try it on all the Canadian people and see what it would do for their dispositions.

We were all pleased, however, to have this statement of the Minister of Finance:

> Today we have just ended a year in which our accounts show a surplus—a surplus larger than the accumulated total of all the previous surpluses in our history.

With that for a financial background you would think that something worth while for the Canadian family would be done, and yet we find that very little is proposed for the relief of the Canadian family in spite of the fact that, according to the minister's own words, more than half of the families in Canada have incomes that fall below the income tax levels, or less than $1,500 for a married couple; and that kind of family income in Canada gives rise to *Health* magazine, which is the publication of the Health League of Canada, pointing out what the Marsh report uncovered a few years ago. In its latest issue this magazine says:

> One of the largest contributions of the Marsh report was to place in the bright spotlight the shameful income situation of Canadian families. Of every three of our families, two have incomes below a level sufficient to maintain decency and health, one in three falls below even an existence minimum—an income quite insufficient to cover even the bare necessities of life. Small wonder that the giants of hunger, misery and squalor have roamed the land.

The majority of Canadian families lack protection for life and health because of inadequate family income, and they are also victims of bad housing. They have no provision for illness and no provision for comfortable old age. In fact this budget makes the rich richer and the poor poorer because of the price increases through the removal of price ceilings and through the removal of subsidies. It fails in the redistribution of national income, which is part of the Liberal platform; and I say "platform" advisedly and not "policy", because the policy is the direct opposite.

In contrast to what we have done for the Canadian family I want to point out what

we have done for Canadian business. On page 2552 of *Hansard* we have an interesting table giving a forecast of the fiscal year 1947-48 as compared with the fiscal year 1946-47. We find there that the biggest reduction in taxation comes in the category "excess profits tax". We intend to reduce the excess profits tax to the extent of $279 million. That is the biggest drop in any of the items in the national income forecast for next year. The excess profits tax drops from $449 million to $170 million, or $279 million.

Not only do we reduce the excess profits tax, but we remove subsidies, thereby removing their responsibility to help protect the family incomes of those people who drop below $1,500 a year. In addition to that, we remove the price ceilings so that, through sales of manufactured products, excess profits can be maintained. Now what have we done for the family?

An hon. MEMBER: Not we; the government.

Mrs. STRUM: The government, pardon me. I wish to dissociate myself from this action. Looking at page 2557 of *Hansard*, let us consider the family to whom the Minister of National Revenue referred—the $1,800 a year man with two children. True, he has a reduction in taxation. True, he is down to $16 a year and next year he will be down to $10 a year. The drop is $10. The 1947 tax rate forced him to pay $20. Next year he will pay $10, or he will save $10. But he has two children and they are supposed to drink milk; they are supposed to be drinking a quart of milk a day. That means that his children are supposed to drink 365 quarts of milk each per year, or 730 quarts for two. Through the removal of subsidies, milk has gone up from ten cents to fifteen cents a quart, so that for 730 quarts of milk he pays an extra five cents each, or $36.50. On the one hand, he saves $10, and on the other hand he pays out $36.50; or, in other words, he is $26.50 in the hole. Then, of course, he himself is supposed to drink a pint of milk, and his wife is supposed to drink a pint of milk, but this figure is just for their children. Actually, through the removal of subsidies, even though we have given him $10 off his income tax, he is really $26.50 in the hole; or, if he pays sixteen cents a quart, as many people do, it will cost him $43.80 and he will be $33.80 in the hole, on this new budget.

The great majority of our families fall below $1,500 a year. Not only does this man lose out on his milk, but he loses out on his butter and shoes which are now out from under the ceiling, and on many other articles which go into the cost of daily living. His rent has increased. In many ways his real income does not go nearly as far as it did a year or two ago, so that he is really worse off than ever.

The people with under $1,500 a year are, of course, completely vulnerable. Lack of income puts them in a completely unsheltered position in regard to the paying of rent, the buying of things like milk, butter and shoes, and the many other things that go into the cost of living. As we stated earlier, and as the minister himself pointed out, the majority of the Canadian families are in that unenviable position. No wonder that our health records are bad. No wonder that our crime records are bad. No wonder that we are ashamed of many things in the field of national health and housing.

There are many social costs which do not appear in the budget and which are the result of the failure to provide for the protection of our Canadian families. I should have hoped that, with our surplus which the government is so proud of, we might have undertaken a large-scale public housing project. In any country where this has been undertaken the results have been surprising indeed. I want to quote now from the report of the lieutenant governor's committee on housing conditions in Toronto in 1934. This is what the report says:

> Doctor Chalmers, medical officer of health, Glasgow, is overwhelming in his indictment of bad housing. At a time when sixty per cent of the population lived in one or two-room apartments Doctor Chalmers wrote:
>
> "In one-roomed houses the death rate was 29·9 per thousand.
>
> In two-roomed houses the death rate was 16·5 per thousand.
>
> In three-roomed houses the death rate was 11·5 per thousand.
>
> In four-roomed houses the death rate was 10·8 per thousand."
>
> Doctor Chalmers goes on to say that, "Bad housing increases the incidence of all infections, contagious and verminous conditions, of respiratory diseases, and of anaemia, debility and constitutional maladies. The worse the housing, the higher the death rate."
>
> After the reconstruction of slum areas in Edinburgh, the death rate of these areas fell from 45·5 per thousand in 1892 to 15 per thousand in 1910, or reduced it by two-thirds.

This, to me, is significant, and it was significant enough to be included in the lieutenant governor's committee's report on housing conditions in Toronto; and the bad conditions which were found in Toronto are duplicated right across the country in all our Canadian cities. We find that the infant mortality rate is high. We find that all the things which go to break up families are prevalent in those areas. We find that people are paying out far too much of their income for rent. In the report of the advisory committee on recon-

struction, housing and community planning, our own government has this to say about rents in relation to family income:

> On the basis of $20 a month being a desirable rent, nearly 40 per cent of the tenant families in the low-wage group at present pay more than they can afford. Nearly one-third of them pay rents of between $20 and $35.
>
> These figures are significant in showing the proportions of wage-earner tenants who would be satisfactorily accommodated if it were possible to provide new housing renting at $20 a month. Only in Toronto, London and Windsor would this provide for half of the population in this group . . .
>
> Allowing not $20 but one-fifth of their normal budget the percentage of families paying disproportionate rent is not 40 per cent, but more than twice as much 88·7 per cent. The city percentages range from 66·5 per cent in Halifax to 92 per cent in Winnipeg.
>
> In the absence of any changes in basic incomes throughout the country, this is tantamount to saying that three-quarters to four-fifths of this lower third of city families depend on a public low-rent housing programme if they are to be provided with proper housing accommodation.

This is from the report of our own department of reconstruction. There is one place where the government could put some of the surplus revenue, because their own reports indicate that these people will never have adequate housing unless we institute large-scale, low-cost housing projects, financed by this government. Up to this time we have had housing projects that benefit mainly the insurance companies. I was disappointed to see that the Minister of Reconstruction and Supply (Mr. Howe) in his latest statement points out that under the new plan which we intend to institute, or which the government intends to institute—again I wish to dissociate myself from this—we are going to double the depreciation; we are going to help them acquire land and then we are going to talk about four-roomed units which will rent for not more than $70. A four-roomed unit renting at $70 will not meet the needs of these people who must be assisted because their incomes will not allow them to pay economic rents.

What about the health facilities of our people? Well, there is not any Canadian standard at all for health. There is not any Canadian standard for pensions. There is not any Canadian standard to take care of widows. There is not even any Canadian standard to take care of the people who are on relief. Much to my surprise today I found that only three provinces have legislation under which the province is responsible for relief. The other six provinces leave it to the municipality, which means that these people who are out of work are completely without protection, except, of course, the limited protection of unemployment insurance, which does not begin to cover all the people who are out of work. So I would urge the government that when we have these substantial surpluses we should not wait for all the provinces to come in before beginning to plan for the protection of the Canadian family.

In this house we are horrified at the divorce rate. We say, "We do not believe in divorce." None of us wants divorce. I do not believe we should ever permit conditions to exist that break up family life; yet here we have low incomes, bad housing, no provision for health, no provision for the widow other than what the provinces choose to give, and so on. We have inadequate provision for the arthritics, the cripples, the people who cannot look after themselves.

An hon. MEMBER: Would divorce cure those?

Mrs. STRUM: All these conditions put a strain on family life, as I think the hon. member will admit. Anything that can take the strain off family life, anything that can house our people under conditions of health and decency and comfort will add to the permanency of family life and will help cut down our divorce rate.

Mr. GRAYDON: How do you explain Hollywood on that basis?

Mrs. STRUM: Perhaps you know more about Hollywood than I do. I just happen to know about normal people, such as I think I represent.

In closing, I merely wish to urge the government to make use of the excellent material for which they themselves have paid. I am amazed at the wealth of material that comes from the bureau of statistics and government departments. If I want something my secretary comes up with armloads of stuff that the government themselves have prepared, as to which the government departments have already done the groundwork and made the surveys. We know what is the matter; we know how to cure it; we know what the government intends to do. Let us do it now.

Mr. L. D. TREMBLAY (Dorchester): Mr. Speaker, often while listening to some speakers in this house I have felt that if an outsider were to attempt to assess the true economic, political and social situation in Canada with regard to the past, and more particularly with reference to the future, he would soon have the feeling that he might as well attempt to square the circle. Truly, is there any other place, with the possible exception of the law courts, where one may sit and listen to an

intelligent man assure you that such and such is white, and then hear another prove a moment later that the same thing is black? This is a daily feature of our proceedings, and I suppose it would be childish to attempt to do away with it in this honourable chamber. After all, is not freedom of expression, whether it be of sentiment or of principle, the very essence of a democratic system?

Having said this, without malice toward anyone, I shall proceed immediately with the remarks I wish to offer for the consideration of the house. Obviously I have no intention of touching on all aspects of the budget, but this heartening speech contained features I wish to underline. The first is that in accordance with Liberal tradition it brings substantial relief to the classes of our population most in need of it, the middle class and the small wage-earner. A mere glance at the tables to be found at pages 2556 and 2557 of *Hansard* shows how successful the minister was in giving concrete expression to his concern for the small wage-earners. It should be pointed out that the average reduction of twenty-nine per cent is spread in such a manner that small wage-earners will benefit by an income tax reduction of more than fifty per cent. Naturally it would have been more gratifying if all of us could have enjoyed such a substantial reduction, but the pressing consideration is to ensure more humane living conditions to those whose incomes are low. Let us remember, on the other hand, that the new budget grants an income tax reduction of from forty-seven per cent to thirty per cent to families with incomes ranging between $2,000 and $5,000, and that nine out of ten taxpayers will find that their income tax has been reduced by twenty-nine per cent or more as of July 1. This year, less than two years after the end of the war, the government is in a position to grant relief to Canadian taxpayers, in respect of personal income tax alone, to the extent of approximately $110,000,000, which will reach $175,000,000 for the full year. Would it not be fair to say, particularly in regard to the province of Quebec, that, while the King government is removing taxes, the Duplessis government is piling them on? But this is another matter altogether; figures speak louder than words, and in any case, *"Verba volant, scripta manent."*

We were told by the Minister of Finance (Mr. Abbott), with his characteristic virile optimism, that today Canada enjoys a degree of prosperity never exceeded in living memory, and he adds that he anticipates high production and high revenue for the coming year. If one stops to think that in many lines demand is still ahead of production, that our exports are being maintained at a very high level, limited principally by production, and that imports from overseas flow into the country in impressive volume without impairing the demand for domestic products, it would seem that there is ample justification for the fine optimism displayed by the comptroller of the national exchequer. It is to be hoped that industrial, financial and trading companies which have not benefited by such substantial tax reductions as have individuals will be able to find the sources of supply they so sorely need.

As to the next fiscal year, assuming that the national income remains at its present high level—which the minister hopes will be the case—he anticipates that government revenues will fall from $2,984 million to $2,450 million, still leaving a surplus of $190 million if the provinces of Ontario, Quebec and Nova Scotia do not sign agreements with the federal government, and $80 million if they do. I leave it to the experts in this house, or those who believe they are experts, to assess the economic merits of the budget I wish to discuss the serious question of dominion-provincial relations. In this respect I wish to deal particularly with the interests of my own good, dear old province of Quebec, and with the systematic, deliberate and calculated misunderstanding with the government of Canada nurtured by the camouflaged Tory who accidentally and temporarily happens to be at the head of the government of the province of Quebec.

(Translation):

Mr. L. D. TREMBLAY (Dorchester): Mr. Speaker, I shall now proceed in the tongue spoken by my paternal forbears. Indeed, I do not hesitate to proclaim in this house, when the occasion arises, the ocial bilingualism of Canada.

In referring to the statement of the hon. the Minister of Finance (Mr. Abbott) on this subject, I find in *Hansard* the following words he uttered. They are those of a man of spirit, of a statesman who has the real interest of the whole of Canada at heart and who wishes to ensure understanding and peace between the various groups forming part of our country. On this subject, I shall quote from the budget speech of April 29 last, the words of the Minister of Finance:

> The stability of revenues assured by the guaranteed minimum payments represents one of the chief advantages of the plan to the adhering provinces.

Far from weakening their autonomy or sacrificing any of their constitutional rights, they have merely found a method of utilizing one of these rights . . .

And, farther on, he said:

With this assurance of stable and rising revenues, they are for the first time in a position to plan with courage and confidence and a sense of real independence, programmes for the efficient discharge of their constitutional responsibilities.

The government of Canada looks forward to the day when the agreement of all or substantially all the provinces will make possible the achievement of the great national purposes which impelled the dominion to make its comprehensive proposals of August, 1945.

And further:

Nevertheless, we do not ask any province to accept a tax agreement unless it believes such agreement to be in its own interest as well as that of the country as a whole. We did our best to shape the offer of last June in such a way as to make it possible and satisfactory for any province to remain out of the agreement if it wished to do so, and we would far prefer to have a province remain out indefinitely than to endeavour to persuade it to come in against its own judgment of where its true interests lie.

As I shall have to refer to this point later, I beg the house to notice particularly the date of the minister's statement, namely, April 29.

I now wish to quote the opinion of a newspaperman whose independence, good faith, talent or patriotism will not be questioned since I refer to Mr. Eugéne l'Heureux, editor of *l'Opinion Libre* who, on February 7 last, expressed himself as follows with reference to the dominion proposals which were submitted to the provinces. I quote:

Each province has two alternatives: a grant of $12.75 per person based on the province's population in 1942, plus one half the provincial revenue derived from personal and corporation income taxes in 1940, plus also, the statutory grants; or, a $15 grant per capita based on the province's population in 1942, plus statutory grants. In either case, the amount thus calculated would represent the income guaranteed each province by the Dominion government.

The capitations in the amount of $12.50 and $15 would be multiplied each year by the total number of persons comprising the province's total population. Under the said proposals the amount of the capitations would increase in proportion to the national production. Therefore, the provinces are assured of an annual guaranteed minimum subsidy which, in the case of the province of Quebec, would amount to $56,383,000 in 1947. According to statistical estimates, it may even reach $63,011,000.

The 1942 Dominion-Provincial agreement provided for a revenue of $22,000,000 to the province of Quebec.

The margin between $22,000,000 on the one hand, and $56,383,000 or $63,011,000, on the other hand, is in round figures $34,000,000 or $41,000,000.

[Mr. Tremblay.]

No such amounts have ever been placed at the disposal of the province. They would supplement most opportunely the aggregate income derived from various sources and could be used at the will of the legislature for improving education, public health and all the services required by modern standards.

Mr. L'Heureux concludes as follows:

Those who regard such proposals as encroaching upon provincial autonomy should ask themselves whether such a system would not, by coordinating tax collection methods and granting more funds to the province, provide it with the necessary incentive to modernize its whole organization.

Such is the opinion expressed by an absolutely independent writer, following the statement made by the Minister of Finance.

Now, what answer was made to those proposals not only by the premier of Quebec but by the leader of the neighbouring province? Let me give you an idea. Here, on page 14 of the excellent newspaper put out by our French-speaking compatriots of Ontario, *Le Droit* of May 7th, are purple headlines which I now place before you. Allow me to read them: "The Dominion proposals are unacceptable." This is the hon. Maurice Duplessis speaking. In the next column: "Drew charges the Dominion with blackmail" and finally, to dress up the page, here is a picture bearing this caption: "John Bracken, leader of the opposition, supports Premier George Drew of Ontario at the Young Conservatives' banquet held in Ottawa. From left to right: Mr. Drew, Mr. So-and-So and the leader of the opposition," forming a happy group.

Mr. PINARD: A real rhapsody in blue.

Mr. TREMBLAY: Both denounced in the strongest terms the offer made by the government to each of the provinces of Confederation. I shall quote a statement of one of the premiers and I wager that you will be unable to say whether it was made by Mr. Drew or by Mr. Duplessis. I quote without disclosing the name of the speaker; I ask you to guess:

Putting all his cards on the table, the premier denied that his province had ever thought of negotiating, as six other provinces did, a secret agreement with the central administration. No provincial official has approached, directly or indirectly, any "minor dominion government official" in order to conclude an agreement by underhand methods.

After stating that Canada has reached a turning point in her history, he reminded everyone of his duty to fight to the end in order to prevent the "possible" setting up of a dictatorship which would spell the doom not only of provincial rights but of individual freedom.

A permanent reform of our nation's financial system will never be achieved by the methods which Messrs. Abbott and Ilsley have suggested.

And further on—you may think that I am trying to solve for you the riddle as to whether it is Mr. Drew or Mr. Duplessis speaking; that we shall see—the same gentleman added:

Moreover, Quebec has vital reasons to consider the respect of our constitution as of basic importance.

Now, who's words, do you think, I have been quoting? They are Mr. George Drew's and not Mr. Duplessis's. Turning now to the statement of the Quebec premier, I read as follows:

It is absolutely contrary to facts to say that government officials of the province of Quebec have been authorized to enter into negotiations with the federal government. None but the duly elected representatives of the people have that authority and I am sure that no official has even sought to exercise it.

I shall gladly participate to a plenary conference but I shall never be a party to secret parleys or to the trading of the rights, freedoms and privileges of our Canadian provinces, let alone those of the province of Quebec.

The premier of Quebec and the premier of Ontario are both using the same language.

Mr. PINARD: They are Siamese twins.

Mr. TREMBLAY: My coevals will well remember that in 1911 the Right Hon. Sir Wilfrid Laurier said: "Scratch the skin of a nationalist, and you'll find a Tory." We have here the spectacle of a group leader loudly disclaiming connection with the Tory party, which he even goes so far as to rebuke within the province of Quebec. Yet compare his statements with those of the Tory leader in the next province, and you'll find that they both talk the same language. I won't urge that you scratch the skin of the Union Nationale leader in order to find a Tory. You needn't even go to that trouble. Just listen to Mr. Duplessis, and then to Mr. Drew; they both talk the same language. They have the same epidermis, the same skin. They make the same sounds. They're twins, nay Siamese twins, as my hon. friend has just pointed out.

There was talk of autonomy back in 1911. It was then Monk and Hugh Graham who were plotting the destruction of our great fellow-countryman, Laurier. Now, in the year of grace 1947, it is the Drew-Duplessis combine, scheming the downfall of the best government this country has ever had.

Who are the ones, then that have already gone down in history as genuinely great autonomists? Let us look up the political annals of this country for the last half-century, during which Canada has passed from the status of a mere colony to that of a truly autonomous nation and we shall discover the patriotic citizens whose passionate ardour and enlightened Canadianism secured for our country its status of free nation.

We have gone a long way since 1897 when Sir Wilfrid Laurier, French-Canadian prime minister of an English colony, had the pluck, or should we say the daring, to state, in Liverpool, before the Duke of Devonshire, during Queen Victoria's jubilee—and I quote:

In this united and confederated country which stretches from the Pacific to the Atlantic, the authority of the sovereign rests on the free and cordial allegiance of five million people who are still called colonials but who proclaim themselves a nation.

And the great Liberal leader borrowed the following quotation from Kipling:

Daughter am I in my mother's house, but mistress in my own.

Already Laurier proclaimed us a nation though in truth we were still a British colony. Constitutionally, we had and could have no accredited and official representatives in other countries; we could neither negotiate nor sign commercial agreements which, to be valid, required the seal of the official British representative; the inconveniences which this formality entailed for Canada can well be imagined; England's foreign policy, drafted by London exclusively on behalf of the British empire bound not only England but all her colonies. In 1914, the Tories still claimed that "When England is at war, Canada is at war."

Even after we had secured Dominion status, in 1918, as eminent a personality as Premier Lloyd George stated, in a still celebrated declaration:

The instrument of the foreign policy of the empire is the British Foreign Office. The machinery must remain here. It is impossible that it could be otherwise.

Mr. Speaker, what was impossible has become a fact. Not only does Canada have its own Department of External Affairs, headed by our eminent fellow-countryman, of whom we are very proud, who lays down and directs Canada's external policy, but we also have our ambassadors, consuls, Canadian diplomatic corps, testifying abroad that we have reached the status of a free and autonomous nation.

Obviously, the country was not transformed from "a modest colony into a powerful nation" in the twinkling of an eye, without effort or clash. "Eternal vigilance is the price of liberty."

If, after being a colony, our country is now master of its own destiny, and if, on December 11, 1931, the British parliament adopted the legislation officially known as the "Statute of Westminster", it is only fitting that I should recall certain phases of our constitutional evolution, of which the above statute is but the logical conclusion.

We are proud of our autonomy, but we should not forget that the Liberal party gave us its most valiant champions. Laurier was one of the pioneers in that task of national liberation, but Mackenzie King, Lapointe, St. Laurent and the Liberal party pursued without truce, intermisison or respite the lofty ideal of our great fellow-countryman, Laurier. He foresaw its achievement, because he never ceased repeating in his speeches:

Canada is bound to become a nation just as a child is bound to become a man.

Our Tory friends sometimes contend that they brought about the enactment of the Statute of Westminster in 1931. I wonder if they are really unaware of the title of that legislation. What is it, exactly? I quote:

An Act to give effect to certain resolutions passed by imperial conferences held in the years 1926 and 1930.

The 1926 conference, in which our great Liberal leaders, Mackenzie King and Lapointe, played such a leading part, recognized the sovereignty of the dominions and adopted the formula sometimes referred to as the Balfour formula, although some contend that it was drafted by Mr. Lapointe.

I have here a speech delivered at Quebec in 1938 by the Right Hon. Ernest Lapointe and I would like to quote a few excerpts which are of special interest at the present time. Here is what Mr. Lapointe said about the Liberal party's share in the achievement of Canada's autonomy.

The Statute of Westminster is our achievement. When, sometime after 1921, I joined the King government, with my friend, associate and leader, Mr. King, we began working for the recognition of Canada's rights.

In 1923, when I was called upon to sign a treaty with the United States regarding the Pacific fisheries, I refused to have the British ambassador to the United States sign it with us. I contended that Canada's signature was sufficient and I did not let anyone hold my hand.

During the same year, there was trouble in Europe and Mr. Churchill, who was then Colonial Secretary, asked Mr. King whether he would agree to send a contingent to Chanak. He replied: No, parliament will have to decide.

About the same time, at Lausanne, Canada was invited to sign a treaty regarding the boundaries of certain European countries, but Mr. King refused to sign it on the grounds that Canada had taken no part in the drafting of that document.

In 1926, at the conference which has been mentioned yesterday, our charter was defined and Canada was recognized as England's equal, independent and self-governing.

In 1929, I had the honour of leading the delegation sent to discuss and to draft the Statute of Westminster. I worked during two months on the final draft.

At the following session, when I moved a resolution for the endorsement of our work, I was accused by Mr. Bennett of trying to cut the last bonds which united Canada to Great Britain. Mr. Cahan spoke of "stupid," "silly" and "childish" endeavours. But our plan was accepted by the House of Commons and placed on the British statute books in 1930. We were entitled to that right, but it was withheld and we had to fight for it. We were the ones who fought. There lies the difference.

Canadian autonomy was the work of the Liberal party and we owe it principally to the present Prime Minister, grandson of William Lyon Mackenzie, the rebel who, in 1838, was forced into exile with a price on his head because he had led the uprising in Upper Canada for the establishment of a government responsible to the people and not to the Governor General.

The leader of the Liberal party strove for this ideal which he had assigned to himself in his youth with consummate ability, tact and persistence.

Has anyone forgotten the Chanak incident? Mr. Mackenzie King had been leading the Liberal party for only two years and had been Prime Minister for a year when this incident broke out in 1922. Had it not been for the Prime Minister's constitutional knowledge and strength of character, Canada might have been held up to ridicule and—an even more serious consequence,—might have been plunged unwittingly into a new European war.

When the London government asked the dominions to send troops over—their appeal was published in Canadian newspapers before the telegram requesting expeditionary forces had even reached the dominion government—the great Liberal leader answered blandly that it behooved the Canadian parliament to pass judgment on such a grave question and not the Canadian government alone. He added that he would consider, in the light of all pertinent factors, whether the British government's request warranted the convening of a special session of parliament. Because of this firm, dignified stand of the Liberal Prime Minister of Canada, Mr. Asquith was prompted to state in the British House of Commons that he was glad there were statesmen in the dominions who had the wisdom to ask why their country should go to war.

With the leader of the Liberal party, this proud attitude is rooted in a deep feeling of Canadian patriotism; with the erstwhile Tory leader it was the inconsiderate cry of the arch-imperialist for whom Canada is still merely "talliable and liable forced labour at pleasure." "Ready, aye, ready" he spontaneously exclaimed at the mere call of the British cabinet, not even knowing why he was prepared to launch Canada into another war.

Then when the British government asked the Canadian government to take part in the treaty of Lausanne, Mr. King's reply was that since Canada had not been consulted in the matter, had not taken part in the negotiations, it would not sign the treaty. He added that he would not even seek ratification from the Canadian parliament.

When in 1923, Canada and the United States signed the epoch-making halibut treaty the prime minister, seconded by Mr. Ernest Lapointe, emphatically proclaimed Canada's sovereignty and, for the first time in history of this country, a Canadian minister, our great patriot Mr. Lapointe, signed a treaty on behalf of Canada "without a British representative holding his hand" according to his own words I was just quoting. To be sure, it created quite a stir in London and there were representations not to say protests from the British minister in Washington; but thanks to his staunch Liberalism and enlightened patriotism, Mr. King managed matters so well that all obstacles were cleared—even Canadian Tory opposition—and Mr. Lapointe alone signed the treaty for Canada.

Meanwhile Canada, under Liberal guidance, has kept proudly proclaiming, on every occasion, its independence and diplomatic autonomy: in refusing to ratify the Locarno treaty, which it had not been invited to negotiate; in declining to sign the protocols of Geneva; in sending out its own ministers and plenipotentiaries in the world's great capitals, and in exercising many another prerogative of an autonomous nation.

In 1926, during Mr. King's second term of office, a Canadian, for the first time, was appointed as representative of our country abroad. Since 1935, we have opened legations in almost every South American country and it may be pointed out that, under the present Liberal government, some ten of our representatives have seen their status raised to that of ambassadors.

During the whole of the last world conflict, Mr. King scrupulously and meticulously adhered to the proud Liberal tradition of ever asserting the sovereignty of the Canadian parliament; in 1914, the participation of Canada in the war had been formally acknowledged by the reproduction in the *Canada Gazette* of the declaration of war, issued in London at the request of the British government. In 1939, His Majesty the King declared war on Germany for Canada, at the request of the Canadian cabinet, by a special proclamation issued and published seven days after the British declaration of war.

From this fact a well known Canadian newspaperman concluded:

> This can mean but one thing: by asserting its right to declare war in its own name, Canada has also asserted its right not to declare it whenever it may decide that its interests are not at stake.

Then he added this significant sentence:

> It is a certainty that Mr. King is waging war at the side of Mr. Churchill, not behind him.

Writing of "Canada yesterday and today," here is what Mr. André Siegfried stated in *Le Monde Français* of last July:

> French opinion is now very much interested in everything concerning Canada. The reasons for this are numerous: Canada is one of the victors of the last war, one of the countries who contributed most to victory; it is, on the other hand, and this is of interest to us, a British country with an important minority of French stock. Besides, the Dominion is remarkably placed, due both to its geographical location and its political relations, to serve as an efficient intermediary between the Anglo-Saxon powers. Last, it is a country with a future on this American continent which remains a continent with a future.

Mr. Speaker, it is unfortunate, in view of the immense problems of the day which the provincial, and especially the federal, governments have to face, that, for paltry political reasons, not only the policies of the federal government are being opposed, but attacks are being launched even against the most distinguished members of the cabinet and discussion is barred of propositions that everyone, or at least the majority of citizens of the province of Quebec, acknowledge as being of immediate concern to that province. They are always the same ones as shown by history. Whether they be disguised tories, a nationalist or a national unionist, we cannot admit that they do not at least recognize the good faith of their opponents. Mr. Lapointe condemned those trouble-makers in his speech of December 12, 1938, when he said:

> More than ever we must rally round our institutions and the authority which protects our rights and our liberty. The world situation is difficult, painful and dangerous. Everywhere distrust, hatred and brutality are rampant. Hatred, which divides people, nationalities and races, rears its ugly head.
>
> Here also, he added, we have our trouble-makers. Those who foster the spread of misunderstanding between provinces or between some provinces and the Dominion authorities,

those who pit one race against another, are not worthy of our confidence. Democracy protects our most prized freedom. It even protects its detractors.

In concluding, I hope I have shown that the true autonomists are those who have worked sincerely, conscientiously, intelligently, tactfully and with common sense to attain the real autonomy of our country. Those who refuse to meet the Dominion will have to answer to the intelligent electors of the province of Quebec for their insincerity and for the harm which they are causing daily to our good old province of Quebec.

Mr. FULTON: Does the hon. member know that under the regime of the Right Hon. Sir Robert Borden, conservative prime minister of Canada, this country, for the first time as an independent and sovereign nation, signed the treaty of Versailles? On that occasion, the prime minister of the day fought resolutely, even against the British, in order that Canada might take part in that conference.

Mr. TREMBLAY: I did not quite understand the remarks of the hon. member. However I know that Sir Robert Borden was not at the Versailles conference in 1919 for I happened to be on leave in Paris at that time and I am positive that Mr. Borden was not there.

Mr. FULTON: I shall repeat my question in English.

(Text):

My question was this: Does he not know that it was the Prime Minister of that day, Sir Robert Borden, who fought even against the English and obtained for Canada a place as an independent nation at the peace conference and in connection with the peace treaty signed at Versailles?

Mr. TREMBLAY: I do know that.

Mr. J. A. ROSS (Souris): May I, first of all, offer my congratulations to the Minister of Finance (Mr. Abbott). I well remember when he was a new member in this house in 1940, as I was. He has come a long way since that day. In presenting the 1947 budget to parliament on April 29, he certainly made much of a rather disappointing budget, which he said would give an average reduction of twenty-nine per cent in personal income tax, or fifty-four per cent reduction for the single taxpayer in the lowest income tax bracket. He did not go farther and tell us that in that bracket it would mean a saving of $6 for the taxpayer, and that in the case of the seven per cent reduction which is for the much higher bracket, on $200,000 it would mean a saving of $10,385.

[Mr. Tremblay.]

Lest I be misunderstood, I want to say right here that we do appreciate the reductions which have been offered; but, coupled with that statement, I must say that the people of Canada were expecting much more along other lines. No increase is allowed in the exemptions, which are now $750 for single people, $1,500 for those who are married and $1,700 for a married couple with two children. We maintain that these exemptions should be at least $1,000 for single persons, and $2,000 for married people.

This budget distinctly discriminates against parents of families. It in no way encourages family life in Canada. That has been the condition in this country for some time, and I wish to give a short example. Let us take three persons, each earning $3,000. Of course that is above the average because, as has been pointed out, the great mass of our people are not able to pay any tax. I am sorry that they are not. At any rate, in the case of the single person receiving $3,000 the gain in the tax reduction is $172.50; the childless married man gains $112.50; and the parent of six gains only $67.50. Yet the percentage tax reductions were 29, 29, and 31 per cent respectively in these cases I have cited.

At the $3,000 level the family allowance for children is almost entirely repayable as income tax, while in the higher brackets it disappears altogether, so that it does not help in any way whatever.

Surely now, two years after the war, something should have been done for family people throughout the country. Up until 1946 a married woman was allowed to earn as high as $660 without taxation. This figure was reduced to $250 in the 1946 budget and now remains at that figure. A levelling-up process should have taken place. Many married nurses and other skilled women are indifferent about working these days, though there is great need for people of this type. This tax affects the production of much required foodstuffs. The farmers' wife should be allowed a greater exemption in respect of dairy produce raised on the farm such as poultry, eggs, garden produce and so on. I wish to endorse the request made by my colleague the hon. member for Portage la Prairie (Mr. Miller) when he suggested some time ago and again yesterday that there should be an exemption for the married couple on the farm of at least $500 for the production of dairy products or of pork products on the farm. If that were done it would have a most desirable effect and, spread over the whole country, it is surprising what added production it would bring about in hogs and dairy products at this time.

Then there are what have been termed the nuisance taxes on soft drinks and chocolate bars for the children. Certainly these should be repealed, and the five-cent rate on soft drinks and chocolate bars should be provided for the children of this country at this time.

Then there is the twenty-five per cent luxury tax on jewellery, and I have always approved a luxury tax. The Minister of Finance was reported in the daily press quite a few months ago as having said that the budget would provide for an adjustment in this tax. That statement at that time was, I think, improper, because it distinctly slowed up business for that type of merchant throughout Canada. These people would certainly approve fewer words and more action from the minister in that respect. I am one of those who think that clocks, flatware, watches and such articles are essential to young people setting up housekeeping and certainly should not be termed luxuries, as they are for the purpose of taxation at this time. I endorse fully the request made by the hon. member for Fort William (Mr. McIvor) that the tax on wedding rings should be repealed.

Mr. MACKENZIE: Hear, hear.

Mr. ROSS (Souris): I think that is most essential; and I am especially pleased to have the endorsation of my very good friend, the Minister of Veterans Affairs (Mr. Mackenzie). I hope it will have a beneficial effect, because I have certainly noticed many of the fair sex with their eyes on him in the past.

Mr. GREEN: Is that why he has been waiting so long?

Mr. MAYHEW: He will not care if you take up a collection and buy one for him.

Mr. ROSS (Souris): The government should be practising greater economy at this time. I know that the Minister of National Revenue (Mr. McCann) replied along those lines today. He gave a set of figures of government employees. I remember speaking on the budget a year ago; in fact, on July 10, 1946, and I used these figures which will be found at page 3314 of *Hansard:*

> . . . in pre-war days there were about 70,000, and during the war the number has increased to approximately 150,000. One year after the termination of the war there has been a decrease of approximately one-half per cent—less than one per cent. Sometimes it is difficult to decide just who are within the civil service and who are in other branches of work under the government today.

The Minister of National Revenue today set forth a number of figures. He stated that in 1939 there were some 52,000; at the end of the war, 142,000; and practically that same figure as of October, 1946. I realize that figures, especially when they are obtained from different government departments, are confusing. I want to refer to a return, sessional paper No. 106F, dated March 27, 1947. The mover was the hon. member for St. Paul's (Mr. Ross), and his questions were as follows:

> 1. What is the total number of employees of the government of Canada, including employees of boards, commissions and corporations appointed by the federal authority as of the thirty-first of December, 1946?
> 2. What is the total amount of salaries, wages and allowances paid to such employees in the month of December, 1946?

Then it says:

> The attached information has been received by the Secretary of State of Canada from several departments of the government.

I am not going to burden the house with all these details; they are lengthy. But, Mr. Speaker, these add up to a total of 173,961 employees of the government of Canada as of December 31, 1946.

Mr. McCANN: All the fellows who were shovelling snow for a day or two.

Mr. ROSS (Souris): No; they are not included in this sheet. It is lengthy, and if I had the time I should like to put it on *Hansard.*

Mr. McCANN: All the casual employees.

Mr. ROSS (Souris): The total amount of salaries, wages and allowances paid these employees of the Canadian government for the month of December, 1946, amounted to $26,462,000; that is for one month. At this rate, for twelve months of the year, it would mean $317,544,000 annually. I think the people of this country expect some decrease in the number of these employees at this particular time.

It has been set forth that the cost of the Canadian information service under the Department of External Affairs, will, according to the government's own estimate, be $241,200, for this year. Added to that, each department of the government has its own publicity service at great cost over and above this to the taxpayers. According to another return, dated March 15 last, War Assets Corporation spent some $210,000 last year just to remodel and alter their office building in Montreal to take care of some of their 7,000 employees.

I am sure that everyone in Canada realizes the deplorable situation with regard to veterans housing from coast to coast in Canada, and the great amount of money

which has been wasted. Not so long ago in the house the minister made a fine statement trying to rectify conditions for these veterans and said that the government would spend at least $700,000 for that purpose. I understand now that the expenditure will be at least double that amount. This has been a costly and ill-advised piece of business as far as this country is concerned, and has been most unfair to both the veterans and the taxpayers of Canada. Everyone who knows me knows that my sympathies are all with the veterans. They should have better housing conditions than have been provided. It has been a costly piece of business and we do not seem to be able to get it all chased down. One of these matters has been in the courts since a year ago January and we have not yet had a decision. There are other unsatisfactory conditions with respect to veterans housing all across Canada.

The cost of living index for Canada which has been used by the government has been quite misleading and has not taken into account many important items which concern every housewife. While the index shows an increase since 1939 of about thirty per cent, it is actually a great deal higher than that at this time.

I have discussed the plight of the old age pensioner at almost every session of parliament since 1940. I asked then that provision should be made immediately to grant them at least $30 a month and that the age limit be reduced to sixty-five years in the case of males and to sixty years in the case of females. I repeated this request in June, 1944. Since then, the greatly increased cost of living has taken place. On April 28 of this year the Minister of National Health and Welfare (Mr. Martin) gave notice of a measure to amend the Old Age Pensions Act by providing increases in the pension and modifying certain of the eligibility requirements for these people.

I maintain—and I have had many requests from farmers in my own part of the country and in other ridings to this effect—that these farmers should not be made the tax collecting agency for the Department of Revenue; that is, that the farmer should not be made responsible for deducting the tax from salaries paid to helpers on the farm and then in turn mailing it to the income tax officials. The farmers think the collection people should be responsible for collecting these salary deductions rather than making the farmers themselves responsible. They dislike that situation very much.

Provision should be made for allowance of the basic breeding herd of cattle as capital. I have requested this in past years on the budget debate. It has been suggested by the producer organization that the basic breeding herd should be considered as a number of live stock equal to what the farmer owned on January 1, 1941. Farm incomes were low and exemptions relatively high at that time. Real estate and farm machinery are allowed as capital, and the basic herd should be considered as a capital asset and be exempt from income tax on the same basis as real estate and equipment. I thought a year or two ago that this organization was getting somewhere with the government officials on that matter, and at this time I repeat the request that it be seriously considered.

During the past year our adverse balance of trade with the United States amounted to some $600,000,000. Much of this could have been corrected by allowing certain of our agricultural products to be marketed in the United States. The Canadian government have refused to permit the marketing of any beef cattle in that country since 1942, and continue to refuse, while since that time Mexico has been shipping to the United States market as many as 500,000 head of cattle annually. A comparison of beef prices, live weight, as of May 1, shows the following figures:

	Winnipeg	St. Paul
Good steers	$14.50	$22.50
Good heifers	14.25	23.75
Good cows	11.25	16.00

The same situation exists in regard to dairy products. On April 29 of this year barley was quoted at Sarles, North Dakota, at $1.70 to the farmer, while at Cartwright, Manitoba, the figure was 67½ cents. Then we have the United Kingdom-Canada wheat agreement, of which much has been heard in this country. For the crop year 1946-47 some 160,000,000 bushels of that crop are promised to the United Kingdom at $1.55 a bushel basis Fort William, or $1.20 to the farmer at the elevator, together with participation certificates. This crop yielded approximately 40,000,000 bushels more than the average of the previous five years, and according to a statement by Mr. George McIvor, chairman of the Canadian wheat board, as reported in the press last week, we have for export this year to other countries of the world apart from the United Kingdom approximately 70,000,000 bushels, which is being sold at from $2.75 to $3 a bushel. We are now well into the tenth month of the 1946-47 crop year. Thus you will have some idea as to the amount of money the western wheat producer is losing through this deal, compared with what he would get if wheat were exported on the same basis as lumber, manufactured goods

and other commodities. In other words, we have lost probably $200,000,000 on last year's crop with respect to the United Kingdom-Canada agreement, and this is over and above the approximately $80,000,000 contribution in regard to the 70,000,000 bushels of wheat used for domestic consumption in Canada.

Mr. GARDINER: If I might ask a question, will the hon. member not agree that the same condition does not apply to wheat that applies to cattle? The Canadian government is responsible for the fact that cattle cannot be exported to the United States, but the United States government is responsible for the fact that, regardless of price, Canadian wheat cannot be exported to that country.

Mr. ROSS (Souris): I have always understood that, and I have never requested that our wheat should be exported to the United States. We have exported wheat to some forty other nations, and I am not asking that wheat be shipped to the United States today. We could sell the 160,000,000 bushels we are exporting to the United Kingdom, together with the 70,000,000 bushels, to those forty countries to which we have exported wheat, at the price quoted by Mr. McIvor. That is the point. Certainly the beef and wheat deals are entirely different.

Then I want to say that the United Kingdom-Canada wheat agreement was the cause of the failure of the international wheat conference, which met in London for some weeks during March and April of this year and concluded without agreeing on a price policy. If there is any need to prove that statement I might quote, first, from the *Christian Science Monitor* of Boston dated April 24, 1947. It contains a lengthy article from which I should like to read only one or two paragraphs:

> Argentina dissociated itself from price controls at an early stage of the proceedings.

Then the article goes on to give the reasons, and continues:

> "Why should we pay £400 for a British motor car which was worth £200 pre-war," an Argentine spokesman said, "and still export our wheat at so little more than the pre-war price?"
>
> Britain, on the other hand, is concerned with conserving its dollar currency. Britain's delegates were prepared to accept prices similar to those embodied in the Anglo-Canadian wheat agreement. These ranged from $1.55 a bushel in 1947-48 to $1.25 in 1948-49 and not less than $1 in 1949-50.
>
> The draft agreement laid down minimum and maximum prices of $1.40 and $1.80 for 1947-48; $1.30 to $1.70 for 1948-49; and $1.20 and $1.10 for 1949-50 and 1950-51, respectively.
>
> If it accepted the agreement as it stood, Britain was, therefore, faced with being able to buy wheat imports at a lower price immediately at the expense of binding itself to pay prices two or three years hence, which it considers will be well above current market prices.

Then an article in the *Financial Post* of April 26, 1947, is headed "World wheat pact dealt death blow by price dispute." If anyone still doubts my statement, I have the Manitoba *Co-operator* of May 1, 1947, which carries the same information. There is also another article in the *Financial Post* of May 10, headed:

> Blow-up of wheat pact averts split in prices
>
> Believe U.K. would have bought $1.80
>
> Figure for 1947-48—New multilateral agreement merely sets floor and ceiling levels.

All this is, I think, convincing proof of the truth of my statement.

I now wish to repeat what I have maintained in other sessions; that is, that full production is the true basis of real wealth. The productivity of essential goods is real wealth in this or any other nation, and we should never lose sight of that fact. The number of Canadian-born people leaving this country to take up residence in the United States is altogether too great; that statement is borne out by the Minister of Finance in his budget presentation. During the history of this country over 3,047,000 people went to the United States from Canada. The 1940 census showed the number of Canadians in the United States at that date to be 1,044,119. This situation is continuing chiefly because of the difference in the standards of living within the two countries, and because of the lack of economic opportunities on this side of the border. I am convinced that a nation like Canada cannot continue indefinitely and successfully alongside a nation like the United States, with this great economic disparity prevailing as it does today. With our great undeveloped natural resources and our wide open spaces we must build up an economy that will attract good citizens in great numbers, and at the same time provide the required opportunities for our native-born.

I wish to make reference to another matter, the Dominion Elections Act, to ask that provision be made for the transferable vote in dominion elections. In the election of 1940, some seventy-four members, including myself, were elected on a minority vote. In the election of 1945, I believe 150 members of the 245 were elected on a minority vote. During recent years, the multiplicity of parties in Canada has complicated the entire election machinery of the country. The transferable vote has been used satisfactorily for quite a number of years under the provincial election acts of Manitoba and Alberta. Surely members of this parliament should be elected by

a majority of the electors who cast ballots in the various constituencies. I would sincerely appeal to the government to make provision for the transferable vote before another general election is held in Canada.

Now, Mr. Speaker, I understand that some announcements are to be made before six o'clock, so I should like to conclude by saying that I support the amendment moved by my colleague the hon. member for Muskoka-Ontario (Mr. Macdonnell), which reads:

That all the words after "that" be struck out and the following substituted therefor:

"This house regrets that the proposals of the Minister of Finance (a) offer no relief from the oppressive burden of indirect and hidden taxes on staple necessities that compose the family budget, all of which taxes directly increase the cost of living; (b) offer no encouragement to those engaged in the development of our natural resources, especially mining and agriculture; (c) fail to provide for reconvening the dominion-provincial conference in order to complete satisfactory agreements with the provinces and a dominion-provincial programme of social security, health and public investment."

On motion of Mr. Gardiner the debate was adjourned.

AGRICULTURAL PRODUCTS

PROVISION FOR PURCHASE, SALE AND EXPORT—COMMODITY AND PROVINCIAL MARKETING BOARDS—CONCURRENCE IN SENATE AMENDMENTS

Right Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of and concurrence in amendments made by the senate to Bill No. 25, to provide for the sale and export of agricultural products.

Motion agreed to, amendments read the second time and concurred in.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

QUEBEC NORTH SHORE AND LABRADOR RAILWAY COMPANY

The house resumed from Tuesday, May 6, consideration in committee of Bill No. 106, to incorporate Quebec North Shore and Labrador Railway Company—Mr. Rinfret—Mr. Golding in the chair.

On section 11—Electric and other power.

Mr. DORION: Mr. Chairman, before the adjournment of the debate on Tuesday last I had moved an amendment to section 11, but after further consideration I have come to the conclusion that if I withdrew my amendment I could submit one which would be acceptable to the sponsor of the bill. I ask leave therefore to withdraw my amendment?

The DEPUTY CHAIRMAN: Is it the pleasure of the committee that the hon. member shall have leave to withdraw his amendment?

Some hon. MEMBERS: Agreed.

Amendment withdrawn.

Mr. DORION: The section as it stands has, I believe, the effect of granting to the company more powers than are provided for in the general law, section 368 of the Railway Act. The hon. member for Outremont on Tuesday last said at page 2828 of *Hansard:*

. . . I wish to assure him that if at any time the company have a surplus of power over what they need for their own purposes they will certainly form a new company which will have a provincial charter and which will come under the jurisdiction of the provincial board.

In view of that statement I would be satisfied if the section were amended in accordance with the amendment which I now move, seconded by the hon. member for Quebec-Montmorency (Mr. LaCroix):

That all the words in section 11 after the words "and other power or energy" in line 4, be struck out.

Mr. REID: That does not leave the wording correct.

Mr. DORION: The effect of the amendment would be that the company would be dealt with according to section 368 of the Railway Act and have no more powers than those given by section 368.

Mr. REID: This is how it would read if the amendment were carried, "transmit and distribute electric and for the purposes," and so on. There is a word needed to complete the sentence. It is left vague if you do not add another word somewhere.

Mr. DORION: Section 368 of the Railway Act would apply. Section 368 reads:

Whenever in any special act passed after the seventh day of July, one thousand nine hundred and nineteen, it is stated or provided that a railway company shall have power to acquire, transmit and distribute electric and other power or energy, such company, subject to the provisions of this act, may for the purposes of its undertaking acquire, but not by expropriation, electric and other power or energy, and transmit and deliver the same to any place in the municipalities through which the railway is built,

And so on. Section 11 as now proposed to be amended would be in accordance with section 368 of the Railway Act.

Mr. REID: I still think there is a word missing.

Amendment agreed to.

Section as amended agreed to.

Section 12 agreed to.

On section 13—Vessels.

Mr. HERRIDGE: What is intended here by the construction of wharves and docks?

Mr. RINFRET: The railway running from Seven Islands to the prospective mine will, of course, have to be provided with wharves, docks, elevators, warehouses, et cetera, so that when the ore comes from the mine there will be facilities to accommodate it before being transshipped to the ship taking it at Seven Islands.

Mr. MacNICOL: Is the sponsor of the bill able to explain whether the company itself will have all the powers as wharfingers at the docks, or will it not come under the transport act?

Mr. RINFRET: It comes under the Railway Act and therefore under the board of railway commissioners.

Mr. MacNICOL: Montreal has a harbour board and Quebec has one. Will there not have to be some harbour board to operate these wharves?

Mr. RINFRET: I think it comes under the general powers of the board of railway commissioners under the Railway Act.

Mr. MacINNIS: I understand that the wharves and docks mentioned in this section will be constructed by the company. Will the granting of the provisions of this charter impose any obligations on the government of Canada to construct wharves and docks in the area mentioned in the bill?

Mr. RINFRET: The Minister of Transport said the other day that he did not know of any such provision in the present law.

Mr. MacNICOL: They would be entitled to have the government build a dock for them. Why should we not build docks there as well as anywhere else?

Section agreed to.

On section 14—Hotels.

Mr. DORION: Under section 14 the company is asking for the right to construct hotels and restaurants with the approval of the municipality. The fact of the matter is that there is no municipality in that area and I do not think there will be one there for a long time. Therefore the only body that would have jurisdiction over that area at the present time is the government of Quebec. That is why I have an amendment to move, seconded by the hon. member for Quebec-Montmorency (Mr. LaCroix). I move:

That at the end of the section the period be replaced by a comma, and that the words: "and/or the Department of Municipal Affairs of the province of Quebec." be added thereto.

Mr. HERRIDGE: I wish to ask a question on this section. Reference is made to authority being given to lay out, manage and lease parks and summer pleasure resorts with the approval, expressed by by-law, of the municipality. I should like the hon. member to explain what is intended in regard to parks and pleasure resorts. I presume there will be a municipality established. If so, will it be a company town?

Mr. RINFRET: As the hon. member for Charlevoix-Saguenay has just said, there are no municipalities in that vicinity. As a matter of fact there is not a single inhabitant in that area. The three thousand people who are living in new Quebec at present are all around the district near the sea or the water circling new Quebec. There is absolutely nobody in the area referred to. In order that the company may at some time or another attract some workmen to the area they will have to build houses and hotels, and if they want to attract men there with their wives and children they will have to provide churches and schools. At the beginning there is no question that the municipalities will be company municipalities. But it is not the intention of the incorporators to keep the municipalities as such. As soon as a municipality is sufficiently developed to take care of itself, it is the intention of the company to continue the practice which has been followed in Quebec and to let the municipality conduct its own affairs. So far as the question of parks, which the hon. member for Kootenay West has mentioned, is concerned, these people will, of course, be entitled to have some amusement in the area. It is the intention of the company to ask for powers to build parks for the recreation of the workmen who will go there.

Amendment agreed to.

Section as amended agreed to.

On section 15—Motor cars.

Mr. DORION: If we were to accept this section as it stands it would mean that all the transportation services, auto buses and motor cars, would come under the jurisdiction of the

federal board of transport commissioners. My contention is that this would be contrary to the constitution. That is why I have an amendment to move, seconded by the hon. member for Quebec-Montmorency (Mr. LaCroix). I move:

That all the words after "collect rates and charges therefor" in line 36, be struck out and that the words:

"Provided however that the exercise of the powers conferred on the company by this section shall be subject to all provincial and municipal enactments and the provincial regulations of general application to highways, the regulation of highway traffic, rates and charges, and the operation of motor vehicles thereon." be substituted therefor.

Amendment agreed to.

Mr. MacNICOL: This section refers only to Canadian territory? It would not refer to Labrador at all.

Mr. RINFRET: I would remind the hon. member that we are asking only for the power to do it. Before we can come to any arrangement with either the provincial authorities or the authorities of Labrador we must have the power.

Mr. MacINNIS: I have not the legal training which would enable me to answer this question for myself. Has this parliament the jurisdiction to pass a law that no rate or charge shall be demanded or taken until it has been approved by the provincial board? I believe our powers are confined to rates charged under the jurisdiction of this parliament.

Mr. RINFRET: The amendment does not say that. The amendment says that it shall be subject to all provincial and municipal enactments. The board of transport commissioners remains the deciding board.

Mr. MacINNIS: Did not the hon. member say that his amendment was striking out all the words after "therefor"?

Mr. RINFRET: Then we come clearly under the Railway Act, under section 368 and various other sections of that act. The board of transport commissioners is the appropriate authority in the matter.

Section as amended agreed to.

Sections 16 to 18 inclusive agreed to.

On section 19—Commencement date.

Mr. HERRIDGE: This section says:

The company may, within five years after the passing of this act, commence to construct the line of railway, and may within ten years after the passing of this act complete the said line of railway.

Should not the word "may" be "shall"?

[Mr. Dorion.]

Mr. RINFRET: I think it comes to exactly the same thing because, if the hon. member continues to read the section, he will see that it says that, unless it is started within the five years, the power becomes null and void. It means the same thing.

Mr. MacNICOL: Before the bill passes, I have one question to ask of the hon. member who is piloting the bill. If he cannot answer it now it will be quite all right. Anybody who knows anything about the area knows that Grand falls are not far east of this area, perhaps 150 to 200 miles down the river. Is the hon. member in a position to tell the committee whether the company has been visualizing the acquiring or endeavouring to acquire the power rights on Grand falls and, if so, will there be development of power there?

Mr. RINFRET: As I understand it, Grand falls is not in Canadian territory but in Labrador. Some research has been made but there is no definite information on it. Various power sites have been surveyed but no decision has been arrived at. I think the hon. member for Davenport has in mind that at some time it might be possible to develop Grand falls with a view to smelting ore on the spot. The company has examined that feature of the matter but no decision has been arrived at. At the moment the idea is to move the ore to the furnace rather than coal to the mine, because there is no coal in the vicinity and it would be less expensive to move the ore to the furnace than to move the coal to the ore.

Mr. MacNICOL: What I had in mind is that Grand falls are very high and have a great volume of water. These are the two principal facts in the development of power. If the company ever did acquire Grand falls I imagine it would be possible to smelt the ore there. It is being done in Sweden, but we have not done it anywhere in Canada. I hope that in the not too distant future we shall do it.

Mr. RINFRET: I shall pass the information on to the company.

Section agreed to.

On section 20—General advantage of Canada.

Mr. MacINNIS: Would somebody enlighten me as to the reason for this section? What is the meaning of it? Is it a standard section which is found in such bills? How much of the company's property is included in the words: "The works and undertakings of the company. . . ." I understand that a large share of the undertakings of the company had to do with provincial resources and was there-

fore beyond the jurisdiction of this parliament. I should like to know now what the implications of the section are and why it is here.

Mr. RINFRET: The hon. member for Vancouver East has mentioned that certain resources are included in the undertakings referred to in this section, and he has gone on to talk about concessions or leases which are not provided for by this bill. As I said before, all these concessions and leases have been granted by another government under legislation quite different from this. The undertaking under this bill is simply the railroad and the various other powers that have been granted to this railway company by sections 11 to 16. That is the undertaking of the company.

Section agreed to.

Bill reported.

Mr. SPEAKER: When shall the bill be read the third time?

Mr. MACKENZIE: With the consent of the house, now.

Mr. RINFRET: I move that the bill be now read the third time.

Mr. CLARENCE GILLIS (Cape Breton South): Before you put the motion, Mr. Speaker, there are a few words I should like to say. Personally, and speaking for the members of this group on this matter, I do not think the bill should be read the third time. This bill confers wide and sweeping powers.

Mr. MACKENZIE: I rise to a point of order. If anyone objects to third reading after amendments, the bill cannot be read the third time now and stands for third reading at the next sitting of the house.

Mr. SPEAKER: Does the house consent to the third reading?

Some hon. MEMBERS: No.

Mr. SPEAKER: Next sitting.

CRIMINAL CODE

ORGANIZATIONS ADVOCATING OVERTHROW OF CONSTITUTED AUTHORITY

On the order:

Resuming the adjourned debate on the motion of Mr. LaCroix for the second reading of Bill No. 133, to amend the criminal code (illegal organizations).

Mr. ILSLEY: Mr. Speaker, I moved the adjournment of this debate and I should like to move the adjournment again.

Mr. LaCROIX: Do I understand that the debate had been adjourned by the minister?

Mr. ILSLEY: That is right. I am not ready to proceed and I want to move the adjournment again.

Mr. LaCROIX: It stands, then?

Mr. ILSLEY: Yes.

Mr. LaCROIX: Stands.

SUPREME COURT ACT

AMENDMENT TO ABOLISH APPEALS TO PRIVY COUNCIL

Mr. F. E. JAENICKE (Kindersley) moved the second reading of Bill No. 154, to amend the Supreme Court Act.

He said: This bill is practically identical with Bill No. 9 which was introduced into this parliament by the Hon. C. H. Cahan in 1939. That bill came up for second reading in this house on April 14, 1939, and on motion of the Right Hon. Mr. Lapointe, then Minister of Justice, the debate was adjourned with the object that, before the house was called upon to vote on the principle of the bill, it should be referred to the Supreme Court of Canada for the purpose of ascertaining whether or not this parliament had the power to enact the proposed legislation. This was done and the Supreme Court of Canada upheld the constitutional powers of parliament to enact this legislation, as reported in 1940 Supreme Court Reports, page 49, though one of the learned judges dissented in whole and another dissented in part. From this decision of our supreme court an appeal was taken to the privy council. The hearing of this appeal was postponed until after the conclusion of the war. The appeal has now been disposed of, and the privy council upheld the validity of the legislation. The case is reported in 1947 (1 D.L.R. page 801). The concluding sentence of the judgment as reported on page 816 reads as follows:

> Their lordships are of the opinion that . . . Bill 9 of the fourth session of the eighteenth parliament of Canada entitled "An Act to amend the Supreme Court Act" is wholly intra vires of the parliament of Canada, and they will humbly advise His Majesty accordingly.

It therefore becomes unnecessary for me to discuss in any way the constitutional aspect of this new bill before us. In reading the debates in this house on previous occasions, when this matter was before parliament, one finds that the constitutional aspect of the situation was always the most prominent feature of the debate, but in view of the binding judicial decision which we have now received, I say that it is no longer necessary to discuss the constitutional aspect.

I have, however, reason to believe that, although we now have the undoubted constitutional power to enact this legislation, there are still some people among us who would hesitate to support this bill for various reasons, but I presume I can honestly maintain that such people are in the minority. I believe, on the other hand, that the vast majority of the Canadian people endorse the principle of this bill, mainly because of a present awareness of Canadian sovereignty, and because of a pride in this sovereignty, a pride that is justified by the achievements of Canada during the war, achievements especially in the production field, which equal or at least approach the achievements of some of the great powers.

This state of Canadian sovereignty is especially emphasized by Lord Jowitt, who delivered the judgment of the privy council. When discussing the argument of counsel opposing the validity of the legislation with respect to appeals from provincial courts, the learned lord said this at page 815:

> It is in fact a prime element in the self-government of the dominion, that it should be able to secure through its own courts of justice that the law should be one and the same for all its citizens. This result is attainable only if section 101 now authorizes the establishment of a court with final and exclusive appellate jurisdiction. The words used by Lord Macmillan in delivering the opinion of the board in Croft v. Dunphy (1933), 1 D.L.R. 225 at page 228, upon a question that arose in regard to one of the specific subjects enumerated in section 91 are equally applicable in the consideration of section 101: "Their Lordships," he said, "see no reason to restrict the permitted scope of such legislation by any other consideration than is applicable to the legislation of a fully sovereign state.

Yet even in spite of this strong prevailing sentiment of sovereignty, as I mentioned before, there are undoubtedly objections here and there, and perhaps even some hon. members might entertain thoughts of doubt and might hesitate to go along with us who advocate that this spirit of sovereignty be given full scope and application; and anticipating their arguments, I might be permitted to mention some of those which might be advanced, all of which are, I claim, untenable and inconsistent with this main argument of mine based upon this idea of sovereignty.

Perhaps the passing of this bill, which I hope we may be able to accomplish, will be another great step in our development through the decades toward Canadian sovereignty. It is but a fulfilment of the growth and development of our constitution, as it has so often been expressed in statements by great Canadians who have gone before; and it has even been expressed in judgments of the privy council itself on numerous occasions.

[Mr. Jaenicke.]

When the Hon. C. H. Cahan spoke to the second reading of this bill in 1939, he said this, as reported at page 2814 of *Hansard* of that year:

> After all, to my mind the constitution is not a dead organ; it is a living organism, which grows with the body which it animates, and the only way in which we shall ever grow to be a country is by looking at it in that way.

The sentiments expressed by the hon. gentleman in the foregoing quotation are but an echo of the thoughts of the fathers of confederation when they formulated the proposals which led up to the British North America Act, and although we may have been criticizing some of the decisions of the privy council, yet on occasion some of the same sentiments were expressed by the learned law lords themselves. In the reference pertaining to section 24 of the British North America Act—reported in 1930, 1 D.L.R., page 98—Lord Sankey had this to say:

> The British North America Act planted in Canada a living tree capable of growth and expansion within its natural limits.

To oppose the passage of this bill would, in my humble opinion, only be an effort to hinder the growth of this living tree or of this living organism as described so vividly and adequately by the Hon. C. H. Cahan.

However, as I said, I must anticipate some objections, and in the preparation of my arguments in that behalf I have been greatly assisted by a perusal of the admirable work of Doctor Maurice Ollivier, legal adviser of this house, in his book, "Problems of Canadian Sovereignty". I am also indebted greatly to the speeches made in this house upon the subject by the Hon. C. H. Cahan; by the Right Hon. Mr. Lapointe, a former minister of justice; by Mr. Thorson, the former member for Selkirk who is now, I believe, a judge of our exchequer court; and by other eminent and noted Canadians. It is really their work, their pioneering in this field which I wish to place for a few moments before this house.

One of the arguments against the measure would no doubt be that abolishing appeals to the privy council would take away the prerogative of the king of hearing appeals of his subjects. I wish to differ from this contention, because in the long run His Majesty does not hear these appeals personally, but depends upon his judges; and in making the Supreme Court of Canada the final court of appeal we simply substitute His Majesty's Canadian judges as the final arbiters upon any grievances brought before him by his subjects in Canada.

On page 232 of his book, "Problems of Canadian Sovereignty", Doctor Ollivier quotes Lord Haldane as follows:

The prerogative of the crown is a vague expression . . . since Lord Coke vindicated the powers of parliament in the days of James I, it has been clear that the sovereign can only administer justice in courts recognized by parliament, and that he cannot interfere with the judges who preside in these courts.

Further, on page 235 of the same book, the learned author, before quoting from the summary of the proceedings of the imperial conference of 1926, makes this valid argument:

. . . if the judgment of the privy council is merely an order in council passed on the advice of a group of imperial advisers to give effect to the report of the committee it is high time that the right of appeal should be abolished and that the King, as King of Canada, should act on the advice of his Canadian ministers, for, as stated in the report of the imperial conference, 1926, "it is the right of the government of each dominion to advise the crown in all matters relating to its own affairs."

Another argument which could be put forward against the measure before the house, might be that the abolishing of appeals to the privy council would mean the severing of another link with the British commonwealth of nations. I do not for one minute agree with any such contention. The Hon. C. H. Cahan, in his admirable address before this this house in April, 1939, dealt with this objection in the following words, as reported on page 2812 of *Hansard* of that year:

For my own part, I fervently favour that imperial connection which is established by our allegiance to the crown and by Canada's membership, as an autonomous dominion, in the British commonwealth of nations, but nevertheless, I am fully persuaded that the continuance of Canada's amicable relations and good understanding with the government of the United Kingdom will best be promoted by the repeal, so far as applicable to this dominion, of such imperial statutes as, the Judicial Committee Acts, which now confer upon the government of the United Kingdom the political authority and the legal right to intervene, at its discretion, in the administration and enforcement of the laws of Canada. Such intervention the people of an autonomous dominion, in my opinion, should not continue to tolerate.

The more free the people of Canada are from the officious intervention in our domestic affairs by the government of the United Kingdom, the more readily will our people assume and fulfil the duties and responsibilities which are implied in our continued membership in the British commonwealth.

I wish to assure the house that I most sincerely and heartily support the sentiments of the hon. gentleman, who was, I believe, a great Canadian. Furthermore, on page 235 of his book formerly mentioned, Doctor Ollivier quotes a memorandum of Australian delegates regarding the provisions of the draft commonwealth bill, and this is what they had to say:

The consciousness of kinship, the consciousness of a common blood, and a common sense of duty, the pride of their race and history, these are the links of empire, bonds which attach, not bonds which chafe. When the Australian fights for the empire, he is inspired by these sentiments, but no patriotism was ever inspired or sustained by any thought of the privy council.

Another argument that might be advanced is that because the privy council has no connection with our politics and with local conditions it would be a more impartial and therefore a more capable body to adjudicate upon Canadian disputes, especially constitutional matters. I may say that this argument is most vigorously attacked and refuted in the debates which occurred in this house some years ago. As a matter of fact, in their criticisms of the decisions of the privy council, some of the arguments advanced were strong, and their condemnations of the privy council were such that I hesitate to go along with them. The criticism advanced, and I say rightly, goes as far as to say that the decisions of the privy council upon constitutional questions have changed and distorted the intention and spirit of the pact of our fathers of confederation. If hon. gentlemen will read the debate in this house in 1937 when the estimates of the Department of Justice were before the committee of the whole, some very strong statements were made as to the failure of the privy council to live up to what was expected of them in the interpretation of our constitution and to interpret the law in the light of Canadian conditions. I should like to quote one portion of Doctor Ollivier's book in that respect, contained on pages 240 and 241, which is simply an editorial of the Ottawa *Journal* written many years ago, but which is still applicable, and which, I believe, still epitomizes the opinions of some of those who have made a great study of this matter and of the argument as to whether or not a foreign court is a better judge of Canadian affairs than our own Supreme Court of Canada:

Speaking of the following cases: Toronto v. Toronto Street Railway, Winnipeg v. Winnipeg Street Railway and Grand Trunk Pacific Railway Company v. The King, the editor of the Ottawa *Journal* wrote many years ago: "A number of decisions of great importance made recently by the law lords of the privy council have been such as to raise doubt of the equity of that tribunal. Ground is given for the suspicion that, however dissociated the law lords of the privy council may be from our local prejudices or predilections, they may not be without unconscious bias due to their own surrounding and atmosphere . . . several judgments recently given suggest an undue tenderness to vested interests, seeing that in all cases referred to the Canadian courts had previously decided the other way . . . we take the liberty of thinking that the law lords of the privy council are

quite likely to be the mistaken ones. And in all these cases it was a question of vested right against the public weal.

"We confess that these cases, coming within a couple of years, shake your idea of the desirability of the opinion of going to the privy council. We believe Canadian judges to be of as high a standard of honour as English judges and to be as judicial in their frame of mind . . .

"At all events, the fact is decidedly discomforting that in law suits affecting three great public contracts in Canada, all of which are governed by Canadian law, all the judicial decisions in Canada should have been in favour of the public and all the decisions of the imperial privy council in favour of the private corporations."

In closing, I should like to emphasize what I said before, namely that, to my mind, the argument which I make, and which is based upon the spirit of sovereignty of the Canadian people, is irrefutable, and that the bill should receive the favourable consideration and approval of this house. I think it will play its part in unifying the Canadian people, and if so it will make a stronger Canada. There is no question about the bonds which connect us with the empire and commonwealth, and a stronger Canada will ultimately be reflected in a stronger British commonwealth of nations.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I rise to oppose the proposal set out in Bill No. 154, to amend the Supreme Court Act. There is considerable opposition to this measure, which is based upon a policy contrary to the views held by several of the provinces, which believe that we should have a judicial body such as the privy council to decide questions of jurisdiction as between the provinces and the dominion. These matters have come up in the courts for many years, and in my opinion the privy council seems to be one court where litigants can get justice.

The proposal is founded on a statute which is called the Statute of Westminster. That was one of the most unfortunate statutes ever passed; it was nothing but an empire-wrecking affair. The Statute of Westminster has been construed by the privy council, and were it not for that statute we would not have the right to bring in legislation to abolish appeals to that body. This bill consists of two clauses. The Supreme Court of Canada was constituted by this parliament with certain judicial powers. Under the Supreme Court Act the Minister of Justice has certain powers. That court was found necessary, and it is still necessary to have such a court in a country like Canada with divergent views on many matters coming under sections 91 and 92 of the British North America Act. On the whole, that court has given very good satisfaction.

The province of Ontario is opposed to this proposal, because it believes that the privy council should remain as the great guardian of the rights of both the provinces and the dominion. Under the British North America Act the rights of minorities are guaranteed, and the right to use the French language is also guaranteed. That guarantee would be removed if this legislation were passed. They had an experience like this in the United States at the time Louisiana was purchased; there was a treaty with France. What happened? One of the new governors, Huey Long, came along and took it away from them.

From the time of its inception, the privy council has been the great defender of the rights of minorities in this country; because minorities have rights, the same as majorities. It has been a blessing that we have had this provision. Decisions of the privy council have been most valuable to the unity of this country. One should first look at the Supreme Court Act, and then at the Statute of Westminster; he should read the two together in order to have a clear understanding of this judgment of the privy council.

In 1935, Mr. Cahan, who was then the member for St. Lawrence-St. George, introduced a resolution, because he was not satisfied with some decision the court had given in a case with which he had been connected, although that may not have been the main reason. He was not satisfied with a judicial decision which had been given, and wanted to have the court abolished. That might be an unpopular thing to do, because some people in this country would like also to abolish the high court of parliament, the highest court in our land. In fact they would like to see us abolished, too.

It will be noted that on January 13, 1947, the judicial committee of the privy council decided that the dominion parliament may, in the exercise of the wide amplitude of power conferred by section 101 of the British North America Act, vest the Supreme Court of Canada with final and exclusive civil and appellate jurisdiction within and for Canada. This is found in the explanatory note. It states:

. . . and may accordingly deny any appeal to His Majesty in council either from the supreme court or from any provincial court and regardless of whether the matter in question is within the exclusive legislative authority of the dominion or of the provincial legislatures.

The purpose of the present bill is to give effect to the decision of the privy council mentioned above—

That is the decision of December 13, 1947.

—and also to a previous decision respecting appeals in criminal matters viz: British Coal Corporation v. The King in 1935.

What is section 54 of the Supreme Court Act, which they seek to strike out? It says:

54. The judgment of the court shall, in all cases, be final and conclusive, and no appeal shall be brought from any judgment or order of the court to any court of appeal established by the parliament of Great Britain and Ireland, by which appeals or petitions to His Majesty in council may be ordered to be heard, saving any right which His Majesty may be graciously pleased to exercise by virtue of his royal prerogative.

Ireland did not wait for that. She abolished the court and abolished the office of Lord Lieutenant, the office of the king and the supremacy of the parliament of Great Britain, and also abolished appeals to the privy council; all of her own volition, despite the fact that at the time Mr. Lloyd George was Prime Minister there had been a treaty setting out that appeals to the privy council and the office of Lord Lieutenant must remain forever. Notwithstanding that, they automatically abolished these things, in their own legislature. Then the explanatory note to this bill goes on to say:

The right of appeal to His Majesty in council has been regulated in certain statutes of the parliament of the United Kingdom of Great Britain and Ireland, of which two are important: The Judicial Committee Act, 1833 (3 and 4, W. 4, c. 41) and the Judicial Committee Act, 1844 (7 and 8 Vict., c. 69).

The Act of 1833 recites that "from the decisions of various courts of judicature in the East Indies and in the plantations, colonies and other dominions of His Majesty abroad, an appeal lies to His Majesty in council," and proceeds to regulate the manner of such appeal. The Act of 1844 recites that "the judicial committee, acting under the authority of the said acts (the act of 1833 and an amending act) hath been found to answer well the purposes for which it was so established by parliament, but it is found necessary to improve its proceedings in some respects for the better dispatch of business and expedient also to extend its jurisdiction and powers."

Then it goes on to say:

The first section of the Act of 1844 enacts that it shall be competent to Her Majesty by general or special order in council to "provide for the admission of any appeal or appeals to Her Majesty in council from any judgments, sentences, decrees or orders of any court of justice within any British colony or possession abroad."

This bill is in accordance with only one decision. I venture to say the judicial committee would not have given the decision they did, had it not been based on the Statute of Westminster; because, after all is said and done, that is about the only principle involved in the decision of the judicial committee of the privy council. Then the explanatory note goes on to say:

This bill is in accordance with the decisions of the privy council above referred to, which themselves were based on the provisions of the Statute of Westminster, 1931 (22 Geo. V, c. 4), sections two and three, which read as follows:—

"2. (1) The Colonial Laws Validity Act, 1865, shall not apply to any law made after the commencement of this act by the parliament of a dominion."

That was another statute, the Colonial Laws Validity Act, the then member for St. Lawrence-St. George, Mr. Cahan, who was an able man and well liked by me and many in the house, did not like. Neither did he like appeals to the privy council. This explanatory note states that the Colonial Laws Validity Act—

. . . shall not apply to any law made after the commencement of this act by the parliament of a dominion.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member, but the hour reserved for private and public bills having expired, the house will revert to the business before six o'clock.

CANADIAN WHEAT BOARD ACT

EMERGENCY POWERS—GUARANTEE OF LOANS, ETC. —CONCURRENCE IN SENATE AMENDMENTS

Hon. J. A. MacKINNON (Minister of Trade and Commerce) moved the second reading of and concurrence in amendments made by the senate to Bill No. 23, to amend the Canadian Wheat Board Act, 1935.

Mr. GREEN: Will the minister explain the amendments?

Mr. MacKINNON: The effect of the first amendment, the principal one, is to provide that part II as well as part IV of Bill No. 23 will expire on August 1, 1950. Part II as well as part IV are new legislation. Part II of Bill No. 23 deals with the apportioning of the use of elevator and transportation facilities equitably among producers. This amendment, if accepted by the house, means that the power of the board to establish delivery quotas and to move grain in commercial channels expires on August 1, 1950.

Having regard to the fact that parliament will have to consider wheat legislation well in advance of August 1, 1950, the government is prepared to accept this amendment. As a matter of fact, while this bill was before the committee in the other place, on behalf of the government I told the committee we were quite ready to accept the amendment, inasmuch as the whole legislation had to come before parliament before August 1, 1950, and that, in my opinion, the wheat board were not being given any power that they would need

in any way to carry out the government's wheat programme, which it is seeking to implement by this bill.

Mr. GREEN: What about the other amendments?

Mr. MacKINNON: The other amendments are minor in character, largely verbal changes. "His bank" is changed to "any bank". The word "the" is dropped and "to that extent" is added after "shall".

Mr. GREEN: What about the one in lines 39 and 40?

Mr. MacKINNON: The amendment is to delete the words "and allowances authorized by the board" and substitute "allowances and costs provided for in such agreement". The chairman and the solicitor of the Canadian wheat board advised that this was not giving any additional security beyond what the act provided, but it was the wish of the people concerned to put in these additional words and the solicitor for the board saw no reason why that should not be done.

Mr. ROSS (Souris): I had not seen or heard of these amendments until the dinner hour but, looking over them, I am inclined to agree with them for this reason. I did not favour the compulsory features from 1950 on. I can see that if conditions were bad the government might have to set a price for wheat only half of what it is now and they would have power to do that but for this amendment. The solicitor for the wheat board is reported in the press as having said that the real concern of the wheat board is the maintenance of the five-year pool rather than filling export quotas to Britain. I understood that the whole reason for this amendment to the wheat board act was to fill the quotas to Britain; that that was the principal reason for this legislation. I have read at length the report of the solicitor to the wheat board, and he has given his opinion that the Canada-United Kingdom wheat agreement should be considered in the form of a general treaty rather than an agreement; that there is no harm if they fall down on fulfilling an agreement. He says that the whole object is the maintenance of the five-year pool rather than the filling of the quotas to Britain. Does the minister confirm that statement?

Mr. MacKINNON: No, that is not my understanding at all. The object of the legislation is twofold. It is to enable the wheat board to carry out the agreement that has been made for the sale to the United Kingdom, and, on the other hand, to provide for the payment to the producer of wheat of a guaranteed price, plus participation certificates, for a period of five years.

Mr. WRIGHT: What is the import of the amendment on page 15, lines 15 and 16, which deletes the words "directed by the board". Does that take away from the board the power to direct delivery of the wheat to a particular terminal?

Mr. MacKINNON: The solicitor and the chairman of the board agree that this will in no way interfere with the powers they have now.

Mr. WRIGHT: I should like to say a few words with regard to the first amendment. I think the argument advanced by the hon. member for Souris (Mr. Ross) is fairly sound; but I would point out that there are some objections to this amendment. We are trying today to get an international multilateral agreement on wheat. The efforts have not been too successful so far, but we still have hopes that such an agreement can be negotiated. If it is negotiated it will probably extend for a five-year period from the time the agreement is reached, and in all probability the international agreement would extend until 1952 or 1953. So if we accept this amendment and it stays in the act until 1950 it would mean that we would be curtailing the powers of the board to fulfil any multilateral agreement to assemble and deliver grain under that agreement. In 1950 it takes from the board the powers which we in western Canada have for a number of years been trying to give to the board, that is the power to maintain orderly marketing in western Canada. It also takes from the board the power to maintain orderly marketing in the fall of the year so that our growers may have a quota. In that respect the amendment is a serious matter. This is something which we have fought for in western Canada, but now in 1950 we are putting the onus on the growers of western Canada to come back again and fight to have this power put back in the act at that time. We should realize just what we are doing by this amendment which is a serious one.

Mr. QUELCH: My first reaction to the amendment when I read it was one of opposition, but, on the other hand, I realize that part IV and part III expire because the government guarantees the price only to July, 1950, and the price will have to be reset at that time. While I still stand solidly behind the idea of the wheat board being a marketing agency, nevertheless I would be bitterly opposed to compelling the farmer to sell to an

agency if the price set was an unfair one. Before we go farther with this measure I should like the government to tell us what the new price will be, or I should like to wait until 1950 and see what the new price will be. Then we would be in a better position to go along the lines contained in this measure.

Mr. BURTON: I regret to take up the time of the house, but I feel I would not be doing my duty to a large number of producers I represent were I not to voice a word of protest at this time. While I can hardly agree that the other amendments have little significance, the new clause 19A should not be passed too lightly. As has been mentioned, the wheat board act will have to be considered before the end of the crop year 1950 and I contend, Mr. Speaker, that the insertion of this amendment in the bill now is anticipating conditions as they may be at that time. I suggest that it would be much better to allow the bill to stand as it originally passed through the house and to permit parliament at that time to deal with the matter in accordance with conditions as they will be at that time. While I do not want unduly to oppose the bill, I do wish to protest against anticipating what conditions will be in 1950.

Motion agreed to, amendments read the second time and concurred in.

TRADING WITH THE ENEMY

EMERGENCY POWERS—DISPOSITION OF PROPERTY, ETC.

Hon. COLIN GIBSON (Secretary of State) moved that the house go into committee on Bill No. 22, respecting trading with the enemy (1943), as amended.

Motion agreed to and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

Section 1 agreed to.

On section 2—Revised regulations respecting trading with the enemy continued.

Mr. FLEMING: I should like to say a brief word concerning what I consider to be the commendable face-lifting job done on this bill by the public accounts committee.

Mr. MACKENZIE: Hear, hear.

Mr. FLEMING: Section 2 of the original bill was linked with the original section 3. They would have permitted the governor in council to amend the regulations which become part and parcel of the act by reason of being in the schedule. That feature of the bill was struck out in its entirety in the committee. I think the committee is to be commended in that respect, in that they have preserved to parliament the exclusive right to legislate, instead of handing over to the governor in council what is, in essence and in fact, a power to legislate.

A number of amendments have been made to the regulations themselves and they are now incorporated in section 2 of the bill.

One other matter is deserving of mention. The original bill did not contain any provision for the submission of an annual report to parliament. I do not need to reopen the discussion of a few weeks ago concerning the failure of the governor in council to render to parliament any report on the administration of the custodian of enemy property, whether it was the administration of property of enemy nationals or nationals of countries overrun by the enemy; whether it was administration of property of persons of the Japanese race in Canada or administration of property of organizations that were declared to be illegal during the war. Under amendments made by the public accounts committee, the custodian of enemy property must now submit to parliament annually a report of his administration, within three months after the close of the calendar year, and the report must be laid on the table of parliament within fifteen days of the commencement of parliament, or if parliament is in session it must be laid on the table of parliament forthwith. It is fair to say that the public accounts committee has done a commendable piece of face-lifting on this bill.

Mr. GOLDING: Before the section passes, may I say that the hon. member for Eglinton has given a good deal of credit to the public accounts committee for the work it did on this bill, but I should like to congratulate the hon. member on the splendid service he rendered to the committee because he gave this bill a great deal of consideration and was very helpful in that regard.

Section agreed to.

Sections 3 and 4 agreed to.

Schedule agreed to.

Bill reported, read the third time and passed.

BUSINESS OF THE HOUSE

Mr. MACKENZIE: This is the last measure under the emergency legislation with which the house has to deal. I should like to take this opportunity to thank hon. members of all parties for their fine spirit of cooperation in getting through the house a difficult series

of measures dealing with this transitional legislation. If I might also be permitted to do what is not generally done, I should like to pay tribute to my colleague, the Minister of Justice (Mr. Ilsley) for the great work that he did in piloting the measures through the house. I think the house will support me in that.

On motion of Mr. Mackenzie the house adjourned at 9.17 p.m.

Monday, May 12, 1947

The house met at three o'clock.

PRIVILEGE

MR. LENNARD—REFERENCE IN "GLOBE AND MAIL" TO NATIONAL COUNCIL FOR CANADIAN-SOVIET FRIENDSHIP

Mr. F. E. LENNARD (Wentworth): On a question of privilege I wish to refer to a Canadian press dispatch appearing in the *Globe and Mail* this morning, to the effect that at a one day conference sponsored by the national council for Canadian-Soviet friendship, held in Ottawa yesterday, some——one hundred delegates, including parliamentarians, labour and other representatives attended, with Professor Barker Fairley of the university of Toronto acting as chairman in the absence of Leslie Roberts, Montreal writer, and president of the council.

By failing, sir, to name the parliamentarians who were among the one hundred delegates a reflection is cast upon members of this house. I wish it to be distinctly understood that I was not one of them.

Mr. MACKENZIE: On a point of order, I do not think for one moment that the point raised by the hon. member was a question of privilege. Every hon. member of this parliament is free to do as he wishes with respect to any motion or movement on parliamentary or economic history.

MR. REID—REFERENCE TO ARTICLE IN WINNIPEG "TRIBUNE"

Mr. THOMAS REID (New Westminster): On a question of privilege, Mr. Speaker, I wish to refer to an article which appeared in the Winnipeg *Tribune* under the heading: "Pastor wants house gym for saggy M.P.'s." My objection is to the last paragraph in which I am described as, "Thomas Reid, the Progressive Conservative". I have been called a number of names in my day, Mr. Speaker, but this is the first time I have been referred to as a Progressive Conservative, and I wish to make a correction.

[Mr. Mackenzie.]

EXTERNAL AFFAIRS

REFERENCE TO STANDING COMMITTEE OF CERTAIN ITEMS OF MAIN ESTIMATES

Right Hon. IAN A. MACKENZIE (Minister of Veterans Affairs) moved:

That votes Nos. 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55 and 56 inclusive, dealing with external affairs, and referred to the committee of supply on March 4, 1947, be withdrawn from that committee and referred to the standing committee on external affairs for consideration and report.

He said: This is a repetition of the practice of last year.

Motion agreed to.

Mr. GRAYDON: May I ask the Minister of Veterans Affairs if it is the intention of the government to take similar action this session with respect to other departmental estimates?

Mr. MACKENZIE: That is a question for the Prime Minister to answer, not for me.

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend will have to wait for the ministers of the departments to speak for themselves.

CANADIAN FORCES

DECORATIONS—REFERENCE TO RETURN ORDERED ON APRIL 30

Hon. BROOKE CLAXTON (Minister of National Defence): On April 30 a question asked by the hon. member for Nanaimo (Mr. Pearkes) was passed as an order for return. The question as originally asked, and as it appeared in the *Votes and Proceedings*, referred to decorations to personnel of the Canadian army only. A correction appeared in *Hansard*, making the reference to the "armed forces," but the return tabled referred only to the army. I should now like to file a supplementary return to include foreign decorations awarded to personnel of the other services.

INDIAN ACT

CONCURRENCE IN THIRD REPORT OF SPECIAL COMMITTEE

Mr. D. F. BROWN (Essex West) moved:

That the third report of the special joint committee of the Senate and the House of Commons appointed to continue and complete the examination and consideration of the Indian Act, presented to the house on Wednesday, May 7 last, be now concurred in.

Motion agreed to.

REDISTRIBUTION

PETITION AGAINST ENLARGEMENT OF YUKON ELECTORAL DISTRICT TO INCLUDE MACKENZIE

Mr. GEORGE BLACK (Yukon): With the leave of the house I present to the honourable the House of Commons of Canada in parliament assembled the petition of a number of Canadian and British subjects residing in Yukon, petitioning parliament that the district of Mackenzie and Northwest Territories be not included in or added to the electoral district of Yukon, and stating their reasons for the petition.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 180, to incorporate workmen's circle of Canada—Mr. Croll.

MERCHANT SEAMEN

PRESERVATION OF COMPENSATION RIGHTS ACQUIRED UNDER REGULATIONS

Hon. LIONEL CHEVRIER (Minister of Transport) moved the first reading of Bill No. 181 (from the senate), to amend the Merchant Seamen Compensation Act.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS

Bill No. 182, for the relief of Robert Lussier.—Mr. Maybank.

Bill No. 183, for the relief of Robert Rosaire Loiselle.—Mr. Maybank.

Bill No. 184, for the relief of Marjorie Evelyn MacPherson Puley.—Mr. Maybank.

Bill No. 185, for the relief of Sarah Rafferty Jackson.—Mr. Maybank.

Bill No. 186, for the relief of Ida Berman Zatz.—Mr. Maybank.

Bill No. 187, for the relief of Patricia Ellen Burt Williams.—Mr. Maybank.

Bill No. 188, for the relief of Charles Alfred Michel Kelly.—Mr. Maybank.

Bill No. 189, for the relief of Pearl Summers Slater.—Mr. Maybank.

Bill No. 190, for the relief of Aime Jacques. —Mr. Maybank.

Bill No. 191, for the relief of Grace Evelyn Smith Copeland.—Mr. Maybank.

Bill No. 192 for the relief of Jessie Gertrude Noel Magee.—Mr. Maybank.

Bill No. 193, for the relief of John Luchuck. —Mr. Maybank.

Bill No. 194, for the relief of Rhondda Blanche Peace Hurford Smith.—Mr. Maybank.

Bill No. 195, for the relief of Mabel Grace Mattinson.—Mr. Maybank.

Bill No. 196, for the relief of Marcel Simonon.—Mr. Maybank.

Bill No. 197, for the relief of Marian Susan Willson Roberts.—Mr. Maybank.

Bill No. 198, for the relief of Jean Gainfort Grossman.—Mr. Maybank.

Bill No. 199, for the relief of Evelyn Mildred Cook Stone.—Mr. Maybank.

Bill No. 200, for the relief of Lily Elizabeth Harris Cunningham.—Mr. Maybank.

Bill No. 201, for the relief of Mildred Merica Ruth Goodreau Synder.—Mr. Maybank.

Bill No. 202, for the relief of Harry Powell. —Mr. Maybank.

Bill No. 203, for the relief of Margaret Patricia Fairhurst Richards.—Mr. Maybank.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

EXPROPRIATION OF "BRITISH BLOCK" IN ALBERTA

Mr. GRAYDON:

1. What was the area of that tract of land known as the "British Block" which was expropriated during the war in the province of Alberta by the government?

2. How many settlers were evacuated through such expropriation?

3. Upon what basis were they compensated?

4. Have representations been made since the said expropriation with reference to further adjustments?

5. If so, what steps have been taken by the government in this respect?

Mr. CLAXTON:

1. Approximately 700,000 acres, of which approximately 600,000 acres were obtained from the province of Alberta, 2,000 from the Canadian Pacific Railway, and 98,000 from various private parties.

2. 234.

3. The value of (a) land and buildings or (b) the grazing and other leasehold interests as arrived at in 1941. In all cases releases were obtained indicating the willingness of the persons concerned to accept the compensation offered. In no case was it necessary to make a reference to the exchequer court.

4. Yes.

5. The matter has been considered from time to time and it is the view of the government that the settlements made were fair and equitable, all relative factors having been fully considered by competent valuators and other local authorities familiar with the area.

PARK STEAMSHIPS LIMITED—SALE OF VESSELS

Mr. CASTLEDEN:

1. Were any ships belonging to Park Steamships Limited sold to (a) H. R. MacMillan Export Company; (b) Canadian Transport Company, or any of their subsidiaries?

2. If so, what are the names and the tonnage of each such ship?

3. On what date were these ships commissioned?

4. What was the net price received for each of these ships?

5. What was the cost of these ships to the Canadian government?

Mr. McILRAITH:

1. (a) No; (b) Yes, to Canadian Transport Company Limited.

2.

Name	Tonnage
Albert Park	10,000
Cromwell Park	10,000
Louisburg Park	10,000
Mewata Park	10,000
Sapperton Park	10,000
Seacliff Park	10,000

3.

Name	Date of commissioning
Albert Park	April 12, 1945
Cromwell Park	February 15, 1945
Louisburg Park	February 11, 1944
Mewata Park	February 3, 1944
Sapperton Park	January 8, 1944
Seacliff Park	October 18, 1944

4.

Name	Sale price
Albert Park	$ 525,582 19
Cromwell Park	526,780 82
Louisburg Park	476,632 88
Mewata Park	497,095 90
Sapperton Park	501,764 38
Seacliff Park	505,893 16

5.

Name	Total cost of building
Albert Park	$1,577,899 43
Cromwell Park	1,577,712 98
Louisburg Park	1,704,773 32
Mewata Park	1,713,023 26
Sapperton Park	1,704,752 86
Seacliff Park	1,710,233 37

Name	Net operating Revenue
Albert Park	$ 396,019 76
Cromwell Park	853,537 27
Louisburg Park	620,131 29
Mewata Park	902,004 43
Sapperton Park	749,630 71
Seacliff Park	560,289 26

Name	Net cost to government
Albert Park	$ 1,181,879 67
Cromwell Park	724,175 71
Louisburg Park	1,084,642 03
Mewata Park	811,018 83
Sapperton Park	955,122 15
Seacliff Park	1,149,944 11

RADIO BROADCASTING—"RADIO WORLD"

Mr. DIEFENBAKER:

1. What is the total amount expended in each of the years 1945, 1946 and 1947 to date by the Canadian Broadcasting Corporation for (a) advertising; (b) other purposes in the nature of public relations?

2. What amount of the said expenditure was paid to *Radio World* or to its owner or publisher?

Mr. McCANN:

1. (a) Year ended March 31:

1945	—	$ 31,796.96
1946	—	29,130.23
*1947	—	33,662.33

(b) Year ended March 31:

1945	—	$114,262.42
1946	—	121,236.29
*1947	—	130,729.00

2. Year ended March 31:

1945	—	$ 3,606.25
1946	—	7,955.00
*1947	—	13,095.00

*Final expenditures cannot yet be determined owing to outstanding accounts.

CANCER RESEARCH

Mrs. STRUM:

1. Has any public body been set up in Canada to coordinate cancer research?

2. If so, how does it function?

3. Has any initiative been taken in setting up cancer diagnostic clinics and treatment centres?

4. What financial aid is being given to cancer research centres by the government?

5. What fellowships are being granted for purposes of cancer research?

6. What facilities are available for post-graduate training of suitable doctors in diagnosis and treatment of cancer?

Mr. MARTIN:

1. Yes. The National Cancer Institute of Canada incorporated as a voluntary, non-profit organization, under part II of The Companies Act, on March 24, 1947.

2. Representatives of the following organizations have been requested to form a voting body who will administer the affairs of the institute through a board of directors: Canadian Cancer Society; Medical Research Division of the National Research Council; Association of Canadian Medical Colleges; Diagnostic and treatment cancer centres;

Royal College of Physicians and Surgeons; Canadian Medical Association; Canadian Public Health Association; Department of National Health and Welfare; Dominion Council of Health; National Federation of Canadian Universities.

The organizational stage in the institute is almost completed and the first official appointments will be made by the various national organizations or associations at their annual meetings to be held during the next two months.

All universities and research centres have been notified to submit applications for grants before June 1 for the present year. Requests for assistance, already received by the institute, amount to approximately $200,000 and the majority of these requests indicate that they will have to be continued for a period of years in order to attract first-class personnel and retain their services for a sufficiently long period to complete their several projects. Not all research centres have had an opportunity to file their applications and thus it may be assumed that the annual recurring budget for research alone will amount to approximately $300,000.

No public appeal has yet been made on behalf of the institute. On inauguration the sole assets of the institute consisted of a grant from the King George V silver jubilee cancer fund, amounting to $150,000 each year for three years, subject to the annual approval of the trustees of the King George V fund.

The permanent headquarters of the institute is, in the first instance, located at Ottawa, and permanent administrative staff will be appointed by the voting members of the institute at the first meeting after their appointment.

3. Yes. The provincial departments of health through various foundations or commissions have set up cancer diagnostic clinics and treatment centres.

4. Funds are available through the national research council for cancer research. Under the dominion proposals to the provinces, special reference to cancer research is made in the health grants under the health insurance section. The national cancer institute has not yet been in a position to formally request financial aid from the government apart from the sum voted by the trustees of the King George V silver jubilee cancer fund.

5. Graduate fellowships for physicians, chemists, biologists or other trained research workers will be made available by the National Cancer Institute of Canada after the projects and personnel have been approved by the scientific advisory committee of the medical Research Division of the national Research council.

6. The faculties of medicine in the Canadian universities and the special provincial diagnostic and treatment foundations or centres are equipped to provide facilities for post-graduate training in this field.

NATIONAL FILM BOARD—FILMS PROHIBITED FROM PUBLIC SHOWING

Mr. CASTLEDEN:

1. Have any films made by the National Film Board been prohibited from public showing in any province of Canada?

2. If so, what films and in what province?

Mr. McCANN:

1. Yes.

2. (a) "Our Northern Neighbour"; (b) in the province of Quebec.

IMMIGRATION—DISPLACED PERSONS

Mr. WINKLER:

1. How many applications for immigration to Canada have been accepted up to May 1, 1947, for which as yet there was no transportation?

2. What is the procedure when an inmate of a displaced persons camp in Germany wishes to contact Canadian immigration officers with the purpose of applying for entry into Canada?

3. Under section 3 of the Immigration Act, subsection (e) where a member of a family wishing to migrate to Canada is physically unfit for reasons caused by war, to pass the medical examination, what procedure may relatives now in Canada use to satisfy the minister such invalid will never become a public charge?

Mr. GLEN:

1. Information not available.

2. Applications for the admission to Canada of displaced persons are filed by relatives. Arrangements for their examination by immigration teams in Germany and for transportation to Canada is made by the intergovernmental committee on refugees.

3. The department conducts an investigation on the result of which admissibility either with or without security is determined.

MOTOR VEHICLES—SHIPMENTS FROM CANADA

Mr. CAOUETTE:

How many touring cars were shipped from Canada, between June, 1946 and March, 1947 inclusive, by the following companies: Ford Motor Company, General Motors Company of Canada, Chrysler Corporation of Canada?

Mr. MacKINNON: This information is not available. Only the total export figure is given and no attempt is made to classify the individual make of cars.

HALIFAX HOTEL—TRANSFER TO FEDERAL GOVERNMENT

Mr. GILLIS:

1. What commissions or professional fees, if any, were paid to the Commercial Housing Limited of Halifax, Nova Scotia, in the transfer of the Halifax Hotel to the federal government?

2. What amount of money, if any, was paid to Messrs. Burchell, Smith, Parker and Fogo, barristers and solicitors, Halifax, Nova Scotia, on their account for professional services in connection with the transfer of the Halifax Hotel to the federal government?

Mr. ILSLEY:

1. None.

2. $780.90.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CONDENSED MILK

Mr. PEARKES:

1. Has Canada entered into a contract for the sale of condensed milk to Great Britain? If so, when and at what prices, also what quantities have been shipped?

2. Has any condensed milk been shipped to Malta? If so, by whom?

3. Have permits to ship condensed milk to Malta been denied to other applicants?

4. To what other countries has condensed milk been shipped?

5. What stocks of condensed milk are available in Canada?

6. When will the prohibition of the sale of condensed milk in certain areas of British Columbia be removed?

WAR ASSETS—BLANKETS

Mr. CASTLEDEN:

1. What price was received by war assets for blankets sold to (a) the Netherlands government; (b) lumber contractors; (c) wholesale dealers?

2. How many blankets have been disposed of by War Assets Corporation to date to the above groups?

3. What was the cost of these blankets to the Canadian government?

SAM GAGNE

Mr. POULIOT:

1. Was Mr. Sam Gagné employed in the Department of National War Services and subsequently in the labour department, at the office of the registrar in Quebec City?

2. If so, from what date to what date?

3. What is his age and military record?

4. Was it part of his duties to notify the draftees (N.R.M.A. men) to report for medical examination and for military service?

5. Did he occupy other positions in the government service? If so, what were they?

6. How much did he receive (a) for salary; (b) for his travelling expenses, and (c) for his living allowances?

[Mr. MacKinnon.]

SURVEY OF HOUSING OCCUPANCY AND NEEDS

Mr. TIMMINS:

Has any survey of housing occupancy and/or housing needs in Canada been made by the Central Mortgage and Housing Corporation or any other government department or agency since November, 1946?

MOTION FOR PAPERS

SASKATCHEWAN RIVER—BRIDGE AT SASKATCHEWAN LANDING

Mr. BENTLEY:

For a copy of all correspondence exchanged between the government of the province of Saskatchewan and the dominion government from January 1, 1938 to April 30, 1947, regarding the construction of a proposed bridge across the South Saskatchewan river at or near Saskatchewan Landing, Saskatchewan?

RAILWAY ACT AMENDMENT

INCREASED SALARIES TO TRANSPORT COMMISSIONERS—RAILWAY GRADE CROSSING FUND

Hon. LIONEL CHEVRIER (Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to amend the Railway Act to make provision, inter alia, for an increase in the salaries of the commissioners and for an annual grant of two hundred thousand dollars for a period of ten years towards the maintenance of the railway grade crossing fund.

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

Motion agreed to.

ATOMIC ENERGY

EDUCATIONAL FILM—OMISSION OF REFERENCE TO CANADA

On the orders of the day:

Mr. THOMAS REID (New Westminster): Has the attention of the Minister of Reconstruction and Supply been called to the educational film now being shown in motion picture theatres throughout Canada showing the development of atomic energy, and in which seven or eight countries are specifically mentioned as contributing to research and discovery? As no mention was made of the great part this country took, will the minister endeavour to find out why the name of Canada was omitted?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I have not seen the film and have no knowledge of it, but I shall be glad to make inquiries.

TRANS-CANADA AIR LINES

LAYOFF OF PILOTS AND MECHANICS

On the orders of the day:

Mr. RALPH MAYBANK (Winnipeg South Centre): I also should like to direct a question to the Minister of Reconstruction and Supply. Notices in Winnipeg papers on Saturday show a considerable layoff of men from Trans-Canada Air Lines. Has the minister been apprised of this, is he informed upon it, and can he make any statement with regard to it?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I am aware that Trans-Canada Air Lines, who have been conducting an intensive training programme for pilots and mechanics, felt that they had graduated from that programme more men than were needed immediately. The result is that men were sent home with the understanding that a priority list had been established, and when requirements justify it the men will be recalled. However, the committee on railways and shipping, government-owned, is to meet tomorrow and it will have before it the president and officers of Trans-Canada Air Lines. I would suggest to my hon. friend that more details can be obtained at that time.

COAL

USE OF OIL-DRIVEN LOCOMOTIVES—EFFECT ON MARKET FOR NOVA SCOTIA COAL

On the orders of the day:

Hon. LIONEL CHEVRIER (Minister of Transport): The hon. member for Cumberland (Mr. Black) on Thursday inquired whether steam locomotives on Prince Edward Island were to be replaced by diesel engines. He also asked if large unit diesels are being tested between Montreal and Halifax.

Replying to the first part of the question, the Canadian National Railways inform me that they are taking steps to substitute diesel-electric locomotives for the present steam locomotives on the island division. Apart from the economies which will result, the use of diesel locomotives in place of steam power will relieve the Prince Edward Island car ferry of the transportation of cars carrying coal for locomotive use, but will not materially reduce the number of railway employees on the island. When viewed in relation to the production of Nova Scotia coal generally, the change-over from steam to diesel locomotives will have no effect at the present time as the railway is prepared to accept all the coal offered by maritime mines, and even if in the future the situation should revert to pre-war conditions the quantity involved could not be more than 1½ per cent of the current coal requirements of the railway from maritime mines.

With regard to the second part of the inquiry, the management of the Canadian National advise that the electro-motive division of General Motors, who are builders of diesel engines, have offered to the railway for a few test runs one of their new diesel electric locomotives. It is therefore proposed to use it on the main line between Toronto, Montreal and Halifax for a few test trips some time in June. Its performance will be carefully watched by the technical officers of the railway without any commitment whatsoever on the part of the railway, and when the test runs have been completed it will be returned to the owners.

Mr. BLACK (Cumberland): This policy is destroying one of the best local markets we have in Nova Scotia for our coal. It is one more step towards destroying the market—

Mr. SPEAKER: Order.

Mr. CHEVRIER: If the hon. gentleman had listened to the reply he would have seen that no such thing is going to happen.

KING'S COUNSEL

CONGRATULATIONS TO MEMBER FOR KINDERSLEY

On the orders of the day:

Mr. W. A. TUCKER (Rosthern): Mr. Speaker, the hon. member for Kindersley (Mr. Jaenicke) has just been created King's Counsel. As a fellow member from Saskatchewan I should like to extend to him, on behalf of the house, congratulations on a well deserved distinction.

RADIO BROADCASTING

REGULATIONS AS TO ENTRY INTO CANADA OF AUTOMOBILES WITH TRANSMITTING SETS

On the orders of the day:

Mr. GORDON GRAYDON (Peel): May I ask the Minister of Reconstruction and Supply a question? Perhaps he will not want to answer it today, but if he can do so, so much the better. In the press recently some reference has been made to the prohibiting of the use of two-way radio telephones which were installed in certain automobiles coming over from the United States to Canada. It is not indicated in the press whether this is serious or whether many automobiles are involved, but perhaps the minister or some member of the government will clarify the situation for the house so that we may know where we stand.

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): The Radio Act of Canada provides that only Canadian citizens may broadcast with radio sets in Canada. The law in the United States is exactly the same. Therefore when Americans bring broadcasting sets across the line, the apparatus is sealed at the boundary—there is no great inconvenience to the owner—so that it cannot be used for broadcasting in Canada. The same practice prevails with regard to a Canadian car going into the United States. Later there may be a change in the law, but until that change is made on a reciprocal basis the present practice must be continued.

Mr. GRAYDON: Are many automobiles involved so far?

Mr. HOWE: I suppose the number is considerable—perhaps a few hundred; but it is small in proportion to the number of automobiles passing across the boundary.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Friday, May 9, consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell (Muskoka-Ontario), and the amendment to the amendment of Mr. Coldwell.

Right Hon. J. G. GARDINER (Minister of Agriculture): The discussion on the budget has been proceeding since two weeks ago tomorrow, when the Minister of Finance presented his first budget to this house. On that occasion we were all inspired by the manner in which the speech was delivered, and those of us at least who sit on this side of the house were also inspired by the contents of the speech and the proposals made therein. We have been listening during the past week to a discussion carried on for the most part from the other side of the house. That discussion was introduced by the hon. member for Muskoka-Ontario (Mr. Macdonnell) speaking for the official opposition, and his speech was followed by one made by the leader of the C.C.F. party (Mr. Coldwell). Each of those speakers introduced an amendment to the resolution, and I presume that it is those amendments which we were discussing during the greater part of the last week.

In order that the house may be reminded of the contents of the first amendment I should like to read at least a part of it. The financial critic of the official opposition has set forth his opposition in an amendment which, apart from his reference to the dominion-provincial conference, is stated in two criticisms, namely, that the proposals of the Minister of Finance:

> (a) offer no relief from the oppressive burden of indirect and hidden taxes on staple necessities that compose the family budget, all of which taxes directly increase the cost of living;
> (b) offer no encouragement to those engaged in the development of our natural resources, especially mining and agriculture . . .

I am not going to read to the house the part of the amendment which has to do with the dominion-provincial conference because I intend to confine my remarks largely to what is contained in these first two sections.

The hidden taxes referred to are no doubt customs duties, excise tax, sales tax and taxes which might be termed excise or special taxes. They are estimated to net the government $1,045 million. The direct taxes are estimated at $1,155 million. In other words, each of the two forms of taxation is estimated to bring to the government approximately the same amount. There has been considerable criticism particularly of the indirect taxes, which will bring in about one-half the net revenue. It has been somewhat of a surprise to me that the official opposition should rest their case largely upon a criticism of the indirect taxes which are to be placed upon the people of Canada during the next year.

In my reading of the history of Canada, particularly its political history, I have always been under the impression that the members of the Conservative party were strong advocates of the indirect system of taxation, and that the Liberal party, over a long period of years, had been a strong advocate of the direct system of taxation. As a matter of fact in the convention of 1919—shortly after the Conservative government of the day, during the first war had brought in for the first time an income tax measure—the Liberal party went on record not against the income tax itself but against the manner in which it was being administered by the then government, and indicated to the people of Canada that it was a part of any taxation system which might be placed in effect in Canada by a Liberal government.

I have said that I was surprised that the official opposition should take the position which they took with regard to indirect taxes. But when one reads the amendment carefully, one does not need to be so much surprised. All that the amendment says is that

the opposition believe that the Liberal government, formed by a Liberal party, should have gone farther than they did go in the matter of reducing these indirect taxes. That is possibly a criticism which could be expected. But if it is intended to have the people of Canada believe that if we were to have a Conservative government returned in Canada we should have decreased indirect taxes, then I would refer hon. members and also the people of Canada to the record of the Conservative party in that regard.

If one goes back over the years one finds that each time that party has been in power in Canada they have not only in their first budget but continuously in one budget after another raised the indirect taxes, and particularly the tariffs, against the people of this country. Probably I should not need to go any farther back than to the most recent government of that type which we have had, to be able to say that during the period they were in office, in the special session held in 1930 and in the regular session held in 1931 when they brought down their first budget, they raised tariffs to the highest levels at that they had ever been in the Dominion of Canada, even under the old national policy. Then having raised the tariffs to the highest levels at which they had ever been, they increased the next type of indirect tax, known as the sales tax, from one per cent to six per cent in two succeeding budgets. With regard to the excise tax, in each of the first three budgets brought down by the Conservative party during that period of time they increased the excise taxes upon the people of this country.

I need only say that if the Conservative party expect the people of Canada to believe that if they were returned to power they would lessen the indirect taxes upon the people, it will require a much stronger declaration on the part of that party than the mere statement that the Liberals should have gone farther.

On the other hand we have the Liberal record in connection with matters of this kind. The Liberal party went out of office in 1911, as is within the memory of most hon. members sitting in this house, on the issue of reciprocity and the general reduction of tariffs in Canada. They remained out of office until the end of the first war. When they came back and took over the government of Canada in the difficult circumstances which followed that war, the government of the day reduced tariffs continuously throughout their period in office, and also reduced the sales tax as well as other excise taxes, so that at the end of their period in office the rates of taxation in those lines stood at low levels as compared with any previous periods in Canada. And I might go further and say that all forms of indirect taxation in Canada today were brought into being in the first instance by a Conservative government. It is true that some have been maintained in part by the Liberal governments which succeeded those Conservative administrations, but in only one instance has there been an increase in one of these indirect taxes. That was the instance referred to a moment ago by the hon. member for Peel (Mr. Graydon), when he said I might have gone a little further. Yes, I might have gone a little further and said the sales tax was increased by the present government in the budget of 1936, in order to take care of the costs which had been placed against the people of this country while the previous government was in power. The intention of the government was to reduce that taxation, just as it had done in other instances. But, Mr. Speaker, we have been through a war which lasted for six years. During those six years the cost of carrying on government was greatly increased, with the result that up to the present time it has not been found possible to reduce that particular form of taxation.

However, in spite of the fact that we were in the midst of war; in spite of the fact that prior to the war tariffs had been greatly reduced under the present government, we went further and entirely removed the duty on farm implements entering Canada, thus carrying out the pledge that had been given to the people of Canada by the Liberal party and repeated over a considerable period of time. So I say that if the people of Canada are looking for a government that is likely to decrease indirect taxes at any time, if they base their inquiries upon the experience of the past they will look to the Liberal party, which on every occasion it has been in power has carried out that undertaking to the people of this country.

Now coming back to the statement made in the amendment itself, may I say that this amendment was added to by the leader of the C.C.F. party (Mr. Coldwell). He did not criticize the amendment of the official opposition. He did not say any portion of that amendment should be left out. He merely added to it. In the amendment introduced by the leader of the C.C.F. party he said the budget should be opposed on two points, and directed the attention of this house and this country to the two particulars in connection with which he suggested the Minister of Fin-

ance should be condemned. The amendment condemns the minister because his proposals—

(d) fail to raise the income tax exemption levels; and

(e) fail to make any provision for the more than half of our population who are compelled to live on incomes below the present exemption levels.

The discussion which has followed the introduction of these two amendments has caused those of us sitting on this side of the house to marvel at the difficulty experienced by speakers in both groups on the other side of the house in keeping out of each other's preserves. That is not at all surprising when one reads the amendments again. They might have been drawn in one room by the same individuals. They might have been brought to this house in a desire on the part of those sitting in the two groups opposite to find themselves working together against the government on this occasion. But whatever the reason for the drafting of the amendments in their present form, we have these two amendments before us. The C.C.F.'ers are constantly putting up arguments in favour of the Conservative amendment, and vice versa. One would almost think they are more concerned about agreeing on this occasion than about settling the problems of the people of Canada.

The Minister of Finance did not ignore those in low income brackets, as has been suggested, those who do not pay income tax. He stated they constitute over half our taxpayers, and therefore are responsible for the care of over half our people. He said there would be no increase in taxes which would affect them. He even stated he would not endanger their position for the further benefit of those in the income tax brackets. His statement is to be found at page 2554 of *Hansard* for April 29, 1947, and is as follows:

If we raised exemptions above the levels established last year, we should in fact be sparing so many from income tax that it would be unfair to the large number of the people who are below the present exemption levels, because we would inevitably be forced to rely for necessary revenues upon indirect taxes which would bear more heavily upon the low income groups.

In a statement of that kind there is no ignoring of this particular group, which bears the full effect of tariff and other indirect taxes, and which represents about half the population of Canada.

An hon. MEMBER: Over half.

Mr. GARDINER: Yes, over half. It is a concise statement of long-time Liberal policy. We favour raising as great a part of the revenues as possible by direct taxes, and placing as large a part as possible of the indirect taxes on those commodities which are not necessities, in order to avoid undue taxation of those in the low income groups through indirect taxes on necessities. Running all through Liberal policy from confederation down to the present time there is found that desire on the part of Liberal governments to avoid, as far as may be possible, taxing the necessities of the people of this country. Therefore on this occasion the minister did not find it either advisable or necessary to increase those forms of taxation which naturally would find their way to this particular group of our population. Both the C.C.F. and the Conservative party have been talking against the imposition of this policy although condemning the government for not going further with a policy which they alone have always believed in and put into effect.

The leader of the C.C.F. party submits tables and waxes eloquent, as usual, in condemning those who have incomes of $200,000. He even condescends to compare the tax of those with incomes of $5,000 and $10,000 with those having an income of $1,000. As a matter of fact in 1946 there were only 2,484 people in Canada who paid income tax on incomes of over $25,000, and there were only 246,000 who paid income tax on incomes of over $3,000. To come right down to the nightmare of the hon. member for Rosetown-Biggar there were only 109 persons with incomes of over $100,000; and the best estimate I can get is that there will be only between twenty and twenty-five who pay on incomes of $200,000 or over. So, after all, what the hon. member for Rosetown-Biggar is worrying about is that the tax was not decreased sufficiently upon some twenty persons in Canada, according to the statement he made to the house the other day.

Let us compare that with the further statement made by the official critic of the Progressive Conservative party. He was greatly concerned about those with incomes between $3,000 and $7,500. These he described as the great middle class of Canada. He seemed to be concerned about the fact that their income tax had been reduced to an average amount of 29 per cent and that the highest rate of interest they could draw upon investments was a rate of three per cent. He pointed out that therefore they found difficulty in caring for themselves in later years.

There are no doubt a great many fine people in that group who pay income tax on incomes from $3,000 to $7,500. I have nothing to say about those people which would not be complimentary to them, nor have I any comment to make on the remarks of the hon. member for Muskoka-Ontario with

respect to their earnings from investments. But I do wish to point out that, good and all as these people may be, there were only 212,000 persons in Canada who paid income tax in those brackets in 1946. Good and all as they may be, I think the hon. member for Muskoka-Ontario is giving them altogether too much credit when he says the future of this country depends mostly upon what he is pleased to call the great middle class, defined as those who are paying income tax on from $3,000 to $7,500.

If I were going to select a middle class for this country I would select a much larger group than that, and I would classify as the great middle class those who pay income tax on incomes below $3,000. How many do we find in that group? They number 2,299,875 taxpayers, or over two and a quarter million of the people of this country. Only a little more than 200,000 pay income tax on incomes over $3,000.

Some people may think that that is a rather bad situation to have in a country; but I am not at all sure of that. I venture to say it would be difficult to find any other country in the world where such a large proportion of the population is in the income group of from $1,500 to $3,000. They are the great masses of the people in this country. Those are the people upon whom almost any country must depend for the development of its resources. I repeat that I doubt if there is any other country in the world which could show a better record.

Certainly it does not bear out the contention of our friends of the C.C.F. party who have been contending in season and out of season that this is a country of millionaires, men who have made great fortunes at the expense of the rest of us, and that therefore any government formed in this country should be formed for the purpose of getting rid of those individuals. May I say again that only between twenty and twenty-five of them are in the group who have incomes of $200,000 or more, and only 109 of them in the group having incomes of more than $100,000. And if we have had government in this country—not always by a Liberal party, but always by either the Liberal or the Conservative party—which has been able to create a condition of that kind, then I am not one of those who will trade it for some new "ism" I know nothing about and particularly for anything which my hon. friends of the C.C.F. have to offer.

There is one thing upon which the two groups opposite have got close together. The Conservatives and the C.C.F.'ers have got together in one line of criticism when they have said that on one day the government took off 29 per cent in taxes, and the next day replaced it with a ten-cent increase in butter. There has been some fancy figuring in regard to this matter, which was first introduced into the discussion by the hon. member for Muskoka-Ontario. He thought that the fact that butter is higher in price now than it was in 1926-29 is a fact to which attention should be called. He went to the trouble of pointing out that butter had gone down to 27 cents in August of 1939. I believe he made a slip of the tongue in that statement; it was 21 cents in August, and 27 cents in October of that year. The hon. member went to considerable trouble to point out that butter was selling at a very low price in the summer of 1939, and that it had averaged only 44 cents back in 1926-29. He raised the question in the minds of hon. members as to whether 48 cents or 50 cents a pound might not be too high a price for butter in Canada at the present time.

I was not so much surprised to hear that argument from the hon. member from Muskoka-Ontario; but when I heard the same argument in greater detail and used more effectively by the hon. member for Cape Breton South (Mr. Gillis) I was surprised indeed. The hon. member went to the trouble to figure out that an individual saved 19 cents from his reduced taxation during a certain period of time, and that during the same period he would pay an extra 23 cents for butter for his family, and he drew the conclusion that the man was four cents worse off.

Had it stopped with the hon. member for Cape Breton South, I should not have been greatly surprised—because, after all, he comes from a mining area, and may have been speaking more particularly for those who buy but do not make butter. But when the hon. member for Qu'Appelle (Mrs. Strum) rose in the house and followed the same argument, but to even greater lengths, I was somewhat surprised. Coming as I do from a constituency which is just across the river—

Mr. ROSS (Souris): They don't milk cows in Saskatchewan now.

Mr. GARDINER: My hon. friend has never been in Saskatchewan or he would know they do milk cows; and he would know, too, that they would have to go without butter in some parts of Canada if the people in Saskatchewan did not milk cows.

The hon. member for Qu'Appelle stated this, as reported at page 2933 of *Hansard:*

> The great majority of our families fall below $1,500 a year. Not only does this man lose out on his milk, but he loses out on his butter and shoes which are now out from under the ceiling—

That is news to me with regard to butter; nevertheless it is here.

—and on many other articles which go into the cost of daily living.

I should like to ask, who are these people who do not have an income of $1,500 per year upon which to pay taxes? They are the day labourers, the odd job persons, some small dealers, and the farmers. It is stated that about thirty per cent of Canada's population is on the farm, and that only 3·7 per cent of the farmers paid income tax in 1946. It is not claimed by anyone in Canada, including the inspectors, that any more than seven per cent ought to be checked as to whether they should pay or not when one examines the records. What I want to say is that if we are correct in supposing that some 30 per cent of the people live on the farms, and that very few of them were able to pay income tax in 1946, then we can conclude that of the one-half who are not liable for income tax, almost 60 per cent of them are living on our farms.

When one looks at the situation from that point of view he gets a different result from asking the question: What was the effect of changing the subsidy over into a price and making the consumer pay another ten cents a pound for butter? It should be recalled that the only reason why the consumer was not paying 48½ cents per pound for butter was that the government was paying a subsidy of ten cents a pound on butter fat which works out to 8½ cents a pound on butter. So the price was down to the consumer who bought butter, but the farmer also got his butter at the reduced price if he bought from the creamery. In this instance the public is being told that as the subsidies are taken away, then the amount which was in the subsidy is being replaced in the price; nearly everyone in Canada either wants to eat butter or does eat butter, and instead of charging a tax on all the people of Canada and then making it up to them on the price per pound for butter, they are going to ask the people to incorporate it in the price.

Let me say again that I am surprised that a member from an agricultural constituency should question the advisability of doing that kind of thing at this stage. The government undertook in 1941, when price control was inaugurated, to keep in mind what the farmers did in the war years following 1941 to assist in maintaining a low cost of living. The fact was that all food products were purchased in Canada at a lower cost than elsewhere. I should like to say to some people who are raising the question today, not only in this house but outside of it, that every consumer in this country owes something to the farmers of Canada because of the fact that throughout the whole war period, from 1941 down to the present, food in Canada has been cheaper than in any other country in the world. If it becomes necessary to adjust that situation we should look at all sides of the picture before jumping into print in order to criticize.

In order to assist in maintaining this low level the government started to pay producer subsidies on dairy products in 1942, some months after controls had been put on, and increased them from time to time down to 1945. In 1943, feed grain subsidies were paid to producers. In 1944 the Agricultural Prices Support Act was passed as a guarantee that our undertakings of 1941 would be carried out. They have been. The Conservatives say that the production is down, and the C.C.F.'ers say that subsidies have been removed from time to time and that the cost to the consumer has gone up. Let us agree that both statements are correct. After we have agreed to that, let us examine the farm income for the period from 1941 down to the present, remembering that the volume for sale has been down in the last few years. The gross cash income was as follows:

1941	$ 967,600,000
1942	1,155,900,000
1943	1,441,000,000
1944	1,846,200,000
1945	1,704,100,000
1946	1,759,300,000

The volume was down in 1946 compared with 1945, but the income was up, indicating that not only did we maintain the subsidy plus the price, but we did a little better. Is there anyone in this house who would argue that the farmer is not entitled to it? Judging from this debate the Conservatives object to the price of butter being higher than it was from 1926 to 1929. Judging from this debate the C.C.F. object to the price the farmer does receive finding its way into the price to the consumer. The government believes that during the transitional period from war to peace we should guide the farmer and the consumer back into a sound relationship under which they can deal with one another. We shall endeavour to protect both from any middleman who tries to take advantage of seasonal supplies, either to get his product too cheap or to sell it too high. The fact is, however, that the farmers' income is higher over the last three years than ever before. Even with lower marketings of some products in 1946 as compared with 1945, the gross returns are increasing.

I wanted to make these few remarks in this debate for two reasons. In the first place, I wanted to congratulate the Minister of

Finance upon having brought into this house a budget which states so clearly and so concisely the wishes of the people of this country. From one end of Canada to the other, in the press that supports the government and in the press that opposes it, almost without exception the budget has been welcomed. In the second place, I wanted to say that my hon. friends on the other side—I am speaking now of the official opposition—who are continuously calling attention to the fact that the production in some lines of farm products is down and will not accept the real reason for it, have very little encouragement for any policy that they are prepared to advocate when they check the records and find that in addition to the quantity being down, the returns to the farmers are up. The farmers realize that is a condition which has put agriculture in Canada in the most favourable position it has ever occupied in the history of this country.

Mr. A. J. BROOKS (Royal): May I at the outset congratulate the Minister of Finance (Mr. Abbott) on his delivery of the budget a few days ago. I think I am only being fair when I say that his delivery was good, but I am afraid that the budget was not as good as it sounded. I should also congratulate the Minister of Agriculture (Mr. Gardiner), who has just taken his seat. We always find it easy to listen to him. So far as delivery is concerned his speeches are always good. It occurs to me at this time, Mr. Speaker, that in the race which we know is now in progress for the leadership of the Liberal party, there are many contestants.

Mr. GARDINER: We have not as much practice as you fellows.

Mr. BROOKS: I should like to say to some of those who are also in the running that they will have to look to their laurels so far as the Minister of Agriculture is concerned. A speaker with the great faculty that we all know the minister possesses with his flair for soap box oratory, and his ability to make people believe that black is white, when he is turned loose in a convention I am satisfied that he will give a hard run to the other contestants. So far as his speech of today is concerned I would say that now the Minister of Agriculture is one step up on the other contestants, and we shall have to wait until they speak to see where they are to stand.

On May 6 of this year we had enjoyed peace for two years. It is well I think to compare, as has been done, the budgets prior to the war with the one that we have today. Before the war our budgets ran in the vicinity of $500 million. A few days ago the Minister of Finance asked for $2,400 million odd.

Mr. ABBOTT: The amount was $2,100 million.

Mr. BROOKS: That is what the minister expects to spend; that is not his estimate of revenue.

Mr. ABBOTT: The $2,100 million is the estimate of expenditures.

Mr. BROOKS: The minister has estimated the expenditures at $2,100 million, but he is asking the people for $2,400 million. Whether the expenditures will come within the $2,100 million we shall have to wait and see. During the war the people did not complain—

Mr. ABBOTT: Before any proposed reduction in taxes. I want the hon. member to be correct in his figures.

Mr. BROOKS: I have taken the minister's own figures.

Mr. ABBOTT: Before the proposed reduction in taxes.

Mr. BROOKS: Nevertheless it is between four and five times as great as it was before the war. We can understand that. During the war the budgets were heavy. A million men were in the armed forces. These men had to be clothed and fed. We had to build a large navy; we had to spend millions of dollars on aeroplanes. Money was poured out like water, and it was easy for us to realize that we had to have a tremendous amount of money to carry on.

The people of Canada did not begrudge this money; they did not complain at the heavy burden of taxes which was placed on them to raise that money. The same thing applies to the first year after the war. No one in Canada complained about the great amount of money that was being spent at that time. We knew that the soldiers had to be brought home; we knew they had to be reestablished; we knew that there were balances on contracts which had to be paid, and there were millions of dollars which we were not called upon to collect in ordinary time. But I should like to say to the minister that the war has been over for two years. We, and the people of Canada, realize that there should be no great expenditures such as those that are anticipated. Many people are paying taxes today. The million young men who were in the army during the war are paying taxes. They are not receiving their livelihood, they are not receiving their pay from the government; they are contributing

and helping to bear the burden. We know also that we do not expect—and anyone would be foolish to expect—that in the immediate post-war period, or even in the years to come, we can get back to what one might call the normal payment of taxes that we had before 1939. It would be ridiculous for us to expect such a thing. We know that during the war children's allowances were granted to the people of this country and that it cost $245 million more than we were paying in 1939. We also know that the net debt of this country increased from $3 billion to $13 billion, in round figures. The interest on this $10 billion must be paid, and it has increased the interest debt of the country somewhere between $300 and $400 million. We all realize these things. We also realize that of the thousands of men who came back, many were wounded, many required hospitalization and pensions which the government must pay for years to come and which will require many millions of dollars. But in spite of all these things I submit that we should not today be paying $5 where it cost us only $1 before the war. I say that in spite of all these expenditures that I have mentioned. I think that the people will say that there is gross extravagance on the part of any government which requires them to do this.

What I am about to say may seem like going from the sublime to the ridiculous, but some hon. members on this side of the house have mentioned the nuisance taxes. I come from a small town in New Brunswick. One of our chief industries is the manufacture of soft drinks. I receive many letters from people in my own community and nearby asking that the tax on soft drinks be reduced. I say to the government, surely with all the millions of dollars we collected, this tax on soft drinks could have been taken away and the children given the opportunity to buy their "pop" without paying two or three extra cents a bottle for it. The same thing applies to candy bars. We have often heard the expression that it is "like taking candy from a kid." Well, the government today has placed itself in the position of depriving the children of candy or taking candy from children due to the tax on candy bars.

Another point to which I should like to refer is the $250 which is taken off the exemption on income tax of a married man if his wife goes out to work. I know in my own province—and the situation is the same in many parts of Canada—we have many married teachers and nurses who assist in the family budget. We know that there is a great scarcity of teachers all across Canada. We know that there is a great scarcity of nurses. It would seem to me that if the government had the interest of the people at heart they would have done away with this $250 charge and allowed married women in these professions and in others as well to carry on.

I should like to say a few words about veterans affairs. I take this opportunity to congratulate the Minister of Veterans Affairs (Mr. Mackenzie) on the decision he made a few days ago to permit a student pensioner attending university to receive his full allowance. It was a just and fair act. As the minister knows, many of us in the veterans committee last year took that very stand. I am glad that the minister has at last done away with this injustice; but I should also like to call the attention of the house to the fact that last year $667 million were voted for veterans affairs. The amount expended was $607 million. Therefore there was a saving of $60 million on the veterans affairs estimates. When I read this it seemed to me that we were saving money at the expense of the veterans. I do not think anyone wishes that we should save money at the expense of these men.

I should like to mention to the minister some other matters which have been pressed very strongly and which I believe are just as important as the giving of the full allowances to students. One is the raising of the basic rate of pension. When I point out again, as I have pointed out before, that the rate of pension in Canada has not increased since 1920, you will realize the difficulty that pensioners are having in order to live on what seems now a very meagre amount. One reason why the pension has not been increased, it has been said, is that since 1920 the cost of living has not risen in Canada. I believe the Department of Labour has so stated. I do not think there are many people in Canada today who will agree that the cost of living has not greatly increased since the year 1920.

But there is another point. The standard of living of the Canadian people has risen considerably since 1920, and on the basis of that standard of living alone the pensioners should have a much higher basic pension than they receive today. Recognizing this fact, in the United States they have increased the basic rate of pension 20 per cent within the last year.

I would also point out to the minister that the widows and children of pensioners receive what I would call scant treatment. If we consider the present rates of pension payable, the widow with children has an entirely

inadequate provision for a decent standard of living. The widow with two children, if the rank of her husband was below that of captain or flight lieutenant, receives a total of $87 a month, which includes $27 for the two children. Should the two children be over twelve years of age, a family allowance of $16 a month is payable.

It is manifestly impossible for a widow to provide adequate shelter, clothing, food, education, medical and dental treatment for three adults on $103, and I would recommend to the minister that this matter be given careful consideration. The seriously disabled pensioners are in the same position. These men find it impossible to supplement their pension with employment. There is no employment even for able bodied men particularly in my part of the country. We hear the minister's department making radio appeals to businessmen across Canada to give old soldiers a chance to work.

I consider that the department and the country owe more to those old men who fought in two wars than an appeal over the radio for someone else to give them a job.

I would turn now to another matter, Mr. Speaker. In concluding the budget address on April 29 last, the Minister of Finance reminded us that in two months' time we shall have occasion to celebrate the eightieth anniversary of the founding of confederation. He pointed out that the men of 1867 had faith in the future of the united Canada which they were striving to build. By making comparison, he emphasized the fact that we had travelled a long way since that time, until today we occupy a position of high responsibility in world affairs and one of great respect. His last words, at page 2562 of *Hansard*, were:

> If we continue to show the courage, the unity and the spirit of cooperation which inspired the fathers of confederation, and which inspired our people during these last war years, our achievements in the peacetime years ahead will, I am confident, be equally striking.

We agree with that; there is no doubt about it. The name of Canada does stand high in this world today, but it was placed there, as you and I know, by the men who fought the war of 1914-18 and again from 1939 to 1945.

This afternoon, for a short time, I hope I may be pardoned if I speak particularly of a part of Canada which we feel has done its full share and more in the building up of this great country, but which for some untold reason has been shamefully neglected and prevented from receiving a fair portion of the benefits and prosperity which have blessed other parts of Canada.

I will not rehearse the facts, which are so well known by everyone conversant with the history of the maritime provinces. I will not tell you how at confederation we were considered to be, and were, I believe, in fact, the most prosperous part of the dominion. We lost nearly all our manufacturing industries in the succeeding years. Our young people were forced by thousands to leave our three provinces and they came to the west, they went to the United States, until today there are, it is said, more maritimers in the New England states than there are in the whole of the three provinces.

This is the story which has been told many times, and as many times have successive governments promised that these grievous faults would be corrected. I will speak of our situation as we find it today. The maritime provinces today, more than two years after the close of the war, find themselves with 30,000 unemployed. We find that our people are leaving by hundreds. We find there is no new industry being established in these provinces. As a matter of fact, the industries that were established are still leaving. I have only to refer to the speech made by my hon. friend the member for Cape Breton South (Mr. Gillis) a few days ago indicating that in every town and city in Nova Scotia one can find some industry which has folded up and come to Quebec or Ontario. The same could be said of my own province.

Go into any town and the people will tell you there used to be a shoe factory here, a cotton mill there, farm machinery manufacturers somewhere else. Today they have moved away. That is the situation now. Only on April 11, a month ago, an industry which had been in the town of St. Stephen since 1879 pulled up stakes and moved to Toronto. I have here a newspaper heading which reads:

> New Brunswick loses industry. Soap factory and household name disappear when factory closes.

This was a factory that used to employ many people, turning out 125 tons of soap a week. It was bought by Lever Brothers some time ago and they recently closed it and moved the machinery to Toronto, so that today there is nothing left but the empty shell of a building. I could mention many others, but the member for Cape Breton South did a good job in that regard the other day.

National policies since confederation until the outbreak of the second world war have placed the maritimes under a great handicap. In 1939 the treatment we received from Ottawa became if anything shabbier and more unfair than it had been before. We had hoped for war industries and we had just reason to expect that such industries would be estab-

lished in the maritime provinces. For one thing, we were close to the sea and we had the people to work in those factories. It would have saved this country many millions of dollars in the cost of transportation if factories had been established down near the seaboard. And the great bottleneck in transportation on our railways would have been avoided. But as the hon. member for Queens-Lunenburg (Mr. Winters) pointed out the other day, this was not done; and as far as manufacturing was concerned, our situation during the war was worse instead of better. Figures tabled in the house show that $790 million were spent by the government out of the taxpayers' money in the construction of new factories in Canada during the war. Of that $790 million, New Brunswick got $5,004,000, or ·63 per cent, a little better than one-half of one per cent. Nova Scotia fared a little better; they got 2·3 per cent. But less than three per cent of the total of $790 million which Ottawa poured in the development of new industrial capacity in Canada was invested in the Atlantic provinces. We have ten per cent of the country's population, and if we had received one-tenth of the total amount spent, we should have received $79 million. Instead of that we received $23,012,000, or $55,988,000 less than what we consider to be our just share.

Then we also consider some other statistics. I do not wish to repeat what the hon. member for Queens-Lunenburg said the other day. The aggregate amount of all the contracts awarded by the Department of Munitions and Supply was $11,997,200,000. Of this, $10,660,300,000 or all but $1,366,900,000, went to Ontario and Quebec. On the basis of population again, $1,199,720,000, or ten per cent, should have been spent in our three provinces. Instead of that, the expenditure in those provinces was $380 million, or about three per cent. The difference between what we should have had on a straight population basis and what we got works out to $819 million. I think that the house and the country should not forget that we shouldered our full share of that expenditure of $11,997,200,000.

You may ask me, Mr. Speaker, why it is that I mention these figures. The reason is obvious, I think; it is to show that we have been discriminated against, and to indicate the extent to which this discrimination has gone. We are asking for certain improvements. Our papers today are asking for the building of the Chignecto canal, something which would cost only a tithe of the amount which we were denied during the war. We are asking for the building of a causeway across the strait of Canso, something else which I believe we are entitled to when you consider the great contribution which we have made to the dominion. We are asking for a few million dollars in order to save hundreds of thousands of acres of the finest agricultural land there is in our province. Not only do we think we are not asking for too much, we believe we are not asking for nearly enough when we urge that consideration be given by the rest of Canada to the development of these projects.

In order to make a living today, what do they tell our maritimers to do? Well, a short time ago in this House of Commons we were told to move to Ontario, to come up here to seek jobs.

Mr. MACKENZIE: Terrible.

Mr. BROOKS: The Minister of Veterans Affairs laughs. I wonder what he is laughing about. Is he laughing at the idea of maritimers moving out of their own country?

Mr. MACKENZIE: No. I think it is a terrible suggestion.

Mr. BROOKS: Is he laughing at the idea of their being exiled to some other part of the country? As a member of the government I should have hoped he would be more sympathetic than that and would assist in some way to establish industry or create work in that part of the dominion. We consider ourselves just as good as any other part of this dominion, and history will prove that is so.

Mr. MACKENZIE: So I believe.

Mr. BROOKS: We have done our part and made our contribution to this country, but the government, Mr. Speaker, have asked us to send our young people to other parts of Canada in order to find work. The government have asked them to leave their homes, their friends and their loved ones, and move away. Years ago we had one mass exile of people in the maritime provinces, and I will say that we do not want another, and I do not think we are entitled to another.

These are not only my own ideas that I am expressing this afternoon. I should like to read an article which appeared in the *Financial Post* a few weeks ago, dealing with the situation in the maritime provinces:

What follows the war boom in the maritime provinces?

Their unemployment figures in recent months have been among the highest in Canada. Prices in the fishing industry have slumped so seriously that informed estimates predict fishermen's income will be only half last year's. Maritime coal mines are again in the throes of labour trouble. A three-month communist-led strike of deep-sea fishermen has just ended.

It goes on to say:

The critical national importance of these problems emphasizes the value of the work now being undertaken by the institute of public affairs at Dalhousie university.

People will say: Why not help yourselves? Well, the people are endeavouring to help themselves, and the institute of public affairs at Dalhousie university has undertaken an investigation into some of the reasons why these difficulties are coming upon us.

I should like to refer to the question of freight rates. We know that the board of transport commissioners are sitting at the present time and discussing the question whether freight rates should be increased. Nothing is more vital, I should say, to the maritime provinces than the freight rate structure, because we have to buy our goods from Ontario and Quebec, and the cost of freight is added to the cost of those goods. We have to pay the freight on the article as well as the price of the article when it arrives in the maritime provinces. On the other hand, when we sell to Ontario and Quebec we again have to absorb the freight rate so that we get it both going and coming. Any increase in the freight rate structure—

Mr. DEPUTY SPEAKER: Order. I believe that a ruling was made previously that a discussion of freight rates at this time is not in order, as the matter is at present before the board of transport commissioners.

Mr. BROOKS: Thank you, Mr. Speaker. I have nothing further to say on that subject.

A few days ago I mentioned the marshlands of the maritime provinces. I had hoped that when the Minister of Agriculture spoke this afternoon, he would mention some definite policy with regard to these marshlands. The hon. member for Cumberland has spoken many times on this question, as have other members from the maritime provinces. I have never heard a member from the maritime provinces on any side of the house object to the millions of dollars which we have been spending for the Prairie Farm Rehabilitation Act. We have always felt that it was needed, that it was a good idea, and that we should back it. We are now asking that money be spent on our marshlands, of which there are estimated to be about 100,000 acres; and I can tell this house that this land is as rich as any to be found anywhere in Canada. I have none of these marshlands in my own constituency, but a few years ago I had the opportunity of seeing them at Windsor, Nova Scotia, where I was in charge of a military camp, which I might add was built on the marshlands. While I do not wish to digress, at that time it was felt that this was a peculiar place to build a military camp costing $4,000,000. The land was below sea level, and I remember that one night during a terrific storm the dikes broke and the bay of Fundy wandered at will over the camp, particularly around the hospital, which was built in the very lowest part. It cost nearly $30,000 to repair the damage done at that time. The farmers cannot afford to lay out $30,000 to repair dikes, so this is a problem not for the farmers of Nova Scotia and New Brunswick but for the government of Canada, the different provincial governments and the municipal organizations. I hope that some time soon the minister will make a pronouncement on the policy of the government in connection with these marshlands.

A few days ago, speaking to the house about lumber, I mentioned that we should have a larger quota for lumber from the maritimes, and said that our birch was being destroyed by dieback, a plant disease. I said then we were likely to lose a billion feet of lumber, which would also mean a great loss in wages, and that in five years' time this lumber would be a total loss. At that time I asked the minister if he would increase the quota on birch and hardwood for the maritimes in order that this large amount of lumber would not be lost. In reply the minister said:

That is true. We were asked to set a free quota for infested birch. The difficulty is that the lumber from infested birch is exactly like the lumber from good birch, and the result would have been that all the hardwood cut in the maritime provinces would have been infested birch by the time it came on the market.

In other words the minister suggested that the people of the maritime provinces were so dishonest that if given permission to cut and export infested birch they could not be trusted to do so. I make another appeal to the minister to reconsider the matter, because, as I pointed out previously, in a short time this lumber will be a total loss. Not only shall we lose some millions of dollars from the sale of the lumber; we shall lose employment for many hundreds of men, and that is something our provinces cannot afford.

There are many other matters I should like to mention, but I see my time is pretty well gone. We have recommended that the Chignecto canal be constructed. I need not take time now to point out what a great advantage this would be to our provinces from the point of view of trade. We have recommended that we be given a larger lumber quota. We have recommended that the government assist us in connection with the marshlands.

So far as my own province is concerned I should like also to mention the matter of a national park. At the outset let me say that I do not blame the federal government for the fact that while every other province has a national park, and some have two or three, we have no national park in New Brunswick. With the great increase in tourist traffic we expect, and which I am sure we will get in this country, a national park up the Saint John river would be a great asset to New Brunswick. Our provincial government has been derelict in this matter, but I hope the federal government may be able to put some pressure on the local government to the end that a national park may be established in our province within the very near future.

In closing, Mr. Speaker, I should like to quote from a statement made by the Minister of Justice (Mr. Ilsley) in an article appearing last year in the *Monetary Times*:

> On the whole, our country has come through the war in good order and with unimpaired strength. We have many problems but we have much to be thankful for. The prospect of the years ahead is not untroubled and certainly we have no reason for complacency. Nevertheless we can count many blessings for which there is cause to give thanks and there are no problems ahead which sober good sense, tolerance and unity of purpose cannot solve.

I am sure we all agree with that statement. There are no problems which tolerance and good sense cannot solve. I have outlined the problems of the maritime provinces, and I believe that with tolerance, good sense and sympathy on the part of the other sections of this dominion these problems can be solved for the three little provinces down by the sea. We are not devoid of resources. We have agricultural land as fine as there is anywhere else in Canada. We have fine timber lands; we are told that spruce grows faster in the maritime provinces than in almost any other part of the world. We have great apple orchards in the Annapolis valley, and they are being developed also in the Saint John valley. We have the finest fisheries to be found anywhere in the world; as is well known, the north Atlantic, with its cold water, produces the very finest of fish. So with our primary resources if some means could be devised, through tariffs or in some other way, by which we could have some manufacturing in those provinces so that our people would have a balanced economy, I believe there would be no finer place in this dominion than the three maritime provinces.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, as other speakers in this debate have done, I wish to extend my congratulations to the Minister of Finance (Mr. Abbott) on this, his first budget speech. I hope I may be able to congratulate him on a more thorough achievement after he presents his next budget. As to the fears expressed this afternoon by the Minister of Agriculture (Mr. Gardiner) that there was some collaboration between this party and the Progressive Conservative party, I wish to tell the minister not to let it disturb his peace of mind, because there is no collaboration.

Mr. GRAYDON: You are speaking for us, Angus.

Mr. MacINNIS: I am glad to hear that. It is difficult to move amendments to a budget, and sometimes to other measures, as we have found out on several occasions during the present session. However, I should like to let the Minister of Agriculture know that there is extensive collaboration at the present time between the Conservatives and the Liberal party right across Canada. They have carried it a long way in British Columbia, so far indeed that now they cannot part. In the other provinces it is proceeding apace; and the more it proceeds, the better we like it.

The Minister of Finance began his budget speech with a reference to the difficult budgets of the war years, budgets which, he said, were evidence of what the people of Canada can do under the stimulus of war. What the people of Canada can do under the stimulus of war is now history. What we can do under the stimulus of peace, if we can find a stimulus for peace under the present system, has yet to be discovered.

The outstanding feature of the minister's budget speech was his lack of faith in what the Canadian people can do under the stimulus of peace. I came to that conclusion after listening to such statements as these, during the course of his speech; and I turn first to one which appears at page 2544 of *Hansard*, where he states that consumers are spending more and saving less than normal, with present incomes, and that we must be prepared for reductions in this spending.

It seems to me that the first statement should be followed, not by the statement that we must be prepared for reductions in spending, but by a statement something like this: "We can produce more now than ever we did before; consequently we can increase our spending."

Then, at page 2546, after forecasting a gross national income of nearly $12 billion, some $900 million greater than 1946, the minister went on quickly to state that this forecast was subject to a wide margin of error "in these uncertain and abnormal times", particularly if a substantial recession should occur in the United States later this year.

There is not much faith there. Has the government no plan for Canadian prosperity? Must we follow in the wake of our neighbour to the south, if they proceed to disaster?

At page 2545 of *Hansard* the minister states that one of the main supports of high current production is the result of our loans to Great Britain, France, Belgium, Holland and other countries, and he states that these loans are essentially transitional measures. If those loans are contributing to our prosperity, why not continue them? If to discontinue them means not prosperity but depression—and that is the inference to be drawn from the minister's words—why should we discontinue them? The need in Europe is great; but if we can make goods available to the people of other lands, is there any reason why we should not increase consumption in this country? These are some of the questions I should like to hear the minister answer.

Then at page 2548 of *Hansard* the minister said:

> Moreover, our revenues are based on very high levels of production, incomes and imports which we probably cannot expect as normal levels in future years.

Why not? Because we expect a depression in the United States; and because they expect a depression in the United States, we must have a depression here. That is the purport of the minister's statement.

Then, at page 2549, referring to the budget surplus he said that, while our surplus is a real one, "it has been obtained at high levels of revenue and expenditure which do not necessarily give an accurate indication of the shape of things to come." The conclusion one must draw from this statement is that the government is giving up all hope of directing or controlling the economy of this country.

Then, at page 2561 the minister comes back to the possibility of a recession in the United States, when he stated:

> On the other hand, it must be conceded that some recession in the United States this year is by no means impossible.

And the United States, you know, got back to a so-called free enterprise system before we did. He continues:

> A substantial recession in that country would be bound to have some effects on our own situation, and this in turn would adversely affect our revenues.

During the years I have been in the house I have heard many protests against our colonial dependence on Great Britain. What is the sense of attaining full status of nationhood within the British commonwealth of nations merely to become an economic appendage to the United States? Cannot Canada have economic and social policies over which Canada has some control? It is this lack of faith in the future of Canada, and in our ability to do things for ourselves, which is, to me, the disheartening thing in the budget.

The Minister of Finance referred several times to the wonderful record of this country in the war. But what he failed to say in that connection is what is really important, namely, that to attain that wonderful record the government took the initiative in providing the organization and the money to make our war effort effective. That record could never have been achieved if our war effort had been left to private enterprise. No one, indeed, would have thought of leaving it to private enterprise. So that if anything is clear in the budget, it is that the government has abandoned all intention of directing our peacetime economy. It is leaving the providing of our needs to private individuals who are solely concerned with their own profits. Indeed the minister himself admits this when he states, at page 2559 of *Hansard:*

> Business confidence and available funds are so high that a good many businessmen are competing more in their efforts to expand their investment quickly than in getting down their costs and keeping down the prices at which they sell their products.

If this statement is correct—and I imagine it is; otherwise the minister, a believer in the private enterprise system, would not have said it—I would ask: Why the elimination of the excess profits tax, so as to give them more money to play around with?

Mr. GIBSON (Comox-Alberni): To create more jobs.

Mr. MacINNIS: But they are not creating jobs. That is exactly what the minister said.

Mr. GIBSON (Comox-Alberni): Capital investment creates jobs.

Mr. MacINNIS: I agree with that, and I shall have something to say about it later on. That is so, provided that it is proper capital investment, and not uneconomic capital investment.

But what does the minister expect? So long as the government leaves production of the economic needs of the people to the caprice of private enterprise, it can have no effective control over the nation's welfare. As a matter of fact, it can be only a sort of office boy for private enterprise. And for the hon. member who just interrupted, let me tell him that big business itself is becoming frightened; frightened of itself.

In this connection let me quote from an editorial which appeared in the issue of the *Monetary Times* which came to hand this

morning. This is the issue for May, 1947. The title is, "Price Increases and Private Enterprise." It begins by making reference to some remarks made by the hon. member for Qu'Appelle (Mrs. Strum) in this house, and continues:

With the end of price controls, management has regained control of the nation's economic machinery.

Not the people of Canada, but management.

Except for the safeguard that the government can reinstate price controls if it believes the public is being fleeced, management has now regained the opportunity, which it has long demanded, to prove that it can make a better world under private enterprise than appears likely under any system of socialistic or communistic operation.

Let us see how, according to the *Monetary Times,* private enterprise is doing that:

If private enterprise is to prove to its detractors that it can be trusted with control of our economic system, it must first of all curb the inflationary spiral that has been set in motion by the more grasping and therefore the less foresighted of its members.

Prices must be brought under control,—

These are the people who were shouting a few months ago for the removal of all controls.

—and manufacturers who are taking advantage of the removal of ceilings to raise prices out of all proportion to values, must be made to realize that as sure as night must follow day, they are fashioning the noose that will hang us all.

Examples are evident in store displays any day of the week which lead the observer to wonder how long the public will stand for it. Bits of twisted iron fashioned into garden furniture for a king's ransom. Poorly made chairs and tables at double the prices and half the quality of pre-war years. Electric and mechanical contrivances with life expectancy of a third, now cost triple, pre-war standards.

That is where all this shouting for the removal of controls has landed us We have been put in the hands of private individuals who have no responsibility to anyone but themselves. We have been told of the wonderful things that were happening in the United States, to which country the minister referred so often, where controls had been removed. There they are also depending on free enterprise, so-called. The government there surrendered to big business pressure sooner than ours did, and consequently the danger of a depression or a major catastrophe is much closer than it is here. Speaking in Washington a few days before the minister's budget speech was delivered, President Truman appealed to private enterprise to bring down prices and to prevent an "economic cloudburst." He said:

A group saw fit to sabotage price control and represented to the public that prices would come down in a free market. This has not taken place and, as a consequence, many American families are spending savings, cashing war bonds and postponing medical care and have gone into debt to an amount fifty per cent more than a year ago.

The same thing is happening here in Canada. We are following the pattern closely even to the Minister of Finance urging business to lower prices. Instead of wasting time pleading with big business, the Minister of Finance should profit from the experience which was so effective in achieving high production and maintaining stable prices during the war. Early in his speech the minister mentioned that consumer purchasing was continuing to expand and that there were few signs of an unwillingness or inability on the part of the consumer to buy what was offered in the market. I cannot agree with that and I think the same statistics that are available to me are available to the minister. I have in my hand here the "Monthly Review of Business Statistics", issued by the bureau of statistics, for March 1947; and it states:

Retail and Wholesale Sales

Dollar sales of retail stores in January, 1947, were 13 per cent greater than in the same month of 1946, about the same average gain as was shown throughout the year.

And again:

Though dollar sales have been moving steadily upward, there is evidence that the real volume of goods sold has been levelling off. When the index of retail sales is adjusted for changes in retail priecs, it has been in recent months only four per cent above its level of the corresponding month a year ago compared with six to eight per cent several months ago and twelve to thirteen per cent in the spring and early summer of 1946.

At the wholesale level a flattening out even in dollar sales is indicated by sales results for recent months. Compared with the same month of the preceding year, sales in January and December were respectively 9·4 per cent and 13·8 per cent greater in contrast to an average gain of 18·7 per cent for the whole year of 1946. Accompanying this trend, there have been increases in inventories in almost all trades, and at the end of January the dollar level of inventories was 29 per cent greater than a year ago.

There is still another indication that consumer purchasing power is running low. This is to be found in the increase in instalment or credit buying. A news item in the Toronto *Daily Star* of March 22, 1947, points out that as durable goods were coming on the market, consumer purchasing power was beginning to dwindle. The government took cognizance of this fact early in the year, January 15 to be exact, when it lifted the restrictions on consumer credit. A survey of Toronto merchants since that time, in the words of the Toronto *Daily Star* news item, shows that buying on the instalment plant has been scorching right along. More merchandise on

the counters, less cash in Mrs. Consumer's purse, and easier terms have combined to lift instalment selling out of its wartime doldrums.

That is merely an indication of the increasing poverty of the people. The news item points out further that advertising of credit terms has become widespread. Storekeepers are finding the need to advertise credit sales, and they would not do that if they could sell everything they had to sell by cash sales. Goods are sold for as little as ten per cent down with eighteen months to pay for household goods, and twenty per cent for clothing. The article finishes by saying that it is expected that, as durable goods become more plentiful, instalment buying will bounce even higher. This means that the consuming public, particularly that half of the population below income tax exemption levels, cannot buy the things they need without mortgaging their future. Instalment buying is included in the retail sales statistics. All that happens through instalment buying is that goods bought this month, next month and the month after will not be bought eight or nine months hence. As I said, it is mortgaging the future in order to buy today.

That production is catching up with demand can be seen by anyone walking along the streets of any city, and the twenty-nine per cent increase in inventories reported by the bureau of statistics is merely a confirmation of that fact.

Speaking in the budget debate last year, I said that under our present system the ordinary thing was for supply to overcome demand. I pointed out further that that was the root cause of all modern depressions. That is true, and it is the reason everybody today is thinking about the depression which is around the corner. During the depression of the thirties we were always looking for prosperity around the corner but you do not have to look for the depression around the corner. Unless we do something about the matter, the depression will meet us more than half way. If, as I said, the ordinary thing is for supply to overcome demand, then the obvious thing to do would be to increase consumer purchasing power as goods become plentiful. If there was any social purpose underlying our production and distribution that would be the logical thing to do. We could and should go without many things we should like to have in order to build up our capital structure so as to produce a greater abundance of consumer goods, and during the time we were doing that consumer goods would be in short supply because the labour and material required were being used for the production of capital goods. But as soon as we had the capital structure built we should be able to increase our consumer purchasing power. But what we have is just the very opposite. We are generally prosperous, as prosperous as a working class can ever be under capitalism, so long as we have a large-scale investment of capital. As soon as investment falls off, although our means of producing the things we need have increased, we have to go without because we have not the means to buy, and as I mentioned before, we then have the depression that everyone seems to be expecting. Although, according to the Minister of Finance's speech, the government is momentarily expecting a depression—

Mr. ABBOTT: No, no; I did not say any such thing.

Mr. MacINNIS: —a falling off in private investment.

Mr. ABBOTT: I did not say any such thing. I know my hon. friend wants to be fair. I did not make any such statement, nor did I imply any such statement.

Mr. MacINNIS: As a matter of fact, if the minister had been in the house at the beginning of my speech he would have heard me quote from his speech on several occasions where he said that, and if I had the time at my disposal I would quote it again.

Mr. ABBOTT: My hon. friend will not find anything in my speech where I said expressly or impliedly that I anticipated any immediate depression. I did not use the word "depression" anywhere in my speech.

Mr. MacINNIS: It depends on what—

Mr. ABBOTT: It depends on the meaning you want to take from it. My hon. friend wants to take a meaning which was not there.

Mr. MacINNIS: It just depends on what the minister calls "immediate". Here is what the minister said, at page 2544 of *Hansard:*

> . . . and consequently they are probably spending more and saving less than they normally would with incomes at present levels . . . We must be prepared for reductions in some or all of these abnormal expenditures.

Then at page 2545 of *Hansard,* after forecasting a gross national income of nearly $12 billion, some $900 million greater than in 1946, the minister went on quickly to state that this forecast was subject to a wide margin of error "in these uncertain and abnormal times."

Mr. ABBOTT: What is my hon. friend quoting from?

Mr. MacINNIS: I am quoting from the minister's speech in *Hansard.*

Mr. ABBOTT: "The minister went on to state"; I did not use these words.

Mr. MacINNIS: No; the minister did not use these words, but they are close to what he said and contain the implications of what the minister intended.

Mr. GILLIS: Read the words again.

Mr. MacINNIS: "In these uncertain and abnormal times" particularly if a substantial recession should occur in the United States later this year.

Mr. ABBOTT: "Particularly if"; of course.

Mr. MacINNIS: Yes, "particularly if."

Mr. MICHAUD: We could not have a depression here.

Mr. GILLIS: We have it in half the country. Take your own province of New Brunswick.

Mr. MacINNIS: Then, at page 2548 the minister said:

> Moreover, our revenues are based on very high levels of production, incomes and imports which we probably cannot expect as normal levels in future years.

Mr. ABBOTT: There is no suggestion there of an immediate depression. That is a perfectly clear statement of fact.

Mr. MacINNIS: As I said before, it depends exactly on what the minister means by "immediate". Indeed in one place he referred to the possibility of a depression occurring in the United States this year.

Mr. ABBOTT: I want to correct my hon. friend. I did not use the word "depression" at any point in my speech.

Mr. GILLIS: Recession.

Mr. MacINNIS: I do not think that is correct either.

Mr. ABBOTT: You will not find it. I can assure my hon. friend he will not find it there.

Mr. MacINNIS: I shall find it and show it to the minister afterwards.

Mr. ABBOTT: If I were a gambling man I would offer a small wager.

Mr. MacINNIS: I am not a gambling man but I do not mind taking a chance on a sure thing.

I wish to say a few words on dominion-provincial relations and social security. As I said the last time I spoke in the budget debate, I am not going to try to apportion the blame for the break-down in the dominion-provincial conference. But since the responsibility for convening the conference of necessity rests on the dominion government, the dominion government should call the conference again as soon as possible. I would say "as soon as possible" is as soon as the session has finished. That conference should continue in session until an agreement is arrived at, or until it is made clear beyond the possibility of a doubt who is preventing an understanding.

An agreement on taxes is only a small part of what must be done if we are to attain for the people of this country the economic advantages and social security which can come only from cooperation between the dominion and the provinces.

There is an urgent need in this country for a national social security programme that will be adequate in its provisions and that will apply all across the country. It must make provision for every Canadian citizen who for any reason is prevented from earning a living. I have before me the proposals of the dominion government to the dominion-provincial conference of 1945. These proposals were drawn up some time in the summer of 1945 and at least to a person of my way of thinking they make good reading. I will quote just two or three paragraphs from page 1:

> The preparations must be undertaken against the background of severe depression and the enormous dislocation of war. Under the conditions which existed for nearly a decade prior to 1939, the Canadian economy did not provide adequate opportunities for employment and enterprise; the deficiencies in the provisions for social welfare became strikingly apparent; the structure of government finance in our federal system developed basic strains and weaknesses. The war came before solutions to these problems were reached.

And on the same page:

> The demonstration of the potentialities of the Canadian economy has been one of the outstanding features of the past few years. In a relatively short time national production was doubled. Nearly one-half of this greatly expanded output was devoted to war. In spite of this large effort, the general level of civilian consumption was not reduced; for the lower income groups it was significantly increased.

If we can do that in war; if we can do that when a big share, perhaps half of our economy is devoted to war, is there any reason why we cannot do it in a peacetime economy? If any province or any number of provinces are standing in the way of that being accomplished, these being the proposals of the dominion government, it is up to the dominion government to let the country know who are preventing these things from being done.

To me the disturbing factor is that the government does not seem any longer to be interested in its own social security programme. It seems to have given up the idea, if it ever had one, of instituting a wide pro-

gramme of social development. The need for social security cannot be met by a small improvement in old age pensions. The eligible age for old age pension is, of course, too high, but the criterion for social benefits should not be based on age. A person of sixty, or fifty or forty, if he or she is prevented from earning a living, should have just as valid a claim on the state for a reasonable standard of living as a person at the age of 70 or over.

I know the question will be asked, who will pay for it? My time is nearly up and I will merely say this. It can be provided for only out of the production of the country. If we are to have an old age pension or old age benefit that will take care of people over fifty, or sixty, or sixty-five, whatever the age we take, it means that those between the age of eighteen and that other age must be willing to produce the goods and services that those older people consume. It is just as simple and concrete as that.

Since we cannot do it by distributing the goods and service direct it can be done only by taxation. I would say—and this applies particularly to members on my right—that the people in this country who were shouting for tax reductions since the end or even before the end of the war have done a disservice to Canada, particularly when they shout for tax reductions and in the same breath ask for government expenditures of every conceivable kind. These things cannot be done without a transfer of income from those who have it to those who do not.

To this group one of the disappointments of the budget is that the income tax exemptions were not increased.

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

Mr. MacINNIS: If you are quick I am willing to answer it.

Mr. FERGUSON: Do you believe in no tax reduction and continued expenditures, as the government is doing today? You referred to the group on your right. Do you believe in no tax reduction and continued spending?

Mr. MacINNIS: I do not know just what my hon. friend means by continued spending. As regards continued spending, we can get our opportunity to deal with that when the estimates are before us. Then let everyone say whether he wants or does not want this or that estimate passed, and then call for a vote on that estimate. In regard to increased taxation, or no lowering of taxation, I say that if we expect people below the exemption levels to live decent lives and be good citizens on incomes of that amount, there is no reason why those of us above that level should not be willing to pay our taxes. That is the position I take.

Mr. FERGUSON: Will the hon. gentleman answer my question?

Mr. MacINNIS: That is all the answer I will give.

Mr. FERGUSON: Don't debate. You cannot answer.

Mr. MacINNIS: In his concluding remarks the Minister of Finance used these words, which have already been quoted by the hon. member for Royal:

> If we continue to show the courage, the unity and the spirit of cooperation which inspired the fathers of confederation and which inspired our people during these last war years, our achievements in the peacetime years ahead will, I am confident, be equally striking.

The "if" there is the big question mark, and I would tell the minister that, no matter how much we wish it, there can be no unity without identity of interest, and there can be no identity of interest unless we have a single objective. And we have not a single objective in this country. You cannot have a single objective in a society in which you glorify the right of everyone to do as he pleases, to get as much as he can and to give as little as he must. That is private enterprise and there is no hope of unity in a system of that kind.

Mr. ROBERT FAIR (Battle River): Like other members who preceded me, I want to extend congratulations to the Minister of Finance (Mr. Abbott) on the eloquence with which he delivered his first budget speech. I believe congratulations should also go to the cheering section on the government side of the house for recognizing some points that were not expressed in the budget, and perhaps congratulations should go as well to some of the ministers who supported the Minister of Finance in their own little ways, though, after all, things were not just as the picture would seem to be.

I also want to congratulate the hon. member for Vancouver East (Mr. MacInnis) on the progress he is making in learning social credit terms. I hope his knowledge of the technique of social credit is as complete.

Mr. MacINNIS: If the hon. member will support me in what I have said with regard to taxes, I will agree with him.

Mr. FAIR: The hon. member for Vancouver East is getting on to our programme very quickly.

The Minister of Finance, in dealing with the monetary question, told us that at the end of March, 1947, we had an unmatured funded debt of $16,524,164,000. That, I may say, is in contrast with approximately three and a quarter billion dollars as at March 31, 1939, just before the war broke out. In 1947-48 interest is estimated to run to $437,517,000, as compared with approximately $128 million for the last fiscal year before war broke out. This means that our interest is now almost four times what it was before the war. In my opinion, a large percentage of that interest is not necessary and might better be employed for the payment of many of the things we in Canada need much worse than we need the payment of interest to individuals who, after all, are creating credit which is based on the ability of the people of Canada to produce and deliver goods and services. I feel that there is no need whatever for a budget such as the one delivered by the minister, and I think the minister himself was just a little bit ashamed at having to deliver such a budget. I am sure we all realize that it is not his alone, but that he received quite a little help in preparing it. At page 2553 of *Hansard*, under the heading of "Tax policy" we find this:

> Economic considerations alone would hardly justify immediate tax reductions. As I have already stated, there are still substantial inflationary pressures pushing our prices and costs up. Reductions in taxes may add up to these pressures in some measure, though they should reduce some of the demand for higher wage rates.

Then, along in the second column, the minister says:

> Therefore, whatever may be argued from the point of view of immediate economic effects, or long term debt policy, one must reach the conclusion that those who must bear them are not ready to support income taxes on the present scale. In fact, I am sure that were our present levels of personal income tax to be continued, they would constitute a serious impediment to a full working effort and a brake upon the drive and initiative of men and women in all groups and classes.

Farther down in the same column, he says:

> It would appear that if Canadians are asked to carry tax burdens which, after making due allowance for lower cost of living or lower cost of doing business or other offsetting factors, are significantly heavier than those imposed by the United States, there is a risk of a serious drain of Canadian personnel to the south for this reason alone.

Then on page 2554, under the heading 'Personal income tax", the minister has this to say:

> This is the tax that at present levels is proving so unpopular and is causing difficulty. To overcome the situation which I have described a substantial reduction is necessary and I do not feel that we can afford the reduction required in this field and also substantial reductions in other forms of taxation in the face of the responsibilities which Canada finds upon her shoulders in this post-war period.

I said a few moments ago, Mr. Speaker, that it was unnecessary for the Minister of Finance to come to the house and tell us that he expected to expend so much money in interest during the present fiscal year. The same thing applies to our national debt, because had the policy been adopted which Social Crediters have consistently advocated in this house since we came here first in 1936, Canada would not have a national debt of the present proportions. I might say that we have been supported in the past—I am not sure whether their minds have as yet been changed—by some of the Liberals on the other side of the house. For instance, in the past we had the support of Mr. McGeer—now Senator McGeer—Mr. Arthur Slaght, who represented the constituency of Parry Sound, and for some time the hon. member for Rosthern (Mr. Tucker) also supported that view.

Mr. LOW: Times have changed.

Mr. FAIR: Someone says he is not in now and he does not believe in that way any more, anyway.

Mr. JOHNSTON: He is Liberal leader in Saskatchewan now.

Mr. FAIR: I was rather amused the other day—I think it was Friday—when the Minister of National Revenue (Mr. McCann), who administers the medicine, rose to speak in support of the Minister of Finance, and in his own polite way told the Progressive Conservatives and the C.C.F. that they should withdraw their amendments and shut up, that the budget was good anyway. As we all know, the Minister of National Revenue is a medical doctor and in his practice is in the habit of administering bitter medicine. I feel that on this occasion he chose to put a little chocolate coating on it so that the patients would not notice the effect while the medicine was going down.

An hon. MEMBER: It was bad medicine.

Mr. FAIR: I do not feel that he can fool the workers of Canada with the speech he made. They are just as wise now and just as much opposed to the taxing programme as they were before that speech was delivered. We find that at the first of this year the exemption for a single person is $750, and that for a married person is $1,500. Then again, in the case of a married woman who is working or otherwise getting an income of

$250, if the amount does not exceed $750 her husband finds the amount of his exemption decreased by the amount of the wife's income over and above $250. If the income exceeds $750, they are both classed as single persons.

Some time ago there was some mention made of this in the press under the heading of "Tax on Marriage". I take it from this that this is a move by the government to discourage marriage because by being married, building their homes and running them as they should be run, people are penalized by way of income tax levies. The clipping reads as follows:

> In a free society it is not the business of the state to seek by applying special pressures to drive married women out of remunerative occupations and thus compel them either to work in their own homes or not to work at all.
>
> It was done by Hitlerite Germany, but it should not be done by Canada. In Germany it undoubtedly contributed to the discrediting of matrimony, since women were able, as they will be able here if the (dominion government's income) tax scheme is persisted in, to evade such pressures by making their sex relationships informal and impermanent.
>
> The tax is a tax on being legally married, not on maintaining a joint household.

I believe there is an injustice there which is placed upon married women in Canada. Many of them find that they are compelled to work, since some of them are separated from their husbands, and are at the same time supporting families. The husband is either not in a position to, or will not, support the family and the married woman is compelled to do so and at the same time pay more taxes than she should.

Then again, the present budget does not, in my opinion, afford relief for many who are in the low-income tax brackets or those who are below that level. When I say that, I mean that those who are in the low-income tax brackets do not get very much relief, and those below that level find that the cost of the things which they have to buy in order to live has increased considerably, and there is nothing in the budget to help them. We find that a number of the men and women whom we sent overseas, who during the war had all the supplies they required, are now back in civilian life trying to get reestablished, and with our present heavy income tax levy and low exemptions they are having quite a time doing anything about it.

In addition we have a number of nuisance taxes such as those on soft drinks, which I understand today cost seven cents, though I do not use them; on chocolate bars, which cost eight cents, on theatre tickets, postage stamps, and so on. These nuisance taxes should have been removed, because they were put on during the wartime period, and at least the shooting war has been over now for two years.

This afternoon the Minister of Agriculture (Mr. Gardiner) told us about the high income of the farming population, but he did not tell us what the farmers' expenses were. In my opinion, and as I shall try to show later on, the financial position of the farmers is not as bright and rosy as the minister tried to make us believe. As things stand, it is like the Scotsman who gave his little baby five cents to go to bed and to sleep; then, as soon as the baby went to sleep he came along and took back the nickel and had it for the same purpose the next night. Then we have the increased cost of living. Many people do not believe the index is accurate, and in my opinion they are quite correct in their judgment. If you go into a restaurant, into a hotel or into any store you find the prices of the things you have to buy considerably increased in comparison with the basic period, 1941. In addition to the price we have to pay for our meals, in some cases we find that after you have had a meal and have walked a few blocks you are all ready to eat another meal, because the servings have been cut down so much and in fact have almost disappeared as far as butter and sugar are concerned. I believe it is now time to discontinue the rationing of butter, because last month the bureau of statistics told us that our production of butter had almost doubled. I do not see the use of making butter if you do not go ahead and consume it. Meat rationing has been done away with for some time, and we find very few people, if any, suffering, as they did not during the time meat was rationed. In the case of butter, as was the case with meat, some people do not use all their coupons, and they pass either the coupons or the butter to their friends. So I think at least everyone living at home is getting pretty well all that he needs.

Dealing with the income tax of farmers, I feel that an injustice has been done farmers all across this country in that connection. Until very recently, perhaps within the last year or eighteen months, many farmers did not know they were required to file income tax returns. Many did not have sufficient incomes to require the filing of a return. It is curious that no move was made by the government to collect income taxes during the war period, when high production was needed. Perhaps the government realized that if they insisted on having their pound of flesh at that time the farmers would not work eighteen or twenty hours a day, as many of them did, or

might go on a slow-down strike as some of the other occupational groups have done. About a year and a half ago, however, just after the Christmas and New Year's holidays, thousands of income tax blanks were sent out and the farmers were asked to fill them in. Only a small percentage of the farmers kept accurate records, and those farmers were able to file the returns. Those farmers who did not keep records were asked to come to certain towns all over the prairie provinces, where they were met by a number of assessors from the income tax branch. Where a farmer could not produce records these assessors made up an income tax return on the accrual basis. By that I mean they went back to January 1, 1941, and got an inventory of the farmer's holdings as at that time. Then they took another inventory as at the end of December, 1945, and assessed a certain portion of the difference as income for each of the years in between. Then, if they found the farmer taxable they had him pay the tax. Perhaps that system is all right to overcome a farmer's failure to keep records, but I feel that injustices were done the farmers in making up those forms. In most cases, of course, farmers are not bookkeepers. The assessors did have some knowledge of bookkeeping, so that the farmers did not question the statements they made up but, if they had the money, gave their cheques for the amounts involved. In many cases, however, farmers who thought they were out of debt had to go back to the bank and borrow in order to pay their income tax.

Some of those income tax returns included amounts running up to $800, in the case of some of my bachelor neighbours, representing that portion of their upkeep which was supposed to have come from the farm. In my opinion, that should not be done. In 1942 we had a discussion in this house on farmers' income tax, and at that time I felt that we had gained at least some redress for the wrongs that were being done the farmers. On the back of the blue form used by farmers we still find this note re farmers' receipts and expenses:

4. Produce used from "family garden" and small sums usually termed "pin money" obtained by the wife, sons or daughters, by their own efforts, need not be taken into account.

At that time I felt that the minister had met the objection, and that we would have no further trouble, but we find the practice of charging the farmer for the items above still being followed. Only a few months ago I was told by one of the assessors that they charged up $50 per individual in each family for the produce used out of the garden, including fowl, butter, eggs, and so on. In my opinion, since there is no exemption whatever for the wife and family of the farmer, no income tax should be charged on these small items.

I feel also that the farmers have already paid far more than their share of income tax, indirectly. I say this because farmers have been delivering their produce to the market for the past number of years at prices far below the cost of production. They have been given no credit for this. Severe losses accrued during the depression years, particularly between 1930 and 1940, and during the better years since 1942, with better prices, the farmers have been busy clearing off their debts. But while doing that, and in addition to taking care of a condition over which they had no control at all, they were compelled to pay income tax as I have already stated. We have also subsidized the world wheat market for a period of years at a price of $1.55 a bushel for the best wheat grown in the world. If our government wants to be a good fellow with the other countries of the world, why does it not let the Canadian taxpayer pay the subsidy, rather than the farmers and principally the prairie farmers? There might have been some justification for that, but there is no justification at all for having the Canadian farmer subsidize the world wheat market. Then again we have subsidized to the extent of many millions of dollars the consumers of Canada by supplying cheap wheat for flour, so that they may have cheap bread, and may not have a cost of living increase.

Then again, in order that our soaks in the country may have their liquor at a cut price, including the water, we have also subsidized the distillers for some time past. That programme I understand is now discontinued. At the present time and for some time to come the farmers of Canada are subsidizing the British consumer to the extent of the difference between $1.55 a bushel and the price of wheat on the world market, on a minimum of 160,000,000 bushels in 1946 and again in 1947.

Again I ask the government: Why not have all the people of Canada stand the cost of this subsidy, rather than have the farmers do it? In my opinion, the farmers are the geese in Canada which lay the golden eggs. Every attempt should be made to encourage agriculture and do everything possible to bring it into a prosperous condition; because that prosperity on the farm is reflected among all classes all across the country.

Perhaps the government may find some comfort in telling us, as the Minister of Agriculture (Mr. Gardiner) has done on more than one occasion, that the prices arranged by the government have been agreed to by the Canadian Federation of Agriculture. I feel that

that organization, and those smaller organizations of which it is composed, as well as the individual farmers and other consumers who make up those organizations, should have a little light on the prices that are being accepted on behalf of the farmer. It is up to the individual farmers to become organized, as do other occupational groups, and see to it that they get what is properly coming to them, which they have failed to do in the past.

I am quite satisfied that until that is done the farmer will continue to be, as he has been in the past, the slave of the Canadian people. The time has come when that should cease. I think it is a good time now, also, to tell the farmers of Canada that they should consolidate their positions, and that the picnic, as some people describe it, will soon be over.

We have in Canada a potential production which will far more than supply our own needs. Even during the period of war, when hundreds of thousands of our young men and women were not occupied in farming, we were able to supply ourselves and also to export hundreds of millions of dollars worth of our produce to countries overseas. And as the countries overseas which were over-run during the war, and others also which participated in the war, make progress toward becoming self-sustaining, the picture for the Canadian farmer will not be so rosy, if we note the history of agriculture following the first great war.

So I say again that this is a good time to warn the farmers of Canada to put their houses in order, before it is too late. I should also say, in that connection, that in the government's immigration policy steps should be taken to see to it that the people they bring in are placed in industries other than agriculture, because we have enough on the farm at the present time to feed two or three times the number of people in the country. To put more people on the farms will only mean increasing our production and, for that reason, under our present programme, cutting down prices of present farm production.

Perhaps one of the best ways to show the condition of farmers is by putting on record the number of farmers who have been paying income tax in the past, the amounts of income tax paid, and the average paid each year. I have here a table covering the years 1930 to 1938 inclusive, and setting forth the information to which I have referred. I have a similar table giving the same information from 1939 to date, and I should like to place these tables on *Hansard*.

Mr. SPEAKER: Has the hon. member unanimous consent to table these figures?

Mr. ABBOTT: What are they?

Mr. FAIR: They are tables which give the number of farmers paying income tax, the total amounts they paid, and the average amounts.

Mr. ABBOTT: Who provided the information?

Mr. FAIR: It is contained in a return brought down in my name.

Mr. McCANN: Then they are already on record.

Mr. FAIR: No, they were given as a return, and are not on record up to the present time.

Mr. SPEAKER: They can go on only with unanimous consent.

Mr. GRAYDON: If the hon. member has an order for return he ought to be allowed to put it on.

Mr. SPEAKER: Unless there is unanimous consent we cannot permit it.

Mr. GRAYDON: Then he can read it.

Mr. FAIR: Am I compelled to read these papers?

Mr. SPEAKER: If the hon. member has not unanimous consent he will have to, yes.

Mr. JOHNSTON: Who objects?

Mr. ABBOTT: If these are tables prepared by the Department of National Revenue, then I think probably we can consent to their being put on record.

Mr. FAIR: They have been prepared by the government and tabled in the house.

Mr. ABBOTT: In that event, so far as I am concerned, they may be put on record.

Mr. SPEAKER: Has the hon. member unanimous consent?

Some hon. MEMBERS: Agreed.

Mr. FAIR: The first table I shall place on record shows the number of farmers paying income tax between the years 1930 and 1938, with the amount of income tax paid, and a fourth column showing the average amount paid. It is as follows:

FARMERS PAYING INCOME TAX

Year	Number of farmers	Amount of income tax paid	Average tax paid
1930	2,276	$131,910	$ 57 95
1931	653	36,379	55 71
1932	249	27,620	110 92
1933	262	22,334	85 24
1934	416	24,083	57 88
1935	694	46,609	67 16
1936	921	76,395	82 95
1937	1,000	78,081	78 08
1938	1,309	124,836	95 37

The second table gives for the years 1939 to 1945 the same information as that contained in the one I have just placed on *Hansard*, and breaks this information down by provinces. The table is as follows:

Province	Returns assessed with tax: Number of farmers	Tax levied
1939-40 Fiscal Year		
Prince Edward Island..	13	$ 4,213
Nova Scotia	29	1,844
New Brunswick	(x)	(x)
Quebec	33	2,743
Ontario	671	63,998
Manitoba	157	7,389
Saskatchewan	123	7,110
Alberta	644	61,649
British Columbia	51	2,603
Canada	1,721	151,549
Average tax paid, $88.		
1940-41 Fiscal Year		
Prince Edward Island..	4	$ 3,300
Nova Scotia	13	955
New Brunswick	(x)	(x)
Quebec	18	40,592
Ontario	569	54,566
Manitoba	186	6,992
Saskatchewan	437	30,821
Alberta	575	59,931
British Columbia	67	7,162
Canada	1,869	204,319
Average tax paid, $109.32.		
1941-42 Fiscal Year		
Prince Edward Island..	12	$ 1,334
Nova Scotia	..	....
New Brunswick	(x)	(x)
Quebec	49	13,874
Ontario	239	20,922
Manitoba	107	6,725
Saskatchewan	666	59,771
Alberta	275	38,155
British Columbia	140	9,322
Canada	1,488	150,103
Average tax paid, $100.88.		
1942-43 Fiscal Year		
Prince Edward Island..	12	$ 1,539
Nova Scotia	17	5,690
New Brunswick	11	459
Quebec	72	5,205
Ontario	784	79,834
Manitoba	392	34,661
Saskatchewan	1,544	205,835
Alberta	497	63,113
British Columbia	240	43,876
Canada	3,569	440,212
Average tax paid, $123.34.		

(x) Less than 3 taxpayers, grouped to conceal identity.

Province	Returns assessed with tax: Number of farmers	Tax levied
1943-44 Fiscal Year		
Prince Edward Island..	70	$ 9,811
Nova Scotia	25	10,784
New Brunswick.....	41	6,833
Quebec	129	20,180
Ontario	1,234	181,270
Manitoba	1,903	176,446
Saskatchewan	2,450	416,737
Alberta	1,060	176,121
British Columbia	659	113,705
Canada	7,571	$1,111,937
Average tax paid, $146.87.		
1944-45 Fiscal Year		
Prince Edward Island..	82	21,573
Nova Scotia	83	29,125
New Brunswick	44	5,392
Quebec	251	73,935
Ontario	4,000	810,023
Manitoba	5,562	1,012,045
Saskatchewan	3,465	828,167
Alberta	1,316	342,379
British Columbia	911	213,069
Canada	15,714	$3,335,870
Average tax paid, $212.29.		
1945-46 Fiscal Year		
Prince Edward Island..	190	24,209
Nova Scotia	56	33,085
New Brunswick	72	25,294
Quebec	280	59,913
Ontario	5,589	1,086,178
Manitoba	7,955	1,866,590
Saskatchewan	7,958	2,587,632
Alberta	4,459	1,114,000
British Columbia	852	317,025
Canada	27,411	$7,113,926
Average tax paid, $259.52.		

In 1945, the best year so far, the percentage of farmers in the provinces paying income tax is listed below:

	Per cent
Prince Edward Island	2·1
Nova Scotia	1·0
New Brunswick	·3
Quebec	·7
Ontario	3·1
Manitoba	17·0
Saskatchewan	18·4
Alberta	12·1
British Columbia	11·6

Today the Minister of Agriculture told us that in all of Canada 3·7 per cent of farmers were entitled to pay income tax. That, in my opinion, will give a better picture of the condition of Canadian farmers than any tables which could be shown or speeches made by people who do not know what they are

talking about. I feel that at the present time income tax levies are too heavy and exemptions are too low. These things certainly help to cut production.

In support of that, I have a table showing production of hogs, which I shall read into the record. These are the figures for the hog population of Canada at June 1 in each of the years mentioned:

1937	4,016,000
1938	3,527,000
1939	4,364,000
1940	6,002,000
1941	6,081,000
1942	7,125,000
1943	8,148,000
1944	7,741,000
1945	6,026,000
1946	5,377,000

I am sure that when we get the record for 1947 it will show a drastic reduction from the figures I have just given.

I believe that at the present time the heavy income tax levied against farmers is to a great extent responsible for the cut in production. Even at present rates it will be noted that for every four hogs the farmer turns out for himself, after reaching a profit of $500, he must turn out one for Mr. Abbott. Farmers do not relish doing that.

Also the method of paying the bonus on barley, oats and feed wheat does not satisfy farmers who are producing grain. They feel, and properly so, that if they are to produce grain and feed hogs they are entitled to exactly the same treatment as the man who does not grow grain but feeds it to hogs. In other words, the bonus on feed grains should be paid to the man who raises the hogs. In many cases those who feed grain are much nearer to their markets and have an advantage over those who grow the grain and feed it.

We have quite a number of complaints about farmers having to pay income tax on returns from the production of poultry, eggs, cream and that sort of thing. I have here a sample letter which was sent to me from Vermilion not very long ago. It refers to an article in the Edmonton *Journal* which advocated the stopping of production of these small items if the farmers were compelled to pay income tax, and it reads:

> I am enclosing a clipping from the Edmonton *Journal* of December 13, 1946, out of the letter box.
>
> For the last three or four years this has been my idea and I would safely say the idea of at least 95 per cent of the farmers of this district. If our dear friend Mr. Ilsley wants to cut into our profits anywhere from a third to forty-two per cent he better come to the farm and help feed these pigs and milk the cows after we get through working in the fields the usual short eight hour day the farmer puts in.
>
> If the powers that be had the brains we figured they had when we sent them down to look after our affairs they would remove the butter ration in less than six months by simply allowing the cream cheques for pin money for the wives and children of the farmers. I can name any number of farmers who are not milking just for that reason and not bothering to feed pigs in spite of the literary wandering of our pig man, Mr. Gardiner, that farmers make more money out of selling grain.

He goes on to say that he believes he has made his position clear. I am trying to state to the house the stand taken by thousands of our farmers at the present time. Farming is our basic industry and it should be encouraged in every way possible. While newspapers and other records state that our farmers' debt is reduced, and I agree that it is reduced to a certain extent, those authorities who send out those figures must also agree that the farmers' equipment has reached a state where they will have to buy practically a full line of farm equipment just as soon as it is possible to get it. In many cases that will cost the individual farmer thousands of dollars. Farm homes and outbuildings are run down, and many farm homes require electrical and other appliances which are not there at the present time and which should be available to our farm population.

At the present time the prices of our farm products are stabilized to a great extent, but the prices of things the farmer needs are on the increase. There should be a subsidy on the manufacture of binder twine in order to hold down the price. Our farmers are complaining bitterly about the increase in items of production over which they have no control. While the prices of their products are pegged, the prices of things they have to buy are allowed to increase.

An amendment to the Prairie Farm Assistance Act is long overdue, and I hope the Minister of Agriculture will bring in this legislation so that we may have an opportunity to discuss this at greater length. Many farmers feel that this should be on an individual farm basis and in that way many of the injustices now created would be done away with. I have here a brief which was presented to the government on April 16 by the Alberta Farmers Union and the United Farmers of Canada, Saskatchewan section. In their summing up they recommend a four-year average for income tax purposes to replace the present three-year period. Then they say that in the case of dispersal sales of live stock, an equivalent number of animals to those owned on January 1, 1941, be considered a capital asset and not subject to income tax. I believe that request is fully justified. If a man invests

money in land and proceeds to grow grain on it and raise hogs and that sort of thing he gets an exemption from income tax on the sale of his land and equipment, but the farmer who buys live stock is compelled to pay a tax on his total live stock sales. I believe consideration should be given to this matter at an early day.

Then they advocate an allowance for labour of farm families in connection with production on the farm and also that the exemptions be raised to $1,200 for single and $2,400 for married persons. In my opinion, those exemptions would meet the situation very well. They recommend also that there be no further responsibility for collection of income tax on farm wages and that there be a board of arbitration on income tax cases. There are a number of other things which I shall place on the record when we are discussing the several items of the budget.

Before men and women are no longer able to work, I hope that we shall present them with an old age pension of $50 a month at the age of sixty years, so that they will not have to wait until they are ready to pass away. I should like to finish by quoting a few lines as follows:

A Tired Woman's Epitaph

Here lies a poor woman who always was tired,
For she lived in a house where help wasn't hired;
Her last words on earth were: "Dear friends, I am going
Where washing ain't done, nor sweeping, nor sewing.
And everything there will be just to my wishes,
For where they don't eat, there's no washing dishes;
I'll be where loud anthems will always be ringing,
But having no voice I'll get clear of the singing.
Don't mourn for me now, don't mourn for me never,
For I'm going to do nothing for ever and ever.

In conclusion, I am going to advocate once again the adoption of the Social Credit policy which we hope will be put into effect; and, as a means of bringing this about, that the Bank of Canada be used for the purposes the Prime Minister (Mr. Mackenzie King) said it would be used in his famous Saskatoon speech.

Mr. MacINNIS: Mr. Speaker, on a question of privilege. During my remarks this afternoon I said that the Minister of Finance (Mr. Abbott) had anticipated a depression in the United States. I find now that the minister said "recession" and there is a great deal of difference.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVILEGE

MR. LOW—REFERENCE TO STATEMENT APPEARING IN TODAY'S MONTREAL "GAZETTE"

Mr. SOLON E. LOW (Peace River): I rise at this time on a question of personal privilege. My attention has been drawn to an article on the front page of today's Montreal *Gazette* headed: "Jaques admits Social Crediters following 'Christian front' line". The writer, Arthur Blakely, goes on to say:

> This will probably come as something of a shock to Social Credit leader Solon Low, but Norman Jaques told the *Gazette* in another interview that he did not intend to form a wing of the Christian front or the Christian national crusade in Canada "because the Social Credit party is already doing the same work in this country."

My point of privilege is this. The writer of the article presents an entirely misleading case, and since my name, and that of the movement of which I have the honour to be president, have been brought into what in reality is a private quarrel between Mr. Jaques and some others, I want to make it clear that neither the social credit movement in Canada nor the group of social credit members in this house takes its lead from Gerald L. K. Smith, nor is associated with him in any way. Except for the meagre reports we have read in the press, thirteen of us know nothing about the work Mr. Smith is doing or about the movement called the "Christian Front", which it is reported he heads in the United States.

The social credit movement finds its inspiration in the constructive principles of abundant living as taught by the Saviour of mankind, and in the economic teachings of Major C. H. Douglas of Scotland.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell (Muskoka-Ontario), and the amendment to the amendment of Mr. Coldwell.

Mr. A. W. STUART (Charlotte): In rising to take part in this debate I should like, first, to join with others who have congratulated the Minister of Finance (Mr. Abbott) on the capable manner in which he has introduced his first budget. It certainly must have given

the minister a certain source of satisfaction to announce an encouraging budget and a surplus. During the debate we have heard the minister criticized for announcing a surplus, it being described as blood money and taken from the taxpayers of this country, inflicting great hardship. It would be interesting, however, to know what the opposition would have had to offer if the Minister of Finance had declared a large deficit rather than a surplus. I have little doubt that such a circumstance would have given a better opportunity for constructive criticism, and full advantage would no doubt have been taken.

The changes in taxation in the budget is the portion upon which the greater part of the debate has centred. To many it appears displeasing; to many others it is acclaimed as a popular budget, when it is considered that nine out of every ten taxpayers in the country will receive a reduction of twenty-nine per cent, and in the lower brackets in some cases the reduction is as much as fifty-four per cent. Since 1942 the total reduction in personal income tax is fifty-one per cent, which I look upon as an enormous reduction. For the year 1947, if we take into consideration six months at the present rate and six months at the new rate, a married man with two children with an income of $2,000 a year will pay a tax of $52. The tax for a full year under the new rate would be $36. It would be difficult, I believe, to convince the Canadian people that the rate of tax charged on this income is unreasonable. I would make one other comparison which, to me, is interesting, perhaps owing to the fact that I live on the United States border. A married taxpayer with no children, with an income of $2,000, would pay, under the new rate for 1948 an income tax of $70. In the United States, under the new reduced rates passed by the house of representatives, the tax on $2,000 would be $106. At the present time it is $152, and most of the states in the union have a state income tax in addition to the federal tax.

During the budget debate in 1945-46 and no doubt in other years as well, on many occasions hon. members of the opposition brought to the attention of the house the difference the Canadian income taxpayers were obliged to pay in comparison with the United States and other countries. It is noticeable that during this debate no comparisons have been made in this respect, which would indicate that the tax levied on incomes in Canada was satisfactory in comparison with taxes levied in other countries. An improved condition such as this is worthy of commendation, but obviously it has received little publicity during the debate this year.

Another thing which I believe took much of the sting out of the debate was the fact that just recently the leader of the opposition (Mr. Bracken) suggested that the income tax in this country should be reduced by 33⅓ per cent. When the reduction of twenty-nine per cent was made the margin between that suggested by the leader of the opposition and the actual reduction which we shall receive left little material for honest criticism. Here I should like to read a letter from a citizen of the United States, which was taken from the Ottawa *Citizen* of May 6. It is addressed to the editor and is a tribute from the United States to Canada. It reads as follows:

To the Editor of the "Citizen"

Having been born in Ottawa and having been a resident for almost twenty years until a few years ago, I still hold Canada very close to my heart. My husband and I regularly go up to the Boston public library to read the Ottawa Evening *Citizen*, and I have always noted the numerous letters from people complaining of the poor state of affairs that exists in Canada as compared with the United States. It is very seldom that an American because of his great pride in his wonderful country will admit to United States deficiency as compared with another country; this is why I send along a clipping from the Boston *Traveller* in which it is pointed out—

And this is the clipping:

"Canada's economic record through the war was extraordinarily fine. Its excellence did not have to be established by comparison with our own. The Canadians kept production costs under control, kept the cost of living down, avoided the OPA debacle and did their full share in the war without turning everything topsy-turvy at home . . . If the Canadians can make ends meet, with social programmes in many cases more advanced than our own, and can cut income tax nearly thirty per cent, is there any earthly reason why this country cannot do at least half as well as Canada? What is there about that imaginary boundary line which makes a real difference?"

So you at home may be proud of good old "Canuck land" and of the men who have given Canada a record praised and envied by other countries.

Mrs. Charles S. Kennedy.

Another matter I wish to discuss briefly is that portion of the debate that explained little, and I refer to tariff negotiations taking place at Geneva at the present time which are of great importance to this country. I should like to quote a short paragraph from the statement of the Minister of Finance, which appears at page 2560 of *Hansard:*

I have already referred to the tariff negotiations now taking place in Geneva. These are of the greatest importance to Canada. We hope

and expect that out of them will come sufficient reductions in tariffs to make it practicable to establish an international trade organization and to agree upon a code of international behaviour in regard to import restrictions, export subsidies and other commercial policies. Canada is, of course, prepared to make tariff reductions and reductions in preferences in exchange for tariff reductions by the United States and by other countries. We do not expect one-sided bargains. We are ready to do our full share.

May I say at this point that I have been tagged a free trader for quite some time, justly so I believe, since I believe in freer trade than exists at the present time.

I well remember going as a boy with my father to Eastport, Maine, and other cities and towns along the coast in the United States. In those days the breakwaters and bridges were not lined with customs and immigration officials. At that time we on the border lived in harmony and the maritimes were as prosperous as any other part of Canada. If you had a few quintals of fish or any farm produce to sell you had little trouble with the officials. In fact, if there was one—and very often I saw none at all—you had no trouble. The immigration inspectors and customs officials did not interfere with you. Purchases were made and you returned home without any interference at the Canadian border. When the same condition comes into existence once more the maritime provinces will again take their rightful place among the prosperious provinces of this dominion. The strangulation of trade by excessive tariffs is responsible for conditions in the maritime provinces today.

My next words will be those of congratulations to the hon. member for Queens-Lunenburg (Mr. Winters), who spoke in this debate on May 6. Many of the problems which he pointed out as having an adverse effect in Nova Scotia would apply to New Brunswick as well. As reported at page 2837 of *Hansard* of May 6 the hon. member said:

> Then, too, we must not lose sight of the fact that many products are manufactured in central Canada under the protection of tariffs, and we in the outlying provinces are forced to buy from these sources goods that we could obtain cheaper from other countries if there were no tariffs.

This condition is in no way reciprocating because the maritime provinces are unable to compete in the markets of central Canada. Owing to our geographical position, the products of these provinces must be disposed of in the markets of the United States and other countries where they can be transported by water, rather than by rail.

This situation is responsible for the feeling in the maritime provinces that we do not have an equal opportunity of advancing as rapidly as other parts of Canada, and that our progress is being retarded by conditions such as this.

At Eastertime I was in the town of St. Stephen, New Brunswick, and in conversation with a government employee of that town, he informed me that he had purchased an electric refrigerator in Calais, Maine, just prior to that date. A duty of twenty-five per cent had been paid and eight per cent sales tax on the duty paid value or 35 per cent total duty. The cost was still $60 below the price for the same article on the Canadian side of the border.

The protection given the Canadian manufacturers in cases such as this is called tariff. To a maritimer it is subsidy, and when obliged to pay the great spread between Canadian and United States prices on articles such as these, which today are not considered luxuries, but necessities, we are "subsidizing" industry in central Canada. I have yet to be convinced to the contrary.

Another selfish attitude taken by manufacturers of central Canada is the discrimination shown regarding prices paid by citizens of their own provinces, and elsewhere in Canada. With the protection given the manufacturer, why should a maritimer be obliged to pay from fifty to a hundred dollars more for a car in Halifax than a citizen of Ontario would pay. At least one price should prevail in every part of Canada.

I can assure you, Mr. Speaker, in my own county for example, the products of Ganong Brothers, St. Stephen, New Brunswick, can be purchased in Vancouver for the same price as is paid in the maritime provinces. The canned goods produced in our canneries, in Charlotte county, are one price to all citizens of this dominion.

This gross discrimination on the part of manufacturers in central Canada should be rectified immediately. Too much advantage is being taken of the protection afforded by way of tariff, or subsidy, which in my estimation are one and the same thing.

Canadian manufacturers are today exporting cars, farm "machinery", electrical appliances for household use, dynamos, and many other manufactured articles. In many instances they are being criticized for exporting goods that are greatly needed at home, and many citizens of our own country are unable to purchase cars and machinery to be used in connection with their business.

In this export market we meet keen competition. Regardless of this fact, however, we are able to procure our proportional part of that export business, and in many instances

the export price is much less than the Canadian people are obliged to pay, the manufacturers again taking advantage of tariff protection. I fully realize the absolute necessity of Canada exporting not only manufactured articles, but raw materials as well; our prosperity can usually be gauged by the volume of that export business. This should not be supported, however, at the expense of Canadian taxpayers; and wherever possible they should receive the benefit of reduced cost of production.

As an illustration in this case, I can point out a condition that existed in my own province for many years, and I trust that in doing so I shall not be responsible for another lengthy discussion on nails. In Saint John city, the Pender Company manufacture the greater part of the nails that are used in eastern Canada, and many thousands of pounds were exported to the United States previous to the war. On many occasions I have seen these nails being sold in the State of Maine for a dollar or more per keg below the price charged in Canada.

I am fully aware of the fact that this is called "dumping"; in other words, exporting the surplus below the cost our own people are obliged to pay, and although this method is common practice with manufacturers, it would appear to be a more patriotic duty to pass this saving along to our own people, rather than to those in foreign lands.

I believe it was in the year 1928 that the Mackenzie King government decided to lower the duty on automobiles coming into Canada from the United States. This procedure automatically reduced the cost of the cars manufactured in Canada. Ottawa was immediately besieged with delegations of automobile manufacturers from all parts of central Canada. I well remember the gloomy picture they presented to the government of that day, that if the government insisted on carrying out this policy, the manufacturers would be obliged to close their factories, throwing thousands out of employment, because it was utterly impossible to continue operating with any reduction in the cost of the finished article. Regardless, however, of the presentations made on behalf of the manufacturers, the price was reduced. What was the result? The following year, 1929, more automobiles were manufactured and sold in Canada than in any previous year in our history. Employment in this industry was greatly increased, the volume of business increased, and a saving was passed along at the same time to our people, without industry suffering any undue hardship.

We in the maritime provinces find ourselves in a position, as I have stated, whereby markets must be found outside Canada for our production in both raw materials and manufactured commodities.

At the present time the fishermen of the New England states are strenuously opposing the importation of fish from the maritime provinces into the United States. The protection they are seeking, by way of tariff, would completely bar our fishermen from exporting to that country. Should this tariff be imposed, I hesitate to predict just what would happen to our enormous fishing industry in the maritimes. When at least the fate of sixty per cent of our markets hangs in the balance and could turn adversely, if the United States government so decide, one can realize the seriousness of our predicament. The Minister of Fisheries is aware of the situation and is doing everything possible to have adjustments made as soon as possible.

My own opinion is that the New England fishermen are perfectly justified in asking for this protection, because the tariff regulations in Canada have completely barred them from our markets, while our Canadian fishermen were given every opportunity of competing in United States markets. Why the government of this country took this discriminating attitude has never, to my knowledge, been explained satisfactorily. It certainly was not the welfare of the Canadian fisherman that was given consideration, since in no way could the New England fishermen find a market in Canada. This the fishermen of this country are unable to do themselves.

We hear national unity discussed on many occasions. It is a goal worth striving for, and should be the aim of every loyal citizen of this dominion. But let us not lose sight of an even greater accomplishment—international cooperation and good will. In striving to attain that goal, the greatest obstacle one will be obliged to encounter is the tariff wall, the obstacle that has been responsible for wars, depressions, and world-wide calamities, because the imposition of tariffs is beneficial to a minority group, but detrimental to the backbone of our country, the primary producers. When that wall has been scaled, we shall have gone a long way in assisting the custodians of world peace and happiness who, I believe, are sincerely seeking a solution of world problems.

Mr. D. G. ROSS (St. Paul's): In rising to take part in this debate my first words must be of congratulation for the splendid way in which the new Minister of Finance (Mr. Abbott) presented his budget to the house.

I must say that it was a difficult task for him to perform, because he did not have anything to give and he gave it well.

Mr. ABBOTT: The same to you.

Mr. ROSS (St. Paul's): That remains to be seen.

Mr. MACKENZIE: As one Doug to another.

Mr. ROSS (St. Paul's): The Minister of Finance reminds us what the Canadian people could do under the stimulus of war. Of what they did the Canadian people can be justly proud. Their accomplishment was a magnificent one. But the war is over and the stimulus is gone.

Mr. MACKENZIE: No.

Mr. ROSS (St. Paul's): It has been over for two years—

Mr. MACKENZIE: It is not over.

Mr. ROSS (St. Paul's): —and the people are tax weary. The cost of living has risen by thirty per cent since 1939. Those are the bureau's figures, which take into consideration only the bare necessities of life. I am sure the cost of living is much higher than that. As I said, there is little cause for satisfaction amongst the people of Canada with the insignificant reduction in taxes which the people will have to put up with. What was so necessary, namely, the replacing of the wartime stimulus with a peacetime stimulus by way of relief from taxation, is conspicuous by its absence from this budget.

Everybody knows that in order to maintain our prosperity in this country production is needed and also trade. That is the only way the cost of living can be reduced. The more rapid is the exchange of goods and services as between the individuals of the country, the more prosperity and the higher the standard of living. I said that it was the people of Canada who were responsible for Canada's splendid war effort. They were responsible for forcing the government to a full-out war effort in the early days. Let me remind the minister that it took the government a long time to get going. Between 1939 and 1941 practically nothing was done. It was thought that it was a phony war, that Canada was going to fight a moderate war, a comfortable war; that is what was told us by some of the cabinet. The house was told that we could not build tanks, that we could not roll steel for the armour plate, and that we could not do many other things. It was only after the fall of France that the government woke up and there was a real stimulus felt, because with the fall of France it was thought that we might have to defend our own shores and that the British fleet might have to come to this side of the Atlantic. There was a stimulus of a panicky nature thrust upon us when we realized how badly alarmed they were in Great Britain, how ill-prepared they were, and when we realized the great strength of the nazi regime. But all through there has been lack of foresight on the part of the government. With all the facilities at the command of the government they should have known—and I am sure the government knew it—and we should have been told that war was inevitable and we should have got busy and prepared for it. On every person's tongue at that time was the old saying, "Too little and too late."

At last, under this stimulus of public opinion and the continued prodding of the official opposition at that time, the government started to build plants and to aid in the extension of others throughout the country—in and around Toronto such plants as Malton, de Havilland, Research Enterprises, Small Arms, Massey-Harris and many others. But no thought was given to the housing problem, to where these thousands of employees who came in there were to live. Time after time the then Minister of Munitions and Supply (Mr. Howe) was asked what was to be done about housing these people who were flocking into the metropolitan district of Toronto. The minister lacked foresight and so did the government. What happened? Just what we said would happen. That was that we did not have room for the accommodation of these people. Every time we asked the government to do something, they said it was up to our own people. Still these plants were on the outskirts of the city. Still the government lacked foresight. If they had done something about the matter and provided housing for these people on the outskirts of Toronto, this problem would have been solved. It was not our job. They all flocked into the centre of the city and conditions of living were terrible at that time, and still are. These people are still there and they are mostly in the city, although some of them are out a little bit. But no thought was taken for that. If the government had put up houses at that time around where these plants are, the cost of construction of those houses would have been half what it is today, and we would have had these houses now, which we have not got. There was plenty of labour at that time. In the early stages there were carpenters and so on who could have been used and we would not have had this problem we have at the present time.

The reason I am recalling these things is that I feel apprehensive about the future of this country. What are we to expect in the days that lie ahead? Is there to be the same foresight used by this government as was used before—too little and too late? I note the minister's rosy picture of the present day and of the immediate future and I congratulate him on his cautious forecast for a longer period, but I do not agree with him to the full. He says that Canada is enjoying a degree of prosperity never exceeded before in living memory. That may be so, to an extent, but it is difficult for a family whose salary is $1,500 a year and under or even higher than that—$2,000 a year and under—to take a rosy view when the cost of living has risen so high and taxes are still so heavy. I shall have more to say about that later. Then again, the minister says:

> We look forward to a year of high production and incomes. Indeed, we would appear to have ample excuse for self-satisfaction and easy optimism, if we took account only of our own immediate situation here at home. Our own position is favourable and encouraging, but beyond the Atlantic and Pacific half the world works slowly and painfully to rebuild its ruins, and until much more progress has been made in both economic and political aspects of international affairs, we cannot afford to be complacent.

I know it is difficult to forecast the future, but with all the facilities and the machinery of government, the brain trust, the statistical department and the hordes of other officials, some idea should be forthcoming but we have not got it. We must remember that our prosperity depends on the maintaining of our foreign trade. Thirty-seven per cent of Canada's whole business must come from that source. Now, what is the situation? I have a statement here I should like to table, if I might have the consent of the house, showing the loans to the various countries.

Mr. SPEAKER: Order. Has the hon. gentleman unanimous consent to place the document on *Hansard*?

Mr. REID: What is he tabling?

Mr. ROSS (St. Paul's): It is a statement of the loans to various countries, and how much of them has been used up.

Some hon. MEMBERS: Agreed.

Mr. ROSS (St. Paul's): The table is as follows:

Loans	
United Kingdom	$1,250,000,000
Used	540,000,000
	$ 710,000,000
Belgium	$ 100,000,000
Used	51,000,000
	$ 49,000,000
China	$ 60,000,000
Used	17,634,646
	$ 42,365,354
Czechoslovakia	$ 19,000,000
Used	3,875,448
	$ 15,124,552
France	$ 242,500,000
Used	145,400,000
	$ 97,100,000
Netherlands	$ 125,000,000
Used	66,973,321
	$ 58,026,679
Netherland Indies	$ 15,000,000
	5,400,000
	$ 9,600,000
Norway	$ 15,000,000
	5,400,000
	$ 9,600,000
Russia	$ 3,000,000
	2,866,098
	133,902
Total amount of loans	$1,829,500,000
Used	838,549,513
Left	$ 990,950,487

It will be seen that we lent $1,250,000,000 to Great Britain, which loan is being rapidly used up. Loans to other countries are in a similar position; in fact we are buying for cash and selling for credit; we had an adverse balance of trade with the United States. How good is the credit? What will happen when the loans are exhausted? It seems to me that this must give us food for thought. As will be seen, these loans total $1,829,500,000. The amount used so far is $838,549,513, leaving a balance of $990,950,487. So it will be seen that about half these loans is gone. Nearly all the loans were made in 1946. To my mind, if we take these figures into account, Canada's trade position is not so rosy as it may appear. Our prosperity will be with us just as long as those loans last. The credits were given, of course, for the purpose of helping these countries get on their feet. This nation cannot continue for ever to give credits to these countries. Our future can be gauged only by the progress made by these countries in rehabilitating themselves. In the meantime we are holding ourselves up by our bootstraps.

Though our position is considered by many to be strong for the present, as I see it the position is as follows. We have a favourable balance of trade with all countries other than

the United States, excluding mutual aid, amounting to $954,000,000. Our adverse balance of trade with the United States, excluding mutual aid, is $496,000,000, or $603,000,000 including mutual aid. The credits we have given various countries have been used to the extent of $838,550,000. If we take this away from the $954,000,000, our favourable balance of trade with all countries other than the United States, and this leaves us a favourable cash trading balance with the world of $115,450,000, or an adverse cash trading balance with the world, excluding mutual aid, of $380,450,000, or an adverse cash trading balance with the world, including mutual aid, of $487,000,000.

I do not think this is anything about which we should be complacent, especially when we remember that our adverse cash balance with the United States was $603,000,000. Under the circumstances it seems obvious that we cannot increase that unfavourable balance indefinitely. From this one can see how dependent we are upon the economy of the United States, and upon the British commonwealth. I now ask this question. What steps have the government taken to improve our trading balance with the United States? Either we must have more exports to that country or quit buying from it. What are the prospects for the absorption of more of our goods by the United States market? Under modern conditions of exchange we cannot get the same amount of convertible money that we could get previously, because we cannot get it from the continent. Certainly there is nothing in this budget which indicates that any steps whatever have been taken along these lines. Do we have to wait for a report from the Geneva conference? How long will that be? How long will it take to implement the results of that conference? How much freer will trade be after the Geneva conference is over? Just here I should like to read a short note of warning by the governor of the Bank of Canada:

> Canada cannot continue indefinitely to sell on credit in overseas markets while she is incurring a substantial cash deficit in her balance of payments with the United States.

Then later he said:

> During the transition period, while our overseas customers are being financed largely on credit, we shall have to meet most of our balance of payments deficit with the United States out of our own resources. Fortunately we reached the end of the war with large United States dollar reserves. This gives us the opportunity to follow now the kind of multilateral non-restrictive trading policy which it is so greatly in our interest that other countries should adopt. It is obvious, however, that the successful functioning of this policy depends on our being able to realize, in due course, sufficient cash—i.e., freely convertible currency—from our overseas trade to meet our requirements in the United States.
>
> The extent to which overseas countries can pay cash for their net imports from Canada will depend in turn on how soon they can restore their capacity to produce and to export to cash markets.

I do not want to be a prophet of gloom, but unless there is far greater acceleration in the rehabilitation of these countries abroad I am afraid we are in for a bad time. How vigorously is the government prosecuting its trade with the countries of South America? The one saving factor at the present time, of course, which makes for full employment is the tremendous amount of construction going on; but the construction industry can be responsible for the consumption of only a small amount of wheat, bacon, cheese, hogs, beef and other agricultural products, and other export markets must be found. In addition, some of our manufactured goods will have to be absorbed by other countries. Is the government putting forth its best efforts in fostering trade within the British empire and commonwealth? I hope it is. Somebody must buy these products or we are in for a bad time.

Now I ask, is the government prepared to meet the onslaught of a sudden depression? There is no war stimulus now, and the stimulus of production is lacking in the budget. Having regard to the past record of the government in matters of foresight, one cannot help but be apprehensive. Will the government wait and see until a depression hits us? If a depression comes in this country, it will come quickly and a government policy must be ready to have work started practically the next day, not next year. Is it again to be a case of too little, too late? There can be no excuse for the government of this country when it does not call another dominion-provincial conference. For its failure to do so, it must take the consequences, and the blame must be placed squarely on this government's shoulders.

When I read the minister's remarks about a surplus, I was indeed surprised. When I first heard him my impression was one of agreeable surprise. "Here" I thought, "is where the people of Canada are going to get some real relief from taxation, at last." He said that we had just ended a year in which our accounts showed a surplus, a surplus larger than the accumulated total of all surpluses in history. And in that fine ringing voice of his he made all hon. members on

that side of the house thump their desks. I thought about how happy the people would be.

But then we found that he did not have a surplus, at all. It has been stated several times that there was a deficit of $20 million, and a return of capital of $372 million which, of course, should be used to pay off debt. It was not, as the minister said, a surplus larger than the accumulated totals of all the surpluses in our history. There was no surplus at all; and that, in spite of the fact that during that time the payment of $50 million or $60 million at least in subsidies had been discontinued, and despite the further fact that the actual revenue exceeded the revenue forecast by $509,271,000. In 1946 the minister budgeted for a deficit of $260 million, so that it was in excess by $249 million over the forecast. Still they had a deficit.

Of course I am aware of the fact that there are some non-recurring, temporary and abnormal expenditures, some of which were mentioned by the minister. I shall not read his words in this respect, but shall simply point out that he budgeted for a surplus of $190 million over expenditures. Has he taken full cognizance of non-recurring expenditures? Does the government propose to pay off some of our national debt ? We should know it now. Or is it anticipated that there will be a larger surplus by the end of this year, or just before the next general election? Will there be a whopping big surplus which can be used for political purposes? The surplus budgeted for is about $190 million or $185 million. I see by the papers that it will be less than $190 million by $10 million, now that the premier of Nova Scotia has been coerced into signing an agreement. I notice, by the way, that the premier is not pleased about it.

Mr. McILRAITH: He is a pretty good man, though.

Mr. ROSS (St. Paul's): This evening's issue of the Ottawa *Journal* states this:

> Acceptance of dominion government financial proposals on the basis of new concessions made by Ottawa—

And so on. It refers to "new concessions." Some more of the auction sale going on. What a time they are having with him! And I wonder if the government has an auctioneer's licence.

Then, as reported in the press, Mr. Macdonald said that it is his intention—

> —of continuing his fight for "just provincial demands and claims" and quoted the words of a ringing Scottish war song: "They have not seen the last of my bonnets and me."

And, believe me, I don't think they have seen the last of him.

Mr. MACKENZIE: All the blue bonnets are over the border.

Mr. ROSS (St. Paul's): What will be popular with the people of Canada? The popular thing would be a real effort on the part of the government to reduce ordinary expenditures. I realize, of course, that there are some necessary uncontrollable expenditures, but there are others which are really unnecessary and which are controllable.

Then, as to the matter of extravagance, the government is still so war-minded that it continues to think in terms of war finance. What is a million among so many? What is a hundred thousand, even? It does not make much difference. It seems that a hundred thousand is just chicken-feed these days. That is the trouble with them; they cannot get down to brass tacks so as to see that if you keep a dollar off here or there you will save the taxpayer some money.

I now come to a point about which I must complain. It seems to me impossible to get a straight answer to a straight question in the house. On May 31, 1946, I received a return to a question I had asked in the house, as follows: "What is the total number of employees of the government of Canada including employees of boards and commissions appointed by the federal authority as of March 31, 1946?" And this second question was asked, "What is the total amount of salaries, wages and allowances paid to such employees in March, 1946?

This return left out War Assets Corporation and the harbours board. Of course War Assets Corporation is, I suppose, just chicken-feed. Information respecting the harbours board came to me afterwards as a supplementary, but I had to dig up the information about War Assets Corporation. I knew that they had employees, and that they were spending money.

This year I asked exactly the same question, but added the words "and corporations". Of course all employees of crown companies are employees of the federal government; there can be no question about that, and that includes even the Canadian Broadcasting Corporation. But the Canadian Broadcasting Corporation was not included in this return, despite the fact that all employees of crown companies are employees of the federal government.

I do not know even yet whether the return is complete; indeed I believe I can say it is not complete. However, I shall compare the figures as best I can, from what I have at my disposal, and I shall give the totals which, it seems to me, are important. I shall not give details respecting individual items. Perhaps

I might add that the hon. member for Peterborough-West (Mr. Fraser) asked a similar question, but the figures he received do not jibe with those I received. Some of the figures are the same, but not all of them. He asked for the number of employees as at January 1, 1947, and my question was as to how many there were on December 31, 1946. There was a considerable decrease in respect of several items in only one day.

Mr. McILRAITH: That is all right, it was the end of the year.

Mr. ROSS (St. Paul's): While I am speaking about this matter of returns, I should like to know why it is that a minister of the crown can obtain figures so quickly. Of course his figures refer only to the civil service of Canada, and they do not refer to the number of employees. It took fifty-two days for me to get an answer to my question when I asked how many people were employed by the government of Canada. The Minister of National Revenue (Mr. McCann) made a great play in the house about the reduction in the number of civil servants. Well, those were civil servants. But what the country wants to know is not so much with respect to the number of civil servants in the country; the people want to know the reduction in the total number of employees of the federal government. That is what they are interested in. They want to know how much money we have to pay them. Despite the fact that the minister showed a reduction of 21,000, that still represents an increase of 52,000 since before the war.

Then, here is an interesting fact. When the minister placed his figures on *Hansard* last Friday he left out the figures for all corporations. In addition to that, ten other departments were left out. I cannot understand it. In the return which I received some smaller branches were not included, such as the House of Commons, the library, the Senate, the international joint commission, the tariff board and the Veterans' Land Act. There were 2,141 people not included in that return. It just does not make sense. The sum total of the whole thing is that we have 173,961, plus the 2,141; that is the total taking into account the employees of all crown companies and the ones omitted from the return. We paid them at the rate of $317,544,000 a year, leaving out the 2,141 employees. On March 31, 1946, we had 148,711, not including those in the House of Commons and so on, and we paid them $254,865,000, which is not chicken-feed. When we consider that in March, 1944, we had only 145,500 and in March, 1945, we had 149,700, we will realize the increase there has been in that length of time.

As I have said before, there seems to be very little effort on the part of the government to make a real reduction in the number of people employed in the government. We do not know whether in the case of those who were left out of the return there has been an increase or a decrease. There is no use in putting stuff on *Hansard* like the minister put on the other day, because it gives a false impression of how many people are employed by the government and have to be paid by the taxpayers. If the minister wants to put it on he should take the return that was tabled on March 17 and make a comparison. He will then get somewhere. It is all very well to say that there is a reduction in the number of civil servants, but we know there are lots of people employed who do not even belong to the civil service. One thing about it is that there is one government employee in Canada for every seven people.*

Mr. CLAXTON: That is not correct, and I should like to know where the hon. member got that figure.

Mr. ROSS (St. Paul's): It was tabled in the house.

Mr. CLAXTON: The figure is about 1·24 per hundred in the case of federal government employees.

Mr. ROSS (St. Paul's): You had better get the return and look at it.

Mr. CLAXTON: The per capita rate in Canada is lower than that of any other civilized country.

Mr. ROSS (St. Paul's): It is roughly 179,000 and you can divide that into 12,000,000; perhaps my arithmetic is not very good.

Mr. MACKENZIE: How does that work out?

Mr. ROSS (St. Paul's): I do not know.

Mr. CLAXTON: It is one zero out.

Mr. MACKENZIE: Only 1,000 per cent wrong; that is all.

Mr. ROSS (St. Paul's): There is 173,961, plus 2,141, which gives 176,102. As I said, there are too many trying to look after too few. That is all there is to it. That is not the whole story as far as extravagance is concerned, because you require hundreds of thousands of square feet of office space to house these people. That is not the only

*See also page 3051.

thing. In some cases, especially in the Toronto income tax office and several others, they are so crowded that you cannot possibly get efficiency. Then you have to buy all the stationery, desks, tables and so on. Last year we wanted to find out why $300,000 was needed to purchase furniture for the public service, but we can easily understand it now with this increase. Not only that, but many employees are not doing productive work, which all adds to the cost borne by the taxpayer.

When the minister says that a lot of nonsense is being talked about extravagance in the government I think these figures pretty well bear out what it is all about. If some effort was made toward economy perhaps the children of the country would have more chance of getting their chocolate bars back to five cents and their pop back to five cents. Beer is almost as cheap as pop right now and I would rather drink pop than beer any time.

I should like to say a few words about the income tax reduction. We are all glad to see the small reductions that have been made, but I think the exemptions should have been raised to $1,000 for single persons and $2,000 for married persons. That has not been done. A married taxpayer with an income of $2,000 a year will pay $105 this year, which is a lot of money, and he will pay $80 next year, which is still a lot of money, especially when we consider the fictitious value of so many articles which must be purchased. A married man with two children is in this situation. If he had an income of $3,000 in 1939 that same income will have a value of only $2,100 today and, after paying his tax, he will have left only $1,906 of real dollar value.

A much greater allowance should be made by way of exemption to people with children. The government seems to have hung out the sign used by so many apartments, "No children allowed." It is a well known fact that in my city a family of two can barely get along on $1,500 a year, and at that they cannot have many luxuries. The children cannot have many chocolate bars or coca-colas and the like. Why put a penalty on the housewife when she works? There is work crying out to be done, and yet $250 is all they are allowed to earn at the present time. With present wage rates for women that works out to about 400 or 500 hours, or about fifty or sixty days in the year.

When the children begin to get older and are going to school the need for income becomes greater. Hungry mouths must be fed, so why penalize the husband by bringing his exemption down to $750 if the wife earns $750? What does it amount to for a family with two children with a taxable income of $2,000? They will pay $105 this year and next year, $80. Under these circumstances his taxable income is $2,750 and he pays $218 this year and $180 next year. The family's net gain for the $750 worth of work by the wife is $637 this year, and next year it would be $650.

The hospitals are crying out for nurses. Even with a family of two it is surprising how careful the parents have to be to make both ends meet on $2,000. The shortage of nurses will not be helped by this budget, because those who are married and who have returned to nursing because of the appeals for help are convinced that it does not help them. As I have stated, it places their husbands in a different bracket. The excess might be taxable to the extent of 30, 35, 40, 45 per cent or more. The amount that the wife is allowed to earn should be raised.

There was a lot of nonsense talked by the minister in making a comparison between income taxes in Canada and the United States, and I should have liked to table an example which appeared in the *Financial Post*.

Mr. SPEAKER: I am sorry to interrupt the hon. member but he has exhausted his time.

Mr. ROSS (St. Paul's): I have a few seconds more. I just wish to say a word about dominion-provincial relations. We know that certain agreements have been signed. We do not know what they are. Are they all the same, or is each one different? If so, what are the variations? I do not think parliament should be kept in the dark as to what they are. The Prime Minister (Mr. Mackenzie King) has talked so much about national unity. Why not let us have real national unity? Let him practise what he preaches without coercion. Canada must be kept a strong confederation with the least centralization of power in government. Confederation was not consummated in secret, but in the spirit of compromise in the open. Two great statesmen helped by another; Sir John A. Macdonald and Sir George Etienne Cartier, helped by the Hon. George Brown who sank their prejudices for the good of Canada, were responsible. The opportunity is there for the Prime Minister to emulate their example. The consummation of a reconfederation is devoutly to be wished.

Mr. LIONEL BERTRAND (Terrebonne) (Translation): I don't propose to speak at any great length, Mr. Speaker. I am not in the

habit of doing so. I do make it a habit, however, to seek some novel, original angle, and present it as briefly as possible. While my few remarks shall bear solely on the matter of income tax, and possibly imply a measure of criticism, I do wish to point out at the outset that they are not meant to cast any reflection on the hon. the Minister of Finance (Mr. Abbott), whose ability is now a by-word and to whom the people of this country are indebted for the budget under review, nor the hon. the Minister of National Revenue (Mr. McCann), whose worldly wisdom and public-spiritedness are so widely appreciated. They do aim, however, at drawing those ministers' attention to a few peculiarities which, in the matter of income tax, appear to me unjustified and are a cause of discontent among the people.

I fully realize that the income tax district offices, the one in Montreal for instance, have had and still have more work than they can handle. As a result of wartime full employment, high wages, lowered basic exemptions, and compulsory savings, from 1941 to 1946 the great majority of wage-earners were subject in the first place to tax deductions at the source and, in the second place, were required to file an income tax report prior to April 30 of each year. Now, according to whether deductions at the source had been too large or too little in relation to earned income, income tax reports have meant a refund or a request for additional payment. In some cases, where reports were assessed only after two or three years, it was only at the end of those two or three years that the individuals concerned were sure that their report was in order. Yet, if the taxpayer in filing his report has made a mistake because the form was too complex for him or for any other reason, he finds, in the case of a claim, that he must pay over and above the amount required, additional interest amounting to several dollars. Had the return been assessed immediately, that is to say during the same year, the interest claimed would have been much lower, but as the months slip by, interest charges accrued which means that the taxpayer must pay them in full simply because the assessors did not find time to do their work sooner.

It will be claimed that from the government's point of view, deduction at the source represents the very best method of collecting income tax. Granted. Still, the business man, whose expenses, even of a current nature, can easily be taken into account as a part of business expenditures—an advantage which is not afforded the small wage-earner—files his return only during the four months which follow the end of the calendar year. It may be objected that if wage-earners filed their return only at the end of the year or on April 30 of the following year, it might prove difficult or impossible to collect the heavy taxes due. This also I admit, but for the very reason that the wage-earner pays his income tax by weekly or monthly instalments, he deserves special consideration. Personally, I feel that administrative zeal overreaches itself by claiming interest from a taxpayer, particularly if the latter is in no way to blame for the delay which is the responsibility of departmental officials, and particularly if it is obvious that he simply made a mistake and has not the slightest intention of swindling the dominion treasury.

In my constituency, several cases are, to say the least, rather peculiar and I am sure that the same applies elsewhere. Several taxpayers have received notices of assessment, even recently, for income tax returns filed, say in 1943; in addition, they are requested to pay an interest which appears to have been fixed rather arbitrarily. On the other hand, several individuals have been requested to pay money for the year 1945—plus interest of course—and threatened with penalties if they fail to do so; the government, however, owes them money for the year 1944, but fails to make a refund, although it certainly will refund the money some day, but without paying any interest. There should not be one law for rich and one law for the poor. I wish to suggest a few things to the government which are prompted by my eagerness to help the small wage-earners:

(a) In my opinion, the assessment of the income tax return filed by salaried persons, that is those who pay the tax at the source, should be made within twelve months following the date on which it is filed.

(b) Any government claim in connection with this return should be made also within twelve months. If I suggested that there should be no claim for interest, the government would immediately point out that such a course is impossible. I bow to their decision, but I wish to add that when the claim is made after the twelve months term, which I mentioned before, it should not include any interest—that would be the government's penalty—or at least only the interest accrued during the year involved.

(c) Any refund should be made by the department within twelve months after the income tax return has been filed. If there is any longer delay, the taxpayer should secure the same rate of interest which would be charged to him were he in default.

Some may look down upon those suggestions. However, they are of general interest and have, I believe, the merit of not having been made frequently in the house. The government sets a definite date for the filing of income tax returns. Well and good. But the taxpayer is entitled to similar protection. If he claims a tax refund, I do not see why the Department of National Revenue should not also be required to discharge its obligations within a specified period.

I shall even go further. In my opinion, if during twelve months the wage-earner has been deprived of the interest on his money, due to the fact that his income tax was deducted at the source, he should be entitled to a further consideration. It might for instance relieve the taxpayer from the obligation to pay his tax if, once his report has been filed, the total unpaid balance is under $50. It might also take the form of a deduction, from the total tax payable, of a sum of $25 to $50, according to salary earned, which would compensate the wage-earner for his interest losses and certain other general expenses of a social character that the business man can easily claim as expenses of management but which the wage-earner must absorb without any compensation whatever.

I have a further suggestion. I have frequently got in touch with the district office, and asked that certain claims for fairly large amounts, made by the income tax department after several years' delay, might be paid by monthly instalments. I secured cooperation. However, many are the people who currently complain that the district collectors' offices are too strict when it comes to exacting payment of claims, that they demand payments that are too heavy to bear, that they bring before the courts people the good will or the temporarily straitened financial condition of whom they have refused to admit. I shall not remain silent when wage-earners of my constituency are ill-treated by the collectors' offices, especially when claims which should have been presented within fifteen months after the filing of the income tax return, are sent only at the end of three or four years. The cost of living has gone up, the wages are lower than during the war years and the financial position of a lot of people has been seriously altered in the last two years. I believe each district office should have a special department, made up of a few employees answerable directly to the national revenue department at Ottawa, whose duty would be to consider complaints from taxpayers who receive claims and who are not in a position to pay them in a lump sum. Such a board would examine cases on their merits, making with the people concerned whatever arrangements would be satisfactory to both parties. Where payment is made by instalments, the interest which is still collected on the unpaid balance—at the rate of 7 per cent I believe—should be cancelled.

I felt it my duty to mention those facts, which give rise to a good deal of dissatisfaction among the people. I think the government should take them into consideration. I believe that the Ministers of Finance and National Revenue will be sympathetic. As regards the budget itself, it gives me much satisfaction. I should have preferred higher basic exemptions; however, I appreciate as a significant step the new scale of rates which means a material reduction in the tax. I would have hailed the abolition of the tax on soft drinks, and I feel that the luxury tax should have been, if not entirely abolished, at least considerably reduced. Some other forms of relief should also have been given. The government have felt that in 1947 they had first to help the people with small and middle incomes, postponing until next year, as stated, relief for industries and corporations and important cuts in several indirect taxes and levies. The present budget gives direct encouragement to people in the lower income brackets. No one could question that. That is why the working class and the people with small incomes are satisfied with it, especially since family allowances paid in 1947 will no longer be subject to any deduction or recovery. Quite a step has been taken in the right direction. The Minister of Finance deserves commendation; I ask him, on behalf of my electors, not to swerve from the right path he has just taken.

(Translation):

Mr. R. R. KNIGHT (Saskatoon): Mr. Speaker, may I at the outset congratulate my hon. friend from Moose Jaw (Mr. Thatcher) on the fine speech he made in the house a few days ago and on his pluck in using the French language here. That was very difficult for him as it is for me tonight.

Mr. LESAGE: One would not think so.

An hon. MEMBER: You are doing very well!

Mr. KNIGHT: I cannot speak this beautiful language fluently, but I am able to read it fairly well and I listen to it with pleasure when my hon. friends opposite make speeches, but I have no chance to speak French, and I need practice.

Tonight, I am expressing myself in French to congratulate Les Compagnons de Saint-Laurent, Montreal troupe that won the trophy

awarded during the drama festival held in London, Ontario. They performed Moliere's beautiful play: *Le Medecin malgre lui,* the first which I read in French.

I am also happy to note that Mr. Bill Walker, from my province of Saskatchewan was judged the best artist of the festival.

Now, Mr. Speaker, let us get back to business; the budget must be discussed, and with your permission, I shall continue in English with which language I am far more familiar.

(Text):

The budget is a distinct disappointment, first of all, to those who looked upon it to reduce some part of the cost of their living. That cost of living has been steadily rising and still rises month by month. These people thought they would get some relief from the budget but they got none. The excise tax, the luxury taxes and the sales tax remain the same and the cost of living continues to go up. These taxes I have mentioned must concern the great mass of the people—people who perhaps pay no income tax at all or pay very little. They must, however, buy groceries and clothes and must pay rent, and practically all their income is used for that purpose. They usually have no savings, no war bonds, and such of these as some people did gather during the war years they have had to sacrifice to bolster their wages or their small salaries so that the bonds have gone back into the hands where they usually repose.

I wish to name here some of these objectionable taxes. First, there is the tax on the consumption of electricity. I have already on another occasion brought to the attention of the administration the inequity of this tax, because it is applied on the amount of money, on one's electric bill, rather than on the amount of the electricity consumed. This means that a person in a high cost of production area like my own is paying much more for electricity, in point of tax, than the person in an area of low cost of production such as Ottawa. This tax, though not the method of its application, might have been defended in the war years on the ground that it conserved electricity; but, now that the war is over, it is still discouraging the use of that source of energy, and that is a result which is no longer to be desired, because electric light and power should be cheap to everyone.

We have heard much about the prices of chocolate bars and soft drinks. I do not want to labour a point that has already been covered by other speakers, but I feel, in justice to those who have written to me on the subject, that I should here bring forth the views of my constituents upon the matter.

I think I should state that they consider that the present would be a good time to get rid of these nuisance taxes, which bear particularly heavily upon youth and upon school children. The amount of pocket money which the school children have has no doubt been decreasing in proportion to the amount of money in their parents' pockets, and that latter is a decrease for which this government must accept some share of the responsibility. Everyone would like to see an increase in production and in the use, too, of consumer's goods, but we find standing in the way of that another tax which could very well be reviewed, and that is the tax on many goods sold by jewellers and hardware merchants.

Young veterans trying to establish themselves in their homes are hard to convince that an alarm clock is a luxury, or that knives and forks belong to the same category. Surely the tax upon those things should now be dropped and even the tax on some of the real luxuries, on the ground that it is about time that people should be allowed to get some of them after the long dearth of the war years.

Having concluded, then, that this budget has done nothing to reduce the cost of living, we need not be surprised that everywhere there are rumblings of demands for increased wages and salaries. I was pleased to see that the public school teachers of my own city of Saskatoon were granted an increase of $100 a year the other day; and it is stated quite distinctly in a newspaper that I read that it was given out of recognition of the steadily increasing cost of living. This general demand for an increase in wages and salaries has been brought about by one thing, and by one thing only; that is, the mark-up on the price tags in the stores.

Having discussed what the budget did not do, we might look for a moment or two at what it did. The reduction of income tax to be paid by the individual was widely heralded, I think perhaps more so than was justified. The minister gave the figures of the reduction on a percentage basis, and on that basis it looks very fine. I think it went as far as fifty-four per cent on some of the smaller incomes. But when you translate that percentage reduction into dollars and cents, you do not buy very much with the proceeds. What does this loudly heralded reduction mean, for instance, to the single man in the lower bracket who earns $800 a year? I mean, what does it mean in money? Well, beginning with next July, this man will get a reduction in his tax of exactly fifty cents

a month. How does that look in view of the increased cost of living of which I have spoken? Someone has pointed out that the family of four earning $150 a month who might hope to enjoy a reduction of nineteen cents a week, if they live until next July, actually pay out many times that amount a week in increases in the price of food.

My main criticism, then, of this feature of the budget, is that the consumers of the country, and particularly the consumers who cannot afford it, are being mulcted to build up a surplus, and to pay substantial sums by way of reduction in income tax to those who enjoy the higher incomes; and I might say here that I do not mean those few who have incomes of $200,000 or whatever was the amount that was discussed here this afternoon. This money that is being used to reduce the tax on more fortunate people's incomes is being found in part by the removal of government subsidies on many essential commodities like sugar, milk, tea, soap and things of that kind, and all this while the government contemplates complete removal of the excess profits tax during the current year. If we look at the budget from that angle, it furnishes no relief to all those people who are not in a position to pay income tax at all, or to those who are in the low brackets of income.

This idea that the tax was reduced most in the brackets of the lower income is just an illusion. These last-named people should not be paying any taxes at all, and that brings me to a statement of my belief, namely, that the government should have reduced taxation by raising the exemption, in the case of a single person, to at least $1,000 a year before he would have any income tax to pay and, in the case of married persons, to $2,000 a year upon the same terms. That would, of course, have reduced further the number of people who pay income tax. The number of such now, as the minister admitted in his speech, is already less than fifty per cent of those earning incomes. That is a serious admission of the low standard of living of these Canadians in a land of plenty, in what has been described as the peak year of all peak years. There is no indication that the minister or the government to which he belongs has any remedy to meet that situation. Indeed, he rather implied at pages 2548 and 2549 of *Hansard* that the situation would get worse. It is the apparent lack of any such plan or any such remedy that furnishes us in the C.C.F. with our greatest ground for criticism, for there is no apparent provision for a social service programme.

It is a long time now since the dominion first met with the provinces to work out something for their mutual benefit, but the government is still drifting and is doing no planning, or at least there is no evidence of any. There should be blueprinting of a social service programme and grants should be made by way of provision for research and for such planning. Of course the government lays the blame for the failure of the conference on certain other quarters, and I may say that with that view I largely agree. But the fact that the blame is not altogether their own does not absolve them of their responsibility. They are the party which is charged with the government of this dominion. The government should enter into further agreements for the provision of this social security with the provinces that have already signed. I was glad to see by my paper today that Nova Scotia has joined the number of those with whom an agreement has been reached.

The government points to the amount of money in the savings banks and in bonds as a backlog of purchasing power in the hands of the people. Well, fifty per cent of the people of Canada have no such backlog and they are the people who spend their all on consumer goods. The people who have this backlog are not spending it on consumer goods. They are looking around for places for profitable investment of those funds, investment which will in turn produce more consumer goods but will not increase the purchasing power which is necessary to buy them. When that condition exists, we are in danger of the oft-predicted depression, or as the Minister of Finance (Mr. Abbott) put it this afternoon, recession. If and when that occurs, it will find us again a nation divided, with no over-all plan to meet it.

Having criticized the budget, I should like to turn to some of the criticism of it which has come from the official opposition. May I say that I have sincere sympathy, in a personal way, with the hon. member for Muskoka-Ontario (Mr. Macdonnell) who spoke for the official opposition. I have sympathy with him because he was suffering from ill-health. I see that he is not in his seat tonight, and I sincerely hope that he has made a complete recovery. But I must say that he did not feel any more feeble than was the material of his speech. While comparisons are invidious, I cannot help comparing that speech with the concise and virile statement made by the hon. member for Rosetown-Biggar (Mr. Coldwell), who criticized the same budget, but who did so from a totally different viewpoint.

I was interested in the reference made by the hon. member for Muskoka-Ontario to what he called the middle class. This he defined as made up of those whose incomes were between $3,000 and $7,500 a year. May I tell him, although he does not need to be told, that in terms of money—and those are the terms which he understands—that is not the middle class of this nation. As a matter of fact, the number of people who receive incomes of the mean of those two figures—that would be $5,250—or, say between $5,000 and $6,000 according to the Canada Year Book, in 1942 was 8,390. In 1943 there were 9,691; and these are the numbers the hon. member for Muskoka-Ontario characterized as the middle class people of this country the population of which is in the neighbourhood of eleven million. I was interested in this reference by the hon. member to classes, interested, too, in his plea for better interest rates so that those who do not work could have a better standard of living from their investments. The word "class" coming from the hon. member has some significance, since he is a leader in the Tory party, particularly when it is coupled with the little slip he made in the house when he characterized the electors as stupid. I know that was just a slip of the tongue, and perhaps he should not be held to account for it, but taken together with the other matter it has perhaps some significance. When the hon. member was a boy this word "class" was in very common use and had a very different meaning. The class to which one belonged in those days was not altogether a matter of the possession of money. In those days they spoke of such things as birth and breeding and culture, but now my hon. friend falls into the error of which he accused the Minister of Finance in making his rebuttal speech the other day, when he said in reference to the minister, "He talks of nothing but money, money, money." I might say to some of my hon. friends of the Tory party that this is the third session I have been in this house, and since I have been here some of them have discussed little but money, money, money.

So my hon. friend designates the middle class as those who are in possession of incomes of between $3,000 and $7,500 a year, I presume irrespective of how they get it. In his speech the hon. member referred to this middle class —and I want to make it perfectly clear that the term is his—as the backbone of the country. I was reminded of a conversation I had with an old Englishman once as we stood resting our oxen at the end of a furrow. He had been a gardener on some old country estate, and in conversation with me one day about conditions in England he used an expression very like that of the hon. member for Muskoka-Ontario, when he said, "The aristocracy, God bless them; they are the backbone of the country. Why, at Christmas time the master 'ad us all up to the big 'all and gave us a bottle of whiskey and a bag of oranges for the children." My friend did not explain how it came about that his master was the purveyor of all the oranges and all the whiskey; his thinking, of course, did not go that far. In those days, however, the masters retained enough of the old feudalism about them to acknowledge their responsibility to others. If they believed that they ruled by divine right, as some of them did in all good faith, at least they felt some responsibility to the people whose work made that rule possible. In many cases they were men of some culture and some feeling. Rightly or wrongly they despised the nouveau riche of the new industrialism, who in modern society had no particular regard for their workers but, when those workers became old or crippled, threw them into the lap of a paternalistic municipal or other governmental authority. The Tory party, which my hon. friend so ably represents, has of course now transferred its allegiance to this commercial and industrial class, and speaks at all times in favour of its privileged position.

Mr. GREEN: Of course that is a lot of rubbish you are talking now.

Mr. KNIGHT: As my hon. friend spoke I could not help thinking that perhaps those of us who were present at the time the hon. member for Muskoka-Ontario was giving his rebuttal were witnessing an historic event. I asked myself, is this the swan song of the Tory party? It sounded like a swan song. Toryism is almost dead throughout the world. It is true that in one other place in the British empire, that is in my native Ulster, they have a Conservative government; but there are several reasons for its survival there. By long tradition it has been associated with what they call the Unionist cause, but I want to tell the house that some of its legislation has been most progressive, in fact so progressive that if anyone else were to bring it about they themselves would characterize it, as would hon. gentlemen to my right, as socialistic. This Conservative government in the north of Ireland is being wise in the economic sense. It is travelling ahead with the times. I must remind my reactionary friends in this house who belong to the same party that the Ulster government has a board which completely controls all road transport in that country, both freight and passenger. The Minister of Agriculture (Mr. Gardiner), who is not in his seat at the moment, I think will

know that they have the tightest controls in their marketing regulations, that in fact everything produced in the area over which they have jurisdiction undergoes government inspection before it is allowed to be shipped out of the country. That is a Conservative government; but it is not a Tory government. In the matter of electricity there is an electric light board which controls the production and distribution. That government is moving with the times; that government may survive, while I think Toryism here will die a natural death.

Mr. MICHAUD: Hear, hear.

Mr. KNIGHT: The hon. member for Restigouche-Madawaska (Mr. Michaud) says "Hear, hear." Well, I might say to him that when I hear him talking about his maritime potatoes I sometimes think he should read the legislation that the same Ulster government has enacted in regard to the marketing of potatoes, and the regulations which have been put into effect by that so-called Conservative government concerning other agricultural matters. I notice the hon. member talks our C.C.F. language when he talks about the interests of his own constituents in regard to the matter of potatoes. In fact I would have you know, Mr. Speaker, it is a remarkable fact that many hon. members speak as we do when they have at heart the particular interests of their constituents.

Well, let us leave Restigouche-Madawaska and go back to our Tory friends. I have characterized the things they represent as dead. The Tory party is certainly dead in Saskatchewan; and in spite of the rumours I hear coming from that province in regard to political alignments I refuse to believe that the Minister of Agriculture who, whatever else he may be, has been a doughty fighter against Toryism all his life, can condone the resurrection of that party to any degree, even as a matter of political expediency. There is no doubt in my mind that, while the Minister of Agriculture has no political power in Saskatchewan today, he has certain influence with those who belong to the same political faith. Toryism is certainly dead in England. A short time ago I had a talk with one of the most prominent educators in that country, who, I think, put the matter very well. He said, "In Britain the new order has come to stay. These new men in course of time will probably be divided. Some of them will become more conservative; some of them may become more liberal, going a little to the left, but never again will they be Tories. They will always be new men. The decks have been washed clean for a new state of affairs, for a new philosophy in which privilege shall have no place." But my hon. friends of the Conservative party will say that Toryism is not dead here. Well, I shall admit that. I admit that in one section of this country it is still putting up a fight for its existence. It is girt about and embattled, but even here Catiline is at the gates.

Mr. FRANK T. STANFIELD (Colchester-Hants): Mr. Speaker, in rising to say a few words in this debate I do so realizing that but two short years ago we were all very happy that the terrible war in which we had been engaged for nearly six years was about over. Japan was about to collapse, and nobody was worrying a great deal about taxes, or anything else. But we were suddenly faced with changing from an all-out war economy or war effort to a peacetime economy, and we have gone a long distance in those two intervening years to make the readjustment. Suddenly taxes became our public enemy number one. But fortunately we were able to keep our national income at the highest level in our history. Hundreds of millions of dollars were rolling into the treasury of our government. We were told what wonderful savings the government was making in expenditures for the past year, and the millions upon millions from War Assets Corporation that were pouring into the treasury each month.

I was greatly surprised that the Minister of Finance (Mr. Abbott) did not have a larger surplus and was not in a position to make a greater reduction in taxation. However, we have to give the minister credit where credit is due. He has greatly reduced the income tax where reduction in taxes was most needed and deserving, namely on the middle class of people, which people constitute the backbone of Canada or any other democratic country. There is also a sizeable reduction to those with incomes of $2,500 or less, which I am sure is acceptable and commendable. Everyone will welcome these reductions and will admit they will greatly assist in building confidence among our people towards a healthy peacetime economy.

However, I hasten to add, notwithstanding the reduction in the budget, that taxation still remains very high, and I feel there will be as much demand from the people for a further reduction in the next budget, because they have become very weary of being taxed every time they turn around.

One thing I should like to bring to the minister's attention is that the exemption of $100 for each child under the age of sixteen is very small and meagre. What encouragement is there for a man and a woman to bring up a

family today? How far will $100 go in keeping a child a year in this day and age? Not very far. It would seem that at least an exemption of $300 for each child under sixteen years and $500 for each child over sixteen years would be much more in keeping with present day standards.

The next matter to which I should like to direct attention, is that I feel strongly the excise tax imposed on soft drinks should have been removed. The nickel soft drink was just part of our way of living on this continent for many, many years. Nobody objected to the tax during the war. Almost everyone—especially the children, and even members of parliament—enjoys his favourite soft drink. Also, especially at this time, when one might say all governments are in the beer and liquor business—and I may also add, are encouraging its sale—I certainly believe the government should have given the public back its nickel soft drink. A child should not have to break his or her dime for what he or she calls a drink of pop. With all the big surplus the government speaks about, to leave the excise tax on soft drinks is merely ridiculous, to say the least.

One hears a great deal these days about the great profits some companies have been able to make in the past two years. Well, here is what the Bank of Canada says about the returns of some 700 companies for the year 1945: They were lower than for the years 1937 to 1939. In fact, the per cent of return of profit on invested capital in 1945 was approximately twenty per cent less than that earned in the 1937-39 period when the volume of business was much less than in 1945. These comparable figures are not available for 1946. But they are certainly higher than in 1945; and why should they not be when everything else is nearly fifty per cent higher than in 1937 to 1939? I am sure, however, that the balance sheets of the 700 companies will show that the return on their invested capital in 1946 was somewhat greater than in the 1937-39 period. And, as I said before, there is no great reason why this return should not be greater. May I also add that there will be few years as satisfactory as 1946 from the point of view of either the employer or the employee. There will be many leaner years.

Now, just a few words about high prices. They are certainly high compared with what we were used to paying, say, three years ago; and some prices are perhaps too high today. But we have likely reached a peak in these high prices, and most of them may be lower before they are higher. I would very much like to make the following observation: Our national debt and the necessary function of our government can only be carried with our national income at about its present level, if we are to maintain our present standard of living. So, if prices are to fall to any great extent, as some people would like to see them fall, why, it is just going to be too bad for us; and it makes me shudder to think just what it would do to the surplus the minister predicted for the present year. You cannot have your cake and eat it too. We can not have a happy and contented land if the products we produce should recede in value in any marked degree, and it is just as well for us to remember that. There may be some levelling off in the economy of our country to adjust this and that; but I, for one, sincerely hope to see things do nothing more than merely level themselves off.

Before I go any farther, I want to say "Thank you," and extend my sincere appreciation to Donald Gordon for the splendid way he served this country during the war and for eighteen months thereafter. He has now gone back to the Bank of Canada, and I wish him many years of happiness. He had to withstand a great deal of abuse while he was administering our price control system. But he did the job fearlessly, ably, and impartially, and his name will long be held in high esteem throughout Canada.

As for controls, I can say I always agreed that they were absolutely necessary during the war years, and for eighteen months thereafter. But since the first of this year they are having entirely the opposite effect, and are retarding our readjustment and our production back to a normal peacetime economy.

At this time I should like to associate myself with the hon. member for Northumberland, Ontario (Mr. Drope) in advocating doing away with the hon. member for Northumberland, radio tax. If there is any need or justification for this tax, I fail to see it.

When it comes to the so-called hidden taxes, such as the luxury tax, sales tax, tobacco and gasoline taxes and all the rest of them, during the war these taxes were O.K., but now many of these should be done away with or greatly reduced, because they are a considerable factor in the increased cost of living. However, this question has been ably dealt with by other speakers, so I will now pass on to our own province of Nova Scotia.

Many Canadians who have never been to the maritimes seem to have the idea that maritimers are only hewers of wood and drawers of water. This certainly is a mistaken idea. The maritimes are a beautiful country and the maritimers are the highest type of Canadian citizens. They live a pleasant, happy and enjoyable life. If you do not believe me just go down there to live, and

find out for yourself. Unfortunately, on account of its geographic location, it is not the easiest place in Canada to make money or watch the bright lights of our large cities.

Every year thousands of our young people from Nova Scotia leave their province for the large cities of the United States, Ontario and Quebec, attracted by their glamour, fascination and the greater economic reward for their efforts. But those who have remained in dear old Nova Scotia have carried on bravely and have not asked for a great deal of assistance from anyone. Money spent on federal buildings and other federal expenditures in Nova Scotia has been mere chicken-feed compared with that in most of the other provinces.

And now we understand freight rates will be given a nice fat increase, and are we in the maritimes to be the goats again? Ontario and Quebec will say, "Well, if we can afford to pay increased freight rates, you people can too, and if you cannot it is your own fault." It is hard to overcome a thousand miles of geography from Halifax to Montreal, and the good people of the maritimes are deserving of much kinder consideration from the people of the rest of Canada than they receive in the matter of freight rates. Is it going to be the same old story this time?

Even when we ask for a few dollars to repair and reclaim our marsh lands we receive only a few nice words and are extended the hope that some time something may be done. But, no, they just cannot spare a dollar. Why? That is the burning question we would all like to have the Minister of Finance answer. I feel that the Minister of Agriculture would like to see the work of reclaiming our marsh lands carried into effect. My colleague from Cumberland was the first to advocate this policy and, if his advice had been followed, the marsh lands would today be a great productive source of income to the maritime farmers. But what is actually the case is that many of these lands have become so bad that they are just waste areas today.

I can see nothing, not even a glimmer of hope, in this budget for the people of Cape Breton island for better transportation over the strait of Canso. The road traffic will have to depend on a little ferry boat operated and owned by the province of Nova Scotia to get from the mainland to the island or vice versa. They will still have to keep company with the ice cakes in the winter and wait their turn to get on the ferry in the summer. I believe the rest of Canada owe it to the people of Cape Breton at least to give them the assurance that a bridge or causeway will be built across the strait of Canso from the mainland of Nova Scotia to the island of Cape Breton at the earliest possible date.

Also there is nothing in the budget that I can see to make it easier for Nova Scotians to make a living in their own province. We thank the minister for the reduction in income tax; it is much appreciated, but to us in Nova Scotia it is somewhat the same as the poor man receiving some left-overs from the rich man's table.

Not a thing to help us overcome that thousand miles of geography between Montreal and Halifax. What the province of Nova Scotia needs is, first, some assistance to put some of our present resources on a more scientific basis, which changing conditions have greatly affected and, second, some definite programme should be worked out to make it advantageous for many light industries to locate, carry on and prosper in our province. I fully realize that this is easier said than done, but I am convinced that much can be done. There are a lot of good jobs and positions in our province, but the whole trouble is that there are not enough of them. As I said before, our economy needs to be strengthened to overcome that thousand miles of geography. And I see nothing that this government is doing to help our position. It is not any hand-out the people of Nova Scotia need or would take; we have always been able to pay our bills in the worst of times and have a little change left for the collection plate on Sunday morning. We are still part of Canada, although to listen to a lot of people around here one would often wonder. What we would like is a definite programme to strengthen our economy and increase the number of good jobs and positions in our province.

Mr. JEAN LESAGE (Montmagny-L'Islet): Mr. Speaker, may I be allowed to add a voice from eastern Quebec to the chorus of congratulations which welcomed the budget speech which was delivered in a masterly way by a master in financial matters? My remarks will be confined mostly to this much talked about subject of personal income tax. The Minister of Finance (Mr. Abbott), when delivering his budget speech, said with great accuracy, as reported on page 2553 of *Hansard*:

> The rapid rate at which taxes had to be increased in Canada during the war, experienced against our North American background of a long history of low taxes and relative freedom in economic affairs, has given rise to an acute tax consciousness.

The Minister of Finance was well aware of the public feeling when he said that there was an acute tax consciousness and when he added that, even after two substantial reduc-

tions made in the two last budgets, the present levels of personal income tax are regarded as excessive by a large proportion of the public. There is no doubt that such a feeling exists generally with the people of Canada and that taxes would have been more acceptable and more tolerable if they had been increased gradually and under normal conditions to the present levels for peacetime production, national development and social security. In fact, when the people realize that the personal income tax for 1948 is levied to provide revenues for social security services such as old age pensions and family allowances they will recognize that, according to the principles of social justice, the combination of a fairly distributed system of personal income tax with the application of a good social security programme is the only way for a government to attain its proper end, that is, to do common good to the citizens of the nation. The only way to arrive at such an end is by collecting from the citizens who can afford it the amounts required to provide the bare necessities of life to those who, through no fault of their own, are deprived of them. That is social justice in its healthiest principles and in its best application.

You will often hear people say—and at times they are well informed people—that the personal income tax involves inequality of charges because too many citizens escape its provisions. One has to admit that that is true to a certain extent, but theoretically and even in fact, because the cases of evasion are the exception, it is still based on the fairest principles of taxation as long as it does not take away from the citizen what is necessary for him and his family to live according to the general standard of living in the country. If it is granted that in order to give sound administration to the country, in order to pay the interest on the national debt, in order to provide for social security, money has to be levied in taxes, I wonder by what system of taxation we could replace the present one.

Should we abandon completely or in part direct taxation and replace the revenues so lost by an increase in indirect taxation? A good example of indirect taxation is the sales tax. Our sales tax is already at the rate of eight per cent, and one has to admit that it increases the cost of living, that it increases the cost of things to the consumer because it applies to some of the necessities of life, such as clothing and furniture. This means that people in the lowest brackets of income have to pay not only the sales tax but an accumulation of profits over and above the tax. I agree with the hon. member for Peace River (Mr. Low), who is reported on page 2814 of *Hansard* as saying:

> But from the point of view of the common man there is much more to be said for the removal of many of them at the earliest possible time. These are the taxes which are responsible for the increasing costs of production. They are applied at various stages of manufacture and the assembly of consumer and capital goods, so that they have a general pyramiding effect upon prices. The ultimate consumer is the goat who has to pay them.

The hon. member for Rosetown-Biggar (Mr. Coldwell) gave the same opinion. I quote from page 3810 of *Hansard*:

> This year he (the Minister of Finance) expects to collect $325 million through the sales tax. Again let us remember that these bear most heavily upon those whose incomes are small, and like the tariff, the excise tax and so forth, they are hidden taxes; they are subjected to pyramiding as the articles pass from the wholesales to the retailer, to the ultimate consumer and so on.

In emphasizing the injustices of indirect taxes, both these hon. gentlemen blame the government for not having removed some and even many of them. At the same time the same hon. gentlemen, knowing as they do, that the government needs every cent of the money it will collect in taxes also blame the government, and with more emphasis, for not having reduced more sharply the rates of income tax, and mainly for not having raised the amounts of exemption. One has to be consistent. If the government is to reduce the direct taxes to such an extent that this will mean a considerable loss of revenues the money so lost will have to be collected in the form of indirect taxation.

According to the forecast of the Minister of Finance, the personal income tax in 1948 would bring to the government an amount of $625 million. At a rate of eight per cent the sales tax would bring $325 million, which means that if we replace the personal income tax by an increase in the rate of the sales tax we shall have to triple the rate and to bring it up to around twenty-four per cent instead of eight per cent. Would that mean protecting the lower income taxpayer? I do not have to elaborate and answer. Everybody can see clearly that it would bring about the greatest injustices.

What I have said about the sales tax could be said as well about any other indirect tax, and may I say again, even though the personal income tax has imperfections, according to the best principles of social justice the fairest tax that any government can levy

is the personal income tax. But the division of the tax among the various classes of taxpayers must be made according to distributive justice; that is to say, the scales and exemptions must be so distributed as to leave to everyone, first, the minimum necessary to meet his family expenses and, second, the incentive to produce to the maximum of his ability and to improve his standard of living. These two factors, together with the needs of the state, have to be taken into account and coordinated in setting up the exemptions and scales. They were taken into account last year and this year by the past and present ministers of finance, whom I congratulate on the manner in which they have done their best to protect the Canadian family.

To my great astonishment I have read editorials blaming the Minister of Finance for having proposed an income tax system which does not protect the family. I have studied the reasons given for such charges and I think the persons who made them did so only after a rapid glance at the tables given in the budget. Could it be after such a rapid glance that the hon. members for Rosetown-Biggar and Peace River made their charges, accusing the Minister of Finance of not having sufficiently relieved the taxpayers in the lower income brackets? Well, they know. As an example, I took the tables placed in *Hansard* by the hon. member for Rosetown-Biggar at page 2808. There one may notice that a man without children earning an income of $2,500 would have to pay, at present rates, an amount of $243. In 1948 his tax will be $170. A married taxpayer with two children and with family allowances, earning an income of $2,500, would benefit by a reduction of $63 in 1948. The reduction for the married taxpayer without children would be $73. The reduction for a married taxpayer with two children would be $63; that is to say, a difference of $10 in favour of the married man without children; but what counts is not so much the reduction itself as the amount which has been left to the taxpayer at the end of the year. While the married taxpayer without children would have to pay in 1948 an amount of $170 in taxes, the married man with two children will receive $144 in family allowances and his income tax will be $130, which means that the net position of the married man with two children at the end of 1948 will be an income of $2,514. Not only will he not contribute by an over-all direct tax disbursement to the general welfare of the community; but, owing to the fact that people without any children and people earning large incomes have paid their shares, he will receive $14 more than his actual income. Is such a policy not one that is protecting the father of a family? It is an example of a married man with only two children.

Let us not forget that the more we reduce the income tax rates, the less difference in disbursed money there is between the various classes of income taxpayers. For instance, in the years when the exemptions were at $400 for each child and the rates in some cases were as low as three per cent the exemptions for certain classes of married income taxpayers meant only a reduction in tax of $12 per child. As I said, it all depends on the rates of income tax. The lower the rates, the smaller the difference in disbursed money.

It is important at this point to study the combined effect of family allowance payments and tax reduction. One has to remember that for children under sixteen years of age the exemption is $100 plus family allowances. For the lower brackets of income taxpayers the amount of family allowances received represents more than $400 in exemption on income. With the leave of the house may I place on *Hansard* a table showing the value of family allowance payments calculated as an equivalent deduction from income under the income tax at various levels of income. The table is prepared for a married man with two children in 1948. It starts with an income of $2,750, because for lower incomes the amount of tax paid is offset by the amount received in family allowances. The table is as follows:

Family Allowance calculated as an equivalent deduction from income under the income tax at various levels of income

(Married Man—two children)

Income	Family Allowance Payment	Equivalent Income Deduction	Income Deduction now given in addition to F.A.	Total Income Deduction	Income Deduction per Child
$	$	$	$	$	$
2,750	144	870	200	1,070	535
3,000	144	720	200	920	460
5,000	144	720	200	920	460
7,000	144	600	200	800	400
10,000	144	480	200	680	340

For instance, with an income of $2,750 a married man with two children will receive family allowances payments of $144. The equivalent income deduction for the whole of the $144 is $870; we have $200 of income deduction now given in addition to the family allowances; we arrive at the total for the two children of $1,070, which means that the equivalent in income deduction per child is $535, when before the war the deduction per child was $400. In the range of incomes from $3,000 to $5,000 the equivalent income tax per child is $460, and from $5,000 to $7,000 the equivalent income deduction per child is $400. It is interesting to note that at levels of income up to $7,000 the deduction from income is never less than $400 per child, when the total exemption from income tax per child over sixteen is only $300. The expenses for a child over sixteen are higher than for a child under sixteen and the deduction is smaller. There is an anomaly there, brought about by the reduction in the rates which have given an increased value to family allowance payments calculated on the equivalent deduction from income tax. May I submit respectfully, Mr. Speaker, that in order to reestablish a better balance the exemption for a child over sixteen should be increased to at least $400.

It has been argued in this house that the proposed reductions in personal income tax for 1947 and 1948 were protecting the people in the middle and higher brackets of income to a greater extent than those in the lower income groups. At this stage, with the permission of the house, I should like to place on *Hansard* a table showing the distribution by income groups of combined income tax reductions and increase in family allowance benefits in 1948 over 1946 as provided in the budget speeches of June, 1946, for 1947 and April, 1947, for 1948.

Mr. DEPUTY SPEAKER: Has the hon. member unanimous consent?

Some hon. MEMBERS: Carried.

Mr. LESAGE: I will hand the tables to *Hansard*:

Distribution by income groups of combined tax reduction and increase in family allowance benefit

	1947* Reduction ($ millions)	1948† Reduction ($ millions)	Total $ Reduction ($ millions)	Total per cent Reduction
Benefit to 550,000 to 600,000 exempt taxpayers....	24	..	24	100
Benefit to taxpayers having incomes under $2,000..	45	43	88	85
Benefit to taxpayers with incomes $2,000 to $3,000	40	42	82	80
Benefit to taxpayers with incomes $3,000 to $5,000	20	33	53	60
Benefit to taxpayers with incomes $5,000 to $10,000	11	31	42	50
Benefit to taxpayers with incomes $10,000 to $25,000	9	15	24	33
Benefit to taxpayers with incomes over $25,000....	6	11	17	25
	155	175	330	

* As provided in June, 1946, budget speech.

† As provided in April, 1947, budget speech.

Of the total benefit of $330 millions:
60 per cent is given taxpayers having incomes up to $3,000.
75 per cent is given taxpayers having incomes up to $5,000.
87 per cent is given taxpayers having incomes up to $10,000.
12 per cent is given taxpayers having incomes over $10,000.

Hon. members will remember that in the budget speech of June, 1946, from 550,000 to 600,000 taxpayers were exempted from income tax, and it meant a reduction of $24 million. The total reduction announced in 1946 for 1947 was $155 million and the reduction announced in the last budget speech in April, 1947 for 1948 is $175 million, which makes a total of $330 million. Of this figure of $330 million the benefit to taxpayers having incomes under $2,000 was, for 1947, $45 million and, for 1948, $43 million; that is to say, a total of $88 million; for taxpayers with incomes from $2,000 to $3,000, the benefit was $40 million in 1947 and $42 million in 1948, which amounts to $82 million altogether, and they are the largest figures in the whole scale which will appear in the table placed on *Hansard*.

The total reduction for taxpayers with incomes under $2,000 was 85 per cent from 1946. The benefit was of 80 per cent to taxpayers with incomes from $2,000 to $3,000. On the whole amount of $330 million, 60 per cent is given to taxpayers having incomes up to $3,000.

The Minister of Finance was right in believing that the verdict of responsible persons would be that he has gone as far as he could afford to go under the present circumstances. The new rates bring about a material reduction in all brackets of income and, together

with the reductions announced last year for 1947, they will relieve the people of Canada of a heavy burden. May I give a few examples.

We have already covered the fact that in 1948 a married man with two children of family allowance age will benefit by the sum of $14 in family allowances over the tax he will pay. A married man with two children of family allowance age and earning $3,000 in 1946 did not receive anything in family allowances and paid a tax of $259, which means that he had to live on $2,741. In 1948 he will receive $144 in family allowances and pay $230, thus being left with $2,914, instead of $2,741 in 1946. A married man with five children and earning an income of $3,000 in 1946 did not receive any family allowances and paid a tax amounting to $144.65. In 1947 his family allowances, calculated at the strict minimum of $312, will exceed by $106 his tax of $206, and in 1948 it will exceed the tax of $170 by $142; which means that his net position or, if you prefer, the amount he will have at his disposal in 1948, will be $3,142 when his earned income is $3,000. When a married man with two children, and earning $2,500 a year, has at his disposal in 1948, thanks to the combined effect of income tax reductions and family allowances, an amount of $2,514 and a married man with five children, and earning $3,000 has $3,142, we can say that almost all taxpayers with families not only will not have their incomes cut by direct taxation but also will receive money from the government in excess of earned income to help them raise their families.

The ultimate importance lies in the amount of money at the disposal of married persons to help them raise their families. When the taxpayers realize up to what levels of income the amount of family allowance receipts will offset income tax payments, they will admit, I am convinced, that the budget presented by the Minister of Finance is truly a relief for the Canadian family.

For a one-child family it is $2,100; for two children, $2,560; for three children, $3,030; and for four children, $3,500; and so up. However, I sincerely deplore the fact that it has not been possible for the Minister of Finance to give some relief to taxpayers with incomes below $5,000 who have children of over twenty-one years of age attending college or university. The father of a large family wishing to complete the education of his children cannot attain the objective to which he has devoted his life. When he wants to give his children the best heritage possible the law comes along and takes away from him the very money he needs to further their education.

I wonder if it would not be possible at this time to reconsider the resolution and bring in an amendment to the clauses dealing with exemptions, by which amendment the age would be altered from twenty-one to twenty-five for children attending college or university. It may be argued that this would be an exemption in favour of the rich. No, Mr. Speaker. The exemption I am asking for is in favour of the father in the lower income groups, the so-called middle class, who works all his life to give his children the chance to be more valuable assets to their country. Let us not forget that it would mean only an insignificant loss in revenue.

Before resuming my seat, I should like to deal with a criticism most often heard against the budget. There is a strong feeling expressed in this house by the hon. member for Rosetown-Biggar, the hon. member for Peace River and others that the exemptions of $750 for single persons and $1,500 for married persons should have been raised to $1,000 and $2,000 respectively. I myself regret that it has not been possible to do something in that direction at this time.

An hon. MEMBER: Why was it not done?

Mr. LESAGE: I will tell you in a few moments.

I believe that an income of $750 is not enough to provide the necessities of life to a single person living in a city or town. On the other hand, there are three main arguments against an increase in the exemption at this time, and they warrant thorough consideration. First, there is the fact mentioned by the Minister of Finance that the exemption level as established last year, taking effect on January 1 of this year, exempts completely from tax more than half the people earning incomes in Canada. I know I shall hear my hon. friends of the C.C.F. say that is because the standard of living in Canada is too low, but we have to take the facts as they are.

Mr. GILLIS: But it is still too low.

Mr. LESAGE: I think something should be done to increase the standard of living, not only by this government but by the provincial governments.

Mr. GILLIS: That is right.

Mr. LESAGE: Second, we should not forget that the exemptions in Canada are higher than in Australia, New Zealand, Britain and the United States.

Mr. GILLIS: There is no social security in this country.

Mr. LESAGE: You say there is no social security?

Mr. GILLIS: Not comparable with that in the countries you mentioned.

Mr. LESAGE: Yes, but they pay for it otherwise, and we shall see that in a few moments.

Mr. GILLIS: And spend it back.

Mr. LESAGE: Here is how it goes in these socialistically governed countries. In the United Kingdom the combined effect of basic exemptions and earned income allowance of one-sixth—the budget of April 15, 1947—is to exempt income up to the following amounts: single person, $540; married person, $884, or a little more than half what we have here; married, one child, $1,165; married, two children, $1,456.

Mr. MACKENZIE: That is the socialist government.

Mr. GILLIS: Did you ever check what the dollar buys?

Mr. LESAGE: In the United States where a dollar does not buy what a dollar buys here—

Mr. NICHOLSON: Have you the state tax?

Mr. LESAGE—it is not proposed to change exemptions under the bill passed by the house of representatives. The present exemptions are as follows: single person—$500; married person—$1,000; and for children $500. But in addition, a deduction equal to ten per cent of income is allowed in lieu of deductions for charitable donations and medical expenses; and they have to pay, through a contributory system, for their old age pensions.

Mr. GILLIS: And what else?

Mr. LESAGE: They have no family allowances in the United States, if I remember rightly. The exemptions proposed in the latest Australian budget to take effect as from July 1, 1947, are as follows: single person, $800; married person, $1,267; married, one child, $1,642; married, two children, $1,830. For social services contribution—a tax of roughly 7½ per cent of income—exemptions are as follows: single person, $336; married person, $643; married, one child, $909; married, two children, $1,018.

In New Zealand, income tax exemptions are as follows: single person, $648; married person, $972; children of family allowance age, no deduction; other dependents, $162.

No exemption is allowed against the social security contribution, a tax of 7½ per cent of income.

[Mr. Lesage.]

I said that there were three main arguments against an increase in the amount of exemptions at this time.

Mr. GILLIS: I should like to be speaking right after you.

Mr. SPEAKER: Order.

Mr. LESAGE: I have given two. The third one is that an increase from $750 to $1,000 and from $1,500 to $2,000 would have resulted, in the words of the Minister of Finance at page 2554 of *Hansard*:

> . . . in a very substantial loss of revenue because it affects all taxpayers, including those in the highest brackets, and the saving for each taxpayer is his highest rate of tax applied to the increased amount of his exemption. . . . If, as some have suggested, we restored the pre-war levels of exemptions, we should have to sacrifice more revenue than the whole of that sacrificed by the rate reductions I am now proposing, and we would be doing practically nothing by such action to reduce the rate of tax on additional earnings for those who remain subject to income tax. It is the high marginal rate of tax on additional earnings that discourages additional work, enterprise and initiative, and consequently we must aim in our reductions at cutting down these marginal rates of tax.

The loss of revenue, as a matter of fact, would have been something around $275 million for 1948 when the forecast loss due to the proposed reductions should be $175 million in 1948.

Mr. GILLIS: Why not go on then and use the Bank of Canada to finance a lot of these things?

Mr. LESAGE: I did not know that the hon. member was becoming a little of a social crediter.

Mr. GILLIS: The hon. member is a socialist.

Mr. JOHNSTON: It is a good idea, though, is it not?

Mr. LESAGE: I am not so sure about that.

Mr. GILLIS: The hon. member is a socialist, and that is socialist mechanics.

Mr. SPEAKER: Order.

Mr. LESAGE: I do not have to repeat the reasons given by the Minister of Finance for being careful at this time. I do not have to repeat what I said at the beginning of my remarks about the obligation which would be ours to replace by indirect taxation the revenue the government would lose by a further cut in direct taxation.

Mr. JOHNSTON: The people are concerned with what you are going to do with it. The people want some relief. Give the government your suggestions.

Mr. LESAGE: I am going to make my suggestions to my hon. friends of the Social Credit party in French, because I thought the hon. member for Pontiac (Mr. Caouette) would be here, as to what should be done about their "union des electeurs" and I am starting now. I am convinced that hon. members will be pleased tomorrow to read the translation in *Hansard*.

Mr. JOHNSTON: I hope you learned something from the hon. member for Pontiac. He gave you a good talk the other day.

Mr. LESAGE: I think the hon. member has a good deal to learn. He should first read French history and see what happened when a man by the name of Law, a financier, tried exactly the system the hon. member is proposing now and sent France into bankruptcy, and Law's actions were a background of the French revolution.

Mr. JOHNSTON: I read some French history in the budget to the effect that over ninety per cent of the farmers in Quebec are receiving less than $1,500 a year.

Mr. LESAGE: It is too bad that the hon. member does not understand French.

Mr. JOHNSTON: But I can read the budget.

Mr. SPEAKER: Order.

(Translation):

Mr. LESAGE: I have here what amounts to a tale on Social Credit by de Maupassant. It is the story of Mr. Law, a very clever piece of writing by Henry de Jouvenel in his book *Huit cents ans de Révolution Française*. I may have time to read it later on.

(Text):

I do not have to repeat the reasons given by the Minister of Finance for being careful at this time. I do not have to repeat what I said at the beginning of my remarks about the obligation which would be ours to replace by indirect taxation the revenue the government would lose by a further cut in direct taxation, but Mr. Speaker, I believe I should insist on that subject in my mother tongue.

(Translation):

When on Wednesday last, the hon. member for Pontiac (Mr. Caouette) rebuked the hon. the Minister of Finance (Mr. Abbott) for failing to remove the tax on incomes of less than $3,000, he mentioned the hundreds of so-called "pressure cards" he had received clamoring for removal of the tax.

I have received a number of such cards myself. The only point they make is that members should be as generous with the taxpayers as they were with themselves when voting themselves a $2,000 exemption. I feel it is high time the people knew that $2,000 exemption only did justice to the members of parliament. Indeed any taxpayer is entitled, in computing his tax, to deduct from income such expenses as are directly incurred in the discharge of his duties as long as they are justified and whether they be travelling expenses, living expenses or what are commonly called office expenses. In the performance of their duties, as members of parliament, hon. members incur yearly travelling, accommodation and administrative expenses well in excess of $2,000. Before hon. members were granted that exemption, they were in an unfair situation because the right to deduct those expenses from their taxable income was not recognized. The $2,000 exemption did not place the members of parliament in a privileged situation; on the contrary, that provision only partially decreased an injustice and placed them on an equal footing with the remainder of the taxpayers.

Let us see what would be, under the present circumstances, the effect of an increase of that exemption to $3,000 on the public finances. We must start from this principle, because it is the only sound one in economics, that the government must take in taxes what it spends on public administration and on social security programmes, particularly on old age pensions and family allowances. The Minister of Finance figures that personal income tax receipts will amount to $695 million in 1947 and $625 million in 1948. If exemptions were brought up for everybody to $3.000, the revenue would amount in 1948, according to my information, to about $200 million, which means a two-thirds reduction or $425 million on the expected returns. If the Canadian people hope that the government will continue to pay for old age pensions, family allowances, pensions to blind and health services, which cost more than $400 million a year—and I am convinced that such is the wish of all my constituents—we will have to find elsewhere the money required for those ends. If the funds are not secured through direct taxation, they must be obtained through indirect taxation.

I quote the very words uttered by the leader of the Social Credit party, the hon. member for Peace River (Mr. Low):

Indirect taxes are hidden taxes which increase the cost of production and the cost of living.

They are levied at various stages of the production of goods and, therefore, as each middleman must make a profit on the tax itself, the latter is increased manifold before it is passed on to the consumer. Thus, for instance, according to the budget, the present 8 per cent sales tax will bring in $325 million during the next fiscal year. If the government decided to raise the level of exemptions to $3,000, they would lose $425 million, and if they wished to recover that amount by raising the sales tax rate, it would be necessary to boost it to approximately 20 per cent. This means that the prices of some essential products would be increased not only 12 per cent, but that much plus the additional, I should say the multiplied profit accruing to the agent, the wholesaler and the retailer. The prices to the consumer, in the case of certain articles, would thus be increased 50 per cent or even more. The small wage-earner would suffer therefrom, as he would be compelled to pay the increased cost of goods and necessities of life. That is one of the main reasons why I submit that direct taxation, income tax being the finest example of this method, agrees better than any other with the principles of distributive justice.

Mr. Speaker, since I still have a few minutes at my disposal, I should like to quote a few excerpts from a book written by M. Henry de Jouvenel and entitled *Huit cents ans de Revolution Française:*

The financial genius that was Law or Lass conceived every form of modern credit. He showered them on a distressed country with the cheerful faith of an inventor who ascribes universal powers to his discovery.

That applies to our social credit system, does it not?

M. de Jouvenel continues by pointing out that up to 1721 Mr. Law had scattered all over France paper-money worth billions. A further excerpt will underline the similarity with the Social Credit policy and that of the Electors' Union.

No more debt, no more taxes, no more bankruptcy, no more class distinctions! Life had become one grand festival where, as at the open air stock exchange of the rue Quincampoix, according to Buvat, "thronged all kinds of people, scholars of the Sorbonne, priests and friars who took part in the trading, "as well as lords and lackeys, courtiers and criminals, courtesans and duchesses who danced and fraternized.

Mr. GAUTHIER (Portneuf): Hear, hear.

[Mr. Lesage.]

Mr. LESAGE:

. . . Many grew rich so quickly that footmen who had become masters continued to climb, through force of habit, behind their newly bought carriages . . . Under the magic wand waved by the Edinburgh goldsmith's son, precious stones, velvet, silk and gold adorned at a moment's notice the shoulders of beggar girls and destitutes. . . .Millions were pouring from the printing press. . . .

They were printing money just as the supporters of social credit would like to print it.

Millions were pouring from the printing press. Bourdon, a café waiter, picked up 30 and Chambéry, a floor polisher, collected 40. The Chaumont woman, a small-ware dealer in Namour, garnered 100. Duhautchamp, a painter suddenly engaged 90 servants. The sale of high titles became such a prosperous business that the comte d'Evreux, of the House of Bouillon, married the daughter of Crozat, a former lackey, although she was but thirteen years of age. The marquis d'Oise, of the Villars-Brancas family, still in a greater hurry, became engaged, in consideration of an annuity and an endowment of 4 million, to the two-year old daughter of a financier, André, whose 10,000-pound notes were exchanged, a few months later, for a lunch.

It was an area of madness in which the whole social hierarchy collapsed.

Then came the selling out and afterwards the crash of stocks, and finally the flight of Law and panic.

All classes were ruined, and they voiced the same lament in front of the bank's closed doors; the first comers were smothered, and the corpses were then picked up and brought under the smashed windows of Law's house, under the Louvre balcony, in the gardens of the Palais-Royal. Public execration was rising, and no longer made any distinction between, law, the regent and the king.

Pestilence became rife, as happens in every sinister era, and it killed 100,000 people. In 1721, bankruptcy and death had ended the feast.

Social credit had been resorted to, Mr. Speaker.

A dishonoured government, a nobility and a clergy who were disgraced, a people who felt their sufferings all the more because their fall had been sudden, after they had believed for a full year that they had attained happiness; weakness at the top, anger at the bottom; such were the results of Law's sojourn in France.

I shall have concluded in one minute, Mr. Speaker. With the permission of the house—

Mr. SPEAKER: I am sorry, but I must remind the hon. member that he has spoken for forty minutes.

(Text):

Mr. LESAGE: By leave of the house, Mr. Speaker, I would ask for time to say one word more.

Mr. SPEAKER: If the hon. gentleman has unanimous consent.

Some hon. MEMBERS: Agreed.

(Translation):

Mr. LESAGE: Before concluding, Mr. Speaker, may I be permitted to caution against a number of swindlers, those who have sent or might be tempted to send these so-called pressure cards. I have myself made a serious check-up of the names of those who sent them to me and I found that not 2 per cent of them would pay income tax under the proposed rates. I caution them, as I am by duty bound, for were the government to raise the exemption to $3,000, the small wage-earners would be those who would be the victims, as they would receive less in old age pension and family allowances, and they would pay more in indirect taxes, thereby paying the exemptions granted to those who would have swindled them. Indeed, these demagogues do not work for the benefit of the average farmer, the humble worker or the ordinary family man, but for their own advantage, exacting from those who have to save their money to eat, the sum of 5 cents for one or two cards that cost only a fraction of one cent.

In concluding, I ask the hard-working people of the splendid constituency I represent in this house to throw out of their homes, of their public organizations, these swindlers, these visionaries, these irresponsible demagogues, who attempt to stir up public opinion by unattainable promises in the hope of quenching their own thirst for power and domination.

Mr. J. E. SMITH (York North): Mr. Speaker, in rising to make a few observations in this debate, I desire to join with those who have preceded me in extending congratulations to the Minister of Finance (Mr. Abbott) upon the excellent manner in which he presented the budget to the house, and also to congratulate the government upon the contents of that budget, containing as it did a report of a splendid surplus and announcing welcome tax reductions for a great many people throughout Canada. It has, I am sure, been very well received throughout the country, and I submit that it merits the support of the members of this house.

The budget, reflecting the general prosperity of Canada, and revealing the excellence of the job accomplished by this government in reconversion from wartime to peacetime production, has been inspiring to the Canadian people, and tended to create confidence. It has tended to create confidence in Canada and also to create confidence in the government, and at a time when confidence means a very great deal in our national life.

The minister, in presenting a picture of prosperity in Canada, was careful to draw attention to the fact that we live in a world still disorganized after many long years of war, and that until such time as peace, prosperity and plenty are restored to all the countries of the world, there is no need for us here in Canada to be complacent.

Events of recent years have made the world small indeed, and we as Canadians must face up to our responsibilities of citizenship, not only as Canadians but as citizens of the world. Our future in Canada depends in large measure upon two factors: How we are able to get along among ourselves here in Canada, and how we are able to get along with the rest of the world.

Here in Canada we have many reasons to give thanks that our lot has been cast in a happy place. If we would stop more often to count our blessings, and less often to air our grievances I think we could be here in Canada a more happy and more contented people. We face the future in a world still disorganized and weary after long years of war, a world in which there is still a threatening force no less terrifying than war itself. But as Lloyd George said in one of his great speeches of the first war, while there may be shadows in the valley, there is sunshine on the hills. So as Canadians today we are looking to the hilltops, where the sun shines brightly with the hope of better days in the world at peace.

Here in Canada where we are able so soon after a strenuous period of war to present a budget of the quality presented here last week, there is certainly no need and no place for pessimism. We have every reason to look forward to the future with confidence. We know that industry has been converted almost entirely from war-time to peace-time production, and that employment and production are at high levels. Foreign trade has reached heights never before attained and, best of all, the outlook for continued trade and employment is good.

Despite the high volume of production, demand for products of our primary industries continues to exceed production, and the government is to be commended for seeking to give continuing security and stability to the incomes of our farmers by negotiating long-term sales agreements for our products.

Farmers of Canada did a magnificent job during the war, and they did that magnificent job under extreme difficulties. They are continuing to do a magnificent job of production in this post-war era. The coming of peace did not eliminate all the problems of the farmers. The most serious problem confronting farmers today is the acute shortage of farm help. It is not only a matter of wages,

as some people point out, because farmers in the district I have the honour to represent are prosperous. They offer good rates of wages for farm help, and still are unable to obtain it. The only solution, as I see it, is for this government to take the initiative in bringing to Canada a large number of farm workers; not hundreds, but thousands of such farm workers could be absorbed on the farms of Ontario, and within a very short time. I think we need have no fear concerning bringing to Canada a large number of immigrants of this type. However, in our immigration policy we must guard against bringing to this country any of those who have tendencies toward communism or any other ism in opposition to democracy, and not in keeping with the ideals of our democratic way of life.

Mr. FULTON: Including socialism.

Mr. SMITH (York North): Not only must we guard against the influx of communists to this country, but I hope that those communists who have been convicted of treason against Canada will, at the expiry of their prison terms, have their Canadian citizenship revoked. They should be deported to those countries which claim their higher loyalty.

We have had a long discussion in the house regarding controls, and I think the people of Canada have reason to be thankful to the government for its control policies. Controls have served Canada well, and I think in the matter of decontrol we have been proceeding quickly enough. But there is one feature of housing control which I should like to mention, one feature which I consider has lingered long enough on the stage of our national planning. I think the time has come when that regulation in connection with housing, which prohibits people who own their own homes from moving into them, should be dispensed with. It may be said that this will cause evictions; but I submit that the hardship and suffering of evictions are no less heart-rending than the sufferings occasioned in those cases where people, many of them elderly and who, by virtue of lives of thrift and industry, own their own homes, are now unable to move into them because of these regulations. I should hope that the regulations might be altered in the not distant future.

Income tax reductions announced in the budget will afford a welcome measure of relief. I think the minister was right in his statement that there had grown up in Canada an acute tax consciousness. Had this been allowed to continue without any reduction in taxation at this time, I agree with the minister that it would have worked against the best interests of Canada and been a hindrance in our reconversion programme.

Like many others, I would have been happy if the tax reductions had continued further, and particularly into that field of so-called nuisance taxes. I am going to mention only one tonight, and to say that I agree most heartily with those hon. members who have advocated the removal of the tax on radio receiving sets. I submit that this tax should be abolished, and for three reasons. First, apparently so far there has not been devised an efficient and economical manner of collection and enforcement; second, it should be abolished because it is unpopular, for the simple reason that so many people know that so many other people do not pay it; and, third, and most important of all, it should be abolished because the ownership of radio receiving sets is now so general in Canada that there is no need for a special tax as a special privilege. If money is needed for the upkeep or maintenance of the Canadian Broadcasting Corporation, it might just as well be taken from the general revenue, thus saving the people of Canada the nuisance and expense of this special levy.

As I said at the outset, our future in Canada depends in large measure upon two factors, namely how we are able to get along together here in Canada, and how we are able to get along with the rest of the world. We look out upon a troubled world and read anxiously and hopefully as conferences are held from time to time throughout the world seeking to establish peace and order throughout the world, and sometimes we are restless and impatient at the bickerings and disagreements between nations. But should we in Canada be too critical of the nations of the world in their disagreement if we honestly look at ourselves and examine the present position of dominion-provincial relations in this country?

I am sure that it was a matter of great regret to all Canadians, irrespective of their political affiliations, that better results did not come from the recent dominion-provincial conferences. Today, looking to the future of Canada and looking to the problems which we face, both nationally and internationally, I agree with those who say that this matter of dominion-provincial relations is one of our most important internal problems. Turning back the pages of history to the stirring days preceding confederation, we

find that in those days there was strong support for a legislative union with a system of government providing a single parliament for the whole country. However, the fathers of confederation, in their good judgment and in the light of the then existing conditions, could not be expected to foresee the future of almost a century and they decided upon a federation which provided for provincial governments as well as a central and national government.

There were difficult problems to settle in bringing about confederation, difficulty as to division of power between the national and the provincial governments. Many of those difficulties are with us today. They are so great and so important that it is becoming abundantly clear that, until we settle them, our progress as a nation will be hampered and our plans for the good and welfare of our people will fall short of what we would have them be.

In the confederation debates in Upper Canada in 1865 a supporter of confederation said:

> I am satisfied that one of the great advantages of this union will be found in this, that we will be raised above our sectionalism and come to feel and act as the citizens of a great country.

Canadians everywhere tonight reecho that wish. If we are to achieve the greatness which we deserve; if we are to attain to our rightful destiny we must face up to our problems, not as Ontario Canadians, not as maritime Canadians, not as Quebec Canadians or not as western Canadians; we must face up to them as Canadians. The problems which we face are of such magnitude as to test our best Canadianism.

I said that there was general disappointment of the failure of the dominion-provincial conferences and there has been some discussion in an attempt to assess the blame for those failures. However, I think the people of Canada are not merely so concerned as to who was responsible for the failure of those conferences as they are concerned with the fact that the failure of the dominion and the provinces to come to an agreement is holding up many measures of vital concern to the future of the Canadian people. This government's social security programme cannot be fully effective until some agreement is reached between this government and all the provinces. The issues at stake are so great and so far-reaching that, even in the face of what might seem to be impossible and insurmountable barriers, I should like to see this government take the lead in making another attempt to settle this question. I think the only way to settle these problems satisfactorily is to call a dominion-provincial conference, and I submit that this government would be rendering a great national service by reconvening the conference at as early a day as possible.

When such a conference is held—and I hope it will be—I suggest that those who sit around the conference table representing the provinces and the dominion should discuss something more than who is to tax whom, and how much. I am sure the people of Canada would like to see the representatives of the provinces and of this national government discuss seriously, honestly and free from provincial or political bias, the problem of overgovernment in Canada. We should like to see them discussing in a businesslike manner the ways and means of eliminating duplication of services rendered by the national and other branches of administration. Overgovernment is a burden on the taxpayers of Canada; it continues to grow and it is a burden about which we do very little.

I am sure the people of Canada would like to hear representatives at a dominion-provincial conference discuss a national health policy which would ensure our people against the economic disaster which is visited upon so many through sickness and disease. We should like to see the representatives of the provinces and the dominion agree on a policy of cooperation in the establishment of a hospital building programme which would provide adequate and modern hospital facilities, not only in the great centres of population but in the small communities all across Canada. We should like to see the dominion and provincial leaders discuss ways and means whereby our aged citizens would be better cared for.

The people of Canada would like to hear a discussion at this conference of the matter of jurisdiction and responsibility, so that cooperation would be possible in a great national plan of reforestation whereby the rich resources of our land could be perpetuated for coming generations and our waste spaces made fruitful and productive. These and many other great national problems might well be the topic of discussion at a reconvened dominion-provincial conference, with the possibility of great good to all the people of Canada.

Understanding within our borders is one of our primary needs today, and I repeat that this makes the matter of dominion-provincial relations one of our leading internal problems. To meet the challenges which we face, to meet the problems which confront us, we must have a

spirit of understanding and cooperation between all the people of Canada; we must have a spirit of understanding and cooperation between all branches of government in Canada. To that end I am suggesting that we should call as quickly as possible a dominion-provincial conference. If this national government does its part with this conference and the failure and disappointments of the past are forgotten I am satisfied that the people of Canada will be quick to judge if there are still around at conference tables those who are more interested in playing politics than in playing ball with the rest of Canada.

Coming as I do from Ontario, one of the richest provinces of this country, I want it to be known unmistakably that, no matter how we may have been misunderstood, no matter how we may have been misrepresented, we in Ontario are ready and anxious to throw in our lot as Canadians with our fellow Canadians from coast to coast in a united effort to build a better Canada.

On motion of Mr. MacNicol the debate was adjourned.

It being three minutes after eleven o'clock, the house adjourned, without question put, pursuant to standing order.

END OF VOLUME III