DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

THIRD SESSION—NINETEENTH PARLIAMENT

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OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

CANADA

House of Commons Debates

OFFICIAL REPORT

Friday, June 12, 1942

The house met at three o'clock.

THE ROYAL ASSENT

Mr. SPEAKER: I have the honour to inform the house that I have received the following communication:

Ottawa, June 12, 1942.

Sir:—I have the honour to inform you that the Right Hon. Sir Lyman Poore Duff, Chief Justice of Canada, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber to-day, Friday, June 12, at 5.30 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
F. L. C. Pereira,
Assistant Secretary to the
Governor General.

SOLDIER SETTLEMENT

Second report of special committee on land settlement of veterans of the present war.—Mr. Macmillan.

GASOLINE

LACK OF SUPPLY FOR MAGDALEN ISLANDS FISHERMEN

On the orders of the day:

Mr. J. S. ROY (Gaspe): A few minutes ago I received a telegram from Grindstone, Magdalen islands, dated to-day, and reading as follows:

Gasoline situation very serious here. No supplies in distributors hands fishermen forced to give up fishing on account shortage gas. Please contact Imperial Oil, Canadian Oil and McColl Frontenac so as to have further supplies shipped to Magdalens soon as possible.

County Council,
per Armand Painchaud,
Secretary.

Will the government take some action to remedy this situation?

Hon. C. D. HOWE (Minister of Munitions and Supply): I will bring the matter to the attention of the oil controller immediately and ask him to do his best to relieve the situation.

USE OF TRUCKS BY FARMERS ON SUNDAYS

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Minister of Munitions and Supply on a matter of very serious concern to the farmers in consequence of the order that has been made forbidding the use on Sundays of trucks, which is the only means of transportation that many farmers have. Has the minister given consideration to permitting farmers to use their trucks on Sundays, subject of course to conformity with the gasoline regulations?

Hon. C. D. HOWE (Minister of Munitions and Supply): I know of no regulation forbidding the use of trucks on Sundays. I know there is a regulation forbidding the use of trucks for pleasure travel, and if the two are synonymous the regulation would apply.

Mr. HANSON (York-Sunbury): How about going to church?

Mr. HOWE: The truck is a commercial vehicle and it is provided that it must be used as such.

Mr. HANSON (York-Sunbury): Even when it is the only means of locomotion the farmer has? Without it he cannot go to church.

Mr. HOWE: I know.

CANADIANS IN JAPAN

ARRANGEMENTS FOR EXCHANGES OF CANADIAN AND JAPANESE NATIONALS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member for Vancouver South (Mr. Green) asked me a question yesterday—which I must apologize for not having answered sooner, because it was asked before—regarding the exchange of nationals between Canada and Japan. The facts are that immediately on the outbreak of the war with Japan negotiations were undertaken with the Japanese government, through the protecting power, for the repatriation of officials. Early in the year these negotiations were extended to cover non-officials, and an understanding was reached for the repatriation to Canada of Canadians in Japan and occu-

pied China, on the understanding that Japanese subjects in Canada who wished to do so may be permitted to return to Japan. As accommodation on the first exchange vessel is limited, an early repatriation of large numbers is not to be expected. Under the circumstances, the Canadian authorities have requested the protecting power for Canadian interests to give priority to women and children in the assignment of berths on the exchange vessel leaving the far east. A small party of Canadians, other than officials, being evacuated from Japan at the present time is expected to arrive in Canada about the end of August or early in September, and other small groups may be expected to arrive at intervals of six weeks or two months from then on. The full list of persons in the first vessel has not yet been received by the Canadian government, and may not be received before the vessel sails.

Mr. H. C. GREEN (Vancouver South): Arising out of the answer which the Prime Minister has just given, may I ask if it is the intention that these exchanges shall be of equal numbers of Canadian and Japanese nationals respectively? May I also ask how many are involved in the present exchange?

Mr. MACKENZIE KING: I am sorry I cannot give any more information than that contained in the statement, but if there is anything more that I am able to ascertain I shall be glad to let my hon. friend know.

SOVIET UNION

EXCHANGE OF CONSULAR REPRESENTATIVES BETWEEN CANADA AND THE U.S.S.R.

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Hon. members will recall that I informed the house on February 5 that the government of Canada and the government of the U.S.S.R. had signed an agreement in London on that date providing for the exchange of consular representatives.

The Canadian government have come to the conclusion that it is desirable to establish a Canadian legation in the U.S.S.R. on a reciprocal basis, and we have now been informed that the Soviet government accept the Canadian government's proposal and that they desire to establish a legation in Canada. We understand that the Soviet government will also establish a consulate at Halifax.

I am glad to be able to announce, therefore, that an agreement for the exchange of diplomatic missions between Canada and the U.S.S.R. was signed in London to-day at 5 p.m. London time. The text of this agreement, which was signed by Mr. Massey on behalf of Canada and by Mr. Maisky on behalf of the U.S.S.R., reads as follows:

The government of the U.S.S.R. and the government of Canada have reached an agreement as follows:

1. The two governments have agreed to establish direct diplomatic relations and to exchange ministers.

2. The present agreement comes into force immediately after its signature and is not subject to ratification.

3. The present agreement is made in two copies, each of them in the Russian and English languages. Both texts have equal force.

DR. T. T. SHIELDS

PRESS REPORT OF STATEMENT RESPECTING THE PROVINCE OF QUEBEC

On the orders of the day:

Mr. GASPARD FAUTEUX (St. Mary): Mr. Speaker, I should like to direct a question to the Minister of Justice. (Translation) Has the Minister of Justice been informed of the statements made by pastor Shields against the province of Quebec? I do not wish to quote the newspaper article in its entirety but with your permission, Mr. Speaker, I would draw the attention of the Minister of Justice to an article published this morning in the French daily *Le Canada,* in connection with pastor Shields.

Mr. SPEAKER: Order. I understand that the hon. gentleman is calling attention to some article respecting Doctor Shields and asking a question of the Minister of Justice. From the form of the question I judge that there is no urgency about the matter, and the question should be placed on the order paper.

SUPPLY

The house in committee of supply, Mr. Fournier (Hull) in the chair.

INTERIM SUPPLY BILL

Hon. J. L. ILSLEY (Minister of Finance) moved:

1. That a sum not exceeding $19,401,586.20, being one-twelfth of the amount of each of the several items to be voted, as set forth in the estimates for the fiscal year ending March 31, 1943, laid before the House of Commons at the present session of parliament, be granted to His Majesty, on account, for the fiscal year ending March 31, 1943.

2. That a sum not exceeding $550,655.91, being one-twelfth of the amount of each of the several following items to be voted, as set forth in the estimates for the fiscal year ending March 31, 1943, laid before the House of Commons at the present session of parliament, in addition to the sum mentioned in resolution No. 1, be granted to His Majesty, on account, for the fiscal year ending March 31, 1943, namely:

Votes Nos. 31, 80, 116, 117, 128, 129, 300.

He said: Mr. Chairman, I should explain that this is one-twelfth of the amount provided by the main estimates for 1942-43. The second part of the resolution provides for an additional one-twelfth of a limited number of items, as was done when the last interim supply was voted. It is obvious that it would be impossible for the committee of supply to pass the estimates before the end of June, and as there is to be royal assent to-day it was felt it would save the time of the house and of the other chamber if the additional one-twelfth were voted at this time.

Mr. DIEFENBAKER: I should like to bring to the attention of the Minister of Finance the matter to which I referred a few moments ago on the orders of the day. Apparently an order has been made by a board which is under the administration of the Minister of Finance forbidding the use of trucks on Sundays. For many farmers their truck is the only means of transportation they have for farm work, for use on Sunday or for any other purpose. The result of the order is that a great deal of ill-feeling has been aroused, and I should like to ask what consideration has been given towards repealing the order.

I have received various letters complaining about this order, and they are all to this effect: While the farmer is denied the right to use his truck to go to town and to do any of the things that are ordinarily done on the farm, or to use his truck to take himself and his family to church, nevertheless a direction has gone out permitting a farmer who purchases another car, a second-hand car if you will, to utilize it for all the purposes which are denied to the farmer who owns only a truck. Surely such an order is unreasonable. Here is a letter from a man who has no horses. He is a patriotic citizen who has two sons overseas. He is forbidden to use his truck on Sundays. Why is it, he asks, that such discrimination has been perpetrated upon him? The position he finds himself in is not peculiar to him by any means. Many others are in the same position. Everybody agrees that there must be gas rationing, but is it reasonable to make an order that a farmer who has an automobile may use it for his ordinary purposes while the farmer who has only a truck, and there are many such farmers, is denied the right to use that truck?

Mr. FAIR: The same condition exists in my province, and I have had a number of complaints along the same line. In the city of Ottawa and vicinity you will not find, as you do in western Canada, a number of second-hand cars and small trucks which are used for the purpose of conveying small loads. They are not commercial trucks such as may be in the mind of the controller, and I would certainly like to have something done to enable farmers who have no cars to use these converted vehicles and other small trucks.

Mr. HATFIELD: The same conditions exist in New Brunswick and elsewhere in eastern Canada.

Mr. COLDWELL: I, too, have had communications on this matter. May I suggest to the minister that there are in some of our cities a number of families who have two or more cars in the family and who therefore are allowed to have coupon books for each car. It seems to me that if we are rationing gas we should limit it to one car per family. As the hon. member for Lake Centre says, there are numerous people who have to go to town in their trucks. In one part of my constituency there are practically no horses, and the present practice does work a hardship upon people who have no other means of conveyance than their trucks.

Mr. ROSS (Souris): I believe I raised this question a week ago Monday before the minister when we were discussing the matter of controls. In our province many farmers have disposed of their automobiles and are getting along with light delivery trucks. They are prohibited from taking their families in their trucks to marketing centres or to church on Sunday. As the hon. member for Rosetown-Biggar has pointed out, in these marketing centres you may find people with two automobiles and two ration books. This is certainly most unfair, and some arrangements should be made on behalf of farmers who have traded in their cars for light delivery trucks and who are now unable to convey their families to church or to town. The minister has had a couple of weeks to think about this matter. I spent a day here trying to clear it up, and had to telephone to the controller, a Mr. Stewart, in Toronto, and after running into all this difficulty among the farmers two weeks ago I was unable to get any action.

Mr. HOWDEN: My hon. friends on the other side of the chamber are not the only favoured ones in this respect.

Mr. ROSS (Souris): Unfavoured!

Mr. HOWDEN: Along the Red River valley are a great many settlers of foreign extraction who have come to this country and made it their adopted home after reaching mature life. They have no means of getting to market or anywhere else except by means

of a converted old Ford car which has been made into a form of truck and is so registered. These people are practically unable to leave their farms and go anywhere excepting by means of this type of old vehicle, and if they are prohibited from using it for any other purpose than to carry loads they will be subjected to much hardship.

Mr. PERLEY: I wish to join in this protest. I am doing it more or less because I am in a little personal difficulty with respect to it, because I advised one or two farmers in my district last spring to dispose of their cars and buy trucks. I gave this advice to one of my own tenants, knowing that the truck would be useful in carting out seed to the field and for many other purposes, but he finds now that he cannot use it when he wants to go to town on Saturday night to do his shopping, and his wife is no longer able, as was her habit in other years, to do a lot of running around to town and elsewhere. I could cite several similar cases. I think something should be done. These trucks are practically as comfortable as some of the old cars and are useful for going around on Saturday nights and Sundays. A neighbour of mine, a dairyman, disposed of his car and got a truck because he could use it in his general business as well as to deliver his milk, and it is a great handicap to him not to be able to use it on Sundays and in the evenings for the purposes of the household.

Mr. ROY: Mr. Chairman, I would like to draw the committee's attention to a regulation which limits to fifteen miles the business radius of taxis in the province of Quebec.

On the north coast of Gaspé county, where there is no railroad between Matane and Gaspe, that is for a distance of over two hundred miles, this regulation has brought about a totally abnormal situation from which the local population will undoubtedly suffer unless something is done.

Following representations which I made to the war supplies department, the limit was extended from fifteen to thirty miles. Yet, this is still not enough to answer the needs of the population. From midway between the two railroad terminals at Matane and Gaspé, there is a distance of one hundred miles to travel to reach the nearest rail line, a distance which becomes shorter from village to village until one reaches the thirty mile limit.

The two nearest hospitals are located at St. Anne des Monts and Gaspé, that is a distance of one hundred and fifty miles. In case of illness or a bad accident, no taxi can reach the St. Anne des Monts hospital, or that in Gaspé, if it has to start from a point outside the thirty mile limit.

[Mr. Howden.]

I think that in consideration of this unusual situation, the government should allow taxis in each of these localities, outside the thirty mile limit, to travel as far as is necessary to reach the nearest railroad terminal or hospital.

Mr. GAUTHIER: Hear, hear.

Mr. MacINNIS: While we are on this matter I might as well point out that I am a pioneer in bringing it forward. I raised it some three weeks ago when the Minister of Munitions and Supply had his share of the war appropriation bill before the committee. It is a condition which affects people in the urban centres as well as those in the rural districts, and frankly I do not know just how the oil controller is going to be able to satisfy everybody. It brings into more glaring relief a consequence of our social system. One of my constituents has a light delivery truck. He used it for business deliveries in the week, and on Sundays he took the family to one of the beaches round Vancouver, going sometimes as far as White Rock. Possibly his next-door neighbour, also having a delivery business, is well enough off to have a private car as well as a truck. He also takes his family out on Sundays, and the man who cannot afford a private car as well as a light delivery truck did not grudge his neighbour his car so long as he himself could use his delivery truck, but now he finds himself in the position that if he takes his family out in the truck on Sundays he is warned by the controller that his ration book will be taken away from him. The other man has his truck ration book and also his private ration book. So here is a social distinction, possibly not a very great one in ordinary times, but one which now comes out in all its glaring inequality. My correspondent sends me the letter he received from the regional controller, and I must admit that it was quite reasonable. There is no fault to be found there, and I am at a loss to know how the matter can be dealt with and yet do what it is intended to be done by the regulations to conserve gas, unless we cut out all travel on Sunday except what is essential.

Mr. McIVOR: I have a case which presents the other side. A farmer sold his truck and kept his car. He is a grocer merchant and delivers with his car because it saves gas, but he was face to face with the difficulty that while the other merchants in the city obtained a commercial rating he was cut down to class B, and like myself he does not like it. If he cuts down on gas by using his car he should have enough gas to carry him through the year so that he can make his living. Of course, there are two sides to every question except truth and error.

Mr. BLACK (Cumberland): The complaints made from the central provinces and western Canada are small compared with the complaints that might be registered from the eastern provinces. In central Canada and in the west coupons are recognized as entitling the holders to five gallons per coupon. The maritime provinces are reduced to two gallons per coupon and have to contend with all the other restrictions about which they complain. The people in the maritime provinces are prepared to submit to this control if necessary in carrying on the war, but the premier of Nova Scotia, the premier of New Brunswick, and hundreds of thousands of people in the maritimes have not yet been convinced that the restrictions in those provinces are either necessary or fair. Some hope has been held out by the Minister of Munitions and Supply that the regulations as they apply to the maritimes will shortly be relaxed, and I should like to impress upon the Minister of Finance, who comes from Nova Scotia, as I do, the importance of the complaints I am making. He himself must have received many complaints; he has certainly had complaints from the premier of Nova Scotia. I urge upon him, therefore, the importance of seeing that early action is taken with regard to restoring the value of the coupon unit, in whole or at least in part, to users of gasoline in the maritime provinces. There are grievances in the other provinces, but the complaints from the maritimes are far more substantial than those registered in other parts of the country.

Mr. GILLIS: I agree with the hon. member for Cumberland (Mr. Black). If there is a section of the country that has a grievance in connection with the rationing of gasoline it is the maritimes. The reduction in the unit can be understood. There is not sufficient transportation to get gas into that section. We accept that statement at its face value, but there are rumours, and there is considerable evidence, since the unit was reduced, to the effect that gas has been shipped out of the maritime provinces, out of Nova Scotia particularly, into other sections of Canada. I am trying to get information in that regard from the Minister of Munitions and Supply. However, accepting at its face value the statement that it is necessary at the present time to reduce the unit in Nova Scotia, we feel that if there is not sufficient gas for essential purposes the people of those provinces are prepared to make whatever sacrifices are necessary. But when it is shown to them week after week and day after day that on the part of the military authorities particularly there is little attempt to conserve gas, the situation appears in a different light.

I had a long list of complaints which I brought to the minister's attention. If there is a shortage of gasoline and if it is necessary to ration it on the basis that exists in Nova Scotia, then it should be done. But as I pointed out some time ago, in that event pleasure driving should be discontinued completely, so that what gas is available should be made available for essential purposes. In sections where there are large military concentrations station wagons and military cars are on the road practically all hours of the night, certainly not for military purposes. Moreover, military cars are in the habit of driving officers from headquarters to the barber shop and waiting for them, three or four cars at a time. They wait for these officers until they are through shaving and take them back to headquarters. They also take officers from headquarters to clubs and back to headquarters again. That is not necessary, while in small communities where there is a concentration of troops the people who have legitimate business to carry on are obliged to walk to and from their places of business. Their business is crippled or curtailed because of lack of gas, and to see these military cars used for the purpose I have indicated is not a sight to inspire further belt-tightening on the part of people who require gas for legitimate purposes.

Those who use oil will have to tighten their belts too. I had one complaint of an ex-service man who was crippled during the last war and who for the last twenty years has been earning his living as a commercial traveller. He is unable to walk and must use his car to get around, but he is in a category that gives him two gallons a week. The result is that his business is at a standstill. He made special application to the board in Halifax, but obtained no redress. I appealed to the oil controller, setting out the facts of the case. I received the reply that he was very sorry but no distinction could be made. That car is essential because it is this man's means of earning his living. He is crippled, but he demonstrated that he was prepared to lay down his life for democracy; yet he cannot get gas to earn his living, and there is no one who will feed him. Where there are extenuating circumstances, some redress should be given.

I had the privilege of going to Camp Borden some time ago and there I found a fleet of buses running out of the camp. I am not complaining about that. They leave the camp loaded, travel seventeen or twenty miles and return to the camp empty. There is not much service there. There is waste of gas and rubber. I believe that 50 per cent of the buses on the road travelling on that basis and

using up gas could very well be used for other purposes. That gas could be made available for essential uses. A month has gone by, and there has been sufficient time for those who are responsible for the organization and the rationing of gas to come to some understanding as to what the future of the maritime provinces will be. Is an attempt being made at least to put the maritime provinces on the same basis as the rest of Canada? Can the minister make any statement as to when that situation will be relieved? Has he any knowledge that a certain oil company on the island of Cape Breton had a year's supply of oil on hand? That oil was pumped to ships and shipped out of that part of the country within the last month.

Mr. ILSLEY: I have no such knowledge.

Mr. GILLIS: There is evidence to that effect sufficient at least to convince me. Can the minister say whether he can see any possibility in the near future of changing that oil situation?

Mr. ILSLEY: I really have to leave a matter like that to the minister who is responsible, namely the Minister of Munitions and Supply. I am not able to make any statement other than the last statement made by the Minister of Munitions and Supply.

Mr. BLACK (Cumberland): The minister should give personal attention to this matter from the point of view of Nova Scotia. There is a feeling in the maritime provinces that they are unnecessarily discriminated against. If these restrictions are necessary the people will submit, but they are not satisfied that they are not being discriminated against, and that more could not be done to meet their needs.

Mr. ROSS (Souris): The matter of a farmer conveying his family in a light delivery truck does come under the minister's department. It was raised two weeks ago and was said to be under the price-ceiling control. I think the minister should make a statement.

Mr. ILSLEY: As I understand it the administrator of services has made some order which is merely part of the carrying out of the oil-control policy. That, I assume, is the situation. I surmise that the oil controller found that he had not jurisdiction to make an order relating to service, that is transportation, and that he prevailed upon the service administrator to make some order. The discussion this afternoon has shown that the problem is one essentially and fundamentally of control of the use of gasoline; I do not know what else it could be. It is probably true that Mr. Stewart as administrator of services has made some order supplementary or ancillary to the orders of the oil controller.

I will bring to the attention of the services administrator the representations made this afternoon. That the matter is one of difficulty that there are conflicting considerations, and that the officials have not acted without thought, is shown by some of the speeches made this afternoon. It may be that the situation can be improved upon. The thought I have is that this simply shows the difficulties that arise in any widespread attempt at regimentation. Yet we have to have regimentation. We have been told repeatedly that the public is away ahead of the government, and that the public will submit to any degree of control—

Mr. ROSS (Souris): Which is reasonable.

Mr. ILSLEY: Yes; that is what is always said. I remember last fall when the public was really clamouring for more regimentation, more control, I said: It is all right, the public wants a great deal of control, but the moment anything is done which strikes anyone as unreasonable they will say, "For heaven's sake exercise common sense in your control." And the test of common sense very often is whether it inconveniences the person concerned. It is absolutely impossible, in these far-reaching measures of regimentation and control, to avoid all discrimination. The hon. member for Lake Centre spoke about a matter. He was pretty well answered by the hon. member for Fort William; the man who gets a big gasoline ration I suppose should not be allowed to use it in pleasure travel, and the man who gets a small one can so use it to that extent. I suppose that is the reason.

Mr. ROSS (Souris): I think there is a distinct lack of cooperation. I took this matter up with the Department of Munitions and Supply, and they told me it was under the price ceiling. I spent a whole day on it before I ever mentioned it in the house. I was at home in the intervening period and had a terrible time trying to explain the situation to the agricultural producers in my part of the country. I want to assure the minister that these people are quite willing to submit to controls, but it is distinctly a waste of gasoline, time and various other matters essential to the war effort. There is no complaint about personal inconvenience, but it is distinctly a waste in our part of the country.

Mr. ILSLEY: What is the waste?

Mr. ROSS (Souris): Well, the hon. member for Fort William said that the man who has the larger ration should be able to use

some for pleasure purposes. I disagree; these people do not want it for pleasure purposes. The farmers go with light delivery trucks. A business man, in my section who is not even a British subject has two large cars. He has a class C ration book for one car and a class A ration book for the other. That is not cooperation; it is not setting the proper example. These things need to be checked up. I do not know anything about the experience of the controller, but I know this is distinctly not in the national interest throughout our part of the country.

Mr. DIEFENBAKER: I do not understand the statement made by the minister when speaking of the farmers who were affected by the orders made by the commissioner or whatever his title may be. The minister says it is always the way, that the people who say that they are ahead of the government, when an order is made raise complaints. That is a very unfair statement.

Mr. ILSLEY: Of course I did not say it.

Mr. DIEFENBAKER: Is that not the meaning of what the minister said?

Mr. ILSLEY: No.

Mr. DIEFENBAKER: Well, reading *Hansard* will reveal whether or not that is a correct interpretation to place upon the words he uttered. There is no question of objection to regimentation where necessary. The objection we have taken here regularly has been this: Parliament is sitting; yet you have controllers and heads of boards and all these other individuals making laws affecting, not the war effort, but the individual lives of the people of Canada engaged in civilian operations. Against unfair orders there is no recourse to parliament. We talk about parliament losing prestige. No one was more definite about that than the Minister of Finance the other day. He spoke of the falling away of parliament's authority. He gave his reasons for it. In large measure, its loss of prestige is due to the fact that parliament is abdicating its power in favour of boards and commissions which act without regard to circumstances and conditions and who refuse, when arbitary rulings are pointed out to them, to make any change. Seventy-five per cent of the laws affecting individuals in Canada to-day are passed by commissions, boards and like bodies and not by parliament. I heard it said only yesterday, that we had better not object in regard to certain orders made by the oil controller for if, as members of parliament, we do so we shall find that he will become stubborn in regard to changing objectionable orders that are now in effect.

Mr. ILSLEY: Who said this?

Mr. DIEFENBAKER: I said I heard it said yesterday. The minister has taken the position that he does not know how the order came to be made; he does not know who made it; and he accepted the statement of the hon. member for Souris that it must have been made by some commissioner.

Mr. ILSLEY: The services administrator.

Mr. DIEFENBAKER: The minister said, as I understood him, that it was made for the purpose of assisting in winning the war by the conservation of gasoline. Then I ask him, what reason was there in the order made in Regina the other day in the case of a farmer whose letter I am prepared to place on record if it is required, in which he informs me that a farmer was advised that if he disposed of his truck and bought a second-hand car, then the order would not apply, and he could operate it and secure gasoline under the regulations, but because of the fact that he has only a truck he is denied the right that he would possess if he owned a motor car. Surely this is unreasonable. It is just an example of bureaucracy at its worst.

Mr. ILSLEY: I do not know, but I think the reason would be this, that if a man gets a commercial category he is supposed to use the gasoline for commercial purposes. If he gets a pleasure category he may use the gasoline for pleasure purposes, up to the limit of that category. I should think that would be the basis for the rule.

Mr. DIEFENBAKER: But still that does not answer the situation of thousands and thousands of farmers all over western Canada, and no doubt all over Canada, whose sole means of transportation is by truck, which they use for both purposes.

Mr. ILSLEY: The hon. gentleman wanted to know the reason.

Mr. DIEFENBAKER: I can understand the reason stated by the minister; that is true enough, but it is just an example of bureaucracy at its worst, in that the controller makes regulations which parliament does not have an opportunity to look into and which work discrimination. Surely, Mr. Chairman, the minister will give the assurance that this matter will be looked into and that where there is any unfairness or discrimination it will be removed, as far as that is practicable.

Mr. ILSLEY: I can give that assurance; that is fair enough. The matter will be looked into, and in so far as there is discrimination that it is practicable to remove, it will be removed.

Mr. BLACK (Cumberland): Then it is understood that the matter will be looked into with special reference to the maritime provinces, where the people have to submit to a ration of two gallons per coupon, and that if there is going to be relief, or if there is to be no relief, an announcement will be made. If there is to be relief, as I am hopeful will be the situation, the people of the maritimes should be told when that will come into effect, and I hope before July 1. I am appealing to the minister now as a fellow Nova Scotian to investigate the matter from the point of view of the interests of our province, to take up the matter with the Minister of Munitions and Supply, the oil controller, the big gasoline dealers and others, and to see that some announcement is made in order that the people in Nova Scotia who believe there is discrimination against them may have something definite on which to base their plans and carry on their business.

Mr. MacNICOL: I have been waiting for all these hon. members who have been speaking about the farmers to say something about the poor folk in the congested cities. Not having heard anyone say a word on behalf of the humble people in the congested centres of our great cities, I am going to say a word for them. Neither motor cars nor trucks are owned by the common people who live in the congested centre of Toronto; but I have seen, as I am sure other hon. members have someone come on Sunday with a motor truck into which they load four or five families to take the kiddies and their parents out along the lake shore drive so that they may have a dip in the lake. What are they going tc do on Sunday, if it is a day like to-day, when it is hard enough for grown people to withstand the heat? What are they going to do on Sunday if they cannot go in these trucks out along the lake shore? If there is to be any loosening up, I think it should be extended to those people too. I want to give the hon. member for Lake Centre credit for bringing up this matter to-day, though quite a number of other hon. members have tried to horn in on it. What is going to happen on Sunday if it is a day like this? If there is to be any loosening up for the farmers, as there should be, let us also have a little loosening up for the poor, humble people living in the conjected area of our great cities.

Mr. COLDWELL: Since we are talking about the welfare of people generally, I suggest that the rules of this house should be changed so that on a day like this members of parliament may sit here without wearing their coats. I would also point out to the minister that when money is being spent some consideration should be given the staff of this house. I notice that we have attendants and guards here who are wearing thick, heavy, winter clothing, which on a day like this must be almost torture. I appeal to the minister to do something for the staff in order that they may be comfortably clad, and I hope that one of these days we may be permitted to attend in the hot weather without our coats.

Mr. BLACKMORE: Is the minister really ready to do something about these abuses which have been aired by several hon. members, in connection with this matter of allowing men to use trucks on Sundays when they have no other means of transportation? When a series of abuses has been brought to the attention of the minister it is not good enough for him to say, "Well, that comes under the oil controller, and he has found it necessary to do so-and-so." I just do not believe it is necessary for him to do this. I see no reason why it should be necessary to permit an injustice to exist at all in this country, if sufficient attention is given to the matter. Surely the abuses that have been mentioned by the hon. member for Cape Breton South and others are so flagrant that they should be attended to. Surely it is not necessary to have such things as those. Surely it is not necessary so to restrict the poor farmer in the Red River valley, who has nothing but a poor little old rattletrap of a car that has been changed into a sort of truck, which is his only means of getting to church or doing anything else on Sunday, while other people are permitted to have two cars. This strikes one as being so painfully unjust as to be almost revolting.

I have come in contact with one or two other matters coming under this oil controller or fuel controller which also strike me as being very unjust. The question has been raised in my mind as to whether this parliament has any control at all over these controllers. Is it a recognized practice that once a man is appointed a controller he is no longer responsible to this house, and that the minister to whose department that controller belongs is no longer responsible for the behaviour of that man? If so, then we must acknowledge that in this country responsible government has ceased to exist. If that is necessary, all right; but I do not believe it really is necessary. I was waiting to hear the minister give some indication that he will bring a little pressure to bear, in response to the expressed will of members of this house, and not be content merely to talk about the matter. I recall the time when the minister was contemplating the imposition of

a three-cent tax on the gasoline used by farmers. A great many members of the house exerted themselves for a long time, until they felt that they were really obstructing the government, in an endeavour to have that pernicious tax removed, but the minister sat quite still and allowed one of the most unfair taxes that could be conceived of to go into operation and to continue in operation throughout this country. If we have no recourse, what is the use of our being here? What is the use of our talking?

Motion agreed to.

Resolution reported, read the second time and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Fournier (Hull) in the chair.

Mr. ILSLEY moved:

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1943, the sum of $19,952,242.11 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 98, for granting to his majesty certain sums of money for the public service of the financial year ending the 31st March, 1943.

Motion agreed to, bill read the first and second times and the house went into committee thereon, Mr. Fournier (Hull) in the chair.

Sections 1 to 4 inclusive agreed to.

On the schedule.

Mr. STIRLING: I take it that this bill is in the usual form in every respect.

Mr. ILSLEY: Yes, exactly.

Schedule agreed to.

Bill reported, read the third time and passed.

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT OF SERVICE OVERSEAS

The house resumed from Thursday, June 11, consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940.

Mr. J. A. CRETE (St. Maurice-Laflèche): Mr. Speaker, on February 11 last, speaking on the address in reply to the speech from the throne, I took a clear-cut stand with regard to conscription and the plebiscite. I made the following statement at that time:

I wish to state that I remain irreducibly opposed to any kind of conscription for overseas service and that I shall not request my constituents to release me from past commitments in this connection.

I also intimated that conscription would not greatly increase the number of men in our armed forces, that it would hinder our war effort by destroying national unity, that it would make the people less enthusiastic about participating in that effort, that it would endanger the confederation pact and that, finally, it might increase the vulnerability of this country, which, acording to our military experts, was liable to be attacked by the enemy.

What has since occurred to justify the abandonment of the voluntary system? Nothing as far as I can see.

At a time when hundreds of thousands of Canadians are serving in all our armed forces overseas, when submarine attacks have just been launched against Canada in the St. Lawrence it is proposed to remove the last restriction with regard to conscription so that the government may be able to send overseas those young men of military age who are still in this country.

We are told again that this does not mean conscription. This brings to my mind the story of the sick man whose condition the doctor found slightly improved from day to day, and who was found dead, one morning, as a result of that slight improvement.

A brief review of the political history of the last twenty-five years is sufficient to give us the firm belief that repeal of clause 3 of the mobilization act of 1940 means the enactment of conscription for overseas service.

Mr. GAUTHIER: Without the slightest doubt.

Mr. CRETE: In 1914, Canada went to war against Germany and her allies. At that time, as older men remember and as those of the younger generation have learned, all political leaders in Canada assured us that conscription for overseas service would never be enforced.

The same assurance was given in 1915 and 1916. Early in 1917, a national registration took place. We still remember the solemn assurance that was given to the bishops of

the province of Quebec to the effect that national registration would never be used for the purpose of enforcing conscription.

These pledges are associated with very unpleasant memories, for, in that same year 1917, a conscription measure was adopted by the Canadian parliament.

I do not intend to recall the events of this melancholy period, which has left gaping wounds in the hearts of Canadians.

On November 11, 1918, the bells of all our churches were pealing the news of the suspension of hostilities. An armistice had been signed. The civilized world, shaken in its very foundations, grieving the loss of millions of human beings, deprived of its historical treasures and its wealth, returned to its normal occupations. All the nations of the world were unanimous in their resolve that the war just ended should be the last.

During the first few years after the signing of the Versailles treaty, the Canadian people courageously resumed its march towards its ideals, silently grieving the loss of thousands of their sons fallen in strange lands.

In 1922, in Ottawa, the yearly estimates of the Department of National Defence were reduced by 2½ million dollars. Our country waged this pacifist campaign for the next 15 years. But, in the 1937, the national defence estimates were considerably increased. A new programme was announced, which included the reorganization of our military, naval and air forces. This step led the warlike nations of Europe to believe that, following their example, we were forsaking the Versailles formula for the principle of armed peace.

This new trend resulted in a lively reaction from the people and a certain section of the press. Even in the House of Commons, some hon. members uttered energetic protests against steps which were interpreted as preliminary preparations for participation in a future European war.

Reassurances were then given the Canadian people. The government stated, through its best authorized ministers, that these heavy military expenditures would be devoted exclusively to the national defence, to the defence of Canada only.

In 1938, Canada was taking a greater part than ever in the armament race. Military estimates soared still higher. New protests on the part of some members who claimed that as long as the federal parliament neglected to amend the Militia Act in such a way as to incorporate in it some clause establishing Canada as our first line of defence, it would be useless to talk of national defence and that, under certain circumstances, the military estimates voted by parliament for the defence of Canada could be used, at some future date, to promote our participation in a foreign war.

In 1939, the increase in our war appropriations took on greater and more alarming proportions. Almost one hundred million dollars for war purposes. There were renewed protests on the part of those who believed Canada was definitely committed to a course of action leading to war and who stated that military preparations would inevitably lead to war, that war meant our participation in it, that such participation would become extra-territorial, that extraterritorial participation would require the sending of men and war equipment overseas, that any expeditionary force of ours would need reinforcements, and that the organization of these reinforcements was predicated on the heavy recruiting of men which would lead in the end to conscription for overseas service, which we are now being asked to adopt. All this, it must be noted, was said way back in 1939.

Is this not, Mr. Speaker, a brief but true description of the course we have followed since 1937? Granting this, who can state now that once the government has the power to conscript men, it will not do so?

Mr. GAUTHIER: No one.

Mr. CRETE: Of what worth are the assurances being given us in order to weaken opposition to this measure?

We have been at war now for over two and a half years. Our total population does not exceed eleven and a half million inhabitants. Nevertheless, over four hundred thousand of our men have enlisted for overseas service. We supply food to the allied nations. We furnish them war equipment and food in enormous quantities. We are taxed and rationed as we have never been in our history. We have just made Britain a gift of one billion dollars. Our financial and economic resources are pledged for generations to come. Our remaining youth are mobilized for the duration. Apparently all this does not count, since we are asked, as danger threatens us, to authorize conscription for overseas service.

Mr. Speaker, Canadians of English and French descent have lived together in this country for almost 200 years. In this most critical of times, let us remember those who first settled on this Canadian land, who cultivated it and willed it to us as our most precious heritage. Let us remember their sacrifices and their hardships. Let us never forget the courage with which they defended this country on two memorable occasions. Let us recall the collective efforts we Canadians have made since 1760 to safeguard Canada, and develop her natural resources.

I appeal to my fellow citizens of both English and French descent and ask them whether the passing of a conscription measure would not forever destroy the foundations on which this country rests.

While we are fighting for everything we hold dear, so we are told, which one among us would insist on conscription if such a measure is destined to divide the Canadian people, and destroy that harmony so essential to the development of our country and the attainment of its destiny.

Which one among us wants conscription, if it entails the break-up of confederation?

What member, what Canadian citizen will reasonably uphold that conscription, by adding a few thousand men to the strength of the allied nations, will ensure victory for our side and justify destroying the results of our collective efforts, during two centuries, to make Canada what it is to-day?

Mr. Speaker, I pray that Providence may spare us from such a disaster.

Mr. BROOKE CLAXTON (St. Lawrence-St. George): Mr. Speaker, this is the third day of this debate, and all hon. members will agree that it began with a good speech and has continued with a series of good speeches; that so far it has been conducted in a tone that has been tolerant and forbearing, and that if it continues on the same plane there is at least a possibility that out of this crisis, because it is little less, we may step up to a better basis of unity than we have ever known before.

Burke said that magnanimity in politics is not seldom the truest wisdom, and our English-speaking people to-day should show to the French-speaking people magnanimity. That, even more than cold justice or efficient sternness, is what we need. Between the French- and English-speaking there should be a real effort to understand the changing nature of the world and the changing nature of Canada, and that we each must seek the same things—the security of Canada, the unity of Canada, the welfare of Canada, and the defeat of the aggressors, without which no one of these three would be possible.

This bill has been introduced in consequence of the plebiscite, and I suppose every hon. member in the course of the debate will give his interpretation of what the plebiscite meant. It seems to me to be clear that the people of Canada, in giving the government a free hand in the prosecution of the war, want the government to take the measures necessary to defend Canada wherever that can best be done. The people having removed the moral bar, the government has now introduced this bill to remove the legal bar and to give effect to the will of the people as expressed in the plebiscite.

Yesterday the member for Richelieu-Verchères (Mr. Cardin), in his exceedingly eloquent speech, seemed to be most concerned over what in the long run is really a question of procedure, whether parliament should be consulted once, or twice, on this question. It has been suggested that in proceeding in the way in which it is the government has betrayed promises made during the plebiscite campaign, that parliament would be consulted. My own view is that this is a consultation of parliament. But if there is anything in the suggestion that has been made, I should like to make this comment: that the people, and the only people, who are qualified to raise the issue of having been misled are the people who voted yes on the plebiscite, and not the people who voted no.

As for conscription, we have had a great deal of talk about it, and it has become common to refer to it as a symbol. It is two symbols. To the French-speaking people of Canada it is a symbol of racial domination; to the English-speaking people of Canada or some of them, it is a symbol of total effort. It has become a shibboleth. As I listened to the speech of the leader of the opposition (Mr. Hanson), it seemed to me that he was more concerned with the symbol of conscription as meaning total effort than he was with any other feature of it. He advanced no reasons as to why it should be necessary now; he advanced no suggestion that the voluntary system had broken down; it was in effect the same speech that was given during the plebiscite debate, and nothing was indicated to justify any other action than that which the government is taking.

The government does not want a symbol; it wants to do whatever is necessary to make the utmost effort that the people of Canada can make. The government has said that if that is by a voluntary effort, then it will choose the voluntary method; if it is by means of conscription, then it will choose conscription, and if it is by a combination of both, then it will combine both methods. Thus we are really discussing a means to one end—the achievement of a total and balanced war effort. My view is plain enough; it is that if conscription would advance our war effort, then we should have conscription for overseas service, but if it would not, why take any further step than we have already taken?

The leader of the opposition said that our national honour was involved in our failure to go ahead. But is there dishonour in having half a million volunteers in the armed services of Canada? Is there dishonour in having raised by the voluntary method every man

that has been needed or called for or could be used in any theatre of war or in any service? If there is dishonour in that, then the world is turned upside down. It is a matter of pride to us, not of dishonour, that we have succeeded in doing what we have done, and that the Canadian people and Canadian boys and women have done what they have done without our having had to resort to conscription for overseas service. The leader of the opposition spoke about our standing in the United States being affected by this. Such knowledge as I have of United States opinion shows that our standing is not so much affected by our not having conscription for overseas service as it is by the campaign of detraction carried on in Canada, and by the failure of our government to make the full story of the Canadian war effort plain in the United States. Canada's honour does not rest on this. Canada's honour is in safe hands. It is in the hands of the half a million men in our armed forces; it is in the hands of the boys who are flying nightly over Germany, of whom—I am glad to say—we hear increasingly good stories of grand heroism.

One further word on this question of the honour of Canada. I draw it to the attention of hon. members that if this bill were not to pass it would still leave Canada with respect to conscription for overseas service in the same position as Australia, and no one has any doubt about the honour of that country, our gallant sister commonwealth.

If conscription is asked for as a symbol of total effort; if it is being demanded because of the leader of the opposition's idea of national honour, I say those reasons are not enough. If, on the other hand, Canada fails by even a hairbreadth to discharge her full duty to the united nations, to humanity and to herself, she would be dishonoured unless she took every last means of throwing into the scales every resource she had, no matter what the cost.

The opposition to this comes largely from two sources, two extremes in Canadian opinion. There are those who want conscription, no matter what it costs, immediately; there are those who want conscription never, and there are even some who say that our participation in the war should be limited. These extreme views are the very best possible justification of the policy chosen by the government and now placed by it before this house.

Of equal importance with the questions raised directly in the bill are the questions which are raised in consequence of it—the question of national unity. In that connection I should like to read to the house a passage from a fine speech of the Minister of Finance on February 4, as reported at page 313 of *Hansard*:

> Unity is still possible in Canada if we take ourselves in hand. The other day when the Prime Minister was speaking, appealing for unity, I understand that an hon. member interjected, "What unity?" Well, let no one scoff at unity or dispair of unity. We can maintain unity by the course we are taking. But we would shatter it into a thousand bits if we followed the course advocated by any single faction of extremists in the camps—not the camp—against us. The objective of all of us is a total war effort in the interest of the earliest possible termination of the war.

What he said then is even more true to-day; it has an even greater appeal to the members of this house and to the people of Canada, because the plebiscite showed—and there is no gainsaying the fact—a wide division in Canadian opinion. It is a challenge to Canadians, a challenge from which Canadians and this house are not going to flinch. We are not going to pass it by and we are not going to despair. This is the seventy-fifth anniversary of confederation, and we can meet its challenge if we remember the way in which the fathers of confederation met the even greater difficulties of unity which threatened them at that time. They refused to be daunted. We can take up the challenge. We can take it up in their spirit. But we will need coolness and frankness and a great deal more understanding in order to meet it.

I thought I should, as a Canadian who lives in the province of Quebec, try to make some contribution, however slight, to Canadian understanding on this point. I have lived in the province of Quebec since I was born. My children were born there, in the constituency I represent. My family has been there for four generations, and I have come to know and like its people and to love the province. Because of that, and because of the feeling I have for this country, I feel that I should try in sincerity and frankness to help to bridge this gap in our understanding. The plain fact is that English-speaking Canada has never appreciated what the question of conscription has meant in the minds of French-speaking Canadians, and I do not know that they ever will, without being members of the race. It is partly a question of race, and for that and for what that means I refer hon. members to a passage in "Maria Chapdelaine" which has been read before in this chamber. It is a question of history, of fighting for survival, of the economic difficulties to which the hon. member for Richelieu-Verchères referred yesterday. It is a particular attitude towards their own country, their only country; and it is due to the fact that conscription has been continuously linked in their minds with

the idea of imperialism, of British wars, of fighting for Britain. The two notions of conscription and imperialism are indissolubly linked together, so that when one comes up the other is inevitably raised in their minds. Toronto *Saturday Night* of June 6 had this to say:

> The compelling reason why the English-speaking majority in the Dominion of Canada should hesitate a long time before imposing overseas conscription on the province of Quebec, has been expressed in a dozen words by several French Canadians who have sought to make the position of French Canada intelligible to their fellow countrymen. It is the simple fact that conscription, for a kind of military service which he regards as being capable of being directed more to the defence of the empire than to that of Canada, has become to the French Canadian the "symbol of dominance," the outstanding proof of the intention of the English-speaking majority to exercise their majority power no matter how repugnant the results may be to the minority.

If hon. members have any doubt as to whether that is not a dominant idea, a large factor in this matter, they have only to refer to the speech of the hon. member for Richelieu-Verchères yesterday, when he was referring to his added difficulty of fighting in this war. He said, at page 3278:

> Because I have to reason in my mind why I have to support the British flag and spend my energies for the defence of British rule in this conflict, or perhaps elsewhere.

On that statement the hon. member for Richelieu-Verchères is a better imperialist than most of the members in this house, because I doubt if many Canadians really think that in this war they are fighting for the support of British rule here or elsewhere. It establishes what I have said. It is a matter of the utmost importance that English-speaking Canadians should remember this and should try to understand it—I will not say to make allowances, because that is not the thing that one race should do towards another in a country like Canada.

To my French-speaking friends may I say this. From my knowledge of English-speaking Canada, nothing could be farther from the truth than that the idea of conscription is involved in the notion of dominance. As Toronto *Saturday Night* says further:

> The trouble is that the great majority of English-speaking Canadians are not conscious of exercising this "dominance" and do not understand why the minority should regard it as such. They are convinced in their own minds that what they are advocating is in the best interests of Canada.

To my French-speaking friends I would add this to what I have just read. English-speaking Canadians feel that we are fighting for our survival, we feel that the fight can be best carried on the farthest away from our shores, and that in order to defend Canada we have to defeat the enemy wherever he is. And we feel that any means are justified to that end. But there is no notion of racial dominance or anything of the kind in the English-speaking attitude.

Now, what can we do about these two views? I suggest first that we English-speaking Canadians should admit frankly that some of the blame is due to us. It would be a good thing if for a few days we all adopted the practice of blaming ourselves rather than blaming anyone else for any situation that has developed in the past. Some English-speaking Canadians, the extreme imperialist element, have said, "This is a British war, and because it is a British war therefore Canada must go into the war." But what did that mean to the other extremists in French Canada? They said, "Because it is a British war, therefore it is an imperialist war and therefore we should not go into it." The statement that we were fighting for Britain prevented French Canada from seeing that we were fighting for the survival of Canada. Every time a newspaper or speaker referred to fighting for Britain it was used in the province of Quebec by the extremist press as justification for their assertion that because we were fighting for Britain, therefore it was an imperialist war in which we should take a limited part.

This attitude of the extreme British element to which I have referred, and which we call "imperialist," shows a colonial mind, and its continuation has had a bad effect on Canadian life. It has closed our eyes to the nature of our country, to its history, to the realization that the majority of Canadians are not Anglo-Saxons, and that to them the only country they can call home—as well as to all true Canadians—is Canada. It led to opposition to the idea of our separate entry into the war. These people did not realize that it was far more dramatic that we an independent nation, as a result of the free deliberation of our parliament and government, should go into the war on the side of Britain, which enabled the British to say with genuine emotion, when they saw our troops arriving, "they did not need to come." Those who held a colonial attitude were opposed to the whole idea of the constitutional development of Canada, forgetting that "freedom is the life-blood of British institutions." Its emphasis on aid to Britain prevented us from appreciating early enough the fact that this was a universal war, a world war, in which wherever there was fighting, there our battle front lay. The danger to Canada, the importance of the magnificent efforts being put up by China and Russia, were concealed by the survival of this idea. The importance of the

Pacific, the fact that we had two fronts, was concealed by this idea. It concentrated attention too exclusively on the war in Britain. It concealed from us the fact that we needed universal means to make universal war. We thought too much in terms of man-power and an expeditionary force, as in the last war, and not enough in terms of industrial power, trained pilots, tanks, ships, convoys and sailors. Why, it affected our own war effort. The survival of this idea led us to take the view that we were acting as agents only to take and fill orders when we got them from Britain. We kept to British specifications and British standards far longer than we should have done. Hon. members will remember the passage I quoted from the speech of Lord Tweedsmuir in 1938, that this idea was a real disservice not only to Canada but to the commonwealth.

I call attention to the fact that the hon. member for Richelieu-Verchères in the passage to which I referred said, "because I have to reason in my mind why I have to support the British flag". A Canadian has to reason in his mind why he has to support the British flag! I venture that this is true to say of a very large number of Canadians, because it is not the Canadian flag. Canada is alone among the British dominions, alone among the countries of the world, in not having a flag of her own.

Mr. MacNICOL: Newfoundland has the same design of flag.

Mr. CLAXTON: I do not suggest that we should not have the union jack in our flag, but we should have a flag to which the emotional attachment of Canadians of all races can be drawn, which will mean something to Canadians as Canadians alone.

I suggest that some of us English-speaking Canadians have, by our attitude, helped to bring about this extreme nationalist feeling on the part of some extremists in the province of Quebec. Both groups of extremists are basically colonial-minded; both of them charge each other with disloyalty; the clashing knives of their bitterness sharpen each other; both are wrong; both threaten national unity and interfere with the war effort; both undermine Canada's faith in herself and prevent her from taking the full responsibilities of nationhood. Before the war these extremists helped to promote the habit of compromise, they prevented the growth of sturdy self-reliance as a nation, the self-reliance which Canadians as individuals have. They helped to prevent our having a conception of Canada and its role in the war which would be the keystone in our thinking about the war from end to end of Canada and would be the core of all our publicity and educational efforts on the war. I referred to the feeling in Quebec about the war and the failure to realize that this is a war for the defence of Canada. We have some part of the blame for that, because we failed to bring home to the citizens of Quebec the true nature of the war. We failed to meet the propaganda that was poured in and poured out. I suggest now that here is one thing which hon. members in all parts of the house, no matter what their vote on this question is, can do together; that is to work together to develop a common idea of our country which will have an equal appeal to all Canadians of every race.

There is no chance for Canada in the long run if we have two conflicting, competing, ideas of our country. Either the stronger will prevail and the minority will feel that it is being dominated, or the weaker will prevail and the stronger will feel that the weaker is being appeased or that concessions are being made to it. Or else we shall have a weak compromise, paralyzing and stultifying national policy, preventing any sense of common purpose and the realization of a common goal. We must have a common idea of Canada, an idea big enough for all to accept. To my English-speaking friends I say we must realize that Canada is a country of two races; to my French-speaking friends I say they must realize that though two races it is still one country. We both should see the difficulties and work together without thought or fear of domination or assimilation.

I should like to grasp the hand of cooperation offered last night in the eloquent speech of the hon. member for Matapedia-Matane (Mr. Lapointe). Although he did not take the view of this issue that I take, every word he said was spoken as a Canadian; every word was an eloquent appeal to Canadians of all races to work together, no matter what the result of this issue is; and that appeal will, I believe, be echoed and reechoed not only through this house but throughout the country.

What should be our common idea and common goal? We are fighting for our lives, for our country, the grandest country on the face of the earth; we are fighting for the only kind of world in which a nation like Canada can survive, a world in which the peace is kept by some kind of collective action; there is no other way to keep it. Victory is worth any price, any sacrifice that may be necessary. And I think we should be fighting to make a country where no one able and willing to work

will suffer the degrading agony of unemployment; where lack of money will not prevent any mother from having a child or prevent any child from having the education for which he is fitted; where the first charge on the national wealth will be the care of the young, the care of the aged, the care of the sick; where the motto "prevention is better than cure" will be a programme of action, not merely a pious platitude; where problems and difficulties will be faced and not shelved; where, in addition to the constitutional rights of French-speaking Canadians, there will be equal treatment for people of all origins and all races; and where people will have a real sense of participation in the life of the nation and of membership in a world society in which Canada shall play its full part.

Who disagrees with this? Who disagrees with any part of it? Who doubts that it would be easier to keep in step if we felt that we were on the way to such a goal? People may say, "Win the war first." The answer is no, because such a programme does not interfere in any way with the winning of the war, but helps us to fight better. We must put our minds and hearts into the job, our soul's desire, of making Canada the country we know it can become.

In this seventy-fifth anniversary of confederation I commend to hon. members the speeches of the fathers of confederation. See what faith they had in the future of the nation they knew they were setting up. Sir John Macdonald said:

> If we wish to form—using the expression which was sneered at the other evening—a great nationality, commanding the respect of the world, able to hold our own against all opponents, and to defend those institutions we prize: if we wish to have one system of government . . .

We must have union. Cartier, who I am proud to say represented part of the constituency which I myself have the honour to represent, said:

> Objection had been taken to the scheme now under consideration because of the words "new nationality". Now, when we were united together, if union were attained, we would form a political nationality with which neither the national origin nor the religion of any individual would interfere.

The name "Kingdom of Canada" was dropped only because it would "wound the sensibilities of the Yankees".

To bring to the service of the nation in peace and war the best of individual and combined effort should be our purpose. We should not lose the peace and harmony that we are fighting to gain. Whatever the result of this vote; whether or not the government extends compulsory service to overseas, we shall make our utmost effort; we shall go forward united to victory and to peace. Our sole ambition, our only hope, our supreme ideal is to assure peace to the world and plain common sense in Canada. By the manner of our discussion and conduct during and after this debate we can reassert to the world at large the superiority of a freely organized and liberty-inspired people.

Mr. E. E. PERLEY (Qu'Appelle): Mr. Speaker, the hon. member who has just concluded his address (Mr. Claxton) I think was the first on the government side to support his leader in the policy announced on Wednesday last. The hon. gentleman made an appeal to his compatriots in the province of Quebec, and tried to answer in part the great speech delivered here yesterday by the hon. member for Richelieu-Vercheres (Mr. Cardin). I am not mixing in any of the controversies of eastern Canada, but I do agree with one statement made by the last speaker; that is, that the people of Canada as a whole believe victory is worth any price and any sacrifice. That, I thought, was a noble expression of what I believe is in the mind of the whole Canadian people.

I had not intended to take very much time to-day, in fact I shall take only a very few minutes. I should have preferred to wait until the committee stage was reached, when I might have had some suggestions to offer or some remarks to make, but since I will not be here during part of next week, and it may be that this debate will be speeded up and concluded by then, I wish briefly to set out my position and indicate what I would do if I were here when the vote was taken.

To put it very briefly I may say that my position was expressed by the leader of the opposition (Mr. Hanson) in the words with which he concluded his address earlier this week after dealing pretty thoroughly with the whole situation since 1940. At page 3252 of *Hansard* he said:

> I shall vote for the second reading of this bill; but I shall insist that there be incorporated in the bill—

That is, in the committee stage.

> —the necessary mandatory provisions to place at once at the disposal of the state, without limitation and upon terms to be decided by parliament and not by the cabinet, the full resources of the nation in man-power, wealth and materials.

I trust that when this bill is considered in committee those on the opposition side will emphasize the necessity of parliament being given a definite statement by the Prime Minister (Mr. Mackenzie King) as to what he proposes to do if the time comes when he

thinks conscription is necessary; how he proposes to bring it about and enforce it. It seems to me that this may easily develop into one of the most important debates we have ever had in this parliament. We are dealing with vital questions, and certainly this is a critical time in the history of Canada. There is hardly any precedent for what we are doing to-day. In his speech delivered yesterday I think the hon. member for Richelieu-Verchères made a reply to the Prime Minister. He reviewed the record since the election of 1940; having been a member of the inner circle until very recently, he knew what he was talking about. His was a great effort, and I considered it a privilege to be here and listen to it. The hon. member dealt with the passing of the mobilization act and recalled how quickly it had gone through this house. He emphasized the fact that the Prime Minister could call parliament together at very short notice, if at any time he wanted to give parliament a chance to debate the question of conscription. His remarks were directed particularly to the Prime Minister, and he went on to point out the right hon. gentleman's inconsistencies during the past two and a half years.

We have had the mobilization act, under which men have been called up first for one month's training, then for four months' training and then for the duration of the war. Now we have this bill, to amend the mobilization act. In the meantime we have had what might be called two national registrations, the first in 1940 and the latest one last month, of all unemployed between the ages of sixteen and seventy. On previous occasions I have suggested that it was unfortunate that the government did not make use of the information gained in the 1940 registration. Had that been done, all Canada's forces could have been mobilized and there would have been no exodus from the farms such as we have seen during the last two years.

In his speech on Wednesday last I do not think the Prime Minister did himself justice. We expected a lengthy speech, but I think it was a disappointment to the people of Canada. I believe this parliament and the people generally expected something very definite from the Prime Minister. The public, having released him from what he termed his moral obligation through the plebiscite vote, expected something definite when he undertook to amend the mobilization act. I think they expected some form of conscription, in order that the Canadian people might put forth an all-out war effort; but in his speech he defied public opinion and this parliament. If conscription is to be imposed within the next six months, will parliament have an opportunity to discuss the matter? The Prime Minister made it definite that if we have anything to say about conscription, now is the time to say it. He did not propose to give us another opportunity, even though it might be necessary six months or a year hence to put conscription into force, of discussing this matter. We were told to discuss it now or, so to speak, forever hold our peace.

Who knows what is in the mind of the Prime Minister if and when he admits that it is necessary to impose conscription? There was nothing in his speech that would indicate what he had in mind. I think the statement of the leader of the opposition was a proper one to make. He reviewed the situation as it had developed from 1940 and referred to the different debates and speeches that had been made by the Prime Minister, members of the cabinet and others. He covered the ground very well. When he suggested that we should have had something definite, I think he was taking the right stand.

The hon. member for Richelieu-Verchères said yesterday that the plebiscite ballot should have contained a definite question as to whether or not the voter was in favour of conscription. I shall not deal with that now. When the plebiscite bill was before the house I referred to the question on the ballot. When the bill passed I considered it to be the duty of all of us to endeavour to get a "yes" vote. In February last, before the plebiscite bill came before the house, I took the stand that there was no need of a plebiscite vote. On February 3 I referred to the fact that the government had a huge majority and I commented upon the questions that had been raised during the campaign. At that time I said, as reported on page 262 of *Hansard*:

> We believe, and I think the majority of the Canadian people believe, that this is no time for a plebiscite, in view of the crisis facing Canada and the world. It would have been more courageous for the government to bring in a resolution for the complete mobilization of all our resources in finance, industry and man-power, and I venture to say that such a resolution would have the almost unanimous support of this house and of the people of this country.
>
> I wonder what our soldiers overseas think about this plebiscite.

Further on in the debate I suggested that we as representatives of the people knew pretty well what was in their minds and what they had been thinking during the two years since the election. I contended that a vote of this house would have been a better criterion of the feeling of the people than a

plebiscite vote. However, once the bill passed I went out and endeavoured to get the largest possible "yes" vote.

I am proud to say that in Saskatchewan the vote was almost five to one "yes". In my constituency of Qu'Appelle it was practically a six to one "yes" vote. No matter what the Prime Minister said last Wednesday as to what this vote meant, I say that at least 90 per cent of those people who made that vote a six to one "yes" vote thought they were really voting for conscription. What did the legion which took part in the campaign expect? What did the men on active service expect? When I was endeavouring to get the people in my province to vote "yes" I quoted from a broadcast made by the Prime Minister on April 7, and I should like to quote from that broadcast again. After pointing out the dangerous situation that existed in Canada, both east and west, and in Europe, the Prime Minister said:

> We cannot defend our country and save our homes and families by waiting at home for the enemy to attack us. Every country that has stood behind its own defences in this war has sooner or later been attacked. To remain on the defensive is the surest way to bring the war to Canada.

And again:

> We must go out to meet the enemy before he reaches our shores.

I should like to ask the Prime Minister what he meant when in appealing for a "yes" vote he said that we cannot save Canada by staying at home. Was that not practically saying to the people, "If you release me from this moral obligation, in order to save Canada we will send soldiers to any theatre of war and will meet the enemy before he reaches our shores"? That was the logical conclusion for the people of Canada to arrive at. They released the Prime Minister from his pledge. I recall on one occasion I put it that the people of Canada were exchanging pledges with the Prime Minister. They released the Prime Minister from his moral pledge, but they expected that he would follow up what he said in that broadcast.

We appreciated the fact that the government had information which the public could not have, but we expected that the facts would be laid before parliament so that parliament might decide the case on its merits. I have quoted the words he used. Surely the people of Canada had a right to expect something more definite. They expected that this question would be brought before parliament so that we would be given a chance to discuss it. I believe when the people of Canada released the Prime Minister from his pledge they were willing to pledge themselves to assist the government in making Canada's war effort more effective and if necessary to suffer greater sacrifices. The people wanted an opportunity to demonstrate their national resolution and determination to win this war in Canada's darkest hour, no matter what sacrifice might be needed.

During the campaign the people were told of the difficulties and the dangers that Canada was facing. It was really an education for the people of Canada. The Prime Minister, the Leader of the Opposition, members of the government and nearly all the members of the House of Commons endeavoured to tell the people the true situation with respect to the war. The people learned a great deal about Canada's war effort. I quoted from the many pamphlets and other information that had been put out in this connection, and I know the people appreciated it. On one occasion I had the privilege of having the hon. member for Regina City (Mr. McNiven) with me in the town of Indian Head, and the information he gave to the people in that crowded hall was worth while. I complimented the hon. member highly for giving them that information, which they were entitled to receive at first hand from an authoritative source. It did much to bring about the almost solid "yes" vote in that town of almost 2,000 people.

The hon. member for Weyburn (Mr. Douglas) last night dealt with an important point, namely, that this amendment will give power to the military authorities to bring military service for overseas into force at almost any time. Naturally the military authorities will first confer with the Department of National Defence, the Department of National War Services, and the government, who I have no doubt will act upon the advice thus received from the military authorities.

It has been said that parliament will not have the opportunity of discussing the form of conscription that will be brought in. It is true that there is no act of parliament now for conscription overseas, and there is no indication that we shall have an opportunity of discussing such a measure. But I do want to say, with other speakers, that Canada's contribution in the production of food and the necessary munitions of war, tanks, aeroplanes, guns and ships, must not be allowed to suffer. We must have complete mobilization and organization of our resources so that there shall be no lessening of the production of food and the munitions of war.

I referred a few minutes ago to the figures that were the result of the national registration which was taken about two years ago.

I think those figures should have been made use of earlier. Had that been done, we should not have had to wait until March 23 of this year for the freezing of employment on the farm. That step came too late; we should have had it a year ago.

We have had ceilings established on wages; we have had price ceilings; we have had a cost of living bonus, but so far no fair price has been arrived at for the products of agriculture comparable to the prices received for the products of industry. I should like to elaborate on that, but I shall not take the time to-day because we are now awaiting the arrival of the deputy of His Excellency the Governor General.

But I do not want to conclude before saying that the Prime Minister should have been more definite, and I trust when this bill gets into the committee stage the Prime Minister will give the committee the government's definite proposals for carrying out conscription for overseas service if and when they deem that necessary—and that remains for the government to decide. But the first consideration should be the mobilization of agriculture and industry. We must organize the man-power resources of this dominion so far as production is concerned.

The crop reports from Saskatchewan are encouraging. Just before coming into the house I received word that we have had three inches of rain in the southeastern half of Saskatchewan within the last forty-eight hours. The crops are coming along well and if everything continues favourable the problem of harvest help will be a serious one for Saskatchewan. I trust the Minister of Agriculture (Mr. Gardiner) will give his earnest attention to that.

It is my view that the whole man-power and woman-power of this dominion should be mobilized, and all our resources, and our capital, if you like, to the end that we shall win this war. Let me recall the words of a great statesman: Let us not think that this war cannot be lost, but on the other hand let us think that this war must be won, and then as Mr. Winston Churchill said, victory will crown our efforts.

If I should not be in the house when this bill is passing through the committee stage I trust that members of the opposition will see to it that the Prime Minister gives to the house definite proposals as to how conscription for overseas service is to be enforced, when the government deems that to be necessary.

[Mr. Perley.]

Mr. LUCIEN DUBOIS (Nicolet-Yamaska) (Translation): Mr. Chairman, I also believe it my duty to protest against the measure now being considered by the house, authorizing the striking out of section 3 of the National Resources Mobilization Act, 1940.

In doing so, I have no personal interests to further, nor can I be charged with discussing this measure from a narrow political point of view, with an eye on re-election to this house. On the contrary, I wish to assume my responsibilities as I see them, and to make sure that my stand on this issue will be as logical as I believe it to have been in the past.

For the information of that section of public opinion which I have the honour to represent here, may I be permitted to quote an interview published in *Le Devoir*, of Montreal, in Feb. 9, 1937. I quote this article not because I wish to boast or to appear as a prophet, but because I believe it useful to explain my present stand. The interview ran as follows:

(*Le Devoir*, Feb. 9, 1937.)

The reporter: We met Mr. Dubois as he was leaving the office of the Clerk of the House, Mr. Arthur Beauchesne:—

Q. What do you think of the military appropriations?

A. I believe the old formula remains true. Our armament policy will be Canadian as long as peace endures, and British in time of war.

Q. Do they represent, to your mind, the introduction of a new military policy?

A. Beyond doubt.

Q. Do you see in these military appropriations a repetition of what occurred in the past, notably in 1910 and 1911?

A. Absolutely.

Q. Do you intend to oppose their passing?

A. Yes, absolutely, even though I were the only one to do so. But I shall not be the only one.

Q. You seem to be absolutely sure of the appropriateness of both your views and your acts, would it be because you foresee grave dangers for your country in the present military policy?

A. I yield, states Mr. Dubois, to a deep instinct which commands me not to support these military appropriations. Besides, we may recall past experiences. I fear we may repeat the mistakes of former years.

This interview is five years old.

As you see, from the very beginning, I felt, through some kind of intuition, the depth of the abyss in which the circumstances then obtaining would inevitably lead us.

In 1937, 1938 and 1939, I oppposed the increase in military appropriations, not because I was averse to incurring the defence of Canada, far from it; but because I feared the dire consequences which confront us to-day and which are menacing our national unity, if it still exist in our country.

Then came the 1940 election, when I was returned to office simply because I had faithfully interpreted the opinions of my constituents. I shall not relate in all its details the struggle I had to wage against those who did not share my views.

During this campaign, all the members of the present parliament pledged themselves to oppose conscription for overseas service. However, after its entry into the European conflict, on September 10, 1939, our government supported our war effort to the limit of our financial resources.

On June 21, 1940, the house passed the National Resources Mobilization Act, for the defence of Canada and of Canada only. I then supported that act which, for once, clearly stated our true military obligations. No Canadian worthy of that name could oppose the mobilization of our national resources for the sole defence of our country.

Step by step and from one concession to another we have now reached the brink of the abyss that was foreseen in 1937, because, whether we like it or not, this measure undoubtedly incorporates into our statute books the principle of conscription for overseas service. I am not the only one to entertain that belief, as evidenced by an excerpt I shall quote from the Winnipeg *Free Press* of June 1, 1942. Referring to the debate on this bill, that paper made the following statement:

> Once that debate is closed and the bill is passed, conscription shall have been definitely settled, the time when it should be applied remaining, of course, to be determined in the light of the requirements of the general military situation.

Such an opinion should be pondered, considering the source from which the *Free Press* obtains its information.

Under the pretext that our sacrosanct national unity is at stake, it will be asserted, to-morrow as to-day, that we are waging Canada's war for Canada, for the defence of all the liberties and all the rights of the Canadian people. In the light of recent happenings, that argument has an ironic angle. I wonder if there is really such a thing as a Canadian people. Can any one conceive a people without a flag, without a national anthem, and without any true understanding among its various elements? A Canada without a truly Canadian policy on all matters is not the kind of country which our forefathers had visualized.

Is it fitting that, for the maintenance of such a primitive colonialism, Canada should be called upon, every 20 or 25 years, to sacrifice through conscription the lives of her young men on distant theatres of war? My answer is no, not any more to-day than yesterday shall I vote for such a measure.

Were I to be asked to vote for the conscription of wealth in order to help our allies, I would gladly do so, for such would be the best means, as I see it, to put an end to all those wars which throw the world into confusion for the benefit of a few shady financiers.

What need have we of conscripting men when England is asking us for tools?

What need have we of this legislation to intensify our war effort when Mr. Churchill himself states that our effort has been more than splendid?

What need have we of conscription when the voluntary system meets the wishes of the government even beyond their expectations?

Have we so soon forgotten the telling words uttered by one of our most eminent governors, Lord Tweedsmuir, when he said:

> A Canadian's first loyalty is not to the British Commonwealth of Nations but to Canada, and those who deny this are doing, to my mind, a great disservice to the commonwealth.

With this thought I shall conclude. Whenever this legislation is adopted it shall be put into effect by order in council. Parliament shall have nothing further to do, nothing to say in the matter. Mr. King shall be at the mercy of the conscriptionist members of his government.

I entreat each and every one of my hon. colleagues in this house to join, while there is still time, in rescuing our leader from this evil predicament by a concerted vote against the present bill.

On motion of Mr. Gardiner the debate was adjourned.

THE ROYAL ASSENT

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:

> Mr. Speaker, His Honour, the deputy of His Excellency the Governor General, desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, the house went up to the Senate.

And having returned.

Mr. SPEAKER informed the house that the deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

> An act to amend the Canada Evidence Act.
>
> An act to authorize the raising, by way of loan, of certain sums of money for the public service.

An act for granting to his majesty aid for national defence and security.

An act for granting to his majesty certain sums of money for the public service of the financial year ending the 31st March, 1943.

On motion of Mr. Ilsley the house adjourned at 5.46 p.m.

Monday, June 15, 1942

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WARTIME HOUSING—ST. CATHARINES AND MERRITTON PROJECTS

Mr. CASTLEDEN:

1. What was the cost to Wartime Housing Limited of providing water and sewage to the building projects in St. Catharines and Merritton districts?

2. How many wartime houses are served by these extensions?

3. What arrangements have been made with the civic authorities concerning the paying for these extensions?

Mr. HOWE:

1. St. Catharines project numbers (1) and (2) and Merritton project number (1), $67,549.61.

2. St. Catharines and Merritton, 325 houses.

3. These extensions were undertaken by Wartime Housing Limited, direct, with the exception that the town of Merritton installed the necessary water mains and house water connections on the Merritton project, their costs for which were submitted to and paid by Wartime Housing Limited.

WHEAT ACREAGE REDUCTION BONUS

Mr. PERLEY:

1. How many bonuses under the wheat acreage reduction plan for the year 1941 in the province of Saskatchewan are outstanding?

2. How many prairie farm income bonuses are still outstanding in the said province for the same year?

3. How many applications approved of under the Prairie Farm Assistance Act for the year 1941 in the province of Saskatchewan, have not been finally settled?

Mr. GARDINER:

1. 1,084 as at June 11, 1942.

2. 1,224 as at June 11, 1942.

3. 2,173 as at June 11, 1942.

[Mr. Speaker.]

CONSTRUCTION OF HUTS OR HOUSES IN REGINA

Mr. DIEFENBAKER:

1. How many huts or houses is the government building in the city of Regina; who is the contractor and what is the price for each hut or house?

2. Are the building contractors furnishing heating and plumbing? If not, who is?

3. What is the cost for, (a) heating, (b) plumbing, for each of said huts or houses?

4. Were tenders called for, (a) building, (b) heating, (c) plumbing?

5. If so, how many tenders were submitted and what was the amount of each?

6. If tenders were not called for, was any company or person invited to submit tenders?

7. If tenders were called for, in what newspapers were the advertisements inserted?

Mr. HOWE:

1. The Shoquist Construction Company of Saskatchewan is performing a contract for the government, awarded January 9, 1942, known as the construction of works and buildings for amalgamation of No. 12A district subdepot with No. 12 district depot. The price as quoted for each house or hut is as follows:

1	quarters and mess, 30 officers..	$ 24,300
1	quarters and W.O.'s and N.C.O.'s	16,611
6	quarters and other ranks.....	98,712*
1	mess, W.O.'s and N.C.O.'s.....	11,359
1	mess for other ranks.....	16,105
1	Q.M. stores and reg't. shops....	6,048
1	company officers and H.Q.....	9,413
12	Total.....	$182,581

* (each $16,452.)

The above prices are for buildings only and are exclusive of excavation, grading and sewers, etc.

Since the above contract was awarded, two buildings have been added to the project, the work to be done by the same contractor, as follows:

Dry canteen and lecture room, $8,496; guard house and four cells, $4,200.

2. Yes.

3. It is impossible to ascertain from the general contractor's tender the cost of the heating and plumbing as this cost is included in the price quoted for each building.

4. No. Tenders were called for the general building construction, heating and plumbing inclusive.

5. The tenders submitted and the amounts were as follows:

	Without kitchen equip.	With kitchen equip.
Shoquist Construction Co.	$191,088	$193,829
Bird Construction Co.....	192,230	No quotation
Poole Construction Co.	195,500	No quotation
Smith Bros. & Wilson Ltd..	196,967	No quotation
Waterman-Waterbury Mfg. Co.....	200,130	204,061

6. Tenders were invited from the following firms:

Shoquist Construction Co., Saskatoon, Sask.

C. M. Miners Construction Co., Saskatoon, Sask.

P. W. Graham & Sons, Moose Jaw, Sask.

Carter-Halls-Aldinger Ltd., Regina, Sask.

Bird Construction Co., Regina, Sask.

Smith Bros. & Wilson Ltd., Regina, Sask.

Poole Construction Co., Regina, Sask.

Waterman-Waterbury Mfg. Co., Regina, Sask.

7. Advertisement in newspapers was not made. Invitations to tender were sent out to all those firms in the vicinity known to be in a position to handle a project of this size. Eight invitations to tender were sent out and five tenders were received.

WARTIME HOUSING—PURCHASES OF MATERIAL

Mr. CARDIFF:

1. Are contractors working on contracts for Wartime Housing Limited restricted to making purchases of material from certain companies only?

2. If so, what are the names of the companies?

3. Why are these companies the only ones from whom the contractor may purchase materials?

4. Is this creating a restraint of trade and a breach of the combines act?

Mr. CARDIFF: Mr. Speaker, I would like to have this question withdrawn for redrafting.

Question dropped.

MERCHANT MARINE—ASSISTANCE IN INSTALLING MACHINERY FOR BOAT REPAIRS

Mr. MacLEAN (Cape Breton North-Victoria):

1. Has the government in anywise assisted the Sydney Foundry and Machine Company in placing new machinery in their plant?

2. If so, who pays for this machinery?

3. Is the firm of Musgrave and Company Limited, North Sydney, being given any work in the repair of government boats or boats of the merchant marine?

4. Has the firm of Musgrave and Company Limited been given any assistance in the purchase of new machinery for their plant?

Mr. HOWE:

1. No.

2. Answered by 1.

3. Musgrave and Company Limited, North Sydney were given several repair jobs on cargo boats during 1941 and it is probable that the services of this contractor will be similarly used during 1942.

4. No.

CAPE BRETON COAL MINING INDUSTRY—MULGRAVE YARDAGE FACILITIES

Mr. McGARRY:

Has the Minister of Munitions and Supply given any consideration to the advisability of extending the yardage area at the port of Mulgrave, to remedy the transportation problem in the conveyance of coal from the Cape Breton mines?

Mr. HOWE: The hon. member's question was referred to the management of Canadian National Railways, who have replied as follows:—

Traffic capacity of railway route via strait of Canso is not determined by yardage capacity at Mulgrave which is ample for current purposes. It is not proposed therefore to enlarge yard facilities at port of Mulgrave.

WAGE RATES UNDER WAR CONTRACTS

Mr. LECLERC:

What is the rate of wages in the following plants on government war contracts, (a) Canada Car Company, Montreal and Hamilton, (b) Small Arms Limited, Toronto, (c) maritime yards at Sorel, Lauzon and Vancouver, (d) munitions industries at Valleyfield (Bouchard & Cherrier)?

Mr. MITCHELL: Whilst the government has knowledge of the schedules of wages being paid to workers in plants where war orders are being executed, complete wage lists from all industrial centres mentioned are not available in the department. The schedules above referred to are often established by agreement between employers and employees. Where no such agreements exist, the following labour condition with respect to wages is attached to each government contract:

All workmen, labourers or other persons who perform labour in or upon the work to be performed by the contractor shall be paid such wages as are generally accepted as current from time to time during the continuance of the contract for competent workmen in the district

in which the work is being performed for the character or class of work in which they are respectively engaged, and if there be no current rate in such district, then a fair and reasonable rate.

To furnish the wage rates prevailing in all the plants mentioned would entail an enormous amount of work, as the number of labour classifications in each plant varies from 50 to 200. This would require extra staff for a considerable length of time, or the diversion of present staff from current war duties, and it is therefore considered not in the public interest to reply in detail to this question.

ICE CREAM RATIONING

Mr. LECLERC:

Has the government rationed the quantities of ice cream which may be manufactured quarterly during 1942?

Mr. GARDINER: No, but the dairy products board has by order restricted the volume of sales of ice cream to civilian accounts during any one quarter in 1942 to those of the corresponding quarter in 1941. Volume of sales of ice cream to military establishments, certain charitable organizations operated or managed within the limits of military establishments, Red Cross and military or civilian hospitals are exempt from the provisions of the order.

WARTIME HOUSING LIMITED—ENGINEERS AND ARCHITECTS ENGAGED IN HAMILTON

Mr. NICHOLSON:

1. What firms of engineers and architects have been engaged by Wartime Housing Limited for the building of houses in Hamilton, Ontario?

2. On what basis have they been paid?

3. How much have they been paid for each housing unit?

Mr. HOWE:

1. Hutton & Souter, Hamilton, Ont. Prack & Prack, Hamilton, Ont.

2. The basis is 1 per cent of the cost of the houses.

3. Between $17.21 and $27.59 depending upon the size and type of house constructed.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WARTIME HOUSING—PREFABRICATED HOUSES IN NOVA SCOTIA

Mr. BLACK (Cumberland):

1. Has the government authorized Wartime Housing Limited to build prefabricated houses in or near New Glasgow, Nova Scotia, and in or near Pictou?

[Mr. Mitchell.]

2. If so, when was such authorization issued and for how many houses and how many staff houses or other buildings?

3. Were tenders called or prices asked for?

4. If so, what firms or persons submitted prices, stating the amount in each instance?

5. Have tenders been let or contracts entered into? If so, state names and amounts with unit costs and total costs?

6. What offers of land were originally submitted, stating the quantity and prices asked?

7. What land has been acquired, stating quantity, owners and prices?

8. Were tenders called in 1942 for construction of streets, water and sewer works?

9. If so, who submitted tenders or prices stating the amount in each instance, and what is the total estimated cost?

10. Who has been awarded the contract for building such streets, water and sewer works, stating the unit and total estimated costs?

11. Who has been engaged to search titles and survey and lay off the site and what payments have been made or arranged for?

12. When must such buildings be removed and total estimated costs?

Mr. HOWE: Return tabled.

MILITARY SERVICE—FARM LEAVE—BENOIT TELLIER

Mr. FERLAND:

1. Did Benoit Tellier, enlisted No. D-606356, in March, 1942, request farm leave from his C.O. at Three Rivers, Quebec, his request being signed and sworn to by himself and his father, Eugene Tellier, farmer of St. Elizabeth?

2. Has this application for leave been forwarded to military headquarters in Montreal in accordance with the requirements of military law?

3. What is the final decision upon this application?

Mr. RALSTON: Return tabled.

MILITARY UNIFORMS AND WOOLLEN BLANKETS

Mr. GAUTHIER:

1. Has Canada imported any cloth for men's overcoats and greatcoats from the British isles since 1939?

2. If so, (a) how many yards, in each of the years 1939, 1940 and 1941; (b) what total sum in Canadian currency do these importations represent?

3. Has the government, since 1939, given military uniforms to England or any other of the united nations?

4. If so, (a) how many to each; (b) how many to each in the years 1939, 1940 and 1941?

5. Has the Canadian government given wool blankets to England and to any of the united nations?

6. If so, how many and to what value?

7. Has Canada exported military uniforms or cloth for military uniforms to England or to any of the united nations since 1939? If so, to what country or countries?

8. Has Canada exported wool blankets to England or any of the united nations? If so, what quantity to each country and for what amount?

CANADIAN ARMY—DOCTOR LEBBITTER

Mr. FRASER (Peterborough West):

1. Was Dr. Lebbitter commissioned to the rank of Lieutenant-Colonel?
2. What are his qualifications?
3. What was his former rank in the army and former experience?
4. What are his duties?
5. On whose authority was he commissioned?
6. On whose request?

Mr. RALSTON: Return tabled.

MOTION FOR PAPERS

BRITISH COLUMBIA SECURITY COMMISSION

Mr. McGREGOR:

For a return showing the names of all the persons on the staff of the British Columbia security commission and their respective duties and the salary paid to each one of such persons.

COAL

CAPE BRETON MINING FIELDS—TRANSPORTATION BY WATER TO CENTRAL CANADA

On the orders of the day:

Mr. M. E. McGARRY (Inverness-Richmond): I desire to direct to the acting Minister of Transport a question of urgent national importance. Can the minister give information with regard to any considered plan by the Canadian National Railways to transport coal by water carriers and rail to the central Canadian markets and thus adequately to supply these markets and stabilize production in the Cape Breton mining fields?

Mr. SPEAKER: Order. This is a question which should be placed on the order paper.

RECRUITING

REMARKS LIABLE TO PREJUDICE VOLUNTARY ENLISTMENTS

On the orders of the day:

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, I wish to direct a question to the Minister of Justice (Mr. St. Laurent). Has he any knowledge of the following excerpt from an address given in a public meeting:

Enlistment figures in Quebec do not represent the true situation because the clergy has been so opposed to enlistment that it has been necessary to bring in soldiers from elsewhere.

Since remarks of this nature are liable to prejudice recruiting and cause disaffection with respect to his majesty, has the Minister of Justice—

Mr. SPEAKER: Order, order. This is a question which should be placed upon the order paper.

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT OF SERVICE OVERSEAS

The house resumed from Friday, June 12, consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, the question before the house is the second reading of a bill to amend the National Resources Mobilization Act by the deletion of section 3. As is well known by hon. members, section 3 provides the one exception to the powers which were given to the government of Canada under the National Resources Mobilization Act.

I should like to ask in the first instance, in presenting argument in favour of the amendment, why section 3 was placed in the act in 1940, when that measure was brought before this house, and I would answer that question by reading a statement which was made by the Prime Minister (Mr. Mackenzie King) on that occasion, as reported in *Hansard* of June 18, 1940:

The bill is intended to remove any doubt as to the power of the government and the will of parliament that the whole of the material resources of the country should be available whenever they are required to meet the needs of the war. The operation of the measure will be confined to the period of the war.

Recruitment for service overseas will be maintained on a voluntary basis. No difficulty has been experienced and no difficulty is anticipated in raising by the voluntary system all the men required for service outside Canada.

At the same time, Mr. Speaker, in order that some remarks which I am going to make during the time that is allowed me may be fully understood, I should also place on *Hansard* a statement which was then made by the late Minister of Justice, Mr. Lapointe. He was speaking to an amendment which had been moved to the motion then before the house, and he said, as reported at page 877:

I feel perfectly at ease to explain my attitude on this question. Somebody speaks of the pledges given. I invite all my friends to read the observations I made in this house when war was declared; I invite them to read my speech of the preceding session on the subject of Canada's neutrality.

I am sure that every hon. member who was then here will recall that that was one of the finest speeches ever delivered in the Canadian House of Commons.

I then said to my fellow-countrymen that the province, one of whose representatives I have the honour to be, was opposed to compulsory military service overseas, and that we would fight it, and that I would fight it; that if it

were proposed by my government I would resign from that government. That is what I said, and that is what I repeat to-day. But for the defence of my country, for the defence of Canada, no! The defence of the fatherland is the duty of every citizen and it is an obligation for everyone to defend Canada. This bill provides that its powers may not be exercised in so far as the question of compulsion is concerned in connection with service overseas.

I repeat, I read these two quotations to the house to-day in order to place clearly before hon. members and the country the position which was taken by the government two years ago when the National Resources Mobilization Act was submitted to this house.

On Wednesday of last week we had the privilege of listening to a speech from the leader of the government outlining the present position of the government in relation to this matter, a position in which we find ourselves as a result of having made certain declarations to the people of Canada over a period of time, and as a result of having asked the people to release us from the obligations that we had taken upon ourselves by these declarations. It was stated to this house that we had asked the people of Canada to free the government from any restrictions on its actions, and on this occasion I submit we are asking the house to free the government from any restrictions upon its actions in matters having to do with the prosecution of the war. It has been stated in this house, it was stated on Wednesday last, that a "yes" vote on the plebiscite was not a "yes" vote for conscription, and it has been stated in the house and will be repeated during this debate that a "yes" vote on this amendment is not a vote for conscription. This bill is to free the government, to enable it to give consideration to the question whether conscription for overseas service or for any other purpose is necessary for the prosecution of the war.

Having reviewed that matter, may I call attention to this question. What will be the effect of the act as a result of this amendment? Again I read from a speech of the Prime Minister delivered in this house on the occasion when the bill was first introduced. Speaking on June 18, 1940, at page 900 of *Hansard*, the Prime Minister stated:

> I come now to the inquiry as to how we are going to exercise this power. I would say in a word that we shall continue to exercise all the powers we have or may be given, just as we have from the beginning of the war when exceptional powers were first given to us. We are not going to exercise all these powers—put into effect the provisions in their entirety—within the next 24 hours. We need enabling legislation—for that is what it is—to enable the government to meet each situation as it arises in the most effective way it can possibly be met. The need to-morrow may be for one thing in one place; the need the day after may be for something else in another place. We do not know how the situation will develop in the next little while, but we want to be in a position to take the most effective action in the shortest possible time.

I submit that when the amendment is made to the act we shall be in exactly the same position with regard to everything for which the act provides. The Prime Minister has merely stated that he desires to be free to do certain things now, and also free not to do certain things now. He has stated very clearly to the house that he desires to be free to send men outside what has been defined in the original act as the boundaries of Canada into the areas immediately surrounding our coasts; and I am sure that when the news came over the radio this morning with regard to the activities of the Japanese in the Aleutian islands the necessity for such a change in the legislation was recognized at once. I venture to say that there is not a member of this house who would not consider at this time, as being too great a restriction, the provision which is now in the act that no soldier called up under this legislation can be asked to cross the boundaries of the Dominion of Canada. Under any such provision, if the Japanese were able to force their way to the Alaska boundary we would have to stop at the Alaska boundary if our men raised under the act were able to drive them back to that point, and we would not be able to cross the boundary. It will be recognized therefore that some change has to be made in that particular at the present time.

As the Prime Minister stated in this house it does not necessarily mean that we shall be sending troops overseas immediately. I believe he even went so far as to suggest that it may never become necessary to do so. We shall have powers under the legislation as it will be enlarged to do certain things that must be done immediately, and, on the other hand, to give consideration as time passes to the question whether other things should be done. In this regard it was emphasized to the house the other day that it would be inadvisable for this house to have to take action on two different occasions in order to get authority to do these two things, one of which ought to be done immediately, and the other of which may never be required to be done.

Having stated that position with regard to the legislation itself and the attitude of the government towards it, and with regard to the statement made the other day to the house, may I be permitted for a few moments to discuss a question which was raised by the member for Qu'Appelle (Mr. Perley) in his speech a few days ago. On that occasion he

had something to say as to the meaning of the vote in Saskatchewan, and it has been suggested that I had something to do with the campaign which was put on in that province. I was in Saskatchewan most of the period during which the plebiscite was being discussed, and during that time I delivered eight speeches in the province. On one occasion I had on the platform with me the member for Weyburn (Mr. Douglas), who has already spoken in this debate, and the runner-up for the leadership of the Conservative party in the convention of 1938, Mr. M. A. MacPherson. I would suggest that all three of us made practically the same appeal to the people of Moose Jaw. I have before me the appeal which I made in the presence of those two gentlemen at a dinner in the evening, and also the appeal which I made over the radio later, and which was made on each occasion that I spoke to the people of the province. Before reading it, however, I would remind hon. members of what I said in this house on February 10 last, as reported at page 480 of *Hansard*. I said:

> I shall never say that under no circumstance will I support conscription, but I will say that until such time as I am convinced that we can get in Canada a more effective force under conscription than under voluntary enlistment for overseas service, I am against conscription. So far as I am concerned, a vote of "yes" on the plebiscite will leave me free to make my decision, as a member of this government, with all the facts before me, when the time comes to make that decision. I am not called upon at this moment, neither is anyone else in the house, nor anybody else in Canada, to make a decision on conscription at a time when the best authority in Canada states that at the moment it is not necessary.

Speaking on the plebiscite in the province of Saskatchewan on each occasion I made this appeal:

> Those who value democracy will, I am sure, agree that nothing should be preserved which can be made an instrument to divide our people. The pledge given by every political party excepting Social Credit, in the last election not to resort to conscription for overseas service is tending to raise issues which tend to divide our people. We are therefore asking the people to release us one and all from any pledge given. We are not asking you to vote for conscription, nor are we asking you to vote against it; we are merely asking you to say—Do not let any past commitment to me interfere with your judgment in deciding what ought to be done under the circumstances which threaten our country. Up to date the government would not have brought in conscription even had it never been mentioned in the last election. But let no one say after April 27 next that the government was bound by our votes and therefore could not have brought in conscription for overseas service even had it desired to do so. Vote "yes".

I think that makes perfectly plain the issue which was before the people of Saskatchewan, and I do not think it leaves any ground for anyone who took part in the campaign to say to the people of Canada that a "yes" vote on the plebiscite meant "yes" for conscription or meant "no" for conscription. In my opinion it meant neither one.

Mr. ROWE: It meant nothing.

Mr. GARDINER: My hon. friend says it meant nothing. If we wish to have a decision whether the vote meant conscription or did not mean conscription immediately, I would refer to what has already happened in this house. To start at the lower end of the house, I should mention the speech delivered by the leader of the Social Credit group (Mr. Blackmore). I need only remind the house that it was stated that that group would not vote for conscription immediately, if that issue were placed before the house at the present time, unless upon terms which I am sure my hon. friends who sit immediately opposite could not support.

On the other hand the leader of the Co-operative Commonwealth Federation party (Mr. Coldwell) has stated to this house that unless the foundations for state socialism were to be established in Canada he and his supporters would not be prepared at this time to vote for conscription either immediately, as I understand it, or in the distant future.

Mr. COLDWELL: I said nothing about state socialism.

Mr. GARDINER: Well, we will come to that. I have read very carefully the speech of the leader of the opposition (Mr. Hanson), and I have grave doubts as to whether he would vote for conscription immediately if it were presented to this house. I shall deal with that later as well.

But when I come to this side of the house I have no doubts. The Prime Minister has already quoted to the house the contention of the Minister of Finance (Mr. Ilsley), the contention of the Minister of National Defence (Mr. Ralston), and there is already on the records of this house the contention of the Minister of Munitions and Supply (Mr. Howe), and the contention of myself as Minister of Agriculture; and the other day there was placed on the records of this house in unquestionable terms the contention of the leader of the government that conscription for service overseas is not necessary at the present time in order to provide total effort. This assures me that the great majority of hon. members on this side of the house, if not all of them, would cast a "no" vote on conscription if the issue were presented to this house for the calling up of men for service overseas immediately.

Having said that, does anyone doubt whether the members of this house who cast their vote on April 27, practically all of them as a "yes" vote, were voting for conscription immediately? I venture to say no one has any doubt about it, that it was not a vote for conscription immediately, although circumstances might develop which would make it necessary for the government to bring in conscription either within a short time or at some distant day.

I repeat that the vote in Saskatchewan and the vote throughout Canada was not a vote for the bringing in of conscription in this country immediately. I can assure hon. members that if the vote had been taken on that basis there would have been a different story, just as there would have been a different story in this house.

Having made that as clear as possible in the time at my disposal, may I refer to the attitude of those who have spoken in this debate up to the present. I will start at the lower end of the house and come up the opposite side and finally arrive at my old friend, the ex-minister, who sits on this side of the house. Following that course I will therefore discuss first the remarks of the leader of the Social Credit group. Towards the end of his speech there were some outstanding remarks which I think make his attitude very clear. He said on June 11, as reported on page 3274 of *Hansard*:

> Can Canada not produce enough meat, fruits, lumber, fuel; can Canada not train sufficient doctors and teachers to provide her fighters and her people with a decent standard of living? The answer must be unquestionably that she can. Reasons would dictate that she do so and then distribute the goods.

Well, it is not quite so simple as that. It is true that we can produce most of the necessary foods in Canada, but it is not true that we can produce all the requirements to make possible the standard of living that the people of Canada would desire to be theirs. And it is not just such a simple matter as calling on our people to produce everything they can in abundance and then distribute it. We must exchange surpluses of the things which we can produce in Canada for surplus goods of other countries—rubber for example. How can we get rubber today by the simple process outlined by the leader of the Social Credit group? Long before we can again enjoy all the privileges we had a few years ago we must accomplish the defeat of an enemy who today has control of a large part of that commodity. I could go on and deal with other aspects of the matter, but I shall not do so.

The leader of the Social Credit group proceeded to quote the views of Mr. Berle in the United States, one of which was the following:

> We shall have in our hands the tools by which we can create a greater amount of economic justice, without sacrificing any of the essential freedoms.

The leader of the Social Credit group stopped in the middle of the quotation to say:

> May I pause to comment that if the government institutes a policy of owning the industries of this country, many freedoms of Canadians will be destroyed. But it is not necessary to organize on that basis.

In other words, the leader of the Social Credit group says that what we require to make us all happy in this country is production to the limit of the things we can produce in Canada and then the possession of purchasing power with which to handle them. Then he says: "But we are absolutely opposed to the government ownership and control of many of the things that other political groups are suggesting should be owned and controlled by the government." And he adds further: "I do not want anyone to understand that I am advocating in this house that the government should take control of bank balances."

Well, this makes very clear the position which the leader of the Social Credit group takes with regard to the proposal which would make it possible for the government to control all the natural resources of this country, all the industries of this country, all the financial institutions, and the activities of every individual in Canada.

But when we come to the leader of the Cooperative Commonwealth Federation group (Mr. Coldwell) we get an entirely different story. The leader of the Cooperative Commonwealth Federation group says this: "We are in favour of government ownership of industry. We are in favour of government ownership and control of the financial institutions of this country. We are in favour of doing something about bank balances. We are in favour of doing many other things." In short, in spite of the fact, as he mentioned a few moments ago, that the leader of the group said nothing about state socialism, everything he said the other day had some relationship to state socialism.

Mr. COLDWELL: Better define state socialism.

Mr. GARDINER: I can best define it in the words of my hon. friend himself. When he was leader of the same group in the province of Saskatchewan he issued a platform, and the first statement in that platform was:

Socialization of the banking, credit and financial system of the country, together with the social ownership, development, operation and control of utilities and natural resources.

In the same document this question was asked:

Does this political party consider that this objective so stated gives us a mandate to bring into operation socialism if elected?

The answer is in one word "Yes".

Mr. COLDWELL: Not state socialism.

Mr. GARDINER: Could anything be clearer than that? The only thing there is to state socialism is ownership of all the resources and the financial and industrial institutions in the country. In other words my hon. friend is an advocate of state socialism.

Mr. COLDWELL: I deny that.

Mr. GARDINER: Here we have two groups sitting in the opposite corner of the chamber, one of which says it is not at all in favour of state ownership of our industries, while the other says it is. That is perfectly proper in a democratic country. It is perfectly proper that such a difference should exist in a country like Canada. Free discussion is what we want; but I think the people of Canada should understand what is meant when our friends say they are in favour of the nationalization of this, the socialization of that, the ownership of this and the control of that. There is no doubt in western Canada as to what it means. It means state socialism; and, as someone has said, it has been voted upon on that basis on several occasions. If I had time I could read into *Hansard* some of the things that have been said in that regard. For example, speaking in this house on June 11, 1942, as reported at page 3266 of *Hansard,* the hon. member said:

But the shouts of reactionary super-patriotism for human conscription are immediately answered. We cannot and will not agree to giving of further powers for human conscription without concrete measures for the conscription of material resources.

This war, with everything which is at stake in it, with the heroism of whole peoples to inspire us, should have been the occasion for building a deeper unity in our own nation than we have ever known.

With that sentiment I am in agreement. Then the hon. member continues:

That the contrary should face us now is a condemnation of the leadership and policies which have guided us since the outbreak of hostilities. I believe the policies which I have outlined could win back that unity, could build this nation into a powerful instrument for victory in the war and for a people's peace afterwards. That is why we urge them at this time.

If one takes the six points that were placed on *Hansard* the other day, during the course of that address, and examines them carefully, he will find that they contain the fundamental principles of state socialism as understood where attempts have been made to establish it in different countries throughout the world; and I submit that it is not an issue upon which this country could be united, either in peace time or in war time.

If this were all that had been said by the hon. gentleman, it would not be so difficult to understand his position. In the same speech, however, he goes on, at page 3259:

And, what is more, I am profoundly convinced that such a policy would greatly reduce the opposition to conscription for overseas service.

Is there any man in this house who is opposed to the conscription of men for overseas service, who has associated that matter with the adoption of state socialism in Canada? I venture to say there is not. Then the hon. member continued:

In our view, the problem of conscription for overseas service should not be dealt with on the basis of past prejudices and divisions. It is purely a question of strategy and should be considered exclusively on the basis of how we can make our best and most effective contribution to the defeat of the Hitler axis.

And again, at page 3260:

Every experience in this war—our successes as well as our reverses—has underlined the correctness and, if I may say so, the far-sightedness of the position which we took in this regard at the beginning of the war. It has always been clear that Canada's vital contribution in this war must be the supplying of implements of war and of foodstuffs. . . .

In order to save time I will not read more of those remarks, but I should like to turn to what the hon. gentleman did say at the beginning of the war, to which he referred in making this statement. Here it is in black and white, taken from page 55 of *Hansard* for September 9, 1939:

Canada should be prepared to defend her own shores, but her assistance overseas should be limited to economic aid and must not include conscription of man-power or the sending of any expeditionary force.

Well, that is plain enough.

Mr. MacNICOL: Who said that?

Mr. GARDINER: The present leader of the Cooperative Commonwealth Federation group, who was then acting leader. Then he went on to enunciate the four planks in the platform for which they stood. I am not going to read the first plank, though I would refer hon. members to it; but these were the second and third planks:

2. Defence of Canada: Reasonable provision should be made for the defence of Canadian shores. Volunteers for home defence should not

be required to sign also for overseas service. This practice, now being followed, is unwarranted and should be abandoned.

3. No military participation overseas: Any attempt to send a force abroad would rob us of the man-power necessary for the defence of our shores and for home production, would greatly endanger national unity, would threaten our civil liberties and democratic institutions, and would ultimately lead to conscription.

Mr. MacNICOL: Surely South York did not vote for that.

Mr. GARDINER: I am inclined to think they did not, but there is no doubt about the fact that they did vote against conscription for overseas service at the present time.

Mr. COLDWELL: Why not put on record at the same time statements made by the government?

Mr. GARDINER: My hon. friend took considerable time the other day to put the government's statements on record, and now in the few moments available to me I am dealing with the statements of my hon. friend. He calls upon the members of this house and the people of this country to read what he said in 1939, and from that to judge what he proposes to do now. So I would ask the members of this house and the people of Canada to pay attention to what was said by the leader of the Cooperative Commonwealth Federation group.

Now I come to the leader of the official opposition (Mr. Hanson). Right at the beginning of his remarks he promised that he was not going to discuss the merits or demerits of conscription, further than to say that he favoured the principle. Then he went on to say that the Prime Minister had made pledges but that he himself had made no such pledges. Well, I recall that at the time the pledges were being made he was not the leader of his party; and but for the fact that the leader of the party at that time has gone on record in recent weeks in regard to this matter we probably would not be in a position to refute what has been said. But the leader of that day, Hon. Doctor Manion, has placed on record what happened at that time, and this is what he says:

> Re national government: I personally consulted men considered leaders of the party in all the provinces (including Mr. Hanson, who was not a member of parliament at the time), and not one of them had other than support for the idea. Not one of them ever put himself on record as opposed to national government.

Then, item No. 4:

> Re conscription for overseas service: This subject was discussed also at a full meeting of our house members and only one member supported conscription—the Hon. Earl Lawson of South York. He did not run in the ensuing election, but gave me untiring and very loyal support, a fact that appears to be very worthy of mention. Alan Cockeram, an old friend of mine, who ran in North York, fully endorsed my position in every way, so far as I know, and he was elected as one of my followers.
>
> Later Alan Cockeram resigned to give his seat to Mr. Meighen, and in the by-election Mr. Meighen, as leader ran for all-out conscription. Incidentially, in one of his speeches, he said that I had no right to promise that there would be no conscription and, without pausing for breath, or taking time to reflect upon some of his own various promises in Hamilton and elsewhere, he went on to promise that there would be conscription. He was defeated by about 5,000 votes.

Well, Mr. Speaker, that is the record placed on file by the gentleman who was the leader of the Conservative party at the time he was before the people of Canada in 1940. I submit that when the present house leader of the Conservative party did accept the candidacy in his constituency to run under the leadership of Doctor Manion, he committed himself to the same undertakings as did the leader of that great party.

So much for his statement. Having made that statement, the leader of the opposition went on to discuss selective national service, and he discussed that subject for three-quarters of the time. I would ask this question: Does or does not selective national service include the immediate conscription of men for overseas? That question was never answered in his speech. But he did go on to say what he meant by selective national service. These were the words of the leader of the opposition:

> And what does selective national service imply? It implies, it means, simply and solely, the practical application of total war in a sensibly, just and effective manner. It means in a word that every man among us shall be called upon to perform the right war job at the right time, in the right place, in the right way.

I ask, Mr. Speaker, who is going to tell us what that job is? Who is going to tell us what the right time is? Who is going to tell us what the right place is? I have no doubt he would answer: The government of the day. Well, we have had governments of that kind in the world, both in peace time and in war time—governments that have undertaken to tell the people and direct the people in everything that they undertook to do. One sponsor of that system was Bismarck, in Germany, and the outcome of that Bismarckian policy has been the modern nazi of to-day, who is operating in different parts of the world against democratic institutions.

My hon. friend said, too, that the only kind of government which could put that kind of policy into effect would be a national government. I am inclined to agree with him; on that one point he might have been correct.

I doubt whether any political party with traditions in Canada, which understands the place of the Dominion of Canada in the British empire, and which desires British institutions to continue in force in this country in the future, would place such a policy as that before the people of Canada, with the intention of putting it immediately into effect. I say that, knowing something of the history of this country, knowing something of the traditions of political parties, knowing something of what they stand for, knowing something of their relationship to the representative, responsible, democratic institution of government under which we live. No; the only kind of government which could bring that kind of policy into effect in Canada at present, the only kind of government which would undertake to do so, would be the government with no political past and no desire to have a political future. There are many other things that such a government would have to decide. It is because of those other things that I would oppose it.

There is only one condition under which responsible party government in Canada would bring in conscription for overseas service, and that would be a condition under which, if they did not do so, the democratic institution of government would be threatened with destruction. Under such conditions probably there is not a man in the house who would not support a government which took action in that direction.

If I had time I would go into another matter which is of great importance at this time, but I shall discuss it in committee. It has to do with the distribution of man power as it affects the number of people in Canada at the present time. But I do wish just for a moment to discuss a speech which has been quoted in this house on a number of occasions.

Mr. STIRLING: On a point of order, if the hon. member has finished dealing with my leader, may I say with regret that I must disagree to his continuing for more than forty minutes, after Your Honour's ruling of the other day.

Mr. MACKENZIE (Vancouver Centre): The minister began at 3.20.

Mr. SPEAKER: I have noted the time as 3.20.

Mr. GARDINER: Yes, that is the time I noted on the clock.

Mr. STIRLING: Then I regret to say that the clocks do not agree, because the hon. member began at 3.14 by the clock opposite me.

An hon. MEMBER: Get yours fixed.

Mr. GARDINER: I regret to have to disagree with my hon. friend, because usually we do not have occasion to do so.

Mr. ROWE: The clock on your side is as bad as your war policy.

Mr. GARDINER: I should be allowed the time this interruption has taken.

Mr. STIRLING: The hon. member has already gone three minutes over his time.

Mr. SPEAKER: The time I took was 3.20, and the hon. member will have concluded at 4 o'clock.

Mr. GARDINER: I suggest, Mr. Speaker, that I should be allowed an extra minute. If that cannot be allowed, then I submit that hon. members should be prevented from using any of the time of the member who has the floor.

On May 17, 1941, I am reported, and properly so, to have said that it would be possible in Canada to raise and maintain a fighting force over a three-year period requiring three-quarters of a million men. I submit to the house that the plans now presented to it by the Minister of National Defence (Mr. Ralston) provide for such an army. There are something over 600,000 up to the end of the present fiscal year, and 750,000 would provide us with the necessary troops to carry on during a three-year period of time, if the troops at the front were in action. Under these circumstances we have the possibility of carrying out in Canada the present policy in relation to the army, without conscription.

To conclude, I should like to deal for a moment or two with the statements made by the hon. member for Richelieu-Verchères (Mr. Cardin), the ex-minister of public works. I believe I am expressing the view of every hon. member when I say that we regret he found it necessary to resign at this time. I belong to the west.

Mr. SPEAKER: The hon. member has spoken forty minutes.

Some hon. MEMBERS: No, no.

Mr. SPEAKER: There would have to be unanimous consent to exceeding the forty-minute limit.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I congratulate the Minister of Agriculture (Mr. Gardiner) upon the consistency of his attitude toward military service overseas. That was his attitude in 1917; that is his attitude to-day. Up to the present time the only two ministers who have spoken in this debate on behalf of the government have been the Prime Minister (Mr. Mackenzie

King) and the Minister of Agriculture (Mr. Gardiner), both of whom have consistently opposed military service overseas, and from whom, having regard to the speech to which we have listened to-day, we cannot ever expect in my opinion to have military service overseas regardless of what the people may demand. As to the attitude taken by the Minister of Agriculture, he goes much farther than even the Prime Minister did. He says: All that we ask in the removal of section 3 is the opportunity to be free to carry on our obligations as a government, to give consideration to matters as and when they arise and to make a "yes" or "no" decision on the question of conscription for overseas service in the future.

The Minister of Agriculture went on to point out one circumstance, Mr. Speaker, which to me epitomizes his attitude towards this question. He said that regardless of conditions, however dangerous our situation as a country and an empire may be, any party government to-day which would bring in compulsory military service for overseas would have no regard for the political future of that party. Surely that is a dangerous attitude to be taken by a member of a government charged with the aspirations of the people of Canada and their right to survival. However dangerous the situation may be, mark you! He pictured that danger when he spoke of the situation in the Aleutian islands; yet in the face of all that he said: I stand where I have always stood; my consideration,—and no doubt he was speaking for the members of the government around him—is political survival at some time in the future, even though the world may stand in danger of being one great concentration camp. The minister and members of the government who sit around him have made a great contribution in the sending of their sons to fight overseas, and I honour them for that. But great as that contribution is, the Minister of Agriculture nevertheless stands up in this house to-day and says: The ballot box—right or wrong, "yes" or "no"—the ballot box.

I hope and trust that some of the other ministers who have not yet spoken—the Minister of Finance (Mr. Ilsley), the Minister of National Revenue (Mr. Gibson), the Minister of National Defence (Mr. Ralston) and the Minister of National Defence for Naval Services (Mr. Macdonald)—if they speak in this debate, and I think they are challenged to do so, will disavow the attitude expressed by the Minister of Agriculture as not representing the present attitude of the government.

[Mr. Diefenbaker.]

In 1939 and 1940 things were looked at differently from what they are to-day. The Prime Minister himself, speaking in western Canada in the 1940 election campaign, said, according to the report in the press at the time, that there was general agreement that it was extremely unlikely that expeditionary forces from Canada would again take part in a European war. That was his attitude then. The Minister of Agriculture made a speech about the same time which secured a great many votes for his party, and in that speech he divided the people into three groups. Speaking in the town of Markinch, he said, according to the press report:

> The entry of Canada into the war had resulted, Mr. Gardiner said, in three groups with varying opinions as to the best method of prosecuting the war. First there was a group that did not wish to do anything, then another that wished to do everything, and a third, a sort of in-between group. He, said Mr. Gardiner, hoped he belonged in the in-between group.
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> In the first category was the C.C.F. party, from whose platform he read a number of clauses, but referred particularly to the call for the conscription of wealth for war. In the second group was the party headed by Hon. R. J. Manion, that opposed the conscription of men to be sent out of Canada; they did not mind conscripting men for the defence of Canada. The Liberals, through their leader, Right Hon. W. L. Mackenzie King, had already taken their stand—no conscription of men, and no direct conscription of wealth, but men and money for the prosecution of the war.

That was his attitude in 1940. After all the changes that have since taken place, can it be true that the attitude of isolationism which characterized some members of the government prior to the outbreak of the war is still the attitude of the government? Let us look at the record over the years. Let us examine first the record of the government with respect to man-power. It is the record of a government which has been forced to take a stand on the man-power question day by day and week by week. The leadership which has been given to this country has been a leadership based on political expediency. Deny it as you will but the record stands—a temporizing and a postponing of consideration so far as the man-power problem is concerned. I frankly admit that the material contribution of Canada has been very great. Our contribution to the navy and to the air force and to the production of munitions has been something of which Canada may well be proud. But so far as man-power for overseas service is concerned there has never been any dynamic force or vision shown by this government. Its attitude has simply been to move step by step as and when it was forced to do so. It has been a record of treating the man-power problem in a

piecemeal, uncertain and, I might say, unstatesmanlike manner. A fine war effort has been done in many respects, but in the matter of man-power this government has steadily fought a delaying action against the adoption of any system of national selective service. The consequence has been a lowering of morale all over this dominion. When the Prime Minister came before parliament and pointed out that he and his government had been hobbled by the promises that had been made, we supported him in the country by pleading with the people to vote "yes" on the plebiscite. We went on the platform and spoke over the radio, and all of us asked that the Prime Minister and his government be relieved of those promises. Now what are we to get? The Minister of Agriculture, if I understood him correctly, says that so far as he is concerned nothing is going to be done about this matter, either now or in the near future.

In 1940, two years ago now, when the prospects were dark and fearful, there was introduced for the first time a national resources mobilization bill. Parliament enacted that measure in two days. Speedy action was necessary because it was the determination of the government that there should be no delay. What was the result? First there came the national registration for the purpose of ascertaining and mobilizing the man-power of the nation, and ascertaining the skills and abilities of the people in every part of this dominion. A dead letter it has been, except for the calling up of men for service under the thirty-day plan. The next step was the thirty-day plan, and well I remember the arguments that were advanced against it from this side of the house. It has proven to have been extravagant, costly, wasteful, and fruitless. Many of the young men who were called up under that plan are still at their homes, having returned there when their thirty-days' training was over, and so far as Canada is concerned their training is ended.

Then came the four-months plan, finally extended for the period of the war. So far as that plan is concerned it has been unfair, unjust and inexcusable. Quotas have been fixed, not on the fair basis of population or available man-power, but on bases that have no justification. Much is made of national unity, but you cannot build national unity on any foundation other than that of equality of service province by province and equality of service within each province. In the west, as in other parts of Canada, large groups of individuals have been freed as a result of their conscientious objection from giving any equal service to this country in time of war, or at least from a type of service similar to that given by those called into the army. All they have been required to do is to go to parks as guests of his majesty for a period of three or four months, where they are paid at the rate of 50 cents a day, and are then allowed to return home. There is no equality of service in that.

The next stage was that enunciated by the Minister of National Defence for Air (Mr. Power), when, speaking I believe last December, he announced the new policy of selective service for Canada. Have we got that policy yet? Well, it took almost four months before the regulations were first handed down or placed before this parliament on the twenty-fourth of March last, and only a few days ago the Minister of National War Services (Mr. Thorson) had to admit that it is impossible to say at the present time when men will be called under that selective service scheme, because the system which is to operate in this respect has not yet been determined. All along a delaying action, to satisfy and appease; then a step; then a temporary appeasement; then another step, until now when the government asked to be relieved from its promises, it got that relief from the people of Canada, and now it comes before parliament and says, "All we intend to do is to repeal section 3. So far as the rest of our intentions are concerned, they shall remain hidden within the council of the government."

I now come to the matter of selective service. The Prime Minister (Mr. Mackenzie King) says that we have conscription to-day in Canada, that the principle had been established, and that his policy is total war. I venture to say that I have read his speech more carefully and thoroughly than has any of his constituents. I have gone over every line of it to ascertain what, in that arsenal of words, is the present intention of the government. What will the government do? What action will it take? I notice that when he quotes utterances of his ministers to support him in the stand he has taken against immediate action he refers to the Minister of National Defence (Mr. Ralston) and the Minister of Finance (Mr. Ilsley), both of whom are believed throughout the country to be men who are pressing for conscription for ovreseas service. As I said, I read his speech carefully and I can find no indication displayed therein as to what the government intends to do. In some places it says yes, in other places it says no.

What is the purpose of the repeal of this section unless there is to be action? Is the submission of this repeal proposal to par-

liament but another step in the temporizing attitude that has been displayed? Is it real, or is it placed before parliament for its psychological effect? If it is real it will give hope to the millions of Canadians who voted in favour of relieving the government, and hope to our men overseas, who when they enter the battle must realize the necessity of having reinforcements at home, or has it another purpose, namely, to delude Canadians into believing that something will be done, to temporize once more, to beguile the united nations into believing that Canada has an all-out war effort? For you will remember that the Prime Minister throughout his speech maintained that one of the most serious situations in which Canada found herself to-day was the fact that throughout the world her attitude was misinterpreted. His words were these:

> If there is any wisdom in removing false impressions surely the sooner they are removed the better.

The false impression is removed when the section is deleted, but so far as action is concerned there is no hope whatsoever. I ask the Prime Minister: in the removal of this section is it the real thing that we now see? Is it selective service for overseas, as was pointed out so brilliantly and eloquently by the hon. member for Richelieu-Verchères (Mr. Cardin)? Is it the real thing, or is it just an imitation based upon political expediency which the Minister of Agriculture implied should at all times be considered?

To sum up, I say that the record of this government as regards man-power has been a record of promises, postponements, plebiscite, and now procrastination.

Mr. McNIVEN: And 600,000 men on active service.

Mr. DIEFENBAKER: A brilliant record of enlistments; no doubt about that. But that is not the record of the government; that is the record of the people of Canada, who are willing and anxious to serve. Only those who serve can boast of that service.

Mr. ROSS (Souris): And there are not 600,000 on active service.

Mr. McNIVEN: There surely are.

Mr. DIEFENBAKER: The hon. member for Regina City (Mr. McNiven) will be able to make his speech in due course.

Mr. HOMOUTH: Figures don't mean much to him, anyway.

Mr. McCANN: They're as good as yours.

Mr. DIEFENBAKER: The Prime Minister implied that the repeal of this section means that the government is empowered to act. It may act, and again it may not. The hon. member for Richelieu-Verchères, who was a member of that government when this measure was introduced, says that it means a surreptitious form of overseas conscription. I say to the government that the Canadian people are aroused, they are angered, they are discouraged, as a result of government inaction. We complain about parliament; we say that parliament to-day is not appreciated throughout the country. How can you expect parliament to occupy the high plane which the British house occupied in the days of Burke, when members were prepared, regardless of the views of their leaders, to stand up for the opinions they believed in; when there was government by parliament, not government by caucus? If there is one redeeming feature of this debate, it is this, that men who heretofore have seen fit to follow their party regardless of personal opinions are going to stand up during this debate and express the views of their constituents and support the things in which they personally believe. I say to the government that it cannot forever procrastinate; it cannot forever fight this delaying action, if the morale of the people of Canada is to be maintained.

What is the policy of the administration? Where are we going? What stand does the government take? "We don't know where we're going, but we're on our way" may be political expediency, but it cannot be or become a battle slogan for a country at war. The Prime Minister in the plebiscite asked for a release because he said the government was hobbled, and he declared that when the release came action would be taken. Well, if action is to be taken on the basis of what was said to-day by the Minister of Agriculture, then the 600,000 who were spoken of a moment ago, three million who voted "yes," have been hoodwinked. What is more serious, the Prime Minister says to parliament in effect that it will not get a second chance to discuss this matter, having this power in the hands of the government, in the hands of the governor in council, and that so far as parliament is concerned it shall be handcuffed in that it will henceforth be unable to deal with this matter.

It may be said that I am going too far. But what rights have we as private members when we pass this legislation and place this power in the hands of the government of the day? Private members' days are gone. True, we have an opportunity to move the adjournment of the house, but only under the gravest circumstances. So far as parliament is concerned this is our last opportunity to bring

this matter of national selective service before the government, because when we pass this measure the government will have the power and parliament will have abdicated its right to determine the matter. Henceforth it will be a question for the decision of the cabinet. If the attitude of the Minister of Agriculture represents the attitude of the government, and it must, then the men and women who are prepared to give their all have received an affront from this parliament which will not be conducive to building up greater morale in the country.

We are going to have an opportunity of seeing the regulations that will be passed by this government if and when it decides to act. This act as it stands makes no provision for incorporating the regulations therein, and I for one intend, when the bill is in committee, to demand that all regulations designed to carry into effect the provisions of the act shall be embodied in the law of the land, so that this parliament will not entrust the lives of our manhood to the caprice of government regulations. We have a right in matters such as this to demand administration by law passed by parliament, and not by law passed by administrative officialdom, and this is the last opportunity we shall have to make that demand, and in committee the demand will be made in the way in which it will be most effective. I do not believe that we as a parliament should give to the government a blank cheque on life itself. What the Prime Minister asks for is the right, the power to act as he pleases without any control on his actions. We want the regulations under the act brought before parliament in order to ensure that there will be uniformity of application and that the rights of individuals thereunder shall be protected. For there is to be no appeal under the regulations; there will be no opportunity to take advantage of the safeguards which have protected Britons for 300 years. All that is done away with under these regulations. I submit that we have the right to have the regulations passed in parliament so that we shall know what powers are going to be taken by the government and how they will be used. We have a right to know how the act will be administered; we have a right to know its mechanics and its provisions. We have a right to see that under these regulations favours will be denied, that favouritism will not be permitted, so that there will be honest administration.

I say to the Prime Minister: arouse this nation. His speech introducing second reading was a masterpiece in language and diction. But I say to you, Mr. Speaker, that to the people of Canada who at this time need the incentive of words that will arouse them and inspire them with enthusiasm, the speech was one that brought little hope. When I think of the speech delivered by the hon. member for Richelieu-Verchères the other day, I cannot help thinking of twenty-five years of the teaching of isolationism. We were all more or less guilty, but how that boomerang has come back after twenty-five years! I say to my fellow Canadians of the French race, advance your arguments in this debate. Let your viewpoint be known. Canada is a confederation and needs you, and you need us. There can be no confederation based upon the right of the minority to dictate to the majority, any more than there can be confederation wherein the majority will unfairly coerce. This measure is asked for by the people from one end of Canada to the other. If there were any alternative there is not a member on this side of the house who would not place it before the house. We are faced with a fearful position in Canada and in the empire. The days of isolationism and non-participation abroad are over, it may be thought; and yet, are they? In the year 1942 on the Pacific war council Canada has no representative minister of the crown although every other country has. To-day, when we should be united with the rest of the empire, in a great empire war council, Canada remains aloof. One way out of our difficulties has been suggested, namely, to establish for the will of the majority in other parts of Canada, a law applicable only to eight provinces. But can confederation exist on that basis? Can Canada survive unless there is equality under the law? I do not blame the people of Quebec.

An hon. MEMBER: You have no reason to.

Mr. DIEFENBAKER: No, I do not condemn the people of Quebec; I do not endeavour to judge. But I do say to the Prime Minister that the attitude there to-day is due in large measure to the policy carried on for twenty-five years.

Mr. DUPUIS: By both parties.

Mr. DIEFENBAKER: But more successfully by one party. I do not condemn them when they now claim the face value of the policy for which they have paid the premium, election after election, since 1917. I ask the French-Canadian members of this house to-day, when this measure becomes law, if it becomes law, to go back to their constituencies and ask the people of Quebec province—

Mr. DUPUIS: We invite you.

Mr. DIEFENBAKER: I shall be glad to come. That is the attitude of tolerance. I ask them to place before their compatriots the situation as it is. Let those who misled them admit that the teachings of twenty-five years have been wrong. I suggest that Canada's motto to-day should be, "Everything mobilized to prevent everything being lost." Place men where they are needed in the army. Why was the army expanded from four divisions to eight? It improved the rank of the higher-up officers, but it made reinforcement more difficult. Now is the time to prepare to train reinforcements, to the end that when casualties come and sacrifices are made, we in Canada shall not be placed in the position of having the government saying "too late." We need men now, and we will now bring in selective service.

So far as labour is concerned, surveys have been made, but little has been done to assure an adequate supply. Labour has cooperated, but its cooperation could be secured in increasing measure by the establishment of a shop steward system similar to that employed in Great Britain, giving to the labouring man who is doing his part an opportunity to suggest means whereby production can be speeded up and the worker given a reward therefor. As for agriculture, utilize the services of the aliens and conscientious objectors in order to assist in supplying the needs of agricultural labour. Give them an opportunity to serve, and at the same time assure agriculture of a proper supply of labour through the mobilization of a land army.

Mr. Speaker, something must be done and done now by this parliament.

Mr. MARTIN: What does the hon. member suggest?

Mr. DIEFENBAKER: I suggest the immediate promise by this government that there will be action.

Mr. MARTIN: What kind of action?

Mr. DIEFENBAKER: Action that will ensure proper and complete mobilization of the man-power of this nation.

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

Mr. DIEFENBAKER: I have answered the question. I suggest that the time has now come, and I hope the hon. member for Essex East (Mr. Martin), who has just interrupted, is not one of those who does not believe in the complete mobilization of the nation at this time.

[Mr. Diefenbaker.]

Mr. MARTIN: Will the hon. member permit a question now?

Mr. DIEFENBAKER: Yes.

Mr. MARTIN: I have been following the hon. gentleman very carefully, and I should like to know whether he believes it is desirable at this moment to have conscription for overseas service.

Mr. DIEFENBAKER: I answer that question in this way—

Mr. DUPUIS: Yes or no.

Mr. DIEFENBAKER: The hon. gentleman is too good a lawyer to think that such an answer would be adequate. I say that the time has come when there is only one mobilization that will assure equality, and fairness, and unity in Canada, so that each province will know that all are properly contributing and that all within each province are contributing, and that is by establishing selective service for overseas immediately. There is no qualification about that. Although I may not have the opportunity to ask him that question, I hope he will answer it when he speaks.

Mr. MARTIN: I will state it unequivocally.

Mr. DIEFENBAKER: The challenge to us to-day as Canadians, without regard to race or creed, is to unite in a common dedication to our way of life, and our national life itself. If there is one thing that has done more to undermine this dominion and its unity—I do not know whether it is an outgrowth of our history—it is the fact that we as Canadians are too prone to hyphenate our citizenship. In the United States they do not think of Roosevelt as a Dutch-American, or of Willkie as a German-American; they think of those men as great Americans. We in Canada have something to learn from that. We in this country should build up a Canadianism that knows no hyphenate. Let us be proud of the racial strains from which we spring, but at the same time not separate this country on the basis of a hyphenated Canadianism. It has been my hope to see the day when that will come to pass. Coming from western Canada let me say that if there is one thing more hopeful of Canada's future it is the fact that men, the second generation from continental Europe, from enemy countries, are to-day enlisting not as hyphenates but as Canadians. I know of one family of which the father served against this country in the last war and to-day four of his sons serve in the armed forces of this country. The day I hope for is the day when we can be united as Canadians, when

party considerations will be forgotten in an all out war effort—it is not yet too late—so that we as members of this parliament, to whom has come the greatest challenge that ever came to a Canadian parliament, will do our duty, not with our eye on the ballot box, but with a sincere desire to serve regardless of whether or not we are returned to parliament at the next election; so that we can look back to this hour and say that out of the trials and tribulations through which Canada passed in the second great war was created a saga of grandeur of a united Canada ready for that new world that Churchill and Roosevelt have pictured. To my French-Canadian friends I say sincerely—

Mr. DUPUIS: Talk about Saskatchewan a little.

Mr. DIEFENBAKER: I do not know why my hon. friend objects to that. Does he object to an attitude of tolerance, an attitude of fairness?

Mr. DUPUIS: Leave Quebec alone.

Mr. DIEFENBAKER: The attitude being shown to-day by the hon. member who interrupts is regrettable.

Mr. DUPUIS: "Physician, cure thyself."

Mr. DIEFENBAKER: Is it a refusal to cooperate? As a member from another part of Canada I would say to hon. members from the province of Quebec, let us forget these differences and unite.

Mr. DUPUIS: You do your share; we will do ours.

Mr. J. M. DECHENE (Athabaska): It is with some hesitation that I rise at this stage of this momentous debate, following some of the giants of the tribune and the platform and the bar. But I am consoled by the fact that for many weeks, almost I might say for two years, like many other hon. members, I have been a listener rather than a talker. That is particularly so since there has been so much small talk, loose talk, political talk, and even evil talk. So I think I am justified in taking part in the debate at this stage.

In asking for the privilege of the floor, Mr. Speaker, I was actuated by the fact that I represent a constituency in which may be found perhaps a truer cross-section of the people of Canada than exists anywhere else in this country. Canadians now living in the great constituency of Athabaska have come from all over the world—from every province in this dominion, from almost every state of the union, from practically every country in Europe; and it includes thousands of French Canadians, from which race I am proud to trace my descent. In speaking this afternoon I only wish I had the proper words with which to clothe my thoughts, with which to express them as clearly as I feel them. I have never read a speech in my life, and I am not going to start to-day, but I would ask to be allowed to read just one paragraph from something I sent to a newspaper in my constituency a few days ago, in reply to an article which was published therein, which article caused a good deal of comment and called forth many letters supporting one side or the other. In my communication I set out the reason why the Prime Minister (Mr. Mackenzie King), brought this amendment before the house at this time. I said:

> A few months ago the people of Canada were given a privilege shared by only a chosen few in these chaotic times, the privilege of expressing their opinion and views on a matter of grave concern to their country. Unlike those countries labouring under the heavy yoke of ruthless invasion, where the voice of the people has been silenced, and where a dark wilderness of oppression, of despair and famine has descended, Canada has kept intact the birthright of her citizens. The debate which has just started in this house is a direct consequence of that expression of will by the people. To ignore it would be a denial of democracy itself. I propose to keep that fact ever present in my mind in adding my voice to the discussion on the proposed amendment to the mobilization act—

—which I thought then would be introduced, as it has been. I have not consulted with any party, with any whip, with any minister, or with any leader as to the things I have to say. The thoughts which I wish to express are entirely my own. I will admit, however, that though I was confined to the hospital I did write to every member of the executive in the constituency which I have the honour to represent. This executive numbers some forty-seven and represents every element in that area—English-speaking Canadians, French Canadians, central Europeans, Americans, and so on. It is a true representation of the population of the constituency. Strange as it may appear, though the riding voted almost fifty-fifty on the plebiscite, while the members of the Liberal association and the executive almost all voted "yes", with one or two exceptions the replies I received from the executive empowered me to say what I thought. I was told that I had kept the confidence they had reposed in me at the time of the election, and that they trusted me to represent truly the views of the riding of Athabaska on this matter.

I have said, and I repeat, that I take my hat off to no one, if you will pardon the expression, in pride of ancestry or in loyalty to race and religion. When I speak to you

to-day I have vividly in mind two pictures which I only wish I had the words adequately to describe. I see first September 1, 1905, in the old exhibition grounds at Edmonton, on the flats, as we used to call them, just below the old Hudson bay fort, when the province of Alberta was inaugurated. Sir Wilfrid Laurier, then prime minister of Canada, addressed a great gathering in that indescribable setting. I cannot do justice to the beauties of that spot, which would compare favourably with scenery anywhere in the universe, with the great Saskatchewan river, the hills in the background and a tremendous crowd which had come from every part of the province. The old chief was impressed by the audience that was before him, and he told us things which I will never forget and which we should remember to-day. He referred to the fact that it had taken a century or more to compose the differences between men of the Anglo-Saxon race and those descended from old France. He went on to say how we had come to know and appreciate one another, as I do. May I digress here to say that as a French Canadian I have spent most of my life with Anglo-Saxons, and they have been my dearest friends. We all need friends at times, do we not? No man can live without at some time requiring the help and counsel of a friend, a man to whom he can say, "I am in trouble. What should I do?" Some of my best friends were of the Anglo-Saxon race. Who said that the Scots were stingy? They may be thrifty, but the greatest generosity I have ever encountered has been on the part of Scotsmen.

In the district of Athabaska, which I now represent, when everything was going Conservative in 1930 we elected a Liberal, a Welshman born in the old country, a returned soldier who had come to that constituency only a few years before, whom the French Canadians of Athabaska had come to love, admire and trust. He was elected with the greatest majority which has ever been given, either before or since, in any French-Canadian poll in Athabaska.

To continue my thoughts: The old chief then addressed himself to the newcomers, those who were then pouring into Canada from the Ukraine, from Lithuania, from Galicia, from Austria, from Poland, from the Scandinavian countries, from every state in the union—he made an appeal to all of them. He said, "In the folds of that flag which flies in the breeze of Alberta you gentlemen from other lands will find freedom and liberty. You can trust that flag; you can trust the government which exists under that flag. You can depend on what we say. You come here to a land of plenty, a land of bounty, a generous and a fertile land, a land where you may devote the energies of your arms as well as those of your hearts and souls." And he added, "I ask only one thing, and that is that you need not forget the lands of your ancestors. Do not forget those lands from which you originated. I am telling you to remember them, cherish them in your hearts. Remember the glories of those lands from which you have come, because there are glories on every hand. Every nation has its heroes and its history. Remember the lands where your ancestors struggled, lived and died, and, in keeping those remembrances in your hearts, keep your eyes to the future. Think of the future of this great country. Strive to learn our language; strive to become real Canadians, and to love the flag."

That was in 1905. Since that time, on two vital occasions, one issue has arisen to divide the people of Canada. But it started long before that. The hon. member for Lake Centre (Mr. Diefenbaker), who preceded me in the debate, has pointed out that some of my fellow members are supposed to have raised the issue of conscription in Quebec. I say to him that the issue is much older than that. I know he will grow up some day and read the history of Canada. When he does he will find that the issue is much older; it goes away beyond the time he mentioned. It goes back beyond confederation, but more particularly to 1910 and 1911, when the same kind of organization was developed to destroy the government, a government which could not be defeated in any way other than by racial and class appeal.

If my hon. friend will read history he will find what was said in Quebec by the canvassers and organizers of the party to which he belongs. When he reads that he will not be surprised that it was most difficult to elect a Conservative in Quebes, when they found out how they had been fooled. The year 1917, to which some of my friends across the floor owe their lives politically, was the time when the same kind of pressure was brought to bear. I say that, even if I am the only one to say it, because in my opinion it must be said. That was the time when the same kind of organization made appeal to those controlling the economic power of Canada.

We now have a Liberal government in office. We know that under the terms of the Atlantic charter something radically new is going to develop in the world, a condition under which every man and every class will have an opportunity. That is the new order for which we are fighting. But the organization of to-day, as it did in 1917, is attempting to bring about exactly the same result. There

is no difference at all in the methods used, with the exception that at that time a friendly government was in office. Do hon. members think for one moment that if this insidious committee had not been organized to start an invidious propaganda respecting conscription, at a time when conscription was not necessary, we would be facing the issue we are facing in the house to-day? All this is done at a time when French-Canadians are behaving just as loyally as any other group. I say no; that is the way it began. Master minds that they are, they knew they did not control a majority of people in Canada. They knew also that they could depend on propaganda and on part of the press, and that the moment the agitation was started there would be reaction in the Quebec part of the house. Of course that is exactly what is happening.

A few moments ago I spoke about loyalty, and, in my own way, I tried to describe two pictures, one a beautiful picture and the other a dark one. In that connection I should like to speak of the town of St. Paul in which I used to live—in fact I live only a few miles away from it at the present time. It is a pioneer town, one of the finest in western Canada. It was founded by old Father Lacombe. It was first settled by French Canadians, the English-speaking people, Ukrainians and others following in later years. What a wonderful town it was—and still is. But to-day propaganda has split the town.

If I were considering only my own political salvation, my own political life;—and what does it amount to, in this crisis?—if I were thinking only of my own political safety, I would be silent to-day, and as I read a few days ago in *Saturday Night,* one moment of silence is better than an hour of explanation. I went down to defeat twice for saying things I thought, but I was afterwards elected by the very people who defeated me, because they found I was right.

To-day that town I mentioned appears to be divided. I believe it is the most hospitable place in western Canada. It is indeed a broad-minded, hospitable and lovely town, where the people got along well together. We never talked about religion, if we got together on a Saturday night and made the plans for our community, when the other fellow wanted to speak his mind, we did not question his right. We have done our best to learn our respective languages. To-day however we find this nefarious propaganda—and unfortunately it does not come from only one side. The result is that the town and the surrounding district are divided. Unfortunately we are divided on an issue which is clear. I am not going to enter into an argument with the Minister of Agriculture (Mr. Gardiner) or the hon. member for Richelieu-Verchères (Mr. Cardin). I am convinced that in the county I represent the vote was taken on the issue of conscription. The people voted definitely one way or the other when they voted. By 1,302,000 votes or more the government of this country, which lived up to the democratic principle of allowing the people to express their opinion on this question, has been relieved of its obligation and empowered to have the restriction with regard to service overseas removed. What else could the Prime Minister do in view of that vote? In implementing the demand he has just received, is he not taking the same stand that was taken by Sir Wilfrid Laurier in 1917, by bringing down this bill to remove the restriction which the people of Canada have said must be taken out of the National Resources Mobilization Act?

I am not unmindful of the vote in the old province of Quebec, and certainly I do not blame the people for voting as they did. But the Prime Minister is the Prime Minister of Canada, not the Prime Minister of Saskatchewan or of Nova Scotia or of any other province. The majority of the people gave him a mandate which he is bound to carry out, and I for one was elected to support the Prime Minister and his government. After the plebiscite was taken I was given a mandate by my executive to carry on and support the government and use my own best judgment, and therefore, Mr. Speaker, I intend to vote for the amendment which the government has brought down.

I am going to make this appeal. I have already said once in this house that nothing in this world can be achieved, either individually or collectively, except by sacrifice. A successful life or a great achievement cannot be attained without sacrifice—the sacrifice of our leisure, of our rest, of our vacation perhaps, sometimes the sacrifice of everything. If it be otherwise, it is a different world from the one I have always known. That has been the rule of this world ever since the great sacrifice. It cannot be any other way, and sometimes when we are inclined to agitate for an easy life we should bear in mind this great truth which cannot be denied. I think we are beginning to realize the necessity for sacrifice in this war. Before the war, we were looking forward to a life of ease in which we wanted to enjoy everything. But I hope we have learned a lesson. Nothing can be earned without sacrifice, and that is the foundation of the most admirable philosophy that will ever be taught in this world.

I admire and love my French-Canadian friends in the old province of Quebec. I wonder if hon. members from other parts of the country know what the population of the province of Quebec is, and something of its culture and traditions. The other day I heard a well educated young lady, smart and well-poised, say pityingly, "Poor old Quebec." How we are failing as a democracy in this country when we do not understand each other! I think these things ought to be said now. I am talking, not of the past, because it is gone, but of the present and the future. I am thinking of your children and my children as children of a minority in this country. I say to my children—they were here the other day; some of them are in the army—you cannot get anything without sacrifice, and you should strive to make yourself worthy of the admiration and support of the majority. It was heart-breaking to hear that brilliant young lady talking learnedly about the province of Quebec, about which she really know nothing. We should learn to know one another in this country, and then we should come to admire the great qualities of the Anglo-Saxon race, the French-Canadian race, and all the other races, the Ukrainians, the Germans, and the Scandinavians who have come here to help us develop this great land. If we want to have a truly united Canada, one of the first things that should be taught in our schools in the English-speaking provinces is the contribution the province of Quebec has made to the building up of this country and of what that has meant to Canada. The story of Canada began in 1763 for some of the provinces. Not only should the people of Ontario and of other English-speaking provinces be told of the contribution Quebec has made, but the people of Quebec should learn more of the great province of Ontario. There is a lake a few miles from here that bears the name of one of my ancestors. When Alexander Mackenzie went up the Mackenzie river he discovered a half-breed, Beaulieu, who had been there before him and had travelled all the way from the great lakes to Louisiana. But we do not know each other to-day, and the people of every province should get to know the people of every other province.

The Prime Minister in speaking the other day said that this amendment did not mean conscription, and he thought conscription for overseas service might never be necessary. I hope so. I rose in this house to speak to-day as a French Canadian from an English-speaking province, elected by a majority that was not French Canadian. Let us get together. Let us forget about the past and think of the present and the future, that future for which we are making such magnificent contributions and putting up such a great fight. This country has a great future. I have attempted to describe it to my children. As I seem to see it, speaking to a child of mine, I would say: Let us climb that hill. There is a cross on the field of battle. I can see, Mr. Speaker, just as surely as I can see the sun shining through the window above you, a most wonderful future for this dominion. I can see that the greedy who have been trying to control the wealth of this country are fearful of losing that control. It does not matter if they succeed in driving the Prime Minister out of office. It does not matter if they succeed in driving the present government out of office. They should know, if they ever learn anything—and this kind of people seldom does—that never again in this country, no matter what they do, will they control its destinies as they have controlled them or hinder the wheels of progress as they hindered them in the past.

To our young people, Scottish, Irish, English, French and others, I say, let us walk up our Calvary. I know that in my humble way I am ready to face this ordeal, because beyond there is resurrection, beyond lies happiness, a world in which will flourish peace and friendship and everything that makes worth while the life of men and women. Beyond the summit of the hill new vistas will appear. A young man who has attained this point will find that his progress has only begun. There will be other hills for him to climb, other things for him to achieve. This is the thought I wish to leave with our young people. But it is an ideal which cannot be attained unless we are united.

We believe that under the terms of the Atlantic charter a new order of things will come into existence. I would urge the young men who are my compatriots to forget what has happened in the past. I could speak for a long time on the handicaps which they they have had to sustain. The hon. member for Richelieu-Verchères mentioned some of them in the economic field. May I remind the house that our people were also kept out of the military field. I hope that others will stress these things, knowing them to be true. The French-Canadian boy who has the inclination and the aptitude for military affairs has had no opportunity since the last war. Since 1930 it has been almost impossible for him to get into the military college or qualify for the militia. The result was plain: when the war broke out we had no officers or very few. It has been said that French Canadians have not enlisted so numerously as they might have done, because of the fact

that they were unable to understand the language of training. I have had a young man come to me and say, "I am the butt of the jokes of the men in my battalion because I do not understand English; I make a wrong move or I do not go to the right place," and he was ill at ease. He was just as brave and just as bright as his comrades, but he did not understand the English language. I do not wish to divulge any secrets, but I want to congratulate the Minister of National Defence (Mr. Ralston) upon the fact that he has taken steps in the last few months to enable educated French Canadians, some of them Bachelors of Arts or Bachelors of Law, to qualify as officers, men who are able to qualify in either language, and French Canadians will not be the butt of jokes or a source of amusement to the rest of the forces. When they do understand English, as many of them do, they show no hesitation. Going through the towns in my riding I can confirm what was said the other day by the hon. member for Richelieu-Verchères; you cannot find a young French-Canadian boy of military age who has not enlisted. Last winter there were not enough to fill the hockey teams; as usual; there are no baseball teams except those composed of the little fellows or the older men. All the young men of military age are either in the navy, the army or the air force. They are doing their share, and I am not particularly concerned whether they are enlisted as French Canadians in an Alberta battalion or elsewhere; if they are doing their duty, why should we worry? But these men had no difficulty because they understood English perfectly; they were raised and educated in the west.

I have forgotten many things I wanted to say, but there is one other matter I should like to mention. Some time ago, when I was talking to the gentleman in this city who has charge of my health, he suggested I should take a rest. When I told him I was a member of the house he said, "You are doomed; if you go there and listen to them much longer, I won't have anything to do with you." Well, Mr. Speaker, I hope your health is good, for you have to listen to a great deal, but my health, apparently, cannot stand it.

I have been rather embittered by the terrific criticism which I have read in the press, that great fourth estate which, according to the hon. member for Parkdale (Mr. Bruce) makes no mistakes. It seems to me that the older the hon. member gets, the bitterer he becomes, in contrast with the rest of us who, as we grow older, become mellower and more disposed to make allowances for others. But he does not. Let me tell him that his suggestion that the province of Quebec should be taken out of the dominion, cost the affirmative side 200,000 votes in the plebiscite in that province. That is what he wanted.

I wish to refer, briefly, to criticisms of the ministers. Let us be fair. Men as able as any of whom this country can boast, no matter in what line, are sitting to-day on the treasury benches—I do not say there are others just as able who are not in the ministry—and receiving a very small salary compared with what they could earn elsewhere. Some of the ablest practitioners of law and other callings are sacrificing their health, and some have given their lives, for the country. You and I can go home at 11 o'clock at night and take things a little more easily, but these men do not know family life. They are working until the small hours of the morning, passing orders in council, approving contracts, doing many other things, back again at sunrise, carrying on eighteen or nineteen hours a day. And what do they get? Criticism of the bitterest and most unfair kind. Hitler was not altogether wrong in his estimate of the sort of democracies which we have in the world to-day. He knew how unfair a democracy can be. He knew how hard a taskmaster politics can be. But we have lived through crises of this kind. We do not fear Hitler; we can lick him, provided we take care of our own men, provided we look after our leaders, provided we act fairly, no matter what political opinions we hold, towards the men who are sacrificing the best years of their lives, and sometimes life itself. It will not be surprising to learn of other ministers breaking under the tremendous ordeal of administering this terrific business.

I apologize to hon. members if I have said anything which I should not have said, but I am speaking from the heart. Let us from now on dedicate ourselves to one cause. We know that the French-Canadian boy has no more fear of the Germans than of anybody else. Make no mistake about that; once you get a French-Canadian battalion alongside your own overseas you have some real dependable friends. Do not doubt that. Let us dedicate our lives to a better understanding.

Mr. SPEAKER: I am sorry to have to inform the hon. member that his time is up.

Mr. J. A. ROSS (Souris): As I listened this afternoon to the Minister of Agriculture (Mr. Gardiner) I was amazed to hear him say that he was opposed to conscription and that no political party with any regard for their political future would ever think of putting conscription in force in this country. I am amazed that a member of the cabinet at this

time should think for a moment of party before country. Apparently the hon. gentleman is still travelling in the middle of the road as he was in March, 1940. Surely we should endeavour to save the country in manly fashion for our children and for the generations to come, whether as individuals we ever come back to parliament or not, because we should realize that should we lose the war this nation will be disgraced for many generations to come.

The bill before us follows in consequence of the plebiscite. This plebiscite was the strangest and most cumbersome manoeuvre ever conceived and imposed upon the people in the name of national unity, by any country. It has given needless emphasis to a division in the country's make-up which everyone knew beforehand existed, a division that exists chiefly as a result of the attitude and example of the present Prime Minister (Mr. Mackenzie King) during the first great world war from 1914 to 1918, and in his leadership and appeal during the past twenty-five years in this country—all for political expediency. This is well borne out in the speech on foreign policy which he delivered in this chamber on March 30, 1939, as reported at page 2426 of *Hansard*:

> One strategic fact is clear: the days of great expeditionary forces of infantry crossing the oceans are not likely to recur Two years ago, I expressed in this house the view that it was extremely doubtful if any of the British dominions would ever send another expeditionary force to Europe.
>
> One political fact is equally clear: in a war to save the liberty of others, and thus our own, we should not sacrifice our own liberty or our own unity. Planning and coordination would be essential, but the necessary coordination could be made, and if this government were in power it would be made, without sacrificing those vital ends and conditions of our existence. Profits could and would be rigidly controlled, and profiteering suppressed. But men's lives and men's wills cannot be put on the same basis as goods and profits. The present government believes that conscription of men for overseas service would not be a necessary or an effective step. Let me say that so long as this government may be in power, no such measure will be enacted.

That is not so different from the speech which the Minister of Agriculture quoted this afternoon concerning the member for Rosetown-Biggar (Mr. Coldwell)—very similar in fact. I vigorously opposed the plebiscite as being the negation of parliamentary responsibility; but when the government carried the measure I submitted to majority rule in the house and went out to assist in every way possible to obtain an affirmative vote, and I was pleased to see that Canada voted two to one "yes" on the plebiscite. It is said that the plebiscite was not a vote either for or against compulsory overseas service. No; nothing as straightforward as that was meant by that vote. On June 11, I listened to that great speech delivered by the hon. member for Richelieu-Verchères (Mr. Cardin). He maintained that when the people of Quebec voted "no" they voted against conscription for overseas service, but he did not think many of those who voted "yes" voted for conscription. Surely by the same token, if those people who voted "no" voted against conscription for overseas service, those who voted "yes," the vast majority, voted for conscription for overseas service. What did the Prime Minister mean in his broadcast on April 7, after pointing out the dangerous situation that existed in Canada, both east and west, and in Europe, when he spoke as follows:

> We cannot defend our country and save our homes and families by waiting at home for the enemy to attack us. Every country that has stood behind its own defences in this war has sooner or later been attacked. To remain on the defensive is the surest way to bring the war to Canada. We must go out and meet the enemy before he reaches our shores. If you cannot trust parliament, your own elected representatives, whom can you trust!

On the basis of those words I think we should be entitled to discuss this bill in a mandatory form before this house. The logical conclusion for the people of Canada to arrive at was that if they released the Prime Minister from his pledge, then soldiers would be sent to any theatre of war, as is done by our good neighbour and ally, the United States of America, and we would no longer be looked upon by them as a nation in disgrace, as we are at this time. Here in the House of Commons is the place and now is the time to discuss and determine whether and by what methods the resources and man-power of this nation shall be mobilized. Parliament and not the cabinet in secrecy is the proper body to discuss these measures. I remember reading earnestly the debates during the year 1932, I having lived in the drought area of the west at that time. I wonder to-day if the Prime Minister is the same man who led the opposition during those debates and protested so vigorously over the fact that Prime Minister Bennett should be given a blank cheque to feed and clothe those people who were suffering as a result of the drought, and who were on relief, throughout the greater part of that section. He protested severely, and yet in this debate he asks the people for a blank cheque which enables him, if the occasion arises, to dispose of those same lives that were then being cared for. There is not much consistency in that stand. If the hon. member for Richelieu-Verchères

thinks that the Prime Minister has betrayed the people of Quebec, then in my opinion there are many people in eight other provinces who also feel that the Prime Minister has betrayed them to some extent.

I presume that during this debate the Minister of National Defence (Mr. Ralston) will speak and endeavour to prove how satisfactorily the voluntary system is working to-day. During the campaign in 1917 for a national government in this country, Major J. L. Ralston, then serving in France, wrote letters to the Halifax papers urging the people to support a national government in Canada at that time. Speaking at Charlottetown during the plebiscite campaign this year, in appealing for a "yes" vote, he said, "We must back up our boys overseas." Speaking in Winnipeg on May 25, 1942, before the Canadian Legion convention, Colonel Ralston promised a relentless war effort. He spoke of our man-power problems, stating that competition and wages had attracted men from one job to another. He said that this had, in many instances, left useful jobs with too few men to do them. Key men from industry and agriculture had, he said, joined the armed forces in many instances. Notwithstanding the splendid speech delivered that day by our senior Minister of National Defence on the achievements of our armed forces and on industrial expansion to date in Canada, the following day that great non-political organization representing the nine provinces of Canada passed a unanimous resolution for total war and asked for immediate conscription for overseas service. I contend that no organization in Canada has done more to assist the government in the war effort than the Canadian Legion.

I have the privilege and honour of representing a constituency that polled the greatest percentage of "yes" over "no" votes of any rural riding in Canada, the proportion being over sixteen to one. The only riding in Canada to surpass that record was Eglinton in the city of Toronto. The constituency of Souris is predominantly Anglo-Saxon, but there is one solid French polling division in it, and they voted "yes" in the proportion of well over two to one. There is a predominantly Mennonite polling division; they voted "yes", 128 to "no" 12. My home town of Melita polled 531 "yes" and 8 "no". Of two small rural school divisions, Bede voted 71 "yes", none "no"; and Swaffan, 56 "yes", and none "no". Fifty-four polling divisions in the constituency voted 8,043 "yes", and 484 "no". The municipal officials, legion officials, church and other community organizations, along with the general public, demonstrated a keen sense of citizenship and of public duty in so doing. At every meeting which I addressed in the riding during that plebiscite campaign I referred to my plea to the government on November 10, 1941, in this house for immediate national selective service in any theatre of war. At the same time I told them that the Prime Minister had said that they were not voting for or against conscription and that I had no idea what they might get as a result. While the people considered the plebiscite useless they now expect some immediate action.

The province of Manitoba voted "yes" almost five to one despite the isolationist and non-conscription views of our two federal cabinet ministers.

The press of Canada on June 3, 1942, quoting the hon. member for Lisgar (Mr. Winkler), which constituency adjoins mine on the east, said that he had stated:

> Many old heads in Ottawa say when the government falls, as all things eventually must, it will not be over conscription. . . .
>
> The advice of the government's wartime specialists is going to govern. There is no escaping it. The government only has all the facts, they and only they. Theirs is the responsibility and theirs the decision.
>
> But the opposition is lying awake nights thinking of formulae which by way of amendment they can embarrass supporters in the eyes of their constituents.
>
> The Tories will try to embarrass government supporters before their "yes" (plebiscite) voters.

There is no one in the opposition who could do that job half as well as it has been done by those hon. members themselves. In the constituency of Lisgar during the plebiscite there was an available vote of 14,658. There was a "yes" vote of 4,633 and a "no" vote of 620. Poll No. 32, Rhineland, with 249 available votes, polled no votes either "yes" or "no". Poll No. 32A Rhineland, with 220 available votes, polled no votes "yes" or "no". Poll No. 21A, Winkler, with 287 available votes, polled one "yes", none "no". Poll No. 21 Winkler, with 244 available votes, polled two "yes" and none "no". Poll No. 16A, Horndean, with 187 available votes, polled one "yes" and one "no". Fifteen polls in that area, with a total available vote of 3,432, voted 40 "yes" and 40 "no". These people are a splendid type; there has been lack of leadership somewhere.

Just over a year ago the Minister of National Defence appealed to all federal members for assistance in recruiting throughout this country. What assistance did he obtain from his Manitoba colleagues in that respect? I venture to say his department received more active assistance from the lone opposition member than from all the government members from Manitoba.

The Winnipeg *Tribune* of June 6, 1942, had an article entitled, "No Complacency". It stated:

> The number of recruits for the armed services coming from Manitoba towns is a constant source of amazement. The record for enlistment in rural Manitoba has been consistently high ever since the war began, yet every call is quickly answered.
>
> Here is a sample of what rural Manitoba is doing. The air force mobile recruiting party visited four communities and this is how the young men flocked to the colours:
>
> Deloraine, population 850, joined up... 150
> Killarney, population 1,000, joined up.. 250
> Glenboro, population 500, joined up.... 70
> Souris, population 1,600, joined up.... 300
>
> This rural response is the reason why Manitoba is at the top of the recruiting list for Canada with one volunteer for every twenty residents. It is also a clear sign that there is no complacency in the country.

The same might be said of the population of many other towns in southwestern Manitoba.

However, as a result of this there is a decided shortage of efficient farm labour. National selective service for any theatre of war would have avoided many of the conditions now prevailing in industry, agriculture and the armed forces in this respect. I have discussed this matter on previous occasions with both the Minister of Agriculture (Mr. Gardiner) and the Minister of Labour (Mr. Mitchell). The Minister of Agriculture published a speech on September 12, 1941, as a press release from the bureau of public information, in which he stated:

> If we are required to muster a million men for our armed forces we would still have seven million people left in Canada over sixteen years of age. These seven million, properly organized and determined to stand behind the armed forces, can operate all our farms, our factories and places of business, in a manner which will give us the production required.

The same minister during August, 1940, was Minister of National War Services when the registration of man-power of this country was made. During that period of almost two years, what has been done properly to organize the people of this nation? Speaking on June 9 I referred to the matter and pointed out that the Prime Minister made his man-power speech on March 24 about national selective service, but that to this date nothing has been done about applying it to agriculture. We are simply drifting into a hopeless muddle.

It may be argued that the voluntary system is obtaining sufficient men while our troops are not in battle, but I would urge the government not to wait until a military crisis is upon us so that again it will have to be said: "Too little and too late."

We have the report on the Canadian expeditionary force to Hong Kong. I do not wish to refer at any length to that, but there were some parts of the report not referred to when the Prime Minister put a portion on *Hansard* on June 5. On page 42 it is stated that:

> . . . men without previous military experience served in the basic training centre for periods varying from three to eleven weeks.

Some had served only three weeks.

It was stated that:

> These steps were taken with speed and secrecy. . . .

The Grenadier Guards were reinforced from military district No. 10. A number were taken from Dundurn camp, military district No. 12. They ran around the country getting men who were untrained. On page 39 the report says:

> Colonel Sutcliffe estimated on October 10 that between 150 and 200 additional men would be required.

And permission was obtained from headquarters to take these men. On page 45 it says:

> On the whole matter I find there was no dereliction of duty or error in judgment from the mere fact that approximately 120 men were included in the expedition before they had completed their prescribed periods of training.
>
> I have already found that the addition of these men did not impair the efficiency of the expedition nor did it constitute an injustice to these men themselves.

Would any ex-service man believe that untrained men taken under these conditions constituted no injustice?

On another page it states that they went without mechanical transport and other equipment; and the reason why they did not get at least a portion of their mechanical transport was that one of these controllers misunderstood orders and did not send it. I say to the country that this report, which suggests that it does not matter whether troops are trained or whether they have sufficient equipment, was a fine piece of whitewashing. Let us not be misled in this way at such a time; let us act immediately to have, on a basis of equality of sacrifice, armed forces with proper and sufficient reserves and equipment which will be second to none in the world. Let us raise those forces as they are raised in Great Britain and the United States of America to-day. Then we shall not have to hang our heads in shame, as many of us must do these days.

Perhaps we suffer from too much provincialism of the past. In my opinion we require in this country a federal system of education. In the past too much was left to provincial

departments. I trust that we may study and appreciate the problems of the Canadian people irrespective of our racial antecedents. Canada has vast possibilities for the future if we win this war. Can we not discuss and deal with these matters as Canadians, from the Canadian viewpoint? If we do so, may I be so bold as to suggest, in view of what is happening to-day, that the manly course for the Prime Minister under these circumstances would be to hand over the reins of government to either the Minister of Finance (Mr. Ilsley) or the Minister of National Defence (Mr. Ralston) and ask either of these hon. gentlemen to form a national government composed of the best and ablest men in Canada, representative of all shades of opinion, but united in the common, single purpose of waging a total war by a total effort. Canada is distinctly held back during these days by party limitations. The limitations of party government must be thrown off before the will of the Canadian people can be translated into more effective national action, which is so urgently needed at this time. I thought there was a great deal of merit in the appeal made by the hon. member for Lake Centre (Mr. Diefenbaker) this afternoon to his compatriots in the province of Quebec, and I should like to join with him in that appeal. We should all try to solve the problems which are confronting us to-day by dealing with them as Canadians, irrespective of our past racial history, on the basis on which these matters have been dealt with by our great neighbours to the south. A great deal still can be accomplished if we go at it in the right manner.

The hopes of Canada now rest with the conscience of parliament. The people have spoken, and it is the business of their representatives to give effect to their voice. Surely members of parliament on the government side will not remain silent and unconcerned while the birthright of the young men who are now awaiting the zero hour in England is sold for a mere mess of political pottage.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, we must all take our part in this debate according to the way we view what is happening in the world to-day. My first word will be that in my humble opinion this debate is the most important we have had in this house since September, 1939. It is important not only because of the conscription issue itself. I think the mere question of conscription for overseas military service is relatively unimportant in comparison with the stakes at issue in this world struggle in which we, together with the other free nations, are engaged. I believe that if we face the facts with minds as free as possible from prejudices both old and new, we shall find first that in each of the united nations the paramount need to defeat the axis powers has produced a degree of unity that is magnificently inspiring for the present and gives hope of great accomplishments for the future. I do not think it is necessary to draw to the attention of this house how a decade of struggle against a ruthless, cruel enemy has unified the warring factions of the sprawling population of China. We also have the example of how a realization of the dangers confronting them has for the time being almost obliterated class and party barriers in Great Britain, Australia, New Zealand and the United States. The right to criticize of course has not been relinquished, but it is exercised in such a way as not to interfere with the task at hand, the defeat of the enemy. That unity in some of these countries, however, was not gained without some persons, who for long had been high in the councils of the nation, having to step aside.

If we face the facts, I think the second thing we shall find is that where unity could not be achieved because of the selfish machinations of a privileged, profiteering class, and because of the loss of faith in democratic institutions by some sections of the working class, a great nation, France, lies prostrate under the nazi heel.

If we face the facts, I think the third thing we shall find is that for Canada the need for unity is just as important as it was in the case of the countries I have mentioned; and may I say again that it is important not only because of our part in this war but because it is necessary if we are to meet the problems which will confront us when peace is made.

One of the problems confronting us in Canada is how we are to bring about unity within the country itself. I believe the essentials to the creation of national unity in Canada are that the people everywhere should have a clear understanding of:

1. Why we are in the war.

(2) why and how we went into the war of our own free will, and

(3) what we as a people expect to get out of the war.

The last and the first are particularly important, because unless we understand why we are fighting and what the results of our share in the fighting will be, or what the results of the sacrifices we are called upon to make will be, we cannot carry on with the enthusiasm and fortitude necessary in a struggle of this kind.

The reason why we have not the desired unity in Canada to-day is that no real

effort has been made by the government to give the people an understanding of the three factors I have mentioned. There has been a holding back on the part of the government, a refusal to accept and proclaim the revolutionary nature of the war as a complete break with the political and economic policies of the last twenty-five years—policies which led inevitably and inexorably to war.

Last Thursday all hon. members listened to an eloquent and moving address by the hon. member for Richelieu-Verchères (Mr. Cardin). For myself, there was much in his speech with which I agreed, and I believe there was much with which we all agreed. I agreed with him when he condemned the government for lack of honesty with regard to the subject of conscription. I mentioned that matter myself in my speech on the address. As some other hon. members have quoted from other debates in this session, I crave the privilege of quoting a short paragraph from my speech on that occasion. I pointed out that, because of the way the plebiscite was introduced, in one part of the country it would be taken as a vote for conscription, and in another part it would be taken merely as a vote to relieve the government of any pledges which had been made. The group to which I belong proposed that in dealing with the question of conscription the people of Canada should have before them a clear and definite issue. It was with this in mind that I said, as reported at page 341 of *Hansard*:

> The group with which I sit are, as we have already stated, in favour of a vote on the clear issue of conscription, because we believe it is the real issue confronting the people of Canada to-day. We favour a vote on two questions: (a) conscription of man-power; (b) conscription of material reosurces, industry and finance. If both questions were given to the people for endorsation or rejection, I feel convinced that they would approve both provided they were told it was necessary.

They were not told it was necessary. They are not being told to-day that it is necessary. The government is saying, "Give us the power, and when we think it is necessary we will put conscription into effect on the terms and conditions we think fit, without any reference whatsoever to parliament. We have asked the people to free our hands. We now ask you, parliament, to free our hands and let us carry on, as if parliament were not here at all." That is not good enough, in view of the past record of the government.

I fully agreed with the hon. member for Richelieu-Verchères when he said, or implied, that the cry for conscription of man-power, without regard to the nature of Canada's contribution to the total war plans of the united nations, came mainly from a small group of profit-seekers. These people have been shouting for the conscription of man-power and the regimentation of labour almost ever since the war began. Yet they oppose every move which seeks not only to conscript, but to give the government definite and reasonable control over the material and financial resources of this country.

I have nothing but contempt for this group of short-sighted reactionaries in Canada, who are more ready even to sacrifice their own sons than to give up a tittle of their wealth, privilege and power. It was the refusal of similar reactionaries at the heart of empire to make any concessions to the colonial sections of the empire which has brought that empire to the very verge of dismemberment. That class of people has always acted too late.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MacINNIS: Mr. Speaker, when the house rose at six o'clock I had made reference to the fact that there was a small group of people in this country who were calling for the conscription of men and for the regimentation of labour but were not prepared themselves to give up the smallest fraction of their wealth or privileges. A concrete example comes to my mind. I remember that one of the first of these gentlemen to call for the conscription of man-power was James Duncan who, just prior to the incident mentioned, had been deputy minister of national defence for air. He made the demand for conscription in a speech that was reported in the Toronto *Globe and Mail* of November 1, 1941, but just a short time before, this same James Duncan, when the Massey-Harris company called him, abandoned his important war post as deputy minister for air and went back to his private business. The men whom he would conscript, once they are called to their posts, stay at their posts for the duration. They cannot desert their posts whether family or business reasons call.

The hon. member for Athabaska (Mr. Dechene) this afternoon referred in scathing terms to the control exercised by a small group of industrial and financial pirates, I think he called them, and gave it as his considered conviction that when this war was over, the power exercised by these gentlemen would be a thing of the past. I do not know where he got his information—possibly from the stars—but certainly he did not get it from

a study of conditions as they are in Canada to-day because, if there is one thing that has been clear beyond anything else ever since this war began, it is that these people are becoming more and more powerful. I saw it put very nicely in the last issue of *Maclean's* magazine. A gentleman in business for himself and also occupying a high position with the government wrote from his own business office a letter to himself as a government official about some matter. Next morning he went to his government office and found the letter he wrote to himself waiting for him. Then as a government official he replied to himself as a business man, and then going back to his own office the next morning and getting the letter he had sent to himself, he was greatly pleased with the efficiency of government departments. That is what is happening, and I am afraid that the hon. member for Athabaska is going to be greatly disappointed if he sticks to the notion that once this war is over, these gentlemen are going to let go their strangle-hold on the people of Canada.

I have already made reference to the speech made on Thursday last by the former Minister of Public Works and Minister of Transport (Mr. Cardin) and indicated some points in his speech with which I agree. I also agree with the hon. gentleman when he warned the house that the deletion of section 3 from the National Resources Mobilization Act means conscription for overseas service, in spite of all the sophistry of the Prime Minister (Mr. Mackenzie King). And not only that; it means conscription for overseas service without any further reference of the question to parliament. Further, I think the hon. gentleman was also on solid ground when he protested against the undemocratic procedure of conscription being imposed by the stealth and secrecy of order in council. From his long association with such methods his words should carry weight with this house. In all of this serious criticism I think the hon. member for Richelieu-Verchères was definitely in the right. But even before he spoke, on the same day, the hon. member for Rosetown-Biggar (Mr. Coldwell), the leader of this group, had pointed out the same facts. We of this group I think may be pardoned if we feel perhaps gratified—that is not quite the proper term at such a time as this, but I cannot think of a better one—that our criticisms and suspicions of the government's methods have been confirmed by one who himself has had so many years of experience in the cabinet.

There were, however, points in the ex-minister's speech with which I did not agree, with which, indeed, I must take issue. He was seriously wrong, I think, when he implied that the support of English-speaking Canada for the war is mainly because of our British connection. I do not deny that there are small groups in this country to whom our British connection is sufficient reason for support in this or in any other war. There are similar people in all countries, but their kind is getting less and less each day. I think my hon. friend was wrong there, but there may be justification for his statement, and that justification lies in the fact that the government of which he himself has so recently been an influential member has fostered those ideas. I could give a thousand illustrations, as could any man in this house, of how such ideas have been spread and fostered by the present government—that is that Canada is at war because Britain is at war. But I think one will suffice—I believe, an outstanding one. Some months ago the Prime Minister published a book of his war speeches. The title of the book, "Canada at Britain's Side", is sufficient justification for the statement made by the hon. member for Richelieu-Verchères. That title to my mind is as good an expression of apron-clinging colonialism as any imperialist could wish for. Taken as the title of a collection of his war speeches by a man who, since the passing of the statute of Westminster, has continually reminded us of Canada's equality with Great Britain as a member of the British commonwealth of nations, it is bad enough; but when one learns that the title of the French edition of the same book is "Le Canada et la Guerre", which is, I believe, translated into English, "Canada and the War", the thing is beyond comprehension. But it does explain to some extent why to-day we have disunity in Canada. It is and has long been the accepted policy of this government to say one thing in the province of Quebec and another thing, though not always the same thing, in the other provinces. It depended upon whether they were going east or west. When they went west they were monetary reformers; when they came east they were the most orthodox of the orthodox.

I wish again to emphasize that the hon. member for Richelieu-Verchères is seriously wrong when he says that the people of English-speaking Canada, in giving support to the war, are motivated by emotion rather than reason. In saying that, he does English-speaking Canada a great injustice, and I do not think he wanted to do that.

I am of British stock. Usually when a person says that he follows it up by saying that he is proud of it. The hon. member for Richelieu-Verchères said the other day that such things

were accidents, and I am willing to leave it at that; no one needs feel proud of an accident. My father came to this country over a hundred years ago. My mother's people have been in Canada for over a hundred and fifty years. In my love for Canada I yield place to no one. But for an intelligent man to-day love of country is not enough. One must love freedom. One must love humanity. One must love progress. One must love decency. These are the things which are involved in this struggle, and it is for these reasons that the people of my race have given and are giving all that they can. I, therefore, want to assure the hon member for Richelieu-Verchères and my other French-Canadian friends in this chamber that I have, like many other English-speaking people, passed through many troubled days during the past seven or eight years. We saw the menace of fascism coming nearer and nearer. We saw the reactionary Tory government of Great Britain making concession after concession to the dictators of Rome and Berlin. We saw the government of Canada spinelessly following the vacillating footsteps of a Baldwin and a Chamberlain. We saw collective security sabotaged and aggressors appeased in the hope of saving for a little while longer the right of a privileged class to rule and exploit. For me, for hundreds, for hundreds of thousands of Canadians this war did not begin in 1939. It has been going on for years—in Abyssinia, in China, in Spain, where the strategy and the implements we find to-day on every war front had been used and tested and perfected and their deficiencies, if any, found out.

The people of English-speaking Canada may and do feel pride in the courage and determination which the people of Britain have shown since May, 1940, but we support the war because of the issues at stake. These issues can be put very briefly. We are fighting to maintain the position won by us and others through years of sacrifice and struggle. We are also fighting to maintain the right of the common people to enlarge and enrich their lives by their own efforts, through their own organization, and to live under the rule of law. We of this group made that abundantly clear in the very first statement just before Canada's declaration of war, in the session of September, 1939. The hon. member for Rosetown-Biggar (Mr. Coldwell) speaking for this group, said on that occasion, as reported in *Hansard*, page 55:

> Nevertheless, the Cooperative Commonwealth Federation recognizes that Canada is now implicated in a struggle which may involve the survival of democratic institutions. We consider that in the cause of the allied powers lies a hope of building European peace on a more secure foundation because, in part at least, the people of Britain and France are waging a war against aggression.

We could not, Mr. Speaker, be unconcerned as to which side would win, and consequently we favoured Canada's participation in this war. In this war to-day we are proud to associate ourselves not only with Britain but with every free nation in the fight for survival, in the fight for freedom, and in the fight for the right to progress in our own way.

It is not necessary for me to elaborate on the causes which led to war; it is not a part of this debate. It is sufficient to note that the position of the world to-day is like that of a city in which dangerous gangsters are at large. No individual is safe until these gangsters are put under restraint. If the war has taught me anything, it is that the world to-day is a huge city. There is no longer isolation for nations any more than there is in an ordinary city isolation for the individual. The various nations are only the various sections of the city; the Chinese nation is the Chinese quarter, the Italian nation the Italian quarter, the British nation the British quarter, and so on. Consequently every nation must be concerned with what is taking place, and every nation must do its part to bring about a better and more orderly way of life.

The Cooperative Commonwealth Federation, in common with the Labour parties of other sections of the commonwealth, has condemned British imperialism as vigorously as any other and perhaps more vigorously because we felt we had more right to do so. It is our belief, however, that the British commonwealth of nations as a league of self-governing, independent and equal partners will play an important part in the new world which will follow this war. I have stressed these points because I want to make it clear beyond the possibility of doubt why this group wants an all-out war effort.

We cannot, however, support the government in what it is now asking unless we get from the government some guarantee that will convince us that the sacrifice asked of the people will not be in vain. Past experience, as the hon. member for Weyburn (Mr. Douglas) pointed out the other evening, is a justification for asking the government for these guarantees. For that reason, Mr. Speaker, I move, seconded by the hon. member for York South (Mr. Noseworthy):

> That all the words after "that" in the said motion be struck out and the following substituted therefor:
>
> "this bill be not now read a second time but that it be resolved that the principle of the bill before the house is inadequate and inequitable, permits the governor general in council to conscript men for overseas service without

reference to parliament, and is, therefore, contrary to the peace, order and good government of Canada."

When, Mr. Speaker, you were giving the reasons the other evening for ruling out of order the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell) Your Honour quoted an amendment moved by the present Prime Minister, who was leader of the opposition at the time, in 1934, that amendment being:

This house, while prepared to support legislation or assist in 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.

This same right hon. gentleman is asking now, not that this house give him power over trade and commerce, over the natural products of the nation; he is asking parliament to give him power over the lives of the individuals in the nation. Surely, if the amendment I have just quoted was justified in 1934, when this house was dealing with inanimate things, the amendment I have just moved is much more justified on this occasion when we are dealing with the very lives of the people of the country. I submit that no better argument could be used for the appropriateness of this amendment.

There seems to be a wide difference of opinion even among members of the government as to whether or not this is a conscription bill. If I heard aright this afternoon, the Minister of Agriculture (Mr. Gardiner) said it was not; but the Prime Minister said the other evening very definitely that it was. I quote from page 3288 of *Hansard* of June 11:

Mr. Mackenzie King: What is my hon. friend talking about right now?

Mr. Douglas (Weyburn): May I ask: are we discussing conscription?

Mr. Mackenzie King: Yes; the question of overseas service is now before parliament.

But once this bill is passed, it will no longer be before parliament and all the power will be in the hands of the government. I noticed a quotation in a speech delivered by the hon. member for Vancouver Centre, the Minister of Pensions and National Health (Mr. Mackenzie), at the legion convention in Winnipeg recently:

If the trumpet give an uncertain sound—who shall prepare himself to the battle?

By the sounds the trumpet is making I think it is badly cracked.

In the few moments left at my disposal there is another point I wish to make. I do so to support a statement I made a few minutes ago, that the policy of the members of the government changes as they go east or west. In Ottawa it is, of course, stationary and absolutely reactionary. When my hon. friend was at the legion convention, speaking of course not as Minister of Pensions and National Health, but as a member of the Canadian Legion, he said:

You are to have a serious debate to-morrow morning on the conscription question. If I had my way, the first conscript in Canada would be money.

When my hon. friend the member for Rosetown-Biggar moved a motion to conscript money the other day, the Minister of Pensions and National Health—he was not then speaking to the legion in Winnipeg—was the first one to rise in his place and draw to Your Honour's attention the fact that the hon. member was out of order.

Mr. MACKENZIE (Vancouver Centre): May I tell my hon. friend that in 1925 I moved a resolution, the first one in Canada, which was carried unanimously by a vote of the Canadian Legion.

Mr. MacINNIS: Yes but my hon. friend was on the opposition side of the house in 1935. To-day he is on the government benches.

Mr. MACKENZIE (Vancouver Centre): I said 1925.

Mr. MacINNIS: Oh, 1925. That is still further back, and there was no hope of anyone doing anything about the matter then. That is the reason, Your Honour, why we have so many difficulties to-day. I imagine my time has expired, and so I leave these thoughts with you.

Mr. R. T. GRAHAM (Swift Current): The bill which this house is now discussing has excited a debate which it is quite apparent is seriously claiming the attention of hon. members. That is rather strange, Mr. Speaker, because I do not think you can find in the bill itself anything that should create the feeling of tension that has been quite obvious during the course of the debate thus far. There is no doubt that the importance the house is attaching to the bill arises, not from the terms of the bill itself but from the possible use of the authority given the government as a result of the removal of the restriction now contained in the National Resources Mobilization Act; and I think we should pay particular attention to the fact that this tension was made much more apparent by the address which was delivered by the hon. member for Richelieu-Verchères (Mr. Cardin), which we all realize constitutes a threat to the unity which has, so far at least, during the course

of this war characterized all the people of Canada. I believe the seriousness of the matter properly justifies the consideration being given this debate. The opening address by the right hon. Prime Minister (Mr. Mackenzie King), the addresses of the leaders of the opposition parties, and in particular the address of the hon. member for Richelieu-Verchères, bring home to us not only the seriousness of the world situation but also the serious state of our internal, domestic affairs, which is a very important matter in relation to the other, larger question.

In the time allotted to me I propose to deal with some of the matters brought up by the leaders of the opposition parties in this house. First I should like to deal with the speech of the hon. member for Rosetown-Biggar (Mr. Coldwell), the leader of the Cooperative Commonwealth Federation group. Hon. members of course will remember the manner in which that address was dealt with to-day by the Minister of Agriculture (Mr. Gardiner). I come from Saskatchewan; and hon. members will not be surprised that those of us who come from that province take perhaps a greater interest than others in the utterances of the leader of the Cooperative Commonwealth Federation group. The policies which he enunciates in this house, and which he repeated so cleverly and so ably on Thursday last, are not new to the people of Saskatchewan. Though the speech of the hon. member was thinly disguised to make it appear an attempt to assist in the war effort, I do not believe that was the real purpose of the speech delivered by the leader of the Cooperative Commonwealth Federation group.

Mr. COLDWELL: I rise to a point of order. The hon. gentleman is imputing improper motives. I say on my word that my speech was an attempt to assist the government and the country in the war effort, and a very deliberate attempt at that. I ask that the statement be withdrawn.

Mr. GRAHAM: If I have offended against the rules of the house, Mr. Speaker, I withdraw; but I challenge the leader of the Cooperative Commonwealth Federation group to tell this house of a single principle included by him in his six points which his party have not supported in the past, when there was peace in this land, and which they do not propose to support after this war has been brought to what we hope will be a victorious conclusion.

Mr. COLDWELL: If I am asked that question I can answer it very briefly. Certainly that is true; but is it not a fact that the Liberal party itself carries its peace-time policies into its war effort and its policies relating to the war into the peace effort? If not, there is a complete break with all that goes before and all that comes after.

Mr. GRAHAM: Using the premise which has been established by my hon. friend's answer, I propose to deal with his speech as I think it should be dealt with; because I believe that to propose at this serious moment in the history of this nation a policy which would fasten upon Canada not only in time of war but in time of peace a system of state socialism would be fatal not only to the war effort but to the happiness, contentment and liberty of our people.

Mr. COLDWELL: Who says it is state socialism, to begin with?

Mr. GRAHAM: I think also, while I hope I would be the last man in this house to bring up old controversies merely for the sake of bringing them up, it would be proper to examine the speech of the hon. gentleman in the light of the past performances of the Cooperative Commonwealth Federation party. As the Minister of Agriculture pointed out this afternoon, away back in 1933 the group which my hon. friend now leads enunciated the very same principle, only in different words:

> Socialization of the banking, credit and financial system of the country, together with the social ownership, development, operation and control of utilities and natural resources.

That was then part and parcel of what they called "planned economy." It was part and parcel of a policy which they suggested had in mind production for use only.

Mr. COLDWELL: May I ask the hon. gentleman if he is quoting from something? If so, I wonder if he would table it.

Mr. GRAHAM: My hon. friend has interrupted me several times. I did not interrupt him when he was speaking, and I ask that he accord me the same treatment.

Mr. COLDWELL: I am sorry, but if the hon. gentleman alleges that he is quoting from some of our literature, I am asking him to table the document so that I may see it.

Mr. GRAHAM: Does my hon. friend suggest that this is an incorrect statement of the policy of his party?

Mr. COLDWELL: That has nothing to do with the matter. Will the hon. member table the document?

Mr. GRAHAM: As I say, included in that policy was the "production for use" programme, and at that time they also had a "use-lease-land" system which envisioned the

taking over, the nationalization at least in part, of the farm lands of that province—

Mr. COLDWELL: That is not true.

Mr. GRAHAM:—and in turn leasing that land back to the farmers of the province, on terms that might be thought fit.

Mr. COLDWELL: That is incorrect.

Mr. GRAHAM: Yet the verdict of the people of that province, as might be expected, was wholly adverse to the policy, and to the leadership that sponsored it. I suggest that since that time the leader of the Cooperative Commonwealth Federation group has acquired greater wisdom, for I do not think anyone in this house has ever heard him use the term "use-lease system", nor has he used the term "planned economy".

Mr. COLDWELL: Yes. I never did use the term "use-lease system".

Mr. GRAHAM: I noticed that to-day the hon. member interrupted the Minister of Agriculture and said he had never used the term "state socialism".

Mr. COLDWELL: Quite right.

Mr. GRAHAM: Then what is the basic root of the policy enunciated by my hon. friend?

Mr. COLDWELL: Cooperation.

Mr. GRAHAM: Is it not the transfer to a centralized authority, to be known as the state, of all the rights, powers and authority that now reside in the people?

Mr. COLDWELL: Absolutely not.

Mr. GRAHAM: Then am I wrong in interpreting the policy which he gave to this house as meaning that it would have the effect of clothing the centralized authority with the constitutional power which we, as a free people, have given our government; that is to say, authority over the appointment of the judiciary, authority over our police forces, power and authority over our army and militia? My hon. friend now suggests that in addition we should transfer to that centralized authority control over our finances, which of course includes the issue of currency and credit, and control of our war industries, as he described them in his speech of last Thursday, though in ordinary times he describes them as simply "industry" or "key industries," and in addition all those powers which my hon. friend suggests should be given to the centralized government in this country.

Mr. COLDWELL: Does my hon. friend not think that is better than having dollar-a-year men controlling everything?

Mr. GRAHAM: My hon. friend went further; he warned us that that was not an exhaustive statement of their policy, and he left to our imagination just how far he and his group are prepared to go in the matter of the transfer of the rights of the people to a centralized government.

Mr. GILLIS: The rights of what people?

Mr. GRAHAM: I ask him now, would the people of the province of Quebec who have historically and jealously guarded provincial rights, who set great value on the rights guaranteed them by the treaty of Paris, who see in minority rights a cause that they constantly champion and protect, ever dream of giving to any group—

Mr. MacINNIS: They have given it already. What about the Montreal light and power companies?

Mr. GRAHAM: —not only the power to control the ordinary processes of law and order but almost absolute control over the spiritual, cultural and economic life of the people?

Mr. MacINNIS: That is good political talk for Quebec.

Mr. GRAHAM: I have a book that I would recommend to hon. members. It is entitled, "Socialism Critically Analysed," written by Doctor O. D. Skelton, a man whose memory is honoured in this house and this country. Although that book was written some thirty years ago, he sets out clearly the propositions enunciated in this house by the Cooperative Commonwealth Federation group, and he examines them with the keen analytical mind which we all know that Doctor Skelton possessed. Therefore I suggest that all who are interested in the Cooperative Commonwealth Federation policy read and digest that book.

Mr. COLDWELL: And then listen to the Hon. Walter Nash.

Mr. GRAHAM: He warns us exactly what would happen if such powers were granted to a centralized authority which would make the state not a servant of the people but the master of the people. Is that not one of the essentials for which we are fighting, to retain the liberty of the individual as against any fascist or collective state?

Mr. MacINNIS: What about the monopolies?

Mr. GRAHAM: Surely the policy which my hon. friend attempts to persuade this house should be accepted is the policy against which we are fighting.

Mr. COLDWELL: What about Australia, New Zealand, Great Britain?

Mr. GILLIS: And Kirkland Lake and Dumarts in Canada?

Mr. GRAHAM: I was surprised at the statement of my hon. friend when he accused the Prime Minister and members of the government of sowing disunity and creating confusion in this country. I thought that charge particularly inappropriate in the mouth of the leader of the Cooperative Commonwealth Federation party. I do not wish to recall except for the purpose of my argument the attitude taken by the Cooperative Commonwealth Federation party prior to the outbreak of the war. We all remember it, and I would have been prepared to hear the leader of the group after the outbreak of the war announce that he had seen the error of his ways, show a reasonable measure of repentance and make a declaration that he had been wrong and that the party had changed its attitude toward the war. Instead of that, as late as Thursday of last week he attempted to persuade this house that the attitude he took then is still the proper one for this country to take.

Let me go further, because I think it is important. In July, 1940, in the city of Regina, the capital of Saskatchewan, the provincial Cooperative Commonwealth Federation group met for the purpose of electing a leader. The then leader, Mr. G. H. Williams, who had at that time I think become a member of his majesty's forces, challenged that convention to defeat him as leader on the ground that he supported the war effort of this country. I am proud to say that the convention did support his leadership, although I think he was opposed by a Professor Carlyle King on grounds not quite as certain.

Mr. MacINNIS: Was there no opposition to the war in your party?

Mr. GRAHAM: In the same city at the same time and under the same auspices, the Cooperative Commonwealth Federation youth movement met for the same purpose, and my hon. friend knows that at that convention, meeting in July, 1940, after Dunkirk, after the fall of France, they passed a resolution calling upon the government of Canada to recall all troops sent to England and to confine Canada's war effort to the supply of material.

Mr. COLDWELL: No, not that I know of.

Mr. GRAHAM: Perhaps my hon. friend does not have to accept full responsibility for something done by the youthful wing of his party.

Mr. COLDWELL: I know nothing about it.

Mr. GRAHAM: I suggest that "by their fruits shall ye know them", and that the fact that the youth of this country who have been educated in their political doctrines by the Cooperative Commonwealth Federation leaders, in the face of the awful realities of July, 1940, passed such a resolution, is an indictment of the leadership of that party.

Mr. COLDWELL: I know nothing about it, but I do know what the hon. member for Beauharnois-Laprairie (Mr. Raymond) said about it.

Mr. HOWDEN: I rise to a point of order, Mr. Speaker. I ask that the hon. member be given fair play.

Mr. COLDWELL: I do not wish to interrupt, but the hon. member keeps asking me questions, and when he does so I feel bound to answer. If he will refrain from asking rhetorical questions I will refrain from answering them.

Mr. SPEAKER: I think the hon. member's questions are largely rhetorical and do not call for interruption of his speech.

Mr. GRAHAM: If I may now continue, even as a war-time policy I think the argument is all against the suggestions of the leader of the Cooperative Commonwealth Federation party. I do not believe that the leader of that party in this house or any of those who sit with him have any fixed conviction that there is any possibility now or in the near future of the adoption of the programme he suggests as the proper one for Canada to pursue. I think he would agree with that statement. If that be true, does he consider that he is adding to the efficiency of this country's war effort by saying, in effect, to the government, properly elected in a democratic manner by the Canadian people since the outbreak of the war to conduct the country's war effort, "we refuse to support any measure which this government presents unless they will accept the dictation of this party and impose, not only upon this parliament but upon the people of this country, state socialism", which he knows cannot come into existence now or in the near future?

I will go further. I have listened to my hon. friend speak highly—and in that I would join him—with regard to the leaders of the Labour party in the old land. He has often referred, and with approval, to the Hon. Ernest Bevin. Let me bring to the attention of the house the attitude of Mr. Bevin toward the war effort of Great Britain

on an occasion of exact similarity to that which is now before this house. On December 4, 1941, the British House of Commons was discussing the extension of the selective service system to women. One Mr. Daggar moved an amendment, similar in its purpose but differently phrased from that moved by the hon. member for Rosetown-Biggar (Mr. Coldwell). Let me read Mr. Daggar's resolution:

Mr. Daggar: I beg to move, in line 1, to leave out from the word "that" to end of the question, and to add instead thereof:

"This house, while assenting to the extension of the principle of compulsion to the man-power and woman-power still available, is of opinion that, in order to secure the full utilization of national resources in the war effort, it is essential that industries vital to the successful prosecution of the war, and especially transport, coal mining and the manufacture of munitions, should be brought under public ownership and control, and that the necessary legislation should be brought in as soon as possible."

I ask the house to notice this, that those who moved that resolution had the interests of the war effort at heart—and it is so stated in the wording of the resolution, because the first words are "while assenting to the extension of the principle".

The amendment attempted to be moved by the hon. member for Rosetown-Biggar starts off by saying that this bill be not now read a second time. In other words, it is a refusal to give any measure of support to the Prime Minister and the government who are charged with the task of carrying on this war effort.

What attitude did Mr. Ernest Bevin take with regard to Mr. Daggar's resolution? He took the attitude I would expect a great patriot would take. He spoke against it and succeeded in persuading the house that it was an improper resolution to bring before it. I not only quote him, but I could quote Mr. Shinwell who, I think my hon. friend would agree, is an ardent and enthusiastic socialist in the old country. He, too, in discussing the amendment admitted quite frankly that it was impossible to bring in such a transfer of management and ownership and control of the industries without creating such confusion and, shall I say, almost revolution in the country that it would so disturb the war effort as to be unwise. Let me quote his words, in dealing with all the avenues open to him:

Another possibility is to take over all war production, including shipbuilding, and run it as a state affair, using the technical and administrative staffs and leaving questions of compensation to be determined at the close of the war. While this is consistent with the policy of the Labour party, it may be rejected because of the political disturbance it involves.

In order that I may assist the war effort, I want to draw to the attention of the house the difference between my hon. friend's party and those in Great Britain who are held up by my hon. friend for approval. They have been held up on more than one occasion. I would compare their attitude with that of hon. members of the Cooperative Commonwealth Federation party in this house, in moving the amendment they did.

Mr. COLDWELL: What is the date of that speech?

Mr. GRAHAM: December, 1941. It is reported in the parliamentary debates, volume 376, November 12 to December 19.

I would invite the leader of the Cooperative Commonwealth Federation party, whose political capacity and whose power to assist the government in this war effort is very great, to forsake the opportunity to advance the fortunes of the political party to which he adheres, and to do as we on this side of the house are doing, namely, surrender for the moment, in the interests of the nation, the right to bring up controversial matters, which can be left until peace comes to us again.

Surely that is the attitude we have the right to ask of every hon. member in the house, when we examine the war situation as it is to-day. My own attitude in this matter is, I believe, very plain and, I hope, a patriotic one. If it becomes a necessity, and if I believe it will help the war effort of the country, I am prepared to conscript man-power for any purpose. If it becomes a necessity, and if I believe it will further the interests of the war effort of the country, I would conscript wealth of all kinds, both annual and accumulated. If it becomes a necessity, and if I believe that it will help the war effort of the country, I would conscript or compulsorily take over all of the industry needed to be taken over.

An hon. MEMBER: Why not concede us the same right?

Mr. GRAHAM: I go further than the Cooperative Commonwealth Federation—at least, if I understand their policy as that enunciated last Thursday by its leader. If it were a necessity and if I thought it in the interests of the war effort of this country, I would conscript labour, I noticed particularly that my hon. friend did not suggest that to this house, when he mentioned conscription of man-power.

On the other hand, if, after giving due consideration to each, and after having, I hope, obtained the information I require from the sources which would have that information, I

find that that is not a necessity, and that it would not help the war effort, I would vote against any such measure. I believe that is the simple attitude which we can all adopt, because it is the one which holds out the only present hope of speedy victory.

It seems to me that if we could imagine the people of Canada all gathered together in this House of Commons to-night, and suddenly the gentleman usher of the black rod, or some other official, came and announced that the Japanese were at the west block and the Germans at the east block, we would speedily forget all of our political futures, all our political plans and hopes, and would join together under the best leadership available for the purpose of meeting the enemy. I will admit that that illustration is somewhat extreme, but I submit that the real and actual situation justifies the illustration. Inasmuch as the Japanese have invaded the Aleutian islands off our western coast, and the German submarines have entered the St. Lawrence river, I think my illustration is not too far-fetched. We as members of the House of Commons have a common duty to perform in supporting the government, as well as the duty each one has in carrying out his share of the war effort.

We speak of the patriotism and the sacrifice of the young men who are called upon to fight in the front line. In my day and age we were called upon to fight in the war of 1914-18. The young men and the young women of this day are called to fight in a much more terrible and more serious war in every respect, so far as the results which may possibly flow from it are concerned. If we are asking those young men to risk the sacrifice of their physical lives, then surely it is not asking too much of hon. members to ask us to place upon the altar of this our native land our political lives, and to consecrate ourselves to the duty of giving to this government, the chosen of the people, every possible measure of support, so that we can bring victory—certain, and as soon as possible.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, when the Minister of Agriculture (Mr. Gardiner) spoke this afternoon he said that the leader of this group had stated, when speaking on this measure, that we had taken a stand against either public ownership or control of industry. Therefore, in order to set the record straight in the matter I should like to quote what the hon. member for Lethbridge (Mr. Blackmore) did say in regard to industry. I am sure, had the Minister of Agriculture read the speech, he would not have made the statement he did make.

[Mr. Graham.]

The speech of the hon. member for Lethbridge is found at page 3273 of *Hansard,* and from it I quote the following:

> Nevertheless this group conceives a state in which industry shall do what the state tells it to do. Why should such an outrage as has been referred to already, in the Dumart plant, continue unchecked? If an industry simply refuses to obey the directions of government, then the government without hesitation should force it to sell its shares to the government or to some other industry which would be prepared to obey the government's will and fall into co-operation. There are other forms of compulsion which could be used. As a result of the application of these devices it would be possible to conscript completely industry in this country, which means to bring it under control so that it will cooperate with the state for the people of the state.

In passing, I should like to stress the fact that this group has consistently advocated the control of industry by government.

To-day it is so obvious that unless we defeat the enemy overseas we shall have to defeat him at home on the American continent, that no sound argument can any longer be presented that Canada ought not to participate to the greatest possible degree in the overseas conflict. That conclusion having been reached, it becomes a question of what is the most equitable way of calling up men for military service. The voluntary system to-day as imposed by this government is a policy of flogging the willing horse. It is neither just nor efficient. A continual appeal is made to a person's sense of patriotism, to his conscience, with the result that the entire personnel of some families is wiped out, while other families make no contribution whatsoever. This policy has been maintained largely no doubt as a matter of political expediency. I would call it appeasement in its very worst form, and appeasement invariably fails. If the objective is, as we have been told, national unity, I think we can say that the government has failed to achieve its objective. If the objective has been unity within the Liberal party, I think one can also say, after listening to some of the speeches that have been made in this house, that appeasement has failed even in that direction.

If the war were a minor operation, or if we had many men wishing to volunteer for foreign service, then I would say that the voluntary system would be satisfactory. So long as we had plenty of men in this country clamouring to be allowed to go overseas I would say that the voluntary system was satisfactory. But as soon as you had a situation where you had to badger men and resort to various questionable practices in order to induce or coerce men to enlist, I would say that the voluntary system had failed and that the time for conscription had come.

In war-time it is absolutely essential that we should at all times strive for the greatest degree of equality of service and sacrifice. It may not be possible to achieve that objective. It cannot be achieved, I admit, 100 per cent, but that does not for one minute excuse the government for failing to strive continually to reach that objective to the greatest degree possible, and I would say that is equally true whether we have a voluntary or a compulsory service for overseas. Surely those who enlist on a voluntary basis have just as much right to demand equality of service and sacrifice as those who are conscripted, and I would say that no man should be asked to give his life for his country either voluntarily or by compulsion unless at the same time those who stay at home are prepared to assume their full responsibility in that effort. Just to show that we have been quite consistent in our attitude regarding the war since its declaration, I would quote briefly what I said on September 11, 1939, when we were discussing the appropriation bill. It will be found at page 99 of *Hansard*. I said:

> In time of war it becomes necessary to call upon certain people to be willing to sacrifice their lives. It becomes necessary for some people to make that supreme sacrifice. It is necessary for others to suffer mutilation of the body. Is it asking too much to ask people remaining in Canada, in comparative safety, to be willing to sacrifice the major portions of their incomes? Is that asking too much, at a time when we are asking other people to sacrifice their lives? I say we have every right to demand that those who remain in safety be prepared to sacrifice the major portion of their incomes, that they be permitted to retain only that portion which is necessary for the maintenance of a moderate standard of living.

Again:

> We believe in utilizing the Bank of Canada so that we may create the necessary financial credits and currency, combined with definite price regulation so as to obviate any serious rise in prices. We would advocate, further, steeply graded income and profits taxes. We maintain, further, that the only possible justification for borrowing is when our need for goods is greater than our ability to produce them. That condition of course requires external borrowing. We see absolutely no justification for internal borrowing.

So, Mr. Speaker, I would say that when the men return from overseas they should not be called upon to make any further sacrifice. When they have fought this war and won it they will have made all the sacrifices they should be called upon to make, without being called upon, when they return, to start to help paying the cost of the war. That is our responsibility now.

There would be no question of our overseas forces having to pay the cost of this war had there been adopted from the outset, as we were led to believe would be adopted, a strictly pay-as-you-go policy. But to say to the men now overseas or in the active service forces: "We asked you to go without that guarantee, but we will not allow reinforcements to be conscripted without it", would in my opinion be a betrayal of our men overseas. Therefore, Mr. Speaker, I cannot agree with those who say that we must vote against this bill until the government have adopted their particular brand of conscription of wealth. Furthermore, I consider that the plebiscite vote was a direct mandate to the government for the introduction of the bill now before us. Whether or not we have conscription for overseas makes no difference so far as the immediate conscription of the industrial and financial resources of the nation are concerned. Failure to do this means the loss of morale, and the loss of morale may easily mean the loss of the war.

There is much that the people have to do in the line of duty. But that is not enough. For an all-out war effort people must be prepared to go beyond the line of duty. However, before you can expect to develop that spirit, before you can expect to instil a greater esprit de corps among the people, you must convince them not merely that you are fighting to defeat Hitlerism, which is simply a means to an end but that the real end in view is to introduce into the world a new social order based upon true Christian principles. As the Prime Minister, however, has said on several occasions, unless that new social order is well on its way before the end of the war, we might well look for that new order in vain.

Speak to the people on the streets; speak to the men in the army; speak to the men on the production lines, and what do you find? You find they are fearful. Fearful of what? Fearful of what is going to happen to them at the end of the war. The depression years from 1930 to 1939 are all too fresh in their memory. They remember the hundreds of thousands of men who were wandering across Canada looking for work, hundreds of whom were arrested on a vagrancy charge when their only crime was that they were looking for a job. They are wondering to-day what is going to happen when half a million men come back from overseas and when one million people now in the war industries are thrown out of a job upon the conclusion of the war. That is not a healthy state of mind for the people of any nation to be in, and so I believe it is high time for the Prime Minister to tell the people in unmistakable terms, and assure them of it so that

they can be certain of it beyond the shadow of a doubt, that a new social order will be brought in at the conclusion of the war. Promises such as those made by ministers sitting over there are not enough.

I remember that the hon. member for Athabaska (Mr. Dechene), speaking this afternoon, said that people should not be doubtful on this question. He said we are told that there will be a new social order. He said we have had the Atlantic charter. But I would remind the hon. member that, when I was overseas in the last war, we also listened to promises. Members of the government came to us in France and told us what would be done; we were fighting to make the world safe for democracy; this was a war to end wars, and everyone when he returned to Canada would be guaranteed a job and his family looked after. Were those promises kept? If promises to the soldiers in the last war were not kept, have we any reason to expect a better fate for the vague promises which are being made to-day? I do not think so.

So I would say that, before calling upon the people to make any greater sacrifices than they have already made—we are led to believe that further impositions will be announced in the coming budget, and the conscription of manpower will mean even greater sacrifices—the government of Canada should issue a declaration of principles for a Canadian charter. In other words, let them issue a declaration which will apply the Atlantic charter to Canada, and show how it will work, especially with regard to sections 4, 5 and 6. Take the section which says that the nations of the world shall have free access to the raw materials of the world and that all peoples of the world shall be guaranteed freedom from fear and want and freedom from war. I believe that if the government were to issue a declaration such as I suggest and make it clear how the Atlantic charter will be applied to Canada, a long step would have been taken to build up the type of morale which is so necessary in war time.

I want to give a few examples of what the government might tell the people of Canada at this time in order to build up confidence. May I here remark that if such a declaration were issued, it would not be necessary to hire cheer leaders such as Mr. Hirst to go and try to build up the morale of the aircraft workers.

Let the Prime Minister tell the people of this country that the policy of not allowing financial restrictions to impede our war effort will apply equally to our post-war reconstruction period.

Let the Prime Minister say, giving it the widest possible publicity, that anything which can be achieved in the physical sense to bring in a new social order will be made financially possible. I am satisfied that in that event the morale of the Canadian people would be greatly improved. I am somewhat doubtful whether the Prime Minister would be prepared to make such a statement.

Mr. JOHNSTON (Bow River): So is everybody else.

Mr. QUELCH: I have in mind a discussion which I had the other day with Doctor James, who is chairman of a seven-man committee for reconstruction. I pointed out to him that the Liberal party had been unable to solve the pre-war problems. I pointed out that we had had half a million unemployed, and that our group had continually urged in the house that these unemployed should be put to work on national projects so that the money paid out on the projects would create a demand for the goods which industry can produce, but that always we were met with the same argument, that there was no money available for such a purpose. Then Doctor James said, "Oh, but don't you realize that there has been a tremendous change of opinion regarding monetary policy since 1939?" I will agree that in so far as the people of the country are concerned there has been a change. I do not believe the people will ever be satisfied to be told again that they have to go on relief because there is not enough money to put them to work. Having seen that we can spend not only hundreds but thousands of millions of dollars for war, they are not going to be willing to have their sons wander from one end of the country to the other looking for work because the government says that there is no money available.

So I believe the people of the country realize that there must be changes, that the type of monetary policy we had before this war—a deflationary monetary policy—will never come back. I am not so sure that the government realizes it. I pointed out to Doctor James, when we were discussing the thousand million dollar gift, that the main reasons for giving instead of lending these goods to Britain—

Mr. DEPUTY SPEAKER: Order. The hon. gentleman has been discussing post-war conditions. He is now referring to a debate which has already taken place during this session, namely the debate on the billion dollar gift to Britain. This is out of order. The measure before the committee is a provision to amend the National Resources Mobilization Act.

Mr. QUELCH: I bow to your ruling, Mr. Speaker, I will not refer again to the billion

dollar gift. I hope you are not suggesting that I cannot discuss social conditions. I have sat in this house for three days listening to a discussion on this very matter.

Mr. DEPUTY SPEAKER: My ruling can be appealed from but cannot be discussed. I do not know what has taken place during the last three days; I was not here, but I know it is a fundamental rule that the discussion must be relevant to the measure before the house.

Mr. QUELCH: Mr. Speaker, I have said that I bow to your ruling.

Before I mentioned the billion dollar gift I was stressing the fact that if we are going to call upon the people of this nation to make further sacrifices, it is absolutely essential that we take steps to build up morale. I want to explain and stress how necessary it is that certain declarations shall be made to the people in order to build up the type of morale necessary to make them willing to undergo these sacrifices. I suggest that if the Prime Minister would explain to the people that by the end of this war Canada will be wealthier than it has ever been before, due to the fact that we shall have a greater plant capacity, and more skilled labour than we ever had, it will be merely a question of applying that skilled labour to our idle resources in order to give to the Canadian people the highest standard of living they have ever had; and if due publicity were given to that statement, that also would help to build up morale. I stress this point, because time and again I have read predictions that we are going to be poor at the end of this war and that it will be necessary to tighten the belts of the people to pay for it.

Anybody who studies this question knows that such a statement is unsound, and that in reality we shall have more wealth than we ever had before. I do not believe it is a good thing to cause loss of morale by making people believe that when this war is over they will undergo another depression. Yet we are being continually warned about another depression at the end of this war, without the smallest reason for such an assumption.

Mr. DEPUTY SPEAKER: I must again draw the hon. gentleman's attention to the rule which forbids a discussion of post-war conditions on the measure now before the house. I must apply the rules of the house.

Mr. QUELCH: Let the Prime Minister declare that at no time is the striving for a favourable balance of payments justifiable so long as we have in this country the extreme poverty we had in the past. I would point out that from 1934 to 1939 we had on the average a favourable balance of payments to the extent of $218,000,000 a year. In other words, during that five-year period we shipped out a billion dollars' worth more wealth than we brought in. In spite of that fact, we had over a million people in this country in a dire state of poverty. I am satisfied that if, following up a declaration of that kind, the government would take immediate action to prove to the people that they are going to do everything in their power to bring about greater equality of service and sacrifice, they would go a long way toward restoring public confidence that a new social order is in reality in the making. As an immediate proof of our sincerity, let the government take the following steps to demonstrate to the people now that we mean what we say when we assert that a new social order will be brought in.

Mr. DEPUTY SPEAKER: Again I must point out to the hon. gentleman that the question before the house is mobilization for overseas service by the amendment in Bill No. 80. The new social order or future conditions in the country are not sufficiently linked up with the subject matter before the house to enable me to rule the hon. gentleman's remarks in order. This is the third time I have called his attention to this fact.

Mr. QUELCH: It is pretty hard when one has been listening to a debate for three days and taking notes to find suddenly that the greater part of the discussion which has taken place in that time is ruled out of order.

Mr. DEPUTY SPEAKER: If the hon. gentleman is not satisfied with the ruling, he knows the remedy.

Mr. QUELCH: I am not going to refer to the new social order any more.

Mr. DEPUTY SPEAKER: That question cannot be discussed.

Mr. QUELCH: I am not discussing it.

Mr. DEPUTY SPEAKER: If the hon. gentleman is not referring to my ruling, I do not know what he is referring to.

Mr. QUELCH: I am bowing to your ruling and proceeding to develop another phase of the argument. The leader of the Cooperative Commonwealth Federation moved an amendment; there is another amendment now before the house which refers to certain policies that should be brought into operation to assure the people that everything is being done to bring about equality of sacrifice and service in the country, and this group agrees that all incomes below $750 for single persons and $1,500 for married people should be free from

taxation. But if it is going to be argued that such a policy would cause inflation, then compulsory savings could very well be instituted—

Mr. DEPUTY SPEAKER: Order. The hon. gentleman is talking about inflation. In my opinion, inflation is not linked up with the bill before the house.

Mr. QUELCH: Mr. Speaker, may I ask this question: Are we discussing the Cooperative Commonwealth Federation amendment? Is that amendment before the house, or is it not?

Mr. DEPUTY SPEAKER: I am not here to answer questions; I am here to say whether the hon. gentleman's remarks are pertinent to the bill. We are discussing Bill No. 80, the provisions of which are before the hon. gentleman. The object of the bill is to repeal section 3 of the National Resources Mobilization Act.

Mr. QUELCH: I have in my hand the amendment moved by the Cooperative Commonwealth Federation, which I understand has not been ruled out of order.

Mr. DEPUTY SPEAKER: The hon. gentleman cannot discuss my ruling.

Mr. QUELCH: I am not discussing your ruling. I am discussing the amendment, and I will read it. The amendment moved by the hon. member for Vancouver East (Mr. MacInnis)—

Mr. DEPUTY SPEAKER: Is the hon. gentleman referring to the amendment just moved?

Mr. QUELCH: Yes. That amendment is:

> That all the words after the word "that" in the said motion be struck out and the following substituted therefor: this bill be not now read a second time but that it be resolved that the principle of the bill before the house is inadequate and inequitable, permits the governor general in council to conscript men for overseas service without reference to parliament, and is therefore contrary to the peace, order and good government of Canada.

The amendment declares that the present measure is inequitable and inadequate, and the hon. member for Vancouver East stressed the fact and showed why it was inadequate. He stressed the fact that it was inadequate because it did not provide for conscription of wealth, and he also pointed out that it would be necessary to revise our whole system of taxation. To that extent I agree with the Cooperative Commonwealth Federation, that when we are calling upon people to make the supreme sacrifice the very least we can do is to ask others to be prepared to sacrifice the major portion of their incomes.

The Cooperative Commonwealth Federation, I believe, suggested a ceiling of from $12,000 to $15,000. I am satisfied that if people could be guaranteed an income of $15,000 during the war, making allowance for a steeply graduated income tax from the low income brackets up to $15,000, such people should indeed consider themselves lucky. I have often stated in this house that if any man can go through this war and maintain his pre-war savings intact and maintain a fair standard of living, being no worse off at the end of the war than at the start, he should consider himself indeed fortunate and should not be allowed to accumulate large holdings of bonds, as is being done at the present time. I believe also that in order that we may have a more equitable condition in this country, a comprehensive programme of social services should be introduced. When we heard the programme referred to by Mr. Nash, and when we read of various other programmes of social services in other countries throughout the world, I think we should justly feel that there is much to be done in that regard in Canada.

I believe that the soldiers from the last war can justly demand that greater consideration be given their problems in the future. When we take into consideration that widows of disability pensioners to-day are still in many cases on relief, receiving no pension, and when we remember that many a soldier settler from the last war is living to-day in poverty and destitution, I think we can feel that much can be done with regard to these men.

All the things to which I have referred should be put into operation at the very earliest possible date, and I submit that the government should give a definite assurance to the people that better conditions will be brought about at the end of the war. The men in the active service forces are entitled to that assurance now; but the members of the group to which I belong are not going to refuse to agree to the removal of the overseas limitation from the mobilization bill until that is done. The plebiscite gives the government a free hand in that regard, and the fact that we are doing the men overseas an injustice now by not having conscription of wealth is no reason why we should add to that injustice by refusing to guarantee them reinforcements for overseas service.

Mr. LIONEL BERTRAND (Terrebonne) (Translation): Mr. Speaker, last February, I opposed in this house, to the indignation of certain people in my province, the holding of the plebiscite foreshadowed in the speech

from the throne. I held that the government, commanding an unprecedented majority in the house, would thereby merely give ground in the face of a group less interested in national unity than in the passing of conscription for overseas service. I have not changed my views on the subject. I also held that in the event of an affirmative vote the pressure exerted by certain cabinet ministers and members, as well as by the opposition and the imperialists and their newspapers, would be so strong, so hard to counter that the government could not long refrain from resorting to such conscription. I predicted moreover that the plebiscite would inevitably lead to overseas conscription, and that such a measure would destroy national unity and hamper our war effort.

The plebiscite was held. Discussion on the subject was not uniform in tenor throughout the country. In every province but Quebec, the need of a total war effort was stressed to the people. The speeches given by certain ministers are ample evidence that they considered conscription for overseas service as the natural corollary of an affirmative vote. And the opposition shared their view.

In Quebec, an affirmative reply was sought on the basis that such a vote would prevent conscription. Quebec voted in the negative. Had Quebec voted otherwise, are we not justified in presuming, at the present rapid pace of events, that Bill No. 80 would have been introduced on the very evening of the vote? The very next day the leader of the opposition (Mr. Hanson) was already asking the government to act. And now, hardly seven weeks after voting day, the measure is under discussion. Bill No. 80, if passed, will establish the principle of conscription for overseas service. Apparently the measure is considered urgent!

Mr. Speaker, I shall speak my mind freely, for I am conscious that in doing so I am fulfilling my duty. I oppose Bill No. 80 and shall vote against it. In February, I voted against the plebiscite which I termed mere camouflage; to-day I oppose this measure which proves to me how right I was in condemning the plebiscite. Bill No. 80 is a piece of anti-national legislation because its passing will imperil if not destroy this embryo of unity to which years of understanding and concessions had begun to give shape. The measure is useless, Mr. Speaker, if it is true that the voluntary enlistment system is adequate for our needs, and it would be nothing short of superfluous to demonstrate that only such a system can give to our war effort its maximum efficiency. And if I oppose this bill after opposing the plebiscite, if the province of Quebec shares the same view, if all those who voted negatively think the same way, it is certainly not because I, any more than they, am opposed to the war effort or a traitor to the British crown, as the imperialistic press would have us believe.

The province of Quebec voted no on the plebiscite. This she was entitled to do, as were all voters in Canada, French Canadian or otherwise, who shared the same opinion. At the moment, however, it would appear that the imperialists and their newspapers are reserving their fire for Quebec and Quebec only.

I do not countenance separatist views, Mr. Speaker. I consider that Quebec cannot live apart in this confederation, no more than any of our other provinces could. I do not favour nationalism based on racial prejudice, for my conception of true nationalism embraces the entire country.

But the time has arrived, I believe, to restate certain questions. This in no way applies to the English-speaking voters in my constituency who, while holding their own views, have long since learned to respect their French-speaking fellow citizens, nor to those English Canadians who have unceasingly cooperated with their fellow citizens of French descent in the moulding of a greater and better Canada. Rather does it apply to a group of Canadians, mostly by adoption, whose sympathies are not here but across the seas. To them I say that national unity has always been maintained in this country, not because all provinces made equal concessions but because Quebec was the only one to make them. Her kindness, tolerance and good will were well known. Because she never refused, the imperialists made hay while the sun shone. Because she granted their every request, they paid her homage; less because she deserved it than because she placed no obstacle in their path to domination and autocracy. Now that Quebec has voted no on the plebiscite, she has immediately become the unworthy province, the treacherous province, the one to be feared.

We are little understood, Mr. Speaker. It is no doubt due to the negative answer given by Quebec on the plebiscite that Mr. Carson, made the following statement at the eighty-third annual meeting of the Grand Lodge for western Ontario, held in Toronto on May 27 last:

As members of the Orange order, we are not willing to see this great country pass under the control of such a reactionary power as the

Roman Catholic church, of that kind of a Catholic church which is to be found in French Canada. The fullest consideration should be given to the steps necessary to meet this insidious menace coming from the province of Quebec and which threatens the British and protestant character of this dominion.

Such a statement, Mr. Speaker, proves both the blind fanaticism of its author and his ignorance of Canadian history. The reverend Mr. Shields, who should have been interned long since, for he has more than any one Canadian raised prejudices to foster antagonism toward Quebec on the part of the English-speaking provinces, is unceasing in his attacks upon our province, our clergy and our institutions. Is all this conducive to national unity? Is national unity fostered in any way by the insults coming from the imperialistic press in this country and having Quebec for target? Are all these people ignorant of the fact that no other province shows greater tolerance, greater benevolence, yea, greater love for minorities than does the province of Quebec. This disposition has its root in our hospitable nature, our wish for good understanding, our spirit of charity in keeping with the teachings of our clergy. We have no reason to be ashamed of our tolerance toward minorities. They who would sow the seed of prejudice should at least have some knowledge of the history of the country in which they live: they might mend their ways. If there are extremists in my province, I certainly condemn them as I condemn extremists in other provinces. If others knew us better they would soon find out that we have never ceased to be loyal subjects of the British crown.

Of course, French Canadians will always remain a minority in this country. Even if a generous birth-rate is constantly increasing their number, immigration will always be a compensating factor. Besides, they do not seek to become masters in the land, but they do hold to their fair share of sunlight, being fully convinced that they had something to do with settling and developing this country.

We were the first to come here. When England, in 1760, took from France one of the fairest colonies of that time, we accepted defeat, but we did not accept to be deprived of our rights. If I have reason to state to-night that England granted privileges to my people, I know I make no mistake in stating that even in practising our religion and in speaking our tongue we have never been guilty of treason to the British crown.

Moreover, history is witness to our cooperation. Less than fifteen years after the conquest, in 1775, French Canadians stood by England, at the behest of Monsignor Briand, then Bishop of Quebec. Our people turned a deaf ear to the English from New England seeking their own independence, yea, even to France who, bent on revenge, had joined the revolutionary cause.

The war of 1812 between England and the United States furnished another proof of our loyalty. The third route of invasion—through the Richelieu valley leading to Montreal—was defended by our own people. Led by de Salaberry at Châteauguay, outnumbered fifteen to one, so staunch and so brave was their resistance that the American army was forced to retreat.

Should one claim that in 1837 there was a revolt in Quebec, I would reply that this revolt was, in its way, a demand for the recognition of disregarded rights, similar in every respect to that which Ontario loyalists organized about the same time when they went on to attack the Toronto city hall for the selfsame purpose of obtaining redress. It is possible to condemn certain excesses, to condemn certain attitudes, without condemning at the same time the misuse of power which brought them on.

Was there in 1918 any regiment which brought more glory to itself than the 22nd, exclusively made up of Canadians of French descent? And in the present war, have French Canadians been remiss in their duty, have they refused to do their part? How many of our people are now under arms on active service? Have we refused to cooperate in any war service? Have we declined to help England and the united nations? Have we been opposed to the war effort?

And, in the mind of certain people, Quebec would represent a threat to the British empire, to the security of the country! They would tag us as anti-British because we decline to accept the principle of conscription for overseas service. I should be a traitor to the empire because, as a Canadian, I condemn a measure destined to destroy national unity in Canada, a British country. A traitor, because in a free country I enjoy the right of holding an opinion freely and because I state it? Not traitors, Mr. Speaker, but authentic Canadians, for our first love goes to our own country.

I intend voting against Bill No. 80 because it confers upon the government unlimited powers. We are asked by the proposed legislation to remove section 3 from the National Resources Mobilization Act, 1940, a clause which prevented the government from conscripting men for service outside Canada. If this bill is adopted the government will be authorized to send troops to any part of the world. One might object that although the government will be free to exercise this power,

it is possible that they may never do so. If the government do not avail themselves of this authority or intend to do so, what purpose will this bill serve save that of dividing Canada for years to come? If the government does avail itself of this authorization, will the consequences be less serious? I consider that voting for this bill is equivalent to giving the government a blank cheque; I feel that such a procedure is fraught with danger or, even reprehensible in private life, it is no less so in public affairs. Once article 3 is struck out, the government, in possession of sufficient power, will be in a position to adopt conscription, by order in council, at any time, without consulting parliament. I protest against this abusive use of authority with added vehemence due to the fact that the trainees under the 1940 act will immediately become subject to be sent overseas to any part of the world; I protest against this abuse of power, because we have no right to conscript for other fronts trainees who have been drafted on the promise that their energies would be expended for the defence of Canada only.

This is probably the last opportunity we will have of denouncing conscription for overseas. This method is repellent to our legitimate pride. We of Quebec are averse to any idea of compulsion in the line of sacrifice and duty. During the last three centuries, our ancestors fought the Iroquois and then the forest and the unproductive soil; they dedicated themselves to the accomplishment of this momentous task; their efforts were put forth not so much for their own sake as for the sake of the generations to come. This fact binds us so closely to the Canadian soil that we cannot conceive, even for a moment, that our country might extend outside of Canada. Could it be within the power, even of imperialists, to sever us from our soil, to which we are so deeply attached? For our Canadian homeland, for its defence, we shall stop at no sacrifice, we shall give our last dollar, our life blood, even our lives.

The people of Quebec are averse to conscription for overseas because they have not forgotten 1917. Our small people may have struck from their memory many facts that have deeply wounded them at various times, but they have never and will never forgot that in 1917, conscription was a political manœuvre directly applied against them and their province. The mistakes against Quebec and its people during the last war have been both serious and exasperating, for the enlistment officers have systematically refused to acknowledge the pride felt by a sensitive ethnical group on account of their special characteristics.

Once again, conscription would be adopted by imperialists, enforced by them and used to their selfish ends. What measure of fairness could we expect when so much unfairness has already been perpetrated? How much consideration could Quebec command? How much consideration could the large families command—and they are all in Quebec—when, at the present time, the methods of enlistment for the defence of our country, do not take this fact into account?

Conscription for service overseas would be a colossal mistake; it would even be a disgrace for our territorial defence forces. Would Canada then enjoy sufficient protection? Is she in a position to cope with an invasion threat when her vast territory borders on two oceans? Has enough thought been given to her position? What has Australia done? During two years she has sent the very best of her soldiers to battlefronts all over the world; to-day, left without enough troops to face the danger, she is calling for reinforcements. What a sad mistake and also what a lesson!

Conscription for overseas service would be a crime because it is unnecessary. The ministers have told us many times during the last six months that the voluntary system of enlistment was adequate. Has there been any sudden failure of that system? Has it been advertised as much as it could have been? Has every effort been made to ensure its success? Have not certain imperialistic circles endeavoured to hinder the voluntary system of enlistment? Have they not dealt with it carelessly, for the sole purpose of forcing the government to resort eventually to conscription? If the voluntary system does not yield enough men, let the government take whatever means may be necessary to stimulate it. Let the government increase the allowances to the volunteers' dependents. Let them give more opportunities for promotion, so that military life may become a permanent career instead of a temporary avocation. Let voluntary service be made interesting, and the voluntary system will be adequate. The expenditure of a few more millions in order to ensure the success of the voluntary system would not be extravagant at a time when billions of dollars are being spent. What if the government were to pay a few more millions in dependents' allowances to maintain the voluntary system, which is the basis of our national unity and our war effort?

The champions of imperialism, be they tories or grits, want conscription for overseas service. They want it and they brush aside every objection. Remind them that the population of this country is only 11 million, that is three persons per square mile, as compared with 43 in the United States and 489 in England,

they still want conscription. Tell them that out of five and a half million men in Canada, two million are under 17 or over 70, they want it just as badly. Tell them that over a million men are under arms, that there remain perhaps one million and a half for the factories, and the farms, without taking into account those who are unfit for military service, or those who are sick or crippled, they still want conscription. Why do they want it? Could they explain why they want it?

But we do know why we do not want conscription for overseas service. We do not want it because, in our opinion, that kind of conscription is more for the defence of the empire than for the defence of my country. My opposition to this bill is not a protest against Canada's war effort, but a protest against imperialism which seeks to dictate a policy to my country. History repeats itself. During each war, the champions of imperialism display more love for England than for Canada, and that provokes us. In this war, despite the fact that in 1940 all political parties stated their opposition to conscription for overseas service, the same imperialistic group from Toronto, the same small clique reappears on the scene. We are against that kind of conscription just as Australia, South Africa and Northern Ireland have opposed it. Why should we, as Canadians, accept it? Is there a province of Quebec in any of those countries?

We are primarily in favour of a truly Canadian war effort. Of course we are willing to help the allies win this war. We have spent huge sums, we have contributed in many ways, we have even made an outright gift of one billion dollars—or nearly $100 for each citizen of this country—as a further evidence of our sincerity. In those staggering expenditures, which are perhaps larger, in proportion to our population, than those of Great Britain or the United States, we French Canadians have also had a part. We have in this war shouldered the burden of taxation, accepted our share of the common sacrifices as well as every restriction, contributed in every field of the war effort—army, navy and air force—our voluntary and unstinted cooperation. What we have been asked to do we have done. We have contributed to all war services. The national debt is growing to such a size that perhaps we will never get out of it. Along with all other Canadians, we have not stayed behind. But the constituency of Terrebonne and its member will never agree to such a useless, autocratic and antinational measure as conscription for overseas service.

I will vote against the bill. I have been elected to do my duty and so I will. But I have a right to ask myself: "Whither the Liberal party?" Owing to its wild nonsense and its misuse of authority in 1917, the Conservative party could only be a party which lacked life-giving breath; in the province of Quebec it has long been dead and cremated. The Liberal party had always preached a doctrine which took its inspiration at the very source of the true Canadian spirit. People had put their trust in it. My constituents had faith in the Prime Minister (Mr. Mackenzie King). Even to-day, they cannot imagine the Liberal party obliterating from our history with a stroke of the pen all its political prestige and disrupting this national unity which has always been its objective and its ideal; my constituents cannot conceive of the Prime Minister destroying or allowing to be destroyed, for the benefit of an imperialist clique, the essentially Canadian policies which he had championed and out of which he derived the sway and brilliancy of his parliamentary career; after so many years of boundless confidence, they feel repugnance to ask themselves: "Now that the old parties have deceived us, whom shall we trust?"

They will be told that the bill is but a confirmation of the general result of the plebiscite, that it does not entail conscription, that the government will impose conscription only if circumstances require, and may perhaps never do so. Unfortunately, my constituents no longer believe such promises.

As a member of this house, as a citizen of this country, I do not look upon myself as a French Canadian but simply as a Canadian. I am a Canadian who speaks French. A Roman Catholic Canadian. The fact that I speak French and that I am a Catholic does not prevent my loving Canada and admiring Great Britain. But my first duty is to my country. I want the allies to win, I favour help to Great Britain and the united nations in the form of money, food, munitions and volunteers but I deny imperialism the right to thrust orders and leadership upon us. In this most solemn hour of its history, I feel that I am serving, not betraying my country, in voting against this measure of conscription for overseas which, in addition to doing a disservice to the allies, will make Canada a hotbed of mistrust, sterile wrangling, fruitless effort and sham cooperation. What mischievous blows the imperialist coterie has dealt our war effort.

Mr. EUGENE DUROCHER (St. James) (Translation): Mr. Speaker, the matter which is now before the house is so serious and important that it is our bounden duty to discuss it in all possible moderation, without bitterness or rancour, but solely from a national stand-

point, taking into account the war effort we have already accomplished and what we were planning to do before the government introduced the proposed amendment for the repeal of section 3 of the mobilization act of 1940.

As we all know, that section empowers the government to require persons to serve in the military, naval or air forces only within Canada and its territorial waters. It was passed only after long discussions and in order to meet the wishes of the various elements in the Canadian parliament, and its purpose was to safeguard our national unity.

That act seemed to appease all minds and it stimulated in no small degree our war effort as regards our production, which was so much needed in Europe. It has been said on various occasions that we should have a total war effort. May I say at this time that however great our effort may have been so far, it could have been still greater if our factories had been allowed to produce to their utmost capacity. Unfortunately, they have been prevented from doing so, against our own will, for well known reasons which I deem better not to mention in this house, but which, nevertheless, discredited our war effort in Quebec even though we were in no way responsible. If the proposed amendment is passed, shall not the door be opened wide to conscription for overseas service, a policy which we have always opposed? If the right hon. the Prime Minister (Mr. Mackenzie King) will permit me, I should like to quote the following excerpt from his radio address of April 7, 1942:

> The pledge not to impose conscription, as every one knows, was the result of Canada's experience in the last war. The way in which conscription was then introduced, and the way it was enforced, gave rise to bitter resentment. Moreover, events proved that conscription in the last war had little or no military value.
>
> The pledge not to impose conscription for service overseas was given in order to maintain the unity of Canada. Without this assurance, I do not believe that parliament would have given, as it did, prompt and wholehearted approval to Canada's entry into the war.

Do we now intend to destroy this national unity so persistently advocated and to dampen the enthusiasm which has never faltered from the very beginning?

Further, the Prime Minister goes on to say:

> The truth, of course, is that our army to-day is just as large as it would have been if conscription for overseas had been adopted.

If our war effort has in no way been limited by our not applying conscription, why not, as the saying goes, leave well enough alone? If the voluntary system has given such satisfactory results, for Heaven's sake, let us keep it, let us improve it if we can, but let us not spoil through any legislation or any amendment of an existing statute the good effects of the present system.

Throughout the campaign preceding the plebiscite vote, the Prime Minister, the ministers from Quebec as well as those from the other provinces and the members of parliament almost to a man unequivocally stated that the question of the plebiscite was in no way linked up with that of conscription. Nevertheless, as was so well stated by the former Minister of Public Works (Mr. Cardin) in his speech of the 11th instant, on the very day after the vote, even before the votes had been counted, the leader of the opposition (Mr. Hanson) rose in the house and made the following statement to be found on page 1921 of *Hansard* for April 28, 1942. I quote:

> Now there is no stumbling block, real or imaginary, to total war. The hour has struck when every human and material resource must be mobilized for war service. Parliament now is free to act—there are no fetters upon the Prime Minister (Mr. Mackenzie King) or his government.

The leader of the opposition, however, had stated some time before in the house that it was impossible for him to put conscription on the banner of the Conservative party because that measure was not popular; he stated also that he had received numerous letters from mothers stating that they had not raised their sons to have them conscripted and this explains how it was that a movement was on foot, a few days later, to oust him out as leader of the opposition. This statement has displeased the ultra-imperialist members of his party.

We have also the oft repeated statements of the Prime Minister, the Minister of National Defence, the Minister of National War Services and others, setting forth officially that the voluntary enlistment system is giving fully adequate results. If we accept these statements as being made in good faith, why are we called upon now to strike out of the National Resources Mobilization Act the only clause which enabled us to make certain pledges and declarations to the voters at the last election? I well remember having had the honour of greeting in my constituency, during the electoral campaign of March 1940, the Right Hon. Ernest Lapointe, then Minister of Justice, who repeated the following statement which I quote:

> I shall never be a member of a cabinet which introduces a measure calling for conscription for overseas service.

This statement was repeated by every minister and member of the house who took part in the campaign in Quebec. We made the most solemn pledges to our electors and only they could free us from our obligations. And if the purpose of the plebiscite is being deliberately distorted to-day as an expression of public opinion in favour of conscription for overseas service, the only ones who are in a position to accept such a verdict are the members whose constituents recorded a majority of affirmative votes. What of the others? Like most of the Quebec members, they have not been released from their pledges. The voters of Quebec have once again shown most clearly their unalterable opposition to any amendment to the present legislation which would empower the cabinet to impose at discretion, by order in council and without consulting parliament, that conscription for overseas service which has been held up to us as a bogey for over twenty-five years by all political parties without exception.

We are being asked to expand our war effort in Canada, to furnish more airplanes, more ships and more munitions. How can we possibly do this if the labour necessary to such an end is conscripted from our plants? Let us not forget that we are already exempting farmers' sons, teachers, certain classes of students, the clergy and conscientious objectors, fishermen and lumbermen. Does this then mean that our cities will be called upon to supply all the men needed in the armed forces? Does it mean that conscientious objectors, who are able to bear arms, can invoke the privileges granted to them by the country and take refuge behind a principle, in order not to contribute to the war effort in the same measure as the rest of their fellow citizens?

No group or section of this house have attempted to influence my stand concerning this matter. Already at the partial election held in Saint James constituency, in 1939, as well as during the 1940 campaign, I stated unequivocally and without restriction, that, confident in my leaders, I opposed compulsory enlistment for overseas service; my views in this regard have not altered. Allow me to quote an article published a few days ago, in one of our English Canadian newspapers:

> Conscription is an ugly expression. It conveys the idea of compulsion and it is one of the worst words in the English language. It should be replaced by something nicer, perhaps general military training. This would sound better in the ears of a generation who prefers to keep fit rather than fat.

[Mr. Durocher.]

Could anyone state, in this house, that our war effort is not as complete as it should be, when one of our leaders has acknowledged that voluntary service has been more efficient than compulsory enlistment could ever have been; when, in our factories, we have everywhere exceeded the objectives set for our production? To mention but one case, I may state that, in the course of a visit by a number of members of parliament, on June 13, to the Canadian Car munitions plant at Saint Paul L'Ermite, we were informed that the weekly objective of 9,000 shells had been more than doubled and that, at the present time, that plant alone supplies, every week, more than 18,000 shells of all sizes. Have we not done our share of the war effort when this house has unanimously consented to give Great Britain munitions and supplies to the amount of one billion dollars and when, furthermore, we are willing to lend the mother country $750,000,000 without interest for the duration? All this, Mr. Speaker, in a country whose population is less than 12 million inhabitants. What other British dominion has made such a tremendous war contribution in men, munitions, supplies and money? What other British dominion has adopted conscription for overseas service? On two separate occasions a bill of this nature has been rejected in Australia and neither India, New Zealand, South Africa, nor Northern Ireland have ever countenanced such a measure.

Until now, Quebec has done its full share in every field of endeavour. Have we forgotten that the very first regiment to be brought to full active force for overseas service is a French-Canadian regiment, the Régiment de Maisonneuve?

Have we not subscribed generously and even oversubscribed our share of the war loans? Have not the workers in our plants, both men and women, produced beyond expectation?

Let us face the facts squarely and ask ourselves if a change in the system would bring better results?

The Labour World reported the following quotation by E. M. Little, director of the national selective service, in its edition of May 23, 1942:

> Every battle the united nations have lost in two and a half years was lost in the factory. Without exception there is the story from Norway to Bataan. When we Canadians get this seared into our minds as it has been in the minds of the defeated peoples of half a world, there will be no need for compulsion in organizing our man-power.

"Give us the tools," exclaimed Churchill, and we have responded generously in producing more than was expected of us. We supplied

the tools and the men. Is it not a fact that voluntary enlistments for overseas had reached in December last the substantial figure of 422,000 men, which must now be nearer the 500,000 mark.

We entered the war freely and we shall keep on doing our share.

In the last few days, conditions have changed and the war is getting nearer to us. The Japanese have already set foot on American territory. Let us then do nothing likely to divide Canada or to slow down our war effort.

Let us prepare to meet any attack by the enemy. Let us not forget Hong Kong, Singapore. Let us remember Australia, who when she was attacked had to send an S.O.S. to London but to no avail.

The hon. member for Trinity (Mr. Roebuck) unwittingly defined our policy when he stated, as reported at page 3291 of *Hansard*:

> The decision on this question was taken out of my hands. It was made for me by an authority that I acknowledge to be my superior and to whom I owe a very willing obedience. It has been decided by the high court of the electors of the riding from which I come.

I take the same position. Having received an affirmative vote on the plebiscite, the hon. member considers himself bound to support the measure now before the house; my own electors having refused to relieve me of my past commitments, I must oppose any change in the Mobilization Act calling for compulsory enlistment for overseas service.

As the former minister of Public Works has said, should the proposed amendment be allowed to pass without debate or protest, it would be too late to protest later on. For this motive, Mr. Speaker, I regret my inability to accept the amendment to the Mobilization Act introduced in the house.

Mr. G. T. FULFORD (Leeds): It was at first with a bit of hesitation that I decided to enter this debate on what has become now the famous Bill No. 80. However, I feel that I would have been remiss in my duty had I not taken the opportunity to express to this house my views on the subject.

My very first recollections of the city of Ottawa are among my most treasured and prized memories, because as a child I remember being driven through a blinding snowstorm to the home of the late Sir Wilfrid and Lady Laurier. As I grew older I had the rare opportunity to repeat those visits, and it was through the influence of the great chieftain that I came to love my native land, my Canada, as I do. It was through the influence of—I was going to say the greatest—certainly one of the greatest of all Canadians that I came to know, to respect, to admire my French compatriots, my fellow-Canadian citizens, to respect their traditions, to know their culture and something of their home life and their deep religious feeling. I therefore feel that I know my French compatriots a little better perhaps than do some other English members, and I hope that with that knowledge goes a large degree of understanding and tolerance.

(Translation) M. l'Orateur, je peux comprendre cette belle langue, mais malheureusement je ne peux pas la parler parce que chez nous je n'ai pas l'occasion.

(Text) It has always been a great source of pride to me as a Canadian to realize that this vast dominion of ours is composed of the two great races, the Anglo-Saxon and the French, each speaking his own language and each trying in a very difficult situation to keep this country united. Never was there a time when this need was more felt. I do not know of any monument quite like the one to Montcalm and Wolfe on the Plains of Abraham. To me it is the very essence of Canadian nationhood. It shows how two great races can and must and will live together in complete unity and harmony. True, we have had our differences. Unfortunately, we are having a difference right now; but have we ever known great friends who have not argued, who have not had their differences, and who afterwards have not become closer friends? I think that is an axiom of life.

In Europe the little country of Switzerland is even more complex in its make-up than are we. Although that country in size is hardly any larger than a good sized Ontario county, nevertheless there are four distinct sections in it. In one section Italian is spoken; just along the shores of lac Léman one finds French. By far the largest section of Switzerland speaks German, and one tiny little corner speaks what is known as Romanish, which is said by linguists to resemble ancient Latin more than any modern language. Yet Switzerland demonstrates the principles of true democracy better than any other European country even before the war? To-day it is the only democracy left on the European continent. Some may say that in Switzerland this is easy because the country is so small, but it is not so easy to keep it unified because of vast mountain ranges separating the various sections. For instance, to get from the French section along the shores of lac Léman one has to go through Simplon tunnel, under one of the highest spurs of the Alps. When one comes into the tunnel one hears only French spoken; when one emerges from the tunnel fifteen minutes later one hears only Italian. One sees a difference in the complexion of the people. Yet that seems to

make no difference. I think that when we have our little differences, as we do, we can well look to Switzerland as an example and remember that through thick and thin that little country has stayed a democracy; it has stayed unified and has defied all Europe—Napoleon, Hitler and the rest—to conquer it.

In 1937 I was privileged to visit the European continent. It was a rare opportunity because I doubt whether one will ever see Europe again as it was in those years. Certain aspects of European life I hope we shall never see again, but it is quite evident that the Europe that has survived for centuries, until 1939, will never be the same again. It is hard to visualize how peaceful the countries were through which we passed. Holland sat back quite confident that because of its complicated system of dykes and dams it could never be invaded by the Germans; that it might be bombed from the air but that it could never be invaded by the army. Well, Holland was one of the first European countries to fall. Brave little Belguim, which relied so much on its marvellously trained army and its system of superior fortifications, and on the Albert canal, did not last much longer after the Netherlands fell. And then France. Who would have thought that the valorous and courageous French, with their "liberté, égalité, fraternité", would have fallen under the heel of the German hordes? Yet France fell.

We see countries who are to-day fighting, presumably on the side of Germany, who are in reality no better off than the conquered nations. Take Austria. When I was in Austria in 1937 that country was in a period of frustration. They knew something was going to happen, though they did not know what. They dreaded Germany; they distrusted the Germans, and they were the very first to feel the effects of all the might of Hitler's monsters. Czechoslovakia was well aware of what was going to happen and was well prepared. Time and again they warned us what would happen, but the warnings went unheeded. The fortifications of Czechoslovakia were second to none in the world; they had built great armaments; and yet we allowed their warnings to go. There was nothing but complacency. Unless one has been in the fascist and nazi countries it is impossible to realize just what they are like. How would you like to be spat upon just because you were driving with a licence bearing the British sign—"G.B."? That is what happened to us. In Germany you dared not speak your mind; you felt you were constantly being watched; wherever you turned you saw the dreaded swastika. The country was at that time armed to the teeth.

[Mr. Fulford.]

You did not have to be a member of the intelligence branch of the British army or any other army to see what was going on; it was right before you—armies on the march, columns of mechanized forces travelling along the magnificent highways at fifty to sixty miles an hour, when the world was fooling itself saying that Germany could not use mechanized forces because they had artificial rubber and the tires would burn up if they travelled more than twenty-five miles an hour. I remember hearing that when I was in Great Britain. And Britain herself, brave Britain, hoping and thinking wishfully that this world conflict, this armageddon could be staved off.

I mention these facts because they all have a bearing on the present situation. Are we completely and entirely alive even to-day in Canada to the war situation? I had an opportunity of speaking with an intimate friend and close business associate from Shanghai who was on furlough in Canada last December and who, incidentally, arrived back in Shanghai just before the Japanese seized the city. He told me tales of the cruelty of the Japanese that would make one's blood run cold. One night for an hour he told of one atrocity after another until I had to tell him to stop; I could not stand it any more. It was cruelty beyond belief. All the things he said are substantiated in a series of articles now appearing in the *Saturday Evening Post* entitled, "I Escaped from Hong Kong" by Jan Henrik Marsman. It shows us in Canada what we are up against. Someone might say, "these are all places far away"; but what has happened in Europe, what is happening in Asia, can happen here. What does it mean? It means that if we, along with our allies, are not successful in defeating the forces of evil, we stand to lose our language, our religion, our freedom of thought, our courts of law, our rights of assembly, in fact everything we have come to consider nearest and dearest.

This brings me to the point where I feel that the government has to have the right to employ conscription. I agree with the hon. member for St. James (Mr. Durocher) that conscription is a nasty word, one of the most disagreeable in our language. Nevertheless we might as well call a spade a spade; this is a blitzkrieg, a lightning war; we do not know when or where the axis forces will strike next. Our government must have the right to conscript men for military service if and when the time arrives that reinforcements are necessary for those who have so valiantly and bravely offered their lives for their country.

One could not hear the sincere and impassioned remarks of the hon. member for Richelieu-Verchères (Mr. Cardin) without being touched. I do not think there was an

hon. member in this house who did not appreciate what it meant to that hon. gentleman to say what he did. But there were two or three things with which I could not agree. He spoke of the necessity of impressing upon the French Canadians the reasons for sending men to the battle-front. I could see the point of that up to the time of this war. But on the day Germany entered Poland, September 1, 1939, our thought had, of necessity, to change. This is not "England's war"—I use an old familiar phrase—this is humanity's war. This is not Canada's war; this is a war for survival of the democratic nations and of democratic principles in the world. We do not have to appeal to reason to know this; the facts are before us; we cannot miss them.

Then the hon. member for Richelieu-Verchères stated that for many years the province of Quebec had been told that conscription would never again be enforced. Those statements were made by all shades of political opinion in all sincerity. But was not the world told for an equal length of time that there would never be another war? The world has had to change its opinion. It took Dunkirk really to arouse the United Kingdom. Then on top of Dunkirk came the frightful nights of blitzkrieg over the city of London and, in fact, all over the British isles, horrors of which none of us can know anything unless he has been through such a blitzkrieg. It took Pearl Harbour to awaken the United States. They are fully aware of the danger now, and they have a universal national selective draft in that country. In that connection, the one thing that Americans point the accusing finger at Canada about is the fact that they have conscription and we have not. They do not understand what a magnificent job this country has done, and they will not understand until this country is given the right to enforce conscription at such time as it is deemed necessary. Let us reverently pray that it will not take a Dunkirk or an air blitz over Ottawa or another Pearl Harbour to awaken Canada. In addition, we have Hong Kong to remember and avenge. To-day Canada is not alone in this war, as far as north America is concerned; we have been joined by Mexico and the United States. We were first in this war, and we have to show them that in proportion we are going to do the best job. That is one thing for which Canadians are noted; when they start something they always finish it.

I do not intend to argue whether the plebiscite was right or wrong, but the fact remains that eight of the nine provinces voted "yes." In my own riding the "yes" vote was 86 per cent; in my own town of Brockville it was 89 per cent, and in Gananoque, the other urban municipality in the riding, it was 93 per cent. I know whereof I speak when I say that by far the great majority of the people in the riding who voted "yes" did so with the thought that they were voting for some sort of conscription. The exact wording of the question on the ballot paper was:

> Are you in favour of releasing the government from any obligation arising out of any past commitments restricting the methods of raising men for military service?

I grant you, sir, that there was nothing in that to make one believe he was voting either for or against conscription; but the fact remains that no matter what my revered leader, the right hon. Prime Minister (Mr. Mackenzie King) or his ministers or I had to say, the feeling was that when the voters marked an X opposite "yes" they were voting for conscription. At this point I should like to give credit to two organizations that were of the greatest help in getting out the vote—the Canadian Legion and certain labour unions in the town in which I live. The Canadian Legion made a point of attending all the meetings held throughout the riding; they organized car drivers, provided speakers at meetings, and saw that the largest possible number of voters got out. That may serve to indicate how the people conceived the idea that they were voting on conscription, because everyone in Canada knows how the legion feels on the subject of national selective service. Personally I am in favour of conscription, in spite of the fact that it proved to be a failure in the last war. I consider it to be by far the fairest, most equitable and surest way of raising an army or of obtaining reinforcements. On February 3, 1942, when I was speaking in this house I mentioned a telephone call that I had received from one of the members of the committee of two hundred; and these words, which appear at page 272 of *Hansard*, I think set forth my position very clearly:

> Some weeks ago I was telephoned by a member of the committee of two hundred which was meeting in Toronto with the alleged object of advancing Canada's war effort. I was asked if I favoured the policies advocated by this committee. I said in reply that if what they were after was national selective service with complete mobilization of all our man-power and resources, I was heartily behind them, but that if it was only conscription of men for overseas service, I was diametrically opposed to that.

Mr. DEPUTY SPEAKER: Is the hon. member referring to a previous debate which took place during this session?

Mr. FULFORD: Yes.

Mr. DEPUTY SPEAKER: I do not believe that is in order.

Mr. FULFORD: Then I can serve the same purpose by saying that I have stated previously that I am unequivocally in favour of conscription of man-power along with conscription of resources. Nearly half a million young Canadians have decided that the best way to keep this war from our shores is to fight our enemies abroad, three thousand miles away. Their deeds, when recorded in history, will make every Canadian proud of the country of his birth. We cannot let these young men down. They must have adequate reinforcements. Fortunately, up to date our army casualties have been very light, simply because our men have not been in the fore-front of battle. The day will come, however, when the continent of Europe will be invaded. Then reinforcements will be needed, and then, after Bill No. 80 is passed, the government will have to decide whether it is necessary to raise men for reinforcements by conscription. I must congratulate the Prime Minister upon the method he has devised to meet the situation. We are actually debating conscription now; but if the time should come when it is found necessary to enforce conscription, then it can be applied by order in council, thereby relieving this house and the country of the pain of having old wounds reopened and new hard feelings created.

I have no alternative; I must follow the dictates of my conscience. I must support Bill No. 80 and, sir, I urge all to do likewise. I urge this for the sake of Canada, for the sake of the empire, for the sake of civilization and humanity.

On motion of Mr. Howe the debate was adjourned.

On motion of Mr. Crerar the house adjourned at 10.50 p.m.

Tuesday, June 16, 1942

The house met at three o'clock.

SOLDIER SETTLEMENT

CONCURRENCE IN SECOND REPORT

Hon. CYRUS MACMILLAN (Queens) moved:

That the second report of the special committee on land settlement of veterans of the present war, presented on June 12 last, be concurred in.

Motion agreed to.

[Mr. Fulford.]

DEFENCE OF CANADA REGULATIONS

REPORT ON DETENTIONS FOR THE PERIOD MAY 18 TO JUNE 15, 1942

Hon. L. S. ST. LAURENT (Minister of Justice): I lay on the table of the house a report pursuant to paragraph 3 of regulation 21 of the Defence of Canada Regulations, showing (a) the number of persons detained under orders made pursuant to these regulations from May 18 to June 15, 1942, inclusive, namely 125, of whom 124 are Japanese; (b) the number of cases in which the Minister of Justice declined to follow the advice of any advisory committee appointed under regulation 22 from May 18 to June 15, 1942, inclusive—nil.

PRIVATE BILLS

SAGUENAY TRANSMISSION COMPANY, SAGUENAY ELECTRIC COMPANY AND ALUMINUM POWER COMPANY

Mr. J. E. A. DUBUC (Chicoutimi) moved the first reading of Bill No. 99 (from the senate) respecting certain transmission and distribution lines of Saguenay Transmission Company, Limited, Saguenay Electric Company and Aluminum Power Company, Limited.

Some hon. MEMBERS: Explain.

Mr. DUBUC: These lines, which have been in existence for a number of years, are mostly on rivers which were regarded as not navigable, and it was therefore considered that special permission was not required. That has been contested of late, and it has been suggested that, no matter whether rivers are navigable or not, in order to cross them with transmission lines it is necessary to have special permission from Ottawa. That is why this bill has been introduced, although, as I have stated, these works were constructed a number of years ago.

Motion agreed to and bill read the first time.

FIRST READINGS—SENATE BILLS

Bill No. 100, for the relief of Barbara Patricia Strange Wolfe.—Mr. McIlraith.

Bill No. 101, for the relief of Bella Miller Keller.—Mr. McIlraith.

Bill No. 102, for the relief of Effie Euphemia Shannon Monette.—Mr. Boucher.

Bill No. 103, for the relief of Elsie May Cape Newman.—Mr. Bercovitch.

Bill No. 104, for the relief of Bella White Wolfe.—Mr. McIlraith.

Bill No. 105, for the relief of Alan Swabey.—Mr. Bercovitch.

Bill No. 106, for the relief of Jean Walker Creighton King.—Mr. Bercovitch.

Bill No. 107, for the relief of Alice Beatrice Armand Roberts.—Mr. Hanson (Skeena).

Bill No. 108, for the relief of Frederick William Merchant.—Mr. Hanson (Skeena).

Bill No. 109, for the relief of Irma Kern Ulrich.—Mr. Hanson (Skeena).

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Hon. R. B. HANSON (York-Sunbury): I should like to ask the Minister of Finance if he is now in a position to inform us when he will bring down the budget. May I point out to him that we have almost reached the end of the fifth month of the present session and the third month of the present fiscal year. The business interests and others in this country want to know what taxation position they have to face, and I think the budget should be brought down with the least possible delay.

Hon. J. L. ILSLEY (Minister of Finance): I cannot say just what day, Mr. Speaker, but I think I shall be able to inform the house before the end of the present week.

BEEF

SHORTAGE OF SUPPLIES IN TORONTO DISTRICT

On the orders of the day:

Mr. J. H. HARRIS (Danforth): I should like to ask a question which I was not able to transmit earlier to the Minister of Finance, but which he can probably answer in a day or two. There is a severe shortage of beef for the consuming public in the Toronto area, due to restrictions of the wartime prices and trade board, coupled with the fact that exports will begin again on the first of July at a much higher level than prevails under the ruling of the board, and also that army contracts are let at higher levels than the present price structure will permit for domestic consumption. Will the minister survey the situation with the wartime prices and trade board and say what is going to be done to assure a domestic supply of beef for the Toronto and Ontario areas?

Hon. J. L. ILSLEY (Minister of Finance): I shall be glad to do that.

TRANSPORT CONTROL

EFFECT OF ORDER OF CONTROLLER UPON ROSELANDS-TORONTO BUS SERVICE

On the orders of the day:

Mr. J. R. MacNICOL (Davenport): I wish to ask a question of the Acting Minister of Transport or the Minister of Munitions and Supply concerning a matter of urgent public importance. I have received about twenty telegrams from users of the Roselands-Toronto bus line indicating that apparently some order has been issued by the local transport controller as a result of which users of that bus line are greatly worried. They do not know how they will get to and from Toronto. Perhaps the minister has some information which will relieve the minds of those residents.

Hon C. D. HOWE (Acting Minister of Transport): I have no information with regard to the situation that has been called to my attention. Of course an attempt is being made to eliminate unnecessary bus mileage. I will obtain information from the transport controller and advise my hon. friend.

DAIRY INDUSTRY

CONDITIONS AFFECTING MILK PRODUCTION IN BRITISH COLUMBIA AND ONTARIO

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I wish to direct to the Minister of Finance or the Minister of Agriculture a question which I would have asked yesterday had I been here. The matter is of vital importance to my riding. In view of the threatened strike of milk producers, what action does the government intend taking to ensure a reasonable return to farmers in lieu of a milk subsidy?

Mr. SPEAKER: That question should be placed on the order paper.

[*Later*]:

Mr. GORDON GRAYDON (Peel): I am quite sure Your Honour must have misunderstood the importance and the import of the question asked by the hon. member for Fraser Valley when you ruled that it was not of such urgency as to call for an answer by the minister.

Some hon. MEMBERS: Order.

Mr. GRAYDON: I should like to associate myself with the hon. member for Fraser Valley on this question. I wish to ask a question of the Minister of Finance, under whose department the wartime prices and trade board operates. There is an extremely urgent situation, particularly in the Toronto area, where a milk strike is threatened, and I think in the public interest we should have some comment from the minister with regard to a matter as serious as this. I would add my support to the hon. member for Fraser Valley. I wonder if the

administration could not give some public enlightenment with respect to a matter so urgent and important.

Mr. SPEAKER: The hon. member for Fraser Valley did not state his question quite in the form in which the hon. gentleman has put the matter. I did not gather that a strike was imminent, and I therefore ruled that the question was not properly one that should be asked on the orders of the day. If, however, the circumstances are as stated by the hon. member, and if there is in the Fraser Valley a situation similar to that which exists in the district to which the hon. member has just referred, I would consider the matter one that might require an answer from the minister now. I leave it to the minister.

Mr. CRUICKSHANK: I did not say that there might be a strike to-morrow in the Fraser Valley, but crossing Canada yesterday and to-day one could find in every newspaper—

Mr. SPEAKER: I have already left the matter with the minister. If he wishes to reply I have no objection.

Hon. J. L. ILSLEY (Minister of Finance): With regard to the Toronto situation, my colleague, the Postmaster General (Mr. Mulock) brought to my attention the circumstances there. As regards these threatened strikes of farmers, I shall have to have some discussion with the food controller and the wartime prices and trade board. At the moment I am not in a position to make a further statement.

Mr. CRUICKSHANK: When will that discussion take place?

Mr. SPEAKER: This is an illustration of the sort of question that is being asked on the orders of the day and which I have been ruling cannot properly be put at this time. Such a question necessitates consultation between the minister and officials and the minister is not in a position to reply at once. Such questions should be placed on the order paper.

GASOLINE

PRESS REPORTS AS TO PROBABLE REDUCTION IN VALUE OF RATION COUPONS

On the orders of the day:

Mr. N. J. M. LOCKHART (Lincoln): Would the Minister of Munitions and Supply care to make a supplementary statement implementing what has been said by the press of the country in connection with gasoline rationing? People are sending letters and telegrams, wondering what the new ruling is to be. The papers seem to have information.

[Mr. Graydon.]

Hon. C. D. HOWE (Minister of Munitions and Supply): To the best of my knowledge there is no foundation for the statements that have appeared in the press within the last forty-eight hours with regard to the gasoline situation. However, I have promised a statement, and I hope to be able to make it tomorrow, setting out the situation in full.

LABOUR CONDITIONS

CASES DEALT WITH BY NATIONAL AND REGIONAL WAR LABOUR BOARDS

On the orders of the day:

Hon. HUMPHREY MITCHELL (Minister of Labour): In view of the interest that is being taken in the functions of the national war labour board and the regional boards, and the many inquiries received by the department, I thought it might be well if the number of cases dealt with were placed on record. The report of cases dealt with by regional war labour boards from December 1, 1941 to May 15, 1942, is as follows:

	Cases opened	Cases closed	Cases pending
P.E.I.	28	28	none
N.S.	140	130	10
N.B.	112	81	31
Que.	942	739	203
Ont.	1,392	1,380	12
Man.	383	369	14
Sask.	342	327	15
Alta.	363	203	160
B.C.	507	467	40
	4,209	3,724	485

In the case of the national war labour board, the figures are as follows:

Cases opened	Cases closed	Cases pending
173	112	61

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT OF SERVICE OVERSEAS

The house resumed from Monday, June 15, consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940.

Mr. SPEAKER: Yesterday the hon. member for Vancouver East (Mr. MacInnis) moved an amendment—

Hon. R. B. HANSON (Leader of the Opposition): May I interrupt you, Mr. Speaker? I was wondering if this ruling could be postponed for one day. I was not in the house when the amendment was moved, and I have not had an opportunity to study it. I should be obliged if we could have a delay

of twenty-four hours before your ruling is given. If it is asking too much I withdraw the request, but it would be a matter of some consideration to me if that course could be adopted.

Mr. SPEAKER: The request seems to be reasonable and I accede to it. I will give the ruling on the amendment to-morrow.

Hon. C. D. HOWE (Minister of Munitions and Supply): Since the beginning of the war it has not been my practice to take part in the debates of the house, apart from giving certain information about my department which seemed to be required in order to allow of decisions being reached. I have been entrusted with the task of mobilizing the activities of industry for war production, and I have concentrated all my time and thought on that particular problem.

I think that to-day we can claim that some progress has been made. I should like while I am on my feet to correct a statement that has been made frequently in the house, which I think conveys a seriously wrong impression. It has been stated that it is my job to accept such orders as are sent to me and have the munitions or supplies so ordered produced in Canada. That of course is wholly incorrect. My department is not a user, and we must find a user for the munitions that Canada does produce. However, we have studied the productive capacity of Canada; we have determined the things which could be made and which we think would be useful in the prosecution of the war, and we have set about finding the user who requires those things. By any other policy our munitions programme would not be nearly as far advanced as it is. I wish to make it clear that that has been our policy, and that if we have failed to bring industry into production in any particular, the fault lies largely with our department.

The reason I speak in this debate is that the discussion of the National Resources Mobilization Act is a discussion of Canada's man-power problem, and the man-power problem is vital to the work of my department, and to the carrying out of the commitments my department has made to the allied forces.

The real problem, as I see it, is how can we best use our total man-power towards the winning of the war, in the light of our responsibility to the united nations. This is not Canada's private war; Canada is one of a number of nations that are standing together to fight a war against a common enemy. We must of course have a balanced war programme, but we must give special emphasis to such matters as those in respect of which our geography and resources impose special obligations. For example the geography and climate of Canada are particularly suited to the training of airmen, and we have devoted our efforts very largely in that direction. Some 10,000 aeroplanes are now being used in that programme, and a steady stream of pilots and airmen is being sent from this country to the United Kingdom. There is no country among the allied nations to-day that is making an effort in the training of airmen such as that being made in Canada. That I regard as a special obligation of Canada on account of our exceptionally favourable geography and climate.

We have in Canada large water powers, and we have therefore become a principal source of aluminum for the allies. To-day we produce more than 40 per cent of all the aluminum being used by the allied nations. That is a task that I think is particularly imposed upon Canada because no other country among the allied nations is so well able to carry it out.

We have a tremendous responsibility in the production of nickel. Before the war about 95 per cent of the world's nickel came from Canada, and nickel to-day is a strategic metal in very short supply, one of the serious shortages of the war. Therefore there is an obligation imposed on Canada for an all-out production of nickel. The same thing applies to a lesser extent to the production of copper, zinc, lead and certain rare metals, carbon and certain alloys, and various other products that require large sources of hydro-electric energy for their successful production. Those are tasks I think that are particularly ours.

To a similar extent we have a task in the production of food. We have large agricultural areas and a climate suitable for the production of the types of food that are particularly required in the war effort.

We have a heavy responsibility, and one that we are having some difficulty in discharging, in the production of aeroplane spruce. Without the aeroplane spruce of Canada the production of aeroplanes to-day would be very difficult. Also coupled with that is the production of timber, a large part of which goes to the war areas.

I mention these particular responsibilities because it seems to me that our whole war effort is being distorted at the present time by the undue emphasis now being placed on men for the army overseas. We have an obligation to maintain an army overseas, an army commensurate with the importance of Canada as one of the allied nations. We are carrying out that responsibility, and have carried it out since the beginning of the war. The strategy of war has required that the Canadian army should stand as the spearhead of the defence of Britain. We all know that

no more important military task than the defence of Britain could be allocated to any army. Theirs has not been the glory of battles that have taken place, but they have played their part; they have maintained an efficient army, trained to the minute, equipped to the last degree and able to give a good account of themselves.

But even in the matter of the army we have another obligation, and that is to provide a defence for Canada. This is not a war concentrated on any one battle front; it is a war of constantly shifting battle lines. Few of us can be so blind as not to see that those battle fronts are moving in the direction of our own territory. We are more than ever before in this war obligated to maintain a first-class army in Canada. That is being done. Our defences are being strengthened on both coasts; our armies are being trained to meet any situation that may arise, and that task is well under way.

To centre all our war effort on the single problem of conscription of men for Canada's army overseas is to me an attitude arising out of the last war. At that time there was a single battle front, with great armies entrenched on both sides of that battle line. It seems to me that those who now overemphasize the need for conscription of men for overseas service are taking the "Colonel Blimp" attitude, of which we have heard a great deal recently in several countries. Their minds are going back to the last war; they refuse to see Canada's obligation in relation to the obligations of our allies; they take no cognizance of the battle going on on a dozen or fifteen battle fronts; they simply believe that what was true at this stage of the last war must be true in this war, and they magnify the need for conscription for our army overseas out of all relation to the real situation.

So far we have raised our armed services by the voluntary method. It is the method adopted at the beginning of the war. It is the traditional method for Canada. It is the method that has been used in Australia and south Africa. It is the method that we understand, and a method suited I think to the character of the people of Canada. I doubt whether any country has raised a finer army, or raised an army more quickly, than has Canada under the voluntary system. The suggestion is that we should now immediately change that system to a compulsory system. Surely the only reason for changing the established system would be that the voluntary system had failed. But I see no evidence at the moment that the voluntary system has failed.

Mr. HANSON (York-Sunbury): You have the compulsory system now, when this bill passes.

An hon. MEMBER: You have changed the system already for Canada.

Mr. HOWE: Do you want to make a speech?

Mr. HANSON (York-Sunbury): No, but be fair.

Some hon. MEMBERS: Order.

Mr. HOWE: My own view is that natural selection is by no means the worst selection. We may say that the compulsory system is more scientific than the voluntary system. That, of course, is a matter for argument. I find it difficult to believe that arbitrary tribunals can be set up with sufficient wisdom to sort out this man for the army, that man for the navy, this man for industry and that man for agriculture. It seems to me that the natural selection is the best selection. The man who wishes to go into the army is likely to be the best man for the army. The man who chooses the navy is likely to be the best man for the navy, and so with the air force and with industry. I believe the man who chooses industry is likely to make a better mechanic than the man whose desire it is to take a more active part on the battle front. Therefore I say we should not discard the voluntary system simply because we know of another that may or may not be a better system. There must be other reasons, and later there may be other reasons, but those reasons have not appeared up to this time.

At this moment the need for munitions is at least as great as the need for armies. We are sending vast quantities of munitions, tanks, Bren gun carriers, artillery, guns and ammunition to Russia. We are also sending aluminum and other war materials. Surely it requires no argument on my part to show that the things we are sending would be more valuable than a large army of men sent to that particular battle front. We are sending guns, ammunition, artillery and other munitions to China. Surely the 600,000,000 people of China need those arms worse than they need our men. We are also sending tanks and motor transport to Libya in huge quantities. In a battle of the desert everything depends on mechanical transport, in adequate quantities. Surely we have a part in the battle of Libya that is not unworthy of this country. As I have said before in this house, Canadian munitions have been used in every battle of the great war since Dunkirk, even

to the battle of the Philippines, the battles of the far east, the battle of Libya, the battles of Greece and Crete and the battle of Russia; and they have been available for the defence of Canada and the defence of Britain.

Surely in considering the man-power needs of Canada, as we are doing under the National Resources Mobilization Act, we must take some account of the importance of other activities as well as the needs of our armies overseas. It is the same in the other services. The pilots trained under our air training plan are fighting on every battle front in the world. We all know that conscription for overseas service would be quite useless in regard to our air force, and so it is in connection with the navy. Men with naval training are fighting in ships on all the seven seas, and Canadian-built ships are carrying a large share of the burden of convoy work which is so important to the movement of Canadian and United States munitions to the battle fronts of the world. Yet with some the symbol of total war effort is immediate conscription for the army overseas.

In deciding our man-power policy we must consider whether we can contribute more to victory by continuing to be a principal source of munitions and supplies for the united nations, or whether we can make our greatest contribution by limiting our production in order to send overseas every physically fit man. In arriving at this decision let us ask ourselves the following questions. Having regard to the capacity for war production created and to be created in Canada, would we contribute more to ultimate victory by reducing that production in order to make all men available for service overseas? Would not the additional army so raised by Canada be relatively small in comparison with the vast armies now engaged in the war; and would that not be a relatively smaller contribution to victory, as compared with the potential production which would be lost?

I think there is only one answer to these questions, in the light of military requirements as we see them now. Of course military and strategic requirements will change, and that is why the government must be freed from the limitations now placed upon the exercise of its powers. Nor am I contending that we should or can stop increasing our armed services. I favour and have always favoured the enlistment of every physically fit man, to the greatest extent consistent with a maximum war effort. I have warned our war contractors to be prepared to lose a large proportion of their men eligible for military service. I have encouraged the training and employment of women and older workers. That policy I will continue to pursue. However, we are approaching a point where we may have to decide the questions which I have raised; and if our decision is that Canada must continue to be a principal source of supply for our armed services and those of our allies, then I say to you that we must continue our balanced policy on man-power, unless and until the urgent requirements of the war situation compel us to change it.

This government has a system of national selective service which has already been introduced, and which is now being organized and put into operation. Further, the limitations which may now restrict the exercise of the powers of the government for the defence of Canada, or for the efficient prosecution of the war, must be removed. At the same time we must cease confusing the issues by magnifying one aspect of a man-power policy as compared with other all-important aspects.

I base my views on the fact that the supply of man-power for the armed services and for war production is not unlimited. We have already run into many shortages. Let me cite some figures compiled by the economics branch of my department. I wish to emphasize that these figures are prepared in my department and that, while I believe them to be fairly accurate, they cannot be taken as official government figures.

We estimate that some 800,000 persons, of whom about one-sixth are women, are now directly or indirectly engaged in war production. The figure used in this house up to now has been 600,000, which I may say was the figure arrived at based on the programme of last summer. Of course our production programme is constantly expanding, and the fact of the matter is that we now have about 800,000 persons engaged in war industry. This figure covers the actual manufacturing of war munitions and supplies, the construction of facilities for such production, the construction of national defence projects, and the persons employed in providing essential materials and supplies required in such production. We estimate that by the end of this year we shall require about 85,000 additional workers for production, and that at the peak of our programme as at present known, which will probably be reached early in 1943, there will be employed some 910,000 persons in war production, both direct and indirect.

The rate of increase in war employment has been estimated at about 28,000 per month since the beginning of this year. We estimate that the percentage of women now engaged in war employment is in excess of 20 per cent. All efforts are being made to increase this

percentage still further. The utilization of women in war industry ranges widely, of course, in different urban industrial centres, and varies with the character of the industries located there. In one centre 52 per cent of the total war manufacturing employment consists of women. In another the figure is 43 per cent. In another it is almost 41 per cent. In two centres it is 35 per cent, and in ten others the figure is between 20 per cent and 30 per cent. There are now some 120,000 women employed in war manufacturing plants, and that figure is rising daily.

I could give the house many more figures to show the magnitude and significance of our war employment. For example, whereas the aircraft industry prior to the outbreak of the war employed a very small number of men, there are now engaged in our aircraft production programme approximately 50,000 persons, exclusive of many workers indirectly engaged in this programme. Our merchant and naval shipbuilding programme directly and indirectly employs some 60,000 persons. Our chemicals and explosives programme employs over 45,000 persons. Our programme for the production of tanks and mechanical transport employs approximately 67,000 persons, directly and indirectly. One government company alone supervises plants which employ more than 40,000 persons. One single plant which we constructed and which we are operating employs some 14,000 persons.

The figures which I have cited to the house indicate that we shall need approximately 110,000 additional persons between now and the peak of our programme as at present planned, which will raise our estimated war employment to some 910,000 persons. In addition, the man-power pool in Canada has already provided more than 500,000 men for the armed services, and this figure, under present plans, will be increased by approximately 100,000 men before the end of the fiscal year. War production and the armed services have, therefore, absorbed an estimated 1,300,000, and will require more than 200,000 additional persons between now and the first part of 1943.

In considering the demands on our pool of man-power and woman-power, however, there are two other principal factors. There is agriculture, which, to a very large degree, must be recognized as an essential war industry. The government has, in consequence, through the agricultural stabilization regulations, frozen agricultural employment. It has been estimated that there are approximately 1,350,000 persons employed in agriculture, exclusive of housewives.

There are also the minimum requirements of essential civilian industries and services, which must be maintained in war and in peace. In addition to the proportion of employment in public utilities, transportation, coal mining, and metal mining, already included as directly ancillary to war employment in the figure of 800,000 which I have given to the house, it may be estimated that there are approximately 300,000 more persons employed in these essential industries. The figure for transportation includes highway construction, and maintenance and repair of railroad right-of-way and rolling stock.

It has been estimated that there are over 3,100,000 persons engaged in non-agricultural employment in Canada. If from this figure we deduct the estimate of 800,000 engaged in direct and indirect war employment, and 300,000 engaged in essential utilities and mining, other than directly ancillary to the war, there remain 2,000,000 persons in other civilian production and services. A large proportion of these 2,000,000 persons are essential to the maintenance of the civilian economy, since they include those employed in the production of clothing and food products and other essentials. It is from this source also that war industries and armed services must draw their additional requirements of man-power, since it includes, for example, the very large employment in wholesale and retail trade, which rose some 35,000 between April 1939, and April 1942, as well as other civilian trades and industries, which have experienced a large increase in employment since the outbreak of the war.

It follows that if we add to the number of persons already absorbed in war industry and in the armed services, 1,300,000; the number of persons in agriculture, 1,350,000; others in essential utilities and mining, 300,000; and the number employed in civilian industries and services, 2,000,000, we have roughly 5,000,000 people in the armed services, in war industries, in agriculture and civilian industries and services. I need not tell hon. members that this is a very tight man-power situation for a country with a total population of less than 12,000,000 persons.

Of the 2,000,000 persons in civilian industries and services, it may be roughly estimated that, by rigid curtailment, some 500,000 persons can be diverted to war work and the services. It is from this number, and from the net annual increase in the available working population, estimated at about 100,000 persons, that the 200,000 I have stated as being required by the services and war industries, on the basis of present programmes, must be drawn. I do not hesitate to say that, without the National Resources Mobilization Act, such a withdrawal would be extremely difficult.

There is a small pool of man-power which can be drawn upon to some extent, consisting of married women, retired persons, and persons not working and living at home. The situation may be further relieved by postponing the age of retirement in industry. Many of this class of persons are available only for part-time work. In England this last pool of man-power is now being mobilized, and it is possible that we, in Canada, can expect some help from this source.

I am not suggesting to the house that we have exhausted our supply of man-power and woman-power. I am confident that if we continue to pursue a balanced policy as between the requirements of the armed services and the requirements of war industries, we shall be able to expand reasonably in both directions. Conversion from non-essential employment to war work is sometimes almost automatic, as plants engaged in production for civilian needs are converted to war production, and with this conversion their employees become classed as war workers.

In so far as there remain industries engaged primarily in non-essential production, we shall have no hesitation in converting them to the extent that is necessary, or in closing them down, and thereby making their employees available for war requirements. This is now being done, and will be done in accordance with the principles of compulsory national selective service which we have adopted.

But, as I have already pointed out our man-power pool is not unlimited. We have encountered many shortages as the gap between supply and demand has become narrower. With the additional demands, which are continuous, the gap is constantly narrowing further. It follows therefore that if we are to continue our vast programme of war production and at the same time meet the requirements of the armed services, it is essential that we maintain a sane balance, and that we do not adopt, on emotional rather than on logical grounds, any policy which will unnecessarily upset that balance, and hinder one or other of the all-important phases of our war effort. However, the fact remains that in time of war no policy can remain fixed indefinitely. Circumstances beyond our control may compel changes, and it therefore becomes imperative that the government be freed from limitations which might prevent the exercise of its powers, in order to meet changing conditions.

One reason that has been given for the necessity for an immediate change from the voluntary to the conscriptive system, is the fact that we are receiving unfavourable publicity in the United States and other countries. The opinion of Canada's war effort in informed quarters in the United States, and I think also in other countries, is far from unfavourable. This is being brought home to this country from day to day, as our production figures are made known, and as the fruits of our air training plan and other military activities become more obvious. It is being realized that we are making a magnificent effort. If there has been unfavourable publicity in other countries, and I am quite aware that there has, I think it is a reflection of what has been said in this House of Commons. The opposition have followed a consistent course of belittling the efforts of the government in its many war activities. The same is true of a large section of the press of this country. How many times do we read the editorial pages of our own newspapers without finding something critical of one or other of the branches of our war activities? These are the statements that are reflected in the press of other countries, particularly in the isolationist press. I find a familiar note in almost every article that is unfavourable to Canada and its war effort. I think it is unfortunate that it should be so, but, in looking about for a cause, we should try to find a reasonable cause rather than attempt to place the whole burden on the issue of conscription.

To illustrate what I have said, I have never seen unfavourable criticism of the war effort of Australia. Australia has made a splendid effort, and that effort has been made under a voluntary system. I have never met an Australian who was not prepared to say that his country is making the most magnificent effort of any country on the face of the earth. It is the attitude of Australians themselves and of the Australian press that has brought about this favourable publicity for Australia.

In this country conscription is really a political issue rather than an issue arising out of the needs of the war situation. It was first introduced on the scene in the by-election of York South. It was then stated to be a matter of immediate necessity. The candidate who introduced the issue went down to a defeat which was not only overwhelming but which must have been humiliating to him. Since that occasion conscription has persisted as a political issue, and it was to settle this political issue that the plebiscite was taken. The people were asked to decide the following question:

> Are you in favour of releasing the government from any obligation arising out of any past commitments restricting the methods of raising men for military service?

The answer was overwhelmingly yes. One of the past commitments undoubtedly was

section 3 of the National Resources Mobilization Act, and by the expressed will of the people this section must be repealed. In the face of that plebiscite result no member of this house should have any difficulty in deciding his position on the question at issue, that is, Bill No. 80.

I listened to the eloquent appeal which was made to this house by my old friend and former colleague, the hon. member for Richelieu-Verchéres (Mr. Cardin). Much as I was swept away by his eloquence, I could not find myself agreeing that his appeal was logical. The hon. member took part in the by-election against the advice of his physician, and he advocated a yes vote in the plebiscite. Surely in doing that he believed that it was necessary for the government to have a free hand to decide that issue. Having made that appeal, it seems to me that he, like other members of the house, was bound to accept the verdict of the people of Canada as a whole.

The hon. member has objected because conscription may be brought in secretly by order in council, without any debate on the regulations. I would remind the house that the National Resources Mobilization Act is now in effect and that men are being called up from time to time under regulations with which all hon. members are familiar.

Mr. SPEAKER: I am sorry to interrupt the minister, but his time has expired.

Some hon. MEMBERS: Go on.

Mr. SPEAKER: I do not like to oppose the will of the house, but I must point out that yesterday I had to interrupt another minister whose time had expired. There must be unanimous consent before an hon. member may continue beyond the time limit. If there is any objection, he cannot go on.

Mr. COLDWELL: I am quite interested in what the minister is saying and I should like to have him proceed, but I think if the rule is to be enforced, it should be enforced impartially.

Mr. MAURICE LALONDE (Labelle): Mr. Speaker, my first word is one of congratulation to the hon. gentleman who has just taken his seat (Mr. Howe). The speech he has just delivered is to my point of view the most striking evidence ever offered to this house that Canada is able to make a total war effort voluntarily, without any conscription.

I do not think it is necessary at this time that I should make a lengthy speech in order to state why I am opposed to Bill No. 80. I submit that the results of the last federal election and of by-elections in Quebec and in Ontario must be construed as an order to the federal government not to impose conscription for overseas service unless clear evidence is given to the people of Canada that this conscription is absolutely necessary. In substantiation of my opinion in this regard may I take the liberty of quoting a letter of the Conservative party leader at that time, Doctor Manion, when, on March 19, 1941, he scored his ex-colleague and said, as reported in the Montreal *Gazette*:

> After the election I wrote to all our candidates asking them for their opinion as to why the party was defeated. From two-thirds of more than two hundred candidates I received replies, and with two exceptions their opinion was that the electors feared there was much more danger of conscription under us than under our opponents.

We are forced, Mr. Speaker, to admit that the real significance of the vote given by the Canadian people at that time was that it was against conscription for overseas service. When the plebiscite was announced in the speech from the throne, although I approved in this house the principle of the plebiscite I reserved my freedom to give the appropriate answer on the question asked; and although I did not campaign either in my riding or outside of it, I found out that the scales of public opinion of my people were weighted more towards a negative answer; for more than 93 per cent of the voters voted "no." So I am bound by my pledges not to vote for conscription for overseas service.

May I say also that the government feared a negative answer when it refused to accept the fair suggestion made in this house by the hon. member for Beauharnois-Laprairie (Mr. Raymond), advocating the right to vote for those prospective conscripted men between eighteen and twenty-one years of age, but graciously granted the same right in the meantime to the same classes of people who had volunteered in the armed forces of Canada. If the government had given full freedom of expression and full liberty of action to those who intended to speak over the Canadian Broadcasting network to advocate their policy of a negative answer; if the Canadian people at large had had the opportunity to listen to both sides—

Mr. CRUICKSHANK: I have never done this before, but I had the privilege of travelling in the train with a certain gentleman, Mr. Brockington, who recently gave a beautiful speech, and a prominent cabinet minister; they could have written for me an excellent speech, and I object to this hon. member reading every word of his speech.

Mr. LALONDE: I am glad that the hon. member makes the suggestion, but I do not

care; I can speak my mind either in French or in English. I do not need to read my speeches.

Mr. DEPUTY SPEAKER: On the point of order, it is a well-known rule of the house, and has been generally applied since the beginning of the session, that an hon. member may not read his speech. An hon. member may consult his notes, but may not read his speech.

Mr. SLAGHT: Speaking to the point of order, I have observed the hon. gentleman closely, and I suggest that he has not been reading his speech. He has been referring to notes, which he has a perfect right to do.

Mr. CARDIN: In view of the observations which have just been made, may I point out that this is not the first example that we have had, since the debate began, of hon. members reading speeches; in fact we can count on the fingers of one hand those who have not done so. I think it would be unfair to apply the rule in the case of this hon. member alone. If a rule is to be applied it should bind every hon. member in this house.

Mr. DEPUTY SPEAKER: Does any other hon. member wish to discuss the point of order?

Mr. CRUICKSHANK: May I again speak on the point of order?

Some hon. MEMBERS: No.

Mr. CRUICKSHANK: I will sit down when Mr. Speaker tells me.

Mr. DEPUTY SPEAKER: The hon. gentleman has spoken on the point of order. Does any other hon. member wish to speak on the point of order? I may point out that the rule has been applied with a great deal of latitude. If an hon. member states that he is not reading, but only consulting notes, it is usual to accept his statement, although it is sometimes difficult to assume that anyone is deceived. May I urge hon. members to adhere to the rules as closely as possible.

Mr. LALONDE: If the Canadian people at large had had the opportunity to listen to both sides I wonder if the returns would have been so overwhelmingly in favour of the affirmative viewpoint. This plebiscite in itself was supposed to be a free consultation of the people of Canada, and it cannot be otherwise according to its essential characteristics. But through the government's influence it became restricted to a unilateral proposition. I confess, in the light of the experience of the past, it would have been preferable in my own point of view to come before the people frankly with a referendum asking our constituents if they were in favour of conscription or not. We would have had at least—

Mr. DEPUTY SPEAKER: Order. The hon. gentleman should consult his notes a little less freely.

Mr. LALONDE: We would have had at least the satisfaction of knowing that the people would have given a clear-cut and definite answer rather than an equivocal response.

One may object that the decision regarding the opportunity of enforcing conscription is a matter for the military authorities, that the members of the house and the common backstreet people are not in a position to decide whether or not conscription is to be applied. May I point out that such nation-wide politics—

Mr. DEPUTY SPEAKER: Order. I must take notice that the hon. gentleman is reading his speech.

Mr. FLEMING: I am sitting right behind him, and he is not.

Mr. LALONDE: Mr. Speaker, I should like to abide by your ruling, but I should like to have a clear-cut ruling as to whether I am reading my speech or whether I am just consulting my notes. If I have not the right to read at any part of my speech, all right; I will sit down. If I have the right just to glance at my notes, I will go on. But I should like to be treated in the same way as any other hon. member.

Mr. DEPUTY SPEAKER: My desire is simply to apply the rule as impartially as possible, and to mete out the same treatment to all hon. members. However, the rule binds me. I must hold that it is not permissible to read one's speech, except, of course, with unanimous consent. When exception is taken to the reading of a speech, there is no option; the rule must be applied. While the hon. gentleman has the right to consult his notes, he may not read his speech.

Mr. LALONDE: I am merely consulting my notes, Mr. Speaker.

The question asked by the plebiscite was misleading, so much so that the Prime Minister (Mr. Mackenzie King) himself was bound to say to the Tory party, both over the radio and in the house, that a "yes" vote was not a vote of confidence in the government's administration; while on the other hand he ventured to tell his invisible audience that he would not carry on the administration of the country without being vested with the fullest confidence of the Canadian people. This, in the

minds of our people, gave rise to confusion, and it is one of the reasons why I am justified in taking the stand I take now.

We have been told that the bill now before the house is not a conscription measure. I respectfully submit that while Bill No. 80 does not in its phraseology embody conscription, nevertheless, section 3 of the mobilization act being repealed under its authority, every obstacle is removed from the full conscription of men for overseas service; it means that this bill, enlarging the scope of the mobilization act, is in itself the embodiment of the principle of conscription for overseas service. When the bill is adopted, the government of Canada will have authority to impose conscription by order in council without being obliged to come before the house with that order in council, according to section 5 of the mobilization act. It is a form of dictatorship that I cannot approve. As a matter of fact, the cabinet has approved more than 25,000 orders in council, of which 300 have been passed against existing laws on our statute books.

If I were sure that the amended mobilization act would be applied by the present administration I would have less hesitation in voting against the bill? But who can say? Who can look into the future and tell me that the mobilization act as amended by Bill No. 80 will be enforced by this present administration? I urge hon. members to look with the closest scrutiny into the proposition. Who will use this formidable instrument, forged by this parliament, to apply conscription for overseas service? History repeats itself. One can read the memoirs of the late Sir Robert Borden and tell me whether the present political situation is not paralleled by the difficult situation that existed in 1917, when the military authorities urged the government, through the medium of the national defence department, to apply conscription; and if the controversy reaches the climax it did in 1917, when Sir Robert Borden proposed conscription to his cabinet, I have no hesitation in saying that this intensely feared union government will be formed and will have at its disposal the necessary machinery to impose conscription of its own making. When the Prime Minister urges his followers to give his government full confidence he is asking us to vest that confidence in any future government, either a union government or a Tory government.

(Translation): Mr. Speaker, we are told that conscription is not necessary. We have heard official statements to the effect that it may never become necessary. This very afternoon, one of our most influential cabinet ministers declared that such a step was not at all required. Yet the cry for conscription goes on. The voluntary enlistment system is more than adequate. The tide of aggression is nearing our shores. The atmosphere of collective peace which had reigned in this country for a few years has now disappeared, and we are coming to realize that danger threatens us on every side. I do not hesitate to say that I would readily support any measure obliging Canadians to defend their American homeland, as well as the territories neighbouring our own, for such a measure would be based on the principle underlying the Mobilization Act we passed in 1940. But the bill we are now considering is simply a conscription measure in disguise. The solemn pledges which I have made and which were confirmed by my constituents, prevent me from adopting any stand other than the one I now adhere to.

It has been charged in certain sections of the country that our province is not contributing to Canadian unity. The protests that have risen and will rise in this chamber, Mr. Speaker, constitute a peremptory argument demonstrating the utter falsehood of this gratuitous claim. We have been striving for national unity ever since the first French Canadian set foot on Canadian soil. We were striving for Canadian unity when sacrifices of men and money were demanded of us in 1917-18.

We were striving for Canadian unity when we declared war in 1939 and accepted all the consequences thereof. That was the goal in view when we accepted the Mobilization Act, on condition that there be no conscription for overseas service. We strove for Canadian unity by voting record war budgets, on condition that there be no conscription for overseas service. We accepted and worked for the idea of Canadian unity by enlisting in numbers sufficient to prevent our being charged with cowardice, on condition that there be no conscription for overseas service. We agreed to lend to the government for war purposes millions upon millions of dollars drawn from the savings of poor and rich alike, on condition that there be no conscription for overseas service. We did not object to granting Britain a gift of one billion dollars, because these funds were to serve in the defence of ideals we hold dear, but the same condition applied that there be no conscription. We accepted the principle of the plebiscite following the most formal commitments made in the house and outside it, to the effect that conscription for overseas service would never be passed. And after all this, Mr. Speaker, we are asked to be false to our promises and we are accused

of not having understood the real meaning of Canadian patriotism. I protest against this. We understand it as well as anyone else in this war, and we shall continue to pay the taxes required for the triumph of our cause.

It has been said that we are against conscription because we come from the province of Quebec. Mr. Speaker, I oppose conscription, not because I am a French Canadian and a Catholic; but because I do not think it is necessary and because I am pledged by my word of honour given to those people who have honoured me with their confidence.

Last Sunday, in every Catholic church in Canada, a letter was read, bearing the signature of every Catholic bishop or archbishop of Canada. What was the purport of that letter? Mr. Speaker, I wish I could put it on the record, so that our fellow citizens who do not share our faith and our racial origin would realize that the Catholic clergy of our dominion are the mainstay of our hopes in final victory.

And now, Mr. Speaker, I shall conclude. I have stated my reasons for voting against conscription. It will be no pleasure for me to withdraw my support from the political party in which I have always set my fondest hopes. I do it without animosity. Mr. Speaker, I realize fully the difficult position of our Prime Minister. However, I feel that I am discharging my duty to my constituents and to all those who have honoured me with their confidence. Mr. Speaker, when the final curtain has dropped on the bloody conflict waging through the world at the present time, when this distressing period has ended, when dusk has at last spread its shadows on this agonizing day, when, on the morning of victory the people sing their hymn of deliverance and when from the blood-stained soil where our sons rest come forth promises of a new order founded on justice and charity, we shall all together, hand in hand, resume our victorious march towards progress and peace.

Mr. HUGHES CLEAVER (Halton): Before expressing my views on the bill which is now before the house for second reading I should like to make some comments with reference to the keynote speech delivered by the leader of the opposition (Mr. Hanson) on Wednesday last. He read verbatim from a prepared typewritten statement which was handed out to the press before one word of his typewritten speech or statement was read to this house. In the opening remarks of that speech he made this very remarkable statement:

I have listened with undivided attention to the speech of the right hon. gentleman this afternoon, and I confess at once that it left me cold.

I ask hon. members to ponder for a moment the highly imaginative gifts of the hon. member, who in the quiet of his own room, at least two weeks before a word of the speech was uttered, could calmly dictate to his private secretary the words which I have just read. The Prime Minister's speech, he said, "left him cold". Obviously the chill must have occurred at least two weeks before the speech of the Prime Minister was uttered; so we are left to conjecture why the chill. On pondering the problem this occurred to me. We all know that the present Conservative party in the house is governed by remote control. If that part of the hon. member's speech was written by the Right Hon. Arthur, we can understand the chili; for he has been kept by the Canadian people and by his own party in cold storage for a long, long time.

However, last Wednesday afternoon was a very warm afternoon and the hon. gentleman soon warmed up. He then inflicted on this house some poetry from a musical comedy. Think of it! At a time when this house is discussing one of the most serious problems that will come before it during this war; at a time when racial feelings run high, is that the best leadership the leader of the opposition can give us? He read from comic opera, and he did not even read it well.

The leader of the opposition went on to announce grudgingly that he was going to support this measure, but he served warning that he would press for the immediate imposition of conscription. He went on to poke fun at and to belittle and misrepresent the stand of our war leader, a man who was elected Prime Minister of this country with the largest majority ever accorded to any prime minister in our history. In conclusion he made statements regarding Canada's war effort that I feel sure he will be ashamed of before he is much older. Listen to this, on Canada's war effort—and nobody knows better than the leader of the opposition what a magnificent war effort this country is making. I quote from *Hansard*, page 3252:

Shall he—

The Prime Minister.

—insist that we continue with interminable detours to victory? That is what we have had for thirty-two months. Shall he insist—

The Prime Minister again.

—that we plod wearily along a winding and unlighted road, in the pious hope that somehow, sime time, somewhere, we may grope, stumble and flounder into the open light of victory?

I ask hon. members, is this fair comment on Canada's war effort? It is not the duty of any hon. member of this house to make such slighting statements regarding Canada's war effort, much less the duty of the leader of a loyal opposition. No one knows better than he the wonderful war effort this country is making; and as I listened to those words I just wondered what General McNaughton and his gallant men overseas would think of that description, that gross slander, if you will, of Canada's war effort. I wondered how the boys in our twenty-five odd air squadrons overseas would feel when they heard Canada's war effort being described as a stumbling, floundering effort. And what about the boys in the Canadian navy, engaged in constant convoy duty on the Atlantic? How would they like to have Canada's war effort, their war effort, described and maligned in that fashion? Do they believe that we are "plodding wearily along an unlighted road, in the pious hope that we may stumble into the open light of victory"? Then coming to the industrial production in Canada, how will H. R. MacMillan, the friend of the leader of the opposition, and the forty odd thousand men engaged in the shipbuilding programme, take a statement of that kind in regard to Canada's war effort? And what about Ralph Bell and the hundred thousand odd Canadians who this year will be engaged in building aircraft for victory? How will they take that sort of description of Canada's war effort? Will they think it is fair criticism? I could go across the entire picture of Canada's war effort and challenge the leader of the opposition to name one person engaged in that effort who would dream of making such statements.

In the light of these comments I want to read again just what the hon. leader of the opposition did state, at page 3252 of *Hansard:*

> Shall he insist that we continue with interminable detours to victory? That is what we have had for thirty-two months.

Is that an honest statement?

> Shall he insist that we plod wearily along a winding and unlighted road, in the pious hope that somehow, sometime, somewhere, we may grope, stumble and flounder into the open light of victory?

Then the leader of the opposition goes on to say that what we need to-day in Canada is courageous national leadership. I now ask him a pointed question. What sort of national leadership has he been giving us? Has he done anything to improve Canada's war morale? Has he done anything to inspire in the hearts of Canadians pride in the war effort which this country is making?

[Mr. Cleaver.]

Coming now to his stand on the other question, that of conscription for overseas service, I should like to quote several further extracts from the speech delivered by the hon. gentleman last Wednesday. At page 3249 of *Hansard* the hon. gentleman said:

> . . . we cannot have total war effort without unlimited selective national service.

And again:

> As in the past, my position to-day is that a full, all-out war effort on the part of Canada is possible only if all the material resources and man-power of the nation are fully mobilized, without restrictions of any kind.

Keep in mind those words, "as in the past". And again I quote:

> Shall he insist that we continue with interminable detours to victory? That is what we have had for thirty-two months.

I think a fair summary of the quotations I have just read, Mr. Speaker, would be this. The leader of the opposition tells the house, "We cannot have a total war effort without conscription for overseas service. I have believed in conscription for overseas service all along." I think that would be a fair summary of those statements.

Mr. HOMUTH: Not very.

Mr. CLEAVER: Well, I expected to hear from my hon. friend; I have been disappointed that he has been quiet for so long. Now let us look at the record and see whether it substantiates the statement of the hon. gentleman. Before doing so, however, I should like to say with all the vehemence at my command that I sincerely believe that a majority of the people of Canada still feel that this country will make a better war effort and will raise better armed forces under the voluntary system than under conscription, and that conscription should be resorted to only when all else has failed. Now let us look at the record of the leader of the opposition and see whether he has been in favour of conscription during all these thirty-two months of alleged "detouring". I say at once that the record conclusively proves that he is either a new convert or that he did not have the courage of his convictions and did not voice them. Just a few months ago the leader of the opposition spoke at the head of the lakes, and is reported in the Port Arthur *News-Chronicle* of August 5 last as follows:

> Honourable R. B. Hanson, national Conservative leader, told a luncheon meeting of lake head and district supporters at the Royal Edward hotel yesterday he was not sure that public opinion is ready for a declaration for all-out national service.

He was not sure. It will be noted that at that meeting he was speaking to his own

supporters. Did this great national leader tell his own supporters that this country could not have an all-out war effort without conscription for overseas service? Did he tell them that he had always been in favour of conscription for overseas service? No. Instead of that, what did he tell them? He said he was not sure that public opinion was ready. Then later in the year he spoke in Toronto, again to a group of his own supporters, the Albany club; he is quoted in the Toronto *Telegram*—and I hope he will not accuse the *Telegram* of misquoting him—of October 29 last. What did he say, this hon. gentleman who now says we cannot have an all-out war effort without conscription, and that he has always supported conscription for overseas? Here is what he told his own supporters at that time:

> I have been urged to declare for conscription of man-power. What would happen if I did? Immediately the Conservative party in parliament nailed conscription to its masthead we'd consolidate all those forces that have been opposed to us. . . . they would be marshalled against us. Some will disagree with this view. I have studied it from every angle. If it were put to a plebiscite, I don't know what would happen. I wish you could see the letters I have received, letters from mothers who didn't raise their boy to be a soldier.

Here we have the national leader of the Conservative party, who last Wednesday expressed in this house the views I have quoted, speaking to his own supporters in the city of Toronto less than eight months ago. Did he tell them, "We must have conscription"? Did he tell them, "We cannot have a total war effort without conscription"? No. He told them it would not be politically wise. He told them he had received letters from mothers who did not raise their boys to be soldiers. But I want to be fair to the hon. gentleman. It is quite within the realm of possibility that he did not compose that written speech that was read to the house. If the speech was inspired by Toronto I beg of him to tell those gentlemen in Toronto, the next time he gets advice from them, to get themselves elected by popular vote and then come to this house and make their own speeches. There are two constituencies vacant right now, one of which is Winnipeg North Centre and the other, Charlevoix-Saguenay.

Mr. HARRIS (Danforth): I do not think the hon. member has a right to assume that this message came from Toronto, and then to quote from the message as having come from Toronto.

Mr. CLEAVER: I should have been surprised if the hon. member for Danforth had not objected. However I shall have a little of something for him in a moment or two. Probably he will then get up and answer it.

Mr. HANSON (York-Sunbury): Mr. Speaker, on a question of privilege, I deny absolutely that anybody but myself wrote that speech, or that it was inspired from any quarter. The young man now speaking is drawing on his imagination—one which is much too fertile. What he has said should be withdrawn.

Mr. CLEAVER: I accept the hon. member's explanation. I should like now to deal with another point. I object strenuously to the organized effort being made in this country to misrepresent the whole situation and to light racial fires. In three editorials this year the Toronto *Globe and Mail* has stated that the promise made by Liberals and Conservatives alike in the 1940 election was made purely to appease Quebec. Fortunately through our newspapers we have a record of what happened in the past. As we know, before the election the political parties advertised their platform, and they stated in advertisements what they stood for. Those statements were made to attract votes. I hold in my hand a full page advertisement appearing in the Toronto *Telegram* the day before the election vote. This advertisement was sponsored by the "National Government" headquarters. Leading up to this there were three teaser advertisements—little five-column displays to attract the attention of the people, so that they would finally see the real advertisement. I shall read the one of these teaser advertisements which appeared on March 20:

> Vote for these National Government candidates in Toronto ridings:
> Parkdale, Doctor Herbert A. Bruce,
> Davenport, John R. MacNicol,
> Broadview, T. L. Church,
> Danforth, J. H. Harris—

The hon. member who interrupted a moment ago. Then follows a complete list of every National Government candidate in Toronto at that time. That teaser advertisement appeared in the issues of March 20, 23 and 25. Then followed the grand finale. I have made inquiries and I find that this advertisement would cost National Government headquarters between $400 and $500—so that they were not fooling. They really meant it.

This advertisement begins with the words, "Manion the man," and continues:

> National government or Liberal party, which does Canada want?

Then follow the planks of the platform, one of which reads: "I am against conscription." I

ask the hon. member for Danforth (Mr. Harris), who interrupted a few moments ago, and every other Conservative member from Toronto: Did these hon. members contribute their share of the $400 or $500 to publish those advertisements in the Toronto *Telegram,* telling the people of that city that they were opposed to conscription? Did they do that just to appease Quebec?

Mr. HARRIS (Danforth): If the hon. member wishes an answer as to who paid, I can give it. It is a simple one, of only two or three words: it is none of your business.

Mr. CLEAVER: I thank the hon. member for Danforth, and I agree that is the only answer he could give me. That promise was made on practically every political platform across Canada. It was not made solely to please or appease Quebec. It was made because we all believed that this country would make a better war effort, would raise a better army perhaps, under the voluntary system, than we could ever have raised under conscription. Besides that, we had had a very unsatisfactory and bitter experience with conscription at the time of the last war.

The bill now before us for second reading has for its purpose the removal of territorial restrictions in connection with the services rendered by men raised under the National Resources Mobilization Act. The plebiscite vote was called to permit the people of Canada to release not only the government but every hon. member in the house from promises which most of us had given to the effect that conscription would never be enforced for service overseas. Everyone now realizes that the present war may be a very long one. Events move rapidly. The time may come when voluntary recruiting will dry up. No one knows what will happen. It is only a matter of good business judgment to come back to the people and, in the light of existing circumstances, ask for release from the pledge.

During the debate in the house on the plebiscite, and throughout the campaign in the country, the pledge was given by the leader of the opposition that this was not a vote for conscription. I read now an extract from his speech delivered over the national radio network on April 20:

> This plebiscite is simply to give the government and Mr. King release from a commitment not to enlist men for overseas service by compulsory methods. That primarily is the only issue involved. Emphatically it is not in this specific vote an issue for or against compulsory service for overseas. It is merely a vote to release, or refuse to release, Mr. King from a preelection pledge.

[Mr. Cleaver.]

Concluding the speech, he said:

> You are not called upon by this plebiscite to declare for or against conscription for overseas service. That may come; it does not follow from this plebiscite.

Note those words: "It does not follow from this plebiscite."

Let us now analyse the vote. There were 2,921,206 who voted "yes" and 1,608,609 who voted "no". At page 3245 of *Hansard* the leader of the opposition is reported in these words:

> We laboured unitedly to achieve an affirmative result.

And again:

> —and I believe we contributed mightily to the result.

The government did likewise; the government gave a similar assurance to the people that this was not a vote of conscription. The Prime Minister coupled with that the definite assurance that conscription would not be enforced until it could be demonstrated that it was necessary. On top of that practically every private member of this house campaigned his own riding for a "yes" vote. I spoke at eight meetings in my riding, and I sent out circular letters, signed not only by myself but by the defeated Conservative candidate, which asked the voters to vote "yes", and which assured them that they were not voting for conscription.

If in the final analysis the total effect of all that—the total weight of the Conservative party, the total weight of the Liberal party and the personal influence of all members of this house; if that combined effort caused only 700,000 voters to vote "yes", who would otherwise have noted "no", then the plebiscite would have been defeated had it not been for the assurance which was given. So I say to those who would lightly brush aside this assurance: Think well before talking that way any more. I could hardly believe my ears when I heard the leader of the opposition, at page 3245, state in the house last Wednesday, "any effort to make it appear that the affirmative vote was nothing more than a release of the government and of parliament is not facing the facts." On April 20 he said that it was merely a vote to release the Prime Minister from his preelection pledge, and on June 10, less than two months afterwards, he said, "If you consider the vote anything more than a release, you are not facing the facts." Did you ever see such a right about face in less than two months? I suggest to my hon. friend that the outstanding reason why the Conservative party does not hold the public confidence to-day is that they do not keep their promises. Further I say that this last

episode proves conclusively to me that they do not even intend to keep their promises when they make them.

Coming to my own views on conscription, I wish to admit frankly that the vote in Quebec was a great surprise and a bitter disappointment to me. Nevertheless the taking of the plebiscite has served a useful purpose and has been of great assistance in the final solution of the problem, in that it has clearly indicated just what is our problem. Whether we like it or not, irrespective of who is to blame for the feeling, irrespective of the cause, we in Canada are faced to-day with the fact that 80 per cent of our French-Canadian population are bitterly opposed to conscription for overseas service until it can be demonstrated to them that it is necessary. This being so, it is quite apparent to me that nothing but harm could ensue to Canada's war effort were we to attempt to impose conscription at the present time before it is necessary.

Up to date French Canada has come along the full mile with us on a voluntary basis. We have had over 70,000 recruits from Quebec for service anywhere in the world. Quebec has gone over the top with the Red Cross campaigns, the victory loan campaigns, the war service and every other war campaign that has been put on. On top of that, the production of war equipment and war supplies in Quebec is equal to the production of any province in the country. If any hon. member doubts that statement, I ask him to visit the gun plant at Sorel, the aircraft plants at Montreal, and the great shipbuilding plants in the province. In the light of all this, is it wise to imperil all this voluntary effort on the part of one-quarter of our population by imposing conscription before the need for it actually exists?

Let us analyse for a moment the one and only reason which is advanced by anyone in favour of conscription. I have yet to hear any member of the house assert that the voluntary system is not raising the men required for our military programme. I have yet to hear any serious criticism of Canada's military programme. No one knows better than the Minister of National Defence (Mr. Ralston) what that programme should be. On February 10 of this year the minister outlined Canada's requirements for the following fifteen months. He told us that we would need 70,000 to 80,000 men for the air force, 13,000 men for the navy, and from 90,000 to 100,000 men for the army. Those were the requirements for the period January 1, 1942, to March 31, 1943. We have raised already by voluntary enlistment over 80,000 of those men. It is quite obvious therefore that our military requirements will be met by voluntary enlistments months before we need them. Even the *Globe and Mail* in a recent editorial admitted that voluntary recruiting is taking care of our military programme. It said:

> The real gravamen of the indictment against the voluntary system lies in the unfairness of its incidence.

It is not that there is any shortage of voluntary enlistments; it is that we have not equality of service. I do not believe that the present campaign for conscription was instituted by those who honestly believe in conscription. I believe it is purely political in its character. I cannot lose sight of some of the sources from which the present campaign started. You cannot collect $600,000,000 by means of the income tax, as we have done in twelve months, without treading on someone's toes. During the last war less than $10,000,000 in income tax was collected under the national government. Why would they not want national government? The only way to get national government is to advocate conscription.

There are some disgruntled politicians in this country who would sabotage Canada's war effort or do anything to gain their own selfish ends. If anyone could convince me that conscription would lead to equality of service, I would gladly revise my views. I think one example is enough to prove how illusory the term "equality of service" is. During the last week an air force officer, a boy from my community, was reported missing after a raid over Germany. He was a bright, healthy, clean living boy who had been a leader in sports at high school and who had graduated in agriculture from the Guelph agricultural college. He enlisted in the air force, qualified as a pilot, and went overseas a few months ago. Last week Tim was posted as missing. I ask you to place the sacrifice of this young man in the scales on one side of the balance; then on the other side pile on the contribution made by his chum in Canada. I do not care if he works twenty hours a day in a factory, I do not care if he gives all his surplus wages for war purposes, I do not care what he does; his sacrifice is not comparable to the sacrifice of the young lad who gave his life. There are superloyalists who drum up "equality of service" as an argument in order to try to divert French Canada from the war effort. I say to them: "Forget about equality of service; there is no such thing." I have heard other people say, "Let us slough off French Canada and get on with the war." Did you ever hear such a reckless statement?

Did you ever hear of a hockey team winning a game with 25 per cent of its team in the

penalty box? Again, I admit at once that French Canadians are one step behind those of English-speaking Canada with regard to conscription, and why should they not be? Blood ties are stronger than any other ties. But what would you think of a cruiser convoy that would steam away from 25 per cent of its merchant ships simply because they were one knot an hour slower than the other ships in the convoy?

There is another point on which I should like to touch before I conclude. The fact that this whole conscription issue has been magnified far beyond its true import is another proof that it is politically inspired. It does not affect the air force, nor does it affect the navy. Great Britain, notwithstanding the fact that she is under constant threat of invasion, still holds to the voluntary system for both the air force and the navy. This fact speaks much more eloquently than any words of mine could speak in favour of the voluntary system.

Again, conscription does not affect the gift to Britain of one billion dollars' worth of planes, tanks, guns and foodstuffs, which in dollar value is three times the total effort of this country in the peak year of the last war. In 1918 this country spent for all its war purposes only $343,000,000, and inflated dollars at that. Conscription does not affect our war production of foodstuffs. Conscription does not affect our industrial production of planes, tanks, guns, shells and the like. This problem simmers down to about one-fiftieth of Canada's total war effort, because in the final analysis the problem is just the difference between the number of men you would raise by the voluntary process and the number you would raise by conscription.

There is one thought in closing which I think should be expressed. Some day the war will be over. When that day comes this country will be faced with a very trying reconstruction period. During that period we English-speaking people will have to unite with our French-speaking neighbours in an endeavour to build a nation where life will be worth living. Should we imperil that end by doing something now which will needlessly antagonize one-quarter of our population? Should we endanger the present war effort, the present sympathy of French Canada, by doing something just to please conscriptionist Tories?

I cannot do better than close with the following words uttered by the leader of the opposition on Wednesday last, as reported in *Hansard* at page 3246. I do not agree at all with his application of the word, but I do agree with the words. He said this:

[Mr. Cleaver.]

Have you thought this matter through to the end? I fear not. I beg of you while there is yet time to pause and think this thing clear through.

I commend that, Mr. Speaker, with all the sincerity at my command to my fellow English-speaking members of the house.

Mr. J. W. NOSEWORTHY (York South): The Prime Minister (Mr. Mackenzie King) some days ago, when introducing this bill, informed us that the conscription issue now before parliament is one of the most controversial issues raised in Canada since confederation. He furthermore went on to point out that political leaders of all parties and those interested in the unity of the people of Canada have tried to keep this issue in the background since the beginning of the war. The fact facing us to-day, however, is that the issue has emerged, has demanded attention, has demanded a solution. The glaring fact stands out that we have in one section of Canada a large minority group opposed to conscription for overseas service. We have scattered through all the other provinces more minority groups who also are opposed to conscription for overseas service. We have across the country an overwhelming English-speaking majority who are supporting, and vigorously supporting, conscription for overseas service. Out of this, Mr. Speaker, I see the alarming fact that French-speaking Canadians and English-speaking Canadians, after having lived together in the same country for nearly 200 years, have failed to become a united nation.

It is not a question of loyalty to Canada. No one questions the loyalty of the French-speaking Canadians to Canada. Our different attitudes toward this question are largely a matter of differences in our attitudes towards the British empire and the British flag. Those attitudes go back deep into our history, deep into the histories of our races. This is not the time or the place to examine the cause or to discover where the blame for that lack of unity lies. For once in my life I can agree with both Liberal and Conservative. I can agree with them each as each charges the other with the responsibility of the situation in which we find ourselves to-day. But as an educationist I would lay the blame not only on our political parties. I want to register my protest against the educational systems of every province in that they have failed to teach our boys and girls the essentials of a unified citizenship. In our schools in every province we have been teaching our boys and girls our differences. We have been emphasizing our differences. We have been failing to emphasize the points on which as citizens

we are all agreed. I want on this occasion to register my protest against such a system of education.

The question before us must be examined in the light of the war itself and our war effort. This war is a life and death struggle to preserve human freedom, our institutions, our churches, our homes, our family life. It is a war to preserve our freedom of speech, our freedom of association, our free democratic institutions. It is a war to preserve our right to exercise our franchise. It is a war to preserve the freedom of our courts. These, Mr. Speaker, are freedoms which have been assured to all English-speaking and French-speaking Canadians for nearly 200 years under the British flag. Whether or not our heart is warmed at the sight of that flag, whether or not our emotions are stirred at the mention of that empire, the fact remains that under and within that empire and under that flag we have won and maintained freedoms that are vital to the existence of both French-speaking and English-speaking Canadians. They are of vital importance to all of us regardless entirely of racial ancestry. Those are the freedoms that are threatened to-day by a ruthless enemy who would impose upon all alike, English-speaking and French-speaking Canadians, and upon all the peoples of the world, his will and his way of life, which would bring with it the destruction and obliteration of those freedoms and institutions which we should unite in preserving.

This war is no mere question of preserving or saving British territory or the territory of any other country; it is not even a war to preserve British capitalists or any other capitalists in their right to exploit the masses of the people in any part of the British empire or of any other empire. It is a war that is being fought to preserve the principles upon which our civilization is based. That is the first of our war aims. As we were told by Mr. Nash some days ago, we, too, like the New Zealanders, are fighting to hold what we have, what we have gained through the centuries. But we are fighting for more than that. We are not merely fighting to hold fast to that which we have acquired; we are fighting to make new advances, fighting for new freedoms, for those new freedoms which have found expression in the Atlantic charter —freedom from want and freedom from fear. We are fighting to assure to the working people of this country the simple elementary right of earning a living, the right to a job, the right to a decent standard of living, of which tens of thousands have been deprived in the past. We are fighting to give to the boys and girls of this dominion an equal opportunity to become educated and to develop into useful Canadian citizens.

This, I submit, is a programme on which both French- and English-speaking Canadians can unite. It is a programme which will call for the best in all our people. The question of where our men should fight, the question of how our men should be called up for service, must be determined in the light of that great issue. Personally I want to see the enemy defeated before he reaches our shores. I have no desire to see our shores invaded, our women and children bombed, if by any means, in cooperation with our allies, we can defeat the enemy abroad before he reaches us here in Canada. We must not make the mistake that the smaller nations of Europe made when they failed to cooperate with one another to meet the enemy, and went down to defeat one by one. We must give to the allied cause everything we can while our allies are standing against the enemy. We must not wait even to join forces with our neighbours to the south in the hope of defeating the enemy when he reaches this continent. On the contrary, we must join forces abroad with England, Russia, China, the United States and all the other nations; for on that programme and on that programme alone depends our hope of success in this war.

The whole question of a balanced war effort is brought to the fore by the introduction of this bill. The question for us to decide primarily is this: How can Canada make her most effective contribution to the cause of the allied nations? Can that most effective contribution be made by conscription of man-power for overseas service? Can it be made by voluntary enlistment? That is the vital question for us to settle; and in the light of that, other questions become minor ones. The conscription of man-power for overseas service is inextricably bound up with the whole question of our war effort. It cannot be separated; it cannot be isolated. It cannot be treated as a separate question, as a scientist would separate a disease germ and examine it in order to effect a cure.

In considering conscription for overseas service, we must of necessity take into consideration and carefully weight the opposition of a large minority group, largest in Quebec but not confined by any means entirely to Quebec. The relative importance of that opposition must be considered. The fact is there and it must be faced and faced intelligently. No immediate purpose can be served by trying to avoid it. The question that I

as a member of the house must decide in relation to this bill is whether or not the government's measure is such that in the light of all the known facts it will enable Canada to put forth her most effective war effort. To-day, near the end of the third year of the war, we are brought face to face with this question, which must have seemed inevitable to every intelligent public person in this country since the day war was declared.

We have for three years dodged that issue, hoping against hope—and in that I think the opposition as well as the government members share—that time would eventually make the decision easy. Neither time nor the plebiscite has removed the difficulty. In my humble opinion both time and the plebiscite have served to intensify it. In the bill before us the government does not, in my opinion, face up to the question. In this bill the government asks to be given a free hand to decide this question in its own time and in its own way.

The Prime Minister assures us that conscription for overseas service is not now necessary. Other ministers and other supporters of the government have given us the same assurance; they assure us that it may never be necessary. Yet we have been told by the hon. member for Trinity (Mr. Roebuck) and other hon. members that those of us who supported a "yes" vote on the plebiscite and whose constituencies voted "yes" on that plebiscite are under some form of obligation to our constituents to vote "yes" on this bill. With all due deference to the Prime Minister, the hon. member for Trinity and others, I cannot follow that logic. In the plebiscite the electorate was asked one question, whether or not it was willing to release the government from a certain commitment. I fail to see why, because my constituents voted to release the government from that commitment, I am bound to give the government a free hand to decide whether or not conscription shall be introduced, how it shall be introduced, and when. I may be illogical, but by no process of reasoning can I find that the one should be the result of the other.

Hon. members were not elected to give a blank cheque to this government or any other government on this or any other issue. If in the light of its knowledge of the war situation the government is convinced that conscription is unnecessary, and does not want to take the responsibility of bringing in a conscription bill, that is its responsibility. If on the other hand, in the light of its knowledge of the war situation it feels that conscription is necessary, then I submit that such a bill should be placed before this house; and the government in introducing that bill should be prepared to explain to the house not only the nature of the bill and the terms under which the bill is to be enforced, but also the necessity for such a bill. I shall vote against this bill, first as a protest against the undemocratic procedure followed by the government in relation to this vital matter.

The Minister of Agriculture (Mr. Gardiner) and the hon. member for Swift Current (Mr. Graham) both expressed opposition to the six points introduced by the leader of our movement on the ground of what they called state socialism. The minister and the hon. member are both supporting this bill, which to me is the very essence of state socialism. The government is asking us to give it the right to decide when and how, if at any time, conscription is to be introduced. When we suggest that wealth should be conscripted, that industry should be conscripted simultaneously with and on the same basis as man-power, it becomes to the hon. gentlemen state socialism. Yet they suggest that this house should give over to the governor in council its prerogative to discuss, to decide and to vote upon this issue.

I shall vote against this bill for a second reason. This bill is not even a bill for the conscription of man-power. Even if it were a bill for the conscription of man-power only, I should be obliged to vote against it. I was elected to this house on a platform which called for total conscription for total war. I set before my electors throughout my entire campaign the programme that was placed on *Hansard* here the other day by the leader of this movement. If my constituents had wanted conscription of man-power only, I should not be in this house. That platform was set forth very ably by my opponent, and he had supporting him influential newspapers and a number of prominent public men. The York South electors were in no doubt whatever concerning the kind of conscription they wanted. It was conscription of man-power, wealth and industry for the duration of the war. There is no doubt in my mind that if such a programme were placed before the common people of this country, the people who make up our armed forces, the people who man our ships on the sea and in the air, the people who man our farms and factories, those people would to-day vote overwhelmingly for total conscription of man-power, wealth and industry, because that is the only policy which will enable Canada to put forth a maximum war effort that is worthy of the great cause for which we are fighting.

I wish briefly to discuss just what we mean by the conscription of industry. In that connection, with the permission of the house I should like to read one short paragraph from our leader's speech in which he dealt with that subject. I quote from page 3263 of *Hansard:*

> The third proposal we make is either government ownership or, where that is not feasible, complete government control of all war industry. Tied in directly with this is the next proposal, that dollar-a-year men should be replaced by national administrators paid exclusively by the state, and that labour and farm organizations be given a proper share in the control of war production.

That briefly sets forth our position with regard to the conscription of industry. When hon. members talk about state socialism or about disrupting our war effort by the adoption of the Cooperative Commonwealth Federation programme, I would call their attention to the fact that we do not propose to disrupt the war effort by nationalizing all war industries during the war. Our leader's statement was, "either government ownership or . . . complete government control of all war industry". I realize, as I am sure every other hon. member realizes, that to attempt government ownership of all industry during the war would be suicidal, that it would disrupt our war effort. What we do insist is that there must be complete control; that complete control for the duration of the war is essential. Industrial plants and their policies should be entirely directed by a national production council. The last word in production should be that, not of the owner or manager, but of a government agency.

In any industry the direction concerns itself with some of the following problems, among others. There is the problem of what and how much is to be produced. There is the problem of when a certain amount of production is to be carried on. There is the problem of whether or not a plant is to be expanded. There is the relationship between one particular plant and others engaged in the same industry. There is the question of cost and the question of profit. There is the question of the relationship of labour to management in a plant, and the question of technical improvements and research. All these problems should be definitely and absolutely controlled for the duration of the war, in order to ensure maximum production, by a government production agency.

In the very nature of things private industry is bound, even in time of war, to consider the problems I have mentioned on the basis of its competitive position, both now and after the war. Investigating committees of the United States, such as the Truman committee of the senate and the Tollen committee of the house of representatives, have given us numerous examples of how private industry has hampered war production. We had the exposures concerning the aluminum industry, the rubber industry, the automobile industry, the aircraft industry, the steel industry and others. There have been deliberate monopoly hindrances to industrial expansion, and interference with the United States programme for defence. Does any member of this house imagine for one moment that International Nickel in Canada, for instance, is any different from International Nickel in the United States; that the Standard Oil subsidiaries in this country are any different from Standard Oil in the United States, or that the tactics of monopolistic industry in this country differ in any respect from those of its associates in the United States? The unfortunate thing is that we have not this knowledge in Canada. I am reminded of an article appearing in this week's *Nation* in which the writer, after deploring the shortage of nickel, makes this remark: "It is unfortunate that we can do nothing about nickel production because Canada has no investigating committee to look into the workings of International Nickel." Even if there were no interference, it is only natural that private industry should be concerned with its own position, and that it should come in conflict with the national production plan. We must say to private war industries that for the duration of the war industry must be entirely at the service of the nation. All the problems to which I have referred must be settled by an appropriate government agency on the basis of war needs, and on the basis of our national objective, which is victory.

I do not care whether the plant remains in the hands of the owners for the duration of the war. What we want is to have such government control exerted as to assure maximum production during the war. If at the end of the war the people of Canada are prepared to continue the capitalist system, then there will be no choice but to hand back these controls to the private owners. But if by popular vote the Canadian people decide that it is in their interests that these industries should become and remain publicly owned, that is for the people themselves to decide by ballot. In connection with the steel industry in Canada, for example, the proposition which I have put forth would mean that every rolling mill, every open hearth, every electric furnace, all the scrap and all the smaller plants would form part of one national steel unit, and each would perform whatever operation it was most fitted to perform in the interests of the nation.

No longer would there be competition for scrap, competition for orders, competition for production, with an eye to the non-war market. Nor would there be competition for returns.

That proposition can be applied to other industries. I need not emphasize the importance of production. I have here a clipping in which the deputy minister of munitions and supply is quoted as saying that a gun, a tank or a plane to-day is worth five next month and thirty next year. But we are not getting maximum production under our present system. I have travelled throughout the length and breadth of this province, in which many of our industries are situated, and I have yet to find any group of workers who are agreed that the industry in which they are working is putting forth a maximum production.

I hold in my hand a memorandum from a young man who for three months was employed in one of our industries. He was in the adjusting department of an organization producing range-finders, but at the expiration of three months he resigned because he had nothing to do. He tells me that, first of all, he put in three months training at one of our war emergency schools, and that at the expiration of that time he just sat on a stool. All he had to do was to sit, hour after hour, and hold in his hand a little three-foot stick. He grew tired of that, so he turned the flanges on a little piece of scrap metal, nailed it to the floor and made a permanent stick. But in doing that he lost his job. That was all that could be found for this man, who had had three months' training, in a vital war industry.

Over the last week-end I spoke to a group of men from one of our Toronto aeroplane plants. They told me that in that plant groups of men stand around day after day, with nothing to do. They spend their time in the washroom, and in making tools for themselves. They are told that there is no material. The contract is on a cost-plus basis, and the government pays the men's wages as long as they remain at the plant. There seems to be no necessity for production in that plant. These men, veterans of the great war, are now protesting against the type of thing taking place to-day in our war production factories.

I mentioned this condition to an engineer of twenty years standing in the Canadian General Electric plant at Kingston. He said, "If you were to say week on end instead of day on end, you would be describing the Kingston situation exactly".

Shortages have already developed. There is a shortage of copper because three companies which control 90 per cent of the world's copper have refused to mine it at the price set by the United States government.

Mr. SPEAKER: I am sorry to interrupt, but the hon. member's time has expired.

Mr. L. P. LIZOTTE (Kamouraska): (Translation). Mr. Speaker, the last time I had the honour to address the house was during the debate on the plebiscite, February 5 last, when I opposed this referendum to the people which the government deemed necessary. I did not imagine that I might have to rise again a few weeks later to record anew my opposition to a government measure, and to vote against a bill authorizing the conscription of men for overseas service.

I confess, Mr. Speaker, that I foresaw, as the logical result of this plebiscite, that compulsory service in any theatre of war would be resorted to, but I sincerely believed that the administration would wait a few months and give a fair trial to the voluntary system, which has furnished such excellent results, before introducing this grave measure, the stumbling block of national unity in this country.

The government's pledges at the time gave us no warning whatever of such a rapid climax.

The bill we are now considering and which was introduced only fifteen days after the plebiscite vote, fully justifies the stand taken at the very outset by a small group of Liberal members.

Truly, for once, I would have preferred being wrong. I am pleased to see now that a large number of our colleagues from Quebec, who claimed previously that we were on the wrong track, have the courage to admit they were in error.

We had guessed only too well the colour of the cat in the bag held out to the electorate. We had a thousand reasons for warning the voters of the province of Quebec and especially the people of our own constituencies. We were justified in telling them that the plebiscite was the direct road to conscription for overseas service, and that voting day, April 27, would be the last occasion given to them to pass on this grave issue. In this connection, I recall the observation made by a famous Canadian orator, whom the former Minister of Public Works (Mr. Cardin) knew intimately: "There are times when it is right to be wrong, but it is never wrong to be right."

If Quebec, on her part, fully understood the issue at stake, how can anyone blame her to-day for frankly expressing her opinion in the matter, as she was requested to do?

Under our democratic system, it is true that the minority must yield to the majority and

obey the laws of the country; however, the minority must be granted the privilege of stating its views. The province of Quebec could do no more, on plebiscite day, April 27 last, and it has done so peacefully, although courageously and eloquently. Who will deny to my fellow citizens the right to think independently and to express their thoughts in their own words?

It is hard to deny that the French Canadians are not newcomers in this country of ours. They have been bound to the Canadian soil for the last 300 years; they have conquered the vast forests and settled the greater part of the territories we now inhabit. Among their assets, they reckon their toil, their sacrifices, their struggles for the right to speak their own language, to profess their own religion and to keep their own traditions; all this confers on them the right at least to state their opinion on subjects of general interest to the country. They must have the right to resist sentimental appeals and judge this matter of conscription with great calm. I may state in passing, that, on plebiscite day, Quebec was probably the only province whose decision was based on a full knowledge of the question.

Indeed, in no other province had this subject been so fully discussed, before April 27. In our province the campaign has been waged both for the affirmative and the negative. In other parts of the country no one has stated the arguments in favour of the negative vote; the campaign was exclusively for the affirmative and the arguments never appealed to the intellect, but only to sentiment. In Quebec alone have the two points of view been expounded; the arguments in favour of a "no" vote have been as prominent as those favouring an affirmative verdict. And it is after such a controversial discussion of the whole subject, that I state that Quebec was in a better position than any other province to judge the matter intelligently.

After the war, when peace of mind is restored, it will be easier to realize that ordinary common sense has again taken refuge in the province of Quebec.

It was so evidently acknowledged that the French-speaking province constituted an important part of the Canadian population, that it was to that province that the government made the commitments from which they later asked the English-speaking provinces to release them.

In 1939, the following proposition was made to Quebec: support us in declaring war and we pledge ourselves never to adopt conscription for overseas service. The answer was: Yes.

Support us in participating in the bloody European war through our men, our supplies our munitions and we pledge ourselves never to adopt conscription. Quebec answered, Yes.

Support us in implementing a mobilization measure to train our men in our country and even to conscript them for the defence of Canada; we shall insert in the act a section—section 3 which we are now asked to strike out—which will protect you against conscription for overseas. Again the answer of Quebec was: Yes.

One day we were told: a moderate war effort is now out of the question; we must go the whole way in resources, munitions, armaments and finance, if we are to stop Hitler; we must resort to a total war; however, we shall not have conscription. Quebec's answer, again, was: Yes.

Another day we were told: your savings must be turned over to the state through a victory loan; you must contribute to the Red Cross fund; your daughters and wives must forgo their leisures to supply, free of charge, articles of clothing to our soldiers. Make these sacrifices courageously. We shall not have conscription for overseas service. Again, Quebec magnanimously answered: Yes.

Quebec was told that her sons were needed for the defence of the British Isles and to fight Hitler in foreign lands. However, we could rest assured that our sons could continue to enlist voluntarily and voluntarily lay their lives down for freedom and civilization. Quebec again, in a magnificent effort, answered: Yes.

Those, Mr. Speaker, were the happy days, the days where all provinces worked hand in hand, where the various races had faith in one another; those were the days when the perfect unity wrought by Lapointe and Cardin remained sacred.

However, once the great Canadian leader had departed, the Quebec people were told: We now wish to cancel the solemn pledges we made to you about conscription for service overseas. We therefore ask you to release us from our commitments.

That time, the Quebec people, who believed in the pledged word arose in a body and answered: No!

Quebec was told, at the time of the plebiscite, that conscription was not an issue; yet, a fortnight after the answer had been given, the government introduced in this house a bill authorizing conscription for service overseas under the pretext that such a reversal of policy is a logical outcome of the answer given in the plebiscite by a majority of the people in this country. Quebec—and

there is nothing surprising about that—answers to-day even more emphatically: No!

Could a different answer logically be expected?

It should not be forgotten that the Quebec people were not the only ones who answered "no". In all fairness, it should not be overlooked that hundreds of thousands of citizens voted "no" in the English-speaking provinces. Outside the province of Quebec, 600,000 people gave a negative answer, which would represent the vote in the four provinces which have the smallest population. Yet, no one has, to my knowledge, charged with disloyalty our English-speaking fellow citizens who voted "no", and who thereby voiced their opposition to conscription.

Why have we refused to release the government from its commitments and why do we maintain our opposition to conscription for service overseas?

Let us overlook, if you wish, the doctrine that has been advocated for 25 years by our outstanding statesmen; let us overlook the formal and solemn promises that have been made to the Canadian electors for, according to the new political code now in force, it seems that the pledged word is no more the pledged word. These two words should, I imagine, disappear from the political dictionary according to the circumstances, the contingencies and the whims of the party in power.

We cannot understand why Canada, a small country with a population of ten million, which has given a war effort proportionately greater than the other allied countries and which is prepared to pursue the same course under the same principle, has to impose compulsory service for overseas while other countries and other dominions, as much interested as we are, refuse to adopt such a policy.

It has been said and I repeat that the Australian parliament has just voted against conscription. The dominion of south Africa has refused to impose this coercive measure that some people want to impose upon us.

Northern Ireland, a part of the United Kingdom, has also refused to adopt that policy. And I have not yet heard it said that the citizens of that country were to be considered as disloyal because they had not agreed to coercion being applied to send their sons abroad. On the contrary, it is unanimously admitted that they are waging a total war. Then I ask you, Mr. Speaker, why should Canada and the province of Quebec be treated in a different way.

At six o'clock the house took recess.

[Mr. Lizotte.]

After Recess

The house resumed at eight o'clock.

Mr. LIZOTTE: Mr. Speaker, indulging in a good habit of mine I will not tax the patience of the house too much, because, along with all other members, I am anxious to hear my learned colleague from the Quebec bar, the hon. Minister of Justice (Mr. St. Laurent).

When the house adjourned at six o'clock, I was motivating our opposition to compulsory military service for overseas and, particularly, our opposition to the present bill embodying the principle of conscription.

Is there anybody to assert to-day that the voluntary system of recruiting is inadequate? To believe such a statement, it would be necessary to ignore the declarations made by the Prime Minister and those made by the Minister of National Defence (Mr. Ralston) as well as the reports made by the officers in charge of recruiting. During the last few months, more men were enlisted in the active army than were necessary to fill its quotas, and the French Canadians responded more fully than other elements in this dominion. Let anyone contradicting this statement furnish the figures we have been asking for so long about the racial origins of the members of our active army, and we shall see!

And now, Mr. Speaker, what about national unity? In a speech broadcast on February 22, 1940, the Right Hon. Ernest Lapointe said:

> Did not our party succeed in convincing most members of parliament that to maintain unity in Canada our war effort must be and must remain on a voluntary basis?

That is still a requisite of national unity which must appeal to most hon. members.

On February 5, I said in this house that the plebiscite that was imposed upon us would jeopardize national unity and destroy the life-work of Messrs. King, Lapointe, Cardin and Power. Was I not right? Consider what has taken place since April 27.

There are some who, ignoring all our sacrifices and self-denials so far, would throw eight provinces against one. We are called isolationists, traitors, cowards, fifth columnists, and this solely because, although willing to contribute to the common cause, our opinions differ as to a method of carrying on the war effort that they suggest knowing it to be useless and detrimental to victory.

We are already making enough concessions, in my humble opinion, that this minor one should at least be granted to us, for the sake of national unity. But I am led to believe that national unity is not very highly prized

in some quarters; they prefer to give way to feelings that have nothing evangelical about them.

If it must be, Quebec will submit to isolation, as we were isolated in 1917, but let my friends, especially those from Ontario, remember that Toronto is as far removed from Quebec as Quebec is from Toronto and that we can perfectly stand alone, if the two most important provinces of confederation must be isolated.

Any conscription measure for overseas service will necessarily impede the defence of Canada. If we admit that our country is threatened, we must also admit that its defence is our first duty. I fail to understand that the fact that our country is endangered; that German submarines are presently or have been in the gulf of St. Lawrence; that our coasts are exposed to enemy fire, could be turned into arguments in favour of a measure, the immediate effect of which would deprive Canada of all its defenders. I must admit that the logic of such a conclusion is beyond me.

If the enemy is already on our coasts, shall we make an appointment to meet him in the British Isles? He might not keep the rendezvous, and, on our return, perhaps we would find him comfortably entrenched in our homes.

We are told that it is imperative for us to search the enemy at a great distance, since it is impossible to defend our shores due to the vastness of the ground we have to cover. To me, this seems a good reason to keep all our forces within our boundaries, unless we are strong enough to trap the enemy on his own territory.

If we improve the means of communication within the country, we shall be in a better position to assemble, in due time, the necessary troops in the threatened area. To attain this end, we need all our men. If we are short of them, I feel that this is a sufficient reason to keep all we have.

I claim that, to draw our defenders from the coasts at a time when the enemy is at our doors is not only illogical, but an act of desertion for which, I am sure history will make us answerable.

In his speech of June 10, the Prime Minister admitted that conscription for overseas service was not required at the moment. I share the same opinion and that is one of the main reasons why I am presently opposed to any conscription measure for overseas service. In the same speech, the Prime Minister stated in substance that, by the plebiscite, the government requested the Canadian population to release them from previous commitments and that they had obtained this release. For this reason, the government is now asking parliament to give them the same freedom of action.

As for me, I must reply to the right hon. Prime Minister that the people of Quebec have refused to release most of their representatives from past commitments. The voters in my constituency have refused to release me from mine, and I who represent them here have no right to release the government and no mandate to support this measure.

I shall not take up the time of the house any longer. I merely wished to emphasize the reasons for which we oppose conscription for overseas service that the government desires to enforce.

I now feel justified in having obeyed the dictates of my conscience by adopting the stand I did at the outset of the session. And if I felt obliged to forsake, over this dangerous issue, the leadership of a man in whom I placed the utmost confidence, you may be sure I did so with regret. It is sometimes possible to come to terms with a government over fiscal issues, but never in the matter of a blood tax.

If Mr. King should ever enforce conscription for overseas service in Canada, he will betray his past and repudiate his best friends. In such an event, it is not Quebec that will forsake Mr. King, but Mr. King who will forsake Quebec.

I urgently request our leader, before he takes the supreme decision of enforcing this grave measure, despite the solemn pledges he gave our province and this country—and from which the province of Quebec in particular has not released him—to remember the substantial and generous support he has ever enjoyed from the solid Quebec bloc, for it is this bloc that has been the cornerstone of the Liberal party and has kept it in power.

Hon. LOUIS S. ST. LAURENT (Minister of Justice): (Translation) Mr. Speaker, I had always hoped to deliver in the French language my first speech in this house, but as I began to jot down my notes I remembered that in 1920 I had the opportunity of speaking at a congress of the Canadian Bar association, before an audience made up of citizens from every part of the country. Now, I wish to quote to-night part of what I said at that time, and to make a few statements with regard to the relations between French-speaking and English-speaking citizens and I would not like to leave any of my English-speaking fellow-members under the impression that I would have made my remarks stronger in French than

I would dare make them in the language which is more familiar to them. Besides, all my fellow-members from the province of Quebec will understand me just as well in English as in French. Moreover, if any one outside this house, whether in the province of Quebec or elsewhere is sufficiently anxious to know what I said, he will find an accurate translation of my remarks in the French *Hansard*.

(Text) Mr. Speaker, I had intended to make all my remarks in this debate in French, but I have some things to say about the relations between English-speaking and French-speaking Canadians, which I should not like any of my English-speaking colleagues to feel that I would express more freely in French than I would wish to do in the language which they understand better.

This debate, and the agitation of which it has been the occasion in the country and in the press, may seem to a great many of us to be regrettable incidents in the life of the Canadian nation.

The bill itself is the logical consequence of the recent vote on the plebiscite, and the attitude of those who support the bill and of those who oppose it is probably also the logical consequence of the way in which the electors themselves divided on the plebiscite.

It is, of course, unfortunate that such divisions of opinion in the Canadian nation should occur, but these divisions are unavoidable, and may remain unavoidable for a long time to come. They are regretted by many good Canadians, but I do not think they should be looked upon as discouraging. They seem to be one of the unescapable consequences of the situation in which providence has placed the citizens of this nation. Although it is true that Canadians of the two major races usually act as realists, all too frequently, in their speeches, in their discussions and in their dissensions, they adhere to ideals and fancies which it is difficult to reconcile.

They are descended from two different stocks, stocks which for centuries were inimical, and whose social developments were different. These social developments remained different because of the determination, conscious or unconscious, of each person to assert apparent and well-characterized reasons for preferring his nationality, his mentality, his aspirations, and his social concepts, to those of the other race, and even at times to regard the very qualities of the other race as defects.

Providence has placed vigorous offsprings of these two races side by side in these new lands of America; and stern reality, without taking from them any of their racial traits, has forced them to work together toward the building up of a new nation. This paradoxical situation has always been evident to everybody, and even during peace time thoughtful Canadians have always sensed the necessity of taking it into account.

It was in 1920 at a meeting of the Canadian Bar association that I was called upon for the first time, here in Ottawa, to speak to a group made up of Canadian citizens from all parts of Canada. I ventured to say then that we were all of one country and though, had it been given to us to choose, some might have preferred less heterogeneous groupings, these groupings did constitute the mass of the Canadian people, the only material out of which the Canadian nation can grow. I added at that time:

> If we hope to see a broad national spirit weld our people more closely together, should we not be mindful that such a spirit must involve the pride of the individual in the well ordered state of social conditions throughout the whole of Canada, as well as in the natural beauties and incomparable resources of its far-flung provinces? A national spirit cannot attach to the soil alone; it must comprise men who dwell upon it, the institutions which make them a body politic, and also the private laws which crystallize their attitude towards each other and their methods of realizing human progress.

There has been some progress since 1920; and in spite of the difficulties of these times, in spite of all that has been said and written in these last months, yes, and even in spite of the vote that will be given on this bill, that progress will not be wiped out. Of course, further progress must still be made, and I need only refer to something which has been said in this very house in corroboration of the assertion. May I call your attention, sir, to the words of the hon. leader of the opposition (Mr. Hanson), spoken in this debate on Wednesday last and reported at page 3246 of *Hansard:*

> I have only to refer to the letter written a few days ago by the hon. Minister of Justice (Mr. St. Laurent) to an officer of a political association in his own constituency, in which will be found this statement:
>
> "There is no intention for the time being to bring in conscription for overseas service, and I am sure that the present government would bring in such a measure only if it were absolutely necessary for our own salvation."

And he continues:

> Note the words "for our own salvation"—not for world salvation, not for the salvation of the united nations, not for the salvation of democracy and Christian civilization and all the ideals for which we are fighting—no, for our own salvation. What a narrow, limited—I was almost going to say unworthy vision is there, my countrymen!

The words "for our own salvation" are a literal translation of those I used in French, "pour notre propre salut." In the French context it was quite apparent that they referred to the defence and survival of Canada as contrasted with interests overseas, and it is also perhaps sufficiently clear in the translation. In any event I have nothing to withdraw from even their English translation. I do not feel any unworthiness in asserting that the duty of citizenship to bear arms and fight and die is a duty which the citizen owes only to his own country and its interests. Of course the salvation of his own country and its interests may, as they do in this instance, involve full participation in all the joint ventures of his and the other nations banded together in the common task of overcoming the common foe. But beyond that there is no obligation. It may be great and glorious to fight and die for the world's salvation, for the salvation of the united nations, for the salvation of democracy and Christian civilization; but that is a privilege of each man, a privilege he has the right to choose for himself; it is not a duty which citizenship imposes as an obligation correlative to the rights which citizenship guarantees as a privilege.

I reassert that view with all earnestness, and I venture to inform you, sir, that this is not a view which I seized upon as an opportunist to make an apt reply to the secretary of the Liberal association in my constituency. I well remember discussing with a friend of the leader of the opposition on September 20, 1939, this very question, and I will ask the privilege of repeating now some of the exact language I used at that time. Speaking of the people of my province, I said:

> Our loyalty cannot be expected to be one of traditional affection and sentiment but it is one based almost solely on a utilitarian viewpoint.
>
> Because of that viewpoint it is felt that our first duty is to Canada, and that Canadian interests must come first. Some feel that Canadian interests were well served by what we did in the last war, but many others feel that we went in much sooner than Canada's interest required and because of that provided more than our share of the north American contribution.
>
> Though some would volunteer to fight for France for sentimental reasons, no one would dare to say that it was a national duty for Canadians to fight for France. Similarly, though some would volunteer to fight for the United Kingdom, people here would not feel that it is a national duty for Canadians as such to do so.

That, sir, was my way of thinking and speaking in September, 1939, when I had no other responsibility than that of a private citizen of French origin, proud of my race and proud of being able to assert everywhere and at all times that our real Canadian patriotism was not inferior to that of any other citizens of this country.

In my view, conscription or no conscription was not then a proper test of that patriotism. I still adhere to the view that it is not now a proper test. It is our conception of the rights and obligations of citizenship which is at the root of whatever opposition there is in my province or among the people of my race to what they understand by conscription. It is not a word they are opposed to; it is the thing which the word "conscription" has come to symbolize in their minds. In their minds, conscription is the theory that they can be forced to enrol, train, fight and die for some other cause than that of their own country.

Of course, when an issue becomes controversial, there is a great deal of confused thinking, and still more loose talking about it, but in reality this dispute is just one of the manifestations of the fundamental reason for most of our difficulties.

I stated to the electors of Quebec East, in my address to them in opening my campaign on February 2, that there were in this country two very different concepts with respect to the real patriotism of its people. One, which is that of practically all Canadians of French origin, and a great many I am sure, if not the majority, of Canadians of other origins, has found its expression in the famous phrase used by Lord Tweedsmuir in 1937:

> Canada 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.

The other conception seems to many of us in Quebec to be characterized by a blind, sentimental, proud and even arrogant attachment to England, not only as the mother country, but as the real homeland toward which all loyal British hearts should ever turn. Did not a former prime minister of Canada on abandoning his mantle of leadership say, "I am going back home"? And did not another former prime minister of Canada reply, "How I envy you!"

Before I came to Ottawa I did not often read the Toronto newspapers, but I happened to be in the latter city on September 10, 1941, and I cut out from one of them the following leader:

> Mr. King misstates Canada's attitude.
>
> In his speech in London, Premier King told the British people that while Canada was proud

of her position in the empire, her position in the empire would not of itself have sufficed to bring her into the war, and that unless Canadians had been satisfied that Hitler planned to dominate the world they would not have backed Britain in her struggle. Mr. King, whatever his own views about entry into the war may have been, is quite wrong about Canada and the Canadian people. If he had tried to keep this country out of a war in which the safety of Britain was at stake he would have been swept out of office by a tide of anger which neither he nor his government could have withstood.

I cut that article out because it seemed to me so truly to reveal the true mentality of a certain number of my English-speaking fellow citizens. To them it would appear that Canada could never be anything but a conquered colony, and the constant evolution of the last century of Canadian history, and even the statute of Westminster, have remained absolutely meaningless to them.

Sir Robert Borden was not of that school; but there are still too many hon. gentlemen opposite and their friends and supporters in certain parts of Canada whose footsteps seem to have lagged in the path which the Canadian nation has been treading since the days of William Lyon Mackenzie and Joseph Papineau, and those of Georges Etienne Cartier and John A. Macdonald, of Wilfrid Laurier and Newton Rowell, right down to the right hon. Prime Minister and my own immediate predecessor in the office of Minister of Justice.

Colonialism is one of the obstacles in the way of national unity. Unfortunately the difficulty is accentuated by the way in which Canada's war effort is sometimes viewed and spoken of, even outside Canada. We Canadians, of my province at least, do not feel that our participation in this war is just a part of somebody else's contribution to the common cause. We feel that Canada is in this war on its own, in its own interests; and without detracting one whit from our unbounded admiration for the great and valiant leaders of the United Kingdom and the United States, we feel that the rightful leader of and spokesman for Canada in the councils of the united nations is the head of our own state, the Prime Minister of Canada. We deplore the too frequently apparent tendency to forget or to overlook that fact.

Another obstacle to national unity is the attitude of those who look upon this war merely as a resumption of the last war, who feel that it should be carried on in the same way, with the same number of infantrymen holding the same lines and suffering the same ghastly numbers of terrible casualties. The Canadian people, I think, generally realize that this is not the trench warfare on a single front of the last war. It is not warfare to be won by the concentration of troops at any one given point. It is warfare all over the face of the globe, warfare on the seven seas, warfare in every sky, warfare in the shipyards and in the docks, in the factories and on the farms. I will not further develop that point, which was so much better developed this afternoon by my colleague the Minister of Munitions and Supply (Mr. Howe). No one denies that the whole of our man-power should be employed, but how and where it can most effectively serve is not a question to be determined by the memories and fancies of those who have been constantly advocating immediate and rigorous general conscription for overseas service.

Another obstacle to national unity, and even to the most effective prosecution of this war, is the attitude of so many Canadians who loudly assert that we cannot have a total war effort without that kind of conscription. The leader of the opposition has said that we cannot have total war without full compulsory selective service for any and every theatre of war. Do the hon. gentleman and those whose views he expresses really think that Australia is not at the present time waging total war? Do hon. gentlemen who have supporters who belong to the Orange lodges of Ontario seriously contend that the people of northern Ireland, the men of Ulster and Belfast, are not waging total war? Australia and northern Ireland have not had to resort to conscription to do the things that constitute their total effort.

Another obstacle to national unity is the accusation levelled against French Canadians that they and their leaders, and especially their clergy, are deliberately abstaining from greater participation in the armed forces in order to bring about an increase in their proportion of the Canadian population, an increase in what the Shieldses and the Silcoxes, and even the *Globe and Mail*, have been pleased to call "French-Canada's stranglehold on this dominion." My opponent in Quebec East, among several demagogic appeals which he made, urged that very thing; and I need not tell you, sir, what was the answer of the large majority of the sound, sensible, thinking Canadians of that constituency. Had they not spoken their minds about it in the way they did, I would not be here addressing you this evening. To impute such thoughts and motives to our clergy is an indignity against which I protest with all the earnestness I can command. May I call your attention, sir, to just one or two passages in a collective pastoral

letter signed by His Eminence the Cardinal and all the archbishops and bishops of the Roman Catholic church in this country, fifty-nine of them, and read in all the Catholic churches of Canada either on June 7 or June 14, 1942:

Because of continued developments in the war zone, our hopes for a complete victory, together with a just and lasting peace, seem deferred to a future more distant than we had anticipated. Indeed, the danger is coming nearer home and is threatening more ominously every day.

And further on:

One has only to study the anti-Christian doctrines and principles of nazism in the light of the encyclical "Mit brennender Sorge" of Pope Pius XI, and of the statements of the German hierarchy, and of the record of oppression and destruction in every country which has come under the yoke of nazism, to realize the extremities of barbarism, persecution and irreligion, to which it would reduce all nations in the world conquest of which it dreams and towards which it strives.

Consequently, dearly beloved in Christ, we were not surprised but sincerely and deeply elated at seeing you, from the very beginning of the conflict, generously respond to the call of your country. Truly a glorious page in our history will recall the devotion, courage and heroism aroused in our people by this present war.

Dearly beloved in Christ, you have taken your place side by side with your fellow citizens of every class and creed, in this ready and generous response.

And still further:

We must acknowledge that this spirit of sacrifice and devotion finds its highest expression in those who courageously enter active service, on land, on the sea, or in the air. We owe—

That is, the Catholic church.

—a tremendous debt of gratitude to our fellow citizens who are bravely rendering such admirable service to their country and to humanity in general. Their heroic courage is a pledge of final victory; their loyalty is a credit to our country; their fidelity to duty is the bulwark of our freedom. Every day we become more proud of their constancy and courage in the face of obstacles and struggles. They are showing themselves worthy of the past history of our brave young nation.

And just a few more lines, though I would commend the whole letter to the attention of hon. members who want to know what leaders of my church are thinking and saying to their people:

However, we must remember that a modern war is not won by the fighting forces alone. The war inflicted on us by our enemies demands a combined effort on the part of all people. We must therefore be prepared to support our fighting forces also in a material way; by our labour in war industries and agriculture and by participating in the auxiliary services. Again, by investing in war loans, by readily accepting the regulations concerning the saving and rationing of our resources, by submitting to the thousand restrictions imposed on us by wartime production and civilian defence, by assisting in plans for rehabilitation after the war; in all these ways we can devote ourselves to the welfare of our country. It is a source of joy to us that you have grasped this truth and have responded generously.

That, sir, is the attitude of the clergy of my faith; and may I add that of the fifty-nine signatories of this pastoral letter, thirty-five are of my race.

Of course there are extremists of my race. You have no doubt been scandalized, as I have been scandalized, to hear it asserted:

(Translation) Despite any and all opposition, we shall have our French State; and it shall be young, strong, radiant and beautiful, a spiritual centre, the dynamic pole of French America.

I ventured to suggest in a recent broadcast that we of French origin would be well advised to lay aside that chimerical dream, at least during these times of war and, I think, for a long time afterwards, if not forever. I was quickly and severely taken to task by a young writer in a young newspaper which was publishing the ninth issue of its first volume. But neither you nor I nor any other sincere and thinking citizen of this country need attach too much importance to the assertion that this is the attitude of the youth of my race. I have talked with thoughtful leaders of the nationalist movement—and I believe them to be sincere—and they have assured me that none of them are looking to the establishment of a sovereign French state on this continent—not at least during the lifetime of anyone living to-day.

I said at the outset that we must be realists, and that in fact we are realists, though we speak and discuss and even bicker all too frequently on fanciful premises. We of French origin are now about three million units of the Canadian population. A hundred and seventy-five years of British connection have conclusively shown that we are not going to be assimilated. Our ancestors have been here for three centuries. Members of my own family have witnessed all the important events in Canadian history. Our roots have bored deeply into this land which our ancestors wrested from the forest primeval. This Canada is our country and our only country. It is here we are anchored by ties which cannot be destroyed, and it is here that we must stay.

There is no other land on the face of the globe to which we, Canadians of French origin, can go; but we are not alone here. We are less than 30 per cent of the Canadian population and less than 2 per cent of the English-speaking population of the north American continent. We know that we could not dominate Canada, just as we know that Canada

could not dominate the north American continent; nor have we any wish for domination over anyone. But we do wish to be recognized as full partners and full citizens anywhere and everywhere in Canada.

We are Canadians, and we intend to remain Canadians. Canada has been for the last seventy-five years the "Dominion of Canada", organized by and governed under the British North America Act of 1867, and the amendments thereto. That act did not create an ideal situation. It is not an ideal situation for a nation to see its sovereignty split up between different governments and legislative bodies. It is not an ideal situation to have to resort so frequently to the courts of justice to have them determine whether or not a statute which has been passed by a parliament or a legislature is or is not a valid law entitled to obedience and execution.

But the problem which the fathers of confederation had to deal with was a real problem, and it had to be solved in a realistic fashion. That problem may or may not be as acute now as it was then, but it still exists and, if it had to be solved again, thinking Canadians, those who know how to face facts in a realistic way—and they are the majority everywhere—would still have to solve it in much the same fashion.

This war is another problem, and a very real problem. It may have appeared to some at the outset to have started out to be just another European war. But we were all very soon forced to recognize its true nature, and also recognize that it is a war which has to be won, or Canada will go down with the rest of Christian civilization. We are all determined that it shall be won, and I think we are all, or at least the very great majority of us all, resolved to do everything and anything that may be necessary so that it shall be won.

Of course there are a great many who are violently opposed to the thing symbolized by the word "conscription". During the recent plebiscite campaign they organized a vigorous movement to secure a negative vote. You possibly may think, sir, that they also, or at least a great many of them, are an obstacle to national unity. Be that as it may; does it not strike you as passing strange that in order to get a hearing among the people of my province they had to call themselves a league for the defence of Canada? It may be that they do not envisage the defence of Canada as you do, or as I do; but they recognized that the people to whom they wished to appeal were just as determined as you are or as I am that Canada shall be defended and shall be successfully defended.

[Mr. St. Laurent.]

I do not think, sir, that this league portends any serious menace to the ultimate unity of Canada—and by "Canada" I still mean the confederation of all the Canadian provinces. Such movements may be sincere, but unless they deal with national problems in a realistic and realizable fashion, they are not movements that endure.

I wonder how many of our colleagues remember that in 1849 there was formed in Montreal a "League for the Separation of Canada from the British Connection and the Union upon Equitable Terms with the Great North-American Confederacy of Sovereign States"? I wonder how many know that an annexation manifesto was signed by 793 prominent citizens of Montreal, to offset the terrible catastrophe that resulted from the repeal of the corn laws in the mother country —a movement that was termed in the *North British Mail* of the time in the following rather illuminating language:

> It is not the tyranny of the Colonial Office, the partisanship of Lord Elgin, the predominance of the French race, the inconveniences of monarchy, or the superior advantages of republicanism which form the impelling force of the Canadian Annexationists, but the loss of protection previously afforded to Canadian products. The loyalty of these gentlemen begins and ends with a discriminating duty in favour of their wheat and butter. Give the merchants of Montreal a monopoly of the British markets, and they are red-hot Britons; place them on a fair equality with the merchants of the world, and they become true-blue Americans.

I wonder how many know that of the twenty officers of the annexation association, sixteen were English-speaking Canadians, and four were French-speaking Canadians.

Mr. Speaker, that was in 1849; and we of the generation of 1942 know that the British connection was not broken. We know that all that was achieved and all that remains of this movement is the fact that the descendants of those who signed the manifesto are none too proud of what was done, and that is why I have not mentioned any names in connection with it.

We know that all else which remains are a few copies of the manifesto and a few articles about it in the archives of our better-stocked libraries. I think we may confidently hope that what will remain of the present league for the defence of Canada will also be some stray pages of newspapers or pamphlets in the archives of the better-stocked libraries of future generations.

The real league for the defence of Canada, in so far as the people of my race are concerned, has no signed role of membership, or any specially elected officers to speak on its behalf. Its spokesmen have habitually been the leaders of my church. It is they who gave

the real lead in 1775 and in 1812; it is they who also helped pacify the state after the troubles of 1837. It is they who facilitated the acceptance by Lower Canada in 1867 of the pact of confederation. It is they, again, who say to the people of my race and my religion at this time, "The danger is coming nearer home and is threatening more ominously every day," and who add that "love of country and devotion to duty finds its highest expression in those who courageously enter active service on land, on sea and in the air."

The people of my race sometimes speak in their legislature, the Legislative Assembly of Quebec. There has been some misconception about the purport and effect of a resolution adopted in that legislature by 61 "ayes" against 7 "nays" on May 20, last. I shall read just the first recital, and I would invite those who have entertained the idea that the Legislative Assembly of Quebec was pronouncing against an all-out war effort to listen to the text of the resolution. The first recital is:

> That whereas the province of Quebec, by the voice of its legislature, intends to reaffirm its unalterable determination to carry on, together with the other provinces of the country, the war effort made since the beginning of hostilities, until final victory.

Although I have spoken at considerable length, I have not yet adverted to the real problem raised by the motion for the second reading of this bill. This bill is to amend an enabling statute and to enlarge the powers conferred by that statute. Neither the original statute nor the bill determine what must be done to win the war. But they do empower the government to adopt all and any such measures as may be required to that end. I am convinced that we all want to win the war and that we are all prepared to submit to any measure which may be absolutely necessary for that purpose. One of the French papers which waged a most vigorous campaign for the "no" vote during the plebiscite, had this to say on April 16:

> The Canadian government would betray its duty if in the case of absolute necessity it did not resort to conscription for overseas service. Its moral undertakings can avail, the government is morally bound not to impose conscription for overseas service, only in the event that measure is not absolutely necessary to maintain the free existence of Canada.

No thinking person can, therefore, have any objection to the government resorting to conscription for overseas service in the event of absolute necessity. The question, therefore, as to whether or not this enabling legislation should be passed is one of confidence in the government to use it only if and when it may be necessary to do so.

I was surprised and pained to learn from my former colleague, the Minister of Public Works (Mr. Cardin) that he could not support this enabling legislation and felt that it was his duty to resign in protest against it. I shall not take time to examine the legislation; I shall not take time to examine the regulations; I shall not take time to examine the proclamations, nor shall I take time to examine the special regulations under the Militia Act; there may be other opportunities to do that. I was indeed sorry to part company with my hon. colleague; but in spite of the difficulties which the future may hold in store for the members of this government, I felt that it was my duty to carry my portion of whatever responsibility may be involved.

Others of my colleagues in this house from the province of Quebec have intimated that they, too, felt that they could not assume the responsibility of supporting this legislation. They say that they made promises to their constituents and that, just as the Prime Minister could not act until he had been relieved from his previous undertakings, they felt that they have not been relieved. This is a matter which each man must decide according to his own conscience.

I have had but little experience here, but I have had thirty-seven years experience at the bar of Quebec. Every time a client brought me a case, I conducted that case. If he was not satisfied with the measures I thought were useful and necessary to prosecute the case to a successful conclusion, he got another lawyer. I had to determine what was required; that was within my province. In this house it is not a case of Burke having said so. I submit to you, Mr. Speaker, that legislation is a matter of judgment and discretion, discerning determination, not a matter of will. It is not because Burke said so; it is because we have been elected to this Canadian parliament to conduct to the best of our ability the business of Canada in such a manner as will enable Canada to survive, that each one of us should exercise his own best judgment.

My time has practically expired, and I do not want to trespass on this my first occasion. I have had a flattering reception in public life. When the right hon. Prime Minister invited me to join his government and my acceptance was publicized, the press of the whole country was most flattering. You, sir, and all my colleagues in this house have been most kind to me. I accepted these responsibilities because I have always felt that it was possible for English-speaking Canadians and French-speaking Canadians to get along together. I still think that there is more in each

group worthy of admiration, worthy of being conserved, than there are things which might make one group offensive to the other. It may not be easy to make that apparent to everybody at all times, but the attempt to make it apparent to all Canadians seems to me to be a task worthy of the best efforts of all true Canadians. My hope was and still is that I may be of some assistance in the accomplishment of as much of that task as is possible in our day and generation. I venture to suggest that some part of that task will be promoted if the citizens of both groups will put forth their best endeavours to avoid irritation and exasperation in those of the other group. I do not use the word "appeasement," because that word has fallen into ill repute. No Canadian requires to be appeased, but all Canadians require to have inspired in them a greater and ever-increasing measure of confidence in the sincerity and right-mindedness of their fellow Canadians.

I think this Canadian government, made up as it is of sincere Canadians drawn from all the principal races which make up the Canadian population, can be trusted, even in a time of crisis, to do the right thing at the right time and in the right manner. I will vote for this bill because I think its adoption is an expression of that confidence in ourselves and in our desire that Canada shall survive and that future generations of Canadians will still have, as we ourselves have had, the rights described by the Prime Minister in this language:

> The right of men, rich and poor, to be treated as men; the right of men to make the laws by which they shall be governed; the right of men to work where they will at what they will; the right of womankind to the serenity and sanctity of the home; the right of children to play in safety under peaceful heavens; the right of old men and women to the tranquillity of their sunset; the right to speak the truth in our hearts; the right to worship in our own way, the God in whom we believe.

Mr. R. M. WARREN (Renfrew North): Mr. Speaker, I am not sure whom I should blame for having me follow the brilliant and able orator we have just heard. The predecessor of the Minister of Justice (Mr. St. Laurent) had become something of an idol to the Canadian people of every race and religion. If those people could have listened to-night to the words of the Minister of Justice, I am sure that he would now be enshrined in their hearts. After having listened to his address it is almost a temptation to me to take my remarks and throw them in the wastepaper basket. However, having become something of a nervous wreck from looking forward to this time, I am going to ask hon. members to bear with me for a few moments.

[Mr. St. Laurent.]

In a democracy the will of the majority is supposed to govern. Democratic government may have many faults, may at times appear slow and cumbersome, but many millions of people have believed and still believe that the democratic system of government is very much to be preferred to a dictatorship, where the word of one man is law.

The government of Canada asked Canadian citizens if they would be willing to relieve the government of a pledge given prior to the war, that, in the event of war, conscription for overseas service would not be put into effect. By a large majority the citizens of Canada replied in the affirmative. The Prime Minister (Mr. Mackenzie King) has now introduced a measure and asked the sanction of parliament to remove sections two and three from the National Resources Mobilization Act, which in effect would leave the government free to do what in their view would be in the best interests of Canada, if and when the necessity should arise. It is true that we did have representatives of the people urging the citizens of Canada to vote "no" on the plebiscite. It is also true that we have representatives of the people in this house who will use their eloquence in an effort to defeat the proposal now before the house.

Personally I am going to support the proposal. One of my reasons for being willing to support it is that I have every confidence in the patriotism, ability and good judgment of the members of Canada's government. Having sat here for endless hours looking into the faces of the ministers, marvelling at their patience and self-control, and having some knowledge of the tremendous work they are carrying on in behalf of Canada's war effort, I repeat I have no lack of confidence in any one of them. In spite of the numerous times I have listened to the hon. member for Témiscouata (Mr. Pouliot) cruelly, unfairly and adversely criticize the Minister of National Defence (Mr. Ralston), I still believe that in that minister we have the right man in the right place in so far as Canada's part in the preservation of civilization is concerned.

I have here a short report of the war record of some of our cabinet ministers which I think ought to be taken into consideration when weighing the experience and ability of the men who are conducting Canada's war effort.

The Minister of National Defence was seriously wounded; he won the D.S.O. and bar; he was mentioned in dispatches; and he now has a son in the army overseas.

The Minister of National Defence for Air (Mr. Power) was twice wounded during the last war; he was mentioned in dispatches;

he has one son at Hong Kong from whom he has not heard, and another son is in the air force overseas.

The Minister of National Defence for Naval Services (Mr. Macdonald) and the Minister of National War Services (Mr. Thorson) both served overseas in the last war.

The Minister of Pensions and National Health (Mr. Mackenzie) served overseas and was mentioned in dispatches.

The Minister of National Revenue (Mr. Gibson) was seriously wounded during the last war, in 1915 and again in 1917; he won the Military Cross and the Belgian Order of Leopold, as well as the highest award of the French army.

The Minister of Labour (Mr. Mitchell) served in the British navy during the last war.

The Postmaster General (Mr. Mulock) served in Siberia and other places in that four years struggle.

The Prime Minister of Canada has had a long lifetime of training, and in my view is more fit than any other Canadian to hold the position he now fills in this awful struggle to save freedom and liberty from being extinguished from the earth. He has the faculty of finding the right man for the job. The Minister of Munitions and Supply (Mr. Howe), the Minister of Finance (Mr. Ilsley) and the Minister of Justice (Mr. St. Laurent) are good examples of his wisdom and good judgment in that respect.

Facing the Prime Minister and the members of his cabinet who surround him, knowing something of their work and past record, I have no hesitation in following their lead and supporting this proposal.

Some time ago many of us must have had a disquieting feeling when we read of the pronouncement of Mahatma Gandhi that only passive resistance would be used against an army invading India. You know, Mr. Speaker, Mahatma Gandhi is the man who wears a loin-cloth, operates a spinning wheel and drinks goat's milk. India is a land of great wealth, a land of unbounded natural resources, an attractive target for a gangster. Recently, however, I was comforted to read an article in the Toronto *Star Weekly* of May 30, 1942, by Allan A. Michie. I intended to read a considerable portion of this article, but I realize that I must abbreviate it. The heading of the article is:

India breeds fighting men.
While party leaders disagree, India builds an army.
It's 1,250,000 strong, growing by 50,000 a month.

For your information, Mr. Speaker, I will read one paragraph:

Generally the men and officers of the Indian army take little interest in Indian politics and relatively few are Congress party adherents. Walking near Lahore with a British officer of the Indian army one day, I came upon a venerable old village headman followed by some fifty followers armed with copper-headed sticks. The headman, who'd retired from army service at the end of the last century, had hauled out a faded red uniform and donned it. He stopped us and inquired where the Lahore Congress party meeting was taking place. The British officer expressed surprise, and said, "What are you, a loyal soldier of the King, doing attending a Congress meeting?" "Attending nothing," snorted the old Indian, "we're going to break it up."

After reading that article, my mental comment on it was, "Thank God, in spite of the man who wears a loin-cloth, operates a spinningwheel and drinks goat's milk, India's army is on the march."

About the time of the taking of the plebiscite I was again disquieted because there were reports of rather riotous meetings being held in the province of Quebec addressed by the hon. member for Témiscouata and by the hon. member for Laval-Two Mountains (Mr. Lacombe). But in that same issue of the Toronto *Star Weekly*, I read an article by Gregory Clark. I assume that most of us know this well-known Toronto writer. I think he and his artist friend, Jimmy Frise, deserve a lot of credit for maintaining the humour which they display weekly in that paper. They have the ability to make people laugh—a rare gift and one which ought to be cherished and encouraged. We have a few, not many, in this house who do possess that gift. One of them is the hon. member for Northumberland, Ontario (Mr. Fraser), and it is not so long ago that there appeared in the *Globe and Mail* an editorial as a result of an incident wherein the hon. member for Northumberland made the members of this house laugh. Any attempt to kill the spirit of humour at a time like this either in this house or outside, anywhere in the country, appears to me to be little short of criminal. What would we do in this house if we had not such men as the hon. member for Northumberland or the Minister of National Defence for Air, or our hon. friend the member for Fraser Valley (Mr. Cruickshank), to give us occasions to laugh. What would the British people have done had they not preserved their splendid sense of humour? Their Prime Minister, the Right Hon. Winston Churchill has consistently set them a very fine example in that respect.

Let me quote two paragraphs from an interesting article by Gregory Clark with regard to the province of Quebec:

For the first time since General Wolfe took Quebec from behind and captured the citadel guns, that, like Singapore's, never fired a shot, Quebec is to have a regiment of artillery. And you never saw a boy more proud of his first gun than the Quebec military men are when they tell you this piece of news. Too many things are left unsaid between Ontario and Quebec. If all the people of Ontario could meet all the people of Quebec in some sort of glorious garden party, no wedding could be more gay. But one of the things left unsaid until now is that Quebec has never had an artillery regiment of its own. Quebecers by tradition are footsloggers. Oh, they have a goodly number of French Canadians in all the services, artillery, signals, engineers and the medical corps. You will find plenty of them right in Toronto in the permanent as well as the active force. But a regiment of artillery, with a French name and French-Canadian officers and French-Canadian other ranks from sergeant-major to trumpeter, is something different. It is a matter of excitement to French Canadians and I tried to find out why. . . .

Ladies and gentlemen, nobody, Grit and Tory, has been much encouraged to be military this past twenty years less two. Maybe least of all Jean Baptiste. But he is in the navy by the thousand. And though the question has been asked scores of times in parliament and never answered as to the number of him overseas, my own impression from sundry visits abroad is that there are more than 30,000 of him long since in Britain or on the high seas.

That was a rather comforting article so far as I am concerned, after I had read about the riotious meetings of protest addressed by the hon. member for Témiscouata and the hon. member for Laval-Two Mountains. My comment was, "Quebec's army is on the march." But my happiness was enhanced by a speech by the premier of Quebec, published in the Ottawa *Journal* of June 5, 1942:

The premier spoke at the Bishop's College University commencement exercises after an honorary doctorate of law was conferred upon him.

"But those who know us deeply", he said, "are convinced that we are Canadians, united, resolute, organized, cooperative, ready for any test, any sacrifice, whether we are French or English.

"I do not make any distinction between Canadians of the two principal groups and I never made any. We are all Canadians and Canadian above all. As a Canadian of the French language, I have always exhorted my fellow citizens to act and think of Canada as a whole, as a North American nation in the British commonwealth. But above all we should be true Canadians—not provincialists, regionalists or cosmopolites.

That address savours of the address given by Abraham Lincoln at Gettysburg when he announced to the American people that there could be no north and south, but that they must be one people if they were to build up great nation. I would suggest that we in this Canada of ours cannot be Ontario and Quebec; we cannot be east and west, if we are to become a nation worthy of the name. We must work together cooperatively as one people. It is true that the majority of the citizens of Quebec voted "no" on the plebiscite; it is also true that three polls in my riding of Renfrew North voted almost unanimously "no" on the plebiscite. But that does not mean that those who voted no will fail to respond to any necessary call that this government deems necessary to make upon them. I believe they would be ready at any time to respond to whatever call might be found necessary, because they are no more anxious to be governed by Japs or by nazis than anyone else who voted "yes" on the plebiscite.

That brings me to another point. The leader of the opposition (Mr. Hanson) in his address brought up the question again of union government, with the thought, I suppose, that it would tend to improve Canada's war effort if our cabinet were composed of some members of his group, some members of the Cooperative Conmmonwealth Federation group and some members of the New Democracy. I would ask the leader of the opposition this question: Since the beginning of the war, in the building up of our great army, where and how and when has Canada's war effort failed? As we look out, can we not all agree that Canada's great army from coast to coast has been and is steadily on the march? We have had all the recruits we could handle for the army, for the air force and for the navy; and if any member of this house would like to view some of the activities of Canada's war effort, I invite him to take a trip to Petawawa military camp in my riding, which I think I am safe in saying is perhaps the greatest artillery training camp in the world. On his way, travelling on highway No. 17, let him stop at Haley Station and go east a couple of miles and take a look at the magnesium plant that we have heard about in this house—a marvellous development. These are just samples of what is going on all across this great country.

What we might call a union government within this chamber might be a very weak government. The important point as I see it in this connection is that we have a united people working for one purpose all across this land. Our people have responded with magnificent energy. You find them, young and old, men and women, with their coats off, toiling and sweating in our laboratories, in our offices, in our factories, in our munition plants;

you find them in every hamlet, in every town, on the farms, and you find on every battle-front the output manufactured by willing hands in thousands of plants. Our airmen ride the skies wherever the enemy can be found; our ships, manned by Canadian sailors, sail the seven seas; and our armies, to use the words of General McNaughton, are as a spear-head pointed at the heart of Berlin, perhaps the most highly trained army in the world, ready and waiting and eager for the privilege to go.

So, while union government may have its points, what can equal the spontaneous, united effort by all the people of very class without regard to politics, religion or race, a free people fighting for their own freedom?

If I may be permitted at this point I should like to put on record some figures just as an indication of what this great army of ours across this country has been accomplishing.

During the month of February, Canada sent to Russia $4,000,000 worth of arms. We sent $6,730,000 worth to India, $4,900,000 worth to Australia, $17,000,000 worth to Egypt, $3,297,000 worth to Iraq, $59,000,000 worth of arms and goods to the United Kingdom. Mark you, sir, this was for the month of February alone. This great work is increasing; this machine is growing in might and efficiency as the days go by.

I say again that I am going to vote for this measure, first, because I believe in democracy, and the majority of our citizens have already spoken; second, because I have confidence in Canada's cabinet. This confidence has been inspired partly because of the vast war machine created and operating across the country, and partly because of the spirit of unity which has been preserved so that our people from the Atlantic to the Pacific are working together with one purpose. I am persuaded that I can trust the wisdom and good judgment of this body of Canada's cabinet to do what is best, if and when the necessity arises.

Mr. WILFRED LaCROIX (Quebec-Montmorency): (Translation) Mr. Speaker, I listened attentively to the speech in which the right hon. Prime Minister (Mr. Mackenzie King) stated that the deletion of section 3 did not mean conscription, and that such conscription was not necessary. Now this section 3 is the sole guarantee we obtained at the time of the passing of the mobilization act, a guarantee given at the request of Quebec's representatives, against the compulsory drafting for overseas service of selectees already training under the provisions of the mobilization act. Again this afternoon I heard the Minister of Munitions and Supply (Mr. Howe) declare that conscription is not necessary. A short while ago, I heard the Minister of Justice (Mr. St. Laurent) repeat once more, in the course of a magnificent speech for which he is to be congratulated, that such a measure is not necessary. The Minister of Agriculture (Mr. Gardiner) has said the same thing.

Why then, Mr. Speaker, if conscription is not necessary, are we asked to pass a bill establishing the principle of compulsory service? Analysing the arguments set forth in this house since the outset of the present debate, analysing each speech, one observes that the conclusion drawn is always the same. Conscription is not necessary. Why then ask us to adopt a legislative measure which establishes the principle of conscription by doing away with the sole statutory guarantee we possess at the moment? No, Mr. Speaker, I think all this is part of a manoeuvre designed to split the opposition vote at the end of the debate, to divide among themselves Quebec's representatives by convincing the members of that province that conscription will not be enforced and that the government will respect its pledges, even though the very principle of the measure clearly indicates that the province of Quebec is to be deceived once again.

For twenty-five years, Mr. Speaker, during its political campaigns in the province of Quebec, the Liberal party led by the Right Hon. William Lyon Mackenzie King has denounced Canada's participation in foreign wars as well as conscription for overseas service.

At each election, they would state that if returned to power, they would keep their pledges whenever the opportunity arose. The Liberal party, through its leader, then asserted that our participation in any war logically led to conscription, and that this country did not possess enough resources from the standpoint of man-power or finance, to participate in another war.

Like many others, I believed in those pledges and I was even one of the delegates who, at the Liberal convention of 1919, played an enthusiastic, if modest part in the selection of the Right Hon. William Lyon Mackenzie King as leader of our party.

Nothwithstanding my high regard for the Prime Minister and for his opinions, I may say, Mr. Speaker, that since 1939 I have witnessed with regret the discarding of the platform which had then been adopted and which had brought about the selection as leader of the party of the man who is now at the helm in this country. I observe with dread and sadness the discarding of that splendid platform which I have upheld for twenty-five years and which we were wont, in

every electoral contest, to set off against the out-and-out anti-Canadian imperialism of the Conservative party, whose political principles I abhor. Pledges have been broken at a startling rate since 1939.

We witnessed the first of these violations on the 9th of September, 1939.

As a matter of fact on that very day, prior to the declaration of war by our parliament, the Right Hon. William Lyon Mackenzie King, Prime Minister of Canada, made the following declaration, which may be found on page 51 of *Hansard*. I quote:

I should like to make clear to the house the procedure which the government have in mind as to giving effect to the decision of parliament regarding Canadian participation in the war.

The adoption of the address in reply to the speech from the throne will be considered as approving not only the speech from the throne but approving the government's policy which I set out yesterday of immediate participation in the war.

If the address in reply to the speech from the throne is approved the government will therefore immediately take steps for the issue of a formal proclamation declaring the existence of a state of war between Canada and the German Reich.

On that same day, the 9th of September, 1939, the Right Hon. Ernest Lapointe, speaking on behalf of the government of the day, which is still in power, made the following declaration, as reported on pages 68 and 69 of *Hansard*:

The whole province of Quebec—and I speak with all the responsibility and all the solemnity I can give to my words—will never agree to accept compulsory service or conscription outside Canada. I will go farther than that: When I say the whole province of Quebec I mean that I personally agree with them. I am authorized by my colleagues in the cabinet from the province of Quebec—the veteran leader of the senate, my good friend and colleague, the Minister of Public Works (Mr. Cardin), my friend and fellow townsman and colleague, the Minister of Pensions and National Health (Mr. Power)—to say that we will never agree to conscription and will never be members or supporters of a government that will try to enforce it. Is that clear enough?

I ask you, Mr. Speaker, is it not worth while to the Canadian nation when the nation is at war, to preserve unity on the side on which Canada will be—this unity which is represented by the province of Quebec in the government—behind the measures being taken to help our mother country and France?

May I add that if my hon. friends and myself from Quebec were forced to leave the government I question whether anyone would be able to take our place. If my hon. friends in the far corner of the house opposite: if the Ottawa *Citizen*, which just now is waging a campaign for conscription, think they are serving Canada by splitting it at the very outset of the war, then I say they are gravely and seriously wrong.

Provided these points are understood, we are willing to offer our services without limitation and to devote our best efforts for the success of the cause we all have at heart. And those in Quebec who say that we will have conscription, in spite of what some of us are saying, are doing the work of disunity, the work of the foe, the work of the enemy.

Thus did the late Right Hon. Ernest Lapointe explain the arrangement arrived at between the French-speaking and English-speaking ministers, in an attempt to safeguard the minority's rights against encroachment by the majority; this explanation given by Mr. Lapointe was confirmed as follows by the Right Hon. Prime Minister of Canada, on January 6, 1942:

Every hon. member of this house knows that, except for the assurance that, in the event of a European war, there would be no conscription for service overseas, this parliament would never have decided, in the immediate and unanimous manner in which it did, to stand at the side of Britain in the resistance of aggression, and the defence of freedom.

Hon. members are also aware that if, at the time when Canada's participation in the war was challenged in an election in the province of Quebec by a government professing a different political faith, a like assurance with respect to service overseas had not been given in the name of the present government by the late Right Hon. Ernest Lapointe, by the Minister of Public Works (Mr. Cardin), and other Liberal leaders and members of this House of Commons from the province of Quebec, the verdict of the people of that province might have been wholly different.

Due to this arrangement it was possible to gain the almost unanimous support of the French-speaking members at the time of the declaration of war. At that moment I did not have much faith in such an arrangement, because I knew perfectly well that once war is declared, everything is possible, even conscription.

I was well aware that once we were at war, it would be wiser to attack the enemy in his own country than to allow him to attack our own territory, thus maintaining intact our sources and lines of supply. I also knew that even if our army were recruited on a voluntary basis, its strength in the field would have to be maintained should it decide to attack the enemy on the European continent; consequently the declaration of war was bound to be followed by conscription for overseas service.

I would have preferred it if my country, with her small population of 11 million men, less than the combined population of the cities of New York and London, and with her territory as large as Europe, had not declared war but had used her small man-power to set herself up as the arsenal and granary of the British empire.

That is why I voted against the address in reply to the speech from the throne on

September 9, 1939, notwithstanding the appeal made by the Right Hon. William Lyon Mackenzie King, whose words I quoted a few moments ago. I then supported the following amendment, as shown in *Votes and Proceedings* of the House of Commons of Canada, on Saturday, September 9, 1939. That amendment, which was negatived, was drafted as follows:

That the following words be added to the address:

That this house regrets that the government did not deem it fitting to advise His Excellency the Governor General that Canada should refrain from participating in war outside of Canada.

The second violation of these pledges took place on June 18, 1940.

In fact, on that date, when the mobilization bill, which to my mind was a conscription bill in disguise, was under debate in the house, the late Right Hon. Ernest Lapointe, speaking on behalf of the government, made the following statement which I find on page 877 of *Hansard*:

Mr. Chairman, I feel perfectly at ease to explain my attitude on this question. Somebody speaks of the pledges given. I invite all my friends to read the observations I made in this house when war was declared; I invite them to read my speech of the preceding session on the subject of Canada's neutrality. I then said to my fellow countrymen that the province, one of whose representatives I have the honour to be, was opposed to compulsory service overseas, and that we would fight it. . . .

And as if to outdo that statement, at the same sitting of June 18, 1940, the Hon. P. J. A. Cardin made the following observations, set forth on page 896 of *Hansard*:

Mr. Speaker, some hon. members say that they cannot come to a decision without consulting their electors of the province of Quebec. There is no need of consulting the province of Quebec. The electors of Quebec were consulted twice in the space of a few months and they rendered an unanswerable verdict. Quebec said what she thought; she expressed her approval in a most striking manner of the policy of Canadian participation in the war. When she declared herself opposed to enforced registration and to conscription, she was thinking of conscription for overseas service.

Having always kept in my mind that when we declare war everything can happen, even conscription for overseas service, I did not believe these last statements nor those made by members of the cabinet. I was satisfied at the time that we were taking a further step toward conscription for overseas service, which the Liberal party had condemned so vigorously during twenty-five years in the province of Quebec. Therefore, in compliance with the mandate my electors had renewed in March, 1940, I supported the following motion which, according to *Hansard*, page 924, was couched in the following terms:

That all the words after "whereas" in the preamble of the bill be deleted and the following substituted therefor: "the government's war policy must be free and voluntary".

And the vote having been taken at the request of the Right Hon. Mr. Mackenzie King, I voted against the mobilization act of 1940, because I was then satisfied, as the facts prove to-day, that the government was leading us inevitably to conscription for overseas service, in spite of the statement made the following day, June 20, 1940, by the Right Hon. Mr. Mackenzie King,—see page 966 of *Hansard*:

Those who were anti-conscriptionists were against conscription for service overseas, and as long as this government is in office we are going to maintain that position and see that effect is given to it. That is just one of the reasons why, in carrying out the will and the wishes of the people, we do not propose to take into this government any of those whose object in coming into the ministry would be to see that conscription overseas was again made one of the issues in this country.

Well, Mr. Speaker, you have only to examine every one of the ministers occupying the treasury benches on your right to see that they form a living synthesis of formal denial of the words I have just quoted. Have we not even a minister who has declared during the plebiscite campaign that "if, following the plebiscite, conscription for overseas service were not immediately passed, he would without the least delay, join a coalition cabinet whose platform would call for the immediate enforcement of conscription for overseas service."

What a long road has been travelled since then and how many disguised untruths have been told the good people of Quebec in order to persuade them to vote "yes".

The third violation of these pledges took place on January 22, 1942, when the government requested the Canadian people in the speech from the throne, to release them from their commitments of March, 1940, to the effect that conscription for overseas service would not be resorted to.

I do not know what mind concocted the idea of the plebiscite, but allow me, Mr. Speaker, to state that I had never heard of such a stupid measure, evidently aimed at putting the minority group of this country at the complete mercy of the majority. The compromise entered into at the inception of war, in order to obtain the approval of Quebec for the war declaration, was trodden under foot. The confederation pact being nothing but a series of compromise, who

can assure us that, to-morrow, a plebiscite may not be held to decide whether we are still to enjoy the right of speaking French in this house? Indeed, having started on the road to repudiation of commitments and pledges duly made as between the minority and majority groups in this country, there is no reason why we should not march on in the same road.

The hon. members of the government said and repeated everywhere, before the plebiscite, that if they were released from their pledges by the people, conscription for overseas service would not necessarily follow. But the government, a few weeks after the plebiscite, hasten to break their fourth promise in resorting definitely to conscription for overseas service by striking article 3 out of the mobilization act, the only clause compelling the government to obtain the written consent of a selectee before drafting him for service anywhere.

That is the last step I had anticipated when war was declared. Those who have deceived us up to now show themselves under their true colours in establishing conscription for overseas service by deleting article 3 from the act, the sole guarantee of our small population, especially that of Quebec, where families are larger than in any other province. Families of four and five children between the ages of 19 and 25 are not uncommon in Quebec whereas, in the other provinces, the average is one child per family.

And all this for what result? To obliterate the sanest element in the country, the element most deeply attached to the soil. To send our sons to all theatres of war, in order to replace them after the war with immigrants who will keep alive the traditions of those, already too many in Canada, who are solely attached to Europe and who do not understand the meaning of love for our country, Canada, our only homeland.

This immigration which I anticipate for the post-war period will throw wide open the doors to our participation in another European war, recurring fatally every 20 or 35 years, because those immigrants who replace our young Canadians will never accept the principle of Canada first and always.

I wish to protest forcibly and declare that I shall vote against the repeal of section 3 of the mobilization act, for if ever there was a time when we should keep our men in this country, employ them to the building of corvettes for the defence of our shores, and to supply our army with food and munitions, it is indeed to-day when we are exposed to enemy attack. That Canadian army is three times the size of that of the American or English army, in proportion to population and other considerations, if we take into account the fact that our war and agricultural industries already are suffering seriously from the diversion towards the army of the best human resources of the nation. Did not the Minister of Munitions and Supply declare recently that our war industries were 4,000 men short at the moment?

Why were we attacked recently in the gulf of St. Lawrence if not because all the corvettes we have built are now being used for convoy duty on the Atlantic when we need them here for the protection of our shores. Corvettes, more corvettes; coastal defences, more coastal defences; that is the slogan the Canadian government should adopt definitely if they understand the problem that the defence of Canada represents.

British troops are not yet in action on the continent and Canada's contribution so far is relatively greater than that of England herself. Let us therefore put a stop to that dangerous tendency of almost totally neglecting our own defences in order to sacrifice everything to Great Britain. If the axis powers should succeed in their effort to crush that first line of defence, and God forbid that they should, we would not have enough men left to beat off their attack, and the very serious problem which is now confronting Australia would then become ours to solve.

If this house should delete section 3 from the mobilization act, it will mean the elimination of the last obstacle to Canada's being bled white, even before we give a thought to our own defence. The Prime Minister may claim is is not intended to enforce conscription for overseas service, but what does compulsory military service without any limitation mean if not conscription for service anywhere? Under the bill before this house the young men who are mobilized will not be told to go immediately to such and such destination, but that they are mobilized and can be sent anywhere, at any time, for the efficient prosecution of the war. All is arranged beforehand except for the date of departure and the final destination.

Yet, the right hon. the Prime Minister, during the plebiscite campaign, stated that conscription was not contemplated. Once again the solemn pledges made to the province of Quebec have been put aside, and once more has the minority group been thrown on the mercy of the majority, through the secret machinations of those who, since September, 1939, were manoeuvring our country, despite the example of northern Ireland whose terri-

tory is much closer to the theatre of war, into a declaration of war and thus were supplying that section of the country most unfriendly to our province and our race, the opportunity of drawing unceasingly on the wonderful pool of men that the flourishing people of Quebec had succeeded in forming in the very interests of the Canadian nation, without any help from French immigration but through a miracle proceeding from the best and most generous traditions of which a nation may be proud, that of births.

Mr. Speaker, we are deeply undermining our splendid traditions, and racing toward defeat on the home front, for on the very admission of Mr. James Mess, civilian director of recruiting, communists are systematically seeking to creep into every Canadian unit and, through some unaccountable tolerance on the part of authorities, their task of breaking down and poisoning public opinion is allowed to go on, not only in our army but among our working population.

Mr. Mess's denunciation at Saskatoon has been confirmed even in Montreal. High officials have recognized the infiltration of communists into the Canadian army. They have even added that bolshevist agents have gone over to England with Canadian contingents.

Guilty mostly of excessive tolerance, the authorities dare not intervene because Russia is our ally. Yet they will be responsible for the difficulties which we will necessarily experience in solving the many problems that will inevitably follow the war, for we must not forget that communism is and remains an atheistic doctrine, subverting social order, persecuting all religion, destroying family ties and private ownership, all precious liberties we are fighting to preserve.

To be sure, I admire Russia's resistance to the invasion of its territory and, since we are at war and must win the war, it is good policy to help her achieve victory, for in doing so we are helping ourselves. Even if I opposed Canada's entry into the war and failed to share the government's views in this respect, I feel that we must win this war for our own good. But, please, Mr. Speaker, let us not allow bolshevist agents to dynamite the foundations of our country, for this dynamite might cause us bitterly to realize, on the morrow of victory, that we have lost the peace.

Mr. JOSEPH H. LECLERC (Shefford): (Translation) Mr. Speaker, I first desire to congratulate very sincerely the hon. member for Richelieu-Verchères (Mr. Cardin) for his splendid speech of June 11 last. Since the inauguration of this debate, his was the most eloquent speech, I believe. My congratulations are also due to the Minister of Agriculture (Mr. Gardiner) for his magnificent statement of yesterday, and to the hon. Minister of Munitions and Supply (Mr. Howe) for his masterly speech of this afternoon, which has been the greatest utterance against conscription since the inception of the present debate.

On February 17 last, I stated that although I did not approve the stand taken by some of our friends who intended to vote against the address in reply to the speech from the throne, I was nevertheless opposed to conscription for overseas service. At that date, we had not yet discussed the plebiscite bill and, as a Liberal, I had promised my frends to support the King government so long as they would not present a bill to amend the mobilization act. Since then, on April 27, a plebiscite has been held to request the electors to release the government from their past commitments. I did not vote for the plebiscite as I considered it inopportune and I went only as far as advising my fellow-citizens to vote freely according to their own views on the subject. I also refused to join the League for the Defence of Canada, partly recruited among Conservatives and men who, in 1940, promoted the election of Tory candidates who would have implemented conscription long before now without plebiscite and without considering the views of our population. It was evident that these meetings of the League for the Defence of Canada, whose speeches were highly publicized in the other provinces by newspapers unfriendly to us, were such as further to divide our country, for I believe that all the "no's" registered in the province of Quebec have had an adverse reaction in the other provinces and have created a grudge the consequences of which cannot now be foreseen.

Harmony between people of different racial stocks is not a very hardy plant in this country and a mere conflict of opinion may sabotage the union that is so essential between the races of our country which, although sparsely populated has nevertheless achieved a wonderful war effort.

Mr. Speaker, the day before the plebiscite the Prime Minister told the Canadian people that he did not consider the plebiscite as a vote of confidence in his government, and it was moreover said to us that it did not mean conscription. Much to the surprise of all, no sooner had the votes been counted than the government introduced a bill to amend the mobilization act, so that they might be empowered to enforce conscription for overseas service whenever they found it convenient.

Mr. Speaker, I must say that if the majority of the people in this country have, through

the plebiscite, released the Prime Minister from his commitments, that does not hold true in the case of the province of Quebec, where an overwhelming majority of voters have refused to release the government from their past commitments and from the pledges we had repeatedly given them ourselves for twenty-five years, especially at the 1940 election and this, with the endorsement of the government. Consequently, much to my regret, I shall have to break with my party's government on that amendment.

My present attitude is but the result of promises made to the voters of my constituency and if there is one thing I wish above all, it is that no one should ever be in a position to charge me with breaking my pledges.

I believe, however, that the Prime Minister will appreciate the situation and realize more readily than anyone that we are the servants of our fellow-citizens and that we cannot break the solemn assurances given them. I ask the Prime Minister and my fellow citizens of the other provinces if they would adopt a different attitude than the one I am now assuming, if the rest of the country had voted "No" on the conscription issue. I ask them, further, if they would feel justified in disregarding that expression of opinion and in enacting conscription. I urge them to remember what my province has consistently done in behalf of national unity. At the time of the last provincial election, the late Right Hon. Mr. Lapointe, then Minister of Justice, as well as the Hon. Mr. Cardin staked their political future on that election, when the national union premier was seeking re-election on a non-participation policy. Both Mr. Lapointe and Mr. Cardin lent their assistance to the Godbout party; they managed to secure endorsation of participation just as the other provinces had done, and Mr. Godbout was swept into power with flying colours!

I quote the words of the Prime Minister on January 26 last, as reported on page 46 of *Hansard* regarding the Quebec provincial elections:

> At that time, the people of the province of Quebec turned out of office the government that had sought to thwart Canada's war effort, and placed in office under the leadership of Hon. Mr. Godbout, a government which was prepared to cooperate with the federal administration in furthering the national effort. I doubt if any service at the time meant more to the allied cause than that rendered by the people of the province of Quebec in thus demonstrating the unity of Canada in its war effort.
>
> When, three months later, the direction of the war effort of Canada by the present administration was challenged—though from an opposite extreme—by a resolution of the legislature of the province of Ontario, and the administration appealed to the people of Canada in a general election, the government gave the assurance that, if returned to power, it would continue to maintain the policy of no conscription for service overseas. Not only the government, but the then leader of the Conservative party—a party disguised it is true, for the time being, as the National Government party—took an equally strong stand in opposition to conscription for overseas service. The candidates, not of one political party only, but the vast majority of candidates in the general election gave their constituents to understand that they were opposed to a policy of conscription for overseas service. In so doing, reference was continually made to the effect of the adoption of conscription in the last war, and the serious wound which, at the time, its application had inflicted in the side of our country.
>
> As I look at the membership of this house which represents the will of the nation as expressed in the general elections, held during this very war, I say there are not a dozen members,—if, indeed, there are that many—regardless of party, who could rise in their places and truthfully say that, in the last general election, they had advocated a policy of conscription for military service overseas.
>
> Time and again it has been said by hon. members opposite—and I think my hon. friend the leader of the opposition has said it oftener than anyone else—that the present government would not have had the enormous majority it has in this present parliament if it had not given the explicit assurance that, if returned to power, it would not adopt conscription for military service overseas.

When the result of the elections was known, the province of Ontario could not say enough in praise of the province of Quebec. I believe that the late lamented Mr. Lapointe and the hon. member for Richelieu-Verchères were then the most popular men in the country, so much so that a few days after the elections I met on parliament hill, at Ottawa, one of my colleagues from Toronto who greeted me with open arms and congratulated me warmly on what the province of Quebec had just achieved.

Has not Quebec always shown herself as willing to participate in the war as any other province? Why should the province of Quebec be more anxious to accept compulsory service for overseas than the rest of the British dominions? For 25 years, the province of Quebec has believed in the promises made by the right hon. Prime Minister, by Mr. Lapointe and by the hon. member for Richelieu-Verchères. As I just said, I have made the same pledge and I want to keep it in war time as in peace time. I have given my word to my fellow-citizens. I am not an opportunist concerned only with reelection. For a man of my age parliamentary life has no great attraction. We

come here every year to spend four, five, six or seven months, the finest part of spring and summer. At my time of life, I would rather live quietly during the few remaining years Providence may grant me. Were I to take another stand, the statement made by the Prime Minister on January 26, 1942, when he was dealing with dictatorship might apply to me. Here is what the Prime Minister of Canada said:

I reject as still more unworthy the suggestion that the government should break the solemn pledges given and repeated time and again to the electorate. Let me repeat what I said at Vancouver:

"The present unhappy state of the world is, in large part, the result of broken pledges. Nazi Germany has erected bad faith and the broken pledge into a principle of action. Bad faith, broken pledges, and disregard of the popular will, are the forces against which Canada is fighting to-day."

I do not propose to erect bad faith and the broken pledge into a principle of action. I propose at all times to do all in my power to see that the will of the people, not that of any particular section or group or interest, however powerful or vociferous, shall prevail in the government of this country.

Mr. Speaker, the excerpts of the Prime Minister's speech which I have just quoted show clearly that we, the representatives of the province of Quebec, not having been relieved of our commitments, cannot take a different stand from the one which I have just indicated and, notwithstanding my personal friendship for the Prime Minister, I shall vote against this bill.

In concluding, I should like to congratulate the hon. member for St. Lawrence-St. George on his speech and particularly because he recommended the adoption of a national flag.

This morning's edition of the *Gazette* shows great displeasure with the hon. member for St. Lawrence-St. George's speech, but that is an indication that he has spoken wisely. I think that a Canadian flag would greatly contribute to the cause of national unity in this country. We have no flag of our own. We French Canadians respect the union jack, emblem of our liberties. We also respect the French flag, but neither one nor the other is truly our own. Let us do away with this colonial mentality. Why should we not have a flag which would be really ours and around which we could all rally and thus take a long step forward in restoring harmony in this country.

On motion of Mr. Thorson the debate was adjourned.

On motion of Mr. Crerar the house adjourned at 10.15 p.m.

Wednesday, June 17, 1942

The house met at three o'clock.

MILITARY SERVICE

CALLING UP OF SINGLE MEN AND CHILDLESS WIDOWERS UP TO AND INCLUDING AGE 35

Hon. J. T. THORSON (Minister of National War Services): Mr. Speaker, I desire to lay on the table copy of an order in council providing for the issue of a proclamation calling out men who were on the 15th day of July, 1940, unmarried or widowers without child or children, and who were born in any of the years 1921, 1920, 1919, 1918, 1917, 1916, 1915, 1914, 1913, 1912, 1911, 1910, 1909, 1908 or 1907, but that persons born in the year 1921 shall not be called out until after they have reached the age of twenty-one.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ASSISTANCE TO VICTORIA, N.S., FARMERS

Mr. MacLEAN (Cape Breton North-Victoria):

Is the government prepared to assist the Victoria farmers so they can have easy access to the railway during the winter season and thus enable them to send their produce to the Sydney market?

Mr. HOWE: I find it difficult to answer the question in its present form. I wonder if the hon. member would clarify it a little. The difficulty is that the island of Victoria was cut off from the railway for the winter and has been to this day. I know of no way of giving the assistance asked for.

Question dropped.

PURCHASE OF LUMBER USED BY DOMINION CONSTRUCTION COMPANY

Mr. MacLEAN (Cape Breton North-Victoria):

1. From what firms is the lumber used by the Dominion Construction Company at Edwardsville, Cape Breton, being purchased?

2. Is any of this lumber being purchased from the lumber mills in Cape Breton island?

3. If not, will the government give such lumber dealers an opportunity of tendering?

Mr. HOWE:

1. Lumber purchased by the Dominion Construction Company, Edwardsville, Cape Breton, is as follows:

	Board feet
Chappells Limited, Sydney, N.S.....	670,000
J. W. Stephens, Limited, Sydney, N.S.	190,000
John C. MacMillan, North Sydney, N.S.....	50,000
D. Porter & Son, Stellarton, N.S.....	97,000
J. J. Grant, New Glasgow, N.S.....	55,000
Spencer Bros. & Turner, Truro, N.S...	485,000
McCulloch & Hogan, Limited, Halifax, N.S.....	297,000
Moncton Lumber Co., Moncton, N.B.	505,000
King Wood Sales, Moncton, N.B.....	515,000
Ashley Colter Co., Fredericton, N.B..	275,000
Flemming & Gibson, Juniper, N.B...	175,000
H. E. Pelton, Saint John, N.B.....	50,000
Benj. Belliveau, Meteghan, N.S.....	62,000
	3,426,000

2. Yes.

3. Cape Breton island lumber mills are being given full opportunity for quoting on government requirements in Cape Breton, and dealers without milling facilities have been urged by the department to make their stock available to local mills for milling and delivery to the department.

DAIRY INDUSTRY—CANS FOR HANDLING MILK AND CREAM

Mr. LECLERC:

1. Have cans used in the handling of milk and cream been rationed?

2. Are farmers engaged in the dairy industry unable to purchase such cans?

3. Will the government consider the advisability of placing such cans in a special category?

Mr. ILSLEY:

1. No.

2. They are still able to purchase these cans but there is a short supply.

3. Supplies of milk cans for essential purposes are receiving careful consideration. These cans are made from sheet steel for the supply of which we are dependent on the United States. Only a limited tonnage of such sheet steel is available.

[Mr. MacLean.]

STUDENTS AND TEACHERS FOR SUMMER FARM WORK

Mr. REID:

1. Has the federal government inaugurated any scheme of financial assistance to the provincial governments in order to secure the services of students and teachers for farm work during the summer school recess?

2. If so, what provinces have agreed to assist in the furtherance of this scheme?

3. Have any provincial governments refused to cooperate?

4. If so, which ones?

5. Were any reasons given by these provinces as to why they would not cooperate in securing help required on farms during summer?

Mr. MITCHELL:

1. Yes; the federal government is prepared to provide financial assistance for the purpose of assisting the provinces in executing a plan for recruiting, transporting to, and placing upon farms labourers—male and female—suitable for farm work.

2. The province of Ontario has entered into an agreement with the federal government to carry out such a plan.

3. No province, other than Ontario, has entered into an agreement regarding financial assistance in connection with farm labour.

4. See answer to 3.

5. The provinces, other than Ontario, have not signified their desire to enter into an agreement such as that existing with the province of Ontario.

PUBLICATION OF LISTS OF WAR CONTRACTS

Mr. LACOMBE:

1. Has the director of public information definitely abandoned the practice of publishing the lists of war contracts awarded by the Minister of Munitions and Supply?

2. If so, does the government intend to place at the disposal of members of parliament other methods whereby they may learn of the awarding of war contracts and their nature?

3. Will the government publish, as formerly, a detailed report of the amount of each war contract and the persons or companies to which they have been awarded?

Mr. HOWE:

1. Yes.

2. Information regarding specific contracts may be obtained by writing the deputy minister of munitions and supply or by placing the question on the order paper.

3. No. Please refer to the minister's statement, page 215 *Hansard*.

MONEY CIRCULATION PER CAPITA 1929-42

Mr. KIRK:

1. What amount of money was in circulation in Canada as at March 31 for each of the years 1929 to 1942, both inclusive?

2. What was the amount of same per capita during each of the abovementioned periods?

Mr. ILSLEY:

1 and 2.

March 31	Total amount of circulating media in the hands of the public	Per capita amount of circulating media in the hands of the public
1929	$222,786,258	$22 21
1930	199,127,293	19 51
1931	179,007,417	17 25
1932	176,140,084	16 77
1933	178,100,901	16 67
1934	184,791,612	17 07
1935	188,818,143	17 28
1936	195,954,265	17 77
1937	216,418,023	19 46
1938	226,162,864	20 18
1939	235,919,414	20 85
1940	285,781,556	25 02
1941	402,412,423	35 24
1942	522,943,412	45 79

Note:—Circulating media in the hands of the public includes dominion notes or Bank of Canada notes in circulation, less amounts held by the chartered banks; chartered bank notes in circulation less amounts held by other chartered banks; and subsidiary coinage issued less withdrawals, less amounts (in the years 1929 to 1934 estimated) held by chartered banks and the Bank of Canada.

PURCHASE OF LAND AT GRAND LAKE, N.S., FROM G. W. TINGLEY

Mr. DIEFENBAKER:

1. Has the government purchased any land or other property situated at Grand Lake, Nova Scotia, from George W. Tingley, of Halifax?

2. If so, what department made the purchase, what was the price, and what use is the property being put to?

Mr. HOWE:

1. No.

2. Answered by 1.

CANADIAN FORCES—ENLISTMENTS FROM QUEBEC PROVINCE

Mr. STOKES:

1. What is the total enlistment from the province of Quebec in the Royal Canadian Air Force?

2. Of these, how many are, (a) of French-Canadian origin, (b) of origin other than French Canadian?

3. Of each of the above categories, how many have (a) enlisted for actual flying duties as air crew, (b) enlisted as mechanics for ground crew duties, (c) enlisted for general duties?

Mr. STOKES:

1. What is the total enlistment from the province of Quebec in the Canadian army?

2. Of these, how many are, (a) of French-Canadian origin, (b) of origin other than French Canadian?

3. Of each of the above categories, how many have (a) enlisted for active service anywhere, (b) enlisted for service in Canada only?

Mr. STOKES:

1. What is the total enlistment from the province of Quebec in the Royal Canadian Navy?

2. Of these, how many are, (a) of French-Canadian origin, (b) of origin other than French Canadian?

3. Of each of the above categories, how many have (a) enlisted for active service anywhere, (b) enlisted for service in the Royal Canadian Naval Volunteer Reserve?

Mr. HANSON (York-Sunbury): May I ask the Minister of National Defence (Mr. Ralston) how long it will take to get the answers to these three questions, which have been allowed to stand? I realize it is quite a job but perhaps he could give me some indication.

Mr. RALSTON: I cannot answer categorically. I would have to consult my colleagues the ministers for air and navy. With regard to the army, as has already been pointed out, we have no record of racial origin of those enlisting. The suggestion was made to me in the house that at least we might take the names of those who appeared to be of French origin and make a compilation in that way. That can be done and, as a matter of fact, it is now completed, but that would not give entirely accurately the information which is asked for. I can only say that if the information is asked for in the present form—that is, French-Canadian origin—I know no data from which it can be given.

Questions stand.

QUESTIONS PASSED AS ORDERS FOR RETURNS

HOUSING—PORT ARTHUR AND FORT WILLIAM

Mr. NOSEWORTHY:

What provision is the government making for an adequate supply of low cost houses to be made available for families of low income in the cities of Port Arthur and Fort William?

Mr. McLARTY: Return tabled.

TURNER VALLEY OIL FIELDS—STANDARD OIL—APPLICATION OF GASOLINE RATIONING TO ROYALTY SALESMEN

Mr. NOSEWORTHY:

1. Have the Standard Oil interests or subsidiaries any proven wells capped in the Turner valley oil fields?

2. How many 40-acre undrilled oil sites have the Standard Oil interests or subsidiaries in the Turner valley oil fields?

3. How many of these are situated on acreage in which it has been proven that oil exists?

4. How many of the wells being operated by the above mentioned interests are offset wells?

5. What percentage of oil produced in the Turner valley in 1941 came from wells operated by independent royalty companies?

6. On what grounds does the oil controller consider it to be in the national interests that royalty salesmen be limited to category A gasoline ration?

FUEL OIL AND GASOLINE

CONDITIONS WITH RESPECT TO HOUSEHOLD HEATING—REDUCTION IN VALUE OF GASOLINE RATION COUPONS IN CERTAIN PROVINCES

On the orders of the day:

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, I promised to make a statement to-day on the oil situation, and I will do so now.

On May 20, as reported in *Hansard*, page 2845, in reply to a question by the hon. member for Waterloo South (Mr. Homuth) I stated that no fuel oil would be available for heating in private residences during the coming winter. On the following day I amplified this statement somewhat, by indicating that every effort would be made to provide fuel oil for heating purposes in private homes where conversion to coal burning equipment was impossible. Since that time we have given very thorough study to the problem, in an effort to determine a definite line of policy, in the light of existing and prospective supplies of oil.

There are many thousand private residences now heated by oil. We find that conversion on a large scale would involve the use of materials, particularly steel, which are in very short supply. There is the further difficulty of transporting coal in sufficient quantities to ensure that the converted units will have sufficient fuel to see them through the winter. Consequently, we have had to explore ways and means of making available more supplies of fuel oil from existing and prospective supplies of crude.

There is no reasonable hope that we can augment our existing supply of crude oil. Therefore if we are to refine more fuel oil we must do so at the expense of automobile gasoline. Accordingly, refiners of crude oil have been ordered to change their refinery runs so as to make more fuel oil, and less gasoline. By doing this, we hope to build up sufficient stocks of fuel oil between now and October first to provide for household heating equipment during the winter months. It must be understood, however, that even after these steps have been taken, no guarantee can be given that fuel oil for domestic heating equipment will be available to meet normal requirements, because it is impossible to say at this time whether sufficient tankers will be available to maintain a continuous supply of crude. If there is a decrease in the anticipated supply through a loss of tankers, we shall have to draw on these reserves of fuel oil to take care of the armed services and war and essential industries. Therefore, my advice to those who heat their houses by oil is to convert their equipment if at all possible. Those who are in a position to convert, and do not do so, run the risk of having no fuel in the coming winter.

In so far as the commercial and industrial user is concerned, it will still be necessary for all those using fuel oil for the heating of commercial and industrial buildings, including apartment houses, hotels, institutions, stores, et cetera, to give up the use of fuel oil for heating as of July 31, 1942. This also applies to all those using fuel oil for the production of steam.

As I have pointed out, the building up of reserves of fuel oil for the winter months means the refining of less automobile gasoline. Accordingly, it has been decided that in the provinces of Quebec, Ontario and British Columbia, the value of the unit must be cut from five gallons to four. The unit will remain for the present at five gallons in Manitoba, Saskatchewan and Alberta, and at two gallons in New Brunswick, Nova Scotia and Prince Edward Island. We hope to be in a position to raise the unit to three gallons in the maritimes as of midnight June 30. The changes in the value of the unit in the provinces of Quebec, Ontario and British Columbia will become effective at midnight to-morrow night.

After the ration system had been in operation for a short time the gravity of the supply situation made it necessary to re-categorize many thousands of those who were originally placed in higher than A categories. Many of these were reduced to category A. We also found that many of those originally in category A were owners of more than one car, or were using their cars almost entirely for pleasure purposes. It is obvious that these motorists should not receive as much gasoline as those who use their cars mainly in the earning of their livelihood. It has therefore been decided to establish a lower category, to be known as category A-A. The setting up of a new category takes time and I am not now in a position to state what the gasoline allowance for category A-A will be, or when it will become effective. This will be announced in due course.

Because there are many thousands of farmers, industrial workers and business men now in category A, the quarterly restriction of the coupon in this category will be abolished from midnight to-night. This means that the category A coupons, in any quarter, may be used at any time, regardless of the date printed on them.

Mr. REID: Regarding the rationing of gasoline and the categories in which owners of motor cars are placed, will the Minister of Munitions and Supply state whether there is a court of appeal other than the local court in each province to which those who believe that they have been unjustly dealt with may apply?

Mr. HOWE: The court of appeal is the oil controller himself. If the reply of the local officer is not satisfactory, an appeal can be taken to the oil controller.

LABOUR CONDITIONS

EXTENSION BY ORDER IN COUNCIL OF CONTROL OVER LABOUR IN INDUSTRY

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I should like to ask a question of the Minister of Labour. I notice in a press bulletin this afternoon an announcement that the control over labour in industry has been considerably extended. I wonder whether the minister is prepared to make a statement, or if not, will he say whether or not these regulations have been made by order in council, and will the order in council or the regulations be tabled?

Hon. HUMPHREY MITCHELL (Minister of Labour): The regulations were approved by myself under the authority of an order in council. I shall be glad to have them tabled immediately.

MILITARY SERVICE

VALCARTIER CAMP—REQUEST FOR LEAVE OF ABSENCE FOR BUTTER MAKER

On the orders of the day:

Mr. J. S. ROY (Gaspe): I should like to direct the attention of the Minister of National Defence to a serious emergency which has arisen in my county. I believe that the reading of this short communication, which I translate, will explain the whole matter:

Ottawa, June 16, 1942.

Mr. Jean Chaloult, Lt.-Colonel,
Assistant-Commandant of District No. 5,
Post Office Building, Quebec.

Subject: E600448 Gagnon Omer
Montmagny Regiment, Camp of Valcartier

Butter factory syndicate of Cap Chat county of Gaspe is asking a leave for the above mentioned who is their butter maker. This butter factory receives daily six to eight thousand pounds of milk and is still closed at this late date.

Can you make diligence.

J. S. Roy, M.P.

Mr. SPEAKER: That is a question, I think, which should be placed upon the order paper.

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT OF SERVICE OVERSEAS

The house resumed from Tuesday, June 16, consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940.

Mr. SPEAKER: The hon. member for Vancouver East (Mr. MacInnis) moved an amendment to Bill No. 80. I did not deal with it at the time, and I was requested by the leader of the opposition (Mr. Hanson) to deal with it to-day rather than yesterday. I have been considering the amendment, and I should like now to give my ruling.

On the motion of the Prime Minister that Bill No. 80, an act to amend the National Resources Mobilization Act, 1940, be now read a second time, Mr. MacInnis moved, seconded by Mr. Noseworthy:

That all the words after "that" in the said motion be struck out and the following substituted therefor:

"This bill be not now read a second time but that it be resolved that the principle of the bill before the house is inadequate and inequitable, permits the governor general in council to conscript men for overseas service without reference to parliament and is, therefore, contrary to the peace, order and good government of Canada."

It will be noticed that the amendment, apart from the declaratory statement that "this bill be not now read a second time", takes the form of a resolution "that the principle of the bill before the house is inadequate and inequitable, permits the governor general in council to conscript men for overseas service without reference to parliament and is, therefore, contrary to the peace, order and good government of Canada."

This question is somewhat analogous to that discussed in connection with the amendment moved by the hon. member for Rosetown-Biggar on Thursday last, June 11, which I ruled out of order, as reported at pages 3281 and 3282 of *Hansard*. Before giving that decision I was referred to citation 775 of Beauchesne and also to citation 760, and if there had been no other feature than the principle laid down in citation 760, strengthen-

ed as it was by the same principle stated in May 391, I would have felt obliged to rule the amendment out of order, but as hon. members will recall there was another objection to its relevancy which admitted of no doubt that the house had already decided during this session on the same principle, and in support of that I quoted citation 304 of Beauchesne.

It is an accepted principle, both in this house and in the British House of Commons, that an amendment cannot deal with the provisions of the bill upon which it is moved, nor anticipate amendments thereto which may be moved in committee, and this amendment infringes upon that principle.

The amendment states that "the principle of the bill before the house is inadequate and inequitable". The word "inadequate" is a general term which may in committee cover proposals in amendment of the clauses of the bill, but such proposals cannot be made at this stage of proceedings. The same observations will apply to the use of the word "inequitable". If amendments are contemplated by these words, they can only be moved in committee on the bill. This emphasizes the principle which I have already stated that amendments on the clauses of a bill cannot be anticipated on the second reading of a bill.

As reported in Denison's and Brand's Decisions, with respect to the British House of Commons, 1857 to 1884, we find reported at page 47 a statement by Mr. Speaker with respect to an amendment being made to the Franchise Act. I need not give the details in connection with that amendment, but in effect it dealt with certain regulations with respect to the Franchise Act. Mr. Speaker then said:

> Before the hon. member moves his resolution I wish to point out to him that it exceeds the limits prescribed for such motions by the rules of the house. It is a resolution which, in reality, anticipates discussion on every clause of the bill, and on some points with respect to which notice of amendment has been already given. It seems to me to go beyond the rules laid down by the practice of this house.

That is the practice and procedure which has been followed in this house. It is, I am of opinion, a proper practice. To do otherwise would give rise to difficult and embarrassing situations. On an amendment in general terms such as this, if the house rejected the amendment and the house went into committee of the whole on the bill, the committee would be bound by the decision of the house and it would be deprived of its freedom of action in dealing with the clauses of the bill.

[Mr. Speaker.]

If the committee of the whole decided upon amendments to the bill within the terms of this amendment, the house would not be able to concur in the committee's report because the house has already decided against such amendments. The house should not approve and disapprove the same questions on the same bill in the same session.

For these reasons I rule that the amendment is out of order.

Mr. COLDWELL: I understand that that is your ruling, Mr. Speaker, and I realize I would not be within my rights in discussing it now. Therefore I accept Your Honour's ruling, regretting very much that I did not know it was going to be made. I had thought I would have had an opportunity of discussing the ruling before it was made.

Mr. SPEAKER: It has always been my practice to ask the opinions of hon. members before making rulings. In this instance however there was an opportunity for discussion of the very same principle on the amendment moved by the hon. member for Rosetown-Biggar. On that occasion the principle was exhaustively discussed before I gave my ruling, and I did not think that on the same principle it would be necessary to have further submissions from hon. members of the house.

Hon. J. T. THORSON (Minister of National War Services): Mr. Speaker, I shall not deal with the question of the plebiscite except to repeat the statement which has already been made, that the plebiscite was not on the issue of conscription. I personally sought to make that clear in speeches I made in the course of the plebiscite campaign. At Toronto, in a speech delivered to the Canadian club on April 13, I said:

> The government is not asking the people of Canada to vote "yes" or "no" on the issue of conscription itself. That is definitely not the purpose of the plebiscite. The people of Canada are not being asked whether there should or should not be conscription. That responsibility is not being placed upon their shoulders. We are asking the people to permit us to exercise that responsibility freely, in the light of the facts and the needs of the situation, according to our judgment and subject to our responsibility to parliament.

I made similar statements to the Laurier club of Winnipeg and to a mass meeting in my own constituency at Selkirk. There is therefore no mandate for the imposition of conscription for service overseas at the present time, either as a result of the vote on the plebiscite or as a result of the repeal of section 3 of the National Resources Mobilization Act.

When section 3 has been repealed the government will be perfectly free, subject always to its responsibility to parliament, to take such action as it may deem necessary. The government will take such action as will in its judgment most effectively enable it to carry out its duty to parliament and to the Canadian people, namely the conduct of the war in such a manner as will result in a total war effort for Canada and the Canadian people.

In pursuance of its freedom to act in this important matter, the government has decided that it is not in the best interests of the Canadian war effort that conscription for overseas service should be imposed at the present time. I submit that this decision will bring Canada closer to its real objective than if the government were to act otherwise. In my opinion the imposition of conscription for service overseas at the present time would definitely be hurtful to the war effort. The people of Canada are much more concerned with the achievement of results than with the application of theories; and the action of the government will be governed accordingly.

When Canada entered this war, of her own free will, she pledged her national honour that she would give her maximum aid to the cause of freedom, liberty and humanity. Canada committed herself to a total war effort. What does "total war effort" involve? As I see it, total war effort means the most effective use of all the material and human resources of the nation. That is our aim, and to that end we must shape our policies. In making progress toward a total war effort we must keep in mind certain objectives, and not, under any circumstances, allow ourselves to be diverted from them.

There are three primary war objectives for Canada. May I be permitted to state them with care, not necessarily in the order of their importance, for that order may change from time to time according to the exigencies of the war. First, we must produce ships, planes, tanks, guns and other essential munitions and materials of war, equipment and supplies to the fullest extent of our productive capacity, for this is a war of machines as well as a war of men, and Canada is one of the main arsenals of the united nations. Second, we must produce as much in the way of essential food supplies as can be transported overseas, for Canada is the greatest storehouse of the united nations. Third, we must raise and equip as strong armed forces as it is possible for us to do, on land, at sea and in the air, both as to the number of their personnel and particularly as to their quality, so that they will be as effective as possible in defensive and striking power both for the defence of Canada and to meet and help defeat the enemy wherever he may be found. It would be the height of folly to wait for an attack on Canada itself if we can keep the enemy from our shores. Both overseas and home defence forces are therefore essential. In addition to these three primary war objectives we must maintain such national services as are essential to the life of the nation and its productive capacity, for as man-power is withdrawn for the unproductive purposes of war, a heavier burden is thrown upon the man-power that remains.

If we are to make a maximum war effort we must not lose sight of any of these objectives. We must attain them concurrently, as far as that is possible to do. Each step that is taken must be carefully considered in the light of its effect on the totality of our war effort, for it is the totality of our war effort rather than any one aspect of it that counts in our country's contribution to the victory of our cause.

The Canadian war programme for the present year, ending March 31, 1943, has been set with all these war objectives in mind. It was set in the belief that it would strain our resources to the limit. The government believes that this programme can be carried into effect, and every possible effort will be made to achieve it.

Mr. SPEAKER: Order. Objection was taken, when I was not in the Chair, with regard to the reading of speeches. In the beginning I indicated to the house that the reading of speeches was not allowed, and I hoped that hon. members would follow the rule in that regard. It does happen, as I have noticed, that hon. members will place their papers on the desk and, being gifted with keen eyesight, will read them from there, and assume that they are not reading their speeches. But irrespective of whom it may be, if we are to conform to the rules they will have to be applied rigorously and impartially. I do hope, therefore, that hon. members will not force the Chair to do what is very unpleasant for the Chair to do, that is, call attention to the rule again. Therefore I would again ask hon. members to live up to the rule in that regard.

Mr. THORSON: Mr. Speaker, I am making a careful statement of government policy, and I am not reading my speech, although I am paying close attention to what I have written. I shall be making reference to facts and figures which will require very close attention to what I have prepared, but I am not reading my speech in violation of the rules of the house.

The Canadian war programme was set for the year ending March 31, 1943, with the objectives I have mentioned in mind. That programme involved the establishment of a Canadian army overseas consisting of two army corps with three infantry divisions, two armoured divisions, two tank brigades, ancillary troops, corps troops and army troops. Subsequently the Prime Minister (Mr. Mackenzie King) announced the authorization of the formation of two additional divisions, the 7th and 8th, primarily for the defence of our east and west coasts. The man-power requirements of our armed forces programme were stated by the Minister of National Defence (Mr. Ralston) on February 10 of this year. He set the additional man-power requirements for the army at from 90,000 to 100,000 additional men up to the end of March, 1943. He set the additional man-power requirements for the navy, for the same period, at 13,000 men, and for the air force at from 70,000 to 80,000 men. When this programme has been completed the voluntary enlistments of Canadians for service anywhere in the world will amount to more than 600,000 men. In terms of the population of the United States the Canadian armed forces programme would mean the enlistment of about 7,000,000 men.

Furthermore, our war industry programme contemplates and involves heavy man-power requirements. So does the programme for essential agricultural production. I shall not deal in detail with either of these programmes, except to say that the man-power necessary for their performance cannot be withdrawn from these essential purposes of war without hurting such purposes.

It is the duty of the government to allocate man-power in accordance with the needs of the war purposes of Canada and the war objectives that I have mentioned. The totality of our war effort will not necessarily be increased merely by putting additional men in the army, if that is done at the expense of some other essential war purpose. The man-power reserve of Canada is strictly limited. It must therefore be used to the best advantage for all the purposes of war. Unfortunately, controversies have arisen over methods, and such controversies have beclouded the objectives themselves. There has been much confusion over methods. The most outstanding controversy has been with regard to the best method of raising men for service overseas. An attempt has been made to identify conscription for service overseas with total war effort. There is no necessary connection between the two. If conscription for service overseas had been imposed at any time up to the present, it would not have made for a total war effort, but would have tended to lessen the war effort that we have achieved.

I should like to point out that while the National Resources Mobilization Act recognizes the principle of compulsion, and the repeal of section 3 will remove any restriction upon the exercise of such compulsion, the government has not adopted the policy of conscription for overseas service as the best method of raising our overseas forces. In that regard the policy of the government remains a policy of voluntary enlistment. That policy has not changed, and there will be no change so long as that method of raising our overseas forces remains adequate and effective.

I have frequently spoken on the subject of conscription for overseas service, and I have not hesitated to express my opinion that from the point of view of the effectiveness of our total war effort, the merits of conscription are outweighed by its demerits. Speaking to the Canadian club at Toronto, I said:

> Thus far I have seen no need for conscription and little if any value in it.

I also said:

> In this rapidly changing world no one can foretell what steps may have to be taken. It may happen that the imposition of conscription will be necessary. In any event, the government should be free to decide upon the question of conscription or no conscription in the light of its knowledge of the facts and according to its judgment of the needs of the situation as it may exist from time to time.

I have not put my objection to conscription on the basis of necessity, but rather from the point of view of its effect upon the total war effort. In my opinion conscription for service overseas does not mean the same as total war effort. I am convinced that the imposition of conscription for service overseas at the present time would not make for progress toward a total war effort. I am further of opinion that if we do have to resort to conscription, which I hope we shall not have to do but which we will do if it is necessary, it will be only a second best method of fulfilling our armed forces programme.

After all, what is the actual place of conscription for overseas service in our whole war effort? It occupies only a limited place. Conscription could not aid our production of ships or planes or tanks or guns or essential munitions and materials of war. Indeed, by an overemphasis exclusively upon man-power for army purposes, it would lessen our success in that production. Certainly conscription for overseas service could not have

helped our agricultural war purposes. Even for home defence purposes we felt that it was wise to adopt a policy that would not call on men if on March 23 they were wholly or mainly employed in agriculture. This was done so that our agricultural position should not deteriorate beyond its then state and in order that this country should be able to carry out its commitments for essential agricultural production.

To come to the armed forces themselves, how could conscription for service overseas help the air force? We could not conscript young men to fly and expect them to be the fliers that we have, fighting in the skies over every battle-front in the world, with no superiors anywhere in the world. No airman can be compelled to fly; he must have the will to do so. It could not be otherwise. The whole of the Royal Air Force is composed of volunteers; so is the Royal Canadian Air Force. Indeed, all services requiring special skill and initiative can best be performed by volunteers.

The situation is quite similar with regard to the navy. I am quite certain that the work of the Canadian navy, with its great devotion to duty, with the wonderful record of troopships convoyed without the loss of a single man, could not have been carried out in the same efficient manner if it had not been done by volunteers.

The only place, therefore, for conscription, if it is of any value at all, is in connection with our army. There, too, I am convinced that it would not make for as effective an army as the Canadian overseas army is at the present time.

Let us pause for a moment in order to take pride in certain facts with regard to the Canadian army overseas. The Canadian overseas army will have a larger proportion of armoured troops than any other army in the world. It will be, indeed, it is now the most highly mechanized and most mobile army of any of the British nations. Its superior in hitting strength cannot be found anywhere in the world. It has proved its valour and importance in the defence of the island fortress of freedom, Great Britain, and it will prove its power of valiant attack when the time comes. Furthermore, Canada has the largest volunteer armed force of any nation in the world. That is something of which Canada might well be proud.

It may be urged that since we have adopted conscription for service at home, we ought to adopt conscription for service abroad. However, let me point out one essential difference. Compulsory military service for the defence of Canada has always been the law of Canada. It was not introduced as a principle for the first time by the National Resources Mobilization Act, 1940. Military service for the defence of Canada is the duty of every able-bodied citizen. It is the ordinary duty of citizenship in time of peril to the homeland. That has been the law of Canada ever since the Militia Act of 1868, with its provision for a levée en masse of all male inhabitants from sixteen to sixty years of age. Indeed, that was the law also of French Canada during the period of the French régime under the militia act of 1758. It was the law of French Canada even before that under the feudal law of fiefs. Similar legislation was in effect in Upper Canada and in the maritime provinces; so that no new principle for the defence of Canada was introduced by the mobilization act.

Having indicated the limited place that conscription for overseas service occupies in our total war effort, I must also express the opinion that from the point of view of effectiveness of the army, as far as quality of personnel is concerned, there can be no comparison between the voluntary system and conscription. I submit that there can be no dispute about this. If the maximum effectiveness of our war effort is the objective of our country, as I think it ought to be, it then follows that the voluntary system ought to be continued as long as it remains an adequate and effective system. It ought not to be abandoned for a system which not only is less effective but would carry with it great danger to national unity and be definitely disruptive of our war effort.

Is it necessary to change the present system of voluntary enlistments? It is clear that it would not help the air force; it is likewise clear that it is not necessary in connection with the navy. Is there any necessity for its adoption in connection with the army? Thus far there have been no visible signs of any such necessity.

The situation is quite different from that which existed in 1917. The Military Service Act was introduced on June 11, 1917, and one of the reasons urged for the passing of that act was that there had been a falling off in the number of recruits and a very large increase in the number of casualties, and that in some months the number of casualties was larger than the number of recruits. In the year ended May 31, 1917, only 77,634 men had enlisted—an average of 6,469 men a month. In the same period of time there were over 79,000 casualties.

No situation even remotely similar to that exists at the present time. The amendment to the National Resources Mobilization Act

was introduced on May 11, 1942. For the year ended April 30, 1942, voluntary enlistments for services overseas in all the forces, army, navy and air, amounted to 197,158, or an average of 14,763 men a month. No sign there of any collapse in the voluntary system. Furthermore, fortunately, the casualties thus far have not been very heavy. If we take only the army figures for the same period, we find enlistments totalling 112,881, or an average of 9,407 men a month. Furthermore, enlistments for May, 1942, showed the highest number since last July. They totalled 11,918. In addition to these figures of voluntary enlistments during the same year, over 33,000 men were called for four months training and service for the duration of the war in the active army for Canada, and over 13,000 of the thirty-day trainees were recalled for further training and service for the duration of the war with the active army for Canada. So that after making allowance for the number of those who have enlisted voluntarily, we find that our total number of enlistments and enrolments for the year ended April 30, 1942, for all the services, is well over 240,000, and for the army alone, well over 140,000.

Mr. GREEN: Has the minister the figures on discharges?

Mr. THORSON: May I be permitted to proceed, because my time is limited?

Another set of figures may be of interest. Voluntary enlistments up to the end of the thirty-third month of the last war, that is, up to the end of April, 1917, totalled 417,371, whereas voluntary enlistments for the army, navy and air force up to the end of the thirty-third month of the present war totalled 505,574, not including May enlistments for the navy, and with the figures for the air force not quite complete for May.

Mr. HANSON (York-Sunbury): Has the minister worked out the figures relative to Canada's population then and now?

Mr. THORSON: I would ask my hon. friend not to interrupt in view of the limited time at my disposal.

May I also say that up to the present time at the end of the thirty-third month of the war, the number of voluntary enlistments in all our armed forces, exceeds the total of all voluntary enlistments in the last war, and in addition we have raised 56,000 men for home defence in the same period of time.

We believe in the system of voluntary enlistments. As the house knows, it is one of the duties of the Department of National War Services to call men for military training for four months and subsequent service in the Canadian army in Canada for the duration of the war in accordance with requisitions coming from the Department of National Defence. Up to the present time only single men or widowers up to the age of thirty years without child or children have been called. The June call reveals that this class of men is close to full mobilization and that no very substantial number of men will be available from these age groups for any kind of military service, unless inroads are made upon the man-power requirements of war industry, or of agriculture, or of other essential national services.

The Department of National Defence has announced that 15,000 men will be required to report to training centres in the month of July. It will not be possible to raise these men and comply with that requisition without a new proclamation calling up additional men. Authority has therefore been given for the issue of such a proclamation. This afternoon I tabled a copy of the order in council providing for the issue of a new proclamation calling out single men, and widowers without child or children up to the age of thirty-five years.

As a matter of fact, Mr. Speaker, we are much closer to the total mobilization of our man-power resources than most persons in Canada imagine. Over 505,000 men have enlisted voluntarily for service overseas in our armed forces. In addition, we have raised over 56,000 men for active service in Canada for the duration of the war. Over 800,000 persons are engaged in war industry and about 1,350,000 men are engaged in agriculture.

We are approaching the time when no more single men or widowers without children will be available for service with the armed forces, whether for home defence or overseas, unless we take them from war industry or agriculture or some other essential national activities. When we reach the limits of the single men and widowers now subject to proclamation, we shall have to give consideration to calling up men of other ages, both above and below the ages now subject to proclamation. We may also have to give consideration to the calling of married men.

The supply of man-power in Canada is not unlimited. For the last year we have added approximately 20,000 men a month to our armed forces. The Minister of Munitions and Supply (Mr. Howe) stated yesterday that since the beginning of the year, war industry had been adding 28,000 persons a month to war production. This monthly deduction of persons from the production of the nation cannot continue indefinitely, for the supply of man-power is definitely limited.

When we reach the full state of complete mobilization of man-power for all the purposes of war, which will happen in the very near future, we shall then have to consider what, if any, changes may have to be made in our war programme. Should we, for example, increase our army overseas at the expense of essential war production, either of essential munitions of war or of essential food supplies? Will this make for an increase in the totality of our war effort? If it will, then the step should be taken; if it will not, the step should not be taken. Again I repeat that we must look at every step that we take from the point of view of maximum effectiveness of our war effort.

When we entered this war we did so in aid of the two great democracies, Britain and France. The indomitable spirit of Britain still lives; the spirit of France will revive. The character of the war has changed. This is a world war. This is not Britain's war alone. This is not a European war. This is a world war. This is Canada's war as well as that of the other united nations. This is the war of all free peoples and of all free nations. It is a world war for liberty for all the world.

We played an essential part in the dark days in the avoidance of collapse, but the avoidance of defeat is not enough, and Canada, as one of the united nations, must continue to make her full contribution to the cause of victory, as she has done in the past.

It is the duty of the government to keep constantly before its eyes the war objectives that I have outlined. It must not allow any portion of the war programme to be expanded at the expense of any other portion if the total war effort of the country is lessened thereby. It must face realities and not theories. It must not allow pressure on the part of anyone or any group to deflect it from the attainment of these objectives, by any controversy over any particular method, unless it is fully satisfied that such a method is the one that will most effectively bring our nation closer to a total war effort.

May I conclude with a plea for national unity and with a plea for the united effort of all Canadians and a sympathetic understanding by all Canadians of the points of view of all other Canadians. This is no time for needless controversy.

We can be proud of our Canadian war effort thus far, and though much remains to be done, we are getting closer day by day to the attainment of that total war effort to which our country pledged itself.

After this war is over, Canada should be the greatest of the smaller nations of the world. That can happen only if the cause of freedom and liberty throughout the world is saved. In the last war Canadians responded to the call of duty and Canada held a high place among the nations of the world. I am confident that when this war is over, Canada will hold an equally high place among the nations of the world, with pride in her soldiers both at home and overseas, with pride in her sailors, with pride in her airmen, in her munitions workers and agricultural producers and in all the men and women engaged in the countless activities made necessary by the total war effort, with a feeling of duty well done, freely and voluntarily done, with only such a minimum of compulsion as may be necessary, so that Canadians may be able to hold their heads high and say to all the world: "Canada entered this war as a nation of free men and free women, of her own free will, and Canada played her full part in the struggle for freedom and liberty not only for herself but for all the world. Canada took her full share in the war for humanity."

Mr. J. SASSEVILLE ROY (Gaspé) (Translation): Mr. Speaker, on the 11th of June, 1917, legislation was introduced in this house for the purpose of conscripting men for military service overseas. On June 10, 1942, lacking but one day for an interval of exactly twenty-five years, a second measure purporting to establish conscription of men for military service in any theatre of war was introduced in this same house.

Whether it was the irony of fate or a measure of justice it belonged to a Liberal Prime Minister to present this compulsory legislation as if to commemorate the anniversary and to celebrate what can rightly be termed the silver jubilee of conscription.

In his speech on June 11 last, the former minister of Public Works (Mr. Cardin) made the following remarks:

> Listening yesterday to the able and well prepared speech of the Prime Minister (Mr. Mackenzie King), and also to the prepared speech of the Leader of the Opposition (Mr. Hanson), and closing my eyes I could call to memory the words and arguments presented in parliament in 1917 when Sir Robert Borden and Mr. Meighen presented legislation for conscription. There was no difference. The same arguments that I heard in 1917 have been presented in this house by the Prime Minister and by the Leader of the Opposition. No difference—no change!

And later, in the same speech, on the following page of *Hansard*, you have the hon. member putting the following words in the mouth of a French-Canadian Conservative candidate in the province of Quebec taking part in a by-election prior to the conscription measure:

"You see, gentlemen, in what position you are placed. You have the guarantee of the Prime Minister of to-day. . . .

who, at that time, was Sir Robert Borden.

. . . "that you are not going to have conscription from the Conservative party. Beware," said he, "lest you might have conscription from the Liberal party if you turn your back on Sir Robert Borden at the present time."

No, Mr. Speaker, there is no difference. Such utterances have been made by Liberal speakers in the 1940 election and on the occasion of the plebiscite. The same bugbear was trotted out all over the province of Quebec where the people were told that if they did not support the Liberals, conscription would be enforced by their political opponents. No, there is no difference, the same talk is being heard. The same parts are being played again. But a slight difference might perhaps be found in the fact that, this time, the actors are recruited among the supporters of the party which was opposing and criticizing those who enacted the 1917 drama. In 1917, the cabinet resigned rather than accept conscription; in 1942, a minister resigns for the same reason. In 1917, all French-Canadian members, save a few, proposed an amendment and voted against conscription. This year, the French-Canadian Liberal members, save for a small group, are preparing to vote against the measure. No, there is no difference. It was fitting that the opening speech in the celebration of the conscription jubilee should be delivered by the Prime Minister (Mr. Mackenzie King). I wish to quote the following excerpt from his remarks:

This demand for conscription in Canada has been made right along and continues to be made, notwithstanding the fact that, for all Canada, conscription has been the law of the land since June 21, 1940, and that, under the special powers conferred upon the governor in council by the National Resources Mobilization Act, compulsory military training, in other words "conscription", has been in operation since October, 1940, and compulsory service, for the duration of the war, since February, 1941.

That passage appears at page 3226.

I find this further statement at page 3243:

I doubt if any of us begin to realize how grave the responsibility has become of determining the disposition of the country's armed forces, as a consequence of the changed conditions resulting from the entry of Japan into the war. Immediate danger no longer threatens Canada only from the east. It threatens equally from the west. Let that danger assume formidable proportions, and I ask what will be said of a government, or for that matter, of a parliament, or of a press, that continues to look only across the Atlantic to one enemy against which this country has to be protected, and fails to recognize that the strategy of the combined enemy forces may well involve an attack at any moment from across the Pacific.

[Mr. Roy.]

Toward the end of his speech the Prime Minister further said:

But if conscription is ever needed for Canada's sake and for Canada's future, I will not oppose its application.

Those are the facts, Mr. Speaker, which we must keep in mind during this debate. The Prime Minister is both for and against conscription. He sees arguments which may lead him never to enforce such a measure. The cabinet has been actively represented in this discussion by no less than five ministers, I believe, and all of them have taken the same stand. They are absolutely against conscription. They seem to say: "I would not be surprised to hear this bit of sophistry one of these days: We are against the draft and if we enforce it, it is only to spare you from having it enforced by the conscriptionists."

I return now to the magnificent speech delivered in this house by the former Minister of Public Works, whom I congratulate on his eloquence. To us, French Canadians, he has all the characteristics that set apart the French orator, the orator of French culture, which are ever to us, French Canadians, a motive of pride and satisfaction. However, I wish to review a few passages of his address. On page 3276 of *Hansard,* one may read:

"According to the needs of the situation we will adopt a policy—later on". That is what the Prime Minister said on February 25 last. "Later on, when the need is apparent, when the necessity is clear to everyone, in the light of the information that will be given to us by the military authorities, the government will take its stand and will come before parliament with the reasons that justify the stand taken by the government." "Later on", has become to-day.

When I am told I used the wrong expression in my letter of resignation in saying that a new policy had been adopted, I am justified, I claim, in saying that this is a new policy.

The Prime Minister is perfectly right in saying that the hon. member used a wrong expression. He has not adopted a new policy; his attitude is marked by constant evolution. Had the hon. Minister of Public Works been in the shoes of the electors of his province, he would have known, long ago, the value of pledges made by the Liberal party, and he would also be at a loss to interpret them. He would not have been fooled by such vague statements, by promises as ambiguous as those uttered in this house and later on credited to the Prime Minister. "Later on", this expression does not apply to any definite period of time. To-day is later on with regard to the day of the plebiscite.

The hon. member for Richelieu-Verchères added:

Yes; we have been released from pledges by those to whom the pledges had no meaning at all and no effect on the election.

However, Mr. Speaker, this condition, now realized by the hon. member could be anticipated; others have foreseen it. During the plebiscite debate, in February last, I spoke as follows at page 653:

These are the ghastly straits into which the Liberal party's opportunism has enticed the Canadian nation by promises and pledges from which it now requests a release. Before imposing conscription on Quebec, we shall grant it a plebiscite. As the government will not be released from its promises and commitments regarding conscription by Quebec, but rather by the other provinces, this, in itself, evidences the opportunism and trickery of the Liberal party.

And then, as recorded on page 654 of *Hansard* of February 17, 1942, I added:

It would be useless to speak against conscription and then vote for the adoption of the speech from the throne announcing the holding of a plebiscite to grant the government the freedom they wish for imposing conscription when they please. We should fear, if this threat ever becomes a reality, to be accused of complicity and hypocrisy.

That is what I then stated, and that is what the whole Canadian people thought about the holding of a plebiscite. On the one hand, those who were favouring conscription supported the plebiscite because they considered that it would enable the government to enforce conscription, and on the other hand, the province of Quebec opposed that plebiscite because it recognized also that this was the last barrier. The right hon. the Prime Minister told the house in his speech of January 26, last, that he was going to proceed by stages, and we have now reached the final stage. I was quite surprised to hear the former minister of Public Works (Mr. Cardin) state that he had found out too late that those vague promises meant nothing. He, along with the right hon. members, told the people they would support this measure, because they had confidence in their leader, and were Liberals. But why such an unbounded confidence in the Prime Minister? He should long since have known the meaning of promises that were always vague and indefinite.

Mr. DENIS: Was not the hon. member also taken in by the Conservatives?

Mr. LALONDE: He will not admit it.

Mr. ROY: I would ask the hon. member not to interrupt.

A little further on, the hon. member for Chambly-Verchères had this to say:

But we have never been able, even to this moment, to know definitely how many French Canadians have enlisted in English-speaking regiments. A member of the administration of 1917, after he was out of politics, complained that even in his day, in 1917 and subsequently, he could never get information as to the number of French Canadians who had enlisted in so-called English-speaking regiments. We cannot get that information. We have never been able to get it; and when you start to compare the enlistments in other sections of Canada with the enlistments in the province of Quebec, you should be sure of your figures. We cannot get them. There are many factors that have to be taken into consideration before condemning the population of the province of Quebec or before we sustain the censure of certain military men who are mixing in politics instead of fulfilling their duties. This is a point that needs to be emphasized, and the point upon which many details should be obtained and given before condemnation is passed on the race which was the first established on the land of Canada.

Now that the former minister of Public Works has left the government, he is protesting against the unjust treatment meted out to French Canadians; there also, others have anticipated him while he was a member of the government and stood—as he himself likes to put it—as the representative of all his fellow citizens in Quebec.

An hon. MEMBER: He is.

Mr. ROY: To my knowledge, the hon. member for Témiscouata (Mr. Pouliot) has twice brought up the question during the last two years. Why then did the former Minister of Public Works not have this anomaly removed, why, Mr. Speaker, did he not do away with these injustices?

Further on in the course of his speech, the hon. member, discussing in a general way the conscription of men for home defence, criticized the present method of enforcing this measure. Yet at the time, Mr. Speaker, we too had opposed this legislation. I had stated that I was ready to accept the principle involved, and I also declared that it was the first step toward conscription for service in any theatre of war. This has now come to pass. The former Minister of Public Works claims to be surprised at the present trend of events. The mobilization of Canadian man-power, that alleged conscription for the defence of the country, was just so much bluff. There was less real danger, there was less need to prepare the defence of Canada in 1940 than there is to-day when the enemy is invading North American territory, invading Alaska our neighbour to the north. That there was less danger at that time, the following fact amply proves: After our youth had been drafted into the army, they were victimized in every way until they consented to join the active force and serve overseas.

The house will recall that the hon. member for Royal (Mr. Brooks) who, at present, is an officer, a lieutenant-colonel in the army, I believe, and who is stationed at a training camp, has proffered this charge in this very house. He stated, on that occasion, that all the means by which trainees were forced to enlist for overseas service were disgraceful. I quote his own words: "They are even submitted to the third degree." Forty-five per cent of them have yielded to this pressure and have enlisted as volunteers. As for the others, the 1940 act is hastily amended, in order to send them overseas also, although there is greater need for them in Canada now than in 1940. Consequently, they were not drafted for the defence of Canada.

All that was taking place while the former Minister of Public Works represented his people in the cabinet, while he was a member of the government. No excuse will hold to-day, Mr. Speaker; it is too late to complain. No one can take seriously the excuses that his tardy repentance suggest to him.

The former Minister of Public Works further states:

> No wonder that we did not then get the response that I myself expected; although I may say I participated in that campaign at the risk of my own life.

However, the press is astonished that the hon. member did not state the exact nature of the risks he had to face. We know that the former Minister of Public Works was seriously ill some short time ago.

Mr. BRADETTE: The reason is sufficient.

Mr. ROY: And that a strong constitution alone made his recovery possible, but we also know that at the end of January or the beginning of February, the former minister of Public Works was again in harness.

Mr. LALONDE: He was and is still a sick man.

Mr. ROY: When he took the floor on April 25 last, he was perfectly able to speak. In any case, he has offered no explanation. This statement, however, is an admission that he made serious efforts to obtain a different answer to that given by Quebec. Here is another excerpt from his speech.

> You want to respect that vote; you want to say, "I am going to obey the will of these people and vote according to their wishes"; so why do you deny me the same privilege of respecting the will of the population of my province, after I have done all I could to have them see the question otherwise?

Such are the facts, Mr. Speaker. We are perfectly justified in concluding that, had the hon. member for Richelieu-Verchères obtained a different answer from his constituents, had their answer been in the affirmative, he would still be a member of the government.

Mr. LALONDE: I raise a point of order. The rules of the house forbid imputing motives to an hon. member. The hon. member for Gaspé, under pretext of giving a fictional interpretation of his colleague's words, is imputing motives.

Mr. LACOMBE: On another point of order. The hon. member for Labelle (Mr. Lalonde) is now imputing fantastic motives to the hon. member for Gaspé. In order to keep the record straight, I would ask that the hon. member withdraw his last words, as they are entirely out of order.

Mr. DEPUTY SPEAKER: Does any hon. member wish to speak on the point of order?

Mr. LACOMBE: I wish to point out to the hon. Liberal member for Labelle that he is caught in his own trap. He has just imputed fantastic motives to the hon. member for Gaspé and I would ask him—

Mr. LALONDE: I am surprised to see the hon. member for Gaspé call the leader of the Canadian party to his help.

Mr. DEPUTY SPEAKER: The rules of the house are quite clear. In his Parliamentary Rules and Forms, Beauchesne, quoting May, says in rule 297 that it is absolutely out of order to impute to any hon. member of the house dishonourable or false motives or bad intentions. I would ask the hon. member from Gaspé to withdraw his last words, because he is clearly imputing reprehensible motives to the hon. member from Richelieu-Verchères.

Mr. ROY: I will substitute the following words—

Mr. DEPUTY SPEAKER: The hon. member must first of all withdraw the words objected to.

Mr. ROY: I withdraw them.

Mr. BRADETTE: That is something.

Mr. ROY: I wonder what would have happened if the electors of the ex-Minister of Public Works had answered yes to the question put at the time of the plebiscite.

He might not have made that final concession which he himself has termed a treachery, that is the concession of accepting conscription for military service in all theatres of war. It may be that he would not have made it, but great doubt still exists as to what might have happened. The former Minister of Public Works has acknowledged that he has

made one concession after another. We have agreed in 1939, he said, we have again agreed in 1940, we have accepted the plebiscite, we have made every possible concession in order to maintain national unity, as the Liberal party conceives it. It should be called liberal unity. Everyone will admit that one principle of the Liberal party is that things should never be called by their true names, that things should never be shown in their true light. Never—

Mr. DEPUTY SPEAKER: The hon. member is dealing with remarks made by the hon. member for Richelieu-Verchères. He says that the hon. members who belong to the Liberal party are in the habit of never calling things by their true names. This also is against the rules of this house. It is said at page 100 of Beauchesne's Parliamentary Rules and Forms:

. . . to impute want of straightforwardness or courage to him . . .

The remarks of the hon. member imply that the statements of the hon. member for Richelieu-Verchères lack frankness and straightforwardness, and I believe the hon. member should withdraw these remarks.

Mr. ROY: Mr. Speaker, I have imputed no motives, I have named no hon. member—

Mr. LALONDE: On a point of order. You have given your ruling, Mr. Speaker. I call upon the hon. member to withdraw his remarks.

Mr. LACOMBE: On the point of order—

Mr. DEPUTY SPEAKER: Order. I have given my ruling. I say that the hon. member for Gaspé must withdraw his remarks.

Mr. LACOMBE: Mr. Speaker, I respectfully submit that the hon. member for Labelle has raised a point of order.

Mr. ROY: Mr. Speaker, I withdraw that expression.

Mr. LALONDE: Very well, thank you.

Mr. ROY: Mr. Speaker, I withdraw this statement. It is a recognized fact that, to follow the Liberal tradition, things are never represented in their proper light. Well, in the name of national unity, concessions were made and it is claimed that they were made in the name of French Canada, if I remember correctly the utterances of hon. members. Never would French Canada have subscribed to concessions in the matter of the sacred rights conferred by pledges made to us and of the privileges guaranteed by them, for these pledges and privileges have been earned by our ancestors, in 1787, 1812 and 1849, as well as by our glorious volunteers of Vimy, Mons, Amiens, et cetera, during the war of 1914 to 1918, and they continue to be earned by our heroic young men, Robillard, Morin and others. The French Canadians would never have made such concessions, which were not to their own advantage, but solely to the benefit of the Liberal party. These concessions were made in order to retain power and the advantages that go with it.

Mr. LALONDE: Seek power for your own sake, but you will never attain to it.

An hon. MEMBER: He is absolutely alone.

Mr. LACOMBE: And soon, you will be out of office.

Mr. ROY: The facts must be set in their true light so that history may record them faithfully. The hon. member for Richelieu-Verchères, in the course of his speech, has made this further statement:

The people of Quebec, the minority in Canada, as I have said, have no reason to be ashamed of the attitude its members are taking. So far as I am concerned I have a quiet conscience as a result of the course I have taken in resigning the two portfolios which the Prime Minister was kind enough to bestow on me. . . .

If we refer to another statement made over the radio on April 24 last by the ex-Minister of Public Works, we may well wonder if the minister has enhanced or lowered his prestige in turning against the members who campaigned against a yes vote during the plebiscite.

Here is what I find in *Le Canada* of Saturday, April 25, 1942:

Address delivered last night, April 24, over the C.B.C. network, on the plebiscite.

Strife was stirred in the province of Quebec, in order to oust Laurier from power! How many statements of so-called independence, self-seeking denunciations from political partisans, accusations of weakness and treason, appeals to prejudice, did we hear at the time? It was exactly the same as to-day, except that the leaders of the movement were then more eminent and better endowed.

A few of the so-called saviours of that time are still to be found in to-day's agitation. They are a little older, but they seem to have learned nothing, no doubt because they did not suffer from what they helped to create. Those agitators said that Laurier had turned coward and traitor; that he wanted power at all cost and that he was sold to England.

Everyone knows at whom this pun is directed, for he is none other than Mr. Henri Bourassa, of Montreal. Mr. Bourassa has certainly no lessons to receive from the former Minister of Public Works—

An hon. MEMBER: Nor from you.

Mr. ROY: —because of the well-known purity and constancy of his patriotism. This

clear-sighted gentleman has no lessons to receive from the hon. member for Richelieu-Verchères who, toward the end of his life, is beginning to learn what Mr. Bourassa knew long ago. The hon. member for Richelieu-Verchères now advances the very arguments used by Mr. Bourassa in 1911. The latter never made any concessions nor did he ever change his policy. He never had to explain his stand, nor to complain that he had been misled, that he had let himself be led into error. Wherever he spoke, be it in Ottawa, in Quebec, in Toronto or at the Eucharistic congress in 1910, he always propounded the same arguments. Never did he allow his patriotism to change or falter because of political considerations or a lust for power.

Mr. LALONDE: He has changed in his old age.

Mr. ROY: The former Minister of Public Works has nothing to teach that great Canadian patriot, who never compromised. Mr. Bourassa would never have allowed anyone to lay hands on that precious national asset I mentioned a moment ago, which was granted to us by fair and generous-hearted Englishmen such as were the McNabbs, the Macdonalds, the Baldwins, and such as would have been the present Prime Minister had he not gone back on his policy of 1939. This national asset we hold from such men as we find in this great race, when there are no Shields to stir up passions, religious and racial prejudices, or deter them from their natural straightforwardness and common-sense through all kinds of deceptive and erroneous statements, and when there is no exploitation of prejudices by fanatics or gain by an infamous international finance which, at the moment, is standing at the keyboard of the infernal carillon whose sinister echoes blend with smoking ruins and blood-soaked battle fields.

He certainly would not have made any such concessions, and perhaps we would not find ourselves faced with the critical situation which endures to-day.

Mr. Bourassa has certainly no need of me to defend him, but we, his juniors, wish to seek inspiration from his life of devotion, and we know that the seed he has sown will produce better results than that which the former Minister of Public Works and the Liberal party as a whole are reaping to-day. These attacks against him, whatever their source, deeply wound us, and that is why I protest. And as for that great orator of past campaigns —1917, 1921, 1925, 1926, that is every one of them including the plebiscite campaign—in vain would we seek in the sound of his voice sufficient emotion, strong enough pathos to inspire belief in his sincerity, in his ability to stir up once more—

Mr. DEPUTY SPEAKER: Order. The hon. member may not contest the sincerity of an hon. member of this house. When he contests that of the hon. member for Chambly-Verchères he is out of order. I call this once more to his attention in order that he may avoid a repetition of the same mistake.

Mr. ROY: I take back the word "sincerity." I rather meant to say that "he will not convince me that the flower of hope will ever bloom again on the remains of the political massacre which we are witnessing to-day." We shall be guided by other voices and inspired, we of the young generation, by other principles. We shall forever banish these electoral methods based on misleading promises, prejudices and expedients. Our doctrine, the fundamental points of our programme, will take their inspiration from Christian social justice and ethics and will have for cornerstones the family, the basic industries and the respect for others. This is how we are going to organize our national economic and social life and I hope that it will give better results and that peace and prosperity will flourish in this country. Mr. Speaker, I know that I have given more time than I intended to these considerations, before proposing the following amendment—

Mr. DEPUTY SPEAKER: I must draw the attention of the hon. member to the fact that he has exceeded his time by two minutes and a half.

Mr. ROY: I have been delayed by calls to order and I think I should be allowed a few minutes in order to submit the amendment I have in mind.

Mr. DEPUTY SPEAKER: I have to go by what the Clerk tells me. The hon. member has spoken for forty-two minutes.

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Notwithstanding the vote of April 27 last, the government is still bound by its previous commitments never to impose conscription. The result of the plebiscite is not conclusive, because the Prime Minister (Mr. Mackenzie King) and his colleagues asserted time and time again over the stations of the Canadian Broadcasting Corporation that it was not a matter of voting for or against conscription. What were the means employed to obtain a "yes" vote? There was a complete mobilization of the facilities of the Canadian Broadcasting Corporation, which were placed at the service of the proponents

of a "yes" vote. With very few exceptions, all the newspapers of the country were in favour of the government and supported those who requested a "yes" vote. Why were we unjustly refused the use of the facilities of the Canadian Broadcasting Corporation? Certainly it was not in the name of liberty, justice and right for which our soldiers, airmen and seamen are sacrificing their lives. It was done in order to favour party interests. All available means were used, and the population of the country was shamefully deprived of its sacred right to free and honest debate.

From personal experience I know that otherwise the result of the plebiscite would have been different from what the protagonists of the "yes" vote desired. The government is misled if it thinks that it is now freed from its solemn pledges. A small group of busybodies induced the government to hold this plebiscite to the detriment of national unity.

I know that many hon. members do not share my views concerning the best way of defending Canada, but at least they have to admit that I never hit my opponents in the back, not even on the side. I always attack from the front, as I do now by asserting that the result of the plebiscite is not at all conclusive and the government is still bound by its sacred commitments. Therefore the government should be careful not to enter upon the long road which leads to danger. It should pay no heed to the pernicious advice of those who in the name of liberty are ready to sacrifice liberty itself. Let it not trust those who, supposedly to defend democracy, would ruin and disorganize the defence of Canada. Let it repudiate as enemies of this country those overexcited persons who in their enthusiasm are determined to sacrifice our last man and our last cent in this great adventure far away from our first line of defence, which must remain here on our very shores. Let it always bear in mind that the first duty of Canadians is toward their country, whose defences must be organized before all.

There is great danger from political cancers. It is only recently that a certain man held a prominent diplomatic post. Why does Mr. Herridge refer to the province of Quebec as a cancer attached to the north American continent? Like everyone else he knows that Quebec is loyal and faithful to His Majesty the King. Our province is fulfilling its duty in connection with Canada's war effort. Thousands and thousands of its sons have enlisted voluntarily, and all victory loan campaigns have been oversubscribed. What was the first Canadian regiment to complete its establishment for overseas service? It was Le Regiment Maisonneuve, which was raised in Quebec and made up of Quebec soldiers. There are many other compatriots in the army, the air force and the navy who answered spontaneously the call to the colours.

If ever Canada is attacked—and God forbid that it ever is—they will rush with all true Canadians to the defence of their country. They will dispute every inch of ground against the enemy. Our compatriots of English, Scotch, Irish and other extractions will then see a revival of national unity. Despite what may be said about it, national unity is not dead in Canada. It is only the defeatists and fifth columnists who claim it is. If it is necessary to defend Canadian territory, the whole population of this country will claim the supreme right of fighting the invader.

Let us examine the means employed by the government to obtain a "yes" vote. On March 24 last the Prime Minister asserted in this chamber that farmers, farmers' sons and farm hands would be exempted from compulsory military training. For many months and many years I had never ceased requesting this exemption, and on the same day I told the government how grateful and satisfied I was over the measure. I cannot express how surprised I was when I returned to my riding and became aware that the registrar was following his previous practice and calling up farmers and even the only sons of farmers whose occupation had always been farming. I could give to this house a long list of young farmers who have been called to the colours, such as the Guindons from St. Augustin, the Lauzons, the Ethiers, the Filiatreaults from Ste. Monique, the Gauthiers, the Godards from St. Eustache, the Pages from St. Hermas. The complete list would be much too long.

The reaction of the agricultural population which believed the word of the Prime Minister was quite widespread. It was even more so when the Minister of Labour (Mr. Mitchell) and the Minister of National War Services (Mr. Thorson) stated subsequently that farmers and farmers' sons would be still liable to military service and compulsory training, except that they would have the privilege of asking for a postponement of training. How do you explain, Mr. Speaker, those statements, so formal and explicit, made by the Prime Minister upon such a capital question and then contradicted a few days after by his colleagues in the cabinet? From these contradictory statements part of the rural population quite naturally concluded that farmers and farmers' sons and farm hands were not exempt from compulsory military training, while others remained confident that they were.

As I said a while ago, if we had not been denied the facilities of the Canadian Broadcasting Corporation during the campaign on the plebiscite we could have enlightened the population of the whole country upon such a far-reaching matter as the flagrant contradiction between the statements of the Prime Minister and those of his colleagues. But it does not seem that the owners of radio receiving sets, who pay the government a high fee for their licence, as well as tremendous taxes, are entitled to know the truth. The Canadian population which sacrifices its sons and its income for the war was denied the right to hear the truth. The Canadian party was refused the facilities of the Canadian Broadcasting Corporation, and you will see on what a poor pretext, Mr. Speaker, when I read this letter which the Prime Minister wrote to me on April 13, 1942:

Office of the Prime Minister
Canada

Ottawa, April 13, 1942.

Liguori Lacombe, Esq., M.P.,
Ste. Scholastique,
Quebec.

Dear Mr. Lacombe:

I wish to acknowledge your letter of April the 10th regarding the use of the radio in the plebiscite campaign.

As you are, of course, aware, the government has no authority to give orders to the Canadian Broadcasting Corporation. The policy worked out by arrangement with the corporation is set out in the statement given to the press yesterday by the Hon. W. P. Mulock which reads as follows:

"My attention has been drawn to a report in the press of to-day under the heading, 'Three Members to give addresses on Plebiscite,' and as acting Secretary of State, I wish to correct this statement immediately.

"The use of the Canadian Broadcasting Corporation's English and French networks, in dealing with the plebiscite, is restricted to use by the Prime Minister, members of the cabinet and the leaders of the recognized parties in the House of Commons.

"They are given free time similar to that received in election campaigns and are speaking by reason of the positions they hold and not by reason of the fact they are advocating a 'yes' or 'no' answer to the question.

"Any private members or other persons who desire to speak, provided they comply with the necessary regulations and either pay for the time themselves or have it donated to them, can, of course, speak from a local privately-owned broadcasting station."

The Prime Minister's letter continues:

The question as to whether a party is recognized from the point of view of broadcasting, I understand, is one which is settled according to a formula worked out by the Canadian Broadcasting Corporation in consultation with all the political parties prior to the last general election.

Yours sincerely,

W. L. Mackenzie King.

[Mr. Lacombe.]

The night before I had received the following telegram from the director of the Canadian Broadcasting Corporation, Mr. Augustin Frigon:

Montreal, Quebec, April 11, 1942.

I am not authorized to rent stations or network of the Canadian Broadcasting Corporation to anyone or to loan others the networks indicated to me. The instructions I have received are explicit and final. You may use private stations.

Augustin Frigon.

Where is the truth, Mr. Speaker? Is it in the Prime Minister's letter or in the telegram sent to me by Mr. Augustin Frigon, a director of the Canadian Broadcasting Corporation? Mr. Frigon states that his instructions are formal and definite. Who gave him those instructions? One sentence in the Prime Minister's letter will provide the answer:

The question as to whether a party is recognized from the point of view of broadcasting, I understand, is one which is settled according to a formula worked out by the Canadian Broadcasting Corporation in consultation with all the political parties prior to the last general election.

That is nothing but a cynical joke. And so the various political parties united in violation of their solemn pledges and sacred commitments to deny the use of the Canadian Broadcasting Corporation's facilities to the Canadian party and its founder. Where are now these political parties which existed prior to the last general election? Where is the official opposition in this house, the so-called National government candidates in the election of the 26th of March, 1940? Where is the Social Credit party, now the New Democracy? Where is the Cooperative Commonwealth Federation party since the loss of its distinguished leader, the late Mr. Woodsworth? Where are the other parties?

Mr. LALONDE: Where is the Canadian party?

Mr. LACOMBE: Yes, the Canadian party, my dear friend. I ask you, where is the Liberal party?

Mr. LALONDE: Right here.

Mr. LACOMBE: It is merged forever with the Conservative opposition, and you know it. It is merged with all the parties who advocated a "yes" answer in the plebiscite vote. Union government? Why create one? We have one right now, and it is more united than ever. The Conservative opposition, the Cooperative Commonwealth Federation party, the Social Credit party or the New Democracy, and the government itself, said so to the Canadian people during the plebiscite campaign. Let them pull together, and in these sacred and

inviolate precincts let everything continue to run as smoothly as in the past. But let these gentlemen forgo their dictatorial methods with the Canadian Broadcasting Corporation. The Canadian people are tired of hearing over the Canadian Broadcasting Corporation's network synopses of speeches delivered by the pro-nazi Laval, and the proclamation of the fifty-third anniversary of Hitler. The people of Canada sincerely hoped for a free and honest debate during the plebiscite campaign but they were deprived of it by the dictatorship of the "yes" people. This situation cannot continue in a country which is fighting to save whatever good elements are still left in democracy.

The Canadian party, which secured a considerable number of votes in the last two by-elections, when it had two candidates, was denied the use of the Canadian Broadcasting Corporation's facilities, while a second party, which had only one candidate, and a third party with no candidate at all in the four last by-elections, were both given free time over the corporation's network, the upkeep and maintenance of which are paid for by every one of us. This tragic joke has lasted long enough. In the name of the Canadian party I request that the government recognize our rights and give us that equitable treatment to which we are entitled, which we have a right to expect from the authorities. Let the government respect the clear and specific mandate it received from the people of Canada in the general election of March 26, 1940. The obscure plebiscite campaign, with its obscure result from the vote of April 27, cannot be substituted for the vote given to members of this house, whose mandates remain the same, no matter what anyone may think. The government is still bound by all its commitments to the people of the country. The result of the plebiscite campaign most certainly cannot repeal such a mandate, and that is why I ask the government to abide by the almost unanimous mandate it received from the Canadian people on March 26, 1940.

The government must remain faithful both to the object and to the results of this mandate. Let us maintain the previous position which we adopted in accordance with the clearly expressed wishes of the people of Canada. I assert that the government, in order to grant all possible freedom to the Canadian voters during the plebiscite, should have ordered a revision of the electoral lists, as we requested in this house. I know of many voters whose names were omitted by the enumerators and who refrained from voting—why? Because they felt reluctant, particularly in the rural districts where they are well known, to ask friends to identify them. Moreover, why did the government refuse to print bilingual ballots? Why did they not grant the right to vote to young men from eighteen to twenty-one years of age, as I requested several times in this house? The "yes" vote had to be secured, no matter at what cost, even against the most elementary principles of justice, against the rights of the people of Canada and of our young men who are generously and heroically shedding their blood. In these extremely serious times, just as in any other time, no power on earth can disfranchise our voters without laying itself open to the disapproval and contempt of the whole country. During this plebiscite, which henceforth will be famous, our good people, in the very studios of the Canadian Broadcasting Corporation, which they own, and can demand that they use in order to enlighten the voters on political problems, were the victims of a radio racket set up by the government and the opposition party, whom the people had honoured with a very explicit mandate. The first duty of the government was to allow the opponents of the "yes" vote to use the facilities of the Canadian Broadcasting Corporation. The government did not do so, and in the eyes of the Canadian people they will bear forever the responsibility for their action.

The day is not so remote when the great majority of the citizens of Canada will free themselves from trusts of all kinds, from the extreme inequalities of wealth, from the war profiteers of the country, from electoral moneylenders and from commissions such as the Canadian Broadcasting Corporation, whose servile officials ursurp the functions of the people's representatives. Such a democracy is worse than dictatorship. What an ugly reversal of policy on the part of a government which formerly was so democratic! What detestable methods, worthy of Hitler, which deny to the people of the country the exercise of a sacred right, that of knowing the truth!

During my whole life, and many times in this house, I have condemned conscription for overseas service, and no one can tell me that I am reversing my political beliefs. My stand on this capital question has always been firm, clear and precise. It remains so. Fighting incessantly for an exclusively Canadian policy, I request that the government organize the defence of Canada before all. Once more I beseech the government to exempt farmers,

farmers' sons and farm hands before starvation sets in in our army, among our civilian population and in our dear country. I implore them to cease tearing away from their farms young farmers who own their lands, using brute strength to do so, as happened at Sainte Monique and Saint Augustin, in Two-Mountains, during the night of the 9th of June. Is that the exemption promised by the Prime Minister on March 24 last?

If we adopt such a measure as this we shall give to the government and the opposition a free hand to destroy at a single stroke the work of Laurier, who devoted his long and brave career to the welfare of the country, and who at the end of that career fought with the energy of a lion the conscription act introduced by Borden in 1917. If we adopt such a measure we shall be taking an active part in insulting by means of this conscription issue the memory of that great Canadian. If we reject this amendment the nine provinces of the dominion will be given an opportunity to respect once more the illustrious name of Laurier. If we reject this amendment we will save in our dear country the national unity symbolized in our local cemetery by Laurier's glorious tombstone.

Mr. Speaker, we have many good reasons to fight this bill. Would we leave the protection of our sons against conscription in the hands of the present government, which has just rejected the mandate which it received from the people of Canada on March 26, 1940? Would we commit our dearest possessions to the charge of a government that was elected upon a policy condemning formally conscription for service everywhere and at all times, and that is now ready to pass conscription? Personally I am determined to fight with all my strength this infamous measure which more than sixty thousand soldiers defending this country urge us not to adopt. In the name of more than one million, six hundred thousand Canadians from all parts of the country I am determined to fight with all my strength this pernicious amendment. Why? Because the freedom and sovereignty of this country, as expressed by the statute of Westminster, urge us to do so. Why? In order to do away once and for all with this deplorable colonial mentality which still persists in Canada. Why? In order to recall the government to the true meaning of facts, and remind it that Canada is still Canada, that our first line of defence is here and must remain here, on our own shores. Why? In order to tell the government that we refuse to migrate to Europe with the last shred of our homeland, the last cent of our public moneys, and the last son of Canada. Why? In order to protest against this project of raising en masse all our young men, all the inhabitants of Canada, all our natural resources, all our vital strength, unless it be for the defence of Canada. Why? Because we must, before all, organize the defence of our territory, because Canada is our country, our homeland, the only one we have, and because we are more than ever determined to defend it.

One last word. I listened with great interest to the speech delivered last week by the former Minister of Public Works and Transport (Mr. Cardin). This speech from the hon. member for Richelieu-Verchères would have been more practical and more effective if it had been delivered last February, during the debate on the dominion plebiscite bill. It is most unfortunate that such a piece of eloquence is given us at a moment when all hopes seem lost. How much more precious the intervention of the hon. member would have been for our province and our country if it had occurred when the government introduced its famous plebiscite bill! One might object that too late is better than never. To this I reply: Indeed, let us save what we can still save if, however, there is still something that can be saved. But I fear it is too late unless the hon. member for Richelieu-Verchères and his followers concur in the doctrine I have always advocated—an exclusively Canadian policy.

Mr. Speaker, can we accept a condition under which hon. members who never ceased to assert their anti-conscriptionist feelings still continue to sit beside the Prime Minister who is getting ready to raise all our vital strength, all our youth, all our sons, by repealing section 3 of the National Resources Mobilization Act, our last safeguard against conscription for overseas service? If my hon. colleagues are really against conscription, will they agree to be party to what the hon. member for Richelieu-Verchères termed with such energy "the treason of the Prime Minister"? Personally, I never played upon words or upon the future of my country. He who violates his pledges, plays upon words and imperils the future of his country. The speech delivered by the former Minister of Public Works and Transport is the solemn assertion that actual events are proving that I was right. Furthermore, because the Canadian party does not proclaim the doctrine of one man, of one class or of one race in particular, but that of one nation, I invite the hon. member for Richelieu-Verchères and his colleagues who share his views to join our ranks, in the next forty-eight hours, because afterwards it will be too late. Do not forget that.

Time presses. Hon. members may laugh. They will not laugh after the next general

election if they do not join the ranks of the Canadian party; be sure of that. The interest of Canada orders you, orders them to sever the last links which still bind them to this government which the former Minister of Public Works and Transport branded so thoroughly and which will carry to the eyes of future generations the responsibility of having deceived and betrayed the Canadian people who honoured this government with a confidence never before equalled in the political history of this country.

I have the honour to move, seconded by the hon. member for Gaspé (Mr. Roy):

That all the words after the word "that" in the principal motion be deleted and the following substituted therefor:

this house is of the opinion that the ministers and most of the members from "Quebec" do not have a mandate allowing them to modify the National Resources Mobilization Act of 1940; that the voluntary contribution of soldiers for overseas service is satisfactory because of the dangers which are now threatening Canada and of growing difficulties arising from shortage of labour for production of food and other war necessities; that it is essential to maintain national unity; also that if there is a compulsory measure, the survey of which may be necessary, it is not conscription of men for overseas service but rather compulsory mobilization of accumulated wealth for the purpose of lightening the burden of the cost of war that lies so heavily on those in the lower income brackets of society.

Mr. MACKENZIE (Vancouver Centre): Mr. Speaker, this amendment is obviously out of order. If you will refer to a motion moved by the hon. member for Vancouver East (Mr. MacInnis) on June 18, 1940, at that time it was ruled by Mr. Speaker that the motion, which was similar to the one now before the Chair, was a substantive motion which did not seek to amend the main motion. The amendment now moved by the hon. member for Laval-Two Mountains (Mr. Lacombe) does not seek to amend the main motion, and on that count alone is out of order. In the second place it mentions again the issue of the conscription of wealth, which has been twice disposed of in the judgment of this house during the present session of parliament. On that ground also it is definitely out of order.

Mr. DEPUTY SPEAKER: Does any other hon. member wish to speak to the point of order?

Mr. LACOMBE: I want to know first on what grounds the Minister of Pensions and National Health (Mr. Mackenzie) bases his point of order. I did not understand his objection, and I would ask him to repeat it.

Mr. MACKENZIE (Vancouver Centre): I shall be glad to do so. The only way in which my hon. friend could move such a resolution would be within the terms of citation 755 of Beauchesne. A motion similar to the present amendment was moved on June 18, 1940, and was ruled out of order by the Speaker, which ruling was sustained by the house, on the ground that it was a substantive motion and did not seek to amend the main motion. There is nothing in the resolution now moved by my hon. friend that seeks to amend in the slightest way the motion for the second reading of the bill now before the house. The second point is that my hon. friend mentions an issue already twice disposed of by the house during the present session, once as an amendment to the address in reply and once as an amendment to the plebiscite bill.

Mr. LACOMBE: I submit respectfully that the case mentioned by the minister absolutely does not apply in the present instance.

Mr. DEPUTY SPEAKER: If no other hon. member desires to speak, I shall give my ruling on the amendment. I find the amendment out of order because it covers a subject matter already discussed and dealt with earlier in the present session. Further, for the reasons suggested by the minister, namely, that it is a substantive motion, and that it anticipates possible amendments which may be made when the bill is in committee, I must also find this amendment out of order.

Mr. LACOMBE (Translation): Mr. Speaker, I regret I am obliged to appeal from your ruling.

Mr. DEPUTY SPEAKER: The hon. member being alone to appeal from my decision, his appeal fails.

Mr. J. A. BRADETTE (Cochrane): Mr. Speaker, although I have the honour to speak after the Canadian party has spoken, and after receiving an invitation to join that exclusive club, I do not anticipate that I shall belong to it in the near or even distant future. Anyone listening to the remarks of the hon. member who preceded me (Mr. Lacombe) will realize now more than ever before how hard it is to govern this country. It is a big contract in times of peace; it is a much bigger one in time of war, times like these when every nation in the world seems to experience a certain anxiety and a certain amount of nervousness. It also shows that no matter what a government may do, no matter what a prime minister may do to try to satisfy every section of our population, geographically, racially or religiously speaking, the thing is humanly impossible.

I make that statement now because I want to ask the house to act as the Canadian people generally act in times of crisis—to be indulgent, to study fully and try to realize the situation we are facing at the present time, not only as it relates to Canada but as it relates to the whole of the civilized world and to Christianity; to face it in a cool-headed way, so that whatever we decide here may be in the interests of the things we cherish the most. As we have seen in this house, it is absolutely impossible to bring in any policy relating to the present war which will satisfy all the parties here, including even the Liberal party itself. In his remarks the leader of the opposition (Mr. Hanson) came out immediately for a total war effort, with which we can all agree. That is one common ground on which the people of Canada are in full accord, namely the necessity for a total war effort in order that we may achieve the victory as soon as possible for the principles we cherish. But again the hon. gentleman brought to this house the bogy that was raised during the election of 1940, the suggestion of a union or national government, something which was severely rejected by the Canadian electorate at that time. Again the hon. gentleman made that appeal; and I have never doubted his sincerity for a single moment, even when he made that appeal. He did not name any of those he intended to have in his government, but I well remember that last session the talented young member for Lake Centre (Mr. Diefenbaker), during the course of one of his speeches, mentioned with fervour the name of a distinguished Canadian now in the British House of Lords, Lord Bennett, a man wonderfully gifted, who was at the head of this government during one of the most difficult periods in our history, the great depression. However, that fell flat, like a frozen pancake; it was not mentioned again in the newspapers or anywhere else, though this outstanding gentleman was mentioned as a possible member of that superman cabinet.

Who were the men the leader of the opposition had in mind? I know the first one who would go from this side of the house; it would be the Prime Minister of this country. So far as I am concerned I am going to stand by him through thick and thin, because he has done a wonderful job, in connection with Canada's war effort, in maintaining national unity. In making that statement I believe I am voicing the sentiment not only of my own constituents but also of the great majority of the Canadian people. The leader of the opposition received an answer to his suggestion only a few days after he made it, from Mr. J. M. Macdonnell, who is a potential leader of the Conservative party in Canada. Speaking before a Conservative business men's club at Toronto on June 11, 1942, Mr. Macdonnell is reported as follows:

> The party system, he said, was one of the chief institutions on which freedom depended. A national government, one which faced virtually no opposition, was an evil thing, the negation of all free institutions, and if it had to come it would have to be made as brief as possible.

That should settle the question of national government, or the so-called superman cabinet to run this country during the present period of stress. Again, to indicate how hard it is to please every section of this house, the Cooperative Commonwealth Federation group tried, during the course of this discussion, to sell us state socialism. By a well-worded document, well prepared and well delivered by their leader, the hon. member for Rosetown-Biggar (Mr. Coldwell) they repeated the old cliche of socialism. I do not for one moment doubt his sincerity, but I would ask some questions at this time, just to know exactly what is meant. Are they going to socialize industries only during war time, or for all time? Do they want to socialize the farms? An hon. member from western Canada asked them a few days ago if they were not going to socialize labour. One thing that has impressed me is this: They want to take —to confiscate, because that is the only proper expression—the savings of the Canadian people.

Mr. MacINNIS: Who said that?

Mr. BRADETTE: It was said in so many words.

Mr. MacINNIS: No, it was not "said in so many words".

Mr. BRADETTE: Yes, it was; and I will quote what was said.

Mr. MacINNIS: Confiscation was never mentioned.

Mr. BRADETTE: That is what it would amount to, after all. This is the platform of the Cooperative Commonwealth Federation:

> Compulsory interest-free loans, levied according to ability to contribute, as one of the means of war financing.

I can only say that my interpretation of that would be that it would give authority to the federal treasury to go out and confiscate at will, in whole or in part, the savings of the people.

Mr. MacINNIS: It is done in New Zealand now.

Mr. BRADETTE: Well, this is Canada. I am not worrying about New Zealand; I am worrying about our own people, the older ones and the younger ones, the people who want to put away a nest-egg of savings who still believe in thrift. But the Cooperative Commonwealth Federation would have the government take that money. They would put a premium on not saving a cent. The person who would not have the foresightedness to put away some savings would go scot free. They pat him on the head and say, "Oh, you are a good fellow; don't think of the future; we will do that for you. You are just going to let things go." If the people do save something, then this party will come along and attempt to force the hand of the government. They will say, "We are going to expropriate that money, against your will"—and there is no other interpretation to be placed upon it.

Mr. MacINNIS: Is that not what they are doing—taking the people's savings?

Mr. BRADETTE: No, there is a great difference.

Mr. MacINNIS: Of course you are.

Mr. BRADETTE: No.

Mr. MacINNIS: It is only a life; it does not matter.

Mr. BRADETTE: Call it what you like. I am not at the moment dealing with life. Then they draw again, or try to draw a picture, trying to confuse the minds of the Canadian people, when they say:

> Replacing all dollar-a-year men by full-time national administrators paid only by the state and working in conjunction with war boards on which labour and farm organizations are properly represented.

I hold no brief for the so-called dollar-a-year men. I do not know any of them. I have never had any connection with any of them, directly or indirectly, either in private or in public life. But can anyone make me believe that most of those men, sometimes the heads of their own organizations, both industrial and financial, men who have added something to our Canadian life, are not honest and sincere, and doing something for the country? They came here to help the government to do yeoman work, and yet these people are going to throw them out, holus bolus, without giving them a chance to go before the public, to receive public opinion. Oh, no; those men cannot be forgiven because they happened to work for big corporations.

If we follow that mentality in this country, an attitude which means that men who have succeeded in their professions, in farming, in finance or in industry must be outcasts from our Canadian society, then I do not want to live in Canada under those conditions. Why do we find this condemnation? Why does that party try to make the Canadian people believe that these men are unjust and unfair in their activities? I say that in this country most of the big men—and I shall not call them by name—are acting fairly. The so-called dollar-a-year men come here well qualified in certain lines of endeavour, and I am sure, without knowing them personally, that they are honest and sincere. The idea in their minds is to see that we come out victorious in this terrific conflict, and to that end they are giving the best they have in them. They love their country as any other Canadians do. If my hon. friends opposite have their way, their names will remain infamous for all time to come. So far as I am concerned I will not be a party to that kind of thing.

As I have pointed out, I have been told that at least eighty per cent of those men were followers of the Conservative party. I have read about, heard about and know something about their actions. I have been convinced and I sincerely believe that each one of them is working as hard as he possibly can—not for the Liberal party, not for any particular government, but for Canada, our allies and the British empire.

In a well-prepared and well-delivered speech, the sincerity of which I do not doubt, the hon. member for Vancouver East (Mr. MacInnis) tried to fix war guilt. He went back in history, and because he did so I suppose I may be allowed the same privilege. Referring to what happened in England at one time he used these words:

> We saw the reactionary Tory government of Great Britain making concession after concession to the dictators of Rome and Berlin.

This is not fair to British politics; it is not fair to what happened in England. No matter what we say now, the fact is that we were all Munich men, when Mr. Chamberlain went to Munich.

Mr. MacINNIS: Let the hon. member speak for himself.

Mr. BRADETTE: I will come back to that again. Chamberlain went to Munich because he knew that Great Britain was not ready.

Mr. GILLIS: Why was she not ready?

Mr. BRADETTE: Why? I will ask the hon. member for Cape Breton South (Mr.

Gillis) to look at the history of Great Britain. I would ask him to go back to the time when they had a near-socialist government in England that pretty nearly scuttled the British navy, and wanted peace at any price. If he does that he will find the answer to his question. We must keep the record straight.

Mr. MacINNIS: Let the hon. member go back to his own party.

Mr. BRADETTE: I am speaking about the hon. member's party now.

In my opinion that is not a very good record either—by a long shot. In 1937, 1938 and 1939 we fought here for national defence. Our Prime Minister had the foresight to see what was developing on the European horizon. He was thinking of the safety and security of Canada, and the development of national defence. He could see the dangerous war clouds rising on the European horizon. Were there any greater opponents to increases in expenditures for national defence than hon. members of the Cooperative Commonwealth Federation?

In my own constituency in 1939 they held an organization meeting, and they asked these questions: "Whom is the Liberal party going to fight? Whom is Canada going to fight? Are they going to fight Japan? Surely they do not intend to fight Germany?" It just happened that they were close to Moosonee, and they said they were "probably going to fight the Eskimos." Those are the things they were trying to say in those days. Let us keep the record straight. The condition of the world was not due to the Tory party in Great Britain; it was not due to any party. It was due to the state of mind of civilized people, of the democracies—nothing more or less than that. They all wished for and wanted peace. This is no place to try to besmirch the reputation of the British people or their government.

And now a word about social credit. They always have a wonderful bargain counter, but there is only one article on it, and that is social credit. They will cooperate with anyone or with anybody—not the New Democracy, of course, because they threw that name away a few days ago. I have nothing to say against the Social Credit party or its leader.

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

Mr. BRADETTE: Yes.

Some hon. MEMBERS: Sit down

Mr. BLACKMORE: I have never refused a question from anyone in the house. If hon. members will not permit me the same privilege, then I say shame on them. The hon. member for Cochrane has just said that we had thrown away the New Democracy name. That is absolutely incorrect.

Mr. BRADETTE: I said—

The ACTING SPEAKER (Mr. Martin): The hon. gentleman has asked permission to put a question and the hon. gentleman who has the floor has consented. Will the hon. member put his question?

Mr. BRADETTE: I withdraw anything I said against New Democracy. For five or six years these people in Alberta have tried out their theories. However, we will leave that aside for the moment. What puzzles me is that the leader of this party is in favour of female civil servants in his province going out and buying farms which cost $4,000 to $5,000 in some cases, and then bringing in chinchillas, mink and other fur-bearing animals. He said that to do this would increase our foreign exchange. Time after time the hon. member for Acadia (Mr. Quelch) has risen in his place to attack the gold mining industry in my section of the country and apparently he wants to destroy it. This industry produces $200,000,000 of new wealth a year, which helps to maintain the ratio of the Canadian dollar to the United States currency. What is the sense in making such an attack? Nearly 500,000 Canadians, miners, farmers and workers, are fruitfully employed in producing a commodity which has a ready market in the United States.

I want to speak now on national unity.

Mr. MacINNIS: It would be out of order.

Mr. BRADETTE: Is the hon. member against national unity? I seldom interrupt the hon. gentleman when he is speaking. I have never doubted his sincerity, and I ask him to treat me in the same way.

Mr. MacINNIS: A little while ago the hon. gentleman said that what we were saying—

Some hon. MEMBERS: Order.

Mr. MacINNIS: —was said just to poison the minds of the people.

Mr. BRADETTE: I was referring to the policies of his party, not to the hon. member individually.

Mr. MacINNIS: Our party is sincere; we are not poisoning the minds of the people.

Mr. BRADETTE: I will say yes definitely. The hon. member has said worse things at times about the Liberal party.

We have just heard two hon. members from the province of Quebec. They represent an important section of the country that voted a definite "no", but I must tell them that there are other sections of the country where the Canadian people voted a definite "yes". If the extremists of our country can find a common ground then it will be possible to maintain Canadian unity. I believe it was last session that a member on the Conservative side stated that the majority should not be governed by the minority. I never heard a more sinister statement made, because I never knew that minorities could govern majorities.

In the British empire we have a marvellous spectacle of a small British minority, as far as the British people are concerned, doing one of the finest jobs the world has ever known. This result has been achieved by their endeavouring to understand every section of that empire. Only a few days ago one Hindu leader made a statement that three out of four people in the British empire are Hindus. The fact that that little island has become one of the great institutions of the world is due to its ability to listen to the problems of the people, to understand and respect the aspirations of all its people. Here in Canada we have the descendants of two great races, the French and the English, as well as the descendants of other European races, living together and working to make a greater prosperity and a happier Canada. It was my good fortune to be born and raised in Quebec. That is my second country within my country. When I go back to the French-speaking part of Canada it is like making a pilgrimage. However, I am living now in Ontario and I must give this message to you. To you in Quebec who are an integral part in our national life, to you who have done so well in your own province, remember that the Laurentian mountains are not the border of your country. The whole of Canada belongs to you, to the French-speaking Canadians as well as to the English-speaking Canadians, indeed, as well as to all Canadians.

If we can move forward, if we can eliminate the rough spots in this time of crisis, then there is no reason to doubt the future of this country. But to run roughshod over the minorities is un-Canadian and un-British. As a loyal son of British institutions and of Canada, I believe it is my duty to repeat what has been said so well by previous speakers and by several members of the cabinet. We are not satisfied with what has been done in our war effort, we want it to be accentuated still more. This effort should not meet with derision, and Canadian unity must be maintained at all times. Would any Canadian have the audacity to say that they are not loyal to their institutions in south Africa because their mobilization act states definitely that there will be no service required outside the African continent? No one will dare say that they are not loyal or are not ready to fight for Christianity or civilization.

Australia has been mentioned time and time again. Her sons are fighting in every section of the civilized world, but I do not think any one will dare criticize them because they have not passed legislation for service overseas. We have many things to learn from the present conflict. Anyone who has watched events in Burma during the last three months must come to the conclusion that certain racial and social problems must be dealt with.

To refer again to the Indian empire, only a few weeks ago Great Britain found it possible to send one of her greatest statesmen, a progressive in every sense of the word, to that country to attempt to deal with questions that had arisen. Sir Stafford Cripps had a mandate from his own government, and he stayed on the ground in an effort to comprehend the aspirations of every section of the population of that great Indian empire. I well remember when a newspaperman on the Ottawa *Journal* went to England last year to attend a press conference. When he came home he wrote a series of very fine articles. It was his good fortune, probably because his ancestors came from Ireland, to have had a personal interview with the Prime Minister of Eire.

This newspaperman wrote a series of articles in which he did not beg, because there was no need to beg, but in which he asked the Canadian people to try to comprehend the position of Eire, to realize what she had done so far and what could be expected of her. It was not necessary that those articles should be read in the province of Quebec, or, for that matter, anywhere else in Canada. So far as I know, there has not been a single adverse comment in the province of Quebec over the attitude of Eire in this war. If it is possible to analyse coolly the actions of any peoples of the British empire, surely we the Canadian people, who have had the good fortune to live together for so many years, should try to understand each other and achieve national unity in a time of crisis. We do not want indulgence; we do not want mercy. All we ask is that every section of our population take the trouble to try to understand the mentality of the Canadian people and its different racial groups.

I listened attentively last evening to the masterly address of the Minister of Justice (Mr. St. Laurent). He spoke as a true Cana-

dian and a true statesman. His appeal was addressed to reason. A previous speaker has referred to Doctor Shields, and although we may have one or two men of that type in the province of Quebec also, who would try to arouse one section of the population against the other, I have been highly elated at the general feeling of good understanding there is between our people. It shows how easy it is for us to cooperate harmoniously in a common cause when only we try to understand each other.

I want to speak now on the plebiscite. For three solid weeks I spent all of my time in my constituency, working in cooperation with the Canadian Legion and with various political organizations. I worked almost day and night to get a "yes" vote in my constitency, and I received the smallest "yes" majority given in any riding in Canada. It was almost next to "no". But I am proud of my work and of that "yes" majority, and I believe that if I had had more time at my disposal the majority would have been much greater. I was appealing to a section of the country in which we have no war industries of any kind but one in which we have always gone over the top with a vengeance in raising money for war activities, one in which I can say, without boasting, there have been the largest enlistments in proportion to population of any riding in Canada. Our young Canadians in that part of the country, regardless of their racial origin, have joined the colours of their own accord—Finnish, Polish, Russian, French speaking, English speaking, and so on. For them all there was only one common cause. Indeed at the present time our supply of man-power is so short because of the great numbers who have enlisted, and I say that with pride, that our industries are hampered.

I have here two issues of the *Daily Press* of Timmins, Ontario, of the 11th and 12th of this month, and each contains a picture of the latest recruits to join the armed forces from that part of the country. I should like to read their names. The first picture shows one of the largest groups to be dispatched to headquarters in Toronto within the last month, and in the front row, left to right, are: Fernand Carriere, Harvey Kenty, Jean Belisle, Elmo Pissonnette, George Miller and Hector Madon. In the back row, left to right, are: Private J. P. McFarlane, member of the local recruiting staff, Charles Laahanem, Mansfield Francis, Alexander Gauthier, John Daly and Patrice Mone. Another recruit who had left the night before, Marcel Tichette, was not present for the picture.

[Mr. Bradette.]

In the other picture, shown in the front row, left to right, are: Reginald Forster, James Rusenstrom, Howard Tomlinson and Augustin Langlois. In the back row, left to right, are: Sapper Hines, member of the recruiting staff, Raoul Nadon and Private Clouthier, Canadian Provost Corps, who acted as an escort on the trip to Toronto. Edward Lynch also left with this group but was not present for the picture.

Hon. members will see from those names a representative cross-section of our people. The recruiting generally represents every section of northern Ontario. North Bay, Sudbury, Kapuskasing, Timmins, Kirkland Lake —everywhere there is the same answer to the call of duty, regardless of race or creed. They enlist freely as young Canadians, ready to make the sacrifice so that we may be victorious. In that section of the country it has been possible to create a huge melting pot in which Canadian aspirations are given full sway, and if that be possible in one part of the country, it is possible elsewhere in Canada.

Strong and injudicious statements were made by some speakers in the plebiscite campaign. One gentleman in addressing a meeting said that if we had had conscription in the fall of 1939, the war would be over by now. Such a statement did not help our cause in any way, shape or form. At another meeting a speaker said that Canada should have one million men overseas. These sweeping, far-fetched statements were no help to me in getting out a "yes" vote. But I want to say that our people, when they voted "yes" in my section of the country, were not voting for conscription. Following the lead of the Prime Minister, the leader of the opposition and the leader of the Cooperative Commonwealth Federation party, I emphasized the importance—I used the very words of the Prime Minister—of a balanced war effort, the necessity for which has been so well pointed out by the cabinet ministers who have spoken in this debate. I also said that so far as I personally was concerned I would never take the responsibility upon my own weak shoulders of sending one single Canadian soldier over to Europe unless he was completely equipped with all the weapons that modern warfare demands. Nor would I take the responsibility of putting men in uniform if I believed that it would diminish the production of vital supplies that are sorely needed at the present time by dear old Great Britain. I also made it very clear that this was not just a war of infantry, but a balanced war, and my people understood.

But, and I say this in no spirit of criticism, I want no more Hong Kong. I want our young Canadians who have enlisted for over-

seas service anywhere in the world to be, as General McNaughton so well said, a real striking force, thoroughly equipped with modern weapons, so that, as was so well expressed by the Minister of National War Services this afternoon, human life may be spared as much as possible.

To-day is to me, as it is to every Canadian, a very sad anniversary indeed. It is the second anniversary of the defeat of my old motherland, France. But mind you, Mr. Speaker, it was not lack of man-power that destroyed France. It was not lack of courage, or lack of valour. It was purely and simply a lack of modern equipment—of tanks, of planes, of guns. Wherever we have met the enemy on equal terms in the matter of equipment, we have beaten him. I would not think for a single moment of sending human flesh, unprotected, against a German panzer division. I believe that our soldiers should have the very best in weapons, in food and clothing, and in equipment generally. I should be remiss in my duty if I urged anything less.

On motion of Mr. Bradette the debate was adjourned.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, June 18, 1942

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SASKATCHEWAN SHEEP PRODUCTION PROGRAMME

Mrs. NIELSEN:

1. Has the provincial government of Saskatchewan applied to the federal government for financial assistance to launch a programme for increased sheep production in that province?

2. If so, (a) what sum is to be granted to Saskatchewan, and (b) what is the proposed increase?

Mr. GARDINER:

1. Following a conference held with representatives of the provincial departments of agriculture, plans for a cooperative effort to increase sheep production in Canada were outlined, as follows:

(a) The dominion undertook to supply provincial departments of agriculture with certain pamphlets to be used in connection with their sheep campaigns;

(b) The dominion agreed to pay freight charges from points of origin to points of distribution on ewes or ewe lambs purchased for breeding;

(c) To the extent that they may be available, the dominion agreed to loan to farmers starting new flocks of sheep containing a minimum of fifteen females, rams for the first two seasons.

The above forms of assistance have been authorized, distribution of publicity has already been made, and the freight assistance and ram loan policies will be available from August 1, 1942, to December 31, 1942.

2. (a) The amount that may be expended in Saskatchewan for freight assistance in transporting female breeding stock and for ram distribution will depend upon the extent such assistance is used in that province;

(b) We have no information on the proposed increase in sheep in Saskatchewan.

PRICE CEILING—DOMESTIC AND IMPORT SUBSIDIES

Mr. DIEFENBAKER:

1. What is the total number and amount of claims that have been filed for, (a) domestic subsidies, (b) import subsidies, since the commencement of price ceiling operations to date?

2. Of these how many have been, (a) examined, (b) allowed at the amount claimed, (c) reduced, (d) disallowed?

Mr. ILSLEY:

As of the close of business, June 8, 1942—

1.	Number	Amount
(a) Domestic	10,038	$4,674,474 69
(b) Imports	2,789	2,524,350 39
Total	12,827	$7,198,825 08

2.	Claims examined and paid (a)	Allowed in full (b)	Reduced (c)	Disallowed (d)
Domestic	8,733	8,477	255	1
Imports	1,355	639	557	159
Total	10,088	9,116	812	160

INCOME TAX—ALLOWANCES FOR BRITISH GUEST CHILDREN

Mr. BRUCE:

1. What are the regulations governing deductions of dependent's allowance from foster parents' income tax in cases of British guest children brought out by private auspices and in cases of children brought out by government assistance?

2. What action is the government taking to make these regulations uniform?

3. What are the income tax exemption regulations with respect to foster parents generally?

Mr. GIBSON:

1. Section 5(ee) of the Income War Tax Act provides an exemption for each child maintained by the taxpayer in Canada under

a cooperative scheme sponsored by the governments of the United Kingdom and of Canada or any of the provinces of Canada.

No exemption is given under the Income War Tax Act to taxpayers supporting British guest children brought out under private auspices. Section 5(ee) applies only to children brought out by the children's overseas reception board of Great Britain with the assistance of the British government. Foster parents of such children should claim the amount which the law allows them when filing their income tax returns. The inspector of income tax for the district in which they file will examine a list received from the Department of Mines and Resources showing the names of the guest children and the names and addresses of the foster parents with whom they are living. If the name of the guest child claimed by the taxpayer is shown on a list thus supplied, the exemption will be granted. If the name is not on the list, the exemption will not be granted. These lists are kept up to date from month to month as new names or changes of addresses are received from the Department of Mines and Resources.

2. The uniformity of the regulations and the applicability of the law as to procedure is stated in the explanation to question No. 1.

The government is taking no action to grant exemptions to taxpayers supporting guest children brought out under private auspices.

3. There is no exemption granted in the Income War Tax Act to any foster parent on account of any child supported by him, other than his own children or grandchildren (save in the case of persons maintaining self-contained domestic establishments and supporting therein one or more individuals dependent upon them and connected with them by blood relationship, marriage or adoption) unless such taxpayer has legally adopted such child. The exemption given for children brought out under the British government scheme is therefore an exception to the general rule and in so far as it has not been extended by statute to embrace children brought out under private auspices, the law now applying to all Canadian taxpayers in respect to Canadian children must also apply in respect to British children.

OFFICIAL WAR HISTORIES

Mr. HATFIELD:

1. Where and how can the official history of the war 1914-19 be obtained?

2. If it has not been published, why not?

3. Is the history of the present war currently being recorded and prepared?

4. Who is the appointed historian and what steps is he taking in the preparation?

[Mr. Gibson.]

Mr. RALSTON:

1. Volume I of the official history of the "Canadian Forces in the Great War, 1914-19", bound in two parts (i) text and (ii) appendices and maps, covering from the outbreak of war to September 1915, can be obtained from the King's Printer, or through any bookseller. The price is $2.00 for the text and $1.50 for the appendices and maps.

2. Volume I was published in June 1938; no other volumes have been published. Work on the subsequent volumes was in progress in 1939 but was interrupted by the outbreak of the present war.

3. Material for the Canadian history of the current war is being recorded, assembled and indexed.

4. No historian for the army has yet been appointed. The director of the historical section (general staff) is responsible for the recording, assembling and indexing of material. He is represented overseas by a historical officer at Canadian military headquarters.

Historical material relating to the Royal Canadian Navy is being dealt with by the Naval historical section, and for material relating to the Royal Canadian Air Force by the director of staff duties.

REVENUE AND EXPENDITURE

Mr. JACKMAN:

1. How much is the dominion government budgeting to spend during the fiscal year ending March 31, 1943, (a) on war account, (b) on ordinary account?

2. How much is expected to be raised, (a) by taxation revenues, (b) by non-tax revenues, (c) by borrowing?

3. What percentages of total war and ordinary expenditures are being raised by taxation revenue and by borrowing during the present fiscal year, (a) by Great Britain, (b) by the United States?

Mr. ILSLEY: I should like to suggest to the hon. gentleman who asks this question that the first two parts of the question are not in order, because they anticipate the budget and are questions which necessarily would be answered in the statement which is made to the house on the presentation of the budget. That objection does not apply to the third part, but it is so bound up with the other two that I suggest that the whole three be dropped; the third part can be asked, at some later stage.

Question dropped.

RESTRICTIONS AFFECTING PURCHASES OF MATERIAL BY WAR CONTRACTORS

Mr. CARDIFF:

1. Are contractors working on contracts for the Department of Munitions and Supply restricted to making purchases of material from certain companies only?
2. If so, what are the names of the companies?
3. Why are these companies the only ones from whom the contractor may purchase materials?
4. Is this creating a restraint of trade and a breach of the Combines Act?

Mr. HOWE:

1. No.
2, 3 and 4. Answered by No. 1.

CAPE BRETON COAL—WATER TRANSPORTATION TO CENTRAL CANADA

Mr. McGARRY:

Can the minister give information relative to any considered plan by the Canadian National Railways, to transport coal by water carriers and rail to the central Canadian markets and thus to adequately supply these markets and stabilize production in the Cape Breton mining fields?

Mr. HOWE: After consideration by the transport controller, director of shipping, the coal administrator, the Dominion Steel and Coal Company, and the Canadian National Railways, a recommendation was made to the dominion government to proceed immediately with the construction at Point du Chene, New Brunswick, of coal discharging facilities from ships to cars, and the provision of a stock piling area, together with the necessary railway yard and trackage. Authority has been given to proceed with the work, which is actively in hand, under the supervision of the Canadian National Railways. It is anticipated these facilities will be completed in time to handle a substantial tonnage of coal before the close of navigation this year, which coal will be moved by rail to central Canadian markets from Pount du Chene.

MARRIED WOMEN ON NIGHT SHIFTS IN GOVERNMENT-OWNED WAR PLANTS

Mr. LaCROIX (Quebec-Montmorency):

1. What steps have been taken by the government to prevent married women from working on night shifts in government-owned plants?
2. When will such measures be put into full effect?

Mr. MITCHELL:

First: 1 and 2. The government has arranged with provincial authorities to inspect dominion government-owned plants in order that regulations which are in effect in each province in respect to employment of women are complied with and in addition the Department of Pensions and National Health has organized a staff to check working conditions. The enactment of regulations is a provincial matter

Second: 1 and 2. The government has not fixed the maximum weight which women or girls may carry in government-owned plants. This, and other matters affecting the comfort and welfare of women, are receiving attention.

WOMEN OR GIRLS IN GOVERNMENT-OWNED WAR PLANTS

Mr. LaCROIX (Quebec-Montmorency):

1. What steps has the government taken to fix the maximum weight of loads which women or girls are compelled to carry or handle in government-owned plants?
2. If such measures have been taken, when are they going into effect?

Mr. MITCHELL:

First: 1 and 2. The government has arranged with provincial authorities to inspect dominion government-owned plants in order that regulations which are in effect in each province in respect to employment of women are complied with and in addition the Department of Pensions and National Health has organized a staff to check working conditions. The enactment of regulations is a provincial matter.

Second: 1 and 2. The government has not fixed the maximum weight which women or girls may carry in government-owned plants. This, and other matters affecting the comfort and welfare of women, are receiving attention.

*CANADIAN FLAG

Mr. LaCROIX (Quebec-Montmorency):

1. Will a sitting of the house be reserved this session to permit the second reading of Bill No. 3 which has been on the order paper of the house since January 26, 1942?
2. If not, is it the intention of the government itself to introduce a bill having for its object the establishment of a Canadian flag?

Mr. MACKENZIE KING: I think I should answer this question verbally. As to the first paragraph, it is impossible for me to give any assurance at the present time as to what may or may not be possible at subsequent sittings of the house. With respect to the second paragraph, I should say that the intention of the government with respect to any government measure will be made known in the usual manner, at the appropriate time.

Mr. SPEAKER: Answered.

Mr. CHURCH: There is only one flag, the union jack.

*DISTURBANCE AT PLACE VIGER HOTEL, MONTREAL, JUNE 14

Mr. DUROCHER:

What steps does the government intend to take to prevent a recurrence of the brawls which took place on the 14th instant between the longshoremen and boarders at the old Place Viger hotel, Montreal?

Mr. HOWE: Perhaps I may answer this verbally. Brawls of the kind referred to are matters for the local police. The government does not intend to take any steps.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CAPE BRETON COAL MINING INDUSTRY—LACK OF SHIPPING

Mr. McGARRY:

Has the government, either directly or through the fuel controller, urged the British admiralty to release more ships to relieve the transportation bottleneck which is alleged to be the cause of the greatly lessened production of coal in the Cape Breton mines, and a consequent hard-time employment of the men engaged in that industry?

BUTTER

Mr. BLANCHETTE:

1. The consumption of butter has increased in Canada by how many pounds during the past five months as compared with the same corresponding months of last year?

2. During the first five months of the present year, the production of butter has decreased by how many pounds in Canada as compared with the same five months of the previous year?

3. In the event of a substantial increase in consumption and a substantial decrease in production, is it the intention of the government to bring in remedial measures before the heavy production season shall have passed in order to avoid a serious shortage of butter in Canada?

AVAILABILITY AND USE OF HUMAN RESOURCES

Mr. JACKMAN:

1. What is the total available supply of (a) man-power and (b) woman-power in Canada as of March 31, 1942?

2. How many (a) men, (b) women are engaged as of March 31, 1942, in (i) the armed services; (ii) industries making the finished tools of war; (iii) essential manufacturing industries; (iv) agriculture; (v) non-essential industries and services?

3. How many (a) men, (b) women, does the government expect to assign to the above classifications, (i) as of December 31, 1942; (ii) as of December 31, 1943?

[Mr. Church.]

LABOUR CONDITIONS

INQUIRY AS TO RESULTS OF RECENT SURVEY OF UNEMPLOYED EMPLOYABLES

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Recently a registration of the unemployed employables in Canada was ordered, and I understand that it was completed several days ago. I desire to learn from the Minister of Labour what that registration shows in terms of totals, males and females, and if that compilation has not yet been completed when may the house expect to receive the information?

Hon. HUMPHREY MITCHELL (Minister of Labour): As soon as the compilation is completed I shall be quite willing to give it to the house.

Mr. HANSON (York-Sunbury): I know; but when?

Mr. MITCHELL: I shall make inquiries.

CLOSING OF REGISTRATION OFFICE IN EARLY AFTERNOON

Mr. ROSS (St. Paul's): I have received several letters in regard to a matter which I think should be brought to the attention of the Minister of Labour. In one letter the gentleman complains that according to law he was required to register at 174 Spadina avenue, Toronto, on June 2. He went there at 1.30 p.m. to comply with the request and was met with a notice on the door saying "Back in an hour". I should like to ask the minister why that should be so.

Mr. SPEAKER: Order.

CONDITIONS IN NOVA SCOTIA COAL MINING AREAS

Mr. CLARENCE GILLIS (Cape Breton South): I should like to direct a question to the Minister of Labour based on a telegram, or several telegrams, I received to-day with reference to the coal situation in Nova Scotia, which is a serious one. The minister has copies of these telegrams, and I should like to know if he is prepared to make a statement as to what the government is doing in order to remedy the situation.

Hon. HUMPHREY MITCHELL (Minister of Labour): As soon as the telegram was received steps were immediately taken, in cooperation with the coal controller, to investigate the situation; and I hope I may be able to make a statement to-morrow. With reference to another part of the telegram,

I should say that employees of the mine who wish to seek employment elsewhere may make application at the public employment office and be transferred to other available employment. They are not required to have a release from their former employers.

BEEF

SHORTAGE OF SUPPLIES IN TORONTO DISTRICT

On the orders of the day:

Mr. J. H. HARRIS (Danforth): I wonder if I could get an answer to the question I asked of the Minister of Finance on Tuesday with regard to the wartime prices and trade board regulations affecting the shortage of beef in the Toronto area?

Hon. J. L. ILSLEY (Minister of Finance): I must have misunderstood the hon. gentleman; I thought he was bringing the situation to my attention and asking that steps be taken to assure a supply of beef, rather than asking for specific information. The beef policy, if I may put it in that way, was very fully covered by a statement of the wartime prices and trade board a week or ten days ago. It involved the setting up of a food purchasing corporation and a very carefully thought out arrangement which was designed to meet all requirements of the situation from the point of view of the farmer, the consumer and the price ceiling policy. I cannot add anything to that statement. I could get a copy of it and give it to my hon. friend, or take any other reasonable step in that regard that the hon. gentleman may suggest.

Mr. HARRIS (Danforth): I put it definitely in the form of a question on Tuesday last. The policy is not working out; there is a serious shortage of beef in the Toronto area for the consuming public. If the minister will read my question, he will see that I wanted to know what steps are to be taken, apart from those already announced, in order to relieve this serious situation.

BUSINESS OF PARLIAMENT

REALLOCATION OF WORK OF COMMONS AND SENATE TO MEET WAR CONDITIONS

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask the Prime Minister if he can make a statement with regard to the negotiations he has had with the leader of the other chamber as to war work. The other chamber has now adjourned until July 12 because, they say, they are without any work. Could the Prime Minister make any further statement?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am sorry I cannot oblige my hon. friend to-day.

PRIVILEGE—MR. ROY

QUESTION AS TO TIME ALLOTTED UNDER FORTY MINUTE RULE IN SPEECH ON MOBILIZATION ACT AMENDMENT BILL

On the orders of the day:

Mr. J. S. ROY (Gaspe): I rise to a question of privilege. When I was speaking on Bill No. 80 yesterday I was, no doubt by inadvertence, forced by the Deputy Speaker to conclude my remarks. I quote from the English translation of my speech:

Mr. Deputy Speaker: I must draw the attention of the hon. member to the fact that he has exceeded his time by two minutes and a half.

Mr. Roy: I have been delayed by calls to order—

I read here "calls to order," though that is not what I said. My words can be found in the French report—"points of order."

—and I think I should be allowed a few minutes in order to submit the amendment I have in mind.

Mr. Deputy Speaker: I have to go by what the Clerk tells me. The hon. member has spoken for forty-two minutes.

According to the figures of the officials keeping the time, I had been speaking only for thirty-seven minutes, including the time taken on long points of order. On one of those points the Deputy Speaker asked, "Does any hon. gentleman wish to speak to the point of order?" and some hon. members did so. In this way I lost quite a few minutes, and it was noticed by some hon. members that my time had been curtailed, one of whom was the hon. member for Cumberland (Mr. Black), who came to my room to report that fact. Therefore, I should like to ask Your Honour if you would grant me the privilege of moving my amendment.

Mr. SPEAKER: Perhaps I should point out that the hon. member spoke to me this morning respecting his proposed question of privilege. I took occasion to look at *Hansard*, and it is true that when the hon. member spoke yesterday there were very long interruptions. Many of the interruptions were in connection with points of order, and certainly they did consume a great deal of time. I would not wish the house to understand that I should be willing to extend the forty-minute rule simply because of interruptions alone. But when points of order are raised in large numbers, and a considerable period of time is taken up by hon. members in discussing them—and besides, there seems

to be some doubt as to the correctness of the time allotted to the hon. member—I believe some special consideration might be given. He was not allowed to move his amendment, and he is now asking the consent of the house that he be extended the privilege of having the three minutes to which he says he was entitled.

I should imagine that, inasmuch as there is some doubt in connection with the time, it would be the sense of the house that in fairness to the hon. member—for, after all, all hon. members are equal before the Chair, subject of course to the rules—he might be allowed that time. My own inclination is that the house should agree to permitting the hon. member to speak for three minutes when the debate is resumed. The hon. member will wait of course until we reach the order for the day.

Mr. MACKENZIE KING: I do not think the house would have any objection to giving the hon. member his three minutes, but I do believe it would be the sense of the house that the hon. member who adjourned the debate last night should have permission first to complete his address.

Mr. SPEAKER: That would seem to be the sense of the house. It is understood the hon. member for Gaspe (Mr. Roy) will have his opportunity to speak after the hon. member who adjourned the debate last night has completed his observations.

FARM LOANS

BRITISH COLUMBIA—REFERENCE TO RETURN BROUGHT DOWN IN ANSWER TO QUESTIONS

On the orders of the day:

Mr. THOMAS REID (New Westminster): Has the Minister of Finance (Mr. Ilsley) had time to procure the information he promised to get a week ago?

Hon. J. L. ILSLEY (Minister of Finance): If the hon. member is referring to the information he desired to obtain from the Canadian farm loan board, I would reply that I have looked into the matter, and I am not yet in a position to make a statement about it. I believe the information can be obtained. It has never been presented to the house, and my purpose was to find out how much time and trouble would necessarily be expended in obtaining the information, and then to see the hon. member privately about it. Perhaps I could supply it to him privately.

Mr. REID: There is a principle attached to the question. Returns are made every month from district farm loan board officers to the head office at Ottawa. These reports should be made available to hon. members, if asked for.

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT OF SERVICE OVERSEAS

The house resumed from Wednesday, June 17, consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940.

Mr. J. A. BRADETTE (Cochrane): Mr. Speaker, I am going to vote in favour of the passing of Bill No. 80. I came to that conclusion without any hesitation, and after giving thorough study to the situation and to our activities since the beginning of the war in the fall of 1939. This is a momentous decision for me to make; nevertheless, I repeat, I make it deliberately.

I do so for several reasons. First, I believe implicitly that the leadership which has been given by the Prime Minister of Canada (Mr. Mackenzie King) since the beginning of the war has been good. I am also convinced that the war cabinet and members of the government generally have done a good job so far as our war activities are concerned. I am not here to say that everything we have done has been perfect, that we have not made some mistakes, or that our war activity could not be accentuated or in some departments run differently. But I am convinced that this government will continue to wage a total war without the necessity of conscription of our man-power for service overseas. I have sat in the house for sixteen years. During that time I have always followed my party—not blindly, but loyally. I have been logical in my demands, both departmentally and personally. I have taken everything in its stride. Sometimes I may have had personal grievances, but I never voiced them.

I have, however, a request to make at this time. In my constituency during the campaign on the plebiscite I told my people, with all the sincerity I possess, that if the time ever came—I hoped it never would come, if we used the proper methods and there was a well-balanced war effort, and that conscription would not be necessary—if the time ever came when the government, with the information in its possession, decided that conscription for overseas would be necessary for the preservation of this country and of civilization, that decision would not be left to the government, but would be left to parliament. Those words they heard from my own lips. So far as I am personally concerned, knowing the

statesmanship of the Prime Minister of Canada and recognizing his great knowledge of parliamentary procedure and the prerogatives of parliament, I should hope, as I said a moment ago, that if ever the day comes when we must decide the matter of conscription, it will be done by parliament. That is all I want to say in connection with this matter. I repeat the plea I made during the plebiscite campaign; and those words were used also by other members and leaders of this parliament on several occasions.

I should like to deal briefly with a very delicate matter. I read with great care—I did not have the good fortune to be present in the house to hear him speak—the words of the hon. member for Richelieu-Verchères (Mr. Cardin). His resignation from the cabinet is a national loss. We all know the courteous treatment we always received from him and the officers of his department. I think one thing was shown by his eloquence and forcefulness, and that is that he has regained his health. His services are still required by all of Canada. He knows how I feel about his resignation. He knows how sincerely I pleaded with him to stay in the government. However, that is past history. I believe one of the reasons why he resigned was that he felt he had suffered a personal defeat in the province of Quebec. I am sure it was nothing of the kind. As I view the plebiscite vote in Quebec it was not a vote for or against conscription; it was a vote of protestation against the way they had been treated by some sections of Canada. The population of Quebec felt that they had done all they possibly could ever since the beginning of the war in connection with all war activities, including sending their sons to fight. Certain newspapers of this country and certain organizations tried to besmirch the reputation of Quebec. The fact is that there are very few families in that province which have not representatives in the fighting forces in Great Britain or elsewhere who are shedding their blood and losing their lives for the cause. We all should realize the poignancy there is in the hearts of the people of that province under such unfair criticism.

As I said before, I have the honour of having been born in Quebec. I say to the members from that province: Think well before your vote may defeat the government and involve this country in the throes of a general election. There are things that are worth remembering; there are things that we cannot get away from. Are you ready to believe in the principles of a national government? Are you ready to follow what was said in all sincerity by the leader of the Conservative party? I do not think many of you believe in the principles of the Cooperative Commonwealth Federation. Yesterday a vigorous appeal was made by the representative of the Canadian party, but I did not see any hon. member cross the floor to the other side. I make my appeal as a Canadian. There are times when we must hit the stream and face the wind. That is all I want to say on that score.

Yesterday the hon. member for Gaspé (Mr. Roy) intimated that the Liberal party had been responsible for the declaration of war in the fall of 1939. The whole Canadian nation, all of parliament, were behind the decision made in the fall of 1939 to participate in this fight on the side of civilization. Just the other night the city of Ottawa gave a marvellous reception to two young French-Canadian airmen in recognition of their great bravery. I was present on that occasion. Every time one of those men made a statement he was cheered by everyone. There was no question of race or creed on that occasion. Everyone was in full agreement; everyone gloried in the achievements of these heroes. I should like to quote the words spoken by one of those men in Montreal on May 27 last. I refer to Pilot Officer Laurent Guillaume Robillard. He said:

(Translation):

Dashing at the enemy, in the sky of England or France, I knew that I was fighting for my country, my family and my fellow-citizens. My comrades are instilled with the same ideal and they are fighting for the same cause. On their behalf, I wish to urge my compatriots to keep that fact in mind and to remember that they are the worthy representatives of a race which has always risen in defence of a just cause.

Mr. J. S. ROY (Gaspé): Mr. Speaker, before reading my amendment to the house, will you kindly allow me to offer my most sincere thanks for the fairness of your decision. I take great pleasure in saying that the fair play shown by the Chair and its dignity offer one more reason for me to be proud of my country and its institutions.

I move, seconded by the hon. member for Laval-Two Mountains (Mr. Lacombe):

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

"This house is of the opinion that the policy of the government respecting mobilization, instead of drawing closer the union of the two races in Canada has fostered dissensions which might cause an internal war, thus destroying the ideal set forth by the fathers of confederation."

Hon. T. A. CRERAR (Minister of Mines and Resources): Mr. Speaker, I am quite sure that many hon. members of this house have visited the city of New York and while there have seen at the entrance to that splendid harbour the statue of liberty. I am

equally sure that there are many who are not familiar with the inscription that appears on that statue; therefore I should like to read it to the house. It is as follows:

Not like the brazen giant of Greek fame,
With conquering limbs astride from land to land,
Here at our sea-washed, sunset gates shall stand
A mighty woman with a torch, whose flame
Is the imprisoned lightning, and her name
Mother of Exiles. From her beacon hand
Glows world-wide welcome; her mild eyes command
The air-bridged harbour that twin cities frame.
"Keep, ancient lands, your storied pomp!" cries she
With silent lips. "Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teaming shore.
Send these, the homeless, tempest-tost to me.
I lift my lamp beside the golden door!"

This poem was written by an exile from Europe, one who had come, like hundreds of thousands, yes, like millions of others to seek liberty and freedom and opportunity in a new land.

I have read this little poem for one reason. A few weeks ago I had the pleasure of being one of a small party who met a distinguished Englishman, whose name I shall not mention, but who is known throughout Canada. He had spent a considerable time in the United States, not only in these days but in years past. Discussing the isolationist feeling in the United States, he said that the key to it could be found in the little poem I have just read to the house. It was because people from the old continent of Europe wanted to get away from the wars and the quarrels and the rumours of wars to a land where they thought they would have peace and security that they came to this continent. It was the feeling that they did not wish to be embroiled in any of the conflicts of Europe that led, he said, to the development of this isolationist feeling in the United States, and I thought it was a very true observation. I could not help reflecting that it might be applied with almost equal force to the province of Quebec, a province, let me say, which has not been understood by the rest of Canada.

One of the tragedies in this situation, Mr. Speaker, is the fact that the rest of Canada does not understand Quebec and that Quebec does not understand the rest of Canada. But I can understand the feeling of our French-Canadian fellow-citizens who have been here, they and their ancestors, for almost three hundred years. They were the people who laid the foundations of this country, who tamed the wilderness and built a civilization here in the earliest centuries of our growth.

Those who think that our French-Canadian friends are lacking in courage were never more mistaken in any view they ever held in their lives. When I look back over the history of this country and the part that the French Canadians have played in building it up, I recall that a little over three hundred years ago they founded the city of Montreal, and some years later, when that city was threatened by invasion from the Iroquois, Adam Dollard, Sieur des Ormeaux, and twenty of his brave companions, well aware that they were going to their deaths, went to a little fort on the Long Sault rapids and there perished to a man in checking the Iroquois hordes. They died a glorious death but they saved what was then the little community of Montreal. Incidents such as this have been repeated time and again in our history.

To-day, as we debate this question in the house, French Canadians are serving in our armed forces, on land, on the sea and in the air. No, Mr. Speaker, it is no lack of courage. It is something else which we in English-speaking Canada would do well to try to understand. But at the same time may I offer this admonition to my French-Canadian friends, that there are some things in English-speaking Canada which they should try to understand. This is not an imperialistic war. I have been surprised at the attitude taken by some hon. members from the province of Quebec who have spoken in this debate and in previous debates and given the impression that this was an imperialistic war. It is not. If it were an imperialistic war I have no hesitation in saying to this house that so far as my influence and power in this country goes, and I admit that it is not very great, I would be opposed to such a war.

May I mention a little incident, if the house will pardon me for doing so? A few months after the outbreak of the war in September, 1939, the Prime Minister (Mr. Mackenzie King) honoured me by asking me to represent Canada at an imperial conference which Mr. Chamberlain, then Prime Minister of Great Britain, had called in the old historic city of London. A few days after my arrival in London Mr. Chamberlain gave a luncheon in my honour. After luncheon he asked me if I would be good enough to tell him and half a dozen of his cabinet colleagues and about a half-dozen other gentlemen who were there what the attitude of Canada was in this war and generally how we regarded the whole thing. I explained to them as best I could that Canada was in this war primarily because she recognized in the German menace a threat to her freedom and her liberty. I went on to say that if this

were the South African war over again I would not be for it, nor would I be taking any part in it, nor would there be any volume of support in Canada for such a war. But, Mr. Speaker, this is not an imperialistic war, and I think many of our French-Canadian friends are profoundly in error in thinking so.

This brings me to a comment I wish to make on the moving speech made by the hon. member for Richelieu-Verchères (Mr. Cardin) the other day, a speech which touched the feelings, I believe, of all members of the house. My former colleague in that speech described the motives which actuated French Canadians. He pictured how the people of Canada came from English descent and French descent, and how there was a tie and a pull of sentiment between the English-speaking people in Canada and Great Britain that was absent in the French-Canadian section of our population. He went on to indicate how he had to reach his conclusions about participating in this war. He said:

> Because I have to reason in my mind why I have to support the British flag and spend my energies for the defence of British rule in this conflict, or perhaps elsewhere.

In this war, Mr. Speaker, we are supporting the British flag. Why? Because the British flag is the emblem of freedom and liberty. But equally we are supporting the flags of other countries which love freedom and liberty. We are supporting the flags of conquered Belgium, and of Holland, Poland, Denmark, Norway, and France, whom we all wish to see restored. We are supporting the flag of the United States, the stars and stripes, in this struggle. Why? Because these are all emblems of freedom and liberty throughout the world. Never, Mr. Speaker, since Satan was cast out of heaven have such terrors and evils been loosed upon the world as now.

I should like hon. members—and may I direct this particularly to my hon. friends from Quebec—to reflect on what the condition of the world would be if Germany were to triumph. If Germany triumphed in Europe and Britain were crushed, what hope would there be for Europe? Europe would come under the evil despotism of nazi tyranny. What hope would there be for Asia and for Australia if Japan, one of the axis partners, should triumph in that part of the world? In a short time the whole continent of Africa would be under the domination of the tyrants. We can throw our imagination forward a little; in south America powerful influences would be at work to turn those countries to the side of the tyrant, and freedom, liberty and Christian civilization would be preserved for the time being only in the north American continent. If that happened, what would be the position of Canada? I ask myself that question because I want to see Canada develop her own national spirit; I do not wish to see her become part of the United States. But inevitably under those conditions forces would be created which would make Canada a part of the United States. May I ask my French-Canadian friends what their position would be under those conditions?

Mr. LACROIX (Beauce): Not so bad.

Mr. CRERAR: The French people in Canada have certain privileges and certain rights. They acquired those rights by treaty, and so far as I am concerned every right that they have in that respect should be recognized and should never be challenged. I believe that is the sentiment of every hon. member. But those rights would not be preserved very long in this country if Germany triumphed in Europe and Japan in Asia. In my opinion it would be only a matter of time, and a comparatively short time, before we would have to fight not only on the Atlantic coast but on the Pacific coast as well. There is no richer prize in the world to-day for the tyrant countries than Canada, with its lakes and rivers and rich valleys, with its minerals and its forests and its fish and its fertile agricultural lands. Because this danger seems to me to be outstanding, I am willing to go to any length to defeat Germany now—not when she comes to our shores, but now, while she is three thousand miles away. For that reason I have no hesitation in saying that if I had believed, a year ago or six months ago, or at the outbreak of war, that conscription would have added to the effectiveness of Canada's war effort, I would have been for it. I will say further that if the time comes when in my judgment conscription would add to the effectiveness of Canada's war effort, I would be for it. I want to make that clear. I shall have something more to say about that a moment later.

In this great danger which confronts the world and which confronts us it is not merely a misfortune but a tragedy that disunity is showing its ugly head in Canada. Where does this come from? I say very frankly that those who raised the conscription issue in this country will carry a serious responsibility when the story of these times comes to be written, and I say with equal force that those who agree with my friends the hon. member for Laval-Two Mountains (Mr. Lacombe) and the hon. member for Gaspé (Mr. Roy) will carry an equally heavy responsibility before the searching eye of history. These two opposing forces become more and more inflamed with

the passage of time—the one, which would conscript men for overseas at once, regardless of the consequences to our national unity; the other, which would not send a man from Canadian shores to carry on this struggle. They typify two forces which are as diametrically opposed as the poles, and it is a sad reflection that our Canadian effort in the war—and I am proud of it—is in danger of being ground between these two opposing forces. Does that make common sense in our war effort? Does that feed the flames of a pure patriotism for Canada? I cannot see it.

May I remind the house of the value of unity in a struggle of this kind. The men you put into uniform in the army and the air force and the naval services are not the only factors in conducting this struggle. One of the greatest factors is moral and psychological, and I aver that no nation can conduct war effectively if it is riven by disunity. Why did the nazis organize disunity in every country they sought to overcome? In Norway they had their quislings. There was not a country in Europe that nazi Germany attacked successfully wherein she had not operated and expended millions to promote and create disunity. Why? Because psychologically it weakened the power of resistance of those countries. To that end Germany spent untold millions. It is a sorry reflection that, with intentions which, let me concede, may be the best in the world, we have in this country those who will do that job for Hitler for nothing. The importance of this should not be lost upon the people of this country.

Mr. LACOMBE: Mr. Speaker, I rise to a point of order. According to standing order 41 I would ask the Minister of Mines and Resources to withdraw his statement. He has no right to compare me to Hitler; I am as good a Canadian as the minister is.

Mr. CRERAR: I hope Your Honour will take this interruption into account when checking my time.

It is to maintain unity that the Prime Minister who heads this government has sought by every means in his power to bridge these differences. There may be differences of opinion as to what he has done, but I know, and every one of his colleagues knows, that the thought that has been uppermost in the mind of the Prime Minister has been to keep this country united, because by keeping it united we can best accomplish a maximum war effort. Sometimes, if it could be done, I think it would be an excellent thing if we could take the leaders and the sub-leaders and the sub-sub-leaders in these two camps and put them together on some comfortable island for the duration of the war. I think it would be a good thing.

Mr. HANSON (York-Sunbury): Is this a free country any longer?

Mr. BRUCE: You cannot stand criticism.

Mr. CRERAR: I think the first I would nominate as a candidate for this mythical island would be the hon. member for Laval-Two Mountains.

Mr. LACOMBE: I rise to a point of order. I ask a decision from the Chair. A moment ago I raised a point of order and I did not get a decision from the Chair. The minister must withdraw his statement. It is contrary to the rules of the house.

Mr. SPEAKER: I did not understand that the minister compared the hon. member for Laval-Two Mountains to Hitler. I think that is an exaggeration.

Mr. HANSON (York-Sunbury): What he did compare him to was a quisling; that was the fair inference from what he said. I hold no brief for the hon. member for Laval-Two Mountains, but that is undoubtedly the interpretation.

Mr. CRERAR: My hon. friend is quite mistaken.

Mr. SPEAKER: The hon. member again raises a point of order as to something the minister is now saying. He has not completed any analogy so far as I have yet heard.

Mr. CRERAR: I hope this will not be charged against me when you come to look at the clock, Mr. Speaker. I say it in the best of good temper.

I think I would nominate my hon. friend for a place on this comfortable island. He has announced that he is the leader of a party, and I think probably his deskmate, the hon. member for Gaspé (Mr. Roy), might be described as the tail of the party. I see the head and the tail, but I do not see any body in between; it is a sort of disembodied party. Then I think I would perhaps nominate my friend the hon. member for Parkdale (Mr. Bruce) as the medical director general of this island; I am sure he would make a good job of it. I hesitate to say it, because I would not want to send my hon. friend the leader of the opposition (Mr. Hanson) to this island, but if I were looking for a monitor who could caution and advise, and at times chastise, I think I would select the leader of the opposition for that job.

Mr. HANSON (York-Sunbury): Thank heaven the minister has not the power to do anything. I do not know anybody in the government of this country more impotent than the hon. gentleman who is now speaking.

Mr. CRERAR: I am willing to be judged by the country. My hon. friend should not get so touchy at a little banter, because he frequently hands out some himself.

I come now to another criticism that has been directed against the government in this debate, particularly by our friends opposite—the criticism that the government has done too little, that it does it too late, and that it lacks leadership.

Mr. BRUCE: So it does.

Mr. CRERAR: And that the country lacks leadership.

Mr. BRUCE: You are a poor example of a leader.

Mr. CRERAR. That is a fine criticism to come from my hon. friend.

Mr. HANSON (York-Sunbury): Does not the minister think he called for it.

Mr. BRUCE: The minister is inviting such remarks.

Mr. CRERAR: Let us look at the record and see where is the weakness and vacillation and procrastination referred to so often by hon. members directly opposite and by the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) the other day. Let us see what this "time-serving" government has done.

Mr. BRUCE: Brought disunity throughout the country.

Mr. CRERAR: Three years ago this country was not at war. It had no dream of ever being at war. We were going about our peaceful pursuits. I would ask hon. members to note the transformation that has taken place in less than three years.

Mr. HANSON (York-Sunbury): Driven to it by public opinion.

Mr. BRUCE: Absolutely.

Mr. CRERAR: If I am to be interrupted in this fashion I wish to point out that I make it a practice not to interrupt hon. gentlemen opposite when they are speaking.

Mr. BRUCE: The minister brought it on himself.

Mr. CRERAR: I ask them to be good enough to show me the same courtesy.

That is the sort of criticism they have levelled against us. What has been done in the defence services? Take the department of my colleague the Minister of National Defence (Mr. Ralston): an army of a few thousand people at the outbreak of war; to-day a well-equipped army of over 350,000. What has been done by my colleague the Minister of National Defence for Air (Mr. Power), who has given a leadership that has been almost inspired? Before the war we did not have an air force. Two and a half years after the outbreak of war we have over one hundred air training centres in Canada, and we are training pilots, air crew, gunners, by the tens of thousands every year. Is not that an achievement worth something? Look at what has been done by our young navy, which scarcely existed at the outbreak of war, in patrolling our shores and convoying ships across the seas.

What has been done in the field of production by my hon. friend the Minister of Munitions and Supply (Mr. Howe)? Three years ago we were not making a gun in Canada—or very few. We were not building a ship—

Mr. HANSON (York-Sunbury): Or tanks, and you said they could not be built.

Mr. CRERAR: —or a tank or an aeroplane. To-day we are producing all these and much more, in ever-growing quantities. What is the position to-day? In the field of production we have challenged the admiration of Britain and the United States, and you do not need to take our word for it. What has been done in the field of finance by my colleague the Minister of Finance (Mr. Ilsley)? Did he shrink from imposing heavy taxation? Have the people responded to our appeals for war loans? I admit that every citizen of Canada and my hon. friends opposite helped in that.

Mr. HANSON (York-Sunbury): And every other war effort.

Mr. CRERAR: What about price control? What about agricultural production? We are producing in this country many times over what we were producing in concentrated foods three years ago. What about our good relationship with the United States? And all this, according to our friends opposite, comes from weak, vacillating, procrastinating, time-serving leadership in the government.

Mr. ROSS (Souris): Absolutely.

Mr. CRERAR: The sense of perspective of my hon. friends is badly off centre if they cannot see anything else. But with our critics all this goes for naught. The unit by which Canada's war effort shall be measured is the one factor of the conscription of men for overseas service in the army.

Mr. ROSS (Souris): Conscription for every field.

Mr. CRERAR: Yes, conscription for everything; and I venture to say there is a great deal more of it in effect to-day than my hon. friend is aware of, or he would not make an observation like that. There is one thing to be kept in mind. This emphasis on the conscription of men, I say to the house, has distorted the outlook on our war effort. What is the important thing to-day; what has it been since the outbreak of war? It has not been men alone; it has been production. This very day and hour there is being waged on the desert sands of Libya one of the fiercest struggles of this war. Who will win that struggle? I cannot say, but I venture the prediction that the side with the most guns and tanks, the side whose tanks, guns and planes last the longest, will be the victor in that struggle.

Mr. BRUCE: With somebody to operate them.

Mr. CRERAR: They have the men to operate them. If we had been deficient in getting men for these services there would be some point to the argument of the hon. member for Parkdale (Mr. Bruce). Nearly a year ago, and certainly at the beginning of this session, the hon. member for Parkdale pictured the plight of our men overseas, and he appealed: Are you going to leave them there without any support? Have they been without support? My hon. friend knows they have not been.

Mr. HANSON (York-Sunbury): They have not been in action. They may be without support when they go into action.

Some hon. MEMBERS: Order.

Mr. CRERAR: I am enjoying myself immensely, Mr. Speaker, and I hope all other hon. members are enjoying themselves too.

One aspect of our war effort which must not be overlooked is that it is many-sided. The allied nations depend largely upon Canada for copper and zinc and nickel and aluminum and lead. Britain depends almost entirely upon us for timber, of which she requires large quantities. She depends upon us for the production of foodstuffs. We have to keep our transportation system functioning effectively; and may I point out that all this vast field of enterprise, of building ships and nearly all the other activities included in our war effort, requires just as able-bodied men as are required for the army. The significance and importance of that fact have been overlooked by a great many critics of the government. If our production of copper and nickel and zinc and lead and aluminum ceases or diminishes, we take the chance of losing the war. If we cannot maintain our production in all these other fields, that is equally the case. So that while it is easy to criticize the government, I would ask those throughout this country who are not partisan-blind to take account of the efforts of the government in all these fields and to recognize that the one factor of the conscription of men for overseas is not the most important thing necessary to enable Canada to prosecute an effective war effort. That must fall into its proper perspective, together with everything else; and if it does not, then we are weakening rather than strengthening our effort.

I should like to conclude with a simple illustration which I have used once or twice before. One summer a good many years ago I was in a little valley in northern British Columbia, at a wayside station on the Canadian National railway. When I arrived there in the evening an impenetrable fog hung over the valley. This fog continued for several days, and I never felt so much depressed in my life as I did at that time. But one morning we came out to find the sun breaking through the mist, and shortly after that the mountain peaks stood out in all their wondrous beauty; the mist dissolved, and the majesty of the forests and mountains was revealed to all who cared to look. I sometimes think that to-day we are in a somewhat similar situation. Doubts and suspicions and angry words make a fog around us. We have these differences of opinion, but I wish to say to my hon. friends opposite that if any of my words to-day have been too close, I did not intend them to be so. We have here a great heritage which a kindly providence has given into our care. We have various elements in our population, those of French extraction, others of English, Scotch and Irish extraction, those of Ukrainian extraction and many others I could mention. If we are ever to build a country with a soul and a spirit, these different elements of our population must be brought into harmony. I have sufficient faith to believe that while to-day we have the mists and fogs of uncertainty and doubt, of angry words and suspicion, in time they will disappear as did the mists of the mountains, and the real virtues of our Canadian people will be realized and appreciated by each element of our population. I hope that then we will realize what a great country we have in Canada and that we will not be French Canadians, or Irish Canadians, or Scotch Canadians, or English Canadians or Ukrainian Canadians; we will

be Canadians, proud of the stock from which we come, not forgetting its virtues and its greatness, but Canadians, with our eyes fixed on the development of this our country, united in spirit. Then, I venture to hope, we will build the sort of society that was pictured by the Hebrew prophet of old, where every man may sit under his own vine and fig tree, enjoying the fruits of his own labour, and where none dare molest him or make him afraid.

Mr. MAXIME RAYMOND (Beauharnois-Laprairie) (Translation): Mr. Speaker, when war was declared in September 1939, there were two different schools of thought, one of which favoured participation, while the other opposed it. The province of Quebec, especially, remembered that our participation in the European war of 1914 had led us to conscription, with the unfortunate results that we know.

Taking part in the debate, I had then voiced the fear that our participation, once again, would lead us to conscription. Unfortunately, events have already borne out my forecast.

The Right Hon. Mr. Lapointe, wishing, as he said, to prevent disunity, suggested the following compromise on behalf of the province of Quebec: "Participation without conscription".

I wish to quote the statement he made on September 9, 1939:

Sir, I believe that at this time there are two extreme sides of opinions which we should avoid and which would make for the disunity of Canada at a time when we need the very opposite. First, there are those who . . . say that Canada can and should remain neutral. . . .

The other school consists of those who . . . are promoting courses which would disunite Canada—because such measures will never be accepted or enforced by and in a most important section of the country. The whole province of Quebec—and I speak with all the responsibility and the solemnity I can give to my words—will never agree to accept compulsory service or conscription outside Canada. I will go farther than that: When I say the whole province of Quebec I mean that I personally agree with them. I am authorized by my colleagues in the cabinet from the province of Quebec . . . to say that we will never agree to conscription and will never be members or supporters of a government that will try to enforce it. Is that clear enough?

Then he added:

Provided these points are understood, we are willing to offer our services without limitation and to devote our best efforts for the success of the cause we all have at heart. And those in Quebec who say that we will have conscription in spite of what some of us are saying, are doing the work of disunity, the work of the foe, the work of the enemy. (House of Commons Debates, second session, 1939, page 68.)

I shall now quote what the Prime Minister said, on February 25 last, about the pledge given at that time:

When the war came in Europe and this parliament met to decide whether Canada would enter the war or not, a declaration was made by the government of the day that, if Canada did enter the war, there would not be compulsory service for overseas, but that service for overseas would be by voluntary enlistment. That declaration was made when this house was deciding whether Canada should go into the war or not. And that statement was made not by the government to hon. members of parliament only, but by members of parliament of all parties speaking to the people of the country, and assuring them of the position that would be taken. I submit that no more solemn undertaking could possibly have been given to the people of Canada than that which was given to them by their representatives in the House of Commons at that time. (*Hansard*, 1942, page 824).

This compromise was then agreed upon by parliament and ratified by the entire Canadian people at the general election of March, 1940. And the present administration gave the most solemn assurances that it would respect it. Therefore was it binding upon the government and parliament, as well as upon the political parties of Canada and the conscriptionists, for the duration of the war, because Mr. Lapointe had taken care to specify that:

The province of Quebec would never accept conscription for service outside Canada.

Later on when the government introduced the National Resources Mobilization Act of 1940, an act which parliament passed on June 20, 1940, the 1939 agreement was explicitly acknowledged. A special provision was inserted with a view to fulfilling the terms of that agreement, that is section 3 which excluded conscription for overseas service.

On this occasion, the Prime Minister and the Right Hon. Mr. Lapointe made the following statements:

The Prime Minister:

Recruitment for service overseas will be maintained on a voluntary basis. . . . The bill to be introduced to-day in no way affects the raising of men to serve in the armed forces overseas. Once again I wish to repeat my undertaking, frequently given, that no measure for the conscription of men for overseas service will be introduced by the present administration. (*Hansard*, June 18, 1940, page 854).

. . . We have in the present bill purposely by a special clause in this measure kept a pledge which we on this side of the house made before and at the beginning of the war, that we would not, while this administration was in office, enact a law for the conscription of men to be sent overseas. We have kept that promise by a clause which is specifically set forth in the bill that is before the house to-day. (*Hansard*, June 18, 1940, page 900.)

Mr. Lapointe, on the same day:

Somebody speaks of the pledges given. I invite all my friends to read the observations I made in this house when war was declared. . . I then said to my fellow-countrymen that the province, one of whose representatives I have the honour to be, was opposed to compulsory military service overseas, and that we would fight it . . . that I would fight it; that if it were proposed by my government I would resign from that government.

That is what I said and that is what I repeat to-day. (*Hansard*, June 18, 1940, page 877.)

If Mr. Lapointe were here to-day, I have no doubt he would fight this bill.

As a further reassurance to the province of Quebec, which had been the object of the anti-conscriptionist agreement, three days after the adoption of this measure, on June 23, 1940, on the occasion of the feast of their patron saint, the Prime Minister sent the French Canadians a special message from which I quote the following paragraphs:

Message from the Prime Minister to the French Canadians on St. Jean Baptiste Day.

On this festival of the patron saint of French Canada, I wish to address a message to my French-Canadian compatriots. . . .

In order to put the government in a position to meet the growing menace, parliament passed last week the National Resources Mobilization Act. . . . The mobilization of our man-power is limited solely and exclusively to the defence of Canada on our own soil and in our own territorial waters. Recruitment for service overseas will be maintained on a voluntary basis. The solemn assurance, which I have frequently given to parliament, that no measure for the conscription of men for overseas service will be introduced by the present administration has once again been placed upon the record of parliament.

I appeal to my compatriots of French Canada . . . to give to this measure of national defence their whole-hearted support.

The province of Quebec, ever ready to defend Canada, has, on the faith of these definite pledges, granted its loyal support to this measure. Now, the government propose to amend it by striking out the restrictions concerning conscription for overseas service. Thus, the Mobilization Act of 1940, applying for military service in Canada only, would become a conscription act for overseas service in any part of the world.

Consequently, the proposed amendment to the Mobilization Act, is moved in violation of the agreement of September, 1939, approved by the Canadian electorate in March, 1940, and incorporated in the Mobilization Act.

It is claimed that the result of the plebiscite has been to release the government from past commitments. Who could release the government from this pledge regarding conscription? Not the conscriptionists; they had made the pledge; not the Prime Minister who, on April 27, registered his vote to release himself from his own commitment; not the other ministers and members of the house, who had made the same pledge; but only those in favour of whom the commitment was made. This commitment was made in favour of the province of Quebec, in whose name Mr. Lapointe was speaking when he proposed a compromise, when he stated the conditions of our participation. These conditions were unreservedly accepted; they have been acknowledged in the Mobilization Act of 1940, which it is now proposed to amend; and the Prime Minister, on behalf of his government, guaranteed its fulfilment three days later, in a special message sent to the French Canadians, on June 23, 1940.

Therefore, only the province of Quebec could release the government from their commitments. Since it has overwhelmingly refused to do so, the government are not released. No one would dare to move an amendment to the confederation act of 1867, which would deprive the province of Quebec of certain rights granted therein, without the consent of the interested province, even though it were the wish of all the other provinces. This would be applying the principle that might is right.

I would go further. Were the government convinced that the majority vote given by the provinces released them from the commitments taken towards Quebec, they still would not be justified in adopting a conscription measure for service overseas.

Has the 1939 agreement been proved faulty? No, the results prove the opposite.

Have the two reasons which brought about the anticonscription agreement of 1939 disappeared? No. They are even more cogent to-day, for past experience has proved, since the very beginning of war, that the voluntary system has amply fulfilled the needs of the army, and nothing shows that it may be less efficient in the future. The two reasons alluded to were the following: the need of maintaining national unity and the inefficiency of conscription.

What is the position after two years and nine months of war?

Canada is more profoundly divided on the subject of conscription than ever before—the plebiscite proves this—and we know that conscription will mean disunity with its train of consequences. Moreover, neither the efficiency, nor the necessity of conscription have been demonstrated. The Prime Minister has even stated, on moving the second reading of the bill, "that it was not necessary now and that it might never become necessary".

Here is what the Prime Minister stated on February 25 last concerning conscription:

During the last war the question of conscription came up near the end of the conflict. I will not go into what took place at the time except to remind hon. members of the fact that nothing in the political history of Canada since confederation has given rise to so much bitterness, so much ill feeling, or has done so much in the way of dividing the peoples of this country, setting one lot against another, as did the conscription issue at that particular time. . . . . (*Hansard,* 1942, page 823.)

Shall we repeat the experience?

The statement made on May 12, 1941, by the Minister of National Defence (Mr. Ralston) proves that the measure is not opportune:

I understand that my hon. friend has been advocating what he calls national compulsory service. Last night, in an address to the people of Canada, I issued a call for 32,000 men in the next two months. I want to say to my hon. friend that if he could do anything to interfere with that call, possibly to interfere with a full response to it, it would be the advocacy of the measures which he proposes at this time. . . .

We went into this war a united people. . . . The National Resources Mobilization Act was accepted by this house and by the whole country. The thirty-day plan for compulsory training was accepted by every province including Quebec. The four-months compulsory training plan was accepted by every province. I may say that young men in the province of Quebec have come to the camps in larger surplus numbers perhaps than in any other province. The announcement which I made the other day that men who were in camp for compulsory training would be required to take their places in the coastal defence garrisons or in other duty in Canada has met with a like response.

I cannot understand why at this time, just after I have launched a recruiting campaign, my hon. friend should interject this discordant note into our national unity. . . .

I say to my hon. friend in all seriousness that at this time there is no need of advocating a system such as he suggests. . . .

If the method which the hon. member has suggested were adopted, it would be a method different from what the commonwealth of Australia has adopted. . . . I point out to him that this country in 1917 was seared, was divided, by the very issue which he mentions. We have unity in this country, and I ask my hon. friend to try to help us preserve it, rather than attempting to drive a wedge of disunion into a war effort of which I think Canada ought well to be proud. . . .

I deprecate in public men and in others the attitude of advocating something different for which no need has been established, because I believe it interferes with our war effort. (*Hansard,* 1941, pages 2729 and 2730.)

This statement of the Minister of National Defence is truer to-day than a year ago. During the present debate the Prime Minister has stated that the programme of the Minister of National Defence for the fifteen month period from January 1, 1942, to March 31, 1943, provided for the raising of 90,000 to 100,000 men and, according to an official return brought down in this house on June 9, it appears that during the first five months alone 52,615 men have already enlisted, of which 11,918 were in the one month of May.

Why then should we be asked to vote a legislation which is not only not necessary but harmful?

Allow me to quote again the words of the Minister of National Defence:

Why at this time interject this discordant note into our national unity?

In advocating something different for which no need has been established, it interferes with our war effort.

It was the duty of the government, before thinking of introducing a conscription measure for service overseas, to obtain from the province of Quebec release from the anti-conscription pledge which they had given to her and to undertake afterwards to prove the efficiency and necessity of conscription.

What could be the avowed purpose of those who demand conscription? I can conceive only one, the purpose of increasing the war effort. Now, the Prime Minister said last week:

There is nothing to indicate that application of compulsion now would add anything to Canada's total contribution to the winning of the war.

There are two methods of raising men: the voluntary system and conscription. In the last war, we resorted to conscription, which was a failure; while in this war we have followed the voluntary system, which has given splendid results. The facts are there to show it: "More men are offering themselves for training to-day than the administration is able to train", the Prime Minister has said. "Our training camps are full for months to come", the Minister of Munitions and Supply (Mr. Howe) has stated. "There is no lack whatever of recruits for the navy; there is still a very considerable waiting list", as we have been told by the Minister of National Defence for Naval Services (Mr. Macdonald). And according to the Minister of National Defence for Air (Mr. Power), recruiting is six months ahead of schedule.

To-day food and munitions are what we need most to win the war. This has been stated time and time again.

In March last, a British correspondent, Harold Guard, wrote that "the defeats hitherto suffered are due to the lack of armaments". The reverse in Java was not due to the lack of men but to the lack of fighter planes.

As regards food, farmers are constantly being urged to increase their production. Since the defeat of Holland and Denmark, her main sources of supply, England is more and more dependent on Canada for her food. The demand is for more bacon, eggs, cheese, and butter, but some people would reduce the number of producers at a time when farm labour is already inadequate.

The following is a convincing statement to be found in the April 23, 1942, issue of *The Patriot,* a paper published in London, England:

For us, food is the crux of the war. Our food supply is not a matter of greediness, it is a matter of winning or losing the war. . . . If our food supply fails, we join the conquered.

Our farmers cannot produce enough food for our own people; yet we are feeding armies of Canadian and American soldiers we have shipped here. These soldiers hamper our war effort by needing extra food cargoes. . . . Our ships ought to bring raw materials and food instead of bringing hearty-eating Canadians and Americans. . . . It would greatly help our war effort if all Canadian and American soldiers here were sent back to Canada and America.

The Prime Minister has stated:

If the bill is amended as proposed, it is not the intention of the government to resort to conscription for service overseas unless circumstances should arise which would render the use of compulsion imperative.

Why then this eagerness to have written into our statutes legislation which there is no intention of putting into force, particularly when this measure is a source of deep disunity in the country and constitutes a breach of a formal undertaking?

The Prime Minister did state that conscription was not an issue in the plebiscite and, once the plebiscite vote had been taken, there was no delay in introducing the conscription measure. Moreover, he forgets what he told us on June 18, 1940, when this legislation was adopted. Allow me to remind him of it.

The Prime Minister, replying to what had been said by some hon. members on the mobilization bill, said:

. . . Another point raised by some hon. members was expressed by the hon. member for Weyburn (Mr. Douglas), in the following words: "We support what the bill purports to stand for, but we would like to know if it will be used for what it purports to be?" Well, I must say that that is a singularly odd question to ask at this particular moment. . . . What is the sense of introducing any legislation in this parliament if what appears in black and white and in type as a statute of Canada does not mean that the government intends to give effect to what appears in the statute? I tell my hon. friend that so far as the government is concerned, we have put in this bill what we think is necessary, and we intend to administer it in accordance with what we think is necessary. It must be apparent that the bill will be carried out in accordance with the purport of its provisions. (*Hansard,* June 18, 1940, page 902.)

[Mr. Raymond.]

The 1940 legislation provided for limited conscription for service in Canada; once this amendment is adopted, it will be conscription without reservation, of all wealth and of all men, women and children, without any age or other limitation, anywhere and at the discretion of the government. We shall then have in our statute books the most thoroughgoing conscription legislation possible, without any age limitation, without exemptions, or exemption boards contrary to that of 1917 which affected only men between nineteen and forty-five years of age, and provided for various exempted categories with boards to hear the applications. The 100,000 or 125,000 men conscripted for the defence of Canada in Canada shall automatically become conscripts for overseas service. As to the application of this measure, one may judge from the Prime Minister's statements at the time it was adopted:

What is the sense of introducing any legislation in this parliament if what appears in black and white and in type as a statute of Canada does not mean that the government intends to give effect to what appears in the statute?

And we are told to-day, that there is no intention of enforcing the measure.

Mr. Speaker, we are leading up to the gravest crisis of mistrust during the post-war period that any government has ever had to face.

Before 1939 we were told that the day of expeditionary corps to Europe was past, yet war had barely been declared in September, 1939, than the departure of a first contingent for overseas was announced. Our participation in this war was to have been moderate and according to our means. It is now without limitation.

The Mobilization Act of 1940 was enacted supposedly to train our men for home defence, but it has served mostly to prepare them for overseas service. Our training camps have become recruiting centres for the active force, and we are not unaware of the means employed to force trainees to join up. What is known as the voluntary system of recruitment has turned into a disguised conscription plan. A great many men between the ages of seventeen and forty-five, even married men with families, have no alternative other than to enlist or go destitute, for the simple reason that they are barred from employment and can enlist for service overseas only.

Legislative measures are passed whose avowed meaning is revealed to be quite different in the light of subsequent facts. A conscription measure for overseas service is termed a national resources mobilization act. We play upon words.

Our young men are mobilized with the assurance, pledged in the statute book, that they will be trained for home defence only, and once their training is completed we pass an amendment authorizing the government to send them without notice to any theatre of war. In order to obtain the consent to participation of an important section of our people, or to win elections in the province of Quebec, solemn pledges are given that conscription will not be enforced. Yet once their consent is obtained or the election won, a conscription measure is introduced. To obtain an affirmative vote on the plebiscite, the administration tells us that conscription is not the issue on which the people are required to pass. Yet hardly have the results been published than it introduces a conscription measure, claiming it to be the logical outcome of the plebiscite vote. While the most solemn pledges are being broken in the name of the rights of the majority, we are asked to fight for the rights of minorities.

Truly the post-war period will be worse than that of the war itself. The people will have lost faith in governments whose equivocal methods during the conflict have accumulated such bitterness and rancour, and God knows what trouble is brewing for the future.

The conscription voted in 1942 will appear infinitely more odious and revolting than that of 1917, and it will have much more serious results. When war was declared in 1914, no anti-conscription pledges had been given such as in 1939. When Sir Robert Borden introduced the conscription act in 1917, it was because the voluntary system of recruiting was no longer adequate and conscription was judged necessary, while in 1942 the voluntary system is admittedly adequate and conscription unnecessary.

In 1942, we proceed to train young men on the pretext that we are preparing the defence of Canada in Canada, and once they are trained, they become conscripts for overseas service; in 1917 we knew nothing of conscription by our own experience, but in 1942, we know what disastrous consequences it entails.

If, in 1917, we could be misled as to the consequences of conscription, the same mistake would be unpardonable in 1942.

The Prime Minister, while moving this conscription measure, has referred to national unity.

Who are those who, at the present time, are putting national unity in jeopardy? Those who insist that pledges should be kept or those who break them?

May I be permitted to quote the words of the Right Hon. Ernest Lapointe, broadcast in February, 1940, and May, 1941, and to compare them to the utterances of the Prime Minister on January 21, last:

On February 22, 1940, Mr. Lapointe stated over the radio:

> The maintenance of Canadian unity demands that our military effort be voluntary and remain such.

On May 15, 1941, he spoke the following words over the radio:

> Those who favour compulsory service for overseas are impeding our national war effort and the great cause of Canadian unity so essential in this great crisis.

On January 21, 1942, Mr. King, as recorded in *Hansard*, while speaking in praise of Mr. Lapointe, said in the House of Commons:

> With nothing was he so profoundly concerned as with the preservation of national unity.

And he added:

> I pray that the spirit of Ernest Lapointe will continue to be a guide and an inspiration to all Canadians.

Surely, Ernest Lapointe's ideal did not give birth to this conscription bill, to which Canadian unity is sacrificed.

Unity will never be attained by the strength of number or by orders in council.

We are willing to show regard for the opinions of conscientious objectors or to abide by the agreement entered into with Mennonites and Doukhobors, recently come to our country, but we refuse to recognize agreements entered into with French Canadians, who have always inhabited the country.

If the majority, in spite of previous commitments and in spite of the success of voluntary enlistment, persist in enforcing on the minority an enlistment system known to be inefficient, this minority will submit to the majority, but will not forget. The province of Quebec, whose motto is "Je me souviens" has not forgotten the conscription act of 1917; it will have still stronger reasons for not forgetting the similar measure of 1942.

Mr. J. G. TURGEON (Cariboo): Mr. Speaker, it is my intention to vote for this bill, and when the bill has become law and the government is clothed with all the powers which a government ought to have in time of war, particularly when the war is coming so close to us, I intend, as a citizen who is anxious to see this war ended successfully as quickly as possible, to accept every measure

of compulsion which the circumstances may demand and this government may think it necessary to enforce. And when I say compulsion, I mean the compulsion of persons, of industry and of finance.

It is my intention to deal a little later with the question of conscription itself, with the lack of unity which it is alleged exists to-day and on which we are embarking, it is said, because of the course of action taken by this government since the commencement of this war. The only respect in which I would differ from that is this: I should not say the course of action taken by this government since the commencement of the war, because the complaints against this government with respect to so-called lack of unity go back before the commencement of the war. There was a complaint because the government decided to have Canada participate in the war. But before I deal with conscription and these other things may I say a few words directed chiefly to those who for a long time have been trying to throw the question of conscription for overseas service into the field of combat, and also to those who are going out of their way to enter into an internecine struggle with those who are so anxious for conscription. My word is a friendly one, but at the same time it is a very serious one.

The Japanese are now virtually upon the coast of Canada. We in this house and people in Montreal, or Toronto, or any other place in Canada may continue to be protagonists of a dispute and may continue to argue; but my word of warning is this, that we from British Columbia and Alberta and the Yukon are not going to sit down and wait while that question is argued and permit the Japanese devils to raid and rape and slaughter and torture us; and that is the condition which this country is facing to-day.

I am not trying to be over-serious, but some of you will remember that for a long long time I have been calling the attention of this parliament and this government to what was approaching on our western coast. We have to-day a word of warning from the chief of staff who has taken over active command at Victoria, correcting a wrong impression arising from a statement which he made yesterday, and which was interpreted by the newspapers to mean that the presence of the Japanese on the Aleutian islands did not mean very much, that it was only a diversion. We have to-day an official statement by the army heads that the occupation of some of the Aleutian islands by the Japanese is a matter of definite seriousness.

Let me call attention to the timing of this assault upon the Aleutian islands. We have known for a long time that Germany and Russia were going to get to death grips in the Caucasus, and we have also seen a clear trend of the struggle in the direction of Murmansk and Archangel and Leningrad. I have here a clipping:

> Arctic regions loom as next allied front. Highly important operations seem imminent around top of Norway and Murmansk coast where control of Upper Scandinavia would give united nations link with Russia and place them in position to strike at Germany.

While these preparations were taking place Japan was making her initial thrusts in the south Pacific, and to-day, just at the moment when there might be a final assault either at Murmansk or the Kerch peninsula, Japan has come northward into the Bering sea and has taken possession of part of the Aleutian islands. It is an interesting fact that the best description of Alaska ever published was written a few years ago by a German; every bay, every indentation of Alaska, is set out in that book. It is another singular thing that the man who wrote the book is one of the military advisers of Hitler, who is conducting the war against the world.

This is June. From June to September the Arctic ocean is open. The whole northern coast of Russia from Murmansk and Archangel on the west to the Bering strait on the east is traversable by ships properly equipped with ice-breaking apparatus. There may be nothing whatever in the combination of facts that just about the time that northern sea is opening Japan has taken possession of some of the Aleutian islands. It may be a series of accidents that it has happened at this particular hour, that this particular hour coincides so wonderfully with what is taking place in other parts of Russia as I mentioned a few moments ago. I talked in this chamber some time ago and I showed hon. members what all of them know now, but which I venture to say only a very few knew a few months back, because we have accustomed ourselves to look at the Mercator maps which show only lines allegedly north and south. I used my arm some time ago to show how the Pacific coast lies. I said my elbow was Vancouver, and what people do not realize is that there is an hour's difference in time between Vancouver and Yukon territory. Here is Vancouver, here is Yukon, here is Alaska. Forty-seven miles away is Siberia, and all along that Siberian coast are some of the best air fields in the world, built a while

back by Russian labour with the aid of German skill and German direction. Those airports are there, ready to be taken possession of by the Japanese. I am of the opinion —I may be altogether wrong—that before long we shall find Japan attacking Russia, and that this is the cause of her first move into the Aleutian islands. If in addition to what she has taken from the United States she secures control of some of these airfields along the Russian coast, then Alaska, the Yukon, northern Alberta and northern British Columbia will be at the mercy of the Japanese hordes, except to the extent that we shall have prepared ourselves to meet the onslaught.

It is owing to the splendid work done by the Prime Minister (Mr. Mackenzie King), dating back, as I said once before in this house, to his meeting with President Roosevelt in Ogdensburg when the joint defence board was set up, that we have a series of airports running from Edmonton and Vancouver and Prince George on to White Horse and from there to Alaska. Originally intended as a line of defence, the time has come when this series of airports must be made a line of offence. I am just as serious as I can possibly be in once more informing the Prime Minister and the government, and you, Mr. Speaker, that the only possible chance of saving northwestern Canada from the kind of assault that has overrun European and Asiatic countries is for us to take offensive action against Japan. If we can secure the consent of Russia, or if Russia and Japan become embroiled, as I feel certain they will, then we shall have to send our armies into Siberia. If we cannot get the consent of Russia, then we shall have to go across the Bering sea or directly across the northern Pacific from Prince Rupert.

But unfortunately the Japanese are already ahead of us, because they have gained a foothold in the north Pacific only a few miles from Bering strait. If the northern coast of Russia is open from June to September, lying west of Bering strait, the northern coast of Canada is open from June to September lying east of Bering strait. It is possible that the Japanese could encircle Alaska and attack both Alaska and Canada from the north, with practically nothing between their objectives and their armed forces. That is why for a long long time I have been urging upon this government two things: first, the appointment of a minister for war; because the time has come when we must wage war. I have been urging that since last year. For some time I have been urging also that we should amend the mobilization act at least in such manner as to make it legally possible for our soldiers to be sent across the Pacific or into Siberia as the case may be. Once more I urge that upon the government.

Let me now leave the Japanese situation and come for a few minutes to other fields that are natural ground of debate in this chamber.

I wish to say a few words about conscription. Unfortunately this particular legislation is being interpreted as a direct application of conscription for overseas service, and therefore the debate has turned almost entirely on subjects relating purely to conscription for service overseas.

There has been some discussion about what was meant by the plebiscite. I am going to read two paragraphs of the statement that I made to my constituents in connection with the plebiscite. I said:

> A vote on the plebiscite is not a vote for me or against me. It is not a vote for the government or against the government. It is not, in the ordinary sense, even a vote for or against conscription.
>
> An "X" in the "Yes" column is a vote telling the government of our urgent desire for an all-out war effort to the full limit of our resources, both human and material, in whatever manner our military and civil leaders require, and the circumstances of the war demand, no matter what the cost may be.

I do not think there is any confusion about that statement. But that is not my justification for supporting this bill, or for the statement made by me a little while back that I would follow this government in any action that the circumstances of the war forced them to take. My justification is, first, that I am a citizen of Canada; second, that I am a member of this Canadian parliament. I made that announcement in this house before the plebiscite was held. At best the result of the plebiscite was only an indication to us of what the people wanted. Quite frankly—I say it here and put it on the record and it can go back to my constituency—I do not regard the vote in my constituency as an instruction, an order, a command to me. It was not so meant, and I am not accepting it as such. I am taking the stand I do to-day because of a viewpoint that is mine as a member of this house and as a citizen of Canada who realizes how close to us the war is coming.

There are two forms of opposition to this bill, based entirely on the ground of conscription. One comes from our friends of the Cooperative Commonwealth Federation, who contend that the bill should not become law, that the government should not be given a clearance for action until they have told us and the country, in advance and in detail, just what every financial and industrial measure is to be, or until we twist up our

whole constitution into a socialistic state or state capitalism. I know that most hon. members would take clear exception to that statement. But I have here the appeal made by the Cooperative Commonwealth Federation in connection with the plebiscite. It is a very good appeal—and may I digress for a moment to say a word of thanks and appreciation to the different political associations in my riding for the way in which they cooperated to bring the plebiscite question to a successful issue. The statement, I say, is a good one, and that is why I wish to read part of it now, because I should like our Cooperative Commonwealth Federation friends to say whether the statement that was made by them during the plebiscite is their present stand. After calling attention to some bad things done in connection with the war, as they had every right to do, the statement says:

> Nevertheless the plebiscite is being held, and we feel that the government should not be able to point to any real or imaginary obstacle to an effective war effort. In the present critical situation, the Canadian government should be free to act in the best interests of Canada and her allies. The plebiscite should therefore be answered by a "yes" vote.

Then they append the six proposals which they would like to see enacted. First, however, they ask the people for a "yes" vote, so that the government of Canada may be free morally, and then become free legally, of any restrictions that might have been hampering effective action.

The other objection to the passing of this legislation has been referred to on several occasions during this debate. It is that this is the action of the imperialists. As far as I can see there is not the slightest tinge of imperialism to this legislation. I cannot speak so directly to my French-Canadian colleagues as could the hon. member for Cochrane (Mr. Bradette), who was able to say that he was born in the province of Quebec. I was born in New Brunswick, but my father is still living, and he was born in the province of Quebec. A moment ago I saw here the hon. member who represents the constituency in which my father was born and in which his family lived for over two hundred years before his birth. My father would not object to the action I am taking to-day, and I am certain that the remainder of his family still living in the province of Quebec would not object, either. But they would object, and would have every right to object, if they thought that action was taken because of the nature of the appeal or demand that has been made in certain parts of Canada since shortly after the beginning of the war, and certainly since the election of 1940, in connection with conscription for overseas service. As was so eloquently pointed out the other day by the ex-Minister of Public Works (Mr. Cardin), with whom I also have the greatest sympathy, there is a great deal in what he described as the difference between the instincts of the French Canadian and the emotional instincts of the English-speaking Canadians. I have a little of both in me, so perhaps I can understand each better than either can understand the other. I know exactly what the hon. member for Richelieu-Verchères meant, and I know that he is right. But he is not right in feeling that the appeal which is made to him, to me and to all hon. members whether from Quebec or British Columbia, is an appeal based upon the imperialistic instinct; and when I speak of the appeal now, I mean the appeal to give this government complete freedom of action so that the Prime Minister and those associated with him may be able to perform, at any given moment, whatever action the circumstances of the war may demand. That is all this bill is asking. If this were an imperialistic war; if this were similar to some of the wars which took place in the past, that might not be so. I think it was the Minister of Mines and Resources (Mr. Crerar) who spoke to-day of the Boer war. There is no doubt that the Boer war had no other objective than imperialistic expansion; there is no question of that. But there is also no question whatever that the present war is not an imperialistic war, except from the point of view of Germany. Germany is the nation that is trying to expand its imperial possessions. Germany is the nation that is trying to destroy the world so that it may build another world more suited to its own natural instincts.

Mr. MACKENZIE KING: And Japan.

Mr. TURGEON: And now, as is pointed out by the Prime Minister, Germany has been joined by Japan, which is coming very, very close to us now. So we have a combination of complete imperialism, German and Japanese, trying to break down all opposition in the world so that whatever may happen in future will be as a result of their dictation. I have here a statement issued in the United States before that country entered the war, a statement which I assume was made in reply to what we call the isolationist movement in that country. This statement was made by the Right Reverend John A. Ryan, D.D., one of the greatest Catholic theologians on this continent; and, mind you, he was appealing to a country that was not at war when he said:

If Hitler conquers Russia, his power will be immensely increased to carry through the devastating outrages which he has already planned: first, to defeat Britain and then inflict immense damage upon the United States; second, to continue in subjection the various peoples that he has already enslaved; third, to destroy Christianity and Christian civilization.

That is as clear a description of the German objective as it would be possible to frame. In his appeal to Americans, not then at war, the reverend gentleman went on to say:

Americans who look upon these injuries and calamities as of little or no importance, so long as actual invasion is not imminent, may consider themselves patriotic, but they are not intelligently patriotic. Americans who assert that we should await the near menace of invasion before we use military measures against Hitler may consider themselves patriotic, but they are not intelligently patriotic. Americans who oppose military aid to Britain, even as a means of averting the danger of actual war on our own soil, may consider themselves patriotic, but they are not intelligently patriotic. American Catholics who assert that we have no moral obligation to use military measures outside the United States, in order to prevent the destruction of the Christian religion and Christian civilization by Hitler in Europe, are, wittingly or unwittingly, subscribing to one of the propositions condemned by Pope Pius IX in the "Syllabus of Errors".

Mr. MACKENZIE KING: What is that quotation from?

Mr. TURGEON: I have not the heading, but it is from the *Voice of Austria* of August last, and, as hon. members know, Doctor Ryan is one of the greatest Catholic clerics in the United States.

I read that quotation with this end in view. There is a feeling, which was referred to by the ex-Minister of Public Works, that no matter what action might be taken by this government to bring the war to a successful conclusion, such action was being taken either at the dictate or as a result of the whispered voice of the imperial government. It is not necessary to say here that that is absurdly wrong.

Mr. CARDIN: I desire to interrupt the hon. member, because he is not repeating exactly what I said. I never said what he has just referred to. He is misinterpreting my observations entirely.

Mr. TURGEON: First, I take the hon. member's statement at its full value and, if I said anything that offended him, I withdraw completely and immediately. But what I was saying, or meant to say—and perhaps I did not express myself correctly—was not what the hon. member said, but rather what he referred to. I was saying there is a feeling that every action taken in connection with this war is taken as a result of some instructions or some advice given to us by Great Britain. As a matter of fact—I do not intend to turn it up—I have before me an issue of the *New Commonwealth*, the Cooperative Commonwealth newspaper, published in Toronto. The issue I have is one which appeared just a few months before the outbreak of war. In that issue practically the same statement is made, and it is attributed to the United States magazine *Time*.

To return to my original thought, that feeling has prevailed in many parts of Canada—and not only in Quebec, because the paper to which I referred is published in Toronto. I say that feeling is absurdly wrong, because the two things implied by it could not exist together—first, the desire of Great Britain so to act and, second, the willingness of Ottawa, in its present surroundings, to carry out and obey instructions of that kind.

Mr. HANSON (York-Sunbury): Has any responsible person or party, aside from the source from which the hon. member has just quoted, made that assertion in Canada? Has any such party or person made the assertion that we are being dictated to by the British government in our war effort?

Mr. TURGEON: No.

Mr. HANSON (York-Sunbury): I never heard it.

Mr. TURGEON: But what do people mean when they talk about imperialism dictating our actions?

Mr. HANSON (York-Sunbury): We have not said that.

Mr. TURGEON: No, and I am not criticizing my hon. friend, in the least, in that connection. However, there is a criticism which I shall direct to him, if I have the time. As a matter of fact, I appreciate the action the leader of the opposition (Mr. Hanson) and his party are taking on this particular occasion.

The criticism I would make of the leader of the opposition arises from an editorial appearing in yesterday's Ottawa *Journal*. The other day he talked about strangulation of unity, and referred to the Prime Minister's oft-repeated declaration that he wanted unity. In that connection the leader of the opposition said, "He does not want national unity; he wants party unity." I would ask this question: If the Prime Minister was thinking only of party unity, would he bring into this house a measure which he knew was going to be opposed by men who had been his greatest and most loyal party followers? The *Journal* editorial, which I was going to criticize, states

that all this casuistry and all this caucussing meant only one thing, that we are not going to have conscription. Then the editorial continues:

> We would like to ask this question: If Quebec had voted "yes", would we not have had conscription immediately?

Mr. MACKENZIE KING: We certainly would not.

Mr. TURGEON: The Prime Minister says we certainly would not, and I agree with him. May I point out to the Ottawa *Journal* that the bill now under debate was introduced in the house by the Prime Minister before any Liberal caucus was held after the adjournment of the house for the Easter recess. The bill was introduced purely as a government measure, and without any caucus being held until after it came before this chamber.

I was going to say something about unity, but perhaps I have spoken too long on other matters. I may not have sufficient time at my disposal to deal with the subject of unity in the manner in which I had intended. But this I will say: we are not, as has been stated, in the greatest state of disunity that this country has ever seen. There is not an hon. member who will not admit that on several occasions in our past history the disunity has been much greater than it is to-day. I think of 1917, and even of 1910 and 1911.

At this time we are having a difference of opinion. One of the greatest opponents of the measure from Quebec—I believe it was the hon. member for Kamouraska (Mr. Lizotte)—when speaking the other day said two things. He said, first, "It is true that the majority must rule; but, we the minority, until final action is taken, have a right to state our views." Nobody can object to that. No one has any right to accuse hon. members opposed to this measure, or opposed to the stand I take, of bringing about disunity.

The second statement made by the hon. member was that if the Prime Minister ever brings in conscription he will be false to his past history and false to Canada. That was the keynote of the thought of those who have opposed the bill on the ground that it is conscription for overseas service. The hon. member for Kamouraska laid his finger on the point at issue, and he has a perfect right to feel, if he wishes, that if in the future the Prime Minister takes the action the hon. member does not want taken, the right hon. gentleman would be acting falsely. But I say, with all respect, that the hon. member has not the right at the same time to say that this particular bill is in itself the imposition of conscription for overseas service. It is not the imposition of conscription for overseas service. It is a measure to give to the government the power to act, a power which the people of Canada generally said they wanted the government to have. Speaking not only as a member from British Columbia, but also as a Canadian who was born in the east and has travelled across this land until he has reached the Pacific coast, I say it is clearing the way for basic, positive and militarily offensive action by Canada against the Japanese, before they encroach upon this land and are able to spread across the country that awful web which has been extended over so many parts of Asia and Europe.

I know—I just know it myself, by instinct—that none of the hon. members from Quebec who take a stand different from the one I take will feel the least bit offended by anything I have said to-day. I should like to conclude my address with the hope that, because I did not make myself clear a few minutes ago, the hon. member for Richelieu-Verchères will not feel hurt by anything I said.

I thank hon. members for the courtesy they have extended to me during my remarks.

Mr. R. W. GRAY (Lambton West): Mr. Speaker, I am glad to follow the hon. member for Cariboo (Mr. Turgeon) in this debate. For five years we were associated together as chief whip and deputy whip of this house. During that period we worked together with the definite purpose in mind of establishing a better understanding between party and party and between member and member as it related to the conduct of the House of Commons. The hon. member is one of a long line of public men who bore and still bear his name, men who have served the state and the dominion. Reading their speeches and watching their actions makes it easy to understand that my hon. friend and former associate should express the tolerant views he has to-day and at the same time make such a vigorous statement as to where he stands. I should like to refer also to the statement of the hon. member for Cochrane (Mr. Bradette). Canada needs more men of the type of the hon. member.

The moral obstacle to compulsory service has been removed, and the amendment provided by Bill No. 80 now before the house is the logical first legal step. In introducing this bill, the Prime Minister (Mr. Mackenzie King) is simply following the mandate given to him on April 27 last. In the interpretation of the question asked of the electors the Prime Minister was quite right in saying that it was permissive, not mandatory. The question was purposely phrased in the way it was.

On the other hand, if the government are under any illusion as to what the great majority of the "yes" voters meant, what they believed would follow once the hands of the government were freed, then I say to the government, and particularly to the ministers from Ontario: You have not been among the electors since that day.

I am not going to refer to the successive experiments that have been made in connection with the man-power question. Suffice it to say that we have fumbled the ball with too many passes. While it must be admitted that we have recovered the ball, we have left the spectators, in this case the Canadian public, in a state of bewilderment and daze as to what we shall do on the five-yard line. That line has been reached; we are in the crucial year 1942. That is not my opinion; it is the opinion of the military experts of the united nations. Having this knowledge and facing the fact that the war remains to be won, the hon. member for Vancouver East (Mr. MacInnis) asked in the house on Monday last; as reported at page 3343 of *Hansard:*

> What we as a people expect to get out of the war.

I am amazed that a responsible member of this house, a member of a party aspiring to leadership in this country, should ask that question. I can tell the hon. member in a sentence what we expect to get out of this war. We hope to get the privilege of living as free men. We may lose all that we have built for the future; we may lose all that we have built in this crucial hour. That matters not; what is important is that we may be able to build for the future, that we may have the privilege of starting again. On January 1, 1942, Canada signed a declaration and became a member of the united nations. In part we said:

> Being convinced that complete victory over their enemies is essential to defend life, liberty, independence and religious freedom, and to preserve human rights and justice in their own lands as well as in other lands, and that they are now engaged in a common struggle against savage and brutal forces seeking to subjugate the world.

We are discussing the methods of fulfilling that obligation. The question turns on the advisability of continuing two systems, two armies: one, a voluntary army for service anywhere; the other, a conscript army for service in Canada alone. How can it be said that we can defend freedom up to the limit of those who are willing, or, in other words, up to the limit of those who are willing to volunteer. How can we take our proper place at the council table until we have shown that there is no limit in our participation?

The ink had scarcely dried after we had signed that declaration before the congress of the United States removed the restriction upon service contained in their national service act of 1940. I should like to quote part of the preamble of that act because, as one reads it, he realizes that we in Canada have the same possibilities for the future. Congress had this to say:

> The congress further declares that in a free society the obligations and privileges of military training and service should be shared generally in accordance with a fair and just system of selective compulsory military training and service.

Their act contained a territorial restriction similar to the one contained in our National Resources Mobilization Act. The restriction in their act read:

> Persons inducted into the land forces of the United States under this act shall not be employed beyond the limits of the western hemisphere except in the territories and possessions of the United States, including the Philippine islands.

There are members in this house who would agree with that restriction, who would contend that it should remain on the statute books in its present form. Nevertheless, on December 13, 1941, or five days after the United States of America declared war upon her enemies, congress enacted a measure which removed the territorial restrictions I have mentioned and made it possible for United States soldiers to serve in any part of the world during the period of the war and for the six months immediately following its termination. That was definite and positive action which has placed thousands of United States soldiers in the British isles and throughout the empire. We are told that with the enemy approaching from the east and the west we are now prepared to move immediately men called up under the National Resources Mobilization Act to Newfoundland and other islands and territories including the United States.

With that stand I am in full accord. But I might say, in passing, that we might be accused of having broken a pledge in requiring, under the legislation as it stands to-day, that the men called up shall serve elsewhere than within the confines of Canada. But that is an academic point, and Canadians with whom I have been in contact are in no mood for academic discussions in this country. They see in this new approach, extending beyond the boundaries of Canada our jurisdiction over the men called up, the old, discredited policy of appeasement creeping back into our national life. That policy should have no place among the united nations, and least of all within the British empire. Let us put a stop to these

subtle retreats from one position to another. Let us, if necessary, be brutally frank with the Canadian people and especially with those who believe that Canada can be defended on Canada's shores. The place to defeat the enemy is where you find the enemy—and before he reaches Canada. If it is good to go out and meet him in Alaska and Newfoundland, it is better to go out and meet him in France, Holland and Germany. In case there may be some who still doubt this, let me put upon the record a message placed before this country by the Prime Minister on the eve of the plebiscite. In a signed statement published in all the leading Canadian papers under the caption, "The Plebiscite As I See It", these two paragraphs of the Prime Minister's statement appeared:

> A part of our forces should be kept in Canada to protect us against attack; a part of our forces should be sent overseas to help defeat the enemy and thus prevent him from attacking Canada. Both tasks are equally essential to our safety. Anyone who tells you that only one of these tasks is necessary is deceiving you. Unless we continue to do all we can to help others, we shall have no right to expect them to do all they can to help us. Until the present tide of conquest is turned into overwhelming defeat for the enemy, no country —and assuredly not Canada—can consider itself secure.
>
> Here surely is the most powerful of reasons why every effort should be made, as it is being made, alike by the United States and Canada, to help the other united nations to engage the enemy and try to defeat him where he is to be found to-day. We cannot defend our country and save our homes and families by waiting at home for the enemy to attack us. Every country that has stood behind its own defences in this war has sooner or later been attacked. To remain on the defensive is the surest way to bring the war to Canada.

With that statement I am in full agreement. We differ apparently only with regard to the method by which what is desired can be accomplished.

It has been stated by the government that the voluntary method of obtaining men has succeeded and will suffice for the March, 1942, to March, 1943, programme. How can we say that the voluntary method has succeeded when it has never been tested? How can we say that we have sufficient man-power entering into the army when we do not know what we may expect during the period 1942-43? To say that we have sufficient man-power coming into the army is to say that the year 1942 will remain just as it is in this month of June, 1942, and this, sir, in spite of the fact that on every side we hear of a determination to establish a second front, in which second front Canadians will undoubtedly be in the vanguard. To say that we have enough men is to say that we know with some degree of certainty the number of casualties we shall suffer in battle. Turn for a moment to world war No. 1. Let me give a few figures of Canadian casualties in that war. On the Somme Canadians had, in round figures, 23,000 casualties; at Vimy Ridge, 13,000; at Passchendaele, 24,000. Let us study well those figures, and look at all the possibilities for 1942 before we say that the voluntary system has succeeded. But whether the voluntary system has succeeded or not, whether it will supply enough men or not, I ask the house this question: Is the voluntary system a scientific, business-like way of making sure that we have total war through total effort? Is it a fair method? Is it a sure method? Is it a just method?

Hon. members who oppose conscription may say that those of us who favour it exaggerate its military value. Perhaps that is true. I doubt whether anything can fill one with more pride than the fact that he has volunteered to serve his country wherever he may be sent, and as far as I am concerned I never will retreat from the fact that I volunteered to serve my country wherever I might be sent. At the same time, is it fair, is it just, that we should have a voluntary system under which whole families have offered their all, while other families have offered nothing? Is it fair that residents of Canada who are not citizens should be waiting to step immediately into jobs opened by reason of our own boys having volunteered for active service? I ask the house that question because that problem exists to-day. It is true that the Prime Minister on March 24, if I remember correctly, promised that that would be remedied, but we have not yet had anything resembling a corrective.

Answer, if you will, that we are getting enough men. Then answer this further question: Is not a comprehensive, all-embracing selective service system the fairest and surest way to see that each and every one of us will pull his fair share of the load? Unlike some members of the government I care not what liberties I surrender during the period of the war. I am prepared afterwards to come back and demand that these liberties be restored to this house, but in the meantime I am prepared to surrender them as long as I am sure that we are giving to this country the fullest measure of support in the war effort.

I urge, Mr. Speaker, as I have urged before in this house, that after this bill is passed—and I propose to support it—that we immediately—and by that I mean now, not six months or a year hence—take such action as may be necessary to bring into operation

compulsory selective service, unrestricted as to geographical limits, with regard to the army, and combined with it a scientific allocation of the man-power of this country to industry, to the farm and to the forces.

It has been urged that an unrestricted scheme of selective service can be put into effect in an emergency. Every nation that waited to put its house in order until the emergency arose, has fallen. With a great and powerful neighbour ready to come to our aid that would not be our fate, but do we desire to depend on that neighbour? Certainly not. We must be prepared to sacrifice according to our ability, having due regard to our population and resources. We may be lacking in numbers owing to the size of our population, but let it never be said that we are lacking in the equality of our sacrifice.

We complain that our splendid war effort is not appreciated in the United States. Anyone who has visited in the United States since the first of January, 1942, will realize that that is all too true. How can we succeed in overcoming the insidious propaganda campaign now being used against us throughout that land unless we are prepared to admit that we are willing to send men wherever the necessity arises? At the risk of being told that I am the mouthpiece of the premier of Ontario, I say this, that that changing, as he said, from "I can't" to "I won't" is what we are doing to-day here in this house.

Mr. Speaker, we cannot and must not wait for an emergency. Again I repeat, with all the emphasis at my command, let us take positive action now. When that action is taken, and not until then, will the words in the united nations' declaration, that "each government pledges itself to employ its full resources, military or economic against those members of the tripartite pact and its adherents with which such government is at war," attain its true significance, and Canada with head erect take her place by the side of the united nations, satisfied that, come what may, we have given our all in the great cause for which we freely entered this war. In the words of Kipling:

> For all we have and are,
> For all our children's fate,
> Stand up and take the war.
> The Hun is at the gate!

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. D. C. ABBOTT (St. Antoine-Westmount): I am afraid that what I have to say this evening will be to some extent a repetition of what I said when I last spoke in the house on January 28, but that is inevitable because nothing has occurred since that time to cause me to change the views which I then expressed concerning the matters that are at issue in this bill.

I do not very often indulge in prophecy, but I did say at the end of my remarks on that occasion that I felt sure that in my constituency the result of the plebiscite would be an overwhelming "yes" vote to release the government and give it a free hand to conduct the war as it saw fit. That prophecy was fulfilled. The constituency of St. Antoine Westmount gave an 87 per cent "yes" vote the highest I think in the province of Quebec and comparing favourably with any constituency in the country. What was of equal interest to me, over 80 per cent of those eligible to exercise the vote did so. As hon. members know, my constituency is predominantly English-speaking; nevertheless there are many thousands of citizens of French origin who live in that riding.

During the last week or so there has been a good deal of discussion as to the effect of the plebiscite and the action which should be taken by the government as a result of the affirmative vote. The question on which the people were asked to express an opinion was a simple one. They were asked:

> Are you in favour of releasing the government from any obligation arising out of any past commitments restricting the methods of raising men for military service?

The result we all know. Unfortunately, in my own province of Quebec the majority of the voters said "no." They were asked to express their opinion; they did so, and that was their right. But there can be no question in the mind of any hon. member that the vast majority of the people of Canada wish that the government should be freed from any past commitments in respect of the method of raising men for overseas service, and should be free, if the situation demands it, to send men raised by the compulsory method anywhere in the world. I believe that the bill now before the house is the inevitable sequel of that verdict.

There are some in this house and outside who are urging that the government should go very much further and should now impose conscription for overseas service. Let me say at once that I do not agree with that view. Among those who take that view appears to be my hon. friend the leader of the opposition (Mr. Hanson) and certain members, at any rate of his party. Unfortunately, I was not present in the house when he made his speech on June 10. I was in Toronto with the

members of the war expenditures committee, on which committee I am serving. I read his speech carefully in *Hansard* and, from all I have heard, it was delivered in his usual able and forceful manner. But I was surprised to read one statement which he made, because I remember clearly another statement made in his broadcast address on April 20. I listened to that broadcast; it was extremely well done and delivered, as I am sure his address in the house was, in a convincing manner: This is what he said on June 10 in the house, as reported at page 3245 of *Hansard:*

> Let there be no mistake about the will of the people as reflected by the plebiscite. Any effort to make it appear that the affirmative vote was nothing more than a release of the government and of parliament is not facing the facts as expressed at the polls. When the government is freed from its pledges, which release has been secured on the terms which the government itself defined, the very act which frees the government and makes compulsory service at home and abroad the law of the land.

And then a little later:

> It is not what we thought but what the people thought when they voted "yes".

That statement was made a few minutes after the Prime Minister (Mr. Mackenzie King) had concluded his address, in the course of which he quoted the words used by my hon. friend in his broadcast of April 20, and I should like to quote those words again. My hon. friend said:

> This plebiscite is simply to give to the government and Mr. King release from a commitment not to enlist men for overseas service by compulsory methods. That, primarily, is the only issue involved. Emphatically, it is not, in this specific vote, an issue for or against compulsory service for overseas. It is merely a vote to release or refuse to release, Mr. King from a preelection pledge.
>
> You—

That is, he is speaking to the people of Canada.

> You are not called upon by this plebiscite to declare for or against conscription for overseas service. That may come; it does not follow from this plebiscite.

As I said, I find it hard to understand that rather amazing *volte face* on the part of my hon. friend. I do not know whether he is gifted as a mind-reader or whether he has sources of information which are not available to the rest of us, but I cannot help feeling that he is confusing the opinions expressed by certain vocal groups in this country and certain editorial writers in certain newspapers with the opinions of the majority of the Canadian people.

As far as I am concerned I have not changed my views. I think the question appearing on the ballot paper was very clear and meant what it said, and that as a result of the vote the government has been released from commitments, moral or otherwise, not to impose conscription for overseas service.

But I do not think we are justified in assuming that that vote means anything more. I am perfectly conscious, of course, that a great many people who voted "yes" on the plebiscite would like to have conscription for overseas service imposed immediately. But I am sure that those people are not in the majority. I feel that the repeal of section 3 of the National Resources Mobilization Act, the measure now before the house, is an inevitable consequence of that vote, and that the government should be free from any limitations, legal or otherwise, free to exercise its judgment as to whether men raised by the compulsory method should be sent outside the territorial limits of Canada.

As I said when I spoke on January 28, I am one of those who would like to have seen a system of selective service, along the lines of that in force in Great Britain and in the United States, imposed in this country from the very outset of the war. But as I also said at that time, I was convinced from the outset that any attempt to impose such a system would have been disastrous and that we should not have attained anything like the results in our war effort that have been achieved. Nothing which has occurred since September, 1939, has in any way caused me to change my views on that point.

The government have said through the Prime Minister, the Minister of National Defence (Mr. Ralston) and some of the other ministers that conscription for overseas service is not at present necessary. I accept that statement. I believe it is correct; no one is in a better position to know than the government. The question is primarily a military one and can be decided only by someone in possession of all the information, information which, of necessity, cannot be known to very many people, and certainly not to all members of this house.

Since July, 1940, we have had a statute which permits the raising of men by the compulsory method in Canada. That power has been exercised. I believe that those steps should be continued. I heard the Minister of National War Services (Mr. Thorson) say in the house the other day, and saw in the newspapers a day or two before, that we proposed to call up 15,000 men, I think it is, in the month of July under the act. These men go into training; under the regulations now in force they are in for the duration of the war; and, as far as the training is concerned, I assume they will receive exactly the same

training as if they had enlisted voluntarily for overseas service. It is perfectly obvious to any hon. member that if circumstances arise in which voluntary enlistments are not sufficient, if our troops get into action overseas and there are casualties, those men may have to be sent overseas. I have no licence to speak for the province of Quebec or the French-speaking members from that province, but I venture to say that if such circumstances should arise, we would find there would be no objection from Quebec. The chief difficulty is that the people of that province are not satisfied, for reasons which I do not propose to discuss now, that conscription is necessary; but if it is shown to be necessary, I believe that province would not only accept it but accept it readily.

Canada having raised a large army on the voluntary basis, I think something over a quarter of a million men, I am personally opposed to any change in that method unless it is absolutely necessary. There are a number of reasons which have caused me to hold that view. There is the traditional temperament of the Canadian people, to which the Minister of National Defence (Mr. Ralston) referred in one of his speeches. There is the admitted opposition, particularly of the province of Quebec, but also of certain other sections of the country. There is, however, one other difficulty which has been touched upon, but with which I should like to deal for a moment, and it has influenced me because I have had a practical demonstration of this particular reason for not changing from the voluntary system. I refer to the difficulty of combining a volunteer force and a conscript force. I can speak from experience in that regard, because in the summer of 1918 the battery with which I was serving in France received a certain number of conscripts, though not very many. I am afraid the rules of parliamentary decorum do not permit me to give the house in actual terms what the volunteers called these conscripts, but I can assure you, Mr. Speaker, that they were treated with contempt. That situation does not make for a good army, and I am satisfied that there are very few men in the active army to-day who want to serve with men raised under the compulsory system.

Mr. HANSON (York-Sunbury): If I may ask the hon. gentleman a question, have we not that situation to-day in Canada?

Mr. ABBOTT: I will answer that question by saying that perhaps that is the very reason why we should not change from the voluntary to the compulsory method, so far as our overseas army is concerned. I am not able to say whether men raised under the compulsory method are serving in the same units with men who enlisted voluntarily. If that is the situation, my personal belief is that it should not be.

Mr. ROSS (Souris): The Minister of National Defence says they are.

Mr. ABBOTT: I have stated only my own view. But be the situation as it may, I have seen with my own eyes the practical result of trying to combine the two classes of recruits. I readily concede that under certain circumstances, if we were suffering heavy losses and so on, such a system would have to go by the board, but I suggest that when conditions such as I have described arise on active service, it does not require very much imagination to realize how much more difficult it would be when troops were in garrison or in training, as the bulk of our troops are to-day. I believe, as I have already said, that we should continue to enlist and train all the eligible men in this country who can be taken without hampering our production of food, munitions and the maintenance of other services essential to the conduct of the war. But I also believe that we should continue the system of voluntary enlistment as far as the overseas army is concerned. When this bill passes, the government will be placed in the position of being completely free to act at any time the circumstances should require it, and not only free to act, but charged with the responsibility of so acting, should the voluntary system prove inadequate.

In the speech of the Prime Minister (Mr. Mackenzie King), which like that of the leader of the opposition (Mr. Hanson) I did not have an opportunity of hearing, a phrase was used which struck me when I read it. As reported at page 3228 of *Hansard* the Prime Minister said:

> The real nature and extent of Canada's war effort has, for more than a year past, been obscured because of a persistent effort to make conscription for overseas service the symbol of a total war effort, regardless of whether or not the voluntary method was proving wholly adequate.

I agree entirely with that statement, and I think it extremely unfortunate that such an effort should have been made. Nothing was heard of it until about a year ago, but since that time there has been a persistent attempt in certain sections of this country and in certain sections of the press to use conscription for overseas service as a symbol for total effort. I do not particularly hold with the practice of quoting editorials in the house, but I wish to make reference to an editorial which

appeared in the Ottawa *Journal* of June 16, in which the writer dealt with the sentence I have just quoted, "conscription for overseas service being used as the symbol of a total war effort." The gist of the editorial was that it was one of the favourite arguments of government apologists that the people who were urging conscription are obsessed by it as a symbol, confuse it with total war. I am not going to read the whole of the editorial, but I wish to make reference to the last paragraph:

> Quebec's opposition to conscription is perhaps understandable. What is harder to understand is the intellectual contortions of those in English-speaking Canada who, believing in conscription, yet think they must accept the party line first, last and all the time—the while salving their consciences with loud cries of independence over things that rarely matter.

Again, Mr. Speaker, when I spoke on January 28 last I again had occasion to refer to this matter of party loyalty and the like, and I do not propose to repeat now what I said then. Let me say, however, that the views which I then expressed, and which I am expressing to-night, represent my own sincere and considered opinions as to what is best in the interests of Canada and of our war effort. I expressed those views not only as an individual but also on my responsibility as a member of this house and not, may I say, under the umbrella of the editorial "we".

Before I sit down I want to make brief reference to the attitude taken by the leader of the Cooperative Commonwealth Federation group and some of his supporters with respect to this bill. The address of the hon. member for Rosetown-Biggar (Mr. Coldwell) was, too, one of the speeches I had not the pleasure of hearing. However, I read it. As usual, it was an able and, I assume, a carefully prepared speech. My hon. friend outlined in sufficiently broad and general terms his solution for the various national problems arising out of the war. I do not propose to discuss those proposals now, because I think a more suitable opportunity will be accorded at another time. I simply wish to say that I do not think my hon. friend is justified in opposing this bill because the parliament of Canada is not prepared to put into effect the particular social and economic measures he and his group believe would be better for the Dominion of Canada.

As I have said, the bill is to remove restrictions which I believe the people of this country, including those in my hon. friend's constituency, have clearly held they wish to have removed. I cannot believe that he or his party is justified in voting against the bill simply because parliament is not prepared to adopt the economic measures for which he asks.

There is one particular feature of his remarks, and those of the hon. member for Weyburn (Mr. Douglas) to which I should like to refer, and I am sorry the hon. member for Weyburn is not in the house, but I understand he has gone to camp with his reserve unit. I refer to the statement that huge and excessive profits are being made out of this war. Such statements are not only untrue but definitely harmful to the war effort of the dominion.

The hon. member for Rosetown-Biggar followed the practice, one I have seen him adopt before, of quoting figures and percentages of one kind and another. Later, in the evening, the hon. member for Weyburn produced elaborate tables, which he placed on *Hansard*. Those tables purported to show the profits made by certain selected companies in 1941, as compared with the profits made in 1940 and the average profit between 1936 and 1939. Those statements prove absolutely nothing, so far as establishing the point my hon. friend had in mind was concerned, namely that unreasonable and excessive profits were being made as a result of the war. They were only selected lists containing the names of certain companies. There was no reference whatever to the thousands of other companies and industries the profits of which not only have not increased but are probably substantially diminished. I have no doubt that in a great many instances companies have sustained losses. There was, however, no attempt made to set out the names of such companies.

No indication was given as to the increased taxation these companies have paid. There is no indication given as to the dividends paid. As hon. members are aware, industrial profits and business profits, in the case of companies, are taxed twice. They are taxed in the hands of the company, and when distributed among the shareholders they are taxed again in the hands of those shareholders. The rates now in force are pretty substantial. Perhaps I would not be going too far afield if I were to say that after next Tuesday we may find those rates still higher.

I protest against this system of using simple and plausible catch-phrases, such as that of "taking the profits out of war", with which principle we all agree, in order to appeal to masses of people who have no opportunity of checking the accuracy or otherwise of the statements made. I do not

know what experience my hon. friend has had in business, but my understanding is that his experience has been rather limited. Had he had any experience, I think he would realize that, in order to eat, the business man has to make a profit. Otherwise he would have the same difficulty some of us here would have in performing that very necessary function if we did not receive our indemnity cheques at the end of each month.

I repeat, I protest against the general statement that business and industry are making huge and excessive profits out of the war. I am satisfied that that is not so. While statements of that kind may be useful in getting votes—and as to that I am not prepared to speak with any degree of authority—one thing is certain: they do not help our war effort.

I have endeavoured to make my position with respect to the bill now before us as clear as I can. I intend to vote for it. The repeal of section 3 is, in my opinion, the necessary sequel to the vote on the plebiscite. I do not want the present method of raising men for overseas service changed, unless it is absolutely necessary to do so. I believe the responsibility for making that decision should rest with the government, because it alone can have the information necessary to the making of such a decision. I believe, too, that in time of war we must trust our government. So far as I am concerned, I do trust it. If I might conclude my observations by paraphrasing a statement made by the Prime Minister in one of his broadcasts just before the plebiscite, I would say to the members of this house and to the people of Canada: If you are not prepared to trust your own government, whom or what are you prepared to trust?

Mrs. DORISE W. NIELSEN (North Battleford): Mr. Speaker, before proceeding to make such remarks as I wish to make with respect to the amendment to the National Resources Mobilization Act, I should like first of all to take this opportunity of expressing my pleasure and appreciation of the new pacts which have just been signed between the three great powers in the world to-day, Great Britain, the Soviet Union and the United States of America. These new pacts are of world-wide significance, and I believe that in expressing my pleasure I am joined by the great majority of the Canadian people who see in these pacts the cementing of friendship and understanding among those who together are fighting a common enemy. These three great world powers, besides working together for the defeat of their common enemy, are now pledging themselves to work together for that enduring world peace so much desired by all the peoples of the world.

I should like also on this occasion to express my appreciation of the government's action in now opening diplomatic relations with our allies, the Union of Soviet Socialist Republics, after a whole year of their gallant fight. I welcome these changes in government policy by a government which, a few years ago, was following so strictly its policy of isolation. I noticed in the *Journal* of to-day a short editorial with regard to the exchange of ministers between Canada and the soviet union. I think this idea is, in the main, agreeable to our people. With your permission, Mr. Speaker, I should like to read this, because I believe it is worthy of our notice, representing, as I think it does, the opinion of a great many Canadian people. It states:

> Whether they have communism in Russia to-day, or ever had much of it, we do not know (though we doubt it), but what we do know is that Russia is to-day showing herself worthy of a high place in the comity of civilized nations, and that all of us should be proud of the decision of last week bringing diplomatic relations between this country and the Soviet republics, with an exchange of ministers. Coming on the heels of the momentous mutual aid pact between Russia and Great Britain and the scarcely less vital agreement between Moscow and Washington, it is a heartening thing.
>
> Russia is not merely playing a glorious role in this war; she is destined to play a mighty role in post-war reconstruction and peace. In that happy day, when fear of tyrants will have passed and nations once more return to peaceful pursuits, trade between this country and the Russian republics may well be a great and beneficial thing.
>
> There will be a warm welcome in Canada and in Ottawa for Josef Stalin's representative.

I believe that is in accord with the sentiments of the Canadian people. Those of us who follow closely the press of the allied nations realize that among those people the slow tide of public opinion has been gaining momentum and has now reached the peak in its flow in the direction of offensive action in the immediate future. Meetings which have been held in Great Britain, in the United States and in this country have showed that the people are voicing their opinions and have expressed the need of offensive action and the opening up of a western front. The great air raids which have been carried out by both British and Canadian airmen have received world-wide applause from the allied peoples and have been taken as the beginning of an offensive which must be carried on by the land forces to the continent of Europe. I believe the Minister of National Defence (Mr. Ralston) was correctly voicing the opinion of the Canadian people when he said before the Rotary club of Montreal, as reported in the *Journal* of June 16:

The people are calling for action and so are the Canadian troops in Britain.

In this country at meetings of trade union groups, meetings of farmers and meetings of other citizens, this sentiment has been voiced repeatedly. When Mr. Churchill spoke over the air recently he expressed great appreciation of the voicing of public opinion which had occurred at a huge meeting of the British people in Trafalgar square. He said that in his opinion it was a good thing to see the aggressive spirit of the British people expressed in demanding the immediate opening of the western front and the carrying of the offensive into Hitler's country.

As I listened to the speech of the Prime Minister (Mr. Mackenzie King) in opening this debate I was sorry that he had not voiced more strongly his approval of the Canadian people's wish and desire to see a stronger and ever-continuing momentum to our war effort. I may have been wrong, but it seemed to me that I could sense more of a negative tone in the words of the Prime Minister. At a time like this, when all the allied nations are solidifying and unifying their efforts, I cannot help feeling that a debate such as this is out of tune with the rest of the world. It is behind the times; it is completely out of step with things. As I listened to the Prime Minister it almost seemed that by the very volume of his words he was seeking to escape facing the responsibility of this situation which is peculiarly Canadian.

I want to impress upon the members of the house that there can be no escape from reality with honour. We must face up to the realities of our own particular situation. To delay facing up to them is to make the breaches ever wider. There can be no escape from the fact that we must have an army ready and prepared. We have in Great Britain an army which is, as the Minister of National Defence has said, ready and waiting for action. Those soldiers are anxious to know that there is in Canada an army equipped and trained and ready to fill the breaches in their ranks as they occur. It takes time to train men and to make them acquainted with the methods of modern warfare, so that they may be able to use the equipment and machinery which the workers are preparing for them.

When we approach a crisis such as the one we are approaching in 1942, we cannot afford to neglect one item which constitutes total war. I cannot agree that any condition should be imposed upon our support of a total war effort, as I believe has been done by the members of the Cooperative Commonwealth Federation. I am in favour of doing everything which will make a more efficient and stronger effort, and I will support to the limit everything which can be done and everything which must still be done to make an all-out war effort. I believe that the wages of our working people must be increased so that they may have the virility and strength to carry on with their jobs. I believe that further measures must be taken to protect the health of the Canadian people. I believe that we must go on to limit the high rate of interest on our borrowings and that we must tax more those who are able to pay. We must place further limitations upon profits. All these things we must do, and this government which is pledged to total war must see that they are done.

Conscription alone is not total war; it is only one component part of total war. I do not feel that we should limit our total war by imposing any conditions. I admit that the government have done some things to make total war, and I am ready to support them in any other measure which they may take to make total war possible. They have already gone a long way in the taxation of corporations and higher incomes. Recently they did something which, I believe, will be most valuable. The Minister of Munitions and Supply (Mr. Howe) suggested that labour-management committees should be set up to further the efforts of the workers in our factories for a more efficient and greater production. All these things are part and parcel of total war, but conscription is also one component part of that effort.

I do not see how any government or any group committed to total war can omit conscription from that effort. If we fail to face the issues that are confronting us to-day the breaches which exist already because of differences of opinion on conscription will widen still more. The tide of war will not wait; it flows on.

I am going to support the government's amendment for the deletion of section 3 of the mobilization act, because I believe it is a step in the right direction, although I am not satisfied that it is going sufficiently far.

During this debate many speeches have been made on behalf of the French-speaking people of our nation, and I want to compliment the Minister of Justice (Mr. St. Laurent) upon the address he delivered the other evening. It was a splendid speech. He has a wise and great understanding of the people whom he represents, and I hope that, as time goes on, he will take increasing leadership in bringing together his people with the rest of us. We all of us have a love of tradition. We all have a love of our heritage of the past, of the things which are dear to us because they have

been handed on to us by our forefathers. It is true that we must preserve all the best of the past and bring it along with us. But to-day stands between the past and the future. To-day stands between yesterday and to-morrow. If to-day we are going to allow ourselves to be bound and shackled by the prejudices of yesterday, I feel that we shall fail to go forward and place our feet upon the threshold of to-morrow as a free people should. We cannot afford to be bound and shackled by the past.

It is true that the French-speaking people hate the idea of conscription, and they have good reason to do so. They have been forced against their will to support imperialism, in which they had no interest, in which they had no voice, and to which they had no adherence. But because of these wrongs of the past there is no need to keep alive and rekindle prejudices now, under such different circumstances.

The hon. member for Richelieu-Verchères (Mr. Cardin) claims to have been a leader of his people. Why, then, did he lead them to support the arch-imperialist Chamberlain in 1940, and why now, when imperialism is choking to death in the whirlwind of its own making, does he separate us on this question of conscription? The French-speaking people of this nation to-day need a leader, someone who has the courage to come out boldly and tell them that there no longer exists the reason for their antagonism to conscription, that it is finished, that it is gone and belongs to the past. Maybe the Minister of Justice is that man. I hope he will be. To give leadership to people does not mean to take advantage of their prejudices and, by playing upon those prejudices, seek to ingratiate yourself. That is the work of the demagogue. The demagogue uses the feelings and the emotions of the people to whip them into hysteria. But the demagogue is not concerned with the lasting work or peace of the people. The word of the demagogue is, as my old friend Omar Khayyam said:

> Like Snow upon the Desert's dusty Face,
> Lighting a little hour or two—is gone.

What we want in this country is leadership, not demagoguery. This is a time when it is necessary to speak the truth to the people, now more than it has ever been necessary before. We need leaders to-day. Leaders step out ahead of the people. They do not just say what the people are thinking. They step out ahead of them and show what is necessary to be done. They speak the truth, even if it is not agreeable at the present time, even if it is not pleasant, even if it is not immediately acceptable; for truth will prevail, and truth alone will save the people not only of this nation but of the world.

This is not the last war—it is not like the last war or like any war that has gone before. It is different, and it must be fought in new ways and with new means. Total war alone will save the people of the world from the menace which is before them.

I could not help deploring the statements made the other evening by the Minister of National War Services (Mr. Thorson). He was not willing to admit that conscription was a part of total war, although he admitted there were several other parts of total war which the official opposition was sometimes apt to overlook. As I was listening to him I found it was quite natural for him to take the line which he did, because the Minister of National War Services has a record for appeasement. Away back when collective security might have spared the world some of the slaughter of to-day he was for isolation, and when aggressive action might have done something to avert disaster he was favouring appeasement. I cannot believe to-day that the people of Canada will listen to the Minister of National War Services in what he is saying on the question of conscription. I cannot believe that this government is willing to let a man with a record such as that voice the opinion of the government on this question of conscription.

I would appeal to the Minister of Justice and to the Prime Minister to speak to the people of Quebec now, boldly, and tell them the truth which they must know sooner or later. It would be a very fine gesture and a great thing if the Prime Minister would go to them and honestly admit some of the mistakes of the past. Perhaps it would be even better if he went to them and admitted that for years the people of the province of Quebec have been a depressed minority. Take the question of their labour and their wages. It has been lower than that of most of the other provinces. The small farmers of Quebec have an inadequate income. The social services and the health standards of the province have been away below the rest of Canada and a blot upon our whole nation. It was not any fault of theirs alone. The fault has been with us, that we have allowed one province to suffer in this way. I would say that a part of total war would be to raise those standards and bring the people of Quebec up to an equality with the rest of the Canadian people. Admit to them that these things have been unjust and wrong; and when you give them equality and bring them up to the level of the rest of the Canadians, then ask them to

accept equal responsibility with the rest of us. Then I believe that thousands of them would respond and would recognize that even conscription was a component part of total war and would accept it on that basis.

There are others in Canada besides the French-speaking people of the province of Quebec who are opposed to conscription. During the Easter recess I spent three weeks, a great deal of time and money and energy, in trying to get around my own huge constituency. I travelled over roads which were almost impassable. One day I spent nine hours in going thirty-five miles in a car, trying to get around among the people of my constituency to present a viewpoint which I thought they should hear before they cast a ballot in the plebiscite. The Saskatchewan farmers have not yet been in a position where they have been able to feel they are giving all that they can. Total war has not come to them yet. They have not been assisted enough to change over from peace-time to war-time production of food. They have not felt themselves taking their share, and for that reason, perhaps, some are hanging back a little from taking a responsibility that they should take. If only the government would realize how wide and how broad all these things are, how intimately concerned they are with total war, I believe that much more could be done.

To-day our Prime Minister and the Minister of Justice have an opportunity before them such as never occurred before. I believe that in the year 1942 we can write a record on the pages of history which would be similar to that which was written in the year 1837. In those days Mackenzie and Papineau turned their backs upon the past and faced the future. They had faith in the people and their idealism, and they believed in Canada. To-day, in 1942, if the Prime Minister and the Minister of Justice would gather again in their hands the ravelled edges of the two great peoples of this country and bind them together in a stronger knot, turning their backs upon the past and facing the future, confident in the people and in their ability to win, this year would go down, not only as a year of victory, but as a year of greater and deeper unity than the people of Canada have ever known.

It needed courage in 1837 to go ahead against opposition. It would need great courage to-day on the part of the Prime Minister, but it could be done. We could do these things the same as those who have gone before us if we had the courage. Personally I would pledge myself, although I am but one small entity, to tell the truth to the people in this country, that conscription and all the elements of total war must be faced and must be accepted because there is only one thing for us, to fight or to die.

The hon. member for Richelieu-Verchères belongs now, because of his actions, to the past. But that is no reason why the younger of the French-speaking members of this house should naturally follow him. It is their job to accept new responsibilities. It is their job to fight for the equality of their people among the rest of us here in Canada. It is their job to try to strengthen the ties of unity, by accepting equality of sacrifice and all those things which are necessary for a nation which is going forward. The tide of war and aggression rolls on in a mighty wave. Those who now speak and act against total war will find themselves, like the king of whom we read away back in history, Canute, who thought he could stay the waves. Those who to-day speak against one aspect of total war and refuse to accept any one portion of it will find themselves engulfed as the people of the world sweep on to victory. Those who are afraid of all that total war implies; those who fail to wage total war, will find only annihilation. The challenge of 1942 to all Canadians is to fight or to perish. The two great peoples which make up this nation must decide here and now to stand side by side and to fight and to live, because the future belongs to us.

Mr. ERNEST BERTRAND (Laurier): During the debate on the plebiscite I listened very carefully to the speeches made by the Prime Minister (Mr. Mackenzie King) and the members of all parties, and I was at times surprised to see how a simple issue could be obscured to such an extent.

The plebiscite in its simplest form is a prayer to the Canadian people. It means this: Please allow the government to do whatever necessary whenever necessary to attain the best war effort possible. I have no doubt that this measure was arrived at after due consideration by a government which has shown in the conduct of the war and of the problems incident thereto, far-sightedness, good judgment, absolute integrity and high courage, in the sense of being opposed to thoughtless undertakings. One has to remember that the plebiscite was decided when Japan was heading south, sweeping everything before her, and nobody knew where she would stop and when she would stop. An army able to conquer the Philippines, Hong Kong, the formidable base of Singapore, and the Netherlands East Indies might as well have conquered Alaska and established itself along our western coast. After the conquest of France and of so many neutral nations by the nazis in Europe,

the Japanese thrust was certainly a climax of a situation unprecedented in the whole history of the world. The wisdom of asking our Canadian people for a plebiscite might have been doubted by some people, some good-thinking people, at the time, but to-day I think it the only thing which gives this government absolute freedom to meet any situation whatsoever.

This country is difficult—very difficult—to govern. Though powerful, it is a very young nation. In the life of a nation calendar years do not mean so much; it is periods of time that count—centuries, half-centuries, or similar periods according to whether the historical life of the nation is intense and important during those periods. When a nation has gone through crucial times; when its citizens have to suffer in common great calamities which test to the utmost its heart, nerves and sinews, the experience undoubtedly helps to cement the national unity. In Canada we have had very few of these periods of intense national life. The nation was built by the common sense of the two races headed by such great statesmen as Baldwin, Macdonald, Sir Oliver Mowat, Lafontaine, Cartier and Laurier. Unfortunately, Mr. Speaker, their work has often been marred by the influence of men who have been unable to grasp situations of national scope and have been content with easy and passing popularity. If one goes around this very building he will notice monuments erected to men of the first class; but whether he goes around this building or any other legislative building in this country he will not find any monuments erected to the second class.

On the 28th day of May, reading the Montreal *Daily Star*, I found at page 19 two different news items. One is the report of a speech by Mr. René Chaloult, of Quebec, on the treatment being given to my compatriots of the province of Quebec; and on the very same page, on the right-hand side, is a protest by Mr. J. W. Carson, Orange leader, about the status given to the French language in this province. That is, I think, a very good example of how difficult it is to govern this country.

May I give the house a few illuminating paragraphs. I am quoting Mr. Chaloult's speech. It was made in the Quebec legislative assembly, probably to cover another speech of which I do not want to speak now but which the criminal courts in Montreal will have to study very carefully in the near future. Mr. Chaloult said that after going through the province he had found much discontent and lack of enthusiasm among the people, because, said he, French Canadians have become aware that their rights as citizens of Canada are not respected in either the army, the navy or other war services as regards employment and salaries.

From what we read of his statements made in Montreal, Thetford Mines and many other places, I take it that Mr. Chaloult did not try to appease the discontent of which he is speaking. I quote:

> Continuing, the member for Lotbinière claimed that in the various government commissions and in war industries, French Canada is far from receiving its rightful share. "As regards war industries, especially those for the construction of heavy machinery, they are kept outside of Quebec."

Surely, in his trips around the province, Mr. Chaloult should have known that in Sorel, for example, Sorel Industries are manufacturing 25-pounder guns and that other industries at the same place are building corvettes and 10,000-ton freighters. These industries happen to be in the hands of our compatriots the French Canadians. If there were any more of these industries able to do the same work, I have no doubt that they would also be loaded with work and would have all they could do. But Mr. Chaloult says, as regards war industries, especially those for the construction of heavy machinery, they are kept outside of Quebec. He should have known that Vickers in Montreal are building 10,000-ton freighters and aeroplanes; that the Canadian National Railways plant in Point St. Charles is manufacturing heavy naval guns, and that many other plants in the province of Quebec are manufacturing very heavy machinery. Noorduyn, Fairchilds, the Angus shops; Dominion Engineering Company and many others; there is not a large plant in Montreal that is not working on war orders, and mostly heavy machinery.

Let me quote further:

> It has been said that, if this were the case, it was due mainly to the lack of a proper training in technical education. If this were true, the government would have to shoulder its responsibility, for it is proved that, given a proper chance, French Canadians can stand their own against any other nationality.

Mr. Chaloult was speaking in Quebec. I do not know whether he was referring to the government of Quebec or the federal government; but since he was making a speech against this government in the Quebec legislative assembly, I take it he was talking about the responsibility of this government. Technical education and any other branch of education are within the jurisdiction of the province. Mr. Chaloult is a member of the very legislature that can cure that situation.

I admit that technical education in my province is not as advanced as it should be, but to impute the consequences of this shortcoming to misunderstanding between French-speaking and English-speaking citizens is absolutely wrong. It does, however, give good food in speeches made especially to inflame one race against the other, and it also gives good food to the newspapers that are reporting such speeches.

On the other side of the page I find this:

Quebec stand deplored by Orange leader.

I will quote some of these pearls, they are pearls indeed:

J. W. Carson, London, Ont., the grand master, yesterday told the 83rd annual meeting of the Grand Lodge of Ontario west, "It is almost unbelievable that many leaders in the province of Quebec are still opposing a total war effort."

He is again confusing total war effort with conscription.

He is reported further as saying:

Mr. Carson read a resolution adopted by the Orange order at the outbreak of war urging conscription of wealth, industry and man-power. "It is the same to-day," he said, adding that conscription is fair to all; "Let us have no special privileges for any group or province."

We shall see a little later how funny Mr. Carson's ideas about privileges are.

Further down he says:

The unwarranted obtrusion of the French language is further aggravated by the announcers and artists of the Canadian Broadcasting Corporation.

Not only the announcers but the artists! Mr. Carson does not even want to hear Faust, Carmen, Manon or any other operas in the language in which they were written. But I am sure he would be ready to hear Tannhauser in German or Cavalleria Rusticana in Italian. If he does not want to hear opera, or if he wants to limit his pleasure of hearing it to opera in the English language, so much the worse for him.

I take this opportunity to congratulate the city of Toronto—which is the musical centre of Canada—

An hon. MEMBER: Oh, no.

Mr. BERTRAND (Laurier): Yes, it is, and a place where good music is very well received, whether written by a German, Italian, English, French or any other good composer, including Russian composers who are very much in demand these days.

Mr. GRAYDON: What about the hon. member for New Westminster (Mr. Reid)? You have left him out.

Mr. BERTRAND (Laurier): Well, I suppose that would be very popular in Toronto. It is even popular in Montreal.

I quote the last paragraph of Mr. Carson's speech:

Mr. Carson said the order—

That is the Orange order.

—must feel the deepest concern over the fact that people of British extraction represent less than 50 per cent of the total population. Census figures, about to be released, would show that Quebec's population increased 17 per cent since 1931, while the increase for the whole dominion was a little below 10 per cent.

Surely this cannot be laid at the door of the French race in the province of Quebec. This complaint has been repeated very often; it is laughable, but I wonder if in these days Mr. Carson is a racialist. If he is, he should remember that Hitler is one, too, and that the war to-day is the result of the theories propounded by Hitler in his "Mein Kampf". A passage like this would be in its place in "Mein Kampf", and the only thing we would have to change would be "British extraction" to "German stock".

This shows how difficult it is to govern this country in time of crisis. Similar speeches are being made in both sections of this dominion. Well, Mr. Speaker, every time a citizen indulges in remarks of this kind and tries to gain the applause of his people by condemning, or saying anything unpleasant and very often untrue about the other race, he does not render a service to his country. Untruths, half-truths and generalized statements which are apt to create resentment on the part of one race as against the other, hurt the war effort and should be condemned by all good-thinking citizens. I would say that there should be more demagogues in the Petawawa internment camp, and personally I think there are newspapers that should have been banned or at least censured long ago. Speaking for myself, I say it does not matter whether these newspapers have long English names or short French names; if, day after day, they publish vicious and destructive criticism in a time of war like this, they should be stopped.

The government is facing two fronts in connection with Bill No. 80. We have to face people who are bound to enforce conscription, whose speeches, whether or not they are clothed in mild language, mean one thing only: "We want conscription, whether it is necessary or not." They are trade-marking their request under the name of "selective service," but it does not mean anything but conscription. For them the plebiscite means conscription immediately. Whatever was written on

the ballot, whatever was said by the ministers of this government, did not count. It was not what was written or what was said; it was what they had in their own mind that counted. Well, after three years of war I am told that 90 per cent of our active army has not yet had the chance of shooting at German soldiers. Our farmers are clamouring for help. Our manufacturers are in great need of technicians and other help, but it does not matter to the conscriptionists. They would regiment our whole population. They would Hitlerize our country, and they alone would be the masters to do it.

Then, on the second front we have those who want no conscription, even if it ever becomes necessary. In passing, let me say that we know now that these latter members are going to vote with those who want not only conscription of men but at the same time conscription of wealth, and both immediately. Politics makes strange bedfellows, they say. There might be an argument as to whether conscription may be necessary at some future time; but no one will dare carry the argument to the point of saying that we do not want conscription at any time, whether or not it ever becomes necessary. The last part of the sentence is carefully left out; it is brushed aside with a wave of the hand. These people claim that our war programme was set out in 1940. They say that all parties pledged themselves to no conscription for service outside Canada and that, therefore, we have to stand by those pledges given to the Canadian electors. They do not even admit that unforeseen changes have taken place in the war situation which require changes in the programme. They close their eyes to the forthcoming threat. In a word, they are more afraid of conscription than of the war itself.

Between these extremists, those favouring immediate conscription whether necessary or not and those favouring no conscription even if it ever becomes necessary, we have the programme of this government: "Give us complete liberty of action. We will not impose conscription unless it becomes necessary." How reasonable such an attitude appears to me when compared with the other two. I challenge the suggestion that the overwhelming majority for the affirmative in the plebiscite vote was given with the idea that it meant immediate conscription. I credit the citizens of this country with more intelligence and reasoning power. They read and understood the ballot. They voted to release or not to release the government from previous pledges, and that was all. After the plebiscite there still was a barrier to liberty of action. This time it was a legal barrier, and the government took the first opportunity to remove that barrier. This repeal, as the Minister of Justice (Mr. St. Laurent) said yesterday, is the absolute, logical consequence of the affirmative vote on the plebiscite; and if this government was not taking this step, it could be said that it was either remiss in its duty or childish in submitting a plebiscite to the Canadian electorate.

If we do not adopt Bill No. 80, no soldiers except those who enlisted voluntarily could be sent to Alaska, to the Hawaiian islands—from which we could be attacked—to the west coast of the United States, or to Mexico. That would be so also on the eastern coast; we could not send any soldiers to Newfoundland, Labrador, Greenland, Iceland, Bermuda, the Panama canal or the eastern coast of the United States. However, if our own coast, either east or west, were invaded, how loudly would we clamour for the help of United States troops. Is this a situation that any member of this parliament, proud of his country, can tolerate? I say it is not; and this, I believe, is the thought of the best citizens on this subject. If any hon. member is ready to say that his constituents do not understand such arguments, he pays them no compliment. I have faith in my constituents, and I am sure they do understand. We have not been elected as messenger boys. I have another idea as to members of parliament. We have been chosen as members to direct policy according to the best of our judgment and ability. How many of the Liberal members from Quebec who are voting against the government today have been elected by the nationalist vote? How many have been supported by *Le Devoir,* and how many are going to be supported by this newspaper when the next general election comes round? I do not want to indulge in flattery. I hate flattery and have always had respect for any man who speaks his mind outright. I may say, however, that the name of our Prime Minister (Mr. Mackenzie King) is going to be a banner for generations to come, not only in Quebec but in the whole of Canada. I for one am not going to wave this banner in easy-going days, and hide it or drop it in days of difficulties. I have faith in him.

The Conservative party have not brought forward any amendment, and reserve their rights to propose one in committee. We have no doubt as to where they shall stand, when we remember the applause they gave to certain hon. members who spoke this afternoon. We will await that amendment.

What will be the practical results for Quebec of voting against the repeal of section 3? Apart from being wooed by the Cooperative

Commonwealth Federation, which is in favour of immediate conscription of wealth and manpower, what is Quebec going to gain by it? These hon. members claim that the province does not want conscription, and think it is not necessary and might never be necessary. I grant this, for the benefit of discussion; but from this very point of view, voting against the government on this bill is bringing conscription nearer to them. These hon. members have to take into consideration that they are joining with those who are at the very extreme—conscription of wealth and man-power. If they are sincere, which I do not doubt at all, they would want all other members to vote against the bill, which would mean the defeat of this government.

What would then be the result? We would then have an immediate union government, with conscription as the first article of its programme. There would not be any discussion as to whether conscription would be necessary or not. We would get it right away. Has this phase been explained to their electors? I doubt it. When I hear hon. members saying that they have confidence in the Prime Minister, but that they are bound to vote against this bill, in so serious a matter, I cannot help thinking of Rostand's play L'Aiglon—"Je ne suis pas prisonnier mais." Il y a un mais—j'ai confiance mais.

The Minister of Agriculture (Mr. Gardiner) told us that no government, except a union government, would be able to impose conscription. I believe that. If hon. members from Quebec do not want immediate conscription, why then open the only road that would pave the way for it? Many Liberals of my district who voted "no" on the plebiscite have seen that danger, and have since warned me about it. I thank them heartily. I had seen this danger right from the start. I am sure many deep-thinking citizens in every district also see the danger. Reasonable people, however, are not noisy and still less vociferous, but they should let their member know what they think of this situation.

I have confidence in our Prime Minister, and know that any change to-day would be for the worse. We never had a Prime Minister more deeply rooted in the very soil of Canada. He belongs to three generations of Canadians who have lived and fought for free institutions. And nothing shall ever come out of his mind which is not going to be in the best interests of Canada. He has spent his life in studying the history of political affairs throughout the world. Ever since the war started, his policy has been persistent, free of undue influence and of false manoeuvres. Up to this issue he has kept the country united so that its war effort has been highly praised by the two greatest statesmen of our time, namely, Churchill and Roosevelt. When his work is finished, I am sure we shall have reached a point never yet attained, where it will be fashionable at last to boast of being first, last and always a true Canadian.

I heard the hon. member for North Battleford (Mrs. Nielsen) and was surprised at the picture she painted of the province of Quebec. I might tell her that in Quebec people are just as happy as they can be, under present circumstances. I might add that when the hon. member came to Montreal and spoke at the Atwater market she was not meeting the farmers of Quebec. The large audience there was composed mainly of people who were born far away from Canada—not even in any of the other provinces of Canada. She cannot judge the population of Quebec by these people who, although they are good citizens, do not represent the true spirit of my race in Quebec.

Mr. RAYMOND EUDES (Hochelaga) (Translation): Mr. Speaker, the bill we are now considering will shape, in a measure whose exact scope we are unable to determine, the future of the two main racial groups in this country. Their disagreement over the plebiscite issue has stirred wide popular feeling.

The French Canadians are charged with shutting their eyes to a danger that is imminent and with refusing their fellow citizens of Canada the cooperation required to safeguard the precious interests at stake. Setting apart from the French-Canadian mass the handful of fanatics whose influence, be it said, is non-existent, I maintain that the attitude of this mass is essentially a Canadian and patriotic one.

This attitude is explained and justified by certain characteristics of the French-Canadian mentality, of which it would take too long to give a detailed account. However, a review of the facts from which that mentality derives will simplify our task. These are manifold, stemming principally from the varied conditions that have regulated the existence of French Canadians in this country.

The first to set foot on this continent, our forefathers were fired with the ambition of founding here a new France wherein would flourish the tongue and the faith of their ancestors. In the pursuit of this ideal, we see them struggle for a century and a half against nature and the elements, against hostile natives, often without the support of the mother country. Through this struggle they become deeply attached to the soil of new

France, on which they have sweated and bled. Their dream has barely begun to take shape when they pass under British rule. France having left them to their own devices, the French Canadians elect to remain on Canadian soil. Henceforth Canada will be their only homeland.

Now opens the period of struggle for the maintenance of their language, their faith and their traditions. Their uncompromising stand and the understanding which has always shown them a section of the conquering race, enable them to resist with success the attempts made by another section of the English element to assimilate them. Struggling side by side with their English fellow citizens, they finally obtain from Britain recognition of their parliamentary, economic and political rights.

Briefly, their history is the history of their struggles, of struggles which rooted their soul deep in the soil of Canada and gave them a thorough aversion for any kind of compulsion. Historic and cultural ties bind the French Canadians to France, and they are deeply sympathetic and grateful to their erstwhile conquerors for the broadmindedness they have shown. But they have only one homeland and that is Canada.

To be forced to fight outside their country is something the French Canadians abhor. There are many reasons for this: the 1917 conscription measure with its injustices; the pledges given over a period of twenty years by a government in whom French Canada had placed the utmost confidence, to the effect that conscription would never again be enforced.

It is now established that the French Canadians have kept Canada under the British crown. They will always fight heroically in defence of their country. One must recognize that this defence may entail fighting outside the boundaries of Canada. If help for England has been preached since the outbreak of the war, no one seems to have remembered that Canada must see to her own defence and it has not yet been proven that to safeguard their country, Canadians must fight in Europe or in Asia.

No one therefore should be shocked at the attitude taken by the French Canadians. A feeling which three centuries have rooted into the hearts of a people cannot disappear overnight. Through failure to understand the French Canadians, hostility is seen in an eminently patriotic and Canadian sentiment that could have been used to great advantage.

There exists a further obstacle to complete agreement between our two racial groups. In its dealings with the majority, a minority never gives more than it receives. The history of Ireland, Czechoslovakia and India furnishes ample proof of this.

Now the British North America Act guarantees to the French minority rights equal to those of the majority. Yet since July 1, 1867, we have never fully enjoyed in practice that justice and equality promised in our constitution. And so the existence of a Canadian nation must remain a dream until such time as French Canadians throughout the dominion enjoy the same fair and equitable treatment which is granted to the English minority in Quebec by the French majority.

This principle must govern in the field of education and religion, in the civil service and in our economic life. For a few years now, a praiseworthy but timid effort has been made along this line in certain fields. A military career, for instance, has been made more readily accessible to French Canadians who have long requested a military college. Good understanding as between our two racial groups generally, was growing stronger. There is the danger to-day that this structure may break down entirely.

These brief remarks, Mr. Speaker, are an explanation of the attitude of French Canadians on the present bill. Those who consider the repugnance shown by French Canadians for conscription as a lack of appreciation of the gravity of the hour and as a refusal to cooperate in a common cause, fail to recognize the part played by French Canadians in the present conflict, even in the armed forces overseas. I marvel, for my part, that such conditions notwithstanding, the French Canadians should have so generously borne their share of the burden. And we are still far from that participation which had been promised, a free and voluntary participation, moderate and in keeping with our means. Like their fellow citizens, the French Canadians desire an allied victory and work with all their might towards that end. In the provincial election of 1939, in the federal election of 1940 and in the recent by-elections, the province of Quebec clearly made known her desire to remain united with the rest of Canada and her unswerving determination to win this war.

In the light of these observations, Mr. Speaker, I now undertake a brief analysis of the legislation before the house.

Let us study the nature and the scope of the measure. Its purpose is to delete section 3 from the Mobilization Act. Now this legislation gives the governor in council the power to require persons to place themselves, their services and their property at the disposal

of his majesty for the efficient prosecution of the war. Power is therefore vested in the government to coerce citizens of Canada into military service. If military service is no longer restricted to the boundaries of Canada and her territorial waters one must conclude that the government will have power to coerce Canadians into fighting outside of their country.

Such is the exact meaning of this bill. As to its nature, opinions differ. Some contend that the amendment will turn the mobilization act into a conscription measure. Others maintain that it merely removes an obstacle which deprived the government of their complete freedom of action. In other words, it is not conscription but the power to extend compulsory military service beyond the limits of the country.

Now, when taken as the people generally understand it, conscription is precisely this coercion with regard to military service outside the boundaries of the country. Therefore, if the Mobilization Act, so amended, does not make conscription enforceable at once, it recognizes the principle of conscription and its enforcement will necessarily follow. How, indeed, will the government be able to resist the pressure which has already been brought to bear upon them for the enforcement of conscription? We are told that there will be no conscription unless it should become necessary. Would it not be more logical not to pass a legislation than to pass it in the secret hope that it will remain a dead letter? For, once a measure is written into the statute books, through the very essence of things a psychological factor comes into play which prompts the mind to believe that its enforcement has become necessary. This bill which establishes the principle of conscription must unavoidably lead to its enforcement.

Now, conscription has two inherent defects. Being a compulsory measure, it interferes with personal liberty. Under it, a man becomes a soldier against his will. He does not dedicate himself wholly to the higher interests of the nation. His soul lacks the enthusiasm, the sacred fire with which battles are won. He is less a soldier than a civilian bearing arms against his will. A volunteer places himself entirely at the disposal of his country. Such a sacrifice is his pride, it sets him apart from the conscript and is derived from the enthusiasm which inspires heroic deeds. To put him on the same footing as the conscript would create in both a psychological condition whereby the army's efficiency might be impaired.

However, conscription has one advantage. It increases the number of men in the land forces ready for service anywhere, since, in the opinion of experts, it cannot be applied with regard to the navy or the air force.

Let us consider the approximate strength of our armed forces. There are over 115,000 men in the air force; 33,000 in the navy and 320,000 in the active army, a total of about 470,000 soldiers ready to serve outside the borders of this country. Our reserve army includes about 130,000 men. Thus, Canada has under arms 600,000 men, or about 5·2 per cent of its total population of approximately 11,500,000. There are in Canada about 1,365,000 men between the ages of 16 and 60. The proportion of men in that age group who are now under arms is then about 46 per cent. On the other hand, nearly 80 per cent of our armed forces, or 4 per cent of our total population, are willing to serve outside the country. Applying those percentages to other countries, we note with surprise that our army, relatively speaking, compares favourably with all. Thus, if the United States had the same proportion of men under arms, with their population of about 150,630,700 they would have an army of over 7,800,000 men.

Canada has had to keep at home a large number of soldiers ever since our country has been under the threat of enemy attacks.

A study of the above basic facts shows that the advantages of conscription are purely hypothetical. In fact, conscription will send a few thousand men overseas, men who are already needed by agriculture, industry and commerce. As the disadvantages of conscription far surpass its sole and questionable advantage, this method should be used only in case of absolute necessity.

Such is the opinion of the government, of the majority of hon. members and of the people of Canada, since before the government considered themselves even morally entitled to debate the matter, they held a plebiscite.

This absolute necessity does not exist. On the strength of official statements of the government, voluntary enlistment is satisfactory and conscription is not and may never become necessary.

However, Mr. Speaker, a bill has been introduced which not only sanctions the principle of conscription, but fatally leads to its enforcement. Therefore, the government recognize a principle, the enforcement of which they reprove. The only logical attitude is to condemn the principle itself.

Nevertheless, we are urged to adopt this bill, which is essential to the common good. The common good is the public interest of the country. It is the law that transcends all individual interest. Let us seek the exact nature of this common good

Some claim it to be the aim sought by the majority. Because the plebiscite vote was affirmative, the adoption of this measure would be imperative and the minority should accept it.

First, I must state that this affirmative vote has no power of law. It is a mere expression of opinion. The minority must submit to the law, but it retains the democratic privilege of expressing opinions at variance with that of the majority and of discussing the opinion of the majority.

I do not agree that the aim sought by the majority necessarily represents the common good and, furthermore, I claim that the majority of our people, in spite of the affirmative vote cast on the plebiscite, do not desire conscription.

This conclusion is clearly inferred from the very nature of the plebiscite question, from the debate on the plebiscite bill, from the statements made by opposition party leaders during the plebiscite campaign and finally from the statements of the Prime Minister and his colleagues before, during and after the plebiscite. This campaign has doubtless seriously influenced the vote. For a number of our citizens, the affirmative vote was a token of confidence in the government and even a means to avoid conscription. Therefore, the true significance of the vote is not that which it is endeavoured to attach to it.

The supporters of the bill claim that the public interest demands that our soldiers fight the enemy wherever he may be and consequently, demands that this bill be passed. Let us, for the moment, suppose that this point of view is reasonable. Is Canada powerful enough to defend all fronts, to watch over all the oceans? She is not alone in the fight. She has many powerful allies as determined as she is to make logical and reasonable sacrifices for victory over the enemy. We have a strong army of volunteers entirely composed of first-rate soldiers every one of whom will fight bravely in defence of their country. Every day this army grows stronger in proportion to our reserve of man-power. In what measure would conscription add to this army? These volunteers are willing to fight wherever their presence is required. The common good is thus better served than by conscription.

By repealing section 3 of the mobilization act, Canada's war effort would be placed in its true perspective. Such a measure would constitute an answer to the impassioned demands of those who refuse to believe in the efficiency of that effort, because it excludes conscription. According to them, the government close their eyes to fundamental realities lest some of their supporters be displeased.

In my opinion, too much attention is paid to this criticism. A sincere man who puts prejudice aside and takes the trouble to consider what progress has been made since September, 1939: the quantity, quality and variety of our production in many fields; the number and worth of our troops and auxiliary services; the great sacrifices made by all classes; the contributions to war services and war loans; the earnestness of the government to see that those sacrifices are shared equally and that inflation is checked; such a man will say with Churchill and Roosevelt that Canada is doing her duty, her whole duty.

If our war effort is inadequate because conscription is excluded from it, then Australia, New Zealand, South Africa and all our allies who have not yet adopted conscription for service outside of their territorial limits would stand accused of not doing their duty. And what of those sections of the empire that remained neutral?

Efficient propaganda is the best means of placing our war effort in its true perspective. Our propaganda has improved but there is still a great deal of room for improvement.

I wonder if the repeal of section 3 will open the eyes of the government's critics. Do they want conscription in order to win the war or to embarrass the government and get back in power?

This bill will not open the eyes of those who do not wish to see. It sacrifices the majority of the people who believed in the present government because they were sure that conscription would never be imposed, to the interests of a minority that will always be adverse to this government, no matter what it does.

All these vain and clever excuses are contrary to public interest, Mr. Speaker. It is in the public interest that we be victorious and that we prepare a brighter future. Victory will be achieved through the coordinated action of the allies. Each and every one of us should contribute to the common cause according to his ability. It has been shown that the Canadian war effort should be directed four ways: (1) the production and transportation of war materials, of goods and commodities which our allies cannot produce in sufficient quantity; (2) the maintenance of an army, an air force, and a navy ready to fight outside the country; (3) the maintenance of adequate forces for home defence; (4) the supply of essential civil needs.

Conscription, in theory, and in the feeble measure which I have indicated, may increase the number of men for service outside the country. That would be its only effect, undoubtedly of secondary importance.

On the other hand, Canada will never be able to make a total war effort and at the same time prepare a brighter future for her people, if justice is ignored and if national unity is disrupted. A house divided against itself shall perish. Canada is the result of a covenant freely entered into by her two main racial groups and by her nine provinces. If the sacred union of her citizens is torn asunder, Canada cannot survive.

It has not been proved, and it shall never be proved that conscription can help our country to attain victory and a real peace. On the contrary, it is certain that through its enforcement Canada will be torn asunder, and who knows if the wound would ever heal?

Mr. Speaker, it is because I wish to serve the public interest and my country and because I respect the sincerity of my compatriots that I cannot approve of the principle of this bill.

It is in adversity that a nation finds the energy from which a powerful national life is born. I sincerely hope, Mr. Speaker, that the present period of adversity will be the source of a better understanding among my fellow citizens, enlightened by a true sense of justice and real Canadianism. In such an event, our sacrifices will not have been in vain.

Mr. MAURICE GINGUES (Sherbrooke) (Translation): Mr. Speaker, as I wish to comply with the rules, I have scribbled only a few notes with the help of which I shall endeavour to explain briefly to the house and to the country at large my attitude towards the bill now before us.

To understand the present state of mind of the population of my constituency and of my province, it would be well to review concisely the events which have taken place since September, 1939. In 1939, Hitler, the worst gangster the world has ever known, launched his country into a conflict which was to spread all over the world. Almost at once, Canada took her place at the side of the mother country against the common foe. A few weeks later, in the province of Quebec, some people hoping to be returned to power brought about a general election. It is on that occasion that some of our statesmen, who had so well represented the province of Quebec for so many years in the federal arena, came to our people and asked them to accept the principle of participation in the war.

During that campaign, we saw neither the chairman of Club of the Two Hundred of Toronto, nor the leader of the official opposition. The Liberal leaders of our province were the only ones who came, not like demagogues, but like real statesmen and patriots, to face the people and sell them the idea. But we achieved success, Mr. Speaker, because our people were told that we were to have a free, moderate and voluntary war effort. A few months had elapsed when in 1940 parliament was dissolved and we went once more to the people of Canada from one end of the country to the other. We met our electors, met them face to face and stated our policy. Every party leader, even the leader of the opposition at the time, expressed his opposition to the principle of conscripting men for overseas service. We also, from Quebec, expressed once again our opposition to the principle of conscripting men for overseas service. If we have come here, if we have been chosen to voice in this chamber the opinion held by our constituents at home, it is, I repeat, Mr. Speaker, because we told the people that our war effort would be free, moderate and voluntary.

A few months later, however, we went on with the national registration. It was accepted by the province of Quebec as well as by every other section of the country. Some time later, the 1940 Mobilization Act was put into the statute books. The province of Quebec submitted to it as did all the others and responded to the call. It had been understood, however, when this legislation was voted into the statute books, that military training would last thirty days.

A few months later, by order in council,—and I was one of the hon. members of this house who received this information through the newspapers,—training was extended to a period of four months. Another few months later, by order in council again, military service was decreed for the duration. The province of Quebec, Mr. Speaker, the young men in my county gave a generous answer to the call of their country, and yet we are told that we have not done enough and that we are afraid of this conscription measure. If we oppose conscription it is not that we fear it, but rather that we do not believe in the method. We believe in voluntary effort. Our young men's contribution to victory will prove much more efficient than any effort given under coercion.

Mr. Speaker, when I consider the events which have taken place in this country during the last two years, I am forced to conclude that the present government, led by the right hon. Prime Minister (Mr. Mackenize King)

had wrought a great miracle, for less than three years ago Canada, an extremely peaceful country, was refusing to vote even a few paltry dollars for its own defence or toward participation in any conflict whatever.

Hardly two years have gone by and Canada is now on a war footing. The youth of the country is up in arms before the foe. They have answered the call everywhere and the government which has accomplished such a feat in our land can be said to have wrought a miracle, Mr. Speaker. We had recourse to a plebiscite a few months ago, we asked the people if they were disposed to release the present government from their commitments to the people as regards conscription for overseas service, so that the government might be responsible only to parliament, to the representatives of the people. I supported this measure at the beginning of the session. I had faith in my leaders and I felt it was my duty to support the legislation. And I am proud of it, not ashamed. I am still less ashamed to have gone before my electors to ask them to give an affirmative answer on the plebiscite. I was satisfied, that evening, when I found that I had obtained very nearly 7,000 affirmative votes. But here again, Mr. Speaker, there were five or six thousand electors in my county who voted "yes" because they had confidence in their representative, because they felt confident that the only vote to be given on conscription would be given here, in the House of Commons, by their own chosen representative, and also because they knew that in voting "yes" they were releasing the government from their commitments as regards conscription and that the latter would then be responsible only to parliament where the question was to be discussed in the light of our needs.

I shall vote against the bill. I shall do so with regret, Mr. Speaker, but I will vote against the bill because it calls for the conscription of men for overseas service. Whenever I have had the opportunity to address any gathering in my province and my constituency, I declared that I was opposed to this measure. My leaders heard me say this and did nothing to stop me. That occurred, I repeat, every time I have had occasion to address a meeting. I said I would never vote for such a measure, not because I fear conscription, but because I do not believe in that method. I want to say to the hon. member for North Battleford (Mrs. Nielsen), who was born in my constituency of Sherbrooke, that when I return home, perhaps sooner than I think, and when I meet my fellow workmen in the shops where I was working when the Liberal party selected me as its official candidate, I intend to do so without losing their respect. I wish to spend the rest of my life in my native town. Although I have asked my electors to vote "yes" at the plebiscite, I want to be able, Mr. Speaker, to greet my people, to meet them and to work hand in hand with them in the interests of my constituency, of my province and of my country. I thank you.

Mr. MARTIAL RHEAUME (St. Johns-Iberville-Napierville) (Translation): Mr. Speaker, I do not intend to speak at great length on Bill 80. I shall oppose the measure, for I sincerely believe that the willingness to resort to conscription denotes a lack of confidence in the patriotism of the young men of this country.

When war broke out, in September, 1939, the right hon. Prime Minister (Mr. Mackenzie King) and the late Right Hon. Ernest Lapointe, stated that we were freely entering the war at the side of England on one condition that there would be no conscription for overseas service. When, in the provincial election of 1939, I visited all the towns of my constituency, which extends over two provincial counties, I asked my constituents to cast their votes in favour of the Liberal party and to lend their whole support to the views outlined by the hon. ministers who had taken part in that campaign, the late Right Hon. Mr. Lapointe, the former Minister of Public Works (Mr. Cardin) and the hon. Minister of National Defence for Air (Mr. Power).

In the 1940 election, the hon. Prime Minister clearly set out his policy to the electorate and sought approval of his attitude in dealing with the country's war effort. I stated at the time that we had entered the war of our own free will and that there would be no conscription. I also undertook to oppose conscription for overseas service if such a measure was ever passed by any government. The constituents whom I have represented in this house since 1930 honoured me with their confidence and I think I would break my promises to them in supporting this bill. In further justification I need but recall the statements of the hon. Minister of National Defence (Mr. Ralston) who stated in recent weeks that, since November last, voluntary enlistments have increased from month to month and even beyond his expectations. The hon. Minister of National Defence for Air has likewise stated that this arm of the service had all the men it required, despite the restrictions applied on such enlistments. Then again, the hon. Minister of National

Defence for Naval Services (Mr. Macdonald) admitted on the floor of the house that over 4,000 sailors could not be taken on strength through lack of training facilities.

Since the outbreak of the war, the Conservative party has been content to accuse the government of inactivity and to level criticism at the various departments of national defence, not excepting that of national war services, and has failed to make a single suggestion of a constructive nature.

Australia refused to enact conscription; yet is there an hon. member of this house who can say that the war effort of that country has not been as efficient, if not more so, than that of any of our allied nations now engaged in the conflict?

During the 1940 elections, the two political leaders pledged themselves not to establish conscription for overseas service. Judging by the attitude taken by the Conservatives of my own riding who supported me during those elections, I understand they did not have any faith in the declarations made by the Conservative party for the purpose of obtaining votes and as a means of getting into power. The Conservatives in the province of Quebec, as well as in the other provinces, gave their support to the Liberal party because they believed in the policy and programme of the right hon. Prime Minister, if I may judge by the three counties on the island of Montreal: St. Lawrence-St. George, St. Antoine-Westmount and Mount Royal which gave the Liberal candidates overwhelming majorities and which had always been Conservative strongholds since their beginning. From what has happened in these three counties, I am in a position to assert that in the province of Ontario and elsewhere a similar change took place, owing to the fact that they believed the right hon. Prime Minister more capable of administering the affairs of the country than the Conservative party.

The Liberal party came into office with a majority never attained by any of the previous governments and I believe that that meant an approval of their platform. In my opinion, the Prime Minister, with such a majority, has a mandate which should give him a free hand in the conduct of the war without his accepting the political suggestions of the opposition.

Many hon. members have declared in this house that the vote of April 27 was a vote for conscription. I agree with the ex-Minister of Public Works when he declared in his speech of June 11 that if it had been asked clearly: Are you for or against conscription, the vote would not have been the same in the other provinces as well as in Quebec. I know that I have obtained over 2,500 "yes" votes in my riding because my electors were convinced that a "yes" vote meant a vote of confidence and not a vote for conscription.

I am sure that if the question had simply been put thus: Are you for or against conscription, there would have been many members outside Quebec who would not have been relieved of their commitments. For my part I have not been relieved of my promises and, even if I had been, I would still vote against the bill. I knew that the electors of my county were against conscription, if I can rely on the vote given in my riding in 1917 when I spoke for the Liberal candidate, who was then sick, during the whole electoral campaign. Only 311 votes were given for the candidate in favour of conscription.

The Liberal party has been accused of raising the conscription issue at every election during the last twenty-five years, but I would say to my hon. friends of the opposition that it was first brought up by the Conservatives during the by-election which was held in Drummond-Arthabaska.

In November, 1910, some political canvassers were going around the country, wearing a sailor's uniform, with a writing-book under the arm, stopping at every house and taking down the name of every boy who was of military age and telling them that if they voted for the Liberal candidate, their sons would be forced to fight in the war and would become cannon fodder. That campaign was financed, as was the 1911 campaign, by the Conservative party. I well remember that some hon. men who now sit in the upper house and on the bench were then saying that shooting holes through the British flag was necessary in order to breathe the air of freedom. The Liberal party has always been too loyal to the British crown to utter such words. I disapprove all extremist policies in Quebec as well as anywhere else. There are some extremists in Ontario also and among them are the chief of the Orange lodge and the minister, Shields. These two men spoke of the province of Quebec in terms of greater violence towards the French Canadians of Catholic faith than the French Canadians themselves would use against the English-speaking people. In Quebec the religious issue has never been raised against anybody in Canada.

Happily, their opinions are not held by all our English fellow-citizens and I am proud to have among my friends many English members of this house. In my division, the English-speaking Canadians are not fanatics, thank God! and live in good understanding with

the French-speaking citizens. But why does the Grand Master of the Orange Lodge, relying on calculations of his own, based on the last Canadian census, contend that the Catholics will form the majority in this country in 1975 and that necessarily they should be exterminated? Is it because our forefathers were the first settlers in this country and because our missionaries shed their blood in their courageous devotion to the task of civilizing and evangelizing the Indian tribes? Can Mr. Shields say as much of his ancestors?

Mr. Chairman. I believe that the Catholics of this country are as loyal to the British cause as the head of the Orange lodge. At the time the King and Queen visited Canada, the province of Quebec had no reason to be ashamed of the way the people greeted them. The French-Canadian people of the province of Quebec have welcomed their majesties with as much enthusiasm as the people of any other province.

With regard to pastor Shields, who says that the Roman Catholic church is a racket, I must say to this gentleman that if he were devoting all his energy to stimulating recruiting and good-will between the two races, he would promote national unity to a much higher degree than he has done these last years.

The hon. Minister of Justice (Mr. St. Laurent) quoted in the speech he delivered yesterday, a letter signed by all the bishops and archbishops of this country, of which thirty-five are French Canadians, urging Catholics to do their utmost to win the war. I believe that our Catholic clergy has accomplished much more for victory than this pastor Shields with his offensive statements against the Catholic people of this country. Judging him by his writings, he is, in my mind, either a maniac or a lunatic. French Canadians should not be subjected to such insults; they have contributed to victory much more than this idiot will ever do. May I, Mr. Speaker, point out that the publicity that this man is seeking for himself, by exploiting in his neighbourhood prejudices against Catholics, is insulting not only to Catholics in Canada, but to Catholics in England and in every other allied country.

Can it be said that the province of Quebec has not done her share in the present war? Each time the government has appealed to this province, either in connection with a loan or with enlistments, they have met with a ready response.

The report tabled on May 11 last by the Minister of National War Services (Mr. Thorson) and recorded in *Hansard*, shows that 24,283 men were called for the four months training period in Ontario, 37,117 in Quebec, 4,920 in Nova Scotia, 3,898 in New Brunswick, 602 in Prince Edward Island, 6,884 in Manitoba, 5,783 in British Columbia, 6,771 in Saskatchewan and 6,695 in Alberta. It is therefore evident that the number of men mobilized in Quebec is greater than that in any other province. The figures show that out of the total number of trainees, 35 per cent join the active force.

Moreover, according to a report published in the press last April, four provinces out of nine had passed their quota. As regards the number of trainees sent to camps, Quebec has 1,336 over her quota, New Brunswick has 260, Saskatchewan, 192, and Nova Scotia, 153, while the other provinces did not provide the required number.

This goes to show that the province of Quebec generously responds to the calls of the war services department. Compared to the number of calls, the proportion of postponements requested and granted in the province of Quebec is lower than in some other provinces. In two provinces only, Saskatchewan and Nova Scotia, is the proportion inferior to that of Quebec. The percentage of postponements requested and granted for the province of Quebec is 70·2, while for Ontario it is 77·7, for Prince Edward Island, 84·1, for New Brunswick, 91·7, for Alberta, 93·2, and for British Columbia, 93·5. Would the conscription measure, so highly favoured as the only means to attain a total war effort, give much better results?

All the members of the cabinet, as well as the majority of the hon. members, acknowledge that conscription is not necessary at the present moment, and that it may never be necessary.

Since voluntary enlistments yield all the recruits needed and more than are required to bring the various units to full strength, it is evident that there is no need to resort to compulsory measures in order to increase our war effort in this regard.

The Minister of National Defence, the Minister of Naval Services and the Air Minister have all declared that we have enough recruits to take care of our needs for many months to come. Why then do we need coercion or compulsory service? The government admit themselves that voluntary enlistments are sufficient; they even say that most probably they will be sufficient for a long time according to the man-power still available. Voluntary enlistments are rapidly exhausting the reserve we draw on for our armed forces and, according to the statement of the Prime Minister himself, there is now in the country a shortage of men for our various essential

war industries. How then could conscription further our war effort? Neither could it bring up to strength more quickly our various armed forces. Therefore it is a measure which cannot have any effect whatever on our war effort. Its only effect would be rather to create bitterness and dissensions, which would certainly be likely to hamper considerably our war effort.

Nobody can maintain, as I have already said, that conscription of men for overseas service can be a useful and efficient means of saving our country.

Knowing that the people of the province of Quebec are patriots and being certain that this measure is only a symbol forged in the imagination of citizens who think of England before they think of their own country, I cannot blame my province and my constituents because they are opposed to this bill. They know that it is not only useless but detrimental to national unity, which is so necessary to attain a total war effort and to achieve success in the struggle which we have willingly undertaken.

The province of Quebec, as it has been said and repeated, is ready to throw all her energies, all her resources in an effective effort to achieve victory. Quebec is ready to sacrifice everything to save our country and christian civilization from the dishonour which menaces it. To that end she rallies to the rest of the country and, in union, harmony and peace, she will make a truly total effort not through compulsion and force, but through her wise patriotism and her good-will, to bring the tragic struggle which threatens our liberties so seriously to a successful end, so that God may surely crown our efforts with victory.

Mr. JOSEPH JEAN (Mercier) (Translation): Mr. Speaker, much good will come from the present debate on whether the principle of conscription for overseas service should be adopted.

True, we are not all of the same opinion on that question. But the views exchanged during that discussion will, I am sure, dispel a lot of misunderstandings and will contribute to bringing closer the different groups of our population, if practical conclusions are arrived at.

Many believe that conscription of men for service anywhere outside Canada is the only prerequisite of our war effort, and they demand its immediate adoption.

Others believe that this measure is only incidental to our participation in the war and that it is not necessary for the present but that the government must be authorized to put it into effect soon, if circumstances were to warrant it.

Still a third group, also numerous, believe that conscription for overseas service is a useless and vexatious measure detrimental to Canada's war effort and that it should never be imposed.

Arguments, more or less valid according to the views on the matter, are put forward by all sides. And to choose between those conflicting opinions may appear difficult at first for impartial and unprejudiced minds.

The time at my disposal does not allow me to review the arguments so ably developed by both sides. Neither do I intend to discuss with those who would accept either point of view, on condition that their doubtful economic theories be recognized.

The moment is ill chosen to try and upset our whole economic system, and to seek the favour of the people, at this critical hour, with formulas perhaps attractive but in no way reliable, is to say the least out of place.

I would like, however, to correct a wrong impression which the outcome of the plebiscite, held on the 27th of April last, has left in the mind of many persons and which has more deeply marked differences of opinion, as I just said. Since Quebec was the only province to vote negatively on the plebiscite, there seemed to exist a feeling in some quarters that Quebec, or rather the Canadians of French origin, are opposed to the total war effort of the present government.

For those who believe that conscription is a symbol of total war, the fact that Canadians of French origin oppose conscription leads them to doubt our loyalty. I could quote many unkind remarks from articles published in reviews and newspapers with a view to give countenance to the legend that my own people are not as loyal as the other citizens of this country. But that would not improve the good relations which must exist between the different racial groups. Nothing is more unjust, more detrimental to our war effort than the accusations, the insinuations and even the threats levelled against us, particularly since the plebiscite. This suspicion of one section of our population against another is one of the weapons used by our foes in this war, and that weapon is not supplied to our foes by the French Canadians. We French Canadians do not need to dim the loyalty of other people so as to show ours.

So far, in the present war, we have maintained an attitude which is in no wise discreditable; it compares favourably with the stand taken by any other group in this country.

Although we have often been treated unfairly and discriminated against,—I will not say since confederation, but since the beginning of the war—we have nevertheless done our whole duty and proven our determination to play our part in the present conflict, with all the means at our disposal.

During the course of two elections, one provincial and the other federal, the province of Quebec has indicated most clearly its intention to cooperate with the majority.

We voted unanimously for participation in the war; we did so, not for sentimental reasons but after a thorough study of the matter, as the former Minister of Public Works, the hon. member for Richelieu-Verchères (Mr. Cardin) so eloquently put it the other day.

We have consented to our troops being sent overseas and, if I am not mistaken, a Quebec regiment, made up mostly of French Canadians, was the first to be brought up to strength and to journey to England.

Our young boys are enlisting and they will continue to enlist until final victory, if we only recognize and appreciate the value of their sacrifice. I do not claim glory for what those of my family are doing in this war. But I must say that I have only two sons. They were both students and were preparing a brilliant future, and they both enlisted for service overseas, thus risking their future, because they thought it was their duty toward their country and their fellow citizens so to do. And there are many families in the province of Quebec that could say the same thing I am saying to-night.

But that is not all. War work in all its forms and war loans have met in our province with a warm and enthusiastic welcome. We have complied without murmur with the restrictions and orders contained in some 25,000 orders in council passed since the beginning of the war, most of them having been prepared in good faith, I hope, by officials evidently ignorant of the laws and customs of the province of Quebec.

After the downfall of France, we did not hesitate in the face of additional dangers threatening our country from closer at hand, to support the principle of conscription of wealth and men as applied to the defence of Canada.

Surely it is not the French-speaking members in this house who, by causing obstruction, have delayed the government in their attempt to adopt the necessary measures in connection with our war effort.

Up to the present our manner of behaving has left absolutely no ground for the charges, insinuations and threats directed against us.

We have done our share willingly and generously; nevertheless it must be admitted that we were not invited to participate in this war as partners. I wonder if those who suspect our loyalty would have been willing to do as much under such circumstances.

Knowing the difficulties encountered daily and which we must overcome in order to vindicate even the least of our rights; having in mind our lack of influence and importance in every field of activity; comparing the sacrifices we have already made with the unfavourable treatment given us, unconsciously perhaps, by the majority; no one has the right to cast any doubt on our loyalty, and I claim, Mr. Speaker, that no one can teach us anything about patriotism.

Notwithstanding the remarks made by the hon. member for Laurier (Mr. Bertrand), finance, industry and commerce are practically closed to us. Civil service and army positions are distributed to us with disconcerting niggardliness. If we check the list of all those occupying key positions in the war industries, at the head of government departments and on the staff of new boards organized for the efficient prosecution of the war, I am convinced that our well-meaning English-speaking fellow-citizens will not feel proud when they realize what a small share is allotted to us. Such is not the case in Ottawa only, for the same condition obtains even in the province of Quebec.

You may not believe this, Mr. Speaker, but in certain parts of the province of Quebec, the mass of our workers were required to learn a language foreign to them so as to understand the orders of their unilingual bosses. Not very long ago, signs were posted at the entrance to certain war plants of the province of Quebec and advertisements appeared in the press stating that French-Canadian workers need not apply for employment. "No French-speaking needed" was the notice printed on those posters.

It is claimed that we are neither competent nor qualified to fill important posts in the army, the war industries and the various government bodies specially employed in organizing our war effort. This argument is worthless. I wonder where, in 1939, could be found men skilled in the arts and trades of the present war. All the methods obtaining in this war

are new and we all had to acquire our experience from September, 1939, on. The French Canadians were as able as their fellow-citizens to adapt themselves to these new duties.

Much also has been said of these so-called experts who give their services free to the government for the duration of the war, and it seems that we are to be blamed for not having provided such men. One should not fall for that kind of camouflage. All these supermen who carry self-abnegation to such a degree as to be working apparently for nothing are not making such a great sacrifice. Most of them, if not all, are loaned by companies who get war contracts, and until the contrary is proved, I am positive that their salaries in the company books are charged to war contract accounts and that, finally, they receive more from the government than if they were directly employed by it. At any event, on the same terms, the province of Quebec would be able to provide a great many such experts.

I could add indefinitely to the list of these grievances, but what I said of them is, I hope, sufficient proof that our attitude up to now deserves something better than malevolant insinuations. Like the rest of this country, we want to contribute to the extreme limit in this effort.

Let there be an end to the mistrust of which we are the victims; let us be considered as associates and all misunderstandings will disappear between us. National unity and the effective prosecution of the war require good-will and harmony between all the citizens of the country. We shall all fail to do our duty if we do not try to understand one another better. After all, it is our common country that is in danger. We are all called to defend it. If we carry our internal dissensions to the battlefields, we shall certainly endanger the issue of the conflict. A certain degree of good-will and a little more frankness and logic would easily bridge these differences.

I believe the results of the plebiscite are being misinterpreted. The meaning which certain people seek to attach to the "no" and "yes" votes is illfounded. In the mind of certain voters the vote given may have been meant as a vote for or against conscription for overseas service. But that was not the issue placed before the people.

Those of my hon. colleagues who have secured a "yes" vote in their constituencies have not thereby received a mandate to vote for conscription.

[Mr. Jean.]

They have simply been authorized freely to study the subject on its merit without being bound by the promises all parties made during the election campaign of 1940.

I might, for my part, argue that I do not enjoy such a privilege, since the majority of my electors have given a negative answer. But, for the purposes of this discussion, I shall accept the argument of those who contend that we were released by a majority of the people in this country, and I shall avail myself of that liberty to vote as a free man, according to the dictates of my conscience and in furtherance of what I deem to be the interest of the country as a whole.

It has been said time and again that conscription of men for overseas service would be unenforceable in Canada at this time for the following reasons:

1. It has been possible to bring our armed forces up to strength through the voluntary system of enlistment;

2. Military officers who have been consulted in this regard do not want conscripted men in the army recruited for service overseas;

3. The enforcement of such a measure would sow the seeds of discord, destroy forever national unity and wreck our war effort;

4. The need of men at home, for the defence of Canada and the production of munitions and foodstuffs is more pressing than the sending of men overseas.

I could adduce against conscription no better reasons than those which have been given by the right hon. the Prime Minister (Mr. Mackenzie King) and most of the cabinet members since the opening of this debate.

If I am to judge by all those statements, the government's policy in this connection is well defined, and the government must know the situation after two years and nine months of war.

This discussion has clearly shown that the policy of the government is to refrain from conscripting men for overseas service.

I entirely agree with that policy, Mr. Speaker, and that is why I cannot vote for this bill.

As every one will admit, the only power which the government will secure if Bill No. 80 goes through is the power to enforce conscription for overseas service.

How could I logically agree to the introduction of such a power into our statutes when the government do not wish to use it and tell us that its enforcement would be detrimental to our war effort?

I urge the government to withdraw this bill which they consider as unnecessary. Let

them not introduce into our legislation a principle which is questionable to say the least and which others might be tempted to apply should the occasion arise.

Mr. AZELLUS DENIS (St. Denis) (Translation): Mr. Speaker, after the brilliant oration of the hon. member for Richelieu-Verchères (Mr. Cardin), nothing more can be said in evidence of the fact that the bill now before the house is a full and genuine conscription measure for overseas service. But, most amazing to me, not only is this baneful law useless, but it is harmful to our war effort. Rather should the present government bend all its efforts to correct wrongs and breaches of existing laws and regulations, which wrongs and breaches are the true causes of disunion, misunderstanding and apathy. After hearing the hon. member for Richelieu-Verchères who, with his customary eloquence, gave a memorable improvisation which will go down in history as a masterpiece of logic and courage, parliament has just realized that it has lost as a minister of the crown one of its wisest counsellors. Man of experience and of good judgment, of duty and of honour, he went so far as to sacrifice his health in claiming the rights of his fellow-citizens of the province of Quebec whose undisputed leader he remains in this house.

The views of the hon. member for Richelieu-Verchères had been anxiously awaited in all parts of the country and I can assure you, Mr. Speaker, that no one has been disappointed. Since he has so ably interpreted the feelings of his province and other sections of the country, tokens of admiration have come from every direction. I am pleased to speak in the name of the electors of Saint Denis to tell him how proud we are of him and to declare once more that he enjoys our fullest confidence.

In spite of the conspiracy of silence waged against him, in spite of the flagrant and mysterious reversals of opinion of certain newspapers, his name, his sincerity and his courage will ever remain engraven in the hearts of his grateful fellow-citizens. I regret, Mr. Speaker, that the hon. Prime Minister (Mr. Mackenize King) has not yielded to the advice of the hon. member for Richelieu-Verchères; I regret that he has fallen in the trap set by the imperialists, the Tories and the high finance magnates. I regret that he has been swayed by a press campaign which has induced him to introduce such an inopportune measure. If he expects gratitude from the Tories, imperialists and financiers for this action, he greatly deludes himself. He was wrong in preferring the advice of those who have always been and always will be his adversaries to that of friends who have so frankly helped and supported him throughout his public life.

This measure is premature, Mr. Speaker, for, so far, its necessity has never been demonstrated; on the contrary, every effort has been put forth to prove that it is unnecessary.

A useless measure, the Prime Minister having stated that it will not be enforced.

A useless measure, in view of his statement that he can always invoke the War Measures Act of 1914. How then may we explain his apprehension, lest the summoning of parliament should prove too slow a method in case of an emergency?

I am told that this measure would tend to correct a false impression prevalent among the united nations as to the extent of our war effort. Would they be satisfied with a measure which will not even be enforced? On the other hand, there will be grounds for such an impression once they discover that we are trying to pull the wool over their eyes by adopting useless measures, laws which tend to divide our people. This false impression will become a true impression if the government persists in allowing the newspapers to print what they please, without control or censorship, and to be so bold as to cast doubt upon statements made by allied military leaders, even to belittling the successes of their armies in the eyes of the Canadian people.

Let us read together a statement, chosen amongst a hundred others, which appeared in the Ottawa *Evening Journal* of June 9, 1942. It is entitled, "That Midway Battle".

I quote from the Ottawa Morning *Journal* of Tuesday, June 9, 1942, an article under the heading "That Midway Battle":

> Saturday night and all day Sunday the radio proclaimed a great victory by the United States fleet in the vicinity of Midway island, some 1,300 miles from Hawaii.
>
> This was completely justified by the official statement of U.S. Admiral Nimitz. "Our citizens", he said, "can now repoice that a momentous victory is in the making—Pearl Harbour has now been partially avenged. Perhaps", he added, with a mild pun, "we will be forgiven if we claim we are about 'Midway' to our objective."
>
> That statement, with a table of enemy losses —two or three Jap carriers sunk, battleships and cruisers damaged—had right of way in the week-end. Then Sunday evening Admiral King held a press conference in Washington, and discussed the Pacific battle cautiously. He would not say the Japanese had been "defeated" although they had withdrawn from the battle.

The outcome "might" decide the course of the war in the Pacific, but the full extent of damage to Japanese ships was not known. American losses, in any event, were relatively light. Monday's dispatches threw little additional light on the affair. The Japanese had suffered heavily, but it was not clear that their plan of campaign had been thrown out of gear, and the battle had been broken off.

We can say, because critics in his own country already have said it, that there was a certain regrettable flamboyancy about Admiral Nimitz's declaration—and let nobody suggest, after Libya, Hong Kong and Singapore, that we aren't competent to detect the flamboyant.

Admiral Nimitz, from the thick of the combat, invited his fellow-countrymen to ring the church bells and hang out the flags, to rejoice in a momentous victory. That was plain enough, and nobody can wonder that the broadcasters "went to town" on the news. But it seems that after a very successful opening phase the battle did not go quite the way of his optimistic prediction—such things have happened before. The enemy got away and contact was lost.

What remains is, however, a substantial victory. The Japanese lost at least two carriers, with their aeroplanes and a destroyer. We are told of no American losses except a destroyer sunk. If the Japanese fleet was headed for Hawaii or Alaska, and now is "limping home" for repairs, as one commentator put it, the affair may turn out to have momentous consequences. But it does appear the language of Admiral Nimitz might have been a bit more restrained, because he built up expectations which events could not sustain.

I wonder if the Minister of Justice (Mr. St. Laurent) should not examine this statement, instead of presenting useless acts for adoption.

Such a statement, Mr. Speaker, is far from favourable to us, and it does not come from Quebec. In my humble opinion, it should never have been made public, even if punishment is meted out.

The Prime Minister speaks about national unity and the leader of the opposition (Mr. Hanson) about the defence of Christianity. How could the government authorize the publication of a speech delivered in Toronto on May 7, 1942, by the Grand Master of the Orange Lodge, Mr. J. W. Carson, and in which he insulted the French-Canadian race and the Catholic church? That statement does not come from Quebec. Such statements and publications are not designed to stir up the enthusiasm and the patriotism of millions of our allies who speak French and profess the Catholic faith.

Instead of presenting useless and detrimental acts for adoption, the government should strive to prevent such statements and publications, if our population is to be encouraged to rise in defence of Christianity, to live in harmony and good understanding and to maintain good relations with our neighbours. I am afraid the harm is done, Mr. Speaker, even if punishment is meted out.

Somebody from Toronto, a man by the name of Shields, who is president of the Canadian Protestant League, said recently in Winnipeg that the Roman Catholic church is the worst "racket" in the world and the most dangerous fifth column that has threatened any country in this war. (*Canada,* June 12, 1942.)

And it is not the only statement of this nature he has made. Do you think those statements and publications are to be recommended as a means of promoting patriotism and a friendly understanding among our people and among our neighbours and allies, a considerable proportion of which profess the Roman Catholic faith? And I would remind you, Mr. Speaker, that those statements are not from the province of Quebec; harm is done even though a penalty be imposed.

Mr. Speaker, since the beginning of this war, I have a feeling that in Canada we have signed an illegal contract; I say illegal, because of the two contracting parties, only a small group shares in the profits, while the remaining Canadians are allowed only the losses. For instance, I can hardly understand how it is that in military district No. 4, almost entirely a French-speaking district, there are at headquarters 148 officers of which only thirty-four are of French-Canadian descent.

An hon. MEMBER: Shame!

Mr. DENIS: I must add that nine out of those thirty-four French-Canadian officers do not speak French.

An hon. MEMBER: Shame!

Mr. DENIS: And that out of those 114 officers of English descent practically all of them speak English only. I find it odd also that very often a stranger has been assigned as commanding officer in the case of regiments that have been mobilized, when in these respective regiments may be found officers capable of fulfilling such duties.

That, and not section 3 of the Mobilization Act, is what hampers our war effort. You cannot, for example, achieve a total war effort by letting dollar-a-year men become all-powerful in the administration and distribution of war contracts, when thousands

of small industries, manufacturers and plants are systematically eliminated because they are not big enough to tender for those contracts always extremely large and that only important companies can fill.

It would be so easy to help those small industries in view of the rationing and restrictions, if the government would distribute to them directly small contracts that they can fill or make them participate in some other way in our war effort.

The hon. member for Gaspé (Mr. Roy) mentioned the other day the deplorable situation of our Canadian hostelries. I would say that garage keepers are also affected, as are automobile dealers and all the manufacturers and producers of non-essential goods. They are all going to be ruined if the government leaves them to the mercy of big contractors who give them work only when they cannot do otherwise.

Instead of following such a course, the government have introduced a conscription measure which is unnecessary, a measure which may mean the sending, unheralded, to any theatre of war, of thousands of mobilized men to whom the solemn promise had been made that they would not be compelled to serve overseas.

That is a direct provocation not only to the French Canadians, but also to the English-speaking Canadians who have been mobilized. The Prime Minister leaves the sword of Damocles hanging over the heads of Canadians, and I do not want to incur the risk of helping him in that, lest another should cut the thread from which it hangs.

I suppose with the utmost energy this measure which, should it go through, may overnight fall into other hands and the enforcement of which would eventually confront me with an accomplished fact, and this without my being aware of it early enough to discuss and oppose it.

If this government want a total war effort, I would suggest that they should remedy whatever defects may now exist rather than enact a conscription measure which instead of remedying those defects will certainly make them worse.

On motion of Mr. McLean (Simcoe East) the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, June 19, 1942

The house met at three o'clock.

JAPANESE NATIONALS

SITUATION IN BRITISH COLUMBIA—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. T. J. O'NEILL (Kamloops): Mr. Speaker, I rise to move the adjournment of the house to discuss a matter which I consider to be of extreme public interest, that is, the Japanese question in British Columbia.

Mr. SPEAKER: The hon. member would move the adjournment of the house to discuss a matter of urgent public importance, to wit, the Japanese question in British Columbia. I would point out that an hon. member desiring to make such a motion rises in his place, asks leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, and states the nature of the matter. If I consider it in order and of sufficient public importance I ask if the hon. member has the leave of the house. The hon. member has handed me a written statement. It is a matter which I think is of sufficient public importance; therefore I would ask: Has the hon. member the leave of the house to present the motion he is now making?

And leave being granted:

Mr. O'NEILL: Several days ago, Mr. Speaker, I rose in the house to ask a question with respect to the Japanese situation. At that time I was ruled out of order, which ruling I accepted as gracefully as possible; for I believe I was out of order on that occasion, though I had submitted the questions to the Minister of Labour (Mr. Mitchell), and the minister was quite prepared to answer them. I did not receive the written answers to those questions until to-day, and I find them very unsatisfactory.

I might direct the attention of hon. members to the fact that the people of British Columbia are extremely disturbed about the way the Japanese question is being handled, and when I say extremely disturbed I mean just that. I should like to quote from an editorial which appeared recently in the Kamloops newspaper, which, by the way, though not holding the same political beliefs as the government, is quite a friendly paper. It carried a long editorial with respect to the Japanese question, which concluded with these words:

> Are Canada and Japan at war? We thought so in British Columbia, but Ottawa is a long way away. What kind of explosion in British Columbia is it going to take so that it may be heard all that distance?

That is the feeling of the people there. I receive communications all the time to the effect that the Japanese camps in northern British Columbia are not properly guarded. They say, for instance, that there is only one gun in a tent in which there are several guards. For that gun there are twelve rounds of ammunition, so that even if you got a Jap with each round of that ammunition there would still be plenty of them left to outnumber the guards in the camps. Things like this do not tend to allay the anxiety of the people, especially since the landing of the Japanese on the Aleutian islands.

Recently when the 2nd battalion of the Rocky Mountain Rangers were on parade in Kamloops and were being instructed by their officer, Japanese were sitting there, listening to the instructions being given by the officer to the men in his battalion. I say to the house that that is not a proper condition to exist. The Japanese in those camps in the northern section of British Columbia are becoming more arrogant every day. As a matter of fact one cannot fire those fellows as he would a man in an ordinary camp who refused to do something he was told to do. In an ordinary road construction camp the foreman may fire a man, but he cannot do that in a Japanese camp. The Japanese have now got to the point where they say they will not do something, and the foreman cannot force them to do it. Then they insist upon removal of the foreman, and in one instance, the foreman was removed.

We want a man at the head of the security commission in British Columbia of the type of the Minister of Labour (Mr. Mitchell), who, speaking the other day in the house, said, "If I had my way about it, and a man refused to do what he was told, I would intern him." Some 300 of them are now interned at Petawawa. That is the kind of man we need in British Columbia to handle the Japanese situation—someone who is prepared to do what he thinks the situation demands.

I am told, on what I consider to be most reliable authority, that Japanese are now on strike in the North Thompson area. They are on a sit-down strike. That is not a proper condition to have in this country. How long would you and I last if we were in Japan, and carried on like that? How much longer are we going to pussyfoot with those yellow devils in the west? That is what I would like to know.

Hon. GROTE STIRLING (Yale): I think it is a good thing the hon. member for Kamloops (Mr. O'Neill) has raised this question, if only for the purpose of ventilating it. Hon. members will recall that on several occasions since Japan entered the war I have discussed the Japanese situation in the house. I have asked questions, and I have warned the government, particularly in the earlier days of this movement of Japanese, that they were running the greatest risk of trouble if they looked upon the whole area of British Columbia east of the protected area as a district into which the Japanese might percolate at will. It is true that those warnings gradually had some effect. But the people I represent, particularly those in the Okanagan and in the valleys contiguous thereto, are still looking with a considerable amount of apprehension to what may develop at any time because of the truculence of some of the Japanese who are being allowed to reside for a time in those areas.

Two or three hundred of them have been placed in camps along the side of the Hope-Princeton road. When they first took up their residence in those camps the people of the locality, going out to see what they were doing and whether they were accomplishing anything, were shocked to find one guard lying on the side of the road—within touch of his rifle, true, but the rifle not being in his hands. So far as I am aware that guard was the only one at the camp. At that time work was supposed to be under way for the purpose of completing the road. There was no road machinery, and the Japanese were there with long-handled shovels, taking a shovelful of dirt, walking several yards with it and throwing it over the edge. I do not emphasize that point particularly because there are difficulties in connection with providing road machinery. From the answer to the question I asked the Minister of Labour the other day I presume the government has in hand the acquiring of all available road machinery in these difficult days. But several times over, during the earlier part of this difficulty, I was told by ministers that the interior of British Columbia must bear its share of this trouble. The inhabitants of the interior fully realize that; but what the government has apparently been unable to realize is that through that area, the fruit-growing section of British Columbia, there has been for years past a collection of Japanese. These were people of Japanese origin, some of whom were born in this country and some who were not. When the trouble broke out I believe a certain number of them were removed for internment. That matter however has been treated secretly, and I cannot assert it with confidence. I believe there were some 750 Japanese in that interior part with which I am connected. The inhabitants living up there did not see any reason why the Japanese should be allowed to leave the

protected area and wander in by day, by night, by automobile, by bus and by train, and take up residence within that area. That they have done so there is no doubt whatsoever, but what their numbers are is hard to come by.

When I was home at Easter I made all possible inquiries to endeavour to ascertain how many had so come in. I found it was quite impossible to do so, because of course the Japanese are not desirous of making known how many came in. But there are so very many more Japanese faces seen on the streets of those towns and villages, and seen on the roads and the farms, that it is quite obvious that a very considerable influx took place at that time.

The desire of the government has been to deal as best it can with the 24,000 or 25,000 Japanese which it was their purpose to remove from the protected area. As no other part of Canada in those earlier days showed any great desire to receive these Japanese residents, the people I represent could not see that when they already had placed about 750 of these people they should have others numbering four figures—and if this had not been stopped it might have been five figures—forced upon them. Because to the oriental mind the Okanagan valley and the industry carried on therein is a desirable haven.

The difficulty in that connection is now in the hands of the Minister of Justice (Mr. St. Laurent), and to that point I shall allude for a moment. For many years past it has been the custom for a farmer growing truck or vegetable crops to enter into what is known as a crop share agreement with those who are ready to do the labour. Those labourers have to a great extent in past years been Hindus, Chinese, and Japanese. No difficulty was experienced with respect to the crop share agreement between a white farmer and a Japanese who in past years had entered into such an agreement. But when these newcomers of Japanese origin showed their desire to enter into crop share agreements with the white farmers, it became evident that they could do so only if they received permits from the Minister of Justice under order in council 4657, I believe it was. When I had primed myself with certain information with regard to these crop share agreements I asked the Minister of Justice how many permits he had issued. His answer was "none". My information is that crop share agreements have been entered into by Japanese who were newcomers, contrary to the order in council, and in considerable numbers. At the moment the Minister of Justice, through the Royal Canadian Mounted Police, is making an investigation.

In the constituency of the hon. member who raised this question there have been alleged instances—I use that word because I have not definite proof—where intermediaries have acquired land which has subsequently been occupied, though it may not be owned at the present time, by Japanese who have come in from the protected area. If that be true, and it is being looked into, it is a definite infraction of the order in council that is being administered by the Minister of Justice.

These are things at which the people I represent look with a great deal of concern. At the back of their minds there is the thought that if these people are allowed to enter, to occupy, to lease and perhaps eventually to own land, there will be a repetition of what happened in the state of California in connection with foreign labour. The Italians came into their fruit valleys in an insidious manner, and now they own the valleys completely. There will be a repetition of what has occurred in another part of my constituency where the Doukhobors are located. They acquired a piece of land here and a piece there because of their habits they frightened white possessors of land away from the neighbourhood, and the areas are becoming more and more Doukhobor year by year. That is the fear at the back of the minds of the population of my riding. I think it is high time the matter was discussed in this house and that the government definitely recognized this real fear which exists.

Mr. THOMAS REID (New Westminister): Mr. Speaker, in view of the introduction of this subject into the house this afternoon I consider it my duty to warn the government with regard to some aspects of the Japanese situation. My views regarding the Japanese have been well known for many years. In 1933 I warned the country and the government of that day that the Japanese had the best maps of our shores and harbours, but I was looked upon by some as being just a racial hatred monger, if I may use that word. Apparently there are many in this country who do not yet realize the exact situation. There should be no pussyfooting about this question of moving Japanese from the coast. The United States, I believe, moved over 110,000 Japanese from their coast in a few weeks. In my opinion it was a mistake to put this matter in Canada under the Minister of Labour (Mr. Mitchell). We should have taken drastic action and put it in the hands of the military.

I know there are those who will say that repercussions will occur in Japan. I do not know how many realize it, but in Japan there are really two governing bodies, if one may use that expression. There is the emperor and his government, and then there are the

naval and military. The military are on their own. Anything that may happen to Japanese in this country—and I would have them handled kindly—will not be taken note of by the military of Japan. As a matter of fact, knowing the Japanese as I do, I think we should warn the emperor now that he and he alone will be held responsible for any atrocities committed on our soldiers, our nurses and others. The emperor is the only one who has any authority over the Japanese, military or otherwise; in fact he is looked upon as a god.

The other day two Japanese were picked up on the streets of Vancouver while in possession of murderous weapons, and they are still there. My chief reason for speaking at this time is to warn the government as to the situation in the labour camps in the interior. Outside of flying, there are only three ways to get into British Columbia—the two single line railroads and the one highway. At night there are no guards whatsoever at these camps. You may say that there is a curfew law, but who is going to enforce it? I believe it is unsafe to leave these camps in charge of just a foreman. The government should inspect them now and see that sufficient guards are placed there in case anything should happen in the future, and so prevent possible sabotage

Some time ago there were those who laughed at the statement that attempts might be made to invade this continent. No one knows what is in the minds of the Japanese, or what may happen. If anything should happen, however, I am one of those who believe that some of the Japanese in British Columbia will be made aware of it in advance. There is not a great deal to prevent them from going out from the camps and destroying the railroads, thus cutting off communication with the province and preventing the sending in of men or ammunition to the Pacific coast, except by air.

This condition is too serious to leave as it is. I am not going to advocate the method adopted by Mexico, but that country certainly went about it in a very practical way. Mexico simply put up notices in the different areas on her coast to the effect that any Japanese found there after ten days would be shot, and in eight days none were to be found. There are still many Japanese on the streets of Vancouver, in the Fraser valley and at other places in British Columbia. The government should take a more serious view of the entire situation, especially with a view to preventing sabotage.

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, for once the British Columbia members do not seem to be working together.

[Mr. Reid.]

I am sorry I had no idea that this matter was coming up, because having just returned from British Columbia I have enough information upstairs in my office to convince even this government that they should take some action in connection with the Japanese. I wonder if Prime Minister Churchill has come over here to inquire if we know whether we are at war with Japan. When we from British Columbia brought up this matter some time ago we were scoffed at, even by members of the government. It was intimated that we did not know what we were talking about. Probably these gentlemen have changed their minds by now. General Stuart, one of our outstanding military men, has been sent out to the coast. We told you what would happen in the Aleutian islands, but it would appear we were not listened to attentively enough.

Last week I was driving along Hastings street in Vancouver and I stopped my car to go in to buy a package of cigarettes. When I came out a friend who was with me asked me why I did not get the cigarettes. I cannot say to you, sir, what I said to him, but I did tell him that some member of the so-called security commission must have had an interest in that building, because the store was still being operated by a Jap. They are to be seen every day on the streets of Vancouver. There were over 700 Japanese on Lulu island that day, which is in the immediate vicinity of the only two airports in Canada which are available to defend the Pacific coast.

There was another member from British Columbia with me on the train coming back. At Schreiber, Ontario, they picked up a carload of Japanese. If the Prime Minister (Mr. Mackenzie King) was taking a trip out west his car would be placed at the front of the train. About three weeks ago the Governor General had the same experience when travelling across Canada. A carload of Japs was picked up and placed at the rear of the train behind the observation coach. I am just mentioning this to show that something ought to be done to take care of these our most dastardly enemies. Do we realize or not that these people are of the origin of a country at war with us? There was a whole carload coming back to work in sugar beet production somewhere in Ontario. Their average age was twenty-two. We have been in the war with Japan since the seventh of December last, but just on Monday and Tuesday of this week these same Japs were permitted to take pictures all along the railroad, of any of our defences, and of anything being shipped as part of our war effort, and we watched them take those pictures. Do we realize that we are at war with Japan?

We are dependent upon the security commission which we have in British Columbia to act as guard for us. Just to-day I got a letter by airmail in connection with the strikes there referred to by the hon. member for Kamloops (Mr. O'Neill). One lonely old temporary mounted policeman, over sixty years of age, armed with a rifle and ten shells, acted as guard when the Japs went on a two-and-a-half-day sit-down strike. They are openly defying us. I am told that the security commission has this matter in charge. We begged the national defence department to see that proper guards were put over these Japanese.

There is not a military man, so far as I am aware, and so far as the people of British Columbia are aware, taking any interest whatsoever in this situation in British Columbia. We have not a military man attached to the three-man security commission. We have a spruce maker. I do not like to admit it when I am wrong, but I commended the appointment of the gentleman who is chairman of that commission. He is an excellent Canadian, and a splendid business man, I presume, because he has acquired a good deal of this world's goods, but he knows no more about how to handle the Japanese or to remove them than he does about flying an aeroplane, and I regret to say that I commended his appointment. I am sure the government does not realize how serious conditions are in British Columbia or it would not permit them to exist. We have heard a great deal about unity in Canada, but unity does not consist of keeping only one province in unity. The situation in British Columbia is very serious, and as the hon. member for Kamloops said, we are not going to permit it to continue much longer.

The Ottawa *Journal* of Wednesday, June 17, says that the federal government is ready to bring Japanese from British Columbia to Ontario. It is very kind of Ontario to agree to accept them. The Ottawa *Journal* goes on to say that the minister has given a guarantee that on the cessation of the war these Japanese will be removed from Ontario. We people of British Columbia are not asking; we are demanding, where these Japanese are going to be removed to. I am not blaming Ontario or any other province for not wanting them, but I am warning this government that it will never put those Japanese back in British Columbia. The government might just as well face that. We are through asking and requesting. We are now demanding, and when a minister of the crown states that these Japanese will be removed from Ontario on the cessation of the war we are entitled to know where they are to be removed to.

We have had to fight and fight even to get these Japanese moved out of the defence areas in British Columbia. Last Friday there were at least forty Japanese families living within eighteen miles of the main power plant on the Pacific coast. This so-called security commission tells us that it is doing its best, that it has to provide a proper place to send these Japanese to, and then it puts them alongside the two trans-Canada highways mentioned by the hon. member for New Westminster (Mr. Reid). As another member and I were coming from British Columbia last week I saw these Japanese working right along the railroad—no, not working, leaning on the fence and watching us go by. Of course, they are not working. They know that to date they have had us bluffed. But there are not enough yellow men in the whole of Japan to bluff the people of British Columbia. If they can bluff this government, they cannot bluff us in that province. We are demanding action.

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, for many years members from British Columbia have been fighting an up-hill battle on this Japanese question. I realize that the members of the house at large know fairly well the picture at the present time. There is no doubt that the situation is extremely difficult, difficult for the government and difficult also for the people of British Columbia. It has become much more critical recently because the Japanese have made their first landing on north American territory, in the Aleutian islands. No one knows whether this means an attempt to invade the western coast of Canada and the United States, or whether it is merely a nuisance attack on these islands.

Just a week ago the Minister of Labour (Mr. Mitchell) was good enough to give me—and I presume it was given to all the members from British Columbia—a statement of the situation at the present time, and it will help the house to get the complete picture if I give some of these figures. They show that at the beginning of this exodus from the protected coastal area in British Columbia there were 23,480 Japanese in that province, and that of these, to date only 4,362 have been moved outside that province; that is about one-sixth of the total. Of the 4,362, 2,053 have gone to Alberta, 920 to Manitoba, and 162 to Ontario—a total of 3,135—to work on sugar beet projects. Then 862 have gone to various parts of Canada under special permit. I presume that includes the Japanese who have gone to Premier Hepburn's farm and to other places to do domestic work, and so on.

Incidentally it is hardly fair for the cities of eastern Canada to take the stand that they will not allow any Japanese to come within their boundaries, yet that stand has been taken by the cities of Montreal, Toronto, Ottawa and I do not know how many others. The councils of these cities have passed resolutions that they will not allow any Japanese whatsoever to enter their cities.

Then eighteen Japanese have gone to a mission school in Assiniboia, Saskatchewan, fifty to industrial projects at Nicholson, Ontario, and 297 have been sent to internment camps.

In addition, the Minister of Labour told us the other day that an additional 4,000 were to be sent to Indian schools, although I believe that even one of these schools is situated in British Columbia.

This statement also shows that last week, on June 12, there were still in greater Vancouver just about half the number of Japanese who were in British Columbia when this movement started, the figure being 11,563.

Various plans are set out as to where some of these Japanese can be moved, but even when all those plans have been taken into consideration the statement shows that no plans whatever have been worked out yet for 2,930 of these Japanese. In other words, unless there is some explanation, it would appear that they may remain on the coast.

It is easy to criticize the British Columbia security commission. I do not agree with all that they have done, and I know they have made mistakes, but at the same time I suppose they deserve at least some credit for what they have accomplished to date. They have undertaken a very difficult job, a job of a type that has never been done in Canada before, and they deserve credit for what they have accomplished. At the same time I think it was unsound for the government to wash its hands of responsibility for this job and turn it over to civilians. The government should have remained in actual charge of the movement of Japanese from the Pacific coast rather than delegating citizens to do the work for it, and I suggest that from now on the government assume the actual management of the movement of these Japanese people.

In conclusion, I have two suggestions to make. I think the government will have to set up towns for these Japanese people. That has been done in the United States; and it was obvious to me from the beginning that sooner or later Canada would have to establish towns to which Japanese who are not placed otherwise could be removed. The sooner this is started, the sooner the problem will be settled.

[Mr. Green.]

The other suggestion is this. It is neither safe nor is it fair to keep these Japanese in British Columbia. Under present plans by far the larger number will remain there. They have spilled over from the protected area into the ridings of Yale and Kamloops, the hon. members for which have spoken to-day. Japanese nationals—not British subjects—are working on highway projects beside the Canadian National and the Canadian Pacific railways, astride both main lines through the mountains of British Columbia, where, if there should be an attempted invasion, they could do a great deal of harm. To me it has always seemed poor business to have so many of these Japanese nationals working in these vital spots. So I urge upon the government that the objective be to get every person of Japanese origin right out of British Columbia just as quickly as possible.

Mr. G. K. FRASER (Peterborough West): I had not intended to take part in the debate this afternoon, but when the hon. member for Fraser Valley (Mr. Cruickshank) mentioned that last week the Japanese had cameras on a train and were taking pictures along the route, I looked up in *Hansard* of January 29, 1942, page 131, the question I asked on this point. I said:

I should like to ask the Minister of Pensions and National Health a question which I understand comes under his department. Has the government taken away all receiving and transmitting sets, cameras and firearms from all the Japanese residing in Canada?

The Minister of Pensions and National Health (Mr. Mackenzie) replied:

That would not come under my department. The only connection I have with that matter is the fact that I acted as chairman of a conference between certain gentlemen who came down here from British Columbia and a number of permanent officials of various departments in Ottawa. The question of firearms, cameras and receiving sets was discussed at the conference and a recommendation made to the cabinet. The Prime Minister issued a statement in regard to receiving sets and cameras, but whether or not actual action has been taken by the mounted police upon that enunciation of policy I am not able to say at the moment.

I think the Prime Minister should tell us whether any action has been taken, and if so, what action.

Mr. MACKENZIE (Vancouver Centre): Long ago.

Mr. FRASER (Peterborough West): Then why have they got the cameras? That is what I want to find out.

Mr. MACKENZIE (Vancouver Centre): So do I.

Mr. A. W. NEILL (Comox-Alberni): I am glad that the hon. member for Kamloops (Mr. O'Neill) brought this matter up, but I am sorry he did not give us some notice in order that we might have prepared the data which many hon. members from British Columbia have and would have been glad to put on the record. I can only speak casually, out of recollection, instead of having the proven facts before me.

A good deal of trouble was caused in the earlier stages of this situation by the long delay in handling it. There was too much—as one hon. member called it—pussyfooting. There was considerable ground for the suspicion that the Japanese had friends at Ottawa that accounted for the long delay in, and the reluctance to do anything as regards moving them. It has even been suggested that the fishing boats would not have been seized had it not been for the action of the Americans who, if they did not actually do it, at least poked up the Canadian authorities to do it.

Then the question was, what to do with these men, a great many of whom were fishermen and thoroughly informed on the coastal situation. As I say, there was considerable delay. One hon. member has stated that United States authorities moved over a hundred thousand Japanese in short order, but we have not got all ours away yet, and he wondered why. Does he really not know? If not, I will tell him. It is time that the public and the house were told. Because there are two officials at Ottawa, deeply entrenched in the government offices, whose souls seem to be bound up in the prosperity and happiness of the Japanese in British Columbia. I think I should even name one of them who was brought here from British Columbia and has been given a prominent position in an office here. His name is a byword and a reproach in British Columbia for his open and passionate advocacy of the Japanese, their rights and their wrongs and their privileges. He was a member of a faculty of the university there and he has been lent by them to give instruction and information—first-hand information—to the Department of External Affairs, where he is in the very best position to have early information of any steps likely to be taken against his friends, the Japanese.

Mr. MACKENZIE KING: If my hon. friend is alluding to a member of the Department of External Affairs—he has not mentioned his name but he has said everything else it is possible to say—

Mr. HANSON (York-Sunbury): Two of them.

Mr. MACKENZIE KING: Two of them, very well—I wish to say this, that so far as the Department of External Affairs is concerned, I will take complete responsibility for everything that is being done there in relation to the Japanese. There are gentlemen in the Department of External Affairs—fortunately—who have humane feelings in their breasts, which they are entitled to entertain, but I wish to say to my hon. friend that the possession of these feelings has not in any particular adversely influenced their judgment, nor has any members of the department dictated its policy.

Mr. NEILL: I am sure that the Prime Minister as Secretary of State would not allow anybody to dictate his policy to him, but I do say that his advisers are biased—I think he will permit me to say that—the men to whom he naturally turns for information about the oriental situation in British Columbia are biased.

Mr. MACKENZIE KING: May I say to my hon. friend that all the circumstances to which he has alluded have been taken into account by myself and others of the department. The gentlemen whom he has in mind are not in the department as advisers on the Japanese question. They have their own views, but our judgment is formed independently.

Mr. NEILL: Well, then, what are they doing there? Why were they brought from British Columbia?

Mr. MACKENZIE KING: They were not brought for the purpose of advising on Japanese affairs. They were brought here because of the many questions which have to be dealt with in the Department of External Affairs, because they were men with trained minds, to whom important matters could be entrusted.

Mr. NEILL: I am not going to bandy words with the Prime Minister. I am not in a position to do so. Perhaps I had better confine myself to saying that that is a very generally held opinion in British Columbia. This man was always ready, in letters to the press, and speeches, and one thing and another, to boost the supposed necessity of certain rights for the Japanese: "Why not give them votes," and so on; "they are British subjects". I can only repeat that unfortunately there is that coincidence between his being brought here quite recently and the knowledge that he does hold these views of the situation. As to the other man, the Prime Minister does not refer to him, but the situation is nearly the same as far as he is concerned.

I want to pay a tribute to the Minister of Labour (Mr. Mitchell). Although working

under a considerable handicap, he has done his part in this matter as far as he could; and as the hon. member for Kamloops said, whenever there was occasion to put his foot down he put it down, and when these people staged an incipient revolt he said, "They will be interned", and they were interned next morning. That is the kind of bold policy that we require. But he has been handicapped by the officials over there as well as some of those here. It is a hard thing to handle, because these chaps about whom we are talking have not been interned, except, of course, a number of them who became rebellious.

Under the labour commission they were paid 25 cents an hour, but they had to pay their board and contribute something toward the keep of their wives, so that by and large they figured that they did not have much left, whereas if they went on a sit-down strike, or if they were insolent to their guards, they were liable to be interned. So that the worst that could happen to them would be to be interned, and then they would get 20 cents a day and would not have to work at all. When they are interned they can devote their energies to making representations to whatever nation represents them—I am not sure whether it is Spain—submitting their complaints to that representative, and if they do not get the treatment and the food to which they think they are entitled under the Geneva convention, they have an excuse to grumble. They can say that they do not care whether they go to school or not, because the worst that can happen to them is to be interned and therefore they are better off. That, I admit, has handicapped the minister.

The hon. member for Fraser Valley (Mr. Cruickshank) said that there was considerable discontent in British Columbia with the gentleman who has been handling the security commission. I have not the time to look up the facts now, but a few weeks ago I quoted a case where the Japs had engaged, not in any sit-down strike, but in open revolt in the immigration buildings in Vancouver. They tore away everything that was tearable and threw it out of the windows; they broke windows and threw out the frames and everything else that was movable. The disturbance had to be suppressed by soldiers, who came out with their bayonets, and when the Japs saw this they collapsed. But when the matter came to be commented on by the chairman of the commission he merely dismissed it with a wave of his hand and said that it was nothing more than a demonstration of a spirit of good humour and playfulness—exuberance, he called it. I suppose, if they had dropped bombs on the place, or if they had inflicted injury on the guards, it would have been regarded as playfulness just the same. He pooh-poohed the whole thing as if it were merely a spirit of good humour and raillery. That is the way he described it, but that was not the way it was described by the people in British Columbia.

There are three things that I should like to urge upon the government at this time. The Minister of Labour (Mr. Mitchell) will correct me if I am wrong; but he wrote to me the other day to the effect that in view of complaints which I, in common with others, had made with regard to the inadequacy of the guards and the handicap under which they were operating, the whole matter would be looked into. There was no earthly hope of maintaining proper supervision with three men bearing rifles having to look after 300 men. These Japs could easily get round these men, ask for a match or something of the sort, and stick a knife into them. What control would three men have over 300 under such circumstances? I brought the matter to the attention of the minister, and he said he would endeavour to have a senior official of another department sent there to investigate the situation, because these guards do not care to talk. If the situation gets abroad, the first thing you know, a newspaperman comes on the scene and asks the guards questions. He will ask a guard what he knows about the situation and, if the guard is not a fool, he says, "I know nothing." That is easily understood; his job is at stake, and while he may talk to someone else, he will certainly not discuss matters if he is afraid that he may get into trouble. It was proposed that a senior official be sent out to talk to these men, to get them by themselves and elicit the actual facts. If that was done—and I hope it was—then I suggest it is about time we had a report on what took place.

The next suggestion I wish to make is with regard to the police force. I submit that a larger police force should be placed in these camps. It is altogether inadequate to have three men guarding 300—300 men wandering about loose. I suppose the guards sleep sometimes, and that would mean that if they worked in three shifts, only one would be on duty at a time. If this were a guard of honour it would be all right, but this is war, and these are brutal, cruel people. There may be some good ones, but we do not know which is which. There may be some men there who mean us no harm, but there are undoubtedly others who are there for a deliberate purpose which is injurious to the country. We cannot therefore afford to play with the thing. It would be all right if we were not at war, but under

present circumstances, where these men are less than a quarter of a mile from a bridge which could be blown up, cutting British Columbia off from the east, the matter becomes one of very grave importance.

Following the remarks of other members, the third point on which I wish to speak for just one moment is this. I have already referred to it, but I cannot too soon reiterate it now so that it will not be said afterwards that the government did not know about it. It is the feeling of the people in British Columbia, and it would be the feeling of the people in the rest of the country I am sure, if they were wise and informed, that at the close of the war these men should not be sent back to British Columbia but should be expatriated. The Prime Minister (Mr. Mackenzie King) talks about feelings of humanity, but I suggest that our duty is first to the people of Canada. This has been a canker all along, and it will become worse and worse—it is nothing but a canker in the heart of the country. These people are breeding rapidly, and they have but one mind: first and last they are Japanese. This is the time to take the necessary action in regard to them, when there are but 22,000 or 23,000, and not when we are overrun with 200,000 or 300,000.

I would impress upon the minister the importance of looking into these three points that I have brought up: first, a definite report on conditions; second, with regard to increasing the police force; and, finally, the question of disposing of these Japanese at the end of the war. I suggest that we should make up our minds now and prepare for the post-war situation, because I do not think we should contemplate for one moment sending these Japanese back to British Columbia. We should expatriate them to Japan at the end of the war.

Hon. HUMPHREY MITCHELL (Minister of Labour): I would say to the hon. member for Kamloops (Mr. O'Neill) that had I known the discussion was to come up this afternoon, I would have had more facts before me.

Mr. GREEN: None of us knew.

Mr. MITCHELL: Nevertheless I am not ashamed; in fact I am proud of the progress we have made in removing the Japanese from British Columbia to other parts of Canada. The problem is directly under the jurisdiction of the British Columbia security commission. I do not know the politics of the members of the commission; I do not even know the politics of the advisory council, but I think hon. members will agree with me that it was a sound decision, when the movement of Japanese had to be made, to set up a commission on the ground, 3,000 miles away, with the necessary power to undertake major policy in this regard for the government. I think time will vindicate that decision. Of course, we may reach the stage where it will be more practical, when the movement is completed, to have it under the direction probably of the Department of Labour or of some other department with a senior civil servant in charge, but I think credit should go to that commission. It was a job which many would not like to undertake, and as I sat here this afternoon I wondered that we had moved a single Japanese.

Mr. HANSON (York-Sunbury): Why?

Mr. MITCHELL: For this reason, that everybody takes a parochial point of view. When we first started to move the Japanese no province wanted them. What would my hon. friends in British Columbia say if we wanted to move all the Germans in eastern Canada to British Columbia?

Mr. CRUICKSHANK: If it were for national defence it would be undertaken.

Mr. MITCHELL: Wait until the time comes, but do not forget this: it will not be said about me that I did not act in the traditional British way with regard to these Japanese. It is not going to be written on the pages of this country's history that I treated these Japanese in any way different from the treatment that is accorded persons in the same situation throughout the British commonwealth. Let the Japanese do what they will; let the Germans do what they will; but I hope that this government and this country will uphold the true traditions of the British people in matters such as this.

The hon. member for Kamloops said that the men were dictating the policy of the camps. While I have anything to do with the matter, as long as the foremen act decently they will not be dictated to by the men in these camps. Only the other day we had a strike in one of the camps because they wanted a foreman removed. That was the camp where they were put on two meals a day—two good meals, might I say—and through that policy we were able to straighten out the difficulty.

I am not going to say to the House of Commons that we shall not have trouble in these camps. You can not have large bodies of men, whether Japanese, Canadians or what have you, without having occasional outbreaks. I think I should say also that of course we have had difficulties. Only the other day four thousand German prisoners came to New York to be interned in this country, on very short notice, and we have been confronted with difficulties of this kind. At the moment we have not sufficient space in our

internment camps, though within the next few days we hope to have accommodation available to take care of another seven hundred men.

I am just answering these points as they were brought up. The hon. member for Fraser Valley (Mr. Cruickshank) said something about seeing men going to the beet fields in western Ontario, and that some of them had cameras. With regard to these people I would say that they volunteered to go there, and according to my reports they are doing a good job. Let us be fair and decent about the matter. Goodness knows there is a terrific shortage of labour in the beet fields of this country; and if these men behave themselves and work as they should, I do not think we should raise any objection to things like that. I might also say how difficult the removal of these people is made when they are painted in the colours in which some hon. members painted them this afternoon. When my department and the security commission go to the provincial governments in order to arrange the removal of the Japanese from British Columbia to the other provinces, things like this make it difficult not only for them but also for ourselves to carry out this policy. At the moment two members of the British Columbia security commission are in conference with the government of Ontario endeavouring to arrange to remove Japanese families from British Columbia to the farms of this province. For my part I hope that can be worked out; it will be a constructive step. The hon. member for Fraser Valley laughs, but I want to say to him that any fool can spend money. This government could have put these people on a rock pile in Alberta, we will say. That is not clever. Again my hon. friend laughs. I would rather see these people spread over the country, working at productive employment; I should prefer that even to have them working in the road camps which British Columbia wanted to build in order to complete their road system. You cannot have it both ways. You cannot have your roads built with the Japanese in Ontario; they must be in British Columbia. That is the only way you can build roads there. You cannot argue both ends against the middle, as some hon. gentlemen have been trying to do this afternoon.

I think I have covered the matter sufficiently. There was a point raised by the hon. member for Yale (Mr. Stirling) with respect to the Japanese having intermediaries purchase land for them. At the moment an investigation is being made by the Royal Canadian Mounted Police to see if this is being done; and, if it is, steps will be taken to correct the situation.

[Mr. Mitchell.]

In conclusion, I just want to say that I am informed by the British Columbia security commission that they hope the movement will be cleaned up within the next six weeks. I want to say also to the Japanese government that we welcome any investigation by the representatives of the Spanish government in this country, who at the moment are looking after the interests of Japan here, or by the International Red Cross. I think, after that investigation is made, our treatment of these people will be found to compare favourably with the best treatment of any interned aliens in the world, and we should be proud of that too. I hope that may be written into the pages of our history, because, after all is said and done, we have some of our own flesh and blood in Japan, and we must not forget that. As I have said before, I know the Japanese; I fought with them in the last war. When it comes to ruthlessness there is not a nation on the face of the earth that can compare with the Japanese. But let it be said of us that at least we set them an example, so that our young men in the Straits Settlements and in Japan may get the treatment we think they should get. Let it never be said that an excuse for the ill-treatment of those young men of ours might be made of the way in which we treated the Japanese in this country. I think that is a practical approach to the problem; I believe what I have said is sound, and I think we might well be proud of the way we have undertaken this very difficult problem, under extremely severe and sometimes might I say, unfair criticism.

Mr. GREEN: Some time ago the Prime Minister (Mr. Mackenzie King) announced that he hoped negotiations might be carried through for the exchange of Japanese and Canadian nationals. Has any headway been made in those negotiations?

Mr. MITCHELL: I have no knowledge of that.

Mr. GREEN: Perhaps the Prime Minister could tell us.

Hon. R. B. HANSON (Leader of the Opposition): It is with some hesitation that I intrude into this discussion any views I hold with regard to this matter. In the first place, we are all more or less unprepared to discuss an important matter such as this at short notice, especially those of us who have no official information. Let me say at once to the Minister of Labour (Mr. Mitchell) that with respect to the humaneness of the attitude of this government, I think the people of Canada will sustain him in the principle he is endeavouring to enunciate. It must not be

said that we departed from the spirit of British fair play with respect to a matter of this nature, not so much because of fear of reprisals, which must be an important and almost a dominant factor in dealing with a matter of this kind but, if I may say so, for our own self-respect. I do not think it should be ever urged that because the Japanese are brutal, because they do not obey the laws and instincts of humanity, we should descend to the same level.

Having said that, let me say that I do believe the administration approached this problem with a good deal of hesitation and delay. I do not believe even the boldest spokesman for the government would say that they adopted a great deal of courage in dealing with this matter at its inception. There must have been in the minds of the administration, those who had studied this question, the knowledge that once Japan was at war with the united nations, we would have to be prepared for the worst with regard to what might happen on the part of Japanese nationals within our own territorial limits. Nevertheless I think the administration dallied with the matter. Finally a policy was established. I do not know who gave birth to it, but at the start it gave promise of developing into a method whereby a solution might be reached. That policy was the establishment of a security commission on the spot; and, looking at the matter as dispassionately as one can, I think the basis of the policy was sound, nor up to the moment have I heard anything which would merit condemnation of the theory behind that policy. But I will say that from the information which has reached me and from all the information that has been placed on record by hon. members from British Columbia, the security commission either found it difficult to act promptly and effectively or did not so act for other reasons.

I suggest to the government that there should be given to the people of British Columbia, our own flesh and blood, a feeling of security with respect to the possibilities that may eventuate from the presence of these Japanese there. This just cannot be done by the methods which I understand are in vogue. For instance, I am told there are three guards in a camp of 300 men, one guard on duty at a time. He carries one rifle and twelve rounds of ammunition. Why, simply to state this is to bring ridicule on the means adopted by the security commission to attain the ends sought.

Let the Minister of Labour, in whose charge this matter rests—although I believe five different departments of government have had something to do with it—set up a force sufficiently large and strong, and sufficiently capable to enforce order and discipline, and to see that these men work while they are within the jurisdiction of the security commission. Not only that; let it be a force large enough to see that no sabotage is carried on. That is an important point raised by the hon. member for New Westminster (Mr. Reid) and other hon. members. They have pointed out that these Japanese are left in a position whereby, with one stick of dynamite and lacking proper care, they could disrupt the transportation systems between British Columbia and the prairies.

Surely this is evidence of weakness. I am not condemning the government. They acted slowly at first. I believe that at least in theory the principle of the system they set up was sound, but it has not had power enough in its elbow. It has not used the power in its elbow to a sufficient degree. I suggest that a force of men be put in there, at the country's expense, to see that there is no sabotage, that there are no sit-down strikes and that discipline is maintained. All that can be done, and done humanely, too. My suggestion to the government is to strengthen the force they have there, and to see that when an order is given it is carried out.

I am not saying anything about expatriation after the war is over. I have no doubt that every white man in British Columbia would like to have that policy carried out. It may be a right policy, but I do not like to express an opinion upon it without further information. However, I could certainly visualize the difficulty of carrying out such a policy.

Mr. BLACKMORE: Is any limit placed on the amount of money the British Columbia security commission can spend in connection with the disposition of the Japanese? Must the security commission, in dealing with any given group of Japanese, first have reference to the amount of money available?

Mr. MITCHELL: I do not understand the hon. member's point.

Mr. BLACKMORE: How much money is at the disposal of the British Columbia security commission in dealing with the Japanese situation?

Mr. MITCHELL: There is no restriction. I thought at first the hon. member was talking about individual Japanese.

Mr. HANSON (York-Sunbury): There is no limit.

Mr. MITCHELL: We have to face up to each problem as it presents itself.

Mr. BLACKMORE: Has any proposal of the commission for the disposition of Japanese been rejected by the dominion government, for reasons of finance?

Mr. SPEAKER: Order; we are not in committee.

Mr. MITCHELL: I would say no.

Mr. T. J. O'NEILL (Kamloops): There are many observations I could make in rebuttal to some of the statements made to-day. It is my understanding, however, that the rules of the house do not permit of that procedure.

All I wish to do is to thank the house for its indulgence, and to thank those who have taken part in the discussion. I believe my purpose has been well served. If the government were not alive to what was going on in British Columbia, they will be alive to it now.

I say, in apology to the hon. member for Fraser Valley (Mr. Cruickshank), the Minister of Labour (Mr. Mitchell) and others who voiced their regret that I had not given a little notice, that I am not built along those lines. When I decide to do something I believe that now is the appointed time to do it. I decided when I was entering the house that now was the time and now was the hour.

I move for the withdrawal of the motion.

Mr. SPEAKER: The hon. member for Kamloops moves for leave to withdraw his motion. Is it the pleasure of the house that he shall have leave to withdraw the motion?

Mr. GREEN: I should like to know if the Prime Minister is ready to answer my question?

Mr. HANSON (York-Sunbury): The Prime Minister ought to say something.

Mr. MACKENZIE KING: The hon. member for Vancouver South (Mr. Green) asked a question with respect to the repatriation of Canadians from Japan, to be exchanged for Japanese from this country. As the hon. member is no doubt aware, I made a statement in the matter on the 12th of this month. At that time I mentioned that negotiations had resulted in an arrangement for an exchange of officials, to begin with, and private citizens thereafter. The ship which was bringing some of the officials is now also bringing to Canada some of the private citizens. Arrangements have been made to give priority to women and children.

I cannot tell the hon. member just whether or not the ship has sailed or when it sails. I have been unable to get any information in addition to what I gave on the last occasion. I can say, however, that the negotiations have resulted in the arrangement to which I refer, and that those arrangements will continue—that is to say, as rapidly as ships can be secured for the purpose our citizens will be repatriated, and Japanese will be taken back.

Mr. GREEN: Is it the hope to exchange all Japanese nationals, because they constitute over one-third of the total number of people of Japanese origin in Canada?

[Mr. Blackmore.]

Mr. MACKENZIE KING: I cannot say as to that.

Mr. SHAW: Did the hon. member close the debate when he spoke?

Mr. MACKENZIE (Vancouver Centre): He withdrew the motion.

Mr. SPEAKER: The hon. member asked leave of the house to withdraw the motion.

Mr. NEILL: Your Honour omitted to say that he closed the debate. It is open now for anyone to speak.

Mr. SPEAKER: There is a motion before the house.

Mr. NEILL: But it is invariably the rule for Mr. Speaker to say, "If the hon. member speaks in reply, he will close the debate." Mr. Speaker omitted to do so, and therefore the debate is still open.

Mr. SPEAKER: No. The hon. member has a motion. The motion is to adjourn the house. The adjournment of the house is the close of the debate. The hon. member is not entitled to reply to such motion, because the logical result would be, if the motion were carried, that the house would adjourn. The hon. member now moves for leave of the house to withdraw his motion.

Mr. HANSON (York-Sunbury): On a point of order, I think it should be made clear that any hon. member who did not speak before the hon. member for Kamloops made the present motion, is still entitled to debate the question. If the hon. member for Red Deer wishes to speak, he may do so.

Mr. SHAW: I should like—

Mr. SPEAKER: Order. There is a motion before the house. It is made by the hon. member, who has a right to make it—that he asks leave of the house to withdraw his motion.

Mr. NEILL: But he is refused leave.

Mr. SPEAKER: All in favour.

Mr. NEILL: It is not unanimous.

Mr. BLACKMORE: Is that motion not debatable?

Mr. SPEAKER: No. All in favour of the motion will say Aye.

Some hon. MEMBERS: Aye.

Mr. SPEAKER: All opposed to the motion will say Nay.

Some hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the ayes have it.

Motion (Mr. O'Neill) withdrawn.

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT OF SERVICE OVERSEAS

The house resumed from Thursday, June 18, consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940, and the amendment thereto of Mr. Roy.

Hon. C. W. G. GIBSON (Minister of National Revenue): Mr. Speaker, hon. members have already spent nearly two weeks in discussing the provisions and merits of this bill. A great deal has already been said both for and against with respect to the measure. I see no need to prolong the debate by a long speech, but I should like to express my views respecting the necessity or desirability of immediate conscription for service overseas.

Under the provisions of the National Resources Mobilization Act we already have authority to call up or conscript all the resources of this country, with the single exception of the calling up of men for overseas service. The bill under consideration removes that single exception and enables the government to make the most effective uses of all our resources as the exigencies of the situation may at any time dictate. I am supporting this bill not because I feel that conscription for overseas service is immediately necessary, but because I realize that should the necessity arise we must be in position to be able to put it into operation without delay.

I do not intend to reply to those who are opposed to the calling up of men for service beyond the territorial limits of this country, as I think it would take longer than the forty minutes that I am allowed to bring about any change in their point of view. Nor do I wish to deal with the suggestion that has been made that conscription of man-power should be automatically coupled with conscription of wealth. Under the provisions of the National Resources Mobilization Act we already have authority to conscript wealth, and I consider that any discussion on the subject may well be postponed until we come to the budget debate. What I do intend to discuss to-day is the suggestion that has been made so often that conscription is essential to total war, and we cannot have a total war without conscription.

The leader of the opposition (Mr. Hanson) has appealed for selective national service in every sphere of home activity. The other day the hon. member for Lake Centre (Mr. Diefenbaker) was asked if he believed it was desirable at the moment to have conscription for overseas service and he replied, "I say that the time has come when there is only one mobilization that will assure equality and fairness and unity in Canada." He then went on to say, "and that is by establishing selective service for overseas immediately."

I do not doubt that all those advocating immediate conscription are anxious that this country should develop the greatest national effort of which we are capable—and to do so at the earliest possible day. With that I am in complete accord. Where we differ is not in the object to be attained, but as to the means of attaining that object. It by no means follows that the introduction of conscription automatically means an increased effort or more satisfactory results, particularly in this country where we know that a considerable portion of our population is definitely opposed to it. I am not an anti-conscriptionist, but I have served under both systems, and I do not agree with the view that conscription is necessarily the best method of producing an effective fighting force.

In considering the question of conscription, or selective national service as my hon. friends prefer to call it, many arguments have been advanced in its favour, particularly the argument that it is the fairest method of securing men. It is claimed that by forcing all classes and groups to bear their share of the dangers and the sacrifices that are entailed, the bravest and best will not be sacrificed for the benefit of those who are unwilling to serve. On the face of it that is a sound argument, and if our man-power consisted of standard units where every man was of an identical pattern, moulded in the same mould, that method would prove to be not only fair but also equally effective. What that proposal does not take into consideration is the difference in effectiveness between men who are willing and those who are unwilling to serve, between the volunteer and the unwilling conscript.

Just at this point I should like to make it quite clear that I do not suggest for a moment that because a man has not volunteered he is necessary unwilling to serve. I realize quite well that there are probably many men throughout the country who would willingly offer their services, but who consider that for one reason or another, owing to various obligations, they are not justified in doing so. But it is also true that there are other men who have no desire to serve, who have no intention of volunteering and who, on the contrary, have every intention of avoiding all service if possible. Those are the men I have referred to as unwilling conscripts; those are the men

whom the advocates of immediate conscription hope to sweep into the army in their desire to secure for this country an all-out effort.

They fail to ask themselves whether or not the inclusion of those men would serve to strengthen or maintain the present morale and efficiency of our fighting forces. To my mind there is little doubt what the answer would be if a commanding officer of an overseas unit were offered his choice of being reinforced by volunteers or conscripts. The man who has enlisted has voluntarily decided for himself to enter the service, knowing well the risks involved, and is prepared to face the dangers that he will be called upon to meet. That man has joined with a purpose, that of playing his part in our effort to destroy the enemy. But what is the outlook of the unwilling conscript? He has not undertaken to undergo hardship; he has not undertaken to face danger and possible death—quite the contrary. He has tried to avoid them. That is the man who will be called up under conscription. I wonder how valuable his contribution will be to our total war effort. What some people seem to forget is that warfare to-day does not consist of hurling huge masses of men against each other, with the balance in favour of the greatest number. To-day war is mechanized, highly technical, and demanding individual initiative in the use of the weapons that are provided. The best weapons in the world will be useless unless the men using them are prepared to use them bravely and intelligently. Under these circumstances it would seem to be obvious that so long as a volunteer force can be maintained in the field it will be a more effective fighting force than one partly or wholly composed of conscripts.

We sometimes hear the question asked, "why should the best go first?" That is a reasonable question. It is obviously unfair. But the fact remains that if we are to win this war we require the services of our best, and the best services of our best, without, if possible, having their strength diluted and their efficiency reduced by having in their ranks those who have had to be forced to serve. It is difficult to understand the attitude of some people when they apologize for the fact that our overseas forces are purely voluntary. We hear no such complaint in connection with the air force or the navy, although both these forces are raised on a purely voluntary basis.

I do not think I have ever heard it suggested that conscription should be applied either to the air force or to the navy. Does anyone consider that it requires less skill and courage to operate a tank than it does to fly a plane, or that higher qualities of initiative and daring are required by the parachutists than in the commandos? I certainly would not say so. And yet we have the demand for conscription confined to service in the army only.

Our overseas force has often been referred to as the spearhead of the defence forces of Britain. We are proud of that title, and it is our duty to keep that spearhead keen and reinforced as far as possible, by men who are up to the present standard.

The leader of the opposition, referring to the impressions abroad as to our war effort, said:

> These impressions exist because of the fact that we do not send men outside of Canada.

I disagree with him entirely as to this, because such impressions are certainly not based upon the facts.

When this country, with a population of under twelve million people, while employing 800,000 persons in war production, as well as over a million engaged in agriculture, can, by voluntary enlistment, raise over 500,000 men for our fighting forces, one would almost expect to hear the people of Canada boasting of the fact.

I have in my hand an item appearing in this morning's issue of the Ottawa *Journal* which is a fair sample of the publicity that creates the impressions referred to. It is a report of a speech by Lieutenant-Colonel T. A. Kidd, a veteran of the last war, at a meeting held in Toronto. Colonel Kidd is reported to have said:

> We as a nation want to walk step by step with the United States. Conscription has produced an army for them to send to Ireland and England while our government calls for volunteers only. It is a thoroughly disgraceful situation and must react upon our national influence in the future.

That is what was said, instead of indicating to our American allies that when they have raised forces of approximately six million men, by compulsory means or otherwise, they will have proportionately equalled the record of Canada, a record that we have accomplished on a voluntary basis. In saying that I am not in any way belittling the effort of our great neighbour the United States. But instead of giving out that picture the impression is given out that we have something to be ashamed of, that we are ashamed that our volunteers have not been conscripted.

Instead of taking pride in the fact that over half a million Canadians have freely offered their lives, that the whole of our overseas forces have been raised and maintained on a voluntary basis, we have a section of our

people, and of our press, apologizing for our contribution because it has not been compulsory.

I have no hesitation, Mr. Speaker, in saying that if it remains possible to continue to reinforce our voluntary forces overseas with further volunteers from this country, I am strongly in favour of doing so, and I may add that I feel perfectly sure our troops overseas will be of the same opinion.

But it must be realized that this country has undertaken a tremendous war programme, a programme that entails not only the maintenance of our fighting forces, but also the production of huge quantities of war supplies and foodstuffs, and our resources in man-power, as well as in material supply, will undoubtedly be taxed to the limit. Up to the present, voluntary reinforcements have been forthcoming well up to the estimates of all our requirements. But it is possible that a time may come when the voluntary system may fail to supply the reinforcements equal to the demand, and that is a contingency that we must face and be prepared to meet. In such circumstances, I am certainly in favour of the immediate adoption of conscription of men for overseas service, and the government is asking to have section 3 eliminated to enable it, when necessary, to adopt the same method of raising men for our forces abroad as is now authorized for home defence.

In conclusion, Mr. Speaker, I would like to say this, that Canadians are proud, and have reason to be proud, of the forces which represent us beyond our shores, and those men are entitled to our assurance, and to know, that we in this country are prepared to support them to the very utmost limit of our power.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, I am going to vote for this bill in order to remove the last obstruction which, the government believes, prevents it from initiating compulsory service in any field of war.

On the tenth of this month, with all the other members of the house who were present, I listened very attentively to the address of the Prime Minister (Mr. Mackenzie King) when he introduced Bill No. 80 and opened this debate. The bill calls for the removal from the National Resources Mobilization Act of section 3, which imposes the only limitation in the act upon enlistment for overseas service. I am of the opinion that when section 3 is removed, the act being then in full force, the government will have authority to introduce national compulsory selective service for any field of war.

But when the Prime Minister sat down I must confess that I was not just sure what the exact policy of the government is or is going to be. I remember very well that the Prime Minister suggested three views. There was first the view of those who want immediately all-out compulsory military service for any theatre of war, and there was the view of those who did not want all-out compulsory military service under any circumstances. The Prime Minister said, at page 3236:

> Each of these is a very extreme view and attitude. Neither extreme, I believe, should be permitted to prevail.

Then he went on to say that there was a third view:

> —a view which I believe, accords with the opinion most generally held throughout the dominion. It is that conscription for service overseas should be inaugurated only if and when, in the opinion of the government, it becomes necessary to the security of our country and to the maintenance of its war effort. That view is the one which is held by the government. It represents the government's policy with respect to conscription for service overseas.

He added:

> In a word, that policy may be described as not necessarily conscription but conscription if necessary.

So that when he had finished I was just where I was when he began. I could not put my finger on the policy of the government, and I doubt if anybody could. Am I not right in my view of the Prime Minister's speech? Evidently the house agrees that I am. Last week, following the Prime Minister, we had speeches by six of his ministers, each one of whom spent a good deal of time trying to persuade our compatriots of Quebec that this bill does not really mean anything, that it does not mean conscription, that in any event it does not mean that the country is going to have a compulsory all-out effort. Certainly not in my time has there been such an array of talent. Each day, except last Friday, as the first speech of the day we had the fortune of hearing a capable minister debate the question whether this bill meant anything or not. I am sure every hon. member will admit that so far as the province of Quebec is concerned —I speak kindly of that province, and have always held myself to be one of its warm supporters—the voters believed that when they voted "no" they voted against conscription. Will anyone doubt that? I see a number of hon. members from Quebec nodding their heads. I agree that when the province of Quebec voted "no" its people were sure they were voting against conscription. I believe I can say also that in the other eight provinces the great majority but not all of those who

voted "yes" voted for national compulsory service in any theatre of war. I have as much right to say that as others have to assert that Quebec voted "no" against compulsory service in any theatre of war. I know that in Ontario, and specifically in the capital city of Toronto, the general impression during the plebiscite campaign was that an affirmative vote was a vote for all-out compulsory national service in any theatre of war. At the very commencement, a group of men, headed by Colonel Reynolds, of the Canadian Corps Association, and Major Everett Bristol, organized a meeting in Toronto, which was held in the Royal York hotel, and which I attended. Under the direction of a committee which was formed there to support the "yes" vote, quite an advertising campaign was carried on. I have some of the advertisements here. They are good. One of them shows Adolf Hitler pinning an iron cross on a non-voter, and represents him as saying, "Thank you for not coming out to vote". In Toronto we thought that not to vote was equivalent to voting "no". Later on we find this, "If you don't want to earn Hitler's praise, vote—and vote yes!" This was published in all the Toronto papers, and, I assume, in the papers around about.

The next cartoon I have here depicts, in really good caricature, Mussolini, Hirohito and Hitler, and says "Let's wipe the smirk off these mugs! Vote 'yes!'." A well-written article follows:

"Divide and rule"—this is the plan of Hitler & Co. Can't you imagine the smirk on Hitler's moronic mug when the people of Austria—Czechoslovakia—Yugoslavia argued amongst themselves until too late and the hun hordes walked in? Don't you remember the newsreel picture showing Hitler doing a jig on receiving news on the fall of France? And now we have the spectacle in India—a people divided. Monday, April 27th, will give the unholy trio—Hitler, Hirohito and Mussolini—Canada's answer. That day we have our opportunity to prove that on the question of an all-out war effort we are a united people. And, remember, a skimpy majority isn't much better than a negative vote. It would indicate that we, too, are a divided people. We must vote—and we must vote "yes" in such numbers that our enemies and our allies will know where we in Canada stand in this all-out fight for freedom.

Then another cartoon—I will refer to just one more—portrays a sailor, a soldier and an airman, and represents them as saying:

Don't fail us! Vote "yes"!

Place yourself in the position of our fighting men. You are taking a tank into battle. You are flying a bomber over Germany. You are riding in mid-Atlantic on a storm-tossed corvette. You hear suddenly that Canada has failed to ring up an overwhelming "yes" vote on April 27. What would be your feelings as you rode into battle with the enemy who seeks not only your destruction but the enslavement of your country?

[Mr. MacNicol.]

And so on. Now, Mr. Speaker, those advertisements and write-ups, repeated daily, had a lot to do with bringing about the affirmative vote in Toronto and in Ontario generally. What was the trend of that vote?

So far as I can find out, the riding of Eglinton, in North Toronto, registered the largest "yes" vote in Canada—96 per cent "yes", 4 per cent "no". Toronto itself voted 93 per cent "yes". Over 90 per cent of the voters in my riding, and 92 per cent in the constituency of Dufferin-Simcoe, voted "yes". Two ridings in Ontario voted "no". Russell gave only 37 per cent "yes", and Prescott only 32 per cent in the affirmative. In both ridings the vote was against conscription, or against all-out compulsory service in any theatre of war. In like manner the rest of us voted for national selective all-out service in any theatre of war. In the dominion the total "yes" vote was 2,921,206, and the "no" vote was 1,608,609.

I think I have said enough, Mr. Speaker, to prove that in eight of the provinces, in any event, the majority vote was for all-out compulsory service. I do not say that 100 per cent of those who voted voted that way, but the vast majority did. That vote, we are told, cost $1,600,000 including what was spent during the campaign itself, and I wish to compare that $1,600,000 with another $1,600,000 which was raised by a great newspaper that supported the "yes" vote. I refer to the Toronto *Telegram*. For the last two years that newspaper has been carrying on at its own expense the British war victims campaign fund whereby it has raised the sum I have mentioned, $1,600,000. There has been some support from outside the city, on the part of about a hundred weeklies and dailies, but the *Telegram* itself and its 700 employees all participate in the conduct of this campaign, and there are eight employees in the office who devote their whole time to this work, directing the British war victims campaign fund. They use one-tenth of their zinc in placing such cuts as I have here in the paper. I have in my hand as an example pictures of twenty-eight children, three from Norwood, Ontario, and twenty-five in the city of Toronto itself, who have been carrying on this work. Children will be seen on the street-corners selling all kinds of things to get money for the fund. They deny themselves; they do not go to shows, and they give all the money they can get together to the fund. They may have a party and give the proceeds to the fund. These twenty-eight children raised on this particular day, June 13, the sum of $60.15.

I congratulate that patriotic gentleman, Mr. C. O. Knowles, the editor in chief of the paper, and those associated with him upon the

splendid work they have done in raising the money they have got together. But I want to touch further on another side of this matter. It seems to me that in addition to the money, they have done something incomparable in the patriotic fervour which they have instilled into thousands of children throughout Ontario. They have instilled into these children a love for Canada and also a love for the empire. We hear too much in this house and outside about Canada as a sovereign nation, but so far as I am concerned I say clearly that the block in which I live in Toronto cannot be separated from ward 6; ward 6 cannot be separated from Toronto; Toronto cannot be separated from Ontario; Ontario cannot be separated from Canada, and Canada cannot be separated from the British empire.

I will now take up the views expressed by the several ministers who have spoken. First of all I would refer to the remarks of the Minister of Agriculture (Mr. Gardiner). I have always had, and I still have, a warm feeling for that hon. gentleman, but in the course of his speech he made one statement to which I will now refer, in regard to which I disagree with him, a statement which I do not think he would have made had he given more thought to the question. He was replying to something that my leader (Mr. Hanson) had said in reference to national government. Perhaps that rather stirred him up a bit, and he made this statement, as reported at page 3329 of *Hansard*:

> The only kind of government which could bring that kind of policy—

That is, the policy my leader had mentioned, an all-out national selective service policy of men and resources.

> The only kind of government which could bring that kind of policy into effect in Canada at present, the only kind of government which would undertake to do so, would be the government with no political past and no desire to have a political future.

Those words are far below the opinion I have of the minister, and I say to myself that they were spoken rather hurriedly and do not express his inmost feelings.

Mr. GARDINER: May I suggest that they did not have to do with conscription of manpower for overseas.

Mr. MacNICOL: If they do express the minister's opinion, then in the name of heaven, if and when conscription is to be brought in—and the minister who has just taken his seat (Mr. Gibson) said he was in favour of it—how can conscription be put into effect except by a national government? How can it be done if you are to attain the end the minister suggests?

Mr. GARDINER: My hon. friend will agree that that statement does not refer to conscription of men for service overseas. It refers to a discussion of policy in which the leader of the opposition said that he was not talking about that question.

Mr. MacNICOL: May I read four lines to the minister and express the hope that he will keep them before him on every occasion in the future when he feels inclined to make any statement associating political activities with the conduct of this empire's war, in this life and death struggle, when politics should not be entering into it at all.

Mr. GARDINER: I have a much higher conception of politics than the hon. member appears to have. If I thought there was anything wrong with politics, I would not be in it.

Mr. MacNICOL: If the minister will keep these lines before him he will not make that statement again. These are the words of J. G. Holland taken from *Scribner's* magazine, 1883:

> God give us men! A time like this demands
> Strong minds, great hearts, true faith and ready hands;
> Men whom the lust of office does not kill;
> Men whom the spoils of office cannot buy.

For my part I would rather stay in opposition if I lived 1,000 years than be associated with a government that would conduct a war on the basis of party politics. That is all I have to say about the minister's remarks.

I come next to the Minister of Munitions and Supply (Mr. Howe), who told a very fine story from his point of view. A great deal has been said about what Canada has done. Well, I am proud of what Canada has done, but I am one of those who believe that Canada could do a great deal more, and I think Canada should have done a great deal more. The minister said something about Australia. What has Australia done? The population of Australia is only 7,000,000, and our population is 11,420,000. Australia has enlisted in the active armed forces, serving either away or at home 8 per cent of the population. That is to say, 572,000 have enlisted, in addition to ancillary forces. The figures I have quoted are from "Keesing's Contemporary" of September 20-27, 1941. Had Canada enlisted 8 per cent of its population, Canada would have had 913,000 men instead of 505,000, as the minister said. Of course, someone will say that Canada is doing so much more than Australia in the manufacture of munitions.

Well, I do not know about that. Australia too has done a magnificent job in the manufacture of munitions. The fact is that this year they are spending $5,000,000,000 on the manufacture of munitions, according to March 15 "Vital Speeches of the Day." That is a creditable turn-out. I have no doubt they have many more men to-day in the armed forces, because since these figures were printed, Japan has moved into their orbit.

New Zealand has a population of 1,336,000. What has little New Zealand done? It had 66,500 in its expeditionary force, ready to be sent to wherever the fighting was going on; 133,000 at home, 33,000 in the air force and 6,000 in the navy, or a total of 238,500. That amounts to 14½ per cent. If Canada enlisted in its armed forces as many men as New Zealand has enlisted, in proportion to population, we would have 1,656,000 men under arms. And take South Africa, which has a white population of only 2,000,000, about one-sixth the population of Canada. South Africa has enlisted 190,000 men for overseas service and 43,000 men for home service, or 11½ per cent of her population. In proportion to population, Canada, with 11,420,000 people, at the same rate would have enlisted 1,313,000 men. The figures for South Africa were taken from the Canadian Geographical magazine for January, and the New Zealand figures from the same magazine for February.

A good deal has been said about England, and often I have heard remarks made about that country which were not very complimentary. I do not like remarks of that kind. The British people have done the most marvellous job of any nation in the world, bar none, in this war. In the Ottawa *Citizen* of this morning I read an article which stated that the total figures were impressive. Of a total population between the ages of fourteen and sixty-five, amounting to 33,000,000 people, some 22,000,000, or 66 per cent, are in the armed forces, civil defence or industry, leaving 11,000,000 for other work. That is a tremendous enlistment in the armed forces and in industry in the old country. In addition they have just reached the total expenditure of $44,000,000,000 in the prosecution of the war. Canada has done well, but Canada has to do a lot better to match these other countries to which I have just referred.

I want to say a word or two about the speech of the Minister of Justice (Mr. St. Laurent), who certainly excelled himself in delivery, in diction and in choice of language. In those three characteristics, and perhaps others, his speech was brilliant, but I should like to refer to something he said appearing at page 3391 of *Hansard*:

> I do not feel any unworthiness in asserting that the duty of citizenship to bear arms and fight and die is a duty which the citizen owes only to his own country and its interests.

I should like to ask the Minister of Justice this. If in 1776 the people of Great Britain had adopted that attitude toward the Canada of that day, what would have happened to the people of the province of Quebec and where would their language be to-day? I am absolutely in agreement that everything given them under act or treaty should be carried out. If we are to have harmony in this country we must recognize the rights of others. But if the British had not come over here in 1776 there would have been no French spoken in Quebec to-day; and had they not come again in 1812 there would have been no French spoken in Quebec to-day as an official language, any more than there is in the state of Louisiana.

Mr. MACKENZIE (Vancouver Centre): Quebec saved Canada in 1812.

Mr. MacNICOL: They did a grand job in that war, as no one knows better than I do. They certainly fought heroically at Chateauguay and elsewhere; but do not forget the western division, that fought in western Ontario and over into the state of Michigan. I give the French all the credit they deserve; they did magnificently, but on the other hand I am not going to discredit our own people.

Mr. GARDINER: They still speak French in New Orleans and in Louisiana.

Mr. MacNICOL: I can tell the minister that some forty years ago French, as a language of instruction, was abolished in the state schools of Louisiana. I am not in favour of abolishing it in Quebec; do not take that out of what I said. I am in favour of granting French Canadians every privilege to which they are entitled. All I am pointing out is that if in 1776 and 1812 the British had not come here and done what they did, Canada would have been part of the United States to-day.

Mr. GARDINER: That was not what the hon. member said. He said they would not be speaking French, but to-day they speak French in Maine and in Louisiana.

Mr. MacNICOL: No, I said it would not be the language of instruction, any more than it is in the state of Louisiana. I am in favour of its remaining the language of instruction in Quebec, as long as they want to keep it

there. Do not try to put words in my mouth. I am only pointing out what would have happened if certain things had not been done in 1776 and 1812.

During the recent Quebec by-election certain speakers made some very unkind statements. I do not know by whom they were made, but I read one denouncing our participation in the war because, it was charged, the British always got others to fight their battles for them. That is not true. Up to November last United Kingdom soldiers suffered 71·3 per cent of all casualties, while soldiers from the dominions suffered 18·2 per cent, colonial troops 5 per cent and Indian troops 5·5 per cent, while in Norway and France troops from the British Isles outnumbered those from other parts of the empire by seventy to one. I believe fair statements should be made about everyone. Certainly I would be the last to make an unkind statement about anyone, and I do not like to see such statements made about the people from whom I am descended. Many times we have heard about enlistments in this country. Major-General LaFleche, D.S.O., a very brilliant soldier with a wonderful record, recently gave the figures of enlistments in Canada, which were published in the Edmonton *Journal* and again in the Peace River *Record,* from which newspaper I clipped them. The figures were as follows:

Total Voluntary Enlistments	
Quebec	66,133
Ontario	158,691
Nova Scotia and Prince Edward Island	33,005
New Brunswick	21,861
Manitoba	39,384
Saskatchewan	32,437
Alberta	35,391
British Columbia	39,254
Enlistments per 1,000 Population	
Nova Scotia and Prince Edward Island	49.5
Manitoba	49.0
British Columbia	48.3
New Brunswick	42.8
Alberta	44.4
Ontario	42.6
Saskatchewan	36.6
Quebec	20.4

I do not know up to what date these figures go, but they are worth taking as a guide. I am not finding fault with Quebec at all. I want to be fair; I think the rest of us should enlist more than the province of Quebec. Someone said here the other day that Quebec should not be expected to enlist as many men, and I agree. I think they have done magnificently, considering everything, and they are as good fighters as we have anywhere. I am not disparaging them in any shape or form, but surely I should not be criticized for being fair to the other provinces.

I want to pass on to the Minister of National War Services (Mr. Thorson), and I shall be very brief with him. At page 3413 of *Hansard* he said:

> Furthermore, Canada has the largest volunteer armed force of any nation in the world. That is something of which Canada might well be proud.

Well, if the figures which I have quoted with respect to New Zealand, Australia, South Africa and Great Britain are correct, the minister said a lot more than would seem to be shown by the facts. Because if we have enlisted only 505,000—and I am not discrediting that, because it is a big enlistment—it does not compare in percentage, with what we would have enlisted had our enlistments been at the same ratio as those in New Zealand and Australia.

The minister made a comparison between what happened at the time of the great war and what is happening to-day. He said that by 1917 Canada had enlisted 417,371 men. It will be remembered, however, that our population in 1916, on which those figures are based, was only 8,035,000. On the other hand the enlistment figures given by the minister for 1942 are based on a 1941 population of 11,420,000. On that basis we should have in the army to-day in Canada about 593,000 men, not 505,000.

I know it will be said that another hundred thousand are being called up. But we are now speaking of the men actually in the army, and comparing that number with those who were in the army at the time of the great war.

Mr. GARDINER: Then there is the air force and the navy, in addition.

Mr. MacNICOL: I am taking the figure of 505,000 given by the minister a few days ago.

Mr. GARDINER: In the army.

Mr. MacNICOL: Is the air force not in the armed forces? Are sailors not in the armed forces?

Mr. GARDINER: I do not think they were included.

Mr. MacNICOL: I just took the figures that were given.

Mr. HANSON (York-Sunbury): Certainly they are included.

Mr. MacNICOL: In 1918 our population was 8,328,382. Toward the end of the first great war, in 1918, Canada had 628,964 in its fighting forces. On the basis of this year's

population, taking the figures in the same ratio, Canada should have in its fighting forces next year 875,000 persons. Perhaps it will have; I do not know. All I am trying to say is that Canada's war effort has been good, but it could be a good deal better.

I turn now to the Minister of Mines and Resources (Mr. Crerar), and I quote from his observations at page 3438 where he is reported as having said:

> If it were an imperialistic war I have no hesitation in saying to this house that so far as my influence and power in this country goes, and I admit that it is not very great, I would be opposed to such a war.

I have heard statements of that kind before. I have always thought I was fairly well posted in history, yet I cannot recall any imperialistic war. Was the South African war an imperialistic war? I do not think so. Was the Russian war an imperialistic war? I do not think so. Can anyone name an imperialistic war, having in mind the background of that war?

I do not like to hear any man discrediting the history of the British empire. That is not a proper kind of talk. I am a Canadian and a Britisher. I cannot picture separating Canada from the empire. To maintain it within that empire I am convinced that our armed forces will have to be greatly enlarged. I do not see how it can be done in any way other than by national compulsory selective service both for men and for resources, as advocated by the leader of this party. The government must have some such idea as that, because if it had not, why would it have gone to the expense of holding a plebiscite and introducing Bill No. 80? It must have some idea that in order to raise the necessary number of men it will have to bring in compulsory selective service.

I believe I have referred to some observations of the Minister of National Revenue (Mr. Gibson) who spoke immediately prior to me. Perhaps I have completed my discussion of the subject matters in hand. I feel, like all other hon. members, that we are in very serious, perilous and dangerous times. It is not a time when any of us should do anything to stir up strife. I would refuse to be a party to the stirring up of strife in any shape or form, nor do I believe anything I have said to-day would cause strife. Referring to the ministers, I believe I have spoken fairly, nor can it be suggested that I have criticized them unduly. I have taken only a few words from what each has said, because the time is here when it is unity we want above everything else.

I believe every hon. member is as sincere as I am in his desire to win the war. But how are we going to do it if we spend our time in matters which do not count? We cannot win unless we concentrate on every effort required to push the war to a successful conclusion. That is our bounden and our imperative duty. I am not going to find fault with the government because of its carrying on in war as a political government. The problem is theirs. Perhaps they are doing it as well as can be expected, from a government organized along political party lines. But I keep asking myself whether or not the time has come to organize some other plan. I am not going to advocate national government. I am not interested in whether national government is preached or not. But certainly it will require all the intelligence, all the effort and all the ability not only of Canadians but also of Britishers and our allies to win the war. I keep saying to myself: If all Canadians do not get behind the winning of the war, by making an all-out effort, and if we lose the war, will any of us have any privileges after the war? Will we have anything left if the Germans and the Japanese dominate this country? Only to-day we heard what hon. members had to say about the Japanese.

I should like to close with something I read a day or two ago with respect to the second invasion of Britain, as it was known in those days, by the Romans in 43 A.D. Those who are familiar with history will remember that Emperor Claudius launched an invasion. He stayed a short time, and took a great fancy to the country—so much so, in fact, that when he returned to Rome he sent his best generals and his best troops. But even in those days the British were tough. They fought like tigers, and they made up their minds that they were not going to be beaten without a real struggle. After ten years of war their great leader Caractacus appeared in the western part of England. He had been driven into the mountains of Wales. He continued to fight where he had only enough ground for his army to stand on. In the end his resistance was overcome by force of numbers. On the day before his capture he said to his followers something which I think is equally applicable to-day, something which would apply to every hon. member and to each of us who lives within the empire and who loves it—and I love the empire, as much as any man can love it. He said:

> This day, my fellow warriors, decides the fate of Britain. The era of liberty or eternal bondage begins from this very day.

And can we not say the era of liberty or eternal bondage begins from this day? The Prime Minister of Great Britain is to-day in Washington. Why did he go to Washington? Because he is going to give all that is in him to save this empire. That is what we must all do. It will take all in each of us to save the empire.

For my part, if we lose the war I do not want to live. Politics is nothing to me. I should much rather die than lose the war and be under eternal bondage. We will remember that at that time Caractacus was defeated. He was dragged through the streets of Rome—my memory fails me as to whether he died immediately thereafter—and for 400 years those tight little islands were under Roman domination. Pray God that this empire and its most beautiful and greatest dominion, Canada, will not be under the Rome of to-day, with its Mussolini, the Germany of to-day with its Hitler, or the Japan of to-day with its Hirohito. Let us together do our utmost to save this country. Let us try to have harmony. If they are having trouble in the province of Quebec, as has been mentioned, why not let the best people of the country sit around the table with our friends and compatriots and try to solve the problem? They are fine people, and they have been here for a long time. Some of my own people first came here in 1758 as soldiers.

Mr. GARDINER: Why not forget the only thing that divides us, this talk about conscription?

Mr. MacNICOL: We should be able to sit around a table and straighten out our difficulties. The minister refers to national compulsory service. You are offering a bill to allow you to put it in. The minister who just sat down said he is for it if it has to come; the Prime Minister said that he was for it if and when it has to come. Is the Minister of Agriculture the only member of the government who is not for an all-out effort to win this war?

Mr. GARDINER: I said the same thing.

Mr. W. R. MACDONALD (Brantford City): Mr. Speaker, when the National Resources Mobilization Act was before the house very few members took part in the debate thereon. The resolution was introduced by the Prime Minister (Mr. Mackenzie King) on Tuesday, June 18, 1940, and by Thursday, June 20, the bill had passed its third reading with the unanimous approval of the house. Since that time great changes have taken place in the international situation. The Germans have completed their conquest of continental Europe and have attacked Russia and seized a large portion of her territory. The Japanese have swept through the Philippines, Hong Kong, Malaya, Singapore and Burma. The United States has entered the war on the side of the allied nations. Ships have been sunk within the territorial waters of Canada. The enemy has landed on the western hemisphere.

When the act was passed in 1940 all the world expected that the Germans would enter upon a major attack on Great Britain. Canadians volunteered in large numbers to go to the defence of Britain, and had I been a younger man I would have joined up in that defence. At that time many in Canada felt that this was a war to defend Great Britain, but conditions have changed to-day. The war has come to our shores, and everyone must realize by now that we are marching side by side, not only with Great Britain in the defence of Britain, but with the united nations in the defence of Britain, Canada and all other democratic nations, and to preserve our very existence. It is no longer a British war, no longer a foreign war; it is Canada's war. As the Prime Minister has said so often, it is a war started by imperialistic Germany, now joined by imperialistic Japan, to destroy Christianity for all time to come.

The mobilization act provides for the conscription of all our resources, both human and material. Under that act our material resources may be sent to any part of the world in defence of Canada or for the efficient prosecution of the war. At the time of the passing of the act many hon. members of whom I was not one, felt that since this was, in their opinion, a foreign war, men should not be sent beyond the shores of Canada unless they volunteered to go. Accordingly a section to that effect was inserted in the act, and I would remind hon. members that every member of this house voted for the insertion of that section in the act.

Mr. HANSON (York-Sunbury): On the theory that half a loaf was better than no bread.

Mr. MACDONALD (Brantford City): I do not know what theory governed the vote of the leader of the opposition (Mr. Hanson) for the insertion of that section in the act, but the fact remains and *Hansard* records it that every hon. member voted for the insertion of that section. When certain members of this house state now that this was never anything more than a half-way measure, I would remind

them that they voted for the so-called half-way measure. No act ever passed this house with greater unanimity of approval.

Now that it is evident that this is Canada's war and not a foreign war, the government proposes to strike out the section which restricts compulsory service to Canada, so that, if necessary, men may be compelled to go beyond the shores of Canada in order to defend Canada or to prosecute this war efficiently. Since the entry of Japan into this war it has been my considered opinion that men called up for military training should receive the same training as volunteers, so that every man would be trained and, if necessary, could be compelled to go anywhere in the world in the defence of Canada or for the efficient prosecution of the war.

Hitler has avowed that he will conquer the world, and Canada has a definite place in his plans for world conquest. If we would save the world from his domination; if we would defend Canada from his tyranny and brutality, we must go beyond the shores of Canada and fight Hitler wherever nazism can be found. In that way, and in that way alone, can we successfully defend our native land. In this great world conflict it will be of no avail for some men to say that they will not go beyond the shores of Canada to defend our country, to say that some of our forces will go only to the forty-ninth parallel or to the imaginary line that runs through the great lakes or to any other imaginary line and wait there for the enemy to attack; to do that would be to invite disaster, and it would contribute in no effective way to the defence of Canada.

Placing a territorial limitation upon men called for military service is, to my mind, unrealistic. Canada is being defended in Libya, in the far eastern Pacific, in China, in Russia and in Britain just as much as she is being defended at Halifax or Vancouver. Under the National Resources Mobilization Act as it now stands, men are called up for training and are given the option of choosing whether they will defend Canada only from within Canada or whether they will go beyond the shores of Canada in order to defend this country. By that method we have, as the leader of the opposition pointed out in his speech, actually two armies within one army. But the Prime Minister has assured us that that method of training does not now prevail. Let me quote his words, as they appear on page 3241 of *Hansard*:

> Men are being called up for compulsory training and service as fast as they can be trained and equipped. These men receive the same training, in the same camps, as volunteers.

[Mr. W. R. Macdonald.]

That is as it should be. All the men are in the army for the same purpose, namely the defence of Canada. As I have stated already, I am firmly convinced that we should have only one army in which every man would be trained to defend Canada at home or abroad, wherever Canada can be defended. Within the last few days it has been said in this house that the proposed amendment will have no practical effect upon the status of men called up for training. That is definitely a misconception of the change now being proposed. The moment the act is amended, the government can say to any man in the service or to any man who may enter the service hereafter, "You must go here or you must go there, either within or without Canada, for the defence of Canada or for the efficient prosecution of the war". Some hon. members say that the government will not make that order.

Let me quote the words of the Prime Minister in an address delivered by him in this house on national selective service and repeated by him in his address on the amendment:

> In those aspects of our war effort in which voluntary methods are working satisfactorily, voluntary selection including a measure of choice by the individual of the appropriate field of service, has been and will be continued. The more expensive and complicated methods of compulsion have been employed, only where it is felt that compulsory selection is necessary in order to increase efficiency in the prosecution of the war.

The words which I ask hon. members to note particularly are these:

> Compulsion, however, will be applied without fear or favour whenever in the opinion of the government its use will aid in the achievement of a maximum war effort.

That is a clear statement; that is definite. The Prime Minister could not have been more outspoken, and as far as I am concerned I am going to be just as outspoken to the young men in my constituency. I am going to tell them that as soon as they are called for military training, it will be for the duration of the war, that it will not necessarily be for service in Canada, but that when the government deems it necessary it may be for service anywhere in the world.

Another question now arises. It is, when should the government compel men to go overseas? That is a question which only our government can determine. When the military leaders deem that step necessary or advisable they will advise the government, and the government should then take the advice of its military leaders or else get other military advisers. No one in this house is competent to say how many men should be kept in

Canada or how many should be sent abroad. For myself I do not even suggest that large additional numbers of men should be sent overseas at this time. I do not know and no one here knows the likelihood of a possible attack on the western coast or how serious such an attack is likely to be. No one here knows how vulnerable the enemy may be in some territory beyond Canada and where and when an attack might result in his complete defeat. Our military leaders should know since they are in constant contact with the leaders of the united nations, and from the sources of reliable information at their disposal they and they alone can determine where defence and where attack are most likely to bring ultimate victory. The main thing is to make sure that every man is properly trained so that he can defend in Canada or attack beyond Canada when the day and hour of battle arrive.

At the present time we have large forces in Britain. The Prime Minister has assured us that we have adequate reinforcements. This is in accordance with the wishes of the people, for one thing which, above all others, the people demand is that our forces overseas should be kept up to strength and that our gallant soldiers should be assured of adequate reinforcements in men, guns, tanks and other necessary equipment. Our Prime Minister has assured us of this; the Minister of Munitions and Supply (Mr. Howe) has assured us of this, and I hope that before the debate is over, the Minister of National Defence (Mr. Ralston) will renew the assurance which he gave us and which was received so heartily on May 4 last when he stated that reinforcements are actually in Britain and that there are additional reinforcements in Canada which could be sent to Britain when necessity arises. Nothing could be more encouraging to our gallant sons who have volunteered for service abroad than to know that, whatever may happen, there are adequate reinforcements to relieve them and take their place in time of stress.

Let me now refer to the part which Canada should play in this war. There are two viewpoints. The first viewpoint is that we should be an arsenal for the united nations and supply large quantities of guns, ships, planes, tanks, explosives and all manner of implements of warfare, including food and other supplies, and that we should drastically restrict the numbers of men who actually do the fighting. The other viewpoint is that we should have large numbers of men for the three fighting services, and that since our men proved such gallant fighters in the last war, we should concentrate on raising men for the armed forces rather than on providing materials. Without doubt Canada has a part to play in both these fields of service, in supplying both munitions of war and food and also large numbers of men. Just what proportion of our man-power should be allotted to our munitions plants and what proportion to our armed forces only our government can determine after consultation with the leaders of the democratic nations. These nations have had successive conferences at which Canada has had a place. A plan for victory has been drawn up, and Canada also has a very definite place in that plan. It is the supplying of both men and materials. Let no one think that our armed forces are playing only a secondary part in this war.

It is foolish and, I often think, cowardly to say that our job is essentially to supply tanks and that it is the job of somebody also to supply the men to operate them. Saul stood by and held the coats of his companions while they stoned Stephen. We must do something better than Saul. We must be better than coat-holders. Britain, Canada, the United States, Russia, and Australia are all turning out large quantities of munitions of all kinds; and if each of those countries said, "We'll turn out the munitions and some other country can supply the fighters", I do not know from where the fighting men would come.

No doubt at the present time we have a greater need of munitions than of men, but with the ever-increasing output in Canada, and more particularly in the United States, and with the ever-changing ebb and flow of battle it is possible that within a comparatively short time we may need men to fight with the munitions rather than men to make the munitions. No; we cannot hide behind our munitions plants. The men and women in those plants are working long hours at hard and tedious work. Canada now has over 900,000 men and women in our munitions plants turning out tanks, aeroplanes, ships, guns and shells. But that is not enough. We must remember that tanks are of no use unless we have men to operate them. The same thing is true of guns and ships and aeroplanes. Shells are of no use unless we have well trained soldiers, sailors and airmen to hurl them against the enemy. Without doubt our munition workers are doing a magnificent job, and I am proud of what our working men and working women are doing for Canada at this time, but I am sure that they would be the first to agree with me when I say that a far greater service is being rendered by the soldiers, sailors, and airmen who actually do the fighting and daily

risk their lives for their country. I wish it were possible to determine how many workers we can put in munition plants and on farms and at other necessary services, and how many in the armed forces. We could then have a goal toward which to strive, both on the home front and on the battle front. Both fronts must be kept up to strength if we are to win this war. But never let it be said that Canada wanted only to supply the munitions. A neutral country could do as much. My hope is that when the history of this war is written it will be recorded that Canada played an important part as an arsenal for the allied nations, but that she played a greater part by the heroic deeds of her soldiers, her sailors and her airmen.

From the debate which has taken place in the house thus far it would appear that the objection to the present amendment comes from three sources: first, from those who think the amendment does not go far enough; second, from those who think the amendment goes too far and is altogether unnecessary; third, from those who approve the principle of the amendment but are opposed to the method by which it is suggested that compulsory military service for overseas should be put into effect should that ever become necessary. I have dealt either directly or by implication with the first two objections. There remains the third, namely, the method by which it is proposed to put compulsory service for overseas into effect should that ever become necessary. The government proposes to do it by new regulations through order in council rather than by act of parliament. Generally speaking, I am opposed to government by order in council. But, as the leader of the opposition pointed out in his address on this measure, this is emergency legislation. In fact, in the preamble of the bill itself the word "emergency" is used. Let me quote:

> Whereas by reason of developments since the outbreak of the present war a special emergency has arisen and the national safety of the country has become endangered. . . .

And again:

> Whereas it is, therefore, expedient to confer . . . special emergency powers to permit of the mobilization of all of the effective resources of the nation. . . .

The act goes further. It actually provides that its provisions shall become operative by order in council. Let me again quote from the act. Section 2 reads:

> Subject to the provisions of section three hereof, the governor in council may do and authorize such acts and things, . . .

And then, again, section 6 reads:

> The governor in council may prescribe the penalties . . .

It is therefore evident that when this act was passed in 1940 everyone agreed that its provisions should be put into effect by order in council. All the provisions of the act which are now effective have become effective by order in council. By order in council we called men for thirty days' training. By order in council we extended that to four months' training; by order in council we extended it for the duration of the war, and no one has objected thus far to the orders in council. The amendment will merely extend the government's power so that it can compel men to go overseas for the defence of Canada. That will be an emergency. Parliament may not be sitting. Imagine the cry which would go up in at least eight provinces of the dominion if it were suggested that, after striking out the clause which restricts service to Canada, another clause should be inserted which would make further legislation by parliament necessary before compulsion could be applied! If such a clause were added, the present amendment would make no effective change in the act, and the hands of the government would still be tied.

It has been argued forcibly in this house that because the electors in some particular constituency voted "yes" on the recent plebiscite, the member for that constituency should vote for the amendment in this house. If such an argument is sound, it is equally logical to argue that because a constituency voted overwhelmingly "no", the member representing that constituency should vote against this amendment. To my mind that is the wrong basis on which an hon. member should determine his actions in parliament. In all matters we should bring to parliament the viewpoint of our electors, both the majority electors and the minority electors in our constituencies, and we should listen to the viewpoints of other members, who likewise should express the opinions of the majority and minority electors in their ridings. Then, having heard and considered all the viewpoints, we should do those things which we think are in the best interests of all Canadians.

The question on which the people voted was:

> Are you in favour of releasing the government from any obligation arising out of any past commitments restricting the methods of raising men for military service?

The people voted by an overwhelming majority to release the government. But the government is responsible to parliament. Therefore parliament, after having sought the advice of the people, should, provided they feel that it is in the best interests of Canada to do so, carry out the wishes of the people and release the government from past pledges

so that it can administer this act in accordance with its provisions. These, as I have pointed out, provide for the administration not by parliament but by order in council. Surely no one in this house wants a second debate on this issue. Let us debate it now. Let us decide it once and for all time now, and leave it with the government to bring in compulsion for overseas service when it is necessary to do so.

If, however, some hon. members feel that parliamentary government is being disregarded, there is a simple way in which the government could, if it thought it desirable, ensure effective parliamentary control in this matter. If and when it reaches the decision that the voluntary system is no longer adequate and that men serving compulsorily should be sent overseas, the government might come to parliament, announce its decision and the reasons therefor, and stand or fall on a vote of this house. There need be no debate; there should be no debate in such an emergency.

By following this course, the government would know it had the backing of parliament, and members of parliament would know the true situation and be in a position to explain it to their constituents.

This was the method followed when Canada decided to declare war. No time was lost; no time was wasted; and yet the supremacy of parliament was maintained.

There is another matter to which I should like to refer. We will all admit that as yet war has brought little hardship and suffering to many people in Canada. There have been casualty lists, and our hearts go out to those who have lost loved ones and to those whose loved ones are daily risking their lives on land, on sea, and in the air. But for the vast majority it has been a comfortable war, and we have gone unconcernedly along our way with the implicit faith of a child in ultimate victory. In fact, some of us have thought that we could win this war without fighting it, and for that reason many view as unnecessary any proposed amendment to the act. We may as well face the fact now that it will be necessary for us to fight this war and that we shall be forced to take the offensive. We must open up a second front. We cannot win the war without it. When or where a second front will be opened up, I do not presume to say, but I do say that we must begin to think in terms of offence rather than in terms of defence. In the early days of the war it was natural that we should have been satisfied with the old British slogan, "What we have, we'll hold"; but surely, after seeing our possessions passing one by one into the hands of the enemy, we must begin to realize that if we would hold what we have, if we would hold our own beloved Canada, we must start thinking and planning and acting on the offensive rather than on the defensive.

At the outbreak of war we dreaded the years which were before us because of the many horrors war would bring. Many of us had fought and had miraculously lived through the last war, and we knew what a terrible hell war was. However, we were soon to be told that it was to be an economic war, that we would slowly but surely starve the enemy into submission and that comparatively few soldiers, sailors and airmen would be killed; in other words, that it would be a comfortable war. Accordingly our armed forces sat down in the comparative quiet and comfort and safety of the Maginot line. I do not need to tell you, sir, what a rude awakening was in store for us. I do not need to tell you of the gallant defensive action which our troops carried out. No men ever fought with greater courage and no generals ever showed greater defensive strategy than in the retreat of 1940, and then came the miraculous and providential delivery from Dunkirk. Mr. Churchill said:

> We shall defend our island whatever the cost may be. We shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills. We shall never surrender.

The British people worked like Trojans and surrounded their island with what we and they hope will be invulnerable defensive works, not jumping-off places from which they can attack the enemy, but defensive barriers which the enemy cannot surmount. Then the British people went to work in the factories. They forged the necessary defensive weapons and, secure behind their barriers, said, "Let 'em all come!" And you and I sat back here in Canada and said "Let 'em all come!" We said, "They can't get into that great British island, that great island fortress." We said, "They can't get through the British fleet to our shores," and we sat down on what we thought was the security of the defences built by someone else for us.

To-day, when ships are being sunk along the Atlantic coast and in the gulf of St. Lawrence and along the Pacific coast, we find that war is at our very shores and immediately the cry from our defence-minded population goes out, "Send no more men out of Canada"; "Bring back to defend our shores all the Canadians in Britain." I am sure the Prime Minister; I am sure this government will never yield to this defensive, defeatist short-sighted attitude. This war will never be won or lost on Canadian soil. The enemy may not make any landings on our shores; but if the enemy, without having attempted to set foot in Canada, wins a complete, ultimate and decisive

victory abroad, then Canada will be lost to you and to me and to our children and to our children's children.

We have heard a great deal about psychological warfare. The first psychological change which we must make is from the defensive to the offensive state of mind. This does not mean the armed forces only. It means all the people, because, before this war is over, we shall all be in it, either on the home front or in the battle front, and this applies not only to Canada, but to the United States, to Britain and to all our allies. It is hopeless to think that any one of them can do it alone. We all must be ready to give our all, not only our money, not only our property, but also our very lives in this titanic struggle. There are many things worse than death, and one would be life under Japanese taskmasters. If we would preserve our way of life; if we would preserve our democratic institutions; if we would preserve our very freedom, it may be necessary for many of us—and all of us must be prepared—to lose our lives to save our way of life, our democratic institutions and our freedom.

In conclusion, I would appeal to all hon. members, irrespective of party, province, creed or race to rally behind the government at this time of national crisis. Under our democratic form of government it is impossible for the Prime Minister to be the political leader of all Canadians. It should, however, be remembered that he is the Prime Minister of all Canadians. Some hon. members would prefer a Prime Minister of their particular political stripe, but for the time being at least that is not possible. Why not then accept his leadership and give him whole-hearted co-operation. Hon. members as individuals might prefer another Prime Minister, but let us be frank about the matter; let us face the facts. Is there another man in Canada who would be as generally acceptable to all the people of Canada as the present Prime Minister? For sixteen years he has guided the destinies of our people and kept us united as no other leader could have done. Give him the support which he so justly merits, and I am confident that under his leadership Canada will play such a magnificent part in this war that generations of Canadians yet unborn will forever glory in the accomplishments of our farmers and working men and working women and in the heroic deeds of our soldiers, sailors and airmen.

On motion of Mr. Macdonald (Kingston City) the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at 6 p.m.

[Mr. W. R. Macdonald.]

Monday, June, 22, 1942

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WARTIME PRICES AND TRADE BOARD—J. K. SMITH

Mr. RAYMOND:

1. Is J. K. Smith an employee of the wartime prices and trade board? If so, what is his position?

2. When was he appointed, and by whom?

3. Is he bilingual?

Mr. ILSLEY:

1. Yes. He is regional director of highway transport control (goods).

2. Mr. Smith commenced duties on May 1, 1942, and is on loan from the Montreal board of trade, and was appointed by order in council.

3. No, but Mr. Theberge, the associate director, is bilingual.

GASOLINE RATIONING—MARITIME PROVINCES

Mr. PURDY:

1. What representations have been made to the government or any of the ministers thereof to the effect that the reduction in the value of gasoline coupons in the maritime provinces has interfered with the existing methods of transportation?

2. (a) What is the number of people in the maritime provinces affected as above; (b) the number of such who would be assisted in their occupations if the passenger services on railroads were reinstated?

Mr. HOWE: My officers report that they cannot answer this question in its present form. It is suggested that if the competing routes were mentioned it might be possible to do something with regard to it.

Mr. SPEAKER: In the meantime, dropped.

WARTIME HOUSING LIMITED—MILL WORK COMMITTEE

Mr. CARDIFF:

1. Have the Wartime Housing Limited established or arranged what is known as a millwork committee?

2. What millworking establishments in Ontario are represented on this committee?

3. Is it a stipulation that contractors whose tenders are accepted for the erection of houses must confine their purchases for doors, windows, interior and exterior trim to these particular firms at a set price?

4. Does this action exclude the participation of others in supplying such material and eliminate competition?

5. Could not lower prices be obtained by purchase in the open market?

6. Has the Wartime Housing Limited authority to set prices for such material?

Mr. HOWE:

1. No.
2. Answered by No. 1.
3. No.
4. No.
5. There is no restriction which prevents any contractor working for Wartime Housing Limited to purchase in the open market provided that the price at which he wishes to purchase is lower than the price approved by the timber controller's office. No contractor has yet stated a desire to purchase above the price approved by the timber controller's office. Permission would not be withheld could he furnish an adequate reason for such an unusual procedure.
6. In the interest of low cost, Wartime Housing Limited sets a ceiling price at which millwork can be purchased, this ceiling price being the price that Wartime Housing Limited itself, through the timber controller, can purchase the millwork and deliver it to the contractors. If a contractor can purchase the millwork at a lower figure than the ceiling price approved by the timber controller's office, then upon his application in writing to purchase at a lesser price, he is granted the privilege. No contractor yet has ever been refused the right to purchase his millwork at lower costs than the approved ceiling price. There have been only two or three cases that contractors have asked for permission and permission was not withheld.

WARTIME HOUSING LIMITED—CONSTRUCTION OF HOUSES AT WELLAND

Mr. FRASER (Peterborough West):

1. Was a contract recently awarded by the Wartime Housing Limited to the Russell Construction Company Limited of Toronto, for construction of houses at Welland, without tender?
2. If so, why were not competitive tenders called?
3. What are the prices being paid or to be paid to the Russell Construction Company Limited for each type of house and how many of each?
4. What building contractors have built or are building houses at Welland for the Wartime Housing Limited to date, and what was the price paid or to be paid these contractors for each type of house and how many of each?
5. Is it the practice of Wartime Housing Limited to invite tenders from a preferred list of contractors or to call public tenders?
6. If invited from a preferred list, on whose instructions was such action taken?

Mr. HOWE:

1. Yes.
2. Tenders were taken twice in the past year on Welland projects. The results of handling these projects in that locality by this method was unsuitable for the present project. Previous projects have been much too slow. The presence on the grounds of the present contractor makes calling tenders even more difficult at this time.
3. There are no fixed prices on these houses. The house types are as follows:

Type H1 and H2....	62 houses	—A finish
	64 "	—B "
	62 "	—C "
	62 "	—D "
	250 houses	
Type H11 and H12..	12 houses	—A finish
	12 "	—B "
	14 "	—C "
	12 "	—D "
	50 houses	

4. (a) Russell Construction Company, Toronto; R. Timms Construction Limited, Welland.

(b) Projects at Welland are as follows:

Project	Scope	Unit Prices
No. 1	80 H1 and H2..	$1843 00 A finish
		1843 00 B "
		1843 00 C "
	20 H12.....	$2468 00 A finish
		2468 00 B "
		2468 00 C "
No. 2	35 H1 and H2..	$1773 00 A finish
		1773 00 B "
		1773 00 C "
	15 H12.....	$2350 00 A "
		2350 00 B "
		2350 00 C "
No. 3	43 H1 and H2..	$1758 30 A finish
		1758 30 B "
		1758 30 C "
	17 H12.....	$2332 75 A finish
		2332 75 B "
		2332 75 C "
No. 4	75 H1 and H2..	$1806 24 A finish
		1791 59 B "
		1791 59 C "
		1825 96 D "
	52 H11 and H12	$2326 63 A finish
		2306 98 B "
		2306 98 C "
		2340 47 D "
	23 H21 and H22	$1983 07 A finish
		1973 19 B "
		1973 20 C "
		1992 83 D "

5. Wartime Housing Limited welcomes tenders from qualified bidders and solicits them. In a great many cases, tenders are advertised for.

6. There is no such thing as a preferred bidder or a preferred list in Wartime Housing Limited. The difficulty is to get bona fide bids from qualified bidders and Wartime Housing Limited is constantly endeavouring to widen the competitive field rather than restrict it.

*"O CANADA"

Mr. LaCROIX (Quebec-Montmorency):

Will the discussion announced in the house by the Minister of National Defence for Air, and, according to the Minister of National Defence, still going on in the council for national defence, regarding a national anthem, be soon concluded?

Mr. RALSTON: The matter is being referred to the government for consideration.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MUNITIONS AND SUPPLY—PERSONNEL

Mr. BLACKMORE:

1. Is there a Mr. Carswell employed in the shipbuilding section of the Department of Munitions and Supply? If so, what does he receive for, (a) regular duties; (b) as chairman or secretary of any war board; (c) for work in an advisory capacity to any board or department; (d) from the United Kingdom government operations in Canada and the United States; (e) for any other work?

2. Is Mr. Goldenberg of Montreal employed in the Department of Munitions and Supply? If so, what is his salary for, (a) regular duties; (b) as chairman or secretary of any war board; (c) for other work in an advisory capacity to any board or department; (d) from the United Kingdom government operations in Canada and the United States; (e) travelling and special expenses?

3. Has Mr. Goldenberg severed his connections with his legal firm in Montreal?

4. How much legal business is that firm getting from the Canadian and United Kingdom governments?

5. Is Mr. John Dobbie of Port Arthur employed in the Department of Munitions and Supply? If so, what was his initial salary? What is his present salary? How long has he worked in this department? What experience did he have in this line of work when appointed? What educational qualifications has he? Give reasons for increases in his salary, if any?

6. Was a Mr. Max Speller of Winnipeg appointed by the civil service commission to work in the Department of Munitions and Supply? Did he have a college degree? How long was he employed? What was his initial salary? Did he receive any increases in salary while employed in this department?

[Mr. Howe.]

7. Was a Mr. Nick Skhloev of Flin Flon and Winnipeg, Manitoba, appointed by the civil service commission to work in the Department of Munitions and Supply? Did he have a college degree? Was it with honours? Is it true that he was a student instructor for one year at the University of Manitoba while studying for his M.A. degree? What was his initial salary in the Department of Munitions and Supply? What salary was he getting when he resigned from that department? Why was no use made of this man's ability and specialized training?

8. Give reasons for Mr. Dobbie's promotion and increases in salary in the light of Mr. Skhloev's record?

RATIONING OF FOOD, CLOTHING AND GASOLINE—COSTS

Mr. CHURCH:

What is the total number of persons employed by the government in connection with the rationing of food, clothing and petrol, respectively, and at what aggregate cost?

RATIONING SYSTEM

Mr. CHURCH:

1. Has a system of national rationing been sanctioned by the government?

2. If so, when, on what commodities and for what purpose?

3. What minister of the crown authorized it and will any statement be made as to its cost, staff, plan and reasons for this policy?

MOTIONS FOR PAPERS

CANADIAN FORCES—ENLISTMENTS JANUARY-APRIL, 1942

Mr. GREEN:

For a return showing by military districts or provinces, the enlistments in each of the months of January, February, March and April, 1942, (a) in the navy, (b) in the army, (c) in the air force.

Mr. RALSTON: I asked my hon. friend to allow this motion to stand. I assume it refers to enlistments which have taken place in the different districts or provinces. There has been some difficulty in answering questions which relate to residence in the different districts, but I assume that this applies to enlistments taking place in the districts. The information can be furnished with the qualification that in the case of the air force and the navy it will be by commands and naval districts rather than by military districts.

Mr. GREEN: Now that it has taken so long to get a reply to the question, would it be possible to have the figures for the month of May included?

Mr. RALSTON: I think so, yes.

Mr. SPEAKER: Carried, with the qualification stated, and with the addition that the figures for May will be included.

Motion agreed to.

SPALDING, SASK., RURAL MAIL SERVICE

Mr. NICHOLSON:

For a copy of all letters, telegrams, contracts and other documents in the possession of the Post Office Department regarding the carrying of the mails over the rural mail route out of Spalding, Saskatchewan, during the years 1941 and 1942.

MIDDLE EAST

FALL OF TOBRUK—PRESENT POSITION IN LIBYA

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to ask the Prime Minister if in view of the distressing circumstances which have come to the notice of the whole world in the last forty-eight hours he has any additional information to give the house and the country as to the present position in Libya and elsewhere.

Right Hon. W. L. MACKENZIE KING (Prime Minister): In reply to my hon. friend I would say that the information which the government has received confirms the reports which have appeared in the press of this country. Nothing further has been received. It is as critical a situation in the middle east as has arisen since the war commenced. There have been as well evidences in the past forty-eight hours that in this world-encircling conflict Canada is coming more and more into the zone of immediate danger.

SOVIET UNION

ANNIVERSARY OF GERMAN ATTACK UPON THE U.S.S.R.—TRIBUTE TO RUSSIAN RESISTANCE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): This being the anniversary of the declaration of war upon Russia by the Germans, it would I think be appropriate for me to say on behalf of this House of Commons and on behalf of the people of Canada how great has been our admiration of the magnificent fight which the Russians have put up during the whole of the past year, and of the powerful resistance which they have sustained throughout; also how anxious we are to have Russia know how wholeheartedly we are with her people and her forces in this world conflict. Any means by which it is possible for our country to continue to lend assistance to the Russians for whatever period there yet may be will be adopted. Having regard to existing commitments, assistance will be given to the utmost of our ability.

Mr. M. J. COLDWELL (Rosetown-Biggar): In view of what the Prime Minister has just said, may I ask what method he intends to adopt to convey to the government of Russia the appreciation which he has just expressed and which I think will meet with the wholehearted approval of this house?

Mr. MACKENZIE KING: At the moment I am speaking offhand, but if my hon. friend feels that a formal communication should be sent, I shall have pleasure in seeing that it is sent through External Affairs to the foreign office in Russia.

VANCOUVER ISLAND

ENEMY ATTACK UPON ESTEVAN POINT TELEGRAPH STATION—CONSIDERATIONS AFFECTING RELEASE OF INFORMATION

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): My colleague the Minister of National Defence (Mr. Ralston) has some information to give the house with respect to the attack which was made by the enemy off the coast of Vancouver Island on Saturday last. It was the first attack upon Canadian soil that has been made since confederation. There have been attacks upon our ships off the coasts of Nova Scotia and New Brunswick and in the gulf and river St. Lawrence, but Saturday night's attack was the first time in this war that our country has been attacked on land. It only goes to bear out what has been said so often that no one can take too seriously both the immediacy and the extent of the danger with which all parts of the world are confronted, and at this time our own part in particular.

Hon. J. L. RALSTON (Minister of National Defence): A statement was issued yesterday afternoon to the following effect: The commander in chief, west coast defences, reported that the dominion government telegraph station at Estevan Point, Vancouver island, was shelled by a submarine at 10.35 p.m., Pacific time, on Saturday night. No damage resulted. Regarding this incident, a report has been received from the superintendent of the wireless station to the effect that the shelling continued for about forty minutes and that about thirty or more shells fell. From the rate at which the shells were fired it would appear that there were possibly two enemy craft involved. The information also is that Canadian naval and air units operating in that area were ordered to the vicinity at once.

With regard to this matter of the time of release of the information, inquiries were made of the press bureau and the matter was taken up with the intelligence branches of the services, I should like to indicate for the information of members of the house the

considerations which are kept in mind in connection with the time of release of information of this kind.

There are always questions with regard to the time of release of information like this, and I should like the house and the public to know that the inclination of all the defence services is to publish the information just as soon as possible after the event. There is, however, this consideration to be kept in mind: as was pointed out by my colleague the Minister of National Defence for Naval Services (Mr. Macdonald) some little time ago, the publication of these reports by our own services means that we give the enemy news of the operations of their ships, which save those ships reporting direct and thereby risking the giving away of their position. It is, therefore, necessary to determine in each case what time should elapse between the event itself and the public announcement of it. This determination will have to rest to a large extent with the intelligence branches of the services involved. One of the important factors, of course, would be whether the enemy craft was near enough to land to enable its location to be ascertained by the interception of messages. No hard and fast rule can be laid down, as is apparent, and all I can say is that all the services will do everything consistent with security to publish information at the earliest moment practicable.

LABOUR CONDITIONS

NOVA SCOTIA COAL MINING AREAS—QUESTION OF PROVISION OF SHIPPING

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): On June 18, as appears at page 3434 of *Hansard*, I inquired whether the Minister of Labour was in a position to give the house any information as to the seriousness of the coal situation in Nova Scotia, and he promised a statement as soon as possible. I wonder if the minister could make that statement now.

Hon. HUMPHREY MITCHELL (Minister of Labour): I had intended to reply to my hon. friend on Friday last, but the matter slipped my mind. An investigation was made through the director of shipping. As my hon. friend is aware, since I believe he has been so informed, the difficulty is purely one of shipping. Every effort is being made to see that ships are provided, and it is expected that within a short time the situation will be to some extent alleviated. That is as far as I can go at the moment.

[Mr. Ralston.]

THE BUDGET

ANNOUNCEMENT AS TO TIME OF PRESENTATION ON TUESDAY NEXT, JUNE 23

On the orders of the day:

Hon. J. L. ILSLEY (Minister of Finance): I think I should inform the house that the budget will be presented to-morrow night at eight o'clock instead of to-morrow afternoon at three o'clock.

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT OF SERVICE OVERSEAS

The house resumed from Friday, June 19, consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940, and the amendment thereto of Mr. Roy.

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Mr. Speaker, without any doubt or hesitation or reservation whatsoever, I support Bill No. 80. I believe that the repeal of section 3 of the National Resources Mobilization Act is a wise step in itself. I believe, further, that if the vote on the plebiscite question is to be given any meaning, if the efforts and the speeches of many members of this house and of thousands of other good and loyal Canadians during the plebiscite campaign are to be held as anything more than wasted time and meaningless words, section 3 should be repealed. We must remember that the people of Canada, by a majority of more than 1,300,000 votes, have said that, to use the very words of the plebiscite question, they wished the government to be free "from any past commitments restricting the method of raising men for military service". The people having said that they wished the government to be free, the government now must take the necessary steps to free itself, and that is what the government is endeavouring to do in this bill.

If this bill is passed and the government is thereby freed, I believe that the government should then accept the responsibility for which it asked, by implication at least, in the plebiscite question, and for which it asked directly in the speech from the throne. The words in the speech from the throne which are now relevant are these, with some of the intervening words omitted in order to give perhaps a clearer sense of the meaning:

The government is of the opinion that . . . the administration, subject only to its responsibilities to parliament, should . . . possess com-

plete freedom to act in accordance with its judgment of the needs of the situation as they may arise.

Those were the words of the speech from the throne; "the administration should possess complete freedom to act". I think that only one interpretation can be placed upon these words: the administration should have freedom, freedom to apply conscription for overseas service whenever the occasion should demand. But we must remember this, that true freedom, real freedom, involves the right of choice. Let me illustrate what I mean by a simple figure, to show the government's position. The highways of our country are free and open to all travellers. A wayfarer plans to journey along a road, and on his map he sees a point where that road branches or forks in two directions. Across one of these branches is an insurmountable barrier, and he says, "When I reach that fork I wish to have freedom to take either branch. Therefore remove the barrier, so that I may have freedom to travel as I think best. I cannot say at this moment which road I shall take. That decision will be made when I reach the junction, and will depend on several factors, some of which are largely beyond my control." Now the people of Canada, by their vote on the plebiscite question, have removed the barrier that lay across the road of government policy. They have removed the barrier of past commitments against conscription for overseas service. It must be taken that they wished the government to have power to follow the road of conscription if the government so wished. That much, at least, is implied in the plebiscite vote. And if the plebiscite result did not mean that the government should be free to take that road, then the plebiscite result meant nothing. It represented a waste of time and effort and money.

Mark you, Mr. Speaker, the plebiscite result may not have meant that the government must take that road. On this point there has been much discussion. It is a point which perhaps can never be settled, unless, indeed, by the taking of another vote on the question of conscription or no conscription.

But surely it must be agreed that those who voted "yes" in answer to the plebiscite question contemplated and accepted the possibility of conscription. An hon. member behind me says "that is not so." Then I ask him: "from what did they relieve the government?" They relieved it from past commitments against conscription. Therefore they must have said to the government, "If you wish at some future time to impose conscription, you shall have that right so far as it is within our power to grant it."

Mr. HANSON (York-Sunbury): That was the very minimum.

Mr. MACDONALD (Kingston City): Many of them may have said to themselves, and no doubt did say, "We do not order or direct you to apply conscription." I think many people said to themselves, "We cannot settle these great questions. Let the government settle them. Let the government be free to settle them according to its best judgment. Let it take the road of conscription or the road of no conscription, but let it be free." That is what I think was in the mind of the overwhelming majority of those people who voted "yes".

I must say that some of the statements made in this house and elsewhere on this question in the last few months and weeks are very difficult, for me at least, to understand. One who listened to the debates in this house last week and the week before or who read the reports of these debates might well gain the impression that the majority of hon. members were against conscription in any circumstances whatever. That impression might well, I say, have been gained by reading or listening to those speeches. Some speakers, indeed, have openly stated that that was their view. Others, while stating that they would support conscription if it became absolutely necessary, proceeded to damn conscription with the faintest possible sort of praise. Still others discussed the wisdom of applying conscription now, at this particular moment. They talked as if conscription were likely to be applied to-morrow. I should like to deal with some of these points and with a few others which have arisen from time to time in this connection.

I take, first, the argument as to the efficacy of conscription for overseas service. It has been said that conscription has no value or very little value, that it will not increase in any appreciable degree the number of men available for overseas service, that it has only a very limited, a very small place, in the totality of our war effort. Now, if these arguments are valid; if conscription is no good or of very minor good at any time, we have wasted much valuable time in discussing conscription. The reference in the speech from the throne to the government being free from past commitments was a wholly unnecessary reference. There is not much sense in asking to be free to do something which in the long run will amount to nothing. Similarly, the introduction of the plebiscite bill and the holding of the plebiscite were wholly unnecessary moves. If conscription is of no value and cannot be of any value, then the plebiscite was of no value.

It was worse than valueless. It had a definite minus value, because it cost money, required time, required energy, stirred up feelings, and created bitternesses that had much better never have been born. If conscription is of no value it was foolish to seek release from a pledge against it.

In the second place it is said that conscription will be useless so far as the navy and the air force are concerned, that you cannot force a man to be a sailor or an airman. Now in Great Britain, as I understand the situation there, every man between the ages of eighteen and a half and fifty-one years is subject to conscription. Once conscripted, he is asked which branch of the service he prefers—navy, army or air force—and so far as is possible his wishes are gratified. I should hope that the Royal Navy is not altogether forgotten by those men who are conscripted, nor the Royal Air Force; and I should further hope, and my hope has been justified by events, that when these men get into the Royal Navy or the Royal Air Force they are able to acquit themselves worthily. There is, of course, complete conscription in enemy countries, and their air forces and their armies and their navies have done, I regret to say, somewhat too well for my liking in many instances. Furthermore, I think my hon. friend the Minister of National Defence (Mr. Ralston) will agree that it is an unjust and unwarranted reflection on the army to suggest that men may not be good enough for the navy and the air force but still good enough for his service.

Mr. HANSON (York-Sunbury): They were good enough for Nelson at Trafalgar.

Mr. MACDONALD (Kingston City): It is pointed out in the third place that Northern Ireland, South Africa and Australia have not adopted the system of compulsory service overseas. I observe with considerable interest that our sister dominion of New Zealand is not on that roll: she is not there because for nearly two years that dominion has had conscription for overseas service, and I would remind my hon. friends of the Co-operative Commonwealth Federation—what they already know, of course—that New Zealand in those years has had a labour government. It is quite correct to say that Northern Ireland, South Africa and Australia still follow the voluntary system so far as overseas service is concerned. But what about our other allies? What about Great Britain? What about the United States? What about Russia? There is conscription in every one of those countries. What about our enemies—Germany, Italy, and Japan? They all have conscription. In fact, it can be said truthfully that practically every European country when it became engaged in war adopted the compulsory system; and it seems to me that the example of Northern Ireland and of our sister dominions of South Africa and Australia is hardly an infallible guide against such a weight of contrary evidence from those other great countries.

In the fourth place, Mr. Speaker, it is said we should not have conscription for overseas service because it would interfere with our industrial production and our agricultural production. Somewhat similar was the argument advanced by the leader of the Cooperative Commonwealth Federation at the beginning of the war. His party wished to see a sort of economic war by Canada with no men going overseas, either voluntarily or by conscription. The general argument as to industry and agriculture can be answered in many ways, but I shall refer to only two.

First, even if we were to adopt the principle of overseas service now and put it into practice later, we should not, we must not, strip our factories and our farms of workers. War industries of course must continue; agriculture must be maintained if the war is to go on, and I think it is merely raising a weak sort of bogey to say it would be otherwise.

The second answer is one that was presented on Friday last in this chamber by the hon. member for Brantford City (Mr. Macdonald). It was advanced two years ago in the debate on the National Resources Mobilization Act by my hon. friend the former Minister of Public Works (Mr. Cardin), who said he thought it was a very low sort of patriotism, a very poor sort of patriotism, that said: "We will confine ourselves to the economic side, to agricultural and industrial production, while others do the fighting." My hon. friend from Brantford City says the same thing, and he made this point, that if every nation took that attitude there would be no one to fight. If Russia said: "We are a great agricultural country; we can produce wheat; we also have great industries here, and we can produce implements of war; let the United States and England do the fighting," and if the United States and Britain and the rest took the same attitude, nobody would be left to fight. Tanks are necessary, of course, in this sort of war; planes are necessary; ships are necessary. But tanks in a factory, planes in a hangar, ships on a shipway, guns in a plant, never yet won a war, and they never will. You must have men to operate these before they become effective.

The real truth is that successful warfare involves the work of both civilians and members of the armed forces. Some men

must work on the farms, some men must work in the factories, and others must fight; and the two sorts of effort must be properly coordinated. What is needed in warfare is what the Prime Minister has properly described as a balanced effort. You will not have a balanced effort in this country if you devote all the energies of your people to industrial and agricultural production, and certainly you will not have a balanced effort if you put all your men into uniform, whether for service within Canada or outside.

Then it has been argued that if conscription is to be enforced, its actual imposition should come about only by direct action of this parliament. As I understand the argument, it comes to this, that what we say or do now amounts to very little. Here and now in this debate we are merely deciding some sort of philosophic principle, the practical application of which cannot be made until this parliament meets again or until this parliament has had a second discussion and decided that the moment has come to apply conscription. That view has been set forth by the member for Rosetown-Biggar, the leader of the Cooperative Commonwealth Federation (Mr. Coldwell), and by some of his followers. They argue that it is undemocratic to leave to the government the power to decide by order in council at what moment conscription should be imposed.

It must be remembered—and this has been pointed out before many times in this house, a few days ago by the Prime Minister (Mr. Mackenzie King) himself—that this government now has the power to conscript persons, their services and their property. It has complete power in the matter of conscription except in one respect, and that is that it cannot conscript persons for military service outside Canada and Canada's territorial waters. That is the only restriction upon the powers of this government, and that is the restriction which Bill No. 80 seeks to remove.

Members of the Cooperative Commonwealth Federation and some other members of this house profess to find in this bill a principle that is undemocratic. For some reason or other the theory has been spread abroad, or has grown up by itself, that there is some peculiar difficulty or some particular obstacle involved in troops crossing the water or at any rate over any considerable body of water. There was an old superstition that if you were pursued by a witch the wise and cautious thing to do was to get a running stream between you and the witch. The witch could not cross the water. I hope that many people read Burns in these times, because he was the prince of the poets of the people. He was one of the greatest of democrats. He has immortalized this superstition in his poem "Tam O'Shanter". It will be recalled by Burns' readers that Tam O'Shanter, after a drinking bout with his old soldier friend in the tavern, was returning home when he was pursued by witches, one of whom outsped the rest. Tam spurred his mare in order to reach the bridge which spanned the river Doon. The witch of course was equally anxious to catch Tam before he reached the bridge, and in one frantic leap she seized the grey mare's tail and carried it off, but the grey mare carried Tam safely across.

There seems to be general agreement here that it is all very well to send troops to Alaska or to any other point in the United States, but when it comes to sending troops across the water, across the Atlantic, you are going into an entirely new field. I would say to my hon. friend of the Cooperative Commonwealth Federation that in 1940 they raised no objection to the National Resources Mobilization Act in so far as conscription of men was concerned. I will agree that they said that if you are to conscript men you must first conscript industry and finance.

Mr. MacINNIS: That is still our position.

Mr. MACDONALD (Kingston City): Yes, that is your position.

Mr. MacINNIS: We have not changed it.

Mr. MACDONALD (Kingston City): In 1940, though, when the bill before the house provided for the conscription of men, my hon. friends in the Cooperative Commonwealth Federation raised no objection to it on that point. Indeed, they wanted even greater conscription than the bill provided for. They did not then oppose the idea of giving the governor in council power to require every person in Canada to place himself at the service of the country, but they are not prepared now to give the governor in council power to conscript men for overseas service.

Mr. MacINNIS: We have had two years' experience.

Mr. MACDONALD (Kingston City): That is not all my hon. friends say. The Cooperative Commonwealth Federation have declared themselves ready to resort to other measures of conscription, certain other types of regimention, and these were outlined by the leader of the party not later than a few days ago in this house. He said his group believed in nationalizing all financial institutions. It

believed in compulsory loans, interest free; it believed in government ownership or government control of all essential war industries; it believed in a 100 per cent tax on all profits, and it sought to establish what is called a maximum-minimum income. All these proposals represent very considerable measures of compulsion or regimentation, and it seems to me that the Cooperative Commonwealth Federation, when it speaks now of the undemocratic spirit which is manifest in this bill, is merely straining at the gnat of compulsory service overseas while it swallows the camel of those other far-reaching measures of compulsion to which I have just referred.

It is said now that we should come back to parliament even after this debate is concluded and submit to parliament the direct question whether we should have conscription at that time.

Mr. HANSON (York-Sunbury): Who has raised that question? We have not.

Mr. MACDONALD (Kingston City): I agree that my hon. friend has not raised it, but it has been said and he knows it has been said both in this house and elsewhere. I regard a second debate on this question as unnecessary. The question has been before the people in one form or another for nearly three years. It has been before the house directly since January 23 last, when the speech from the throne was read. We have had a plebiscite on it, and I must confess that I felt that if the vote on the plebiscite were in the affirmative, there would be very little further debate on the matter. The people would have registered their verdict and parliament would endeavour to give effect to that verdict. That was my view.

We talk a great deal about democracy in these days, and it is well that we should; but I wonder whether democracy is doing itself any service by spending the greater part of five months in the discussion of a question of this sort in times like the present. For my part, on this point of going back to the house a second time I take my stand on the words of the Prime Minister, spoken in this house on June 10. First he quoted from his speech of February 25 in which he had used these words—*Hansard,* page 3234:

> When we find that we cannot raise the required numbers of men for enlistment overseas by the voluntary method, and it is absolutely necessary to raise more men by other methods, then we will make our decision, present it to parliament and have it discussed on its merits.

[Mr. A. L. Macdonald.]

After making that quotation from his February speech the Prime Minister went on to say:

> Unless the question of conscription for overseas service is to be twice debated, that, as I see it, is the stage we have now reached. The government is making its policy with respect to the raising of men for service overseas fully known. We are presenting that policy to parliament.

That is the stand I take now. There should be no second debate on this question. Those who say that parliament should be consulted again put themselves in rather a curious position, it seems to me. Let us suppose there should be a second debate in this parliament, and that the debate should determine that the time had come when the application of the principle of conscription for overseas service should be made; is it to be expected that even at that stage every detail of the plan would be laid before parliament? Is it to be held that every time a unit is to be sent overseas the matter will be referred to parliament for decision as to whether or not it should go? It seems to me that the proper function of parliament in these as in other cases is to decide general principles, leaving such matters as the time of application of those principles, the numbers of men involved and other details of the kind, to be decided by the governor in council, the decisions of the governor in council, being of course later submitted to parliament, as is required by the National Resources Mobilization Act.

Again there are some who say—not so many now as there were at one time, but still there are some—that this war is an imperialistic war, that it is England's war, a war in which Canadians who are not of British birth or origin can be expected to show only little interest. How can it be truly said that this is an imperialistic war, whether you take the word "imperialism" in its territorial or its financial sense? What evidence is there that the government of the United Kingdom in September, 1939, had any territorial ambitions when it declared war? It did not wish to acquire any territory; indeed it has had a hard enough time during recent months in dealing with some of the territory it already has. No; the United Kingdom government went to war because it was bound by treaty to Poland, just as it was bound by treaty to Belgium in 1914; and the government of Britain made good its bond in 1939 as it had done twenty-five years earlier. Imperialism! Did France want territory, or Belgium, or Holland, or Norway, or any of the other countries that have been overrun by Germany? Did the United States hunger for more land? No; the United States took up the sword because it had been attacked treacherously and in the worst possible faith by the empire of Japan.

On that point as to whether this is an imperialistic war, let me quote three paragraphs from the Atlantic charter to show what is the real policy of Great Britain and the United States:

Their countries—

This is the Prime Minister of Great Britain and the President of the United States speaking.

4. Their countries seek no aggrandisement, territorial or other.

5. They desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labour standards, economic adjustment, and social security.

6. After the final destruction of the nazi tyranny, they hope to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want.

That is the Atlantic charter. I follow that with a passage from the agreement entered into by the twenty-six united nations as published at Washington on January 1 of this year. The united nations state that—

. . . complete victory over their enemies is essential to defend life, liberty, independence and religious freedom and to preserve human rights and justice in their own lands as well as in other lands, and that they are now engaged in a common struggle against savage and brutal forces seeking to subjugate the world.

Then every one of the twenty-six governments pledged themselves to "employ its full resources, military or economic, against the members of the tripartite pact and its adherents with which such government is at war". Now, under that agreement—and Canada is a signatory to it—we must employ our whole resources, military or economic. We are to supply not merely munitions, not merely food, but men as well, to the common task.

No; this is not an imperialistic war. This is a Canadian war, a war which we entered as a free nation by the free vote of this parliament. It is a Canadian war just as truly as it is an English or a United States or a Russian war.

If anybody has any doubts whatever as to whether this is a Canadian war, let him remember the news that has come to us within the last twenty-four hours. Our territory has been attacked by a hostile power. The Japanese evidently regard this as a Canadian war. So do the Germans. So do the German submarines that sank ships at the very entrance of the river St. Lawrence, and so do the German surface craft that have attacked Canadian ships, both merchant ships and ships of war, on the high seas. Further, if the axis powers should be victorious in this struggle, the people of Canada would very soon discover whether this is a Canadian war or merely an English war.

No; the imperialism, the lust for power—military, economic, territorial—abides in the hearts of the axis rulers and nowhere else. It is they who began this war; it is they who have pursued it with a savage ferocity and brutality unknown since the days of the barbarians. It is they who took up the sword. It is they who will perish by the sword. And it is their leaders and those other men responsible for the atrocities that have been committed who must be brought to book and who will be brought to book in God's good time.

On our part and on the part of our allies this is a war of defence, defence against unprovoked aggression. Where that defence can best be carried out, where the enemy can be best met and subdued, is a matter that should be decided by those skilled in the art of war. This is Canada's war, and I believe that all Canadians are coming to realize this fact.

War is never a pleasant business. War always involves hardship and sacrifice and difficulty. In these grave times every man should speak his mind frankly and contribute whatever he can to the solution of the great problem now before us. I believe, as I said in the beginning, that this parliament should give to the government the power which it seeks, the power to apply conscription for overseas service, whenever the government thinks that step is necessary. I do not say that the moment is now or to-morrow or next week, but I do say that the moment may come, and may come suddenly. The government, in coming to its decision on that important point, will of course give every consideration to the needs of agriculture, to the needs of industry, and to the needs of Canadian defence. Let it never be thought that if this power is given to the government the result will be that every man in Canada will be hauled away overseas. No; we must maintain our farms; we must maintain our factories; we must maintain the defence of our own shores and our own soil.

But these things having been done, and there being still available some men for overseas service, and the need for conscripting these men having arisen, I say frankly that in my judgment the government should have the power to apply conscription. I say further that if it is demonstrated to the Canadian people that the need does exist, then those people will desire to have that need met.

And when I say "the people of Canada" I mean all the people of Canada, and not the people of only certain parts of this country. I believe that when that need is seen and understood, Canada will meet it and still continue to be a united country. When our people realize that our existence as a nation is threatened, there is no Canadian who, seeing that condition, will not be willing to put forth every effort to meet it, and to meet it manfully.

I have only a moment more to speak, and in that time I wish to make one more reference. I remember that forty years ago Sir Wilfred Laurier some time after his return from a visit to England where he attended the Queen's Jubilee, made in the little Nova Scotia town of Arichat one of his most beautiful addresses. He said to those people—mostly French Acadians, sturdy loyal people as they were, have been and are—that when he was in Europe he had seen a beautiful cathedral. It was built of oak and marble and granite and glass, each of these elements retaining its own individuality and its own appearance, but each contributing its share to the beauty and symmetry of the whole. Then he went on to say, "That cathedral is the image of the nation I wish Canada to become. So long as I live," he said, "I shall repel the idea of changing the nature of any of the constituent elements of this country. I want the Englishman to remain the Englishman. I want the Irishman to remain the Irishman. I want the Scotsman to remain the Scotsman and the Frenchman to remain the Frenchman. But I want to take all these elements and weld them into a nation which will stand among the foremost nations of the world."

For myself, I adhere to Laurier's view; I hold to Laurier's vision. Let the races that people this country maintain their individuality; let them cling to their own traditions. But let there be running alongside of and in no way interfering with that loyalty to their own race, a loyalty to Canada, a willingness to defend Canada, a pride in the romantic and stirring story of her past, a hope for the bounty and beauty of her future.

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, before I express my thoughts on the important bill now before the house may I congratulate the Minister of National Defence for Naval Services (Mr. Macdonald) upon the splendid speech he has just made. There was very little in that speech with which a member of His Majesty's loyal opposition could not heartily agree. I only wish the minister were in the position of having associated with him in the cabinet, and behind him among the private members of his party, those who would give him the same support as he has here to-day in the ranks of the opposition.

To-day, Monday, June 22, 1942, is one of the grim days of a very grim war, because during the week-end the fortress of Tobruk has fallen, with the loss of 25,000 prisoners, and vast stores of equipment, including no doubt much equipment made in Canada. One cannot help thinking that if there had been Canadian troops with that Canadian equipment, this tragedy might not have occurred to the British empire and to the united nations. Further, during the week-end a wedge has been driven into the defences of our gallant Russian ally at Sevastopol. It looks to-day as though that great fortress, too, will fall within a very short time. To the west, out in the Aleutian islands the Japanese have taken their second stride toward our Pacific coast by seizing Kyska, some 270 miles nearer Dutch harbour than Attu, which they seized less than three weeks ago, and as the Prime Minister (Mr. Mackenzie King) has said this afternoon, a Japanese submarine has shelled the Canadian coast at Estevan Point, halfway up the western coast of Vancouver island. This is the first time, I believe, in over a century that the shores of Canada have been under fire. I repeat: This is a grim day, and I hope the House of Commons will face the realities of the situation. I hope there will be less looking back, less reviewing things done decades or generations ago, less fanning the fires of old prejudices, and more facing of present day ugly facts, more looking fearlessly into the dark and yet challenging days ahead; less talk about national unity and more concern about national survival.

As hon. members are well aware, we are debating Bill No. 80, described as an act to amend the National Resources Mobilization Act, 1940. This is a bill to repeal section 3 of that act, which section restricts the very wide powers of mobilization given the cabinet by section 2. It provides—and I quote from the section to be repealed:

> The powers conferred by the next preceding section may not be exercised for the purpose of requiring persons to serve in the military, naval or air forces outside of Canada and the territorial waters thereof.

The provisions of that restriction have been narrowed to some extent by the government in that they have been taken as not applying to territory adjacent to Canada. I approve heartily of this bill and I shall vote for it. I believe it is necessary, and I believe also that it is very late. It should have been introduced into and passed by this house a

long time ago. But I deplore the policy announced by the Prime Minister in connection therewith, which is in effect that although the restrictive section is to be repealed, the government will carry on as if the section were still in the act. We have been told and told quite clearly that the government believes that no change in policy is necessary yet, that it is merely removing this restriction in case the cabinet should decide that a change in policy is necessary at a later date, which later date the ministers have shown by their speeches during the present debate, they fervently hope will never come. Obviously the very thought of it gives them the jitters.

Apparently the Canadian cabinet believe that nothing has happened in the last few months to warrant a change in position. It makes one wonder whether they see the realities of the war at all. In recent months Great Britain has lost an army in Malaya, I believe the largest British army ever captured. Britain has lost thousands of men in Burma, and she has been forced to create a large new army in India. She has been forced to occupy Madagascar, and now she is planning to open a second front on the continent of Europe which will involve hundreds of thousands of men. Our Australian brothers have lost a division in Malaya, and they have been forced to recall their first-class fighting troops from the Mediterranean in order to protect their homeland against the Japanese. The United States have lost an army in the Philippines, the largest United States army ever captured. The Netherlands have lost their forces in the East Indies, and Russia has lost hundreds of thousands of her troops. Yet our cabinet believes that there has been no change in the situation in the last few months to justify any change in policy.

In actual fact the position to-day is that everyone in this house knows and the Canadian people at large know that we are not winning the war. It is a question whether we are holding our own. Let me warn the government that this is the time to throw in every ounce of our national strength without reservation. Let the cabinet do what is set out in the preamble of the National Resources Mobilization Act which confers upon the governor in council special emergency powers to permit of the mobilization of all the effective resources of the nation, both human and material. I warn the government further that a large majority of the Canadian people believe that the hour has come for all-out action, and called for such action by their vote on the plebiscite. In fact from the very start of the war the majority of the people in this country have been far ahead of the government in wanting to wage a total war.

This debate has drifted steadily away from the real issues brought forward by this bill, and I propose to state four of those issues as I see them. The main issue is not whether we are to have conscription, although one might think that that was so from the speeches that have been made in this debate. That issue was decided on June 21, 1940, when the National Resources Mobilization Act became law. There has been compulsion for over two years. The main issue now is whether men conscripted are to be available for service wherever they are needed. I repeat those words—wherever they are needed. They are not so available now, and will not be so long as the government continues its present policy. These men will be used only in Canada or in adjacent territories. That is the policy of the government at this present time. Unless they are needed to fight in or near Canada, they will never do any fighting. Minister after minister has risen in his place in the house during the present debate to emphasize the importance of keeping the enemy away from our shores; yet these young men serving under the terms of the National Resources Mobilization Act will have no part in keeping the enemy away from our shores. It may mean the waste of thousands of the cream of our young men by not making full use of them because they are tied down here in Canada under the present government policy. There can be no doubt that the present policy means that there is and that there will be no equality of sacrifice among our young men, because a young man may choose whether he will serve where he is needed or at home in Canada. I submit to the house that that is the main issue brought up by this bill.

Then there is a second issue—whether or not Canada is building up or can build up an efficient army in this country under the present government policy. Several ministers have placed a very low value as soldiers upon these young men called up under the National Resources Mobilization Act. I think that has been most unfair. Many of these men simply are not interested in the army because they consider it is the responsibility of the government to decide where they are to serve. In the meantime they are doing what they are ordered to do, in some cases with not a great deal of enthusiasm. Many of them have been under pressure from the time they were called up. Other young men who have seen fit to join the active forces receive extra leave, or considerations of one kind or another, such as being kept off fatigue duty. The men who will not join the active forces are not allowed to wear the badge "Canada" on their shoulders.

The man who volunteers for the active army is allowed to wear this badge. I remember that in the last war nothing gave me more pride, nothing did more to raise my morale, than the fact that I had on my shoulder that badge "Canada." Yet under the present system these young men are not allowed to wear the badge of their country, and this will continue under the present government policy.

There are two types of troops in every unit except those that belong to the fourth division. The Prime Minister said in his speech the other day there were some 30,000 of these home defence troops and the number of these men who have not volunteered for service abroad will increase greatly from time to time.

That all means one thing, and one thing that is very serious; it means friction in the units in Canada. As a result it is difficult to have efficient units. As a result we are asking the commanders of these units to do the impossible. It is like asking a man to fight with one hand tied behind his back. I repeat that under this present policy we cannot build an efficient army in Canada.

The third real issue is whether or not Canada is developing or can develop the spirit of the offensive, the will to wage war, without which there can be no victory. Under the present government policy we are developing a home defence complex. The talk, of which we had some this afternoon from the Minister of National Defence for Naval Services (Mr. Macdonald), is all to the effect that the place to fight the enemy is where you can find him, that the place to fight is beyond Canada. But that is not the government's policy under the National Resources Mobilization Act; the policy under that act is to build an army for Canada only, and the result is to focus the attention of the Canadian people on home defence when it should be on attack. Canada should be building here an army with which to strike out. For example, we should be building an army for the purpose of eventually striking out in the Pacific, perhaps into Alaska, perhaps to Siberia or Australia and finally into Japan. This war will never be won on the north American continent unless it is won by the Germans and the Japanese.

The fourth and final real issue is whether or not the present policy is lowering the prestige of Canada, whether or not it is wounding the pride of the Canadian people in their nation—and probably this is the most serious issue of all. You know, it gives certain people the opportunity to rave —I use the word "rave" advisedly—about imperialism and colonialism and all that sort of thing. This foolish talk, to which very few people here pay much attention, is apt to be taken seriously beyond our boundaries, and unfortunately this debate has brought out talk of that sort. It comes largely from the same people who talked the most and the hardest against Canada preparing for this war, who are mainly responsible for the tragic state of unpreparedness in which we found ourselves when war broke out. The fact is, and this cannot be overemphasized too much, that the vast majority of the Canadian people in every province are proud to be in the British empire and intend to stay in it.

Then consider our relationship with the people of the United States, the great and friendly nation to the south. The American boy, under American policy, is called up and can be sent wherever he is needed, anywhere in the world—Europe, Asia, Africa, Australia; there is no limit. He goes where he is needed, and goes willingly. Under our present policy it is not so with the Canadian boy. It is very difficult to justify this to an American. The result of these differences in policy is that the American feels that Canada is not waging total war, and his Canadian friends feel deeply hurt by that attitude. Yet that is the position, and I do not think any hon. member of this house can deny it. Therefore I say that this policy is bad for Canada's prestige and bad for the national pride of our people.

In conclusion let me say again that these four issues are real; each is of vital importance, yet judged in the light of any one of them, the present policy of the government is wrong. That policy must be changed and changed quickly. It can never, never, never hold the respect or arouse the spirit of the Canadian people, because they are an intelligent, forthright, courageous people, and they know instinctively that it is a policy of doing things by halves. They know that the government is holding back. I urge upon the ministry, with all the force I can put into it, that they change their policy at once. If they do not feel that they can do so as a party ministry, let them set up a non-party government in this country. I urge them to lead the Canadian people from the present so-called "balanced war effort"—and oh, how they gloat over those words!—into the only thing that really matters, and that is an all-out war effort. For it may be that only by so doing can our nation of Canada survive.

Mr. RALPH MAYBANK (Winnipeg South Centre): Mr. Speaker, I have listened with interest to the last two speeches, and I wish to make only one comment with regard to what was said by the hon. member for Vancouver South (Mr. Green) just before he sat down. The hon. member said, "If you cannot do so and so as a party government, then set up a non-party government and do it that way." I confess I am occasionally in disagreement with the government, as I am in disagreement to a certain extent to-day. But when I consider what might be done in the way of change—just supposing that were decided upon—and I look at the opposition benches, I am bound to confess that the situation becomes completely hopeless. My view in that regard is the view that was expressed by Lord Wellington when he saw some of his army. He said, "I don't know what the enemy will think of them, but my God, they scare me!" When the hon. member was suggesting a non-party government I could not help thinking that it hardly lies in his mouth to make a proposal of that kind; for when anything like that comes from what might be called an interested party it is bound to carry less weight than it otherwise would.

Mr. HOMUTH: That is not fair. That is cheap politics.

Mr. MAYBANK: I am just pointing out that it is always a factor.

Mr. HOMUTH: It is unbecoming to the hon. member; it is cheap politics.

Mr. MAYBANK: Well, after what I might term this impetuous interruption, I must say that it is my intention to be perfectly frank, and I invite the same frankness from others. In what I have to say to-day I intend to speak with the utmost candour. I do not make remarks for the purpose of wounding any person, but simply to express the situation as I see it, and as I might talk about it personally with the hon. gentleman himself.

A few days ago I was struck by a remark or two made by the hon. gentleman who until a short time ago was ably bearing the burden of the portfolios of public works and transport. He adjured us at that time to be frank in all our dealings. I agree with him. We had a further reference to it this afternoon. I think candour is what we most need in all our dealings with each other. All of us have been guilty of saying less than the truth. I repeat that I do not wish by any sharp word or acid expression to injure or wound anyone. I would not be making any reference to the former minister with such an idea in mind, particularly in view of the fact that he is not here this afternoon. We all know why he is not here; he is not a well man, and no doubt that accounts for his absence. I speak in no spirit of recrimination or in order to cast blame when I say that he himself, it seems to me, has been guilty in the past of some lack of candour. At the time the plebiscite vote was decided upon, the hon. gentleman had before him the whole vista which he can see to-day. He must have known—at any rate he could have known—of the change of law which is now proposed. It does not seem to me that he made his position as clear then as he should have. However, in that regard lack of frankness is not to be found solely in that quarter. It has been evident over the last couple of years, this political lack of frankness, on the part of the government and of the various oppositions, and supporters of the government, among whom I include myself, and of the opposition parties. I do say that we have to get down to talking cold truth to each other. We must, to use Tennyson's words, "Cut prejudice against the grain." In doing so, we need not forget that, "Gentle words are always gain."

The domestic history of Canada since the beginning of this war has been a striving after unity, and I do not think the government can be denied a great deal of praise for the degree of unity which has obtained in Canada ever since the war started. To some it seems as though the unity we have had thus far is to be destroyed. Personally I am entirely unwilling to subscribe to any such idea, but we have to look facts in the face in order to avoid disunity. It would appear that in the controversy that is agitating Canada to-day there are eight provinces ranged on one side of the argument, with one province—old Quebec—standing alone on the other. Many people in parts of those eight provinces are angry with the people of the other province. Most of our colleagues who come from Quebec are opposed to the change in this law which can, and I think probably will, introduce the principle of compulsory service overseas. Most of English-speaking Canada is in favour of the law change, and, I believe, also in favour of the adoption of the compulsory service principle.

My views respecting compulsory service are well known. I favour the adoption of that principle, and in that respect I find myself in disagreement with my colleagues from the lower province. Further, when I think of the course the debate has taken, I confess to an impatience with the government itself, particularly in view of some of the remarks which have been made by supporters of the government. While such are my views, I should be sad indeed if any person supposed I have any

animus or any other feeling than deep affection not merely for all my colleagues from Quebec but for the people they represent. Some of my closest and dearest friends are those representatives. I have been the recipient of many services, many acts of friendship from them. Although my views as to what should be done in this matter may differ from theirs, I have no emotions other than amity and respect for all my colleagues from that part of Canada and for all the people of Quebec.

There may be small and unimportant groups in various parts of Canada where criticism of Quebec from time to time is rife. For my own part there never has been a time when I looked askance at the people of that province. None of my friends ever did, nor is it the usual thing in my community. I believe I have always had some appreciation of the difficulties of the Quebec situation. I remember a description of the people of Quebec which was given in this house by a Conservative member who is not now here; I refer to Mr. Héon, of Argenteuil. His remarks were a guide to me because I always felt that they were a pretty good description of the people of his province. I should like to read them to the house, because they lead to certain comments later. Speaking in the short war session, the hon. member said, as reported in *Hansard* of September 9, 1939, page 80:

May I now be allowed, on behalf of my own people, to make this urgent plea to my English-Canadian friends? Never have I striven to be more sincere or convincing in all my life than in the appeal I am about to make. An immense majority of my compatriots have never concerned themselves with foreign affairs. They have never kept track of the sinuous courses of European diplomacy, nor have they taken time out to look up the meaning of "putsch" and "anschluss" or seek on a map of Europe the strategical value of Memel and Pomorze, Warsaw and Lodz, Lauterbourg or the Saar basin.

The French Canadian has been mostly concerned, as were his ancestors before him, with clearing the forest, tilling the soil and providing food and shelter for the children with whom providence has blessed him from year to year. The practice of the golden rule, the presentation to the nation of stalwart intelligent sons and daughters, the defence of their territory against aggression, have been to my compatriots their main expressions of patriotism. The church, the little village, the large family, the soil enriched with their sweat, the peace and restfulness of the Quebec countryside, have drawn and kept their attention for three hundred years. The sons of French Canada have not been brought up in an atmosphere of militarism, nor have they spent their young days in playing with toy cannon and soldiers. Most of them have never shouldered a gun except to provide game for the family table. Very few have ever had even elementary military training. It cannot be expected then that in three days every one of them will be clamouring for a one-way passage to the western front, or that, like some of us, their hearts will skip a beat at the mention of peace in Europe and the independence of Poland. Yet their honesty of purpose, their love of freedom, their devotion to Christian institutions, their loyalty to their king cannot be challenged. It may well be that this passionate love for their own land has somewhat obscured the wider, the more international outlook on the welfare of mankind which we are now being asked to uphold and defend; but let me assure hon. members, that when Baptiste discovers that his freedom, institutions, and essential rights which he prizes so dearly are really threatened there will be no one who will fight more savagely than he to defend them.

[Mr. Maybank.]

I wish to make just two comments on that passage. First I would remind hon. members that such a passage helps greatly or ought to help the Anglo-Saxon in apprehending the character and personality of the man of Quebec. The second comment I would make is that those who could have done it have not been making clear to these people the danger to the freedom, insititutions and essential rights which are prized so dearly, as Héon says. I desire a little later to come back to that passage, but just at the moment I wish to move on to other matters for the purpose of indicating to the house the disquietude to which I referred a little while ago, and the reasons for it.

What is disquieting to me about this law and the debate upon it is the nature of the statements that are being made. One statement seems to suggest that the law is being amended for a purpose, that it is being amended for use, and another statement seems to suggest that it is not being amended for any purpose at all and will never be used, and that there is no occasion for using it. I feel that at this time the government could be much more simple and direct than it has been thus far. I know you cannot have the government name the date on which a certain act or policy will be put into force, but it does seem to me that we could do better than have speeches one day which indicate the utter improbability of the law ever being used, and another day the distinct probability that it will be used. I notice with considerable disquietude certain statements that have been made. Take this for instance. It is said that compulsory service for overseas is not necessary and that reinforcement needs are already well in hand. To my way of thinking, to base any policy upon a statement of that kind is not wise. That is a quite unimportant statement. Reinforcement needs are apparently about 1½ per cent. When one says the situation is well in hand for the army, then by implication one is saying that there will be no change in the army's

position. It means that a second front is eyewash. It means there will not be any attempted invasion, or if there is, it will be in a place where Canadian soldiers are not. Or perhaps it means that if there is a second front they will not be there. It seems to me that to lay plans on any such assumptions as these is unwise. I think that such assumptions themselves are invalid.

Reference has already been made to the present situation of our army. At the present time no person can deny, I am sure the Minister of National Defence (Mr. Ralston) will not deny, that we have an illogical and unsystematic condition in the army. Volunteers and draftees are called in together. If reinforcements are demanded, the odds have to be separated from the evens, the V's from the D's, and if a large reinforcement draft is needed it cannot be got from one place. Reinforcement drafts have first of all to be picked out from here and there, and pieced together afterwards. If there is virtue in men working together, it is lost under that system. It does not seem to be good business. It may be necessary; it may be that we shall never get away from it. I should like to see a definite statement on the question as to probabilities. I believe a change from that sort of thing is inevitable, and if it is inevitable we might as well face it, although perhaps it is not necessary to-morrow morning. I do not say it is. I believe that what should be done is to indicate the probability now in order that people may become accustomed to it.

Now, upon the general question of necessity for compulsory service, I believe that has not been the test in the past. No person, for example, would say that compulsory service was instituted for Canada upon the grounds of necessity. It is patently absurd to say that conscription for overseas service is not necessary, that volunteers will do, that there are plenty of volunteers, but that when it comes to defence of the hearth and the home on this very soil, resort must be had to compulsion. Obviously we never instituted compulsory service in this country with any such idea in mind. When men were called for thirty days training we did not call them with the idea of forming a defence-of-Canada army; that was patently absurd also. We called them up for other reasons, partly I think in order to get the principle of compulsory service accepted and to get the people accustomed to it. That was what I believed at the time, and I blame myself for not having said so. Likewise, when it was extended to four months, that was not done with the intention of forming an army for the defence of Canada, nor yet again when the men were continued for the duration of the war was it for the defence of Canada. We have never had compulsory service in Canada with that idea in mind.

If anyone has any doubt whatever about that proposition I ask him to consider three points. The first is that we never expected a military attack from the east. The second is that we did not expect a war with Japan, and consequently we did not expect an attack on the west coast. Since these propositions are true, obviously we were not creating an army for the defence of Canada. But if these reasons are not enough to convince one that the draft was not for the defence of Canada, there is a third reason which settles the point conclusively. This third reason is that we took no steps to equip the army for combat under modern warfare conditions, and I doubt very much whether we are doing so yet. No; we decided long ago in favour of compulsory service for overseas, but the manner of doing it was to institute compulsory service at home with the object of getting recruits in the overseas forces.

There cannot be any doubt about that. I think we ought to be perfectly frank with each other. Now another statement is made, which to say the least, is disturbing. It has already been dealt with this afternoon by the Minister of National Defence for Naval Affairs (Mr. Macdonald), with whose views I agree. The statement is that men brought into the army as draftees do not make good soldiers. Why this should be said I do not know. I think sometimes people say it simply to make a point, to win an argument. There has not been any Canadian or world experience to support it. So far as the last war was concerned, the time was too short, and the circumstances under which the policy was instituted were such as pretty well to vitiate that experience as an example to use in coming to a conclusion. Most of the armies in the last war were composed of draftees. I remember reading Lloyd George's comment on the defence of Verdun—all by draftees. I think it is generally admitted that that was the greatest defence ever put up in the long history of warfare in the world up to that time. And again we have only to mention Dunkirk, Libya, Crete, Greece, in regard to British military service, and Moscow with reference to Russia; and Bataan might be added in order to show that there is no natural inferiority in men who are called up. Of course if you wait until you have a large percentage of thoroughly unwilling people, then you may have a bad soldier through the draft, but it is not native to the case itself.

I mention Bataan. I think the fact is that at Bataan there were some United States volunteers and some draftees; but that they were all heroes no one would for a moment deny. There you had draftees mixed with volunteers, so that the difficulty referred to by some, I think by the Prime Minister himself, about mixing one kind with another, does not hold, at any rate does not always hold. I do not doubt that the people of Britain are resting a great deal easier by reason of the fact that they have there a fine volunteer army from Canada. I do not doubt, either, that they rest easy by reason of the fact that, in addition, they now have a large United States draftee army. I have no doubt that they feel just about as well pleased with the one as with the other.

Let me make one other comment on that subject. Some of those who say that the draftee will not make a good soldier forget that they are practically sending a cable to the axis to this effect: "If, as, and when Canada undertakes to raise soldiers in that way, do not worry; she will only be introducing second-rate men. Well, it strikes me rather like crying "stinking fish" on one's own doorstep.

I began by referring to the difficulty in this country by reason of the division of eight and one. I have a practical proposal to make to the government, and I make it in all sincerity and with emphasis. I said that I thought we had not been as frank as we might have been. I take my share of the blame in that regard. I do not think we have been always as frank with the people of Canada as we might have been, nor have we looked to the people of Canada for help as we should have. I can quite understand the difficulty, almost insuperable at the moment, which faces the government, but that difficulty will have to be surmounted. The change will have to be made; the logic of events is forcing it. I would say that if the government feel they cannot follow the course which pure reason dictates, they should go direct to the common law provinces and say to them in simple and direct language, that, because of many historical facts, because of differences in education and environment, the lower province is not yet ready to go along with the rest of Canada in the plan which seems to be most reasonable and would appear to be most efficient. It would be right to say to the people of the common law provinces that the people of old Quebec have done much more than has ever been realized by Anglo-Saxon Canadians, and to show what those things have been.

[Mr. Maybank.]

The former minister of transport (Mr. Cardin) was quite right when he said that satisfactory figures on French-Canadian enlistment have never been given. I say, do not present the difficulty with a whole lot of statistics and involved arguments; you can prove almost anything with figures. It would not have been at all difficult at the beginning of this war to prove conclusively by statistics that we could not possibly accomplish half of what we have actually accomplished up to this time. At the beginning it could have been shown that if we sent 100,000 men overseas it was about all we could do if we were to make munitions in any large way. I say, do not go to the people in that way. Make them see that the French Canadians for three hundred years have been engaged in clearing the forests and tilling the soil and raising children and practising the golden rule with their neighbours rather than in acquiring an international outlook. Present these facts to the people of the common law provinces and tell them you want more time because of these difficulties. I do not guarantee success with this plan, but I think the government would get somewhere with it. The recommendation should not be dismissed too lightly. The very novelty of it should make it attractive, because such frankness has never been tried in the world by any government. No harm can come from the Canadian people to any government as a consequence of their being simple, straightforward and honest.

But do not stop there. That is not the place to stop. Turn to Quebec; put the problem into the hands of the people there. The method might have to be different; probably it would. We all know this is no imperialistic war, but it seems from what has been said here that there are some men in the lower province who are not fully convinced of that fact. We know that everything that is being done is being done for the defence of Canada, and it is necessary to bring that home to all our fellow Canadians, including those in that province as well. Make them appreciate that there is no imperialism about this war, but that it is solely a war for the defence of Canada. Let this be brought home to every village and farm. What would be necessary would be the carrying on of a campaign of truthful, virile, systematic and emphatic education throughout the province. The Minister of Justice (Mr. St. Laurent) strikes me as being just about the man for the job. I am convinced that if the people of his province could have heard and seen him as he spoke, there would be no doubt of their being convinced as to the serious predicament in which we find ourselves.

In other words, what is necessary there is the achievement of that which I read this afternoon. Hon. members will recall this passage:

> Let me assure hon. members that when Baptiste discovers that his freedom, institutions, and essential rights which he prizes so dearly are really threatened, there will be no one who will fight more savagely than he to defend them.

This is the point that needs to be brought home. The difficulties of the situation with respect to Quebec have to be made known to the people of all the provinces, and there is a hope for a continuance of the unity of races in Canada if a policy of candour something along these lines be adopted.

Mr. G. J. McILRAITH (Ottawa West): Mr. Speaker, at the outset of my remarks I should like to congratulate the Minister of National Defence for Naval Services (Mr. Macdonald) upon his speech of this afternoon. Both as to clarity of expression and quality of content it seemed to me outstanding, and will, I believe, serve a useful purpose not only within but outside the house.

In adequately discussing the subject before the house to-day it seems to me some difficulty arises by reason of the fact that two of the major considerations entering into any decision lie peculiarly within the knowledge of the government. To arrive at a proper conclusion in the matter one would need to know more adequately, and, indeed, would desire to know more adequately the programme of the united nations as a whole. One would need to know the relative programmes of each of the united nations, and their requirements of men and munitions. In addition, one would need to know not only Canada's munitions programme, which is generally known throughout the country, but the programme with respect to and the nature of any projected military operations.

Those are matters which for obvious reasons cannot be made known to the public at large, or, indeed, to individual members of the house. For these reasons, in conducting a full or adequate discussion of the amendment to the National Resources Mobilization Act we are handicapped, and allowances must be made accordingly. The result of the present procedure in dealing with this measure is that we are now having a full discussion of the subject of conscription for overseas service. In addition, not only do we have that discussion now, but we have it only once—not repeated, as some would have it. In my opinion, the decision to have the debate only once is one which will commend itself to all hon. members and to Canadians generally. It commends itself not only because the time at which a measure of conscription may become necessary is something peculiarly within the knowledge of the government, but also because of the bitterness and the opening of old sores which any argument on the subject engenders. I must confess frankly that at times I have found myself unable to understand the bitterness and prejudices which rear their heads when this subject is mentioned. I was too young to remember the time when those prejudices originated, but I have lived to regret that they were ever created or permitted to exist.

On the one hand, to-day we have those who oppose conscription for military service overseas saying that the hands of the government should be tied, that Bill No. 80 is a conscription measure and that because they feel conscription for overseas is not now necessary, we should not free the hands of the government. It seems to me that this argument completely ignores the element of speed in the changing military situation. In ignoring that element and leaving the hands of the government tied, the persons who would follow this procedure place themselves in a most dangerous position.

It is well known that there can be some delay in taking action of this kind by legislative action. Surely, when time after time in the last two years, and particularly in the last week, it has been demonstrated that the whole military picture can change with a rapidity which is positively startling, the government should have a free hand. For that, among other reasons, I for one most wholeheartedly support the bill now before the house.

On the other hand, there is another group in the community who say not only that we should have conscription for military service overseas, but that we should have it now. And not only that; they reinforce their argument by saying that an affirmative vote on the plebiscite was a vote for conscription. It may be true that the majority of those persons who voted in the affirmative voted that way because they believed in conscription for overseas service. It is equally true, however, that a very large number voted in the affirmative, not because they believed that conscription for overseas service at the present time was a proper measure, but because they desired the government to be free. They felt that the question asked meant precisely what it says. Taking a serious view of the war, they felt that notwithstanding their anti-conscription feelings of the moment they should free the hands of the government and leave it in a position

where it could meet a situation, as it saw fit. They also felt they would have their remedy in the usual democratic manner.

I mention this phase of the matter to-day, not because I think it has any importance in deciding whether or not we should have conscription now for overseas service, but for another reason altogether, one which so far as I am aware has not been covered in this debate. It seems to me that view tends to carry with it the inference that the question put to the people on April 27 did not mean what it said, but rather meant something else. In view of the fact that the plebiscite was placed clearly before the house, and debated in what I thought was an adequate, thorough, and sometimes too full a manner; in view of the fact that it was discussed and decided upon by the house, and in view of the fact that the leaders of the major parties, and indeed all the leaders, who canvassed for an affirmative vote, asserted that the vote was not a vote for conscription, it seems to me that the inference to which I have referred tends to reflect upon the sincerity of the house. It tends to cast reflection upon the leaders of our democracy at this time. Surely at the moment we cannot afford to advance any argument or to take any position that would tend to undermine our democratic institutions, especially at a time when they are being attacked so violently by our enemies on the outside. Speaking in the plebiscite campaign the Prime Minister (Mr. Mackenzie King) had this to say on April 7:

> The issue at present is not conscription; it is whether or not the government, subject to its responsibility to parliament, is to be free to decide that question itself in the light of all national considerations. The government is not asking you to say whether or not conscription should be adopted. That responsibility the government is asking you to leave to itself and to parliament, with entire freedom to decide the question on its merits.

In his address during the campaign the leader of the opposition (Mr. Hanson) had this to say on April 20:

> That, primarily, is the only issue involved. Emphatically, it is not, in this specific vote, an issue for or against compulsory service for overseas.

I worked in this campaign as hard as I possibly could to obtain an affirmative vote, and I had this to say:

> The issue you are being asked to vote on on Monday is not conscription but it is whether or not your parliament should be free to decide that question in the light of all national considerations. We are not being asked whether or not we favour conscription. Such responsibility must be assumed by parliament.

[Mr. McIlraith.]

On another occasion I said:

> Voluntary methods of enlistment in the armed forces for service overseas have succeeded up to the present but there is much argument as to whether this condition will continue. No one can tell what methods may be required in the months and years to come.

When I said that I meant precisely what I said. I assume that the Prime Minister of Canada meant precisely what he said. Judging from his long record in public life, I believe it is perfectly clear that he meant precisely what he said on that occasion, but the leader of the opposition leaves my mind in some doubt as to whether or not he meant precisely what he said. I am sorry that his speech on Bill No. 80 delivered in the house on June 10 leaves some doubt on that question. I am sorry not because of any great concern for the political consequences to him, but rather because one occupying the high position he does in our democratic institutions should leave himself open to the inference that in the vote taken on April 27 there was something involved other than what was stated by the leaders. The consequence of any such inference is, as I have said, positively dangerous and harmful to the country. The doing or saying of anything to belittle our democratic institutions at this time is a luxury which we can ill afford. Possibly at some future time on some happier occasion we may be able to indulge in that luxury, but at the present moment I feel we should do without it.

As far as I am concerned, there is only one test of the necessity of conscription for military service overseas, and that is: Will the adoption of such a measure add to the sum total of our war effort? That test and that test alone is what should determine the necessity of the measure. Some say that the test of the necessity is that conscription will bring about equality of sacrifice. However desirable equality of sacrifice may be—and I am sure all Canadians desire it—it is not an end in itself. I ask hon. members, where in war is there any equality of sacrifice? Where is there any equality of sacrifice in taking the fit and leaving the medically unfit? Where is there any equality of sacrifice in excluding older men who are desirous of serving in the armed forces? There is no such thing as equality of sacrifice in war, and, indeed, I do not think there ever will be. If it were possible to achieve that state, I assume that there would be no war.

Those who assert that equality of sacrifice is their only reason for desiring conscription for military service overseas forget that it is applied only to the army. They do not suggest that it be applied to the air force or the

navy. There is no equality of sacrifice in applying conscription for service overseas to one branch only of the armed forces. Surely that fact indicates the lack of belief on the part of those persons who suggest it as their sole reason for wanting conscription for military service overseas. As I have said, however desirable equality of sacrifice may be—and admittedly it is desirable—it is not the only test nor is it the major test which must be kept in mind. The real test is whether or not conscription for military service overseas will add anything to the sum total of our war effort.

As I stated at the outset, the facts which will decide the time of introducing conscription for military service overseas lie peculiarly within the knowledge of the government. They and they alone are the ones to decide when such a measure should be brought in, but it has been made perfectly clear that it will be brought in if necessary. I take the view that it will be necessary immediately it becomes clear that it will add anything to the war effort. If at any time I come to the view that it will add to the war effort, I shall devote all my energy and ability to bring it about.

On February 10 last the Minister of National Defence (Mr. Ralston) outlined our programme for the coming year with respect to the army. We must assume that programme was arrived at after consideration of all the elements, that is, the programme for the other armed forces, the programme with respect to munitions, and the whole programme of the war. We know that up to date this programme has been more than met by the voluntary method, that the voluntary method has worked exceptionally well so far. That this may stop suddenly, or that there may be some change, is quite possible; but until there is some change, as long as the voluntary method continues to succeed as it is succeeding at the moment, I intend to support it.

In discussing the whole matter of the National Resources Mobilization Act and its relation to the army, it seems to me that we have missed a major factor. Admittedly we have dealt with the army in the active sense only. We have completely overlooked the smaller, less important part known as the reserve army. Perhaps this has been because of the mentality with respect to these matters which arose as a natural consequence of the trend and outline of the last great war, when an expeditionary force was the only force required and all the fighting took place well away from this continent. The present situation is entirely different. This war has become truly a world war in every sense of the word, including the sense that we are likely to have fighting in any theatre, our own coastal areas as well as any other. I often wonder if some of our military authorities have not overlooked that fact to some extent. We have in Canada a reserve army whose functions in the early stages of the war and for some time prior to the war were set out as: (a) The defence of Canada in Canada; (b) The supply of reinforcements to the active army; (c) Aid to civil power. The second function of course, received nearly all the attention at the outbreak of the war. The reserve army provided the skeleton for the whole active army, and it has done a marvellous job since then in supplying reinforcements of partly trained men and officers. But it has become clear that we may have fighting on this continent. That being so, we should have as many as possible of our men trained for military service and equipped for actual operational warfare.

Holding that view, I have argued the matter at some length with the Minister of National Defence. I fear that at times I have been rather persistent with him, to the point where I must have tested his patience. But as a result—or possibly not as a result; it is of very little consequence—on February 7 national defence headquarters announced a change in the functions of the reserve army, in that it would stress home defence; that its training would be changed to include operational training; that it would be substantially formed into eleven reserve brigade groups, with a brigade group for each military district, and that the age groups eligible for enlistment in it would be changed so that it would enlist only men under nineteen, men between the ages of nineteen and thirty-five with a medical category lower than B, men over thirty-five and up to fifty years of age and married men from thirty to thirty-five years of age. In other words, it would not be competing with the active army for manpower, and its function generally would be changed. That, I thought, was a major step forward, particularly in view of the fact that we have a very large area to defend and a very small population with which to defend it. Those factors being borne in mind, if we are to successfully defend it, then it becomes essential that in addition to our full-time soldiers we should have at least a reserve that would be of some assistance in case of an invasion attempt.

But there was one particular in which the announcement was disappointing. In view of the fact that the National Resources Mobilization Act had been in operation, that it had met, generally speaking, with the approval of

all parties in this house and did not encounter any opposition from any section of the community except with regard to military service overseas, it seemed to me that it should be used and used at once with respect to these reserve brigade groups. To my disappointment I find that this has not been done. I have not the exact figures to give the house at the moment with regard to the strength of these reserve brigade groups, but perhaps I can convey some idea of the situation when I say that the strength of these groups is equal to about four divisions. So it will be seen that it is a rather sizable and important item in our defence scheme. It will be seen as well that it would be of importance also in releasing some men, full-time soldiers, for service elsewhere when they might be needed. I, for one, hold the view that the place to defeat the enemy is as far from our shores as we can meet him.

I have some knowledge of the reserve brigade group in this military district, No. 3. The strength of the group should be approximately 6,400. The actual strength some two weeks ago was about 2,700. Some 3,700 recruits were required to bring it up to strength. In other words, this reserve brigade group is something less than one-half the strength it should be. If this force, which should equal about four divisions, should be called out in case of an attempted invasion, the necessity would arise very quickly. It would come like a whirlwind, and there would be no time to train men. Then, instead of having a force of some four divisions, are we to go out with an actual strength of some two divisions and say to the enemy attempting to invade our shores, "We have other men in Canada who have been kept at civilian work because they were doing necessary war work. We did not give them any military training. This force now meeting you should have the strength of four divisions, but it has only the strength of two divisions." That position, of course, would be absolutely absurd; yet in our treatment of this subject, while looking at the more important and more distant matter, having the old war mentality, we have completely overlooked a smaller, supplementary matter right at hand. The reserve brigade groups should be brought up to strength by the use of the National Resources Mobilization Act. The necessity for taking such action I think has been clearly shown in recent weeks by the visit of enemy submarines to the mouth of the St. Lawrence. Those submarines were not there on any friendly mission, nor were the Japanese on the west coast there for any nonsense. As far as I am concerned, we should have no illusions as to why they were there, or as to what we may expect in future.

[Mr. McIlraith.]

The policy of the government with respect to the matter is clear. The principle of this act has been accepted and enforced. Not only that, but in his address on June 10 the Prime Minister had this to say, as reported at page 3241 of *Hansard*:

> And make no mistake about it, the government is determined, as far as is humanly possible, to make sure that every able-bodied man undertakes some form of direct war service.

Here is a form of direct war service suitable to the able-bodied men who have been retained in civilian occupations. The administrative machinery to put it in force is in existence, but as yet our military authorities have not put it in force. I respectfully submit, Mr. Speaker, that the time has come to put it in force, and that the time is now. I do not believe our views on the matter should be obscured by any other views with respect to the major, more important part of our army, the active part, or any views that we may hold with regard to conscription for military service overseas.

In closing, in view of the fact that I have not been inclined to say a great deal in this house, I should like to point out that the constituency I have the honour to represent has more than nine units on active service for overseas. That is a record which, I believe, not only has not been equalled but has not been approached in any other part of Canada. This representation of the active forces from my constituency, of which I am very proud, typifies, I believe, better than anything I could say the views of the people I represent with respect to the war and matters pertaining to it.

Mrs. CORA T. CASSELMAN (Edmonton East): Mr. Speaker, I should like to make a few observations on Bill No. 80. I have listened with pleasure and profit to speeches made by hon. members in this house, and have agreed with a great deal and disagreed with some things that have been said. I was particularly interested in the statements of the Prime Minister (Mr. Mackenzie King) and members of his cabinet, setting out the case as they see it at the present time. Sometimes I think that the men who bear the burden and heat of the fray do not receive sufficient praise for what they do, for it must take tremendous courage, initiative, perseverance and patience to carry on at this time.

We see the war becoming more and more dangerous. It will be won finally by the young men and women of the belligerent countries fighting either on their own soil, within their own boundaries, or outside. I hope and pray that it will be won by the youth of our

own allied countries, fighting beyond our borders. I hope it will never come so close that we have to fight on Canadian soil.

There is an urgency now for Canada's sake. There is an urgency for the sake of our allies and for humanity's sake. How can we look at our young people here, so free and gay and fair, without thinking of the young people of the occupied countries of Europe and Asia sitting in darkness and the shadow of death? It is bad enough for us to see our people in uniform ready for the conflict. How much worse it must be for these others to see their fellow citizens, civilians, young and old, in danger from the ever-present and ever-vigilant enemy; how much harder still to witness the outrages, the massacres, the executions and the bombings, even to read of which makes our blood run cold. Therefore there is need for haste; we must set aside all differences which may impede the war effort.

Conditions have changed a great deal since the war began. At first the United States hoped to stay out, and Canada believed that no more than limited participation would be necessary. But world events have forced on us a greater and greater participation in this struggle. I think our yardstick should be, not what others are doing but what I myself am doing, in fighting or working or saving; not what somebody else is doing in another province or another community but what we ourselves are doing to contribute to the success of the war measures. If we put it on that ground; if we are driven by that urgency, we see that the inexorable pressure of world events have made it necessary to advance step by step along this line of participation which has been deplored by some hon. members who have spoken in this house. Not politics, not something else, but world events have forced this condition upon us. There has been a tremendous change. In the beginning it was thought that the war would be one of machines, with comparatively few men engaged. But more and more men have been called. The geographical area has extended vastly, and with savagery and brutality the enemy have made those of the occupied lands work for them on factories and on farms, freeing millions of their own men for the battle front.

These are the considerations which have forced us in the direction of greater participation in the war effort. Some there are who do not want to free the government, who would not give it power to increase its effort and to put more men in the field should this become necessary. I cannot see the justification for that attitude so long as we are a democracy. This is our own government. It is the decisions which our government will take which will involve greater participation if and when it becomes necessary. One of the reasons why Canada is at war is to preserve our right to make our own decisions, to maintain our democratic ways of life, and surely it is the democratic spirit which inspires the discussion we are now holding; for policy is hammered out by the meeting of many minds. Discussion precedes decision, which is followed by loyal support and then by action to carry out those decisions. We thus preserve our right to make decisions.

We all build Canada: those in the field; those here at home, in the factory, and on the farm and in the home. But it is not what we have contributed, valuable though that may be; it is not entirely what was done in past years; it is what we do now which builds Canada of the present and the future; for all our to-morrows are built on to-day. Each part of the country shares in the government; its constitutional rights are set out in the British North America Act. Individuals, too, have their rights, not necessarily set down in the constitution, but exercised by the ability they can display, through what they themselves can contribute. The men who are here in the house representing different parties are here partly because they kept Canada as Canada in the great war. The hon. member for Renfrew North (Mr. Warren) has listed the names of some of the men who served in the great war and who, because of that service, are here now. He might have named many more. The men of 1942 are earning their right, now and for the future, to build Canada. For example, I have here an enumeration of honours in the king's birthday list, and I find the names of three Edmonton fliers who have won distinctions. Two of them are mentioned in dispatches—Flight-Sergeant R. J. Majeau and Flight-Sergeant P. A. Rogers. We can tell from their names something of their racial extraction. Also Sergeant E. Gowda has won the British Empire Medal. I should like to read briefly from the newspaper account:

> Sergeant Gowda was awarded the Empire Medal for work contributing to the efficiency of his squadron and for "great gallantry" in extricating companions from a crashed, burning plane while with an eastcoast bomber squadron.

Sergeant Gowda is a Canadian of Ukrainian extraction, the second generation, I believe. I know his mother well. The best of every race, French, British and new Canadian stock, are taking their part in the present conflict and earning their right to build up Canada now and in the future. I hope, therefore, for unity; I hope that we shall set aside those

divisions which may exist among us and that we shall have the privilege of building Canada one in soul and strength and sword. Furthermore, I think those very principles that we carry out here in our national government, the principles of democracy, discussion, decision, support and action, are the principles that must underlie any international organization which may be built up at the end of this war if we are to save the world from a recurrence of wars such as this. It seems to me that therein lies our hope for a world free from the ever-recurring curse of war. We survived one war and we hope to survive this one; but can civilization survive a succession of wars that bleed it white? Canada must play her part in the war and in the peace that will follow, in whatever organization seems best fitted to carry out the policies that we ourselves put into force here in our own country; for it seems to me that these democratic principles are what will have to be carried out on a world scale if we are to avoid such a conflagration again.

Fifty per cent of my reading during the last thirty years has been along this line. It is something to which I have given a great deal of consideration, because I, too, lived and worked and thought through the last war. The problem has to be worked out together in some way, just as we ourselves in Canada must work out our lesser problems. It will need a combination of effort, and we see at the present time the allies getting together and outlining their policies for the post-war period. We see this in the treaties that have been signed between Russia and Great Britain and in the attitude of the united nations as indicated in the Atlantic charter and the agreement of the twenty-six nations signed early this year. The future is already taking shape, and our policies will have to be hammered out just as we hammer out our policies here where we hear the noise of the hammer and the din of conflict of opinion, the decisions that are taken, the support given and the action following. Canada then may show the way, by her policy here at home, whereby a world organization can live and survive with better success than the League of Nations did twenty years ago. Of course, it will depend on the individual members of any league.

I love Canada instinctively, as the hon. member for Richelieu-Verchères (Mr. Cardin) said, but I love Canada with the head as well as the heart. I love Canada because here we have a country in which we work out the principles of decent equality between men, a country in which we have the four freedoms, not 100 per cent, though the tendency is in that direction more and more as the years go by. I love Canada for its history. I believe I have taken as much pride and pleasure in the history of French Canada as any French Canadian, and I was taught in Ontario schools, where the history of Canada included not only British history but French Canadian history as well. I believe I have as much pride as anyone in French Canada. The history of Canada for me began when the first French explorer placed his foot on Canadian soil. Those explorers were to me heroes as they were to French Canadians—Madeleine de Verchères, Father Breboeuf, Dollard, LaFontaine, Laurier and others coming down to our own times. So that Canada means a great deal to me even though perhaps we have not had the centuries on the soil that the French Canadians have had. Again, I love Canada because she has learned to live in peace with her neighbours. I love her because of her undefended boundary line, because on both sides of that line we have had the frame of mind that allows people to live in peace. We have approached the consideration of our problems without prejudice; we have hammered out our policies, and have stood by our decisions, and so we have avoided war along the boundary.

I love Canada also because it is the world in miniature. In Canada there is no single blood or race or religion, but a combination of all these; and therefore, as it works out its internal problems, it shows how the external problems of the world can be worked out. It would be a great pity if anything happened now to destroy that sense of unity, that sense of oneness which we have right across Canada. As the Right Hon. Ernest Lapointe said, we have two languages and one soul. In fact, we have more than two languages. We have English and French and we have the new Canadians of different stock, but we have one soul throughout Canada. Therefore I vote for this measure, willingly giving to the government the power it needs, to use that power as it sees fit, when and if it is necessary; for a government without power is no government. It is anarchy. I hope that out of these troubled waters Canada will emerge stronger, one in soul and strength and sword.

Mr. GASPARD FAUTEUX (St. Mary): Mr. Speaker, it is with apprehension that I rise to address the house on this very important bill, No. 80, first, because I am a new member, and second, because I have decided to speak in the language of the majority of this house. If I dare to speak in your language, Mr. Speaker,

in spite of the fact that my vocabulary is poor and my pronunciation inadequate, it is because I wish to pay a tribute of gratitude and of admiration to the English-speaking members who have been so kind and generous toward the province of Quebec in the speeches they have delivered.

It is not my intention to analyse all that has been said in the house for or against the bill, or to analyse the bill itself. My intention is simply to say how I shall vote and why, and to make a few suggestions.

The government has already said that if this bill has been introduced it is simply to comply with the wish expressed by the majority of the Canadian people through the plebiscite, namely, to release the government from the promises which they or any members of this house may have made to their electors, with regard to the mobilization of man-power, during the election of 1940, when the military situation was absolutely different from the one that exists to-day. If we had that plebiscite it was because the government felt that during this war, when we are fighting for a principle like the sanctity of treaties and contracts, we should at least hold to our own promises made to the people of Canada. The great majority of the people having voted "yes" on the plebiscite, the government feels obliged to abrogate section 3 of the mobilization act in order to have no restriction on the mobilization of man-power.

In a few hours or a few days we shall have to vote "yes" or "no" on the motion for the second reading of this bill. What am I going to do? How am I going to vote if I believe in the democratic form of government, in a government of the people, for the people, and by the people, and if, like the government I believe in the sanctity of treaties and contracts? I do not need to go back as far as 1940; I have only to refer to February last during the by-election, when I asked 50,000 electors of St. Mary to place a contract with me, a contract that has since been accepted and executed by the party of the first part representing the majority of the electors of Montreal-St. Mary, in electing me and the party of the second part, the one who is called to execute the condition *sine qua non* of the contract, with the mandate that has been given to him by the party of the first part.

What was the important clause for which I was responsible in that contract? Let me read just a few lines of an article written in the newspaper *La Presse* of Montreal under date of April 30 and signed by the hon. member for Témiscouata (Mr. Pouliot):

(Translation)

Their new member, who was supported by a majority of people who were surely against conscription, has of course, stated his opposition to conscription for overseas service. But he has bound himself to vote against the plebiscite not in the House of Commons, as the member for Saint Mary, but only as a citizen, as an elector of the constituency of Westmount. The electors will no doubt be interested to know what he will do if a conscription measure is ever introduced in the house. We will make it a point to keep them informed.

In a few words, all that means is that the hon. member for St. Mary promised to his electors during the last election to vote for a plebiscite when it would be introduced in this house by the government, but that he would vote "no" as an individual whenever the plebiscite would be held. The hon. member for Témiscouata said, "I wonder what the new member will say when he will have to vote 'yes' or 'no' on conscription when conscription is introduced in the house." Let me tell this house that I will carry out my engagement and that I will vote against this bill. To my hon. friends who may be scandalized by that clause in my contract with my electors or inclined to call that demagogy, whether they be Liberals who will vote for the bill, to be logical with their attitude on the plebiscite, or whether they be Tories with imperialistic instincts, let me tell them immediately that I am not and never was a narrow-minded nationalist or separatist. Let me ask them if they would have preferred to have in this house, instead of a true democrat and a Liberal, who believes that this war is Canada's war, who is glad and proud to belong to a country privileged to have two civilizations, which I hope will remain united in one soul, and one who has three children, all of them in English schools in order to become perfectly bilingual and true Canadians, an extremist like the one who ran against me as a candidate for the party "à sens unique" of the hon. member for Laval-Two Mountains (Mr. Lacombe).

Let me ask the right hon. the Prime Minister and hon. members of this house not to blame the electors of my county, the same people who voted for Mr. Camillien Houde as mayor of Montreal, and elected him as their representative in the legislative assembly of Quebec, the same who is now in a concentration camp, whom they used to consider their "lucky boy", if they asked their candidate to be against conscription, but praise them because at the same time they refused to send to the parliament of Canada an extremist. I am really convinced that they believe in that latin phrase, *in medio stat virtus*. This does not mean that they want only a moderate effort in this war. No. They want, like all of us, to win the war, and they will do everything possible for the defence of Canada.

Let me read what Professor F. R. Scott of McGill university said about the province of Quebec, which would apply also to my constituency:

The French Canadians mean what they say when they say they will do everything necessary for the defence of Canada. They have already accepted conscription of man-power for this purpose, and they do not mind whether this means going to Alaska, Greenland or Panama. It is a good deal farther from Quebec city to Alaska than from Quebec city to London.

Further on he says:

The same people who voted "no" so overwhelmingly in Mr. St. Laurent's constituency, only a short time ago preferred Mr. St. Laurent to a nationalist candidate who posed as the de Valera of Canada.

Mr. COLDWELL: Whom is the hon. gentleman quoting?

Mr. FAUTEUX: F. R. Scott, professor at McGill university, who is, I believe, a good friend of the hon. member.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. FAUTEUX: Mr. Speaker, at six o'clock I had just given some reasons why Quebec is against conscription for overseas service. I may point out that those were only some among many reasons why they are opposed. The main one is that, like most of us, they believe it is not necessary, and that total war effort does not necessarily mean conscription for overseas service. They think they are right, like most of us; and I may say that both of us are in good company with Australia, South Africa and Northern Ireland.

The people of Quebec believe in a total war effort to win the war. They have listened to Mr. Churchill and have applauded his courage and determination. They have listened to the fireside chats of Mr. Roosevelt, and they are not only ready to let their sons join the army voluntarily for overseas service, but to answer to the demand of Mr. Churchill, "Give us the tools and we will finish the job," and approve Mr. Roosevelt's statement that America—and that means Canada and the United States—is the arsenal of democracy. Yes; let us give tools to Mr. Churchill. Let us ask our people to work night and day to produce tools to avoid more defeats like Greece, Crete, Singapore, Hong Kong and Libya.

What we should do for a total war effort is to keep Canada as a real arsenal of democracy for the nations who fight with us, nations which have large populations but have not the industrial strength of the United States and Canada. I said a real arsenal, because we need tools for that unfortunate China with her 420,000,000 inhabitants; tools for that gallant Russia with her 120,000,000 inhabitants; tools for that unhappy Poland with her 32,000,000 inhabitants, and tools for those millions of inhabitants of the northern part of Europe, as well as those in the centre, who are only waiting for the right moment to be armed and to start a revolution.

We need tools—tools and all kinds of armaments for land, air and sea, in order that those heroic British and Canadian commandos, and de Gaulle and his gallant free Frenchmen may land on the soil of France, to hand those tools to the people of France; tools with which they will be able to invade and conquer the European continent, tools to destroy the beasts, both the one which invaded her soil, killed her sons and destroyed her monuments, and the other which stabbed her in the back during her agony; and, finally, tools for our beloved Canada. Yes; tools for our shores on the Atlantic and on the Pacific, to protect and keep our beloved land colonized by France, so well developed by Britain, and transformed into a nation by our Canadian statesmen.

I believe that in order to do that we do not need to abrogate section 3. The government has only to exercise the power given it under the National Resources Mobilization Act to get more money by the following means:

1. By nationalizing the war industries for the duration, with the understanding that a reasonable interest will be paid, and a reasonable power of amortization will be given.

2. By mobilizing all the savings frozen since 1939, with the understanding that a reasonable interest will be paid.

3. By establishing a reasonable ceiling for annual revenues of the individual, the remainder being remitted to the government.

In offering these suggestions, I humbly believe that if they were accepted Canada would make a total war effort in a spirit of total national unity. That, in my opinion, is the best way to win the war, to win the peace, and to assure the future of our country. In doing so, we shall confirm what has already been said by Mr. Graham Spry, former secretary of the Association of Canadian Clubs: "One nation, two cultures; one loyalty, two races; two glorious pasts but only one future."

Mr. P. E. COTÉ (Verdun): Mr. Speaker, in the time at my disposal to-night I assume the very serious responsibility of expressing myself in a language which is not my mother tongue, one which I must confess I am far from mastering. I wish to pay tribute in their own

language to the spirit of good-will and understanding of the English-speaking citizens in the constituency which I have the honour to represent. I shall also speak in this language with a certain amount of pride and pleasure, because it will enable me to address myself in a direct, if not a perfect way to my colleagues of British descent in the house, and to tell them most sincerely how much I have appreciated the friendships with which they have honoured me during the two years I have sat in this chamber.

In passing, I wish to point, with great pride as a Canadian and with no less hope for the future of Canada, to their sincere attempts to approach and to discuss in a comprehensive and courteous manner the internal difficulties our country has not been spared in this critical day. The better I have come to know my colleagues, the more I have appreciated them. I realize that there is one main condition which must be met before complete and lasting unity is achieved in this country. There must be a better knowledge of each other's history, traditions and ideals in order to justify our claim to true citizenship in this country. True Canadians must love not only the soil of their country but also the inhabitants of that soil, irrespective of their racial beliefs; they must respect the institutions which regulate each other's social, religious and political life.

Such a result cannot be achieved in a short period of time. Canada has a population of only 11,500,000 people, but its area is equal to the whole of Europe or to the United States with its territorial possessions. As with a human being, the impulse of life of a nation must come from the heart. Ottawa, the capital city, where meet the representatives from all the provinces, is the heart of Canada. Therefore we as members have a definite responsibility to discharge in furthering national unity. We must take back to our constituents a better picture of the other parts of Canada which most of them have never visited, and of the people living in those different districts. In my province there are villages and even municipalities peopled with those of French descent which seldom see visitors of any other extraction. Is it any wonder that my compatriots have such a vague knowledge of their fellow citizens in other parts of Canada and that campaigns of prejudice led by extremists of all sorts result in discontent and mistrust.

I am told by my colleagues from other provinces that the same situation exists in their constituencies. A great number of citizens there have never met a French Canadian, and the only knowledge they have of French Canadians is from the newspapers. If the one they happen to read is of the type whose supreme ambition is to disunite the country, one should not be astonished at the bad feeling that arises from time to time between the different races whose destiny it is to build a strong and prosperous nation. The main and vital link between the two racial groups in our dominion must be forged here in Ottawa by the members of this house. If they discharge that duty as they should, the cornerstone of national unity will be laid and will last forever.

On April 27 the dominion government asked the population of this country to release it from past pledges. The question was in the following form:

> Are you in favour of releasing the government from any obligation arising out of any past commitments restricting the methods of raising men for military service?

This was a special occasion indeed. The public was invited to take a direct share of the responsibility of administering the affairs of this country. It was with that thought in mind that I approved the principle of the plebiscite, as will be seen from my remarks made in the house on February 12. Nevertheless, the question was ambiguous, and the members of this government have been the first to admit that. Perhaps that fact has accounted for the great number of those who developed that particular theme during the debate on the address in reply to the speech from the throne, as well as those who repeatedly addressed the public over the radio and through the newspapers during the few weeks which preceded the vote when an effort was made to explain the true meaning of the question and predict the results of an affirmative or a negative vote.

On February 12, when I addressed the house for the first time, I supported the policy of the government in connection with this plebiscite. I considered that policy to be a most democratic procedure and I did not hesitate to endorse its principles. Following the magnificent speech delivered by the Right Hon. Prime Minister (Mr. Mackenzie King) over the radio on April 7, I went to my constituency and opened a campaign in favour of an affirmative vote. I appealed to my fellow citizens to release me from the pledge which I had given during the last election campaign and which I had repeated on several occasions afterwards. Following the worthy speeches which had been made across the country by outstanding members of this house, I promised my constituents that conscription was not directly related to the issue of the plebiscite. I asserted that an affirmative vote would not be a vote in

favour of conscription. I gave them to understand that the circumstances of this war were such that it had become necessary and imperative in order to maintain the unity of the country that members of parliament be released from any past commitments made with regard to the method of raising men for overseas service.

I told my constituents that parliament should be allowed to consider any appropriate measure without any restriction, should be completely free to act if circumstances developed which made it necessary to bring in such a measure for the furtherance of our war effort. I was greatly honoured on the evening of April 27 to learn that my constituents had listened to my plea and had responded to the call of the Prime Minister. They had given a majority of over 8,600 affirmative votes. That meant that two-thirds of the total vote of my constituency was affirmative. During my first speech in this house I said that the constituency of Verdun seemed to me to be a miniature Canada because of the various racial and religious groups to be found there. The result of the plebiscite would seem to confirm that statement because the final returns for the whole country showed the same two-thirds majority in the affirmative.

The plebiscite was held with a view to learning the will of the people concerning the pledges which had been made and which prevented the government and the members of this house from having a free hand in carrying out our war effort. It is most important that a correct interpretation should be given to the results of the plebiscite. As far as I am concerned as the representative of Verdun, I consider myself released from the obligations I had assumed in the past when I promised my constituents that I would never favour conscription, that I would oppose any bill which would bring in conscription for overseas service. Moreover, in view of the appeal I made for an affirmative vote in the plebiscite campaign and the interpretation which was generally given to the statements made over the radio and through the press by outstanding members of this house who took a very active part in the campaign, I am bound to consider that the will of the majority in Verdun has given me a special mandate to withhold from debating conscription until such circumstances have arisen as would render it necessary for the furtherance of our total war effort. If such events should present themselves, I would feel authorized to endorse such legislation after having carefully studied the alleged necessity for it and on the condition that I as a member of this house be permitted to debate the principle as well as the regulations for the enforcement of this new form of compulsory service.

However, contrary to what happened in the other provinces, in the constituency of Verdun as in most of the other Quebec constituencies the campaign for an affirmative vote had a counterpart in the strong opposition which was organized and led ever since the plebiscite was announced in the speech from the throne. Radio broadcasts and mass meetings, supported by several of the daily newspapers and by most of the weeklies, appealed for a negative vote on the ground that the question put to the people of Canada, meant conscription, that this was the one and only opportunity the electors had to express an opinion on this very important question, and finally, that the Prime Minister left the people entirely free to express their personal and sincere view about it, because he had declared that no vote of confidence was involved in voting on the plebiscite, and he particularly insisted on that in his reply to the telegram which had been sent to him by the leader of the opposition (Mr. Hanson) two days before the voting on the plebiscite.

The plebiscite has made known the will of the people of the province of Quebec, but not that of the people in the other provinces, on the very question of conscription for overseas service. It is most unjust and unfair to compare the results of the plebiscite in the province of Quebec with those in the other provinces, because in Quebec there was an organized opposition to the "yes" vote, while in the other eight provinces there was not the slightest organized attempt to show that the vote on the plebiscite was or might be construed as a vote for or against conscription. All the members for the other provinces spoke in the same way to their constituents; and all the newspapers, political clubs, veterans' organizations, trade unions and various social bodies were unanimous in appealing for an affirmative vote on the ground that it did not mean a vote in favour of or against conscription.

The 27th of April was a voting day throughout Canada. It was a real election day. In the eight English-speaking provinces the official candidate of that election was a "yes" vote. Its candidature before the electors was unanimously supported by all organized and public bodies. The candidate did not have any opponent, and so got elected by acclamation.

The victory of April 27th in the other provinces was a victory for the demand of members of parliament and the government for a free

hand to deal with conscription should the necessity arise, while in Quebec it was a free expression of opinion on the very question of conscription.

If the plebiscite issue had been contested with as much vehemence in the other provinces as in Quebec—and it could have been to judge by the number of negative votes which were cast—the question submitted to the people might have had a different meaning for those electors, and they might have had in mind to vote for or against conscription, as the great majority of the people did in the province of Quebec. In that event the results then might have been very different.

I therefore conclude that if the campaign led in the province of Quebec by the supporters of the negative vote brought the result that we know in most of our constituencies, and if this result is construed as strong opposition in that province to any measure of conscription for overseas service at this time, it does not follow that the results in the other provinces are to be interpreted as a vote on behalf of conscription. I still believe that at this very moment the proportion of our population that would favour this measure even in principle would represent but a minority in the country. I am sure that that is the opinion in my own constituency.

The bill now submitted to the house for second reading is brought down for the purpose of amending the National Resources Mobilization Act, 1940. Section 2 of that act is suggested to be amended to read as follows:

> The governor in council may do and authorize such acts and things, and make from time to time such orders and regulations, requiring persons to place themselves, their services and their property at the disposal of his majesty in the right of Canada, as may be deemed necessary or expedient for securing the public safety, the defence of Canada, the maintenance of public order, or the efficient prosecution of the war, or for maintaining supplies or services essential to the life of the community.

I now quote the last few lines of section 5 of the act, because they relate to the publication of orders in council:

> . . . provided that any of the steps specified in this section may be omitted or deferred if the governor in council considers such omission or deferment necessary in the national interest having regard to the special circumstances.

We all admit, Mr. Speaker, that this is enabling legislation. It empowers the governor in council to deal from now on, and without any consultation of parliament, with this very question of conscription for overseas service. It will enable the governor in council to decide whether coming events in this war are such that the people of this country will subscribe to a measure of conscription for overseas service. This amendment gives the governor in council full power to make such decision. The governor in council will also be the only authority to enact compulsory service and to determine the principles and regulations under which this compulsion shall be enforced. Above all, he will not even be bound to make these orders and regulations known to parliament and to the people of the country if he considers that such an attitude on his part is necessary in the national interest under the circumstances.

All hon. members will agree that this bill has been intended by the government and is an attempt to put into effect the affirmative result of the plebiscite. The will of the majority must prevail in this country. I myself will admit that. Knowing the will of the majority of this country, I would be the first to make mine the words of Sir Wilfrid Laurier in 1917 and abide by such will. But is it certain that this piece of legislation does not go beyond the will which was expressed by the people on April 27?

Of course the repeal of section 3 of the National Resources Mobilization Act does free the hands of the government. But if this amendment is approved, the mobilization act will have a new bearing which, I submit, will exceed the powers granted by the electors of this country.

Who in this house can say, from the affirmative vote given in the country, it is the will of the people to insert in our statutes at this very moment the principle of conscription without waiting to see whether new circumstances will arise to render it necessary?

Who can say that the affirmative vote was a demand upon members of parliament to yield to the governor in council their privileges as regards the most vital problem that has ever existed in the country in relation to our national unity, and this, before any new circumstances in the nature of those mentioned to the people of Canada during the campaign preceding the plebiscite, have arisen to justify any such surrender to the governor in council?

If the question asked on the plebiscite had been in the following terms, for example, "Do you favour the repeal by parliament of section 3 of the National Resources Mobilization Act, 1940?" and if it had been explained to the electors that an affirmative vote would grant to the governor in council full power to put conscription for overseas service into force without any consultation with parliament, at any time that he found the measure to be absolutely necessary, and to enact any regulations to govern the enforcement of that measure of conscription without resort to the advice of or any consultation with members of

parliament, I wonder what the result would have been in the country. I am sure, knowing my constituency as I do know it, that the affirmative vote on the evening of April 27 would not have given a majority of over 8,600.

In order to get from the country a full expression of its will on this bill, supposed to be the necessary conclusion of the plebiscite, I submit that we should have used the question I have just quoted instead of the one which was indicated on the ballots on April 27. This bill would not then have exceeded the meaning of the plebiscite. As I have just suggested, it would have been a direct sequence of an affirmative vote on the plebiscite.

As a result of the plebiscite we have witnessed a campaign of prejudice and race cries against the province of Quebec, coming from groups of citizens of this country who know the least about Canadians of French descent. They may have come into the province on business purposes, but never have they gone through the experience of a close contact with our French population. Yet these extremists of all sorts have not ceased since April 27 to accuse Quebec of all possible evils in connection with our war effort. I will not insist on the records which Quebec has already set of her will to cooperate in this total war of ours and to contribute to the final victory.

I wish to state that in my opinion this bill before the house has another major aspect. It will help to satisfy and might eventually encourage the feelings which have been developed since April 27 against Quebec by a group of unpatriotic Canadians. This bill in view of its particular implications appears to me to be supported by sentiment rather than by the result and meaning of the plebiscite. Our war effort up to this time, on both the industrial and military fronts, has been a total and well-balanced war effort, since it would not have been possible to do any better had conscription for overseas service been put into effect a year or two years ago. What is the reason for this change of policy? Our voluntary system is meeting the requirements of the active army in a satisfactory way. Logically, there is no need and no reason for the adoption of this principle at this time. Yet it is proposed to this house to answer the threats of those who want conscription because it is conscription and for no other reason—because in their eyes conscription is the symbol of a total war effort. If we let sentiment overcome common sense and reason in the settlement of such an important problem as that of conscription, we shall render unity impossible in this country. As long as there is not a sincere and deep Canadianism in this dominion, it is not the particular feeling of a minority part of a racial group that will serve to unite the country in such a tremendous effort as she is making in this war.

Since the outbreak of war about 25,000 orders in council have been passed by this government to regulate our economic life, war production and military services.

The representatives of the people in parliament have not been consulted about these orders in council, although about three hundred of them were in conflict with some existing statutes. No serious reaction was caused in the country by their enactment, because these regulations were based on logic and not on emotions, and thus the Canadian people have welcomed them in their strong desire to contribute in a total war effort.

I believe, on the other hand, that in my constituency, if not in the whole dominion, my fellow citizens expect that conscription, which has been the vulnerable point of Canadian unity for the past twenty-five years, will remain the exclusive privilege of this parliament to debate and to decide upon whenever circumstances shall arise to render necessary its introduction in this house.

Being a citizen of a free country, I have spoken my mind very freely on this matter of Bill No. 80. In spite of the attitude which I sincerely feel I shall have to take when the bill is put to the vote, let me assure the house that our country is actually making a total war effort and if possible, as circumstances develop, it will be increasing that effort without any objection in my province and in the constituency of Verdun. Moreover, our people in Quebec realize that this is now a Canadian war; that we are fighting for Canada; that we are fighting for our own traditions and creed; that we are fighting for our own salvation. We believe, I for one certainly believe, that the future of Canada being at stake in this war, we cannot ask anything better than that the true Canadian at the head of this country should continue to lead our war effort, with the same success that we have achieved in the past. In spite of the attitude that I shall take on this bill, I wish to convey to our Prime Minister my sincere admiration and to assure him of my everlasting support notwithstanding that, being a free citizen, I shall again speak my free mind in order to express the opinion of the majority of our population in the constituency of Verdun.

Mr. CLARENCE GILLIS (Cape Breton South): It is with some hesitation that I rise to take part in this debate, and were it not for the fact that some of our hon. friends opposite utilized the time at their disposal to make an analysis of the Coopera-

tive Commonwealth Federation, its programme and its policy rather than the measure before the house, I might not have decided to take up the time of the house now to discuss this question. But certain things have been said with respect to this group which, in my opinion, require an answer.

The measure before the house is somewhat beclouded. In the discussion to date—and I have listened quite attentively to it—some of our hon. friends have talked exclusively about the plebiscite. The Prime Minister (Mr. Mackenzie King) definitely told the house that this was a conscription bill; he did so without any equivocation. The Minister of National Defence for Naval Services (Mr. Macdonald) this afternoon agreed with him to some extent. The Minister of Munitions and Supply (Mr. Howe) and the Minister of National War Services (Mr. Thorson) went to considerable length, with some convincing arguments, to show that the measure was not a conscription measure. Anyone with average intelligence, listening to members of the cabinet, listening to the arguments pro and con, must have had some doubt at times as to what the measure really is. Personally I draw my own conclusions, and regardless of what the programme and policy of this particular group may have been in the past, I am independent and free to exercise my own judgment in this matter or in any other matter that comes before the house.

As one of the members coming from the east coast I wish to point out certain things to the house, instead of discussing simply one phase of the conscription issue as we are doing now. The plebiscite was merely a convenient political trick to offset propaganda coming from political opponents. It was purely and simply a matter of government responsibility. I went out and advocated an affirmative vote, and I did so because I believed in total conscription of everything in Canada necessary to fight the war. An affirmative vote on the plebiscite meant that the road was still open, as far as we were concerned, to push forward in that direction, and I made it absolutely clear to our people that that was our stand then and would be our stand in the future.

As I see it to-day, what we should be driving home to the Canadian people is the fact that our situation is not merely a matter of conscripting men for military service or of taking over industries to be utilized in an all-out war effort. We should be thinking in Canada to-day in terms of the question whether every man and woman should be seeking some means of learning how to defend themselves. It is not a matter of having to go to the people and requisition them for that service. If they were alive to their own interests and to the seriousness of the international situation, they would be coming, as they should, to the responsible authorities in the country for the formation and organization of means of defence in every section of Canada. Anyone with average intelligence, reading the press to-day, must realize the significance of the statement made by the Prime Minister of Australia on Saturday. He must realize the significance of what is happening on the west coast, where the Japs have a foothold in the Aleutian islands. We have but meagre information on this matter. We do not know where they are. Anyone with average intelligence, I say, must realize the significance of the shelling of Vancouver island, or a section of it, and the shelling of a section of the California coast. This little Jesse James street paper, the *Trend,* definitely points out—I do not know what its authority is—that within the next ninety days we may expect raids on the east coast. It definitely establishes the fact that German planes a year ago made photographs and a blueprint of everything in that section of the country. That may or may not be true, but as one of the elected representatives of the people I realize—much more I think than they do in central Canada—the seriousness of the situation on both coasts and the necessity for a complete understanding on the part of the people. They will not have that understanding unless they get a lead from their elected representatives. Unfortunately at the present time the complete control of our war effort is in central Canada. While the danger is on both coasts, the control of the machinery necessary to fight the war is in central Canada.

With that background I want to make it clear that as far as the members of this group are concerned, they are not seizing on the war situation as an opportunity of bringing about in this country a socialist state, as some of our hon. friends opposite accuse us of doing. The programme and policy of the Cooperative Commonwealth Federation in the light of the war situation is not a political programme; it is a recognition of the fact that if we are to have an all-out war effort to meet those who are waging an all-out war, the complete organization of all the resources of this country is necessary. That is a programme of organization of these resources on the same basis as man-power is expected to be organized under the bill before the house at this time.

On June 11 the leader of our group presented and described in detail a six-point programme

of total war effort. Hon. members opposite, instead of discussing the programme on its merits, started calling it names, seeking in that way to frighten the people. They declared that what we are proposing is state socialism, and that this means regimentation. The habit of referring to our programme as state socialism comes either from ignorance or from deliberate distortion. I want to tell my hon. friends opposite that, after an association of two and a half years with this group, there is no one in this house or outside who is more opposed to state socialism than the members of this group. It ill behooves those on that side of the house to characterize the programme and policy of the Cooperative Commonwealth Federation as state socialism, when in reality the government as constituted at the present time is the nearest approach to state socialism of anything we shall ever have in Canada without actually having it.

I am not going to attempt to make an analysis of socialism; there are vague and distorted ideas; but I want to make this clear, particularly to the hon. member for Cochrane (Mr. Bradette) and the hon. member for Swift Current (Mr. Graham) that what we are fighting against to-day, that totalitarian system, is state socialism. If they succeed in winning this war, the first people that will go to the axeman's block are the members of this group.

An hon. MEMBER: That would be good.

Mr. GILLIS: Hitler or Mussolini would not be fooled as far as state socialism is concerned. My hon. friends over here who say, "that would be good", could very well fit into the councils of state socialism, whether they realize it or not. There is at the present time in the government a complete and bewildered bureaucracy. There are controls of all kinds. These controls are selected from one class of society only, which makes it state socialism. The government have taken in the heads of every big industry in Canada, have made them the lumber controller, the steel controller, the oil controller, the bacon controller; they control the complete economic set-up of Canada at the present time. The only thing they have not done yet is to stand up one man. As I see it, they are planning to-day Canada's war effort mostly for their own ends. I will prove that in a little while. Hon. members opposite do not watch the situation as closely as we do. The only degree of success that we have had in our war effort so far has been because of the fact that the government, or some members of the government, recognizing the necessity for planning and control, have seen fit to institute as far as they can some methods of organization of the resources of the country. The only section of industry in Canada to-day that I have seen that is making a real contribution to the war effort is composed of the industries that have been set up under government control and supervision. I have seen some of these plants; they are doing a real good job, and they are a credit. What would we have got under private enterprise? What did the Minister of Munitions and Supply get with his 5 per cent profit limitation on the outbreak of the war, or when the British army was on the beaches of Dunkirk and not one private contractor in Canada would accept a war contract unless the 5 per cent limitation was removed? They staged one of the biggest sit-down strikes in the history of Canada.

Mr. HANSON (York-Sunbury): Is that right? The hon. member should prove that statement.

Mr. GILLIS: That is correct; the Minister of Munitions and Supply made that statement in the house, that he could not let a contract with the 5 per cent profit limitation in it, and it was removed by order in council.

Mr. McLARTY: If I might ask the hon. member a question, does he know that contracts are being let every day by the Department of Munitions and Supply on the 5 per cent basis?

Mr. COLDWELL: You are letting them now, yes.

Mr. McLARTY: And have been right along since the outbreak of the war. I will give the hon. member a specific example: the Ford Motor Company of Canada at Windsor is receiving 5 per cent and 5 per cent only; it is turning out, I think, the largest amount of mechanical equipment of any city in this empire and is still doing so.

Mr. GILLIS: That is not the point; I am not arguing that point with the minister. I made the definite statement that at the outbreak of the war the government of Canada endeavoured to let contracts to the industrialists of Canada with the 5 per cent profit limitation in those contracts. That was legislation, and it had to be removed before the government could let contracts. I have the word of the Minister of Munitions and Supply for that. Ford may be taking contracts now on that basis—

Mr. McLARTY: And has been ever since the war commenced.

Mr. GILLIS: I do not think there is any ceiling on it to-day. The ceiling was removed.

Mr. HANSON (York-Sunbury): I can tell the hon. member of a contract that has been let to the Consolidated Mining and Smelting company on which there is absolutely no profit, and they are not asking for any profit, and are doing one of the best jobs in Canada without any profit.

Mr. COLDWELL: But their aggregate profit this year was much greater than it was last year.

Mr. HANSON (York-Sunbury): Not out of the war.

Mr. COLDWELL: Out of something. They are not doing much but war contracting just now.

Mr. GILLIS: From the beginning of the war members of this group have asked that workers, farmers and consumers be given proper representation on all boards. Such representation makes the difference between statism and democracy. But the government refuses to adopt the democratic way. That is the difference as I see it. I have no objection to the government of this country setting up boards that they are setting up, organizing and planning the industries of this country to the best advantage, but I do insist that the great body of the working people, farmers, workers and consumers generally, who in the final analysis will fight this war and will produce the sinews of war—

Mr. MITCHELL: I do not think the hon. member should single out a special class. Is not everyone fighting the war?

Mr. GILLIS: Not in the way in which the soldiers fight it. I do not say I am fighting it as they will have to fight it.

Mr. MITCHELL: Let us be fair about the matter.

Mr. GILLIS: I am fair about it.

Mr. JACKMAN: Which class is doing the fighting?

Mr. COLDWELL: These people are the majority of the people.

Mr. GILLIS: They have the right, but they have no representation on these boards. That is the difference between the kind of organization or society visualized and described by the Cooperative Commonwealth Federation and the kind set up by the government. I say these people are entitled to representation on the controls, and they have not such representation at the present time—with perhaps one or two very anaemic exceptions under the Department of Labour.

Mr. MITCHELL: If that is anaemic, then those "anaemic exceptions" number over 400.

Mr. GILLIS: I would be very glad if the minister would put them on record.

Mr. MITCHELL: If that is anaemic, then God bless anaemia!

Mr. GILLIS: I would ask the minister to put them on record. If that is true, then it is news to me, and it is news to the great majority of the people of Canada.

Mr. DUPUIS: That is why you are still in the Cooperative Commonwealth Federation.

Mr. GILLIS: The minister would help his own department to a great extent if he put that on record.

The war policy presented to the house by the hon. member for Rosetown-Biggar (Mr. Coldwell) is a people's war policy. It is a policy by which the material and human resources of the country would be placed at the service of the nation. Naturally this means central planning, central control and direction. But the people, as industrial workers, farmers and consumers would be represented with power in that central control. I am going to assure the hon. member for Rosedale (Mr. Jackman) that before he comes through this war, and comes through it successfully, he will come to that kind of organization.

Let me draw to his attention the words of a man for whom I think he has great respect, a man whom I have heard held up in the house many times as being the saviour of the British people in the crisis they face at the present time. This is what he says:

An hon. MEMBER: Who is he?

Mr. GILLIS: Mr. Churchill. These are his words:

> The spontaneous and sustained good-will of the labouring masses of this country is the sole foundation upon which we can escape from our present difficulties.

He recognized that in England when he brought Bevin and those other men into his cabinet. He recognized it still further when he brought in Cripps as house leader. I am very sceptical—and I do not care with what group the person sits—when I hear slighting remarks about the contribution that those people can make. I said a moment ago that they will fight this war. Go to your air force, your army and your navy; find the boys who man your ships on the sea and in the air, and the boys who one day—before long I hope—will cross that English channel on barges and face Hitler's hordes over there, and you will find that the greatest majority of those men will be men who have very little to fight for.

You will find men who had little to fight for in the past, but who recognize that the framework of democracy in which there was freedom to work forward to a better order of society, is worth fighting for. But they expect, while they are making that contribution toward the future, that we in Canada who are their representatives and who have the power in this parliament are building an order of society which they are fighting for over there, against the time they may come back.

I believe if I were over there to-day I would be looking back at Canada, and I would be very closely scrutinizing the controls being set up. I would watch the representations on those controls, and see if they were of the class of people from which I came. Upon that would depend my morale. The fact that I was being directed, guided and dictated to by people who planned an order of society in which I was unemployed for fifty per cent of my time, or where I was a slave when I had a job, with no future and no security, would not be much incentive for me to lay down my life or to chase the Hun back to Berlin.

When we speak about the building of morale, those are the terms in which we must think. It is not enough to wave a flag in a worker's or soldier's face. Do not forget that to-day we are dealing with a generation of people who went through one war, and whose memories are not short. They remember what they did go through. Let us not lose sight of that fact. We are not fooling anyone but ourselves when we think in terms of waving the flag, and saying that everything is all right. We are in a situation different from any ever before faced by the British empire. Words are not going to bring us through it; action is what we need. We have to demonstrate to the people, if we expect to come through this war successfully.

At the outset I stated that the programme put forward by this group is not offered with the idea of seizing upon the present situation to bring into effect the policies designed to make effective the aims and objects of the Cooperative Commonwealth Federation. If we look around sensibly we shall find that same programme and policy being followed in practically every country making any kind of fight to-day. I would point out, too, that we of this small group are in very good company.

For instance, I believe it is generally recognized that Mr. Donald Gordon is a bright fellow, so bright in fact that the Department of Finance called him in to make him czar of the price-ceiling programme. What does Donald Gordon say about the mobilization of the resources of this country, under the competitive system? I quote the following:

Mr. Donald Gordon, Chairman of the Wartime Prices and Trade Board, in his speeches has said:

"Selfish and private interests must be ruled out completely and the competitive system must be replaced with one which is based entirely upon the criterion of maximum production. . . .

Anyone who regulates his effort by reference to a profit motive is a menace to the safety of the state. It is not the profit motive which sends men into battle against odds so overwhelming as to mean almost sure death and it is not the profit motive which brings men to the public service to work sixteen hours a day and forget that Sunday used to be a day of rest. . . .

Regimentation is the system of total war and we must be regimented before we can produce the machinery of total war. I would like to think however that we can develop a democratic version of regimentation."

Hon. members in this group agree with that statement. Others in the house term our programme as defective, and state socialism. If that is true, then I point out that one of your brightest men in Canada is making exactly the same statement we make.

For the benefit of my hon. friends to the right, may I say this. Your leader not so long ago—

An hon. MEMBER: What leader?

Mr. GILLIS: The Right Hon. Arthur Meighen—had this to say:

Mr. Meighen said: "Mr. Coldwell (M. J. Coldwell, C.C.F. leader in the House of Commons) has said his party will accept conscription of men if conscription of wealth and industry is imposed on an equal basis. I accept his offer. I speak for myself and the Conservative party."

The Conservative leader said he always had favoured the type of conscription of wealth now advocated by the C.C.F., and would accept any measure of conscription that would assist in winning the war.

Mr. DUPUIS: He was feverish that day.

An hon. MEMBER: When was that?

Mr. COLDWELL: Just before the York South by-election.

Mr. GILLIS: That was February 4. Then, let us turn to the Minister of Pensions and National Health (Mr. Mackenzie).

Mr. ROSS (Souris): And when was that?

Mr. GILLIS: May 17.

Mr. HANSON (York-Sunbury): And with his tongue in his cheek.

Mr. MACKENZIE (Vancouver Centre): 1925.

Mr. GILLIS: This is what he said:

A constitutional reform of democracy itself is to be necessary. Its imperfections must be abolished, its lack of organization must be ended and all these new reforms must be founded upon the spirit of a new religion of brotherhood. "There would be a need of comprehensive economic reform," he said, "not tolerating either monopolistic capitalism or materialistic communism."

If he had his way, the first conscript in Canada would be money. I believe the Minister of Pensions and National Health means that. In my dealings with him for the past two and a half years I have found him to be a pretty reliable person, and he states definitely what he would do if he had his way. That is a clear indication that the Minister of Pensions and National Health is not free. Perhaps he is afraid of the hon. member for Cochrane, or he may be afraid of the hon. member for Swift Current, both of whom rise in their places in this house and defend a reverse policy.

Mr. HANSON (York-Sunbury): He ought to resign.

Mr. GILLIS: No; perhaps he will be of more help to us over there when the proper time comes. I do not think any apology is needed for the programme and policy advocated by this group when we find ourselves in that company. Wallace R. Campbell is another. Is government intervention effective at any time?

I have another letter here before me. We reach our hands into a basket and just pick out the evidence; the country is flooded with it. A few days ago a letter was received from the International Association of Machinists in Montreal, which states:

Irrespective of what the Hon. C. D. Howe may have said in the house to the effect that no layoff was to take place, some 182 men had already received their notices to become effective June 13.

Private enterprise was laying off 182 men in an essential war industry. The Minister of Munitions and Supply exercised his authority as a member of the government and told them that they must not do that. The result is that 182 men are still making a contribution to Canada's war effort who would otherwise be on the streets. Just last month a brief was presented to the city council of Oshawa which contained the following statement:

At Oshawa in the past three months, more than a thousand workers have been laid off. The questions uppermost in their minds are, "when can we expect to get back to work?"

Mr. MITCHELL: There is a reason for that.

Mr. GILLIS: The point I am trying to make is that if Canada's industries were so organized and we were making an all-out war effort, there would be no necessity for our advocating the policy we are.

Mr. MITCHELL: I do not think a statement like that should go out to the country without being answered. That condition in General Motors was caused by something over which neither my hon. friend nor the government had any control. It was due to the fall of Singapore which made necessary a shift from the production of peace-time cars to war-time cars, with the necessary tooling up.

Mr. GILLIS: I say that if the government had been exercising the authority they should have been for the past two and a half years, such a situation would not have existed.

Mr. MITCHELL: The fall of Singapore?

Mr. GILLIS: No; the change-over in that industry. I have no desire to start a controversy with respect to this matter, and I do not want to go to the trouble of putting this brief on the record. I have quoted merely the pertinent part of it which shows that in that community there were a thousand workers whose services were not being utilized. The brief sets the condition out in detail, but I have no desire to hold up the house by reading it.

However, there is something over which the government has control—the coal industry, an essential war industry. After two and a half years of war it is completely paralyzed, working one or two days a week. I saw a statement in one of Friday's papers quoting a statement that had been made by the Minister of Labour (Mr. Mitchell), I presume in the house, with reference to the Nova Scotia mining industry. I am speaking from memory but, as I recall, he said that steps were being taken to remedy the situation by arranging for rail and water transportation to some point in New Brunswick.

Mr. MITCHELL: And the United States. My hon. friend knows the story as well as I do. It is one of those things that, in the public interest, cannot be divulged. It is clearly one of a loss of shipping, and I cannot go any further than that.

Mr. GILLIS: I realize that, but I realize also that two and a half years ago warnings were given to the government. Eighteen months ago I spoke in the house and recommended the elimination of the bottle-neck at the strait of Canso. The minister has commented on that himself. Since then I have dug up engineering reports which were made

in 1906 and 1908, as well as copies of surveys. Plans were made to bridge that strait at that time at a cost of about $5,000,000, whereas it will cost $15,000,000 or $20,000,000 to bridge it to-day. That job could be done in a year. Had we started a year ago and spent some money, we could have removed that bottleneck and we would not have this industry in that end of the country paralyzed as it is at the present time. The point I am making is that there is ample justification in the disorganized state of industry across the country for the programme and the policy enunciated by this group. We are not doing this merely for political purposes; we realized that these things were necessary if our war effort were to be an all-out effort. The quicker we get them done, the better for ourselves. The hon. member for Rosetown-Biggar directs my attention to a statement by the Minister of Munitions and Supply, as reported on page 179 of *Hansard* of September 12, 1939. He said:

> The provision of 5 per cent was put in the last act after a good deal of consideration as a minimum return for the service rendered, but it was one which men of considerable experience believed to be unworkable. I can say to my hon. friend that from that day to this the defence purchasing board has done its very best to place contracts on that basis and has used every pressure that could be brought to bear in the form of patriotism and so on, but to date it has not succeeded in placing a single contract on that basis.

Mr. McLARTY: I gave a specific instance of the Ford Motor company which was then, has been since and is now accepting contracts on a 5 per cent basis.

Mr. COLDWELL: I should like to examine their capital structure and see upon what basis they are working.

Mr. McLARTY: That is on a cost-plus basis. Their capital structure would not enter into it at all; it would be purely a cost-plus 5 per cent basis.

Mr. COLDWELL: That would depend upon how the cost was made up.

Mr. McLARTY: Do not let us get into an unworthy argument.

Mr. MacINNIS: The hon. member for Cape Breton South (Mr. Gillis) has the floor.

Mr. McLARTY: It is subject to a specific audit.

Mr. MacINNIS: The minister can speak to-morrow.

Mr. McLARTY: I do not want to give a speech; I just want to correct an impression which might go out. This is subject to a definite audit by auditors appointed by the government of Canada. If we are going to get anywhere, we must assume that it will be an honest audit.

Mr. GILLIS: I have no desire to delay the house any longer. I am merely trying to make clear my position and the position of this group in connection with the question now before the house. I shall be compelled to vote against the measure because, in my opinion and in the opinion of this group, it falls far short of what is necessary at the present time. The government has had the power to organize the resources of this country under the National Resources Mobilization Act for the past two years, and it certainly has done very little in that direction. It merely asks us by repealing section 3 of the act to give it authority to conscript men for overseas service if and when it deems that to be necessary. We feel that unless that is accompanied by legislation guaranteeing to the people of this country that the government is prepared also to mobilize and utilize wealth, industry, and finance on the same basis, at the same time, and to the same end as manpower is mobilized and utilized, we are not in a position to support what would be but a partial measure of conscription. We feel that in the present international situation nothing short of everything in this country should be conscripted that can be utilized to the end of defeating totalitarianism.

Mr. J. E. MATTHEWS (Brandon): Mr Speaker, I desire to make a few observations on the bill now before the house, even though I am following some of the ablest speeches in the present debate that I have ever heard in this chamber. I include in that remark representatives of all the different parties. I trust that hon. members will bear with me if for a few minutes I treat of matters more or less local.

Owing to a serious attack of flu I was not able to leave Ottawa during the plebiscite campaign, but I was very much gratified to find that in my absence the constituency of Brandon which I have the honour to represent polled a larger than normal vote and had also the distinction of polling one of the highest percentages of affirmative votes in all the constituencies west of the great lakes, Brandon's percentage being around 92 per cent. I should like here and now to thank a number of the good workers in that constituency who without regard to party or other affiliations got busy and did such a splendid job in the plebiscite campaign. Fifteen thousand or more voters in that constituency

marked their ballots in the affirmative and, by so doing, said to the government and to the country that they were at least willing to have conscription introduced into this country. I would not say that they all desire conscription. No; but their ballots indicated their willingness to have conscription if conscription were necessary. That was the message, Mr. Speaker, that came to us from eight of the nine provinces of Canada, and came with overwhelming force. From the other province there came a message with equally overwhelming force, and with equal emphasis, expressing their unwillingness to have conscription. I think that is a fair interpretation to be placed upon both votes.

We are living as is often said, in a democracy. We are living in Canada, not in Germany, and it was the privilege of those millions of voters all across Canada, as free-born citizens beneath the British flag, to mark their ballots in any way they pleased. I cannot, however, close my eyes to the fact that had Hitler been in control in Canada as he is in Germany, the number of ballots marked in opposition to his wishes would have been very few.

The passage of this bill will place before the cabinet the whole responsibility for conscription. In that cabinet I have every confidence. It seems to me that a great many people in this country are not aware that eight of the members of the cabinet are returned men, men who saw service in the last war, men some of whom are paying a heavy price for the freedom which we enjoy to-day. I see in that cabinet as returned men, the Minister of National Defence (Mr. Ralston), the Minister of National Defence for Air (Mr. Power), the Minister of National Defence for Naval Services (Mr. Macdonald), the Minister of National War Services (Mr. Thorson), the Minister of Pensions and National Health (Mr. Mackenzie), the Minister of National Revenue (Mr. Gibson), the Minister of Labour (Mr. Mitchell), and the Postmaster General (Mr. Mulock). I am told that some of these men bear upon their bodies to-day the scars of conflict waged in our behalf. Some of them have sons overseas in the present war and are extremely anxious these days as to the safety of those sons. Others in the cabinet who were not overseas in the last war have ever since carried sad hearts because of loved ones who went and never returned. Under those circumstances, Mr. Speaker, if we cannot trust the Prime Minister (Mr. Mackenzie King) and those eight men of military experience, yes, of battlefield experience, and their associates, I would ask, who is there in Canada that we can trust?

Viewed from a local angle, it matters little whether this amendment carries, or whether conscription for overseas service is adopted or not. Let me make my meaning clear. In the Brandon constituency, the town and country are practically stripped of their young men of military age and physical fitness. There are cases where farmers seventy years of age and over are left to operate their farms, having one son, two sons, and, in some instances, three sons in the king's uniform on overseas service. Let me remind my hon. friends that these men are operating, not small farms, but farms of three hundred, five hundred or six hundred acres. Too much credit cannot be given to the farmers of this country for the way in which they are tackling the situation. It is a war situation; they realize that, and they realize also the position in which they would find themselves and in which we would all find ourselves if we were slaves of Hitler.

I have before me a copy of the Souris *Plaindealer,* published in Souris, a town of about 1,500, in the southern part of my constituency. In this paper is a list of over three hundred men from that town and district who have enlisted for service overseas, their names, addresses, and units are all given. Many of these men have been overseas for a good while. They are waging grim warfare on every battle-front. They are represented in the prison camps of Germany, and in the tragedy of Hong Kong, of which it has been said that it represents one of the most gallant episodes in the history of Canadian arms. What is true of that community is, I believe, equally true of a great many communities all over this country. But of course I have not the figures for the others.

I want to pay a word of tribute to the valiant war services of many thousands of young Canadians whose parents came to this country not so long ago from continental Europe. Those parents are aware of the treachery and the perfidy perpetrated upon their own flesh and blood in their homeland. Along the north side of Brandon there is a strip of city populated almost entirely by those of European ancestry. They own their own homes, neat, clean, well-built; they have their vegetable and flower gardens, looked after with a care and a thrift that would put some of the rest of us to shame. They are Canadians, these people, and good Canadians, ready to take their share and play their part in the life and citizenship of our country. Some hon. members may ask, "What are their sons doing in this war? Are they playing

their part?" I say, Mr. Speaker, that they are, because I have here another list containing the names of one hundred and forty enlisted men from that little corner of the city. Scan that list of names and addresses, and you will find that nineteen names out of every twenty are those of stalwart young Canadians whose parents came to us from continental Europe.

Having a fairly intimate knowledge of enlistments in a good many constituencies, I am reminded of an incident quoted in this house a few weeks ago by my good friend the hon. member for Simcoe East (Mr. McLean). He told of a conversation which he had when overseas in the last war with an old Highland shepherd. The talk turned upon conscription. The old Highlander, trying once again to square his shoulders and stand erect, said to the hon. member for Simcoe East, "Over in yon village, laddie, and a' up the glen we are not subject to the draft." So in a great many constituencies in this country the young men are not subject to the draft because they are already in the fight.

I am one of those who like to give credit where credit is due. I care not to what race, creed or party it may apply. Listening, however, to some of the speeches in this chamber, one senses some reluctance to recognize and honour the hundreds of thousands of young men who have already responded to the call of duty—young Canadians still held in England who are straining at the leash to get into action, the type of action their fathers knew when they were overseas. Our Canadian boys in the navy are sailing the seven seas in proud defiance of enemy warships. Young men from Canadian air schools—"the aerodrome of democracy," as President Roosevelt called Canada—are night after night raining destruction on targets in Germany and in the middle east. I say that these young men are deserving of every recognition. I say that their parents and friends are deserving of recognition. And I say that there are young men in this country who have had technical training and are specialists in certain lines who are being urged to stay here, against their will, because of the importance of the work which they are doing here, and they also should receive the recognition which is their due.

On the other hand, I cannot quite understand the position of those Canadians in Quebec or elsewhere who, for reasons best known to themselves, profess to see no wisdom in Canada entering the war until the war reaches our shores. Well, the war has reached our shores, both east and west. Enemy shells have fallen in Canada for the first time, and enemy torpedoes have done their deadly work in the St. Lawrence. These two treacherous attacks are indisputable proof that the government should have absolute control as regards sending our troops elsewhere or holding them in Canada, and should lead us to expect that the vote which is soon to come would be practically unanimous in favour of the bill.

I do not think the present is any time for hair-splitting as to where help should be given and where it should be withheld. Let the responsible ministers of the crown who know the facts make those decisions. Our isolationist friends say they are ready to fight in defence of Canada, which means, let the other allies take care of themselves. That may sound very well, but just how does it work out? Supposing the German army were sailing up the St. Lawrence, shelling the towns and villages as they came, and killing the inhabitants, our friends would certainly then be ready to fight; but I am afraid—and I say this with no thought of sarcasm—that at that time their fighting would be "too little and too late." Then, suppose for argument's sake that the other provinces took the same attitude. Suppose Ontario remained indifferent, saying, "we don't like this war, we will let Quebec do the fighting, and we will have nothing to do with it unless the Germans invade Ontario". Then I can hear another voice, saying, "We are not interested in Ontario as a province; but let that German army"—I will not repeat the adjective I was going to use—"ever dare to invade Huron and Bruce and we will annihilate them". That is where the argument with regard to isolation leads, to an absolute absurdity.

Some of the countries of continental Europe had the same idea. What happened to them? One by one they were subjugated by Hitler. One by one many people of those countries were ground to death beneath the iron heel of German despotism. What happened in Europe could happen in Canada. Surely it must be increasingly obvious to all our people in every province that in this titanic struggle Canada is expected to stand side by side, shoulder to shoulder with the other allies, just as Canadian provinces would be expected to stand shoulder to shoulder with each other if Canada were attacked. In this war the allies are all members of one body, and no one of them can afford to let the others down.

As you know, Mr. Speaker, I do not often speak in this house, but I say to-night with all the earnestness and sincerity at my command that the time has arrived and is overdue when some of our people should forsake the realm of fantasy and get over into the realm of reality. In saying this, I share in no infer-

iority complex as regards Canada's part in the war. The rifle, the bayonet, and the machine gun are not sufficient in this war. It is a war of mechanized equipment of most intricate design and enormous quantity, and highly trained young men are necessary to operate and maintain that equipment. I understand that in this war ten men in the air force, and eighteen men in the army, are necessary to provide for the requirements of one man in the line of battle. I am not sure that that is correct, but I think it is approximately so.

We have at present almost half a million men in our fighting forces for service overseas. We have a Canadian navy of more than 400 ships, practically all built since the outbreak of war, a navy that has convoyed across the ocean 9,000 ships carrying 52 million tons of cargo. We have a delivery of more than 250,000 armoured vehicles to the united nations. We have produced nine types of gun carriers and mountings going from our shores in one unbroken stream to every theatre of war. Munitions are pouring across the sea, with Bren guns and guns of different makes. Food supplies, not in millions of pounds but in hundreds of millions of pounds, are going steadily to the old land; we have made an outright gift of one billion dollars' worth of supplies to the United Kingdom, not a loan but a gift, together with an interest-free loan of $750,000,000. With all this and with other enormous contributions I feel that Canada has no reason to be ashamed of what we are doing in this war.

I would hope that we might never be compelled to adopt conscription in Canada, even as Australia has never been compelled to adopt it there. I would hope that for the honour of our country it should never be said that we had to force our young men to fight in freedom's cause. But no matter what our personal views or preferences may be, we must make up our minds that this war has to be won, and every man or woman enjoying civil and religious liberty in this country should be expected to do his or her part. If conscription would accelerate our war effort, then conscription it should be.

The majority, a great majority, 1,300,000 people in Canada, have spoken, and in due course the bill now before the house will be voted upon. What an accomplishment it would be, what a milestone in Canada's history, what a cementing factor in the future progress of Canada if that vote could be made so unanimous that word of its unanimity would ring around the world!

I realize the difficulties in the way of some; I realize those difficulties with an open and sympathetic mind. There are members from the province of Quebec whose ancestors planted the tree of civilization in this far-flung country; members whose love of Canada is deep-rooted and sincere; members who would shed their last drop of blood in behalf of the land they love so well; members whom to know is to like; and with whom to associate is to respect. May I suggest to them in all kindness and sincerity that in my judgment, humble though it may be, this is the day of their opportunity, the day when a public man may make a lasting contribution to the future of our country and to its good feeling and unity, an opportunity to my mind without parallel since the days of confederation.

I have heard some wonderfully fine addresses in this debate by our French-Canadian friends. In fact, they seem to have a gift of eloquence and a spirit of animation that are peculiarly their own; but no speech gave me a greater thrill than the one I heard about a week ago delivered by my good friend the hon. member for Athabaska (Mr. Dechene), himself a French Canadian. I shall not soon forget his impassioned appeal for national unity, his appeal to forget the past and to think of the present and the future, and I join with him in saying, in the poet's words:

> Let the dead Past bury its dead!
> Act, act in the living Present!
> Heart within, and God o'erhead!

I can visualize in years to come the children and the grandchildren of the hon. member for Athabaska turning back the pages of *Hansard* to June 15, 1942, and saying to their assembled friends that in a dark hour of our nation's history, when the fate of Canada was at stake, when the fate of the empire was at stake, when the fate of democracy and the fate of our Christian civilization were at stake, that was the speech their father made in that crucial hour on the floor of this dominion parliament.

After all, there are very few members here who were here twenty-five years ago. "A new generation hath arisen" in the public life of Canada. Therefore let us bury the mistakes and the bitterness of the past. If there be any members in this house who have never made a mistake themselves, let them be the only ones to refuse to attend the funeral. Let those of us who have made mistakes and admit it stand together at the open grave and, gathering up from all parties the shreds of bitterness and the mistakes of previous years, let us bury them so deep in oblivion that only the plummet of history will ever find them.

I have been thrilled with pride on more than one occasion to hear the loved and late

lamented minister of justice, to hear his successor, the present brilliant Minister of Justice (Mr. St. Laurent), to hear the ex-minister of transport (Mr. Cardin) and other gifted sons of the province of Quebec dilate with eloquence and spirit upon the proud traditions of our beloved Canada. Following a somewhat similar reference made by a previous speaker may I say that now, with the voice of a great majority still ringing in our ears, I sincerely trust that in this parliament, rich in traditions and lustrous with the glory of the past, there may descend upon us the spirit of that great statesman, the greatest in all Canada, who in 1917, when urging a referendum on the then proposed military service act, said that, whatever the result might be, the minority would abide by the will of the majority.

I have hopes that the brilliance of that honoured statesman of the past may serve as a guiding star on this occasion and that the tolerant and glorious mantle of Sir Wilfrid Laurier, worn with such regal dignity, twenty-five years ago, may adorn his successors in this parliament of 1942.

In no part of the world was there ever a greater demonstration of love and loyalty than in the province of Quebec when their majesties visited us three years ago. The depth and spontaneity of that demonstration will remain a standard in all history in the hearts of the Canadian people and the people of the empire. I am sure that Quebec's prayers and Quebec's blessings in this time of national peril are expressed in these lines of a Manitoba poet, a good friend of mine, which were published at the time in the Montreal *Star*:

God bless the King of Canada,
And bless our Queen so dear.
Long may he live to rule our land;
Lord, now Thy people hear.

God bless the King of Canada,
Through all the years to be.
Grant him Thy strength that he may keep
Our land forever free.

Mr. T. ADELARD FONTAINE (St. Hyacinthe-Bagot) (Translation): Mr. Speaker, at the outset of my remarks to-night, I wish to state that I feel myself in duty bound to oppose the bill that is now before the house.

Before discussing the provisions of the National Resources Mobilization Act which it is desired to amend through this Bill No. 80, may I, Mr. Speaker, state briefly a few of the reasons why, in my humble opinion, I must vote against a bill whose object is and whose result will be the enforcement of conscription of men for service overseas.

In my humble opinion, those reasons may be summarized as follows:

[Mr. Matthews.]

First, it is now recognized, as was clearly shown by the Right Honourable Prime Minister (Mr. Mackenzie King) and as was also stated by all the honourable ministers who have spoken in this debate, that not only is conscription unnecessary at this time, but it may never become necessary.

Such a measure would destroy peace, unity and harmony in this country at a time when they are greatly needed. It was indeed for that reason that Sir Wilfrid Laurier, one of the greatest Liberal leaders in this country, always opposed conscription. It was for that very reason that he stated in the House of Commons, on January 17, 1916, that there should be no conscription in Canada.

Conscription would hamper our war effort, as was rightfully stated by the Minister of National War Services (Mr. Thorson) in the splendid speech he delivered and for which I congratulate him.

The province of Quebec is now opposed to conscription for overseas service as much as she was in 1917; and it is for that reason—as has often been said and cannot be said too often—that the Right Hon. Ernest Lapointe, on September 9, 1939, speaking here in his own name as well as on behalf of his colleagues from our province, declared that the province of Quebec would never accept conscription for overseas service, that he was himself firmly opposed to conscription and that he would never be a member of a government that would attempt to enforce it.

The government of the province of Quebec, during the session that closed a few weeks ago, adopted a motion which concluded as follows:

This house reiterates the unswerving will of all its members to support the best possible war effort, but expresses the wish that the dominion government abide by its policy of voluntary enlistment and do not enforce conscription for overseas service.

The premier of Quebec, in whom we have the utmost confidence, gave expression to the same views in a telegram addressed, on May 21 last to one of our colleagues, the hon. member for Hull (Mr. Fournier), in which he said:

You are no doubt aware that in a resolution presented before the Legislative Assembly, the very large majority of our members, having reiterated their firm determination to support a total war effort to final victory, have voted against conscription for overseas service, thus adopting the attitude which is that of the majority of our people and corresponds to the opinions which we have always expressed on the subject.

During the plebiscite, our people were not consulted on the merits or the principle of conscription; if such had been the case, possibly the results would have been different.

The people of the St. Hyacinthe-Bagot constituency whom I have the honour to represent in this house, are opposed for the most part to conscription for overseas service; I have always opposed such a measure myself and my views remain unchanged.

The passage of a conscription bill for service overseas would be, in my humble opinion, an absolute denial of this profound truth stated in 1937 by possibly the most Canadian of our governors general, Lord Tweedsmuir, when he said:

> She (Canada) 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 those who deny this are doing, to my mind, a great disservice to the commonwealth.

Moreover, we must not forget that we have absolutely no proof that it would be to Canada's true advantage to forego the voluntary system and resort to conscription for service overseas.

Finally, since the enemy is drawing closer to us and since the situation is becoming more and more threatening on the Atlantic as well as on the Pacific coasts, we should, as much as possible, look to the defence of our shores and our own territory.

No better proof of this statement can be found than the following news item which appeared in the evening papers to-day, after being a broadcast from Tokyo.

> The radio broadcast from the Japanese capital announces to-day that a Japanese submarine shelled Vancouver Island, British Columbia, on Saturday night. It said: "This is the first attack against the Canadian mainland. Canada has thereby been shown that she is being attacked by axis naval forces both from the east and the west at one and the same time."
>
> The Tokyo station called attention to the fact that the attack against Vancouver Island followed within less than twenty days upon the raids made against Dutch Harbour and Midway. It recalled the shelling of the California coast on February 23, "which caused such consternation among the American people".
>
> The Japanese station also added that, despite all statements to the contrary, the shelling of Vancouver Island has clearly shown that the United States and Canada are directly exposed to the danger of attack from the axis powers, both east and west, since German U-boats had attacked the Atlantic coast and even penetrated within the Gulf of St. Lawrence.

The National Resources Mobilization Act, passed by parliament on June 18, 1940, restricts to Canadian territory and to the territorial waters of Canada compulsory military service in the army, navy or air forces.

Under the terms of that measure, the governor in council may do and authorize such acts and things, and make from time to time such orders and regulations, requiring persons to place themselves, their services and their property at the disposal of his majesty in the right of Canada, as may be deemed necessary or expedient for securing the public safety, the defence of Canada, the maintenance of public order, or the efficient prosecution of the war, or for maintaining supplies or services essential to the life of the community.

But under section 3 of the act, it is definitely stated that the powers thus conferred upon the governor in council may be exercised, as far as compulsory military service is concerned, only to conscript young Canadians for service within Canada and the territorial waters thereof.

When this measure was enacted two years ago we were told that the invasion of France and many other European countries placed our country in immediate danger, that the following weeks were to be a crucial period, that the time had come to mobilize to the utmost the resources of the nation, that it had become strictly necessary for the government to seek special powers from parliament and that the greatest possible dispatch was essential.

In such a case, the government could have proceeded by order in council, under the War Measures Act, because it gives them very wide powers. On the other hand, they could have turned to the sections of the Miilitia Act, authorizing them to put conscription into force, under the first paragraph of section 8, which says:

> All the male inhabitants of Canada, of the age of eighteen years and upwards, and under sixty, not exempt or disqualified by law, and being British subjects, shall be liable to service in the militia: provided that the governor general may require all the male inhabitants of Canada, capable of bearing arms, to serve in the case of a levée en masse.

Respecting the principles of our democratic system, the government did not want to resort to either of these two methods, but preferred to submit to parliament a very clear and explicit measure which would be in force for the duration of the war.

The government has shown us, and properly so, that this Mobilization Act of 1940, precisely because of section 3, constituted, not an extension but a restriction of powers with regard to conscription in our country.

Therefore, the government, while declaring once again that they would not impose conscription as long as they remained in office, did not go any further, under the Mobilization Act of 1940, than they were authorized to do so by means of a measure which has been in our statute book since confederation.

Such were the circumstances and the conditions under which the Mobilization Act was adopted in 1940. Such were the reasons and

the considerations which led us to consent to the adoption of that measure, subject to the formal restrictions of clause 3, that is for the defence of Canada, but in Canada only. The right hon. Prime Minister declared, in 1940, that the introduction of a bill conscripting men for overseas would divide public opinion in this country as it had not been, fortunately, for a great number of years.

The situation in this respect is still unchanged, and public opinion is still strongly divided on whether this is the proper time to impose conscription for overseas service.

The purpose of Bill No. 80 which is being considered by the house, is to abrogate the positive restrictions which are to be found in section 3 of the Mobilization Act and which I have just mentioned, and such will be its result.

It should be added and made clear at once that, without this section 3 restricting compulsory military service to Canada, the National Resources Mobilization Act, 1940, might not have been endorsed by a majority of this house or, at least, by the very great majority of members from the province of Quebec; nor again, probably, by some hon. members from other provinces.

For the first time since the outbreak of this war, we are now facing a measure which, in my humble opinion, entails the acceptance of the principle of compulsory service overseas.

In the speech which he delivered in this house on November 12, 1941, the right hon. Prime Minister again stated the following in no uncertain terms:

> I wish to make it clear that I am in favour of national selective and compulsory service for Canada, in Canada. I never took any other position. I have always held this opinion.

Mr. Speaker, sharing as I do the views of my leader, I cannot support the present measure nor could I subscribe to the principle of conscription for overseas service.

To my mind, in a country such as ours, the adoption of a measure directly or indirectly implying endorsation of the principle of compulsory service for overseas constitutes the main obstacle to the preservation of that unity and good understanding which are essential to victory and the maintenance of peace within our own country.

It was through disregard of this basic truth that, during the last war, the enactment of conscription for overseas service led to misunderstanding and resentment between the various provinces of this country. Yet I feel that the sad experience of 1917 and the wretched times that followed should serve as a salutary lesson. But this unity, Canada's essential requirement, especially in war time, cannot exist unless the majority is prepared to respect the views of the minority and to reckon with its opinion. Such respect, regard, sacrifices and concessions must be mutual. Every citizen must contribute to this understanding by a fair share of good-will and sacrifice, out of regard for the common good and the rights of his neighbours, of whatever race, language or creed. Such is the treatment that the French-Canadian and Catholic majority of the province of Quebec generously and whole-heartedly grants the English-speaking and Protestant minority of that province. There is no other way of coming to an understanding and remaining united in case of danger, and it is the way to do our duty as patriots and good Canadians. The government, by way of compromise, and through a plebiscite, attempted to maintain unity in Canada, and this legislation was passed with the sole object of attaining that end. However, we must ask ourselves if the new bill now before the house is liable to restore peace, confidence and order in Canada.

Let us note, in passing, the observation made on the 18th instant by the right hon. Prime Minister in this house, concerning the result of the plebiscite in the province of Quebec. The hon. member for Cariboo (Mr. Turgeon) was criticizing an article published in the Ottawa *Journal* and had just quoted the following paragraph:

> We would like to ask this question: If Quebec had voted "yes", would we not have had conscription immediately?

"We certainly would not," interjected the right hon. Prime Minister. In my humble opinion, it was in anticipation of what is happening to-day that the former minister of public works (Mr. Cardin) made this most important remark to the people of our province during the plebiscite campaign:

> It may well be that the negative reply urged on you will bring you the opposite of what you are seeking.

That interjection by the Prime Minister, which I have just alluded to, seems to imply that the former minister of public works was right.

Every one knows that the province of Quebec has always been against conscription. She opposed it in 1917, and has done so to this day.

It would be useless to seek out and analyse in detail the strong reasons for this stand. As for myself and all my French-Canadian colleagues, we have always stood against conscription for overseas service.

However, it would be wrong to assume that the French Canadians are the only ones who oppose this legislation. I say without hesitation that a very large section of the English-speaking population of this country fully shares the views and feelings of the people of Quebec in the matter. I claim that the results of the plebiscite—this has already been stated in the house—would have been entirely different had the question borne directly on the merits of conscription. In any event, in accepting this plebiscite legislation we have made a concession for the purpose of maintaining harmony and national unity in the country.

However, all this happened after promises were made and guarantees given that conscription for overseas service was out of the question. No one, at that time, stated that, immediately after the plebiscite results would be known, the National Resources Mobilization Act would be amended in such a way as to put on the statutes the principle of compulsory service for overseas. No one, at that time, warned us that, immediately after the holding of the plebiscite, we would be called upon to make the distinction between the adoption in a legislative measure, of the principle of conscription, and the ultimate enforcement of this legislation through orders in council which might or might not be submitted to parliament. We have been told that this plebiscite was held to release the government from moral obligations, from verbal commitments, but no one has ever warned us that it was intended to repeal parts of an act and thereby do away with statutory guarantees. If, in 1940, we consented to pass the mobilization act, it was because it contained this formal, explicit and clear guarantee of section 3, which states that the measure may apply only to Canada and not outside of its boundaries. The text of section 3, which the bill now under discussion proposes to strike out, is very clear. It reads as follows:

> The powers conferred by the next preceding section may not be exercised for the purpose of requiring persons to serve in the military, naval or air forces outside of Canada and the territorial waters thereof.

It is now argued that the new measure submitted to parliament through this bill is only the logical consequence of the plebiscite. I cannot support that point of view. The object of this bill is indeed to have the principle of compulsory military service outside Canada recognized, accepted and approved through an act of parliament.

It is obvious and clear to me that such is the purpose of this bill. The issue is accordingly the acceptance of the principle of conscription, if not its immediate enforcement. Consequently this measure has no connection with the plebiscite and is no consequence therefrom: first, because it was represented to us that conscription was not the issue, and second, because the question asked in the plebiscite did not imply the acceptance or rejection of the principle of conscription for overseas.

Mr. Speaker, by whom is the immediate enforcement of conscription for overseas service actually demanded in this country? In the first place, by the Conservative party, which has ever advocated conscription, a party whose main leaders are recruited among imperialists and which, in this house, has no longer any representative from the province of Quebec.

Conscription is also demanded by the high finance group, which includes the Toronto "Two Hundred," but I assert that neither those groups, nor the Orange order, reflect the feelings of the majority in this country.

But, even if we consider those people only, we may well inquire into the reasons on which they base such a demand, and try to ascertain why they advocate so strongly the immediate enforcement of conscription for overseas service. In my humble opinion, they have so far adduced no reason which might be considered as acceptable, good or valid.

The hon. leader of the opposition (Mr. Hanson) has said that a total war effort cannot mean anything but total and unlimited conscription, and he has stated that we entered the war because Canada was a British country.

The hon. Minister of National War Services has rightly answered that argument in stating that we entered the conflict for a principle and on our own account.

At all events, I cannot see how a measure like the one that is now submitted to us could help the cause of our allies and also help our country's war aims, because we know that our present system of voluntary enlistment is more efficient than the form of conscription adopted in the United States and also because England herself is more than satisfied with our war effort which, after all, compares favourably with that of any other dominion.

The highest authorities in the old country, the British prime minister himself, Mr. Churchill, as well as Lord Beaverbrook and other eminent men in public life who have honoured us with a visit, all said that Canada was doing her duty and contributing her full share in this war, and that her war effort—that was the term used—was simply magnificent.

Why then, I repeat, should there be in our country a group clamouring for immediate adoption of total conscription for overseas service? This overzealous and highly vocal group is clamouring to-day as they did in 1917, and presumably for the same deep-seated motives. They crave power, they want to profit by the war and accumulate profits and wealth, and a few of them are resentful and bitter toward the French-Canadian and Catholic minority.

I know of nothing more stupid and ridiculous than those periodical appeals coming from a small group of extremists against a so-called danger of domination by the French and Catholic population of this country. In time of peace, such appeals may be nothing but stupidity but, in time of war, they become persecution and provocation and constitute a very grave threat to national unity.

We had several examples of that state of mind only recently. Since other members have already mentioned the matter, I shall quote as briefly as possible.

In a speech delivered in Toronto, Mr. J. W. Carson, grand master of the Grand Lodge of Western Ontario had this to say:

It is almost unbelievable that many leaders in the province of Quebec are still opposing a total war effort. How can loyal citizens, aware of the acts of cruelty of the enemy, persist in closing their eyes and try to prevent others from doing their duty and helping in the defeat of so barbarous an enemy?

According to a Canadian Press dispatch sent from Winnipeg on the 11th instant, Mr. T. T. Shields, of Toronto, who is president of the Canadian Protestant League, is reported to have stated in a speech he delivered in that city, that "the Catholic church is the most dangerous fifth column in any country in the present war", and to have added:

The Roman Catholic Church is the greatest and most profitable "racket" in the world; it is responsible for the opposition shown by the French Canadians of the province of Quebec to conscription, and it enjoys in Canada a privileged position.

According to another dispatch from the Canadian Press, the same reverend gentleman is reported to have made here in Ottawa, very recently, a speech in which he repeated substantially the same charges he had uttered against the Roman Catholic church a few days previously in Winnipeg, adding further, according to the report, that, to his mind, the Catholic faith is the most powerful force of evil in the whole world, and that . . .

The real prime minister of Canada is Cardinal Villeneuve, the archbishop of Quebec, and that is why we have no conscription but only a partial war effort.

[Mr. Fontaine.]

Finally, he is reported to have added that, "Roman Catholicism is not a form of Christianity but the negation of all Christianity."

According to another Canadian Press dispatch, dated June 17, from Toronto, Colonel A. T. Kidd of Kingston, supreme chief of the Grand Lodge of Orangemen in America, is reported to have said at the 112th annual convention of this lodge, held in this city, that the policy of the order of Orangemen was based on total conscription of wealth, industry and men. He is quoted as having said:

We have always taken the stand that Canada's future is linked with that of the British empire, and to-day we demand total participation in this war of the British empire. Canada's war effort is not sufficiently imperialistic and I regret to say that this war effort does not go beyond certain limits dictated to the government by the province of Quebec.

Mr. Speaker, I do not believe it necessary to answer in detail those assertions and statements made by sectarians, by men who are evidently, in the majority of cases, suffering from a disease which *Le Canada* recently termed cases of religious mania. But it may be advisable, since one of those assertions mentioned Cardinal Villeneuve and since we are to celebrate in our province, day after to-morrow, our national holiday of "la Saint-Jean-Baptiste",—and I hope you will allow me to do so, Mr. Speaker, for the enlightenment of that pastor who spoke such words about a person highly respected and venerated in the province of Quebec—it may be advisable to call the attention of this house to the fine definition of patriotism given a few years ago by Cardinal Villeneuve, when he wrote in the official bulletin of the Saint-Jean-Baptiste society:

Patriotism is such a many-shaded virtue that its practice is difficult. Some fail to recognize it, others misconstrue it. It should be understood to consist in an enlightened and generous, unrestricted yet well ordained love for each and every one of the many and varied constituent elements of a country. In times such as ours, when wild nationalistic doctrines have followed upon a pernicious internationalism, a patriotism born of faith should be fostered. It stands midway between those two extremes, not through a combination of excesses on the one hand and cowardice on the other, but by establishing the lofty dominance of justice and love over egotism both racial and individual.

It might be well to quote, incidentally, another authorized representative of the Catholic church, not from the province of Quebec this time, but from England. Cardinal Hinsley, primate of the Roman Catholic church in Great Britain, commenting upon the interests at stake in the present conflict, stated not long ago:

Totalitarianism, whether in its Italian or in its nazi or its communistic form, is diametrically opposed to the Catholic doctrine of the individual value of the human soul. There can be no peace between those who believe that the individual is a child of God and those who teach that he is but a slave of the state.

And on September 29, 1941, the feast of St. Michael, the same Cardinal Hinsley sent a message to the French Canadians:

To my Canadian friends and brothers.

I greet the spirit of Canada! That spirit is made of loyalty to the cause of freedom, for in faith lies the true freedom of true democracy. There lies the bond that unites us in this world conflict. I had the pleasure of seeing your soldiers, strong and faithful men, true sons of a great nation. I had the privilege of speaking to them.

We are fighting for the defence of the faith against the powers of paganism, that is to say against the beast condemned by St. John—against the spirit of the sovereignty of hatred. Victory will be achieved through love, through the gospel of Christ. Canada claims her heroic share in this victory—the victory of love-inspiring faith.

Long live Canada—long live the Canadian people! May God bless you all and reward you for the generosity of your nation in her steadfast practice of Christian duties.

A. Cardinal Hinsley.

After such statements, Mr. Speaker, I feel it unnecessary for me to answer, as regards both the French-speaking Canadians and the Roman Catholic church, those stupid and ridiculous outcries heard recently in a rather disconcerting chorus, from people apparently imbued with a narrow and sectarian disposition, who spread insults and abuse directed at the French-Canadian and Catholic minority in this country.

So far, the voluntary system of enlistment has given, in this country, very satisfactory results. Our population is a mere eleven and a half million inhabitants. At the end of 1941, according to figures given in this house, our army was 500,000 strong, and the volunteers numbered 430,000. The government estimates, and it has consistently repeated this statement, that it will be possible during the current year to enlist about 100,000 men; this would bring our army, at the beginning of 1943, to a strength of 600,000 men, or 6 per cent of the total population of the country. Assuming that, in accordance with official estimates, an average of 20 civilians is required to maintain a soldier in the ranks and if, besides, we take into account the men who are physically unfit for military or various other services, it is amply proved, by these figures, that Canada is doing as much if not more in proportion to her population, than the other allied countries. Furthermore, what practical results would follow conscription? Needless to say that such a measure would be absolutely useless unless it were implemented; but supposing it were enforced, how many men would it yield for our army? How many men would be drawn from agriculture, munitions factories and essential war industries? It is always imperative to revert to the view that, in the present circumstances, conscription, far from being necessary, would be harmful. It would have practically no effect on the strength of our army. It would only serve to raise great obstacles and difficulties in the way of its enforcement. It would destroy national unity and seriously hamper our war effort.

These are the reasons why, Mr. Speaker, although remaining true to my party, its best traditions, its programme and principles, I feel compelled to vote against the bill now before the house.

A few days ago, the hon. Minister of Mines and Resources (Mr. Crerar) stated here:

I would ask those who are not partisan-blind to take account of the efforts of the government . . . and to recognize that the one factor of the conscription of men for overseas is not the most important thing necessary to enable Canada to prosecute an effective war effort. That must fall in its proper perspective, together with everything else; and if it does not, then we are weakening rather than strengthening our effort.

I think that the hon. Minister of Mines and Resources was indeed right when he made that statement in the house. What is most important and most necessary to-day, what is essential to our war effort, is not the conscription of men for military service overseas; it is production in all the spheres which are in any way related to this war effort; farm production, foodstuff production, aircraft plant production, shipbuilding yard production, gun and munition production for war purposes, forest production, mine production. All this can be summed up in the appeal made last year by the hon. Prime Minister of England, Mr. Churchill, when he exclaimed: "Give us the tools, and we will finish the job."

Nobody in the province of Quebec is willing to give up the freedom and the democratic system under which we live in this country.

Whilst she remains strongly opposed to conscription for overseas service, Quebec, since the beginning of this war, has made and will continue to make her share of sacrifices, and she will continue to fulfil her duty in order to defend Christian civilization, maintain democracy, smash the aggressor and attain the final victory which will guarantee us peace, happiness and liberty.

We have been told during this debate—I think it was the hon. member for North Battleford (Mrs. Nielsen) who said so—that French Canada had no leaders at the present

time. I deem it my duty to protest against such an erroneous statement. We French Canadians are proud to have as leaders and representatives such prominent statesmen, such sincere patriots as Cardin, Godbout and St. Laurent; men of courage, of talent and of devotion, who are in no way inferior to their predecessors and whose names also will rank among the greatest in our Canadian history. They have, in their respective fields, the ambition, the energy and the will to properly represent their fellow citizens in this war, to lead them wisely and honestly, and they have the firm determination conscientiously to fulfil all their obligations as faithful patriots and true Canadians.

Canada entered this war because she was forced to take up arms to safeguard her rights and privileges unjustly violated and to guard against unprovoked aggression.

Our young Canadians without distinction of race, language or creed, are ready to do their duty loyally, courageously and generously by their country threatened with invasion.

Since the outbreak of war, we have offered up to the Almighty our humble prayers for those who, on land, on sea and in the air, have given their lives for this cause which we hold dear, for the triumph of peace and justice. We pray and will continue to pray that divine Providence may grant us an early peace, a favourable and lasting peace, based on understanding not hatred, on mutual respect not contempt. Let us hope that this gospel of harmony, peace and charity will be put into practice in our country by all the elements of our population. Only on these terms and through this means will it be possible to make Canada a greater, more united, more prosperous and more beautiful country.

Mr. MAURICE BOURGET (Lévis) (Translation): While I understand, Mr. Speaker, that the debate on this bill is drawing to a close, I feel it would be very difficult for a member from the province of Quebec to keep silent at this time especially in regard to legislation of such great moment. Besides, I gather from the statements of the right hon. Prime Minister (Mr. Mackenzie King), that this is the last opportunity we shall have of dealing with this unpleasant question of conscription. I don't fail to realize that my remarks will not meet with the approval of all the hon. members of this house. However, a member who expounds his deep convictions always deserves the respect of his colleagues. On the strength of this, I propose to make a few comments on the bill before the house.

[Mr. Fontaine.]

During the debate on the address in reply, in February of this year, I said with regard to the plebiscite:

> May we not believe, under the circumstances, that we are treading on dangerous ground in proposing such a measure? Are we not going to play into the hands of our opponents? I am inclined to believe it, for if we give way on one point of our programme, we may later have to give way on another.

Let it be acknowledged that those remarks of mine were justified. I was against the plebiscite because I could foresee that in the event of the government being released—and that is really what happened—of its promises regarding compulsory military service for overseas, we would quite logically be called upon to discuss, sooner or later, the problem of conscription.

I was among those who campaigned in the province of Quebec for a negative vote. I submitted frankly and sincerely to the people of my constituency the reasons which, in my estimation, justified our refusing to release the government from its promises. And I may say, Mr. Speaker, that I made it a point to always speak with moderation and justice. I did not have to resort to other methods, because I had too much respect for those who had done me the honour of choosing me as their representative and knew them to be patriotic and intelligent enough to grasp the merits of my arguments.

I might add that my electors were left absolutely free to vote according to their conscience and what they believed to be in the best interests of our country. The result was clear cut: 91 per cent of the voters refused to release the government from its pledges. I wish to emphasize that such a vote does not mean that my fellow citizens are opposed to our war effort nor that they do not desire an allied victory as all other Canadians do. Knowing as I do the excellence of their patriotism, I cannot suspect for a moment that they were inspired by any other motive than their definite and formal opposition to conscription for overseas service.

I wonder if, in certain quarters, people understand perfectly what the adoption of such a measure would mean to French-Canadian members. Do they know what these members are being asked to abandon in voting for this measure? Do they know that, when these members are requested to give the government a free hand, they are being asked to surrender the rights for which their forefathers fought during more than two centuries?

They are being asked to acknowledge once more that this country is a colony which must, now as always, obey the orders and

bow down to the requirements of an outside nation, whatever our interests and our legitimate ambitions may be.

We have long been told in glowing terms about British fair play. It seems to me that if that fair play truly exists, as I am still willing to believe, there is now a splendid opportunity of putting it into practice by recognizing the rights which have been bestowed to an important minority in this country and confirmed in an agreement which was termed a "sacred contract" by the late Right Hon. Ernest Lapointe. It seems to me that our English-speaking fellow citizens now have a splendid opportunity to honour that claim and recognize that suppression of the rights enjoyed by a minority, in whatever way and through the use of whatever force it may be done, is a glaring injustice.

It seems to me that if we consider the important part played by the citizens of Quebec and the excellent results obtained since the opening of the conflict, it must be admitted in all fairness that Quebec has displayed a great deal of generosity and has willingly agreed to equality of sacrifice in every possible field.

In certain sections of the country, there are people who entertain false ideas concerning equality of sacrifice; French Canadians are accused of not participating as much as they should in our war effort. But do they not understand that equality of sacrifice implies equality of rights? I do not think it necessary at this moment to cite, in support of this idea, examples proving beyond all doubt that in certain fields we have not always obtained and are not yet receiving our just due. Certain newspapers have brought out this point on several occasions. As far as I can ascertain, I do not think that a single one of those newspapers which have launched important publicity campaigns based on equality of sacrifice, has ever requested, whenever it had the occasion to do so, the granting of our just share.

Even if the number of voluntary enlistments is not as large as amongst our English-speaking fellow citizens this can be explained by reasons as important as the ones I have mentioned and that were so brilliantly stated by the former Minister of Public Works (Mr. Cardin) and by the Minister of Justice (Mr. St. Laurent).

I listened very carefully to the speeches made by the right hon. Prime Minister and the majority of the cabinet and I have even read them over. As I understand it, they realize as well as we do that conscription is not necessary. But what strikes me is that after having pronounced eloquent speeches against conscription, they want us to agree to its principle.

We have been taxed by many with having failed to understand the interests of our country in opposing the passage of this bill. Well, Mr. Speaker, in the course of conversations with some of my colleagues from other provinces I learned that during the last election campaign, the late Minister of Justice, the Right Hon. Ernest Lapointe, had been warmly applauded wherever he made a speech. He said very frankly, however, that he was irrevocably opposed to conscription for service overseas, a statement that would bring frenzied applause from his English-speaking listeners.

No one, to my knowledge, whether in this house or outside, has yet accused the former Minister of Justice of lacking in patriotism. He knew, as indeed the right hon. Prime Minister himself knows, the reactions and problems they would have to face when they accepted to govern a country in time of war. Both had witnessed the events which took place in 1917. Both nevertheless gave pledges even as we did ourselves, and we are asking to-day that those very pledges be kept.

We Canadians from Quebec have no reason to be ashamed of our sacrifices; we have made them generously; we have made them mainly for the purpose of preserving national unity. It is with that same purpose in view that we now ask our English-speaking fellow citizens to recognize our right to vote against conscription.

I contend there is no lack of patriotism in thinking first and foremost of protecting this country. Are the events which occurred over the week-end not sufficiently convincing?

Our coasts are under attack and it is thus our duty to organize our defence. From information received to date, it is evident that our country is not adequately protected against the attacks to which it is exposed. I believe the urgent and basic duty of the government is to shoulder at once that responsibility and do its best to avoid being accused, some day, of having been taken by surprise or of having helped other countries at the expense of ours.

It should be evident that if we continue to send our men overseas and do not keep a sufficient number of them here for the defence of Canada, we are deliberately inviting disaster and defeat? Once our men are overseas, it is almost certain that in case of an attack against Canada, it will be impossible to recall them to this country. Sir Ronald Cross himself said early in April:

I cannot foresee, during this war, the day when ships carrying troops will be in a position to travel from Great Britain to Australia.

These words of the British high commissioner in Australia must therefore warn us of what to expect if the government is authorized to give way before the pressure that is applied in favour of conscription for overseas service.

On the other hand, did we stop to consider that this conscription measure will do more harm than good? We must admit that it would bring grave dissensions and no doubt paralyse our war effort.

I understand well enough that those who, for the last two years, have clamoured most for conscription are moved by other reasons than the ones they would have us believe. I realize very well that this question of conscription is after all a purely political one, because everyone admits it would be illogical to claim that the adoption of such a measure will bring a complete change in the present conflict as well as in its final result.

Let us try to-day, in this critical hour of our national life, when every citizen must bend himself to the carrying on of our war effort, let us try to think as Canadians and in every way to strengthen national unity.

Let us bring into play the principles of liberty and equality set out in the Atlantic charter by respecting the rights and privileges of minorities.

It is shameful and revolting to proclaim that "might is right". Rather should we respect solemn commitments. The best thing to do for the moment is to defeat every attempt to enforce conscription for overseas service.

I have uttered these remarks, believing it to be my duty, in the interests of my fellow citizens and of Canada.

Paraphrasing Tennyson's poem "You ask me why" and applying it to Canada, I may say in conclusion: It is the land of free men, the land of freedom, calm and moderate, where a man may say what he pleases whether he be with friends or enemies. A land with steady government, a land of just and ancient renown, where liberty flows slowly from precedent to precedent, where factions seldom raise their head, where the might of all fertile thought, maturing by degrees, has time and space for its development.

On motion of Mr. Taylor the debate was adjourned.

On motion of Mr. Mackenzie (Vancouver Centre) the house adjourned at 10.55 p.m.

[Mr. Bourget.]

Tuesday, June 23, 1942

The house met at three o'clock.

GASOLINE

LACK OF SUPPLY FOR MAGDALEN ISLANDS FISHERMEN

On the orders of the day:

Mr. J. S. ROY (Gaspe): Mr. Speaker, I should like to direct a question to the Minister of Munitions and Supply. A few minutes ago I received a telegram which reads:

Grindstone, Magdalen Islands,
June 23, 1942.

J. S. Roy, M.P.,
Ottawa, Ontario.

Carload seventy drums marked gasoline consigned to myself left in Pictou Monday on instructions government inspector. That is what is being done to relieve shortage situation. This carload must be loaded Thursday as there is no other means transportation. Please get matter cleared in time and wire.

Oscar Delaney

Will the minister take care of this situation if possible?

Hon. C. D. HOWE (Minister of Munitions and Supply): I drew the attention of the officers of the Department of Transport to the needs of the Magdalen Islands, and I suppose that this is an effort to relieve the situation. However, I shall see that the situation is relieved as adequately as possible.

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT OF SERVICE OVERSEAS

The house resumed from Monday, June 22, consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940, and the amendment thereto of Mr. Roy.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I may say for the edification of the house that I hope not to take too long in my discussion of the bill which is before us this afternoon. There has been a long debate; most of the points have already been brought out, and it seems to me that the discussion ought not to be prolonged if that can be avoided. Having said that I may disappoint myself, and you, Mr. Speaker, as well; but I hope for the best.

The bill is the result of the plebiscite which was held on April 27. There has been some talk and discussion as to the meaning of that vote. I myself have no doubt about

what the vote meant. I do not say that it was a mandate for conscription for overseas service. I do not say that it was a direction to the government to put into effect compulsory service for overseas. But what I do believe, and what I think the vast majority of the people of this country believe, is that the voters considered and expressed themselves to this effect to the government: Raise the men in any way you think necessary to help win the war. And underneath that declaration was a definite indication of a green light to the government to go full speed ahead.

I want to express my profound appreciation of the unmistakable response which three millions of the citizens of the dominion gave in authorizing the government to do everything it considered expedient to prosecute the war effectively. I recognize that it was not a vote of confidence in any government, and it was not taken as such, but I do believe that it can be regarded throughout the world as a resounding declaration by the people of Canada that they are heart and soul in the war. The government is immediately following that up by introducing this bill to ask parliament to give to the government the legal freedom of action which the moral freedom of action given by the plebiscite would indicate.

I think, Mr. Speaker, that this debate has helped us all to get a clear view of the troublesome and inflammable question of conscription. For a long while conscription was something that was talked about almost in whispers. There is nothing sinister about conscription. It is only a method of raising men for service in the armed forces, or in any other activity, for that matter. We have conscription in Canada now. We have had it for over a year or more; there are between 30,000 and 35,000 men training or serving in Canada at this minute who were conscripted, if you want to use that term. There are about 50,000 men, including that 30,000 or 35,000, in the army, navy and air force who came in through the call-up. Nobody suggests that it is a bad method or an inefficient method for service in Canada. The only question is whether we should have power to widen the area of service in order that these men could be sent overseas if necessary. I think the real question is not whether conscription is an efficient method but whether there are considerations which override its efficiency.

Speaking of men for overseas service, I stated in February that I preferred the voluntary system if it worked, and I gave my reasons: first, because it provided volunteers for a voluntary army; and second, because of the division in this country which conscription would produce. These, I think, were substantial reasons. I would always prefer to see our Canadian army overseas purely a volunteer army. But if to maintain and reinforce and strengthen it, it should become necessary to require men to serve overseas, then obviously so far as I am concerned there can be no alternative, because we cannot let the army down, and, what is even more important, we cannot let Canada down.

On the other point, regarding disunity, that—and we might as well face it—is the toughest problem in government to-day. We do not want disunity. But the price of unity must not be too great. We know that there is a deep-rooted antipathy to compulsory overseas service in certain sections of this dominion, and it is quite probable that that antipathy springs from a failure to realize that it is Canada's battle overseas just as much as it is in Canada. No one has explained that situation and that feeling in clearer and more informing terms than my colleague the Minister of Justice (Mr. St. Laurent), who made that excellent speech a short time ago. I am sure that the Prime Minister (Mr. Mackenzie King), and the Minister of Justice; our former colleague the member for Richelieu-Verchères (Mr. Cardin) and many other members from Quebec, have tried to bring this fact home—that it is Canada's war overseas as well as in Canada. I am sure too, Mr. Speaker, if I may say so, that those in my department have spared no effort to bring home to our fellow citizens in the province of Quebec the importance of our overseas effort. While there will be those who doubt it, I have myself been fairly earnest and reasonably industrious in recognizing and trying to remedy the handicaps and difficulties that exist.

When the recruiting campaign was on a year ago, I took strong grounds when some members on the opposite side of the house insisted on raising this question of conscription. I urged that it should not be raised before the voluntary system was given a real trial and before the need for conscription was established. As a matter of fact, I believe I was the only member on this side of the house who did make that appeal, and I made it because I remembered what took place in 1917. I want to afford every reasonable opportunity and every possible help to those who have an aversion to compulsory service overseas, or to overseas service in general, to enable them to realize that overseas is Canada's front line. I hope most fervently that this realization will come very fast in the midst of the ominous events of these days. We are having it driven into us every day that this is a fight to a finish, and that we have to think of even more than our unity. We are facing

the possibility of fighting for our very existence. If considerations of national unity should come into conflict with measures for our national security and existence, then surely it is the security of the nation which must count—and by that I mean the security of all the nation, both the majority and the minority. It may be that if that test comes we shall find our national unity in the mutual support which we shall have to give each other and which will be imperative by reason of the instinct of self-preservation itself.

So that this bill, Mr. Speaker, gives the government the power to require men to serve in any military, naval or air force of this country outside of this dominion whenever in the opinion of the government, to use the words of section 2, it "may be deemed necessary or expedient for the defence of Canada or the efficient prosecution of the war."

Now, why is that power required? In the speech from the throne, which has already been quoted, there was no mistaking the attitude of the government at that time. In the words of His Excellency the Governor General, which had first been prepared by the government:

> The government is of the opinion that, at this time of gravest crisis in the world's history, the administration, subject only to its responsibility to parliament, should in this connection and irrespective of any previous commitments, possess complete freedom to act in accordance with its judgment of the needs of the situation as they may arise.

That, Mr. Speaker, was after Pearl Harbour, after December 7, after the flames which broke out in Europe had spread to Africa and encircled the globe. It was about the time of Singapore and Manila. Since that time the Japanese have come back again to Midway, badly crippled; they limped back home; but since that time the Japanese have set foot on the far end of the bridge which connects Asia with north America, and the day before yesterday we had reports of the Japanese shelling Vancouver island.

Canada has three fronts. But I consider, notwithstanding all that has taken place on the Pacific, that for us in the long run the English channel is probably the most vital point in the strategy of the war. Over there the forces of Britain, the forces of Canada, and, not far away, the forces of the United States stand ready to beat off an attempted invasion. They stand ready also to attack in an offensive which must come and which must succeed if the cause of the united nations is not to perish. Over there Canada has naval units, army units, air force units: the naval units taking part in the Atlantic convoys and in the patrols; the air force fighting not only in Britain, not only in Europe, but in the middle east and the far east as well; the army standing guard, as it has for two and a half years, doing grim vigil, sometimes in the line and then out again for training, doing boring work, waiting for the time when that training can be put into effect. Canada at the present time has in Britain three infantry divisions, an armoured division, an army tank brigade, thousands and thousands of corps, army and divisional troops; and this year we expect to send over another armoured division and another army tank brigade. Those are the commitments we have on that front. That is what we are doing with regard to the English channel.

I will not trouble to-day, because it is probably not important in connection with this discussion, to detail the extent of our forces in this country. I will only say that we have the sixth, seventh and eighth divisions mobilizing or mobilized; we have the fourth division for the time being, until it goes overseas; we have coast defence artillery and infantry, searchlights and signals and all the services that go with them; we have ninety training centres across Canada, and we have internal units guarding vulnerable points and for the purposes of internal security. In Canada the air force is patrolling this country and guarding both our coasts, as it is doing in England, and the navy is working day and night in its ceaseless patrol, not only of our coasts but in connection with the convoys which leave our shores.

That, very quickly, is a review of the man-sized job which the armed forces of Canada are doing at the present time. No Canadian need apologize for the extent of the participation of the armed forces of Canada in this war. At the same time—I have said this again and again, and I repeat it, that whatever we have been doing should simply inspire us to search our hearts to find out if we cannot do more. We are now working on the 1942-43 programme, which calls for 90,000 to 100,000 men during the fiscal year. During the first two and a half months of this fiscal year we have enlisted just under 30,000 men; that is, at the rate of 12,000 a month. That number has to be cut down to some extent because a portion of these men are enlisted in units which are designated for home defence. Nevertheless they are of course available for reinforcements overseas if need be. Leaving them out entirely, we find that about 8,000 men a month have been enlisted, so that in the result voluntary enlistments have been coming in in sufficient numbers to provide what we were advised was necessary to take care of the overseas programme announced in January.

That, Mr. Speaker, is just the beginning, because new demands are coming in. The Prime Minister mentioned in January that we expected to mobilize in Canada probably another division, at the time of the dispatch of the fourth division overseas. As a matter of fact we are mobilizing the seventh and eighth divisions as well as the sixth. We have mobilized a very substantial number of additional anti-aircraft units. Since I spoke in January we have called up no less than 45,000 men. That includes the requisition for the month of July, which has already been sent to my colleague the Minister of National War Services (Mr. Thorson). We have enlisted in the army since that time another 45,000 men, and we have expanded our training facilities so that we are now training men not only in these ninety training establishments across Canada, but in units as well.

Under the intensified activities we have in the army, under what might be referred to as the forced draught under which we are proceeding, we feel, and the government feels, that neither the government nor anybody else knows nor can know what is ahead—how many men are needed, how many may be required, what casualties will be suffered, what new commitments may have to be taken on, how the system will work as the drain increases on man-power and on administration. I have the responsibility of the raising and the organization of the army, and I am asking this house to face up to these possibilities and to other possibilities—I have not mentioned them all —by voting for this amendment.

In a word, Mr. Speaker, this amendment, as I see it, will empower the government to make and to keep the Canadian army the best and the strongest army we can provide. I agree, and we all agree, that in measuring the size of that army we must take account of the vital needs for men in other war activities. I shall have a word to say about that before I sit down.

But in connection with this amendment and with the authority which will be conferred if this amendment is passed, I say to you and to this house that I shall take at its face value this freedom of action which is being given. I am not going to advocate the use of this authority to compel men to serve overseas simply for the sake of exercising power; far from it. I recognize at the same time what a heavy responsibility that authority creates. I do not want to see this country divided. If I may say so, I think I have worked as hard as a man can to preserve the good understanding and unity of our homeland. Though a lot of people may not believe it, that has been one of the dominant aims in the administration of my department. It has permeated all our plans and efforts, as our officers will testify. I say seriously and sincerely that I would make any personal sacrifice to keep this country together.

At the same time, Canada has a war on its hands. The fight, as I said a minute or two ago, is a fight for our existence, and I at my post cannot escape the definite responsibilities which I have. I say now, and you will expect me to say it, that so far as I am concerned compulsory service for overseas will have to be applied without fear or favour whenever its use will aid in the achievement of a maximum war effort, and that does not necessarily mean just to maintain what we are doing; it means, if we can do more, to do it. I do not believe that even those who oppose compulsory service could expect me to say otherwise.

Let me mention something else in that connection. While, as I have said, we have been engaged in these intensive efforts we have been training everybody who has come in, whether the man enlisted voluntarily or was called up for service. All of them have been getting the same training, and they will all be qualified to serve anywhere. That applies to men already called up; it applies to men who will hereafter be called, and if section 3 is repealed, then, whenever it is necessary, the government can immediately act to have these men serve wherever they are needed to fight Canada's battle. No time would be lost, because the men will have been in training. All the government would have to do would be to widen the horizon of service, and that would make every man in Canada, whether he enlisted voluntarily or was called up, available to serve wherever the need might require.

Now there are two or three points which I think I should mention, in view of the fact that they have come up in the debate. First, my hon. friend and former colleague the member for Richelieu-Verchères took what I thought was a rather distorted meaning from the provisions of section 5 of the National Resources Mobilization Act. His suggestion, in a word, was that the government might act under this statute and, as he said, put the order in council in the drawer and a man would be on his way overseas before anyone would know anything about it. I wish to say to my hon. friend that orders in council of that kind will not be put in the drawer. Orders in council of that kind will be laid on the table at the earliest possible moment, and if parliament is not sitting they will be, as the statute directs, immediately published in the *Canada Gazette* and mailed to all members of the House of Commons.

There is only one exception in that section—it is the exception to which he was referring—and that is that publication may be deferred when it is considered to be in the "national interest". Knowing my hon. friend as I do, I do not think that he or any of those around him would for a single instant desire to be a party to jeopardizing the national interest. He knows perfectly well why that reservation was made. Section 2, which gives the government power over persons and property in the dominion in the widest possible way, has compulsory service for overseas only as one of its many objects. There are many cases I could imagine—cases of alien enemies, civilian cases, cases of highly secret devices and highly secret property—which might come under the act, in respect of which it would be extremely desirable in the national interest that publication of particulars should be deferred. That does not apply with regard to the sending of men overseas for service. As my hon. friend knows, we publish particulars of the men and of their liability for service. We do so every day, and I want to say to him and to anyone else who asks about the regulations with regard to conscription, that regulations have already been laid on the table of the house by my colleague the Minister of National War Services, and they have been in force. They are subject to change from time to time, and I have no doubt they will be changed from time to time. These regulations are already drawn in connection with the system of conscription for service in Canada which is in force in this country. My hon. friend can assure himself, therefore, that there is no danger of anybody's son being sent overseas without his knowing fully that he is liable to such service, and knowing in plenty of time before he goes.

Another point that came up which my hon. friend touched upon, although he did not make the point quite in this way, was this. He suggested that these regulations should be referred to parliament. He said that the matter of actual action in connection with conscription should come back to parliament. I do feel that those who make that suggestion have a wrong appreciation of the situation and of what has taken place. Let me remind the house what happened. A plebiscite was held, and the government asked the people of the country to give it the responsibility of deciding the question as to conscription. It was expressly said by everybody that conscription was not the issue which the public were to decide. The people of Canada voted on the question. I have the figures here: 179 constituencies voted "yes" and 65 constituencies voted "no," which is equivalent to pretty substantial representation in this House of Commons. That responsibility was given to the government by the people. What happened? The government now comes before parliament and says, "You have given us power over persons and property in this dominion in respect of everything, but you have missed one thing. You have put a limitation in the fact that we cannot send men to serve overseas in the armed forces of Canada. We are asking you to repeal that section."

What is left? What is left is that the government has full responsibility and full power when that section is repealed. I say to you therefore that, the government first having had the plebiscite, asking for a release from its pledge, with regard to compulsory overseas service, and having been granted that release, and, second, having come to parliament to have that release confirmed by the repeal of the very section which mentions compulsory overseas service, obviously when the section is repealed nothing is left for parliament, and the proper course is that the government should not shrink from the responsibility for which it has asked, but should act on that responsibility and act as it deems best in the light of the power given by that section. My hon. friend and those who advocate the reverse are suggesting that the government should ask for a repeal of the section which ties their hands and then the next minute decide to go back to parliament before using the power conferred. I say that that would be the same as the government at one moment having its hands untied and then the next moment having them tied again. In other words, it would be exactly the same as if we were to insert a proviso at the foot of the bill to this effect: "Section 3 is hereby repealed, provided however that none of the powers of section 2 shall be exercised until parliament is consulted once more."

It seems to me that the people of Canada would not understand anything of that sort. It would be regarded as evasion; it would be regarded as a shrinking from responsibility. All we are doing in this debate, having spent weeks at it as it is, would then be merely an idle gesture, because we would then have to come back once more to debate the whole question before exercising the power which we had expressly asked parliament to confer upon us, and which had been so conferred. Without hesitation, therefore, I say that I shall not shrink from the responsibility which has been conferred upon me as a member of the government, but shall act under the statute as amended.

I wanted to mention two other matters which have to do particularly with the army and with man-power. I was afraid that this house had the impression, from some of the speeches which were made, that somehow or other the army was cutting into the man-power of the country at the expense of the production of munitions and of food, and was therefore unduly hampering our war effort and disrupting our man-power. That certainly was the impression left by one or two speeches that were made.

Mr. HANSON (York-Sunbury): Some of the minister's colleagues left that impression.

Mr. RALSTON: Not only my colleagues; others as well. I think I am right in saying that the army—I am within hearing of my colleagues the Minister of National Defence for Air (Mr. Power) and the Minister of National Defence for Naval Services (Mr. Macdonald), and they can correct me if I am wrong—is the only service which makes provision for giving leave to men who are indispensable or who are key men in industry or agriculture. The army from almost the very beginning, certainly from the time I have had anything to do with it, has had a rule—it is part of the general orders—that a man who can be shown to be a key man in connection with munitions, even though he has enlisted, even though he volunteered, may be given leave to go back to munitions work if he so applies. That was followed by the national war services regulations, which I have before me, and which by section 14 expressly provide, not that the army is to take men at the expense of munitions or at the expense of agriculture, but that boards shall be set up under the national war services department to decide, with regard to any man who is called up for service in the army, whether it is in the "national interest" to grant an advancement or postponement of that man's training.

Mr. HANSON (York-Sunbury): But always on his application.

Mr. RALSTON: Always on his application.

An hon. MEMBER: Or his employer's.

Mr. RALSTON: The point is that on that board sits nobody from the army and properly on that board sits no one representing the man. It is a judicial body established by the Department of National War Services. Whoever says that the army cuts into the supply of man-power for munitions or for agriculture has not read the regulations, because the regulations expressly provide, not that the army comes first but that if it is shown that a man is indispensable in agriculture or industry, the army comes last. If to-morrow I requisition my hon. friend the Minister of National War Services for 5,000 men, I do not get them automatically just because the army asks for them. They are called up; any man who claims he is essential in war industry has a right to make his application to the board, and all the army gets are those who are not excused by the board. In other words, priority is given to agriculture and industry. I think that ought to be made clear because there has been too much of the suggestion that somehow we have built up a big army at the expense of munitions or at the expense of industry.

Another suggestion made was that we are closer to exhaustion in mobilization of man-power than anyone realizes. I admit that we are close to the calling up of the thirty-year class of single men. But the thirty-year class of single men is not the only class; there are still those from thirty to forty-five, still those from nineteen to twenty-one, and still the married class of all ages from nineteen to forty-five. I submit it is needlessly timorous to suggest that simply because we are approaching the exhaustion of the thirty-year class, there must be some question, some very serious consideration, as to where men for the army are to be raised.

Another situation mentioned was that 1,350,000 men are in agriculture at the present time, 300,000 in mining, 900,000 in munitions and industry, and 2,000,000 in civilian occupations and that the man-power situation was tight or difficult. We are not approaching the full mobilization of man-power for war purposes simply because everyone happens to be employed; the question is, what are they employed at, and can they be got out of those particular employments and either put in the armed services or made available for munitions or agriculture or some other activity which is more necessary for the war.

Mr. HANSON (York-Sunbury): On the principle of selection.

Mr. RALSTON: Of course; that is exactly what the Department of Labour is doing at the present time. That is why I have said, and I repeat here, that Mr. Gordon, chairman of the wartime prices and trade board, and my colleague the Minister of Finance (Mr. Ilsley), have tough jobs. They have. But I do not think there are any men in Canada who have tougher jobs than my colleague the Minister of Labour (Mr. Mitchell), and Mr. Little, the director of national labour services, in trying to take human beings and put them where they will be most useful in carrying on the war.

Those are the things that we have to work at and work hard. Take the 1,350,000 in agriculture. What I am about to say may not be very popular, but of those 1,350,000 men there are many who come within what is called the subsistence class, that is, the class who are perhaps not doing much more than simply raising enough for themselves and their families. The question is whether those men ought to be left in that occupation, or whether some farmer with capital and greater productive capacity and a sufficient establishment for the purpose would not better be raising the food for that man and let him go into construction work or munitions or some line of work where he could be used to the best possible purpose.

Take munitions, in which 900,000 are employed. Of that 900,000, one-sixth are women. That makes quite a sizable army—150,000 men released by those 150,000 women. In civilian occupations there are 2,000,000. Mr. Little has to work and work hard to see that many of those men in civilian occupations are made available for the armed services and for war occupations. How does he do it? Production is cut down. In order to relieve these men you and I have to tighten our belts and do without some of the ordinary civilian commodities which we can do without. You and I have to help him to find other men for civilian occupations, men who are above or below military age, or men who are physically unfit for military service. You and I have to see to it that there is a great movement, into the factories and industry and civilian occupations generally, of women to take the place of men, as there has been in the old country.

These things are just beginning. It seems to me, therefore, that at this stage the ultimate gross supply of man-power does not enter very much into the question whether we can keep up an army.

Let me say that I am not advocating the cause of the army simply because it is the army. I am advocating the army's cause because it is Canada's army, and because it has a job to do, and because without the army we cannot win this war, no matter how much we might hope to the contrary.

Now, I have mentioned these points very briefly. I did want to deal with one other matter—

Some hon. MEMBERS: Go ahead.

Mr. HANSON (York-Sunbury): With unanimous consent.

Mr. SPEAKER: Is the consent unanimous?

Some hon. MEMBERS: Yes.

[Mr. Ralston.]

Mr. RALSTON: This is perhaps a small matter, but I did want to mention it. I have the greatest respect for the hon. member for Richelieu-Verchères but he said something which cut me rather, because I felt it was something regarding which he was perhaps not informed but regarding which he might have taken the opportunity to get information. He said that trainees were scattered all over Canada among regiments composed of volunteers. He said that we have English-speaking soldiers in Montreal and that French-speaking soldiers are sent outside the province of Quebec to be trained. Let me point out that in the province of Quebec there are basic training centres for all the men to be trained, except in some special situation.

There are advanced training centres there as well; two infantry advanced training centres and as a matter of fact, in addition, Quebec has a machine gun training centre and a forestry training centre, and no other province has either. But we do not have advanced training centres for special arms of the service in every province, and it is therefore necessary in connection with training that the boys go from Quebec to other provinces, to Petawawa for artillery training, for example, and to Barryfield for signals, just as it is necessary for boys from other provinces to go to Quebec to take machine gun training or forestry training and in some cases infantry training as well. There is no sinister purpose whatever in the sending of young men from Quebec to some other province; it is done simply because the facilities are located where they are. Neither is there any sinister purpose in sending boys from Ontario or Manitoba or some other province to the machine gun training centre at Three Rivers.

With regard to service, I am sure my hon. friend knows perfectly well that we are not keeping active units in Montreal for the purpose of defending Montreal, and that the French Canadian boys in active French Canadian units go to the coasts or other vulnerable points, wherever they may be, in exactly the same way and for the same purpose as their English speaking compatriots. I am sure the hon. member would not have them kept in Montreal when he knows there is a job to be done on the Pacific or the Atlantic coast. I feel that it is due to these boys that I should say this and that it is due to the administration of the department and due to my hon. friend himself. I would add that every possible consideration is extended in connection with training and service to give these boys the opportunities for service and the posts for

which they are fitted. At the same time I want to say that no exception is made; men are posted where they can best serve and where they are needed at the time, regardless of race, creed or class.

Now, Mr. Speaker, I want to conclude with just a word with regard to something I mentioned at the beginning, but which I feel cannot be impressed upon us too much; I refer to this thing called overseas service. That word "overseas" gives the idea of something far away, something in the nature of a crusade to help other people. I wonder if we cannot get it into our heads that "overseas" just means Canada's front line. It is Canada's war which is being fought overseas and by far the most important bulwark which has stood between us and attack on our own shores, long before this, has been that fortress in the British isles, which is not just a British fortress but a Canadian fortress as well, which is manned not only by Britishers but also by the Canadian navy and army and air force. They talk about educational campaigns. I submit that the education we need in Canada is a lesson in geography, to show how easy it would be for Hitler to hop across here if he were not pinned down by the constant dread of the British isles. If he could get that thorn out of his side we in Canada would then learn something about the real terrors of war. The fact we have to get into our heads, and those of our fellow citizens, is that this is Canada's war wherever it is being fought. We thought Hong Kong and Singapore and Java were a long way off. Those successes paved the way for the Japanese landing in the Aleutian islands, and those same successes made possible the shelling of Cape Estevan on Vancouver island the night before last. We have to protect our own coasts of course; and we are doing everything we possibly can in that direction. But what we want to do is help defeat the enemy before he gets here, or the last battle of this world conflict—and this is no idle dream—will be fought on Canadian and American soil, in Canadian and American towns, villages and countrysides. I emphasize what I believe to be sound doctrine, namely, that we cannot defend our country and save our homes and families and everything that is dear to us simply by waiting here for the enemy to attack us. Every country that has tried those tactics has been attacked sooner or later.

While we are strengthening our forces and our equipment in our own country, we must, as part of our defences, take our full share in the combat abroad. We must be prepared to meet Canada's enemies where Canada's war is being fought. That is part of Canada's programme; that is what we are trying to do. We have overseas an army of strength and spirit and courage; we have overseas an army to be proud of, and this measure gives the government power to go the limit to see that that army is reinforced and strengthened for the task of defending Canada wherever that task may call them.

Yesterday my colleague the Minister of National Defence for Naval Services closed a very able speech with a reference to Sir Wilfrid Laurier and his picture of a cathedral, —the component parts of which he visualized as the various races in this dominion. I could show my colleague and hon. members of this house not a mythical cathedral, not an allegorical one, but a cathedral of flesh and blood, composed of the young men of the Dominion of Canada, French and English; and I would not have to take you any further than the officers' training camp at the city of Brockville. This month there was a graduating class of 329, of which no less than 127 were French Canadians, and there are in attendance at the school at the present time 1,106 officers of which 305 are French Canadians. I want to say to my colleague and to this house that I should like hon. members to go there some time and see that school. I believe that there they would get a lesson in and a practical demonstration of Canadian unity that would do their hearts good. There, in spite of all our argument here, they would find a true cross-section of Canada: young men of both races, neither submerging its individuality, no thought of assimilation, but everyone contributing his best from the traditions, the heritage, the character and the personality of his own race for the good and in the service of the Dominion of Canada. Those men would inspire you to believe that it is out of this material, fashioned in the hard workshop of war and seasoned by comradeships which I am certain will never dim and never fail, that the edifice of Canada's nationhood will be built, to endure for all time.

Mr. L. A. MUTCH (Winnipeg South): Mr. Speaker, I am not insensible of the difficulty which confronts one in attempting to follow the Minister of National Defence (Mr. Ralston), particularly in view of the fact that some of the things I desire to say closely touch his department. I should say in the beginning that on the plebiscite I personally voted "yes," and the constituents of Winnipeg South also voted "yes" by twelve to one. So that on my own and on their behalf I support this motion, and I now declare that if and

when the time comes that it is found necessary by the government to exercise the power which the passing of this legislation will give them, I will support conscription for overseas service or the conscription of the man-power and woman-power of Canada for any purpose whatsoever.

In this debate, as in every other debate into which there enters the element of sentimentality, there has been a considerable amount of nonsense talked. In that respect it is my desire to mention one or two things which I think have not helped in deciding this issue but which have rather had the effect of disillusioning our citizens, when they consider what is being done here. We have had various descriptions of what a conscript is and what may be expected of a conscript. The general consensus, whether you take the viewpoint of the red-eyed conscriptionist or that of the dyed-in-the-wool anti-conscriptionist, seems to be that conscription is all right for the army; the implied suggestion is that the army is a disreputable conglomeration of people anyway, but that conscription is thoroughly impracticable for the air force or the navy, this in spite of the fact that the traditions of the navy which is described as the mother of our navy have been built up on the success of naval battles fought by sailors who had been shanghaied from every port of the island. The conception seems to have got abroad that we are still operating with a sort of bow-and-arrow army, for which any sort of mentality is sufficient.

I cannot understand why the belief is generally held that conscription is all right for the army but no good for the air force or the navy. The fact is that when a call is issued by the Department of National War Services, recruiting in the Royal Canadian Air Force, in particular, jumps by leaps and bounds. If the definition of a conscript is one who has been called by his government to do his duty, I cannot see where there is any substantial difference between a man so called up who answers the call and the man who enlists in the R.C.A.F. or the navy, or a special branch of the army, a few days before he is due to report for training. Advertisements have recently appeared in the newspapers to the effect that if a man is called up for service in the defence of Canada he will not be able to transfer to another service. The young men of Canada were told that if they had any idea of getting into the R.C.A.F. or the navy they had better do it right away. That was the type of propaganda put out by at least one of the other services. I am a little tired of this attitude, and I rather fancy that the public of Canada are somewhat disillusioned. The idea is abroad that the man who is conscripted would be of no use to these services. If that is so, then there must be more than a few thousand of them who could be released with advantage to the army so that soldiers could be made out of them. However, my purpose is not to introduce any recrimination into this debate.

For a moment I should like to speak for the people of my constituency in connection with the motion now before the house. The majority of the people of Winnipeg South are in favour of conscription now, and I have no doubt that almost all the people of that constituency would favour conscription at any time that the government regarded it as necessary. Knowing that, I could not, even if I wished, refuse to support the motion simply because it fails to satisfy all. Those in that constituency who cry "forward" with respect to conscription, and even those who cry "back", if there be any, would turn with a unanimous voice to rend either me or anyone else who might by his attitude on this question seek to overthrow the government at the present time.

There is another matter about which I think all the people of that constituency, perhaps all the people of the province, are in agreement. We do not want any more debate on the subject of conscription. In 1935, in 1940, and again in 1942, the people of Canada asserted their confidence in this administration and in the policies of this government. Nothing that can be said or done will add anything to the authority which this government has now. Once this motion carries, the responsibility will then lie fairly and squarely upon the shoulders of the government. Any further discussion would be regarded as temporizing or evading responsibility, and in my opinion it would merit that criticism. I welcome the assurance of the Prime Minister (Mr. Mackenzie King) that the government on their own responsibility will act when and if it is necessary and stand or fall by the result. That is the practical working out of the democratic system.

In connection with man-power I should like to draw to the attention of the Minister of National Defence and of the government generally, the fact that considerable wastage is still going on in that because of lack of education or inability to take the training required to-day for troops, volunteers who have come into the service although physically fit, have had to be discharged or used in the home establishments. They have not been able to assimilate the training which is essential if they are themselves to have a

chance of survival or if they are not to endanger their fellows with whom they will serve. When we consider the man-power of Canada we must take into consideration the not inconsiderable numbers who, although physically fit, have not been assimilated into the armed forces. Those who have thought that men with superior education could be used in the navy or the air force and the remainder used to fill out the ranks of the army must realize that it requires just as good physical condition and just as good education to be an operator of a tank or other motorized or mechanized equipment as it does to qualify for the other services. I know of at least one man who was refused once for the army, and another one who was refused twice, who are now training as aircrew.

Before sitting down I should like to address a word to the government as a whole with respect to Canada's war effort. Canada's part is not being adequately played up in the news of the war. The responsibility to see that Canada and Canadians are played up in the news of the war is a responsibility of the government itself. The jumble of the Royal Air Force and the Royal Canadian Air Force in England has deprived Canada and Canadians of a knowledge of what our boys have been doing in the last few weeks or months. Had this information been given to us, and I think we had a right to expect it, it would have proved an inspiration to the people all across Canada.

Canada's navy is known everywhere but in Canada. I should like to suggest to the Minister of National Defence for Naval Services (Mr. Macdonald) that he discard this tradition of the navy being a silent service, that he leave that to those who coined the expression. This is a new navy in a new world. It may be well to keep the traditions which have made the British navy what it is, but we should discard some of the snobbish ideas, one of which is that the navy should be the silent service. We should be told what is being done. No matter what happens in England, or on the continent, in north America when you have something to sell, your best idea is to advertise. This is one thing the administration has failed to realize, both in time of peace and in time of war.

We in the Dominion of Canada do not seem to have grasped the significance of nationhood, and so when we argue with each other in the house, and English-speaking Canada attempts to explain to French-speaking Canada what their conception of French-speaking Canada is, and French-speaking Canada gives up the almost hopeless task of explaining to English-speaking Canada what their conception of Canadian life is we are overlooking the fact that if, instead of having so much explanation, we were living and practising the idea of all being Canadians in Canada, particularly at this time when all our energies are centred upon the war, it would no doubt have more educational value than all the speeches which have been made on this subject.

I should like to make one or two suggestions to the Minister of National Defence. It is no sign of a lack of confidence in him or a lack of appreciation of what the Canadian armed forces are doing if I take a minute or two to examine one or two things which I think are important.

As I listened to the able speeches which have been delivered by the ministers who have spoken, I found myself sitting back in my chair with a comfortable feeling that perhaps everything is all right, and that scares me worse than anything else on earth. Consequently if I suggest to the minister, having followed his speech with close attention, that I am still in a questioning frame of mind, not only with respect to some of his decisions but with regard to some of the advice he gets, and certainly with respect to some he takes, he will understand that I am trying to keep myself from getting into a frame of mind where I shall be convinced that the Germans will be stopped before they get to Alexandria, and that they can never get to Vancouver or Seattle, and that if we just keep rolling along, the good Lord will raise up somebody to lead us to victory.

History shows that very few of the great conquerors of the world were professional soldiers. We need only go back to the last war. I remember as I am sure the minister and many other members do, those anxious days when we did not know just what was happening before Paris, and when we learned afterwards that the man whom the French called the little tiger, with his hard hat, was riding back and forth behind the French lines in an old taxicab, saving the day, although he gave the credit to Petain. We remember these things, and also the situations that arose in Great Britain. We remember when Lloyd George was working miracles with the civilian population, and, thank God, helping to win the war, although his actions were regarded by the military men as unwarrantable interference in the administration of the army.

There is a little disquiet in my mind when I hear the expression so often used in this house, that the government will act on the advice of their experts. Experts is a word I am suspicious of, perhaps because I come

from the west, where some of our people believe that an expert is somebody in Montreal or Toronto who knows somebody in Ottawa very well indeed. Another definition of an expert is somebody who is a considerable distance away from home. The war situation is too serious for one to feel quite content if he thinks that the strategy which is guiding the war effort of Canada is coming from the ranks of those who were satisfied with the crumbs from the table of Canada's militia during peace years. One wonders whether men with that mentality who were content with the environment of those years are capable of being transformed all of a sudden so that they can conceive of modern warfare in global terms. The senior ranks during the period of peace had become, I am inclined to think, pretty much civil servants all dressed up, and the changes which have been made in the selection of the senior officers who are overseas to-day is a healthy indication of the recognition of the fact that it is not enough to leave the devising of strategy solely to men who are professional soldiers.

I should like to feel more than I do now, that the leadership of Canada's war effort from a military standpoint was being more largely directed by the ministers in council. I would be happier if I felt to a lesser extent than I do, that the ministers in council too often concern themselves only with the point of view of the professional soldier. There is no doubt that men trained in technical military proficiency should be those charged with carrying out the military policies. But if I could arouse in the minds of members of this house, and especially in the mind of the government, a sense of the danger of leaving the concept of what we might call global warfare to those limited professional minds, I would have more assurance that when the day comes that Canada's sons stand in some future Tobruk or Singapore we shall not have recriminations in Canada to the effect that those in charge of directing our military effort lack the vision to think in terms of a war which is newer and vastly different from any we have had before. I hope that we shall not find ourselves looking about as this people of England are looking about to-day for some explanation of another unfortunate set-back, with the half-formed and ill-expressed thought in the back of their minds that they have left the problems of to-day and the security of the future too often to men whose minds belong to yesterday.

Mr. F. D. SHAW (Red Deer): Mr. Speaker, at the outset may I say that I would not be fair if I did not give expression to a thought of mine with regard to the speech delivered this afternoon by the Minister of National Defence (Mr. Ralston). I wish to congratulate him on its conciseness, and if I am able to judge the reaction to it among the various groups in this house I would also congratulate him upon its effectiveness. With many of the things he said I am quite in accord.

My participation in this debate to-day is undertaken with two important facts firmly established in my mind. The first has to do with the critical international situation, and in that connection I can do no better than to quote the words in which the Prime Minister (Mr. Mackenzie King) referred to it yesterday afternoon. He said:

> It only goes to bear out what has been said so often that no one can take too seriously both the immediacy and the extent of the danger with which all parts of the world are confronted, and at this time our own part in particular.

One needs only to reflect upon the situations which exist in four different theatres of war, if I might characterize them as such. First, we have only recently been advised of the fall of Tobruk and Bardia, and the consequent threat to all of North Africa and our position there. It has been reported, whether correctly or not, that we lost 25,000 troops in the fall of Tobruk. Second, according to a recent report the Japanese have extended their influence in the Aleutian area. Third, the Germans have driven a wedge into the defences of Sevastopol, and, fourth, and probably of greater significance to us, there is the shelling of Vancouver island. All these serve only to emphasize the seriousness of the world situation at the present moment.

In the second place, I believe I am quite fair in saying that there is strong evidence that Canadians generally are becoming very impatient with parliament, and witness with growing dissatisfaction the apparent disregard which we are showing for time and events. When I say that I have in mind the fact that for five long months we have been toying with the man-power problem in this country. I do know, as a result of discussing the man-power question with men on the street, that they wonder what in the world is the matter with us here that we are not accomplishing something definite in that regard. I am not asserting for one moment that the man on the street knows all that goes on in here or the difficulties with which we are confronted. But I personally feel that five months is too long a period of time to devote to this particular issue. The need of the hour is far too great for that. Only a day or two ago one gentleman characterized it in this way, as nearly as I am able to recall his words: "The

whole thing is like a great poker game, with the government reluctant to bid and afraid to lay down their cards". I feel that I am able without a great deal of difficulty to concur in that comment. I think we have been doing a great deal of stalling, and the man on the street also feels that we are stalling. So that if I confine myself to a few facts and occupy less than the time at my disposal I may be setting an example which the man on the street wishes us to set.

Since the Social Credit party first became an influence in the national political life of this country we have invariably advocated a policy of construction, not destruction. Therefore I propose to be constructive and not destructive. I know I am correct in asserting that ours is the only party in the house which has not had to trim its sails according to the political winds. We get a great deal of satisfaction out of that, and I propose to show during the course of my remarks that it is a fact.

Furthermore, consistency has been the characteristic feature of our attitude towards the question of conscription, and we may go back to pre-war days in order to determine that and establish it as a fact.

With respect to the question of conscription I am afraid—I believe the Minister of National Defence made reference to this—that conscription is misunderstood. I know that it conjures up in the minds of some people the same reaction as does the word "politician." Possibly conscription is misunderstood because it has so long been steeped in politics and juggled by politicians for purposes of political expediency that the average man to-day is, and has justification for being, fearful of the implications of the word. Conscription, whether applied to the financial, the industrial, or the man-power resources of the country means nothing more nor less than the effective organization of those resources, and there is nothing sinister about that. If I go back to pre-war days and make one or two references to the stand which we took at that time and the stand which certain others took, I wish it to be known that it is only because a deliberate attempt is being made in various parts of this country to distort and misrepresent the stand we took then, which is exactly the same stand as we take to-day.

I have in mind an English-speaking cross-section of public opinion which believed firmly in a policy of isolationism. I believe I am correct in saying that the present Minister of National War Services (Mr. Thorson) was the leading light in that particular group. In browsing through *Hansard* of the short war session of 1939 I find that the present Minister of National War Services spoke as follows at page 52:

> There has been a great body of opinion in Canada to the effect that we should not participate in any extraterritorial war, and should keep ourselves free from any external commitments, whether direct or indirect, which might involve us in such a war. Those who have held this view have had the best interests of Canada at heart.

I do not question that, Mr. Speaker. They may have been sincere.

> I have been one of the spokesmen of that body of opinion, and have not hesitated to express my views on this subject whenever the need arose, both outside and inside this house, with such vigour as I could command. I conceived this to be my duty as a Canadian whose first and undivided loyalty is to Canada.

It seems that the present Minister of National War Services, as I said a moment ago, was at that time a recognized leader of a certain cross-section of public opinion who were definitely opposed to conscription and all the implications of it, and I have not the slightest doubt that he was responsible for building up among his followers a definite prejudice against the idea of conscription.

Then of course we have our French-speaking friends from the province of Quebec. I do not undertake at this moment to condone or condemn their attitude with regard to this matter. Personally, with my limited knowledge, I would say that they have been taken advantage of for so long, that conscription has been made a political issue there for so long, that it is more a state of confusion with respect to the whole thing than anything else. The late minister of justice, the Right Hon. Ernest Lapointe, was the recognized leader of that particular cross-section of public opinion. On September 9, 1939, he stated, as reported in *Hansard*, page 68, these words, which have been quoted here many times before, but which for the purpose of my argument I shall repeat:

> The whole province of Quebec—and I speak with all the responsibility and all the solemnity I can give to my words—will never agree to accept compulsory service or conscription outside Canada. I will go farther than that: When I say the whole province of Quebec I mean that I personally agree with them. I am authorized by my colleagues in the cabinet from the province of Quebec—the veteran leader of the senate, my good friend and colleague, the Minister of Public Works (Mr. Cardin), my friend and fellow townsman and colleague, the Minister of Pensions and National Health (Mr. Power)—to say that we will never agree to conscription and will never be members or supporters of a government that will try to enforce it.

And he asks: "Is that clear enough?"

I read that because the late minister of justice was definitely the leader of a certain

cross-section of public opinion, and undoubtedly—I say this with all due respect—he must have been to a very great extent responsible for fostering and developing that attitude of mind among that cross-section of our Canadian public opinion.

Then we have the Prime Minister himself (Mr. Mackenzie King), speaking in the house on September 8, 1939, when he said, at page 36:

I wish now to repeat the undertaking I gave in parliament on behalf of the government on March 30 last.

That would be 1939.

The present government believe that conscription of men for overseas service will not be a necessary or an effective step. No such measure will be introduced by the present administration.

Again he was expressing the view of another cross-section of public opinion. I well recall that during those pre-war months and years he did his part, if I may say so, towards the development of what I call a distorted attitude to the whole question of conscription.

Then we move on to our Conservative friends, and while I have no quotations at hand at the moment, goodness knows there are many that could be given. They collaborated most fully with the Liberal party prior to the election of 1940 with respect to this question of conscription. They too must accept full responsibility for what they did in the way of giving the Canadian people a wrong slant, if I may use that expression, on the question of conscription.

It is a well-known fact, of course, that our friends of the Cooperative Commonwealth Federation were also definitely opposed to the conscription of man-power and the sending abroad of an expeditionary force. I quote all parties because it would not be fair to quote only one.

I come to the stand of the party with which I am associated. At the very time that such phrases as these were the slogans of certain groups in this country, we of this party and all those associated with it had the courage, in spite of what many suggested was political suicide, to be honest at least with ourselves and with the people, to evaluate the picture as we saw it, and to make known to the people of Canada exactly what we thought. And that is no different from what any representative of the people should do. These were some of the catch phrases found on banners and pamphlets, on walls and so on throughout the country prior to the election of 1940: "No Canadian troops to be sent overseas to take part in any hostilities, whatever the professed purpose of such hostilities may be." Here is another: "Canada must declare herself strictly neutral in the event of another war, no matter who the belligerents might be." And still another: "Money appropriated for national defence will surely lead to war." That was a catch phrase back in 1936, 1937 and 1938. Here is another: "We shall not fight any war proclaimed to make the world safe for democracy."

These were some of the things that were being said at the very time that we of this party, looking into the future with vision and courage, correctly determined what was going to take place within a few years. I will go back first and give the foundation of our stand, and to do so I will read part of a statement which was published in the Edmonton *Journal* of January 18, 1936, if you will. This is part of a statement given by the leader of this group:

The increase of armaments that is in prospect is a most disappointing development to all who want to see the reign of law established in international affairs and an end put to war. But where the responsibility lies is quite clear. No matter how peace-loving a nation may be, it has to consider the conditions which exist in the world to-day and act accordingly.

If I may interject a comment at that point, Hitler was coming to the front very rapidly at that time. He had made known his intentions, and surely any intelligent man should have been able to see what those intentions were. I continue:

Britain has been exceedingly anxious to avoid adding to their armament burdens, but in its present situation has no alternative. Nor can Canada be content with merely expressing the desire for peace. Mr. Blackmore stated that his group favoured "such steps on Canada's part as will render her powerful enough in all respects to plan an effective part in any world crisis with which the league of nations might be called upon to deal." That was why expenditures on military, air and naval forces were urged. "Is it right or just", the Social Credit leader asked, "that we should depend upon Great Britain to defend us, or on the United States?" Surely there could be only one answer to that question.

As I say, that was printed in the Edmonton *Journal* on January 18, 1936. I come now to 1939. In the short session following the declaration of war by Britain against the axis, speaking in the House of Commons at that time, the leader of this group made the following statement, as recorded in the proceedings of the session of September 8, 1939, at page 48:

Therefore New Democracy declares that justice, equality and effectiveness depend upon conscription of finance, industry and man-power.

Let me make an assertion here. If anything was ever torn to pieces and put together again to suit the purposes of the one who tore it to pieces, that statement was. We went through the campaign of 1940 and we know

what the members of all parties tried to do with that statement, and it is true they were successful in taking seven of our men. But we retained our honour just the same. Speaking in the same debate the hon. member for Acadia (Mr. Quelch) clarified that statement somewhat as reported at page 99 of *Hansard* of that session. He said:

> On the other hand, we have advocated conscription of, first, finance; second, industry, and third, man-power. By conscription we mean a process of effective control and direction.

I well recall the vicious type of propaganda I was confronted with in that regard, but as I have said, we have nothing to be ashamed of to-day, and I dare say there are men sitting in other parties in this house who would like to be able to refer back to similar assertions as having been made by them. They did not make them, but they wish they had done so.

When it came to the election of 1940 we still stood for the conscription of finance and industry and then the conscription of man-power. It was clearly and definitely explained that the first two were to precede the third. Those who opposed us did everything they possibly could to create another impression. On September 12, 1939, this group moved in this house that a special committee of the house be set up to determine ways and means of conscripting the financial system to make for greater equality of sacrifice and service. *Hansard* records the fact that every party in the house voted against that motion. We were the fathers of the idea that if we are to make a maximum contribution in this war the financial resources of the country must be conscripted. And that does not mean, as we have clearly indicated time and time again, that we ever did or ever shall advocate the conscription of bank balances. It has a far broader meaning than that. Therefore when we hear people talking about conscription of finance, about a total war effort, about the organization of our maximum resources, they are doing what they should be doing, but doing it about three years too late.

Very few people will give this group any credit for the stand they took. Few, if any, will approve it publicly, although one or two Liberal members of this house have said to me in the corridors of this building within recent days that it was the only sane and sensible stand to take.

Last January we were advised in the speech from the throne that a plebiscite would be taken in this country. It is a matter of record that while we in this group believe in the general principle of plebiscites, we could not see much that was commendable about the one that was then proposed. It is a matter of record that we condemned the wording of that plebiscite, contending that it meant nothing. We moved to have it clarified by adding the words "in any theatre of war," so that the people of Canada would know definitely what they were voting for or against. But our effects in that direction were futile. We also moved that the conscription of finance and the industrial resources of this country be incorporated in that measure, but once again the house saw fit to defeat our suggestion. We were completely dissatisfied with the various arguments that were advanced by many hon. members on the government side who presumed to know all about the implications of the plebiscite. We contended that it was strictly political in nature. Reading the words of the Minister of Munitions and Supply (Mr. Howe) I am satisfied that we were correct in making that assertion at that time. These are his words as reported at page 3373 of *Hansard* of June 16:

> In this country conscription is really a political issue rather than an issue arising out of the needs of the war situation.

Later he said, referring to the York South by-election:

> Since that occasion conscription has persisted as a political issue, and it was to settle this political issue that the plebiscite was taken.

It is most unfortunate that the Minister of Munitions and Supply should have made this assertion. It only adds to the dissatisfaction which is prevalent in so many parts of Canada with regard to this whole man-power question that we are supposed to be discussing and to have been discussing during the plebiscite debate. There are some in certain parts of Canada—I may make definite reference to a certain gentleman who broadcasts from Calgary and whose voice reaches my constituency—who says that we did not show leadership by not giving as a party a clear-cut direction as to whether the people should vote "yes" or "no". Well, leadership is of several kinds. I have never advocated that anybody should take my advice if I were not satisfied in my own mind as to where that advice would lead him, and if that principle were more generally adopted there would be fewer people in this country calling themselves leaders.

I can do no better than quote the words of the hon. member for Acadia with regard to our attitude in relation to this Bill No. 80 to amend the National Resources Mobilization Act. Speaking on June 15 last the hon. member said, as reported at page 3352 of *Hansard*:

> In passing I should like to stress the fact that this group has consistently advocated the control of industry by government.

To-day it is so obvious that unless we defeat the enemy overseas we shall have to defeat him at home on the American continent, that no sound argument can any longer be presented that Canada ought not to participate to the greatest possible degree in the overseas conflict. That conclusion having been reached, it becomes a question of what is the most equitable way of calling up men for military service. The voluntary system to-day as imposed by this government is a policy of flogging the willing horse. It is neither just nor efficient. A continued appeal is made to a person's sense of patriotism, to his conscience, with the result that the entire personnel of some families is wiped out, while other families make no contribution whatsoever. This policy has been maintained largely no doubt as a matter of political expediency. I would call it appeasement in its very worst form, and appeasement invariably fails. If the objective is, as we have been told, national unity, I think we can say that the government has failed to achieve its objective. If the objective has been unity within the Liberal party, I think one can also say, after listening to some of the speeches that have been made in this house, that appeasement has failed even in that direction.

If the war were a minor operation, or if we had many men wishing to volunteer for foreign service, then I would say that the voluntary system would be satisfactory. So long as we had plenty of men in this country clamouring to be allowed to go overseas I would say that the voluntary system was satisfactory. But as soon as you had a situation where you had to badger men and resort to various questionable practices in order to induce or coerce men to enlist. I would say that the voluntary system had failed and that the time for conscription had come.

The hon. member for Acadia expressed his views in unmistakable terms when he spoke thus.

I wish, Mr. Speaker, to take the very strongest exception to some of the methods now being employed to drive men into the service by means of what we call the voluntary method. It is a fact that thousands of our young Canadians have willingly volunteered to join the various branches of the armed forces, and I say all credit is due to them. On the other hand thousands have joined the active forces for other reasons. To begin with, under the National Resources Mobilization Act we called up men by age groups for compulsory military training. In my own province we have two of those training centres, one at Camrose and the other at Grande Prairie. These boys are not taken there and trained by themselves, as trainees; mingled with them are recruits in the active forces. Several months ago I asked in this house why it was found necessary to send to these particular training centres men who had volunteered for active service, and I was told that it was because of the lack of training facilities elsewhere. I accepted that explanation, but since then I have been told by an officer, one whose word cannot be readily questioned, that at one of these training centres definite instructions were given to the active force men to mix with the trainees, to talk about joining for active service, to shame them into it if need be, but above all not to let them gather together in small groups. If that is what we mean by the voluntary method of enlistment, when by such methods we compel our boys who have been called up under the National Resources Mobilization Act to join the active force, then I say we have very little of which we may be proud.

In the second place we have throughout this country thousands of businesses which have been slowly closing up. I have in mind the hundreds of garages throughout the country employing from five to ten young men working on the floor. Restrictions were placed on the manufacture and purchase of automobiles, on the use of tires and gasoline, and finally parts were rationed. I am not complaining about that, but hundreds of these boys were forced out of work because their employers no longer had work for them. Then a long list of restricted occupations was established, in which they could not be employed; so that in many cases where these businesses were closed up the boys have had to apply to the local office of the unemployment insurance commission, where they may be given authority to take another job or where they may be told definitely, as has happened, "You join the active force." Is that a voluntary system? I say definitely it is not. I had a letter just a few days ago from a town in my constituency. According to the letter the three boys of one family have been taken into the service, either voluntarily or otherwise. Another family has four husky sons, none of whom has taken one day's training. It is hardly fair or proper that, as the hon. member for Acadia has said, some families should be entirely wiped out while others make no contribution at all. I question some of the methods that are employed to secure men for the so-called active force, yet I do not want to leave the impression that I am for a moment questioning the patriotism or motives of any young man who enlists for service.

There is one other matter to which I should like to refer. A few days ago I happened to read a magazine in which I noticed a pertinent statement by Doctor Padilla, the foreign minister of Mexico, who was the representative of that country at the pan-American conference. The article stated that when Doctor Padilla, representing Mexico, stood up to address the gathering, not very much attention was paid to him until he had made two or three statements which I should like

to read; for I think they are worthy of consideration by certain people in this country who still feel that the place to fight the enemy is in the streets of your own town or in your own back yard. I commend these statements to their consideration. Doctor Padilla said:

> All our ideas are in imminent danger of perishing. We may no longer cherish the illusion that we are living in a quiet backwater where we shall be safe from world catastrophe. Blood flows on every side and suffering lacerates all the continents. The men who gloriously fell on Wake Island have not fallen in the defence of the honour and sovereignty of the United States alone. They have, also, met their deaths in the defence of human liberties and the free destinies of the Americas.

So I say, Mr. Speaker, that we can no longer cherish the illusion that we in Canada are living in some quiet backwater far removed from world catastrophe. We know that the vicious Jap is howling at our western gate. We know that any day the roar of his planes and the thunder of his bombs may be heard over any of our towns or cities. I hope we shall not wait until that fateful hour to bestir ourselves. This afternoon the Minister of National Defence said, and said correctly, that any country which waited until it was invaded before putting up resistance in its own defence was subjugated, and that in short order. When I think of our boys whose blood coloured the water within the shadow of Dunkirk; when I think of the blood that is flowing to-day on the hot sands of Libya; when I cast my eyes upon the other theatres of war and see the sacrifices that are being made by thousands of our young men and thousands of young men from other countries, in defence not only of their own particular territory but in defence of the territory of all the allied countries, I say that should the day ever come when they require reinforcements it would ill behoove us to say that because of certain restrictions, self-imposed if you please, we will not give them the reinforcements they need. If that should ever happen, we will live to rue that day.

In conclusion, may I say that as a member of this house I feel called upon to assume a very grave responsibility. I do not feel that it would be proper for us to attempt to escape any of our responsibilities. The parliament of Canada engaged the people of Canada in this conflict, and we must exert every ounce of energy of which we are capable. We must so organize our resources, whatever their nature may be, as to guarantee that if victory is at all possible, it shall be ours. I trust that I shall never live to see the day when any government of Canada will again declare war and at the same time burden itself to the point of strangulation with self-imposed limitations, be they moral or legal. There is only one kind of effective war effort. If you declare war you must do as you would if you undertook to engage in any contest—put everything you have into it. I am not saying that that could be done at once, but it could be done under a proper system of organization.

Mr. CHARLES PARENT (Quebec West and South): Mr. Speaker, it is not my intention to speak at any great length in this debate. At the time of the plebiscite I took a definite stand in this house. I thought out the matter to the best of my ability, and I supported the motion for a six months' hoist. At the time I said that that measure constituted a breach of trust, since it was giving the majority the means of withdrawing a solemn pledge made to the minority. I campaigned in my province for a negative vote. I condemned the plebiscite as being a measure something in the nature of Doctor Jekyll and Mr. Hyde. It was stated in the English provinces that an affirmative vote would bring conscription. but in Quebec it was said that there would be no conscription. In other words, it meant nothing but chaos. It is needless to say that the man in the street immediately saw the nigger in the woodpile, and irrespective of the efforts made by a majority of the members from Quebec the people of Quebec refused to give an affirmative vote.

This vote meant not only that the people of Quebec did not want conscription; it meant that Baptiste was fed up with broken pledges. He recalled the pledge made that the amounts voted for armaments for the defence of Canada were to be used exclusively in the defence of Canada, yet when he looks around to-day he asks himself where are those armaments. He recalled also the references made to the declaration of the Prime Minister of Australia that the day when we would be called upon to send an expeditionary force overseas was past history. He recalled also that he accepted the mobilization act with a smile because he was told that it was for the defence of Canada. He recalled that he was brought into the military camp for a one-month training period in order to give him an idea of what military life was like. Then he was notified that he would be a better soldier for the defence of his country if he stayed there for four months, and he accepted that change with a smile because it was for his country. He recalled also that after four months he was told that he must stay for the

duration of the war, but that there was nothing to be alarmed about, because he was protected by section 3 of the National Resources Mobilization Act which guaranteed that no man would be sent away from Canada unless he was willing to serve of his own free will.

From these facts you will understand why it was not difficult for the eleven Liberals who voted against their party to bring home the fact that the plebiscite meant a change in the views of the government with regard to the sending of men overseas. It was not simply a case of untying the hands of the government; the fact is that there were influences in the cabinet which were so strong, even though they were in the minority, as to influence the government to a point where it had to amend this act and send overseas those men who had been brought into the camps under the solemn pledge that they would not be sent overseas against their will. This is why the people in the province of Quebec went to the polls and voted "no". Their own common sense told them what was behind this plebiscite.

I should like to pay a tribute to the former minister of public works (Mr. Cardin). We fought against him, but we realized that he was sincere. He was appealing to the people of his province, but from my experience in this house since early in 1935 something told me that he was so near to the picture that he could not see the wall. It sometimes happens that in a classroom a student at the back is able to point out an error which the professor has made on the blackboard, but that does not take away at all from the qualifications and ability of the professor.

We are here being called upon to amend a solemn pledge that was given, not under menaces at all, but through cooperation and understanding, and that understanding was ratified by the people of Canada in the election of 1940. The then Minister of Justice carried the flag of unity from one coast to another. He spoke not only in the province of Quebec, but in Ontario, British Columbia and, indeed, throughout the whole dominion and said that because of national unity there would be no conscription in this war. That pledge was renewed time and time again. Furthermore, in Australia, when Prime Minister Curtin defeated Mr. Menzies, his first declaration when he took office was that the question of conscription would not be raised in Australia in this war because it would mean disunity in Australia. If such a declaration was good in Australia why should it not be good in Canada? Is it because there is a province of Quebec?

[Mr. Parent.]

Conscription is a national issue. It concerns not only the province of Quebec. Other countries do not have conscription. Africa does not have conscription; India does not have conscription; Ireland does not have conscription. The Minister of National Defence for Naval Services (Mr. Macdonald) told us that those countries were comparatively insignificant. But the principle remains the same. Those countries rejected conscription, and yet we never hear the people of Australia called quislings or quitters. We do not hear anyone call the people of Northern Ireland quislings or quitters. Those are words which one hears only in reference to the people of the province of Quebec, but be sure that no inferiority complex is being created by such slanders. Far from it. We are, on the contrary, stimulated by such slanders to fight on. The fight will go forward and to a better end. We will take our hats off to no one; be sure of that.

I am pleased to say, Mr. Speaker, that I shall vote, and if I had two votes I would give two votes, against Bill No. 80. Stripped of all the Prime Minister's eloquence in his three-hour speech, this bill is a measure for conscription. We are told that only the province of Quebec is against conscription, but let me remind the house that for the first time in the history of England the word "conscription" was brought before parliament in 1915 by Lord Middleton in the House of Lords, and although Great Britain was then at war, the mention of conscription created an uproar. It meant imposing on the liberty of Englishmen something they had never thought of, and although France, Great Britain's ally, had had conscription for over 125 years, and almost every other nation in Europe had conscription, conscription was not introduced in England at that time.

When the Minister of National Defence for Naval Services says that they had conscription in these other countries, we are not told how conscription works there, because that would be giving out military secrets.

In 1938, at a time when the European volcano was rumbling and smoking, when Hitler was marching into one country after another and France was calling for help, when her armies and air force and navy were not considered sufficient, Prime Minister Chamberlain had to reaffirm, and reaffirm time and again in order to satisfy British opinion, that never would conscription be imposed if Britain went to war. That is history. The reason was that conscription would have destroyed national unity at that time in Great Britain. But afterwards Prime Minister Chamberlain had to fall into line, and introduce conscription, although we do not know with what success. No one

has ever accused England of being quitters or quislings, because for hundreds of years they did not have conscription.

We are told now that conscription is not an end in itself but a means to an end. We are also told that it may not make better soldiers and that probably they may never be sent overseas, but that conscription would mean equality of sacrifice. Equality of sacrifice! Mr. Speaker, the province of Quebec average five children per family, as compared with one to one and a half in the other provinces. Equality of sacrifice! Again, wages and salaries in the province of Quebec, which are governed by the dominion government, are from 20 to 30 per cent lower than in the other provinces. Equality of sacrifice! Although Quebec represents one-third of the population of Canada, we have only from 15 to 19 per cent of the positions under the federal government and only 11 per cent of the total salaries paid by the federal government. Yet we hear talk of equality of sacrifice!

Mr. Speaker, may I ask that, if this principle of equality of sacrifice is to be adopted, it be applied in a spirit of British fair play. Raise the standard of wages in my province to compare with that of the other provinces. Give up, to those who are entitled to them, a fair proportion of the positions in this dominion, and do not ask that they be qualified 99 per cent in order to occupy a position when you are satisfied to give the same type of position to others who are qualified only 60 per cent.

I believe it is necessary that these remarks be made after all that has been said against the province of Quebec. I was reading lately in the Ottawa *Journal*, wherein, referring to the recent speech of the Minister of Justice (Mr. St. Laurent) they extracted from it a declaration which is absolutely untrue, namely, that the province of Quebec would be satisfied to defend its own borders. Let me state in this forum once and for all that we of Quebec consider the Dominion of Canada, the whole dominion from Vancouver to Halifax, the sacred soil of Canada; that we are ready to help and to fight on the shores of Vancouver island or British Columbia as well as on those of Nova Scotia; that the land of Canada is sacred to any Quebecker as well as his own province. The declaration made by this newspaper is the most unfair and untrue that could be made by a journal of its standing.

We are ready to defend our shores. We are also ready to help in the war overseas, but to do it of our own free will, because we have been told, we have been educated not only in our province but in this House of Commons, in the presence of every hon. member, whether of English, Irish or Jewish nationality, that our effort in this war was to be a free effort in so far as it was concerned with sending men overseas.

Yesterday morning, while reading the Montreal *Star*, my attention was attracted to a cartoon showing a man on the cliffs of Canada's seashore. He was holding a gun aimed towards the sea; in the clouds were written the words "invasion threat," and above the sketch were inscribed the words, "Look at it this way." That means, Mr. Speaker, think of Canada first; the danger sign is ahead, defend and protect Canada. "Look at it this way." That is the way in which all the people of Quebec are thinking and doing.

Mr. ARMAND CLOUTIER (Drummond-Arthabaska) (Translation): Mr. Speaker, I followed with attention the splendid speech delivered by the hon. member for Quebec West and South (Mr. Parent), and in the name of my electors, I wish to congratulate him warmly.

I also listened most attentively and, I may say, not without some emotion to the speech delivered in this house on June 11 by the hon. member for Richelieu-Verchères (Mr. Cardin). A descendant of that proud line of pioneers who brought civilization to this country, he spoke as a true Canadian should. The hon. member for Richelieu-Verchères is the very symbol of French Canada. He is a loyal gentleman, respectful of laws, but the law which comes first with him is that of his word of honour.

I consider him as the prototype of the French Canadian, Mr. Speaker, and here is the reason why. Although I have had neither the benefit nor the honour of sitting in this house for long years, I have been interested in politics for over a quarter of a century, and the hon. member's various campaigns always held my attention. He knows the mentality of his people, he knows their rights and has always defended them. His responsibilities do not escape him and he has often stated them. Canadian in his very soul, Canadian first and always, the problem of national unity has commanded his constant care. A noble ideal shaped his words and deeds. He can be said to represent the true Canadian spirit.

Mr. Speaker, each time a great national problem or a difficult situation has arisen, the French Canadian has given ground, often in spite of his legitimate and admitted rights. He has given an example of generosity and patriotism in order to ensure the maintenance and strengthening of the bonds uniting the two main racial groups in this country.

But however much one may cherish a principle as important and vital as that of national unity, there comes a time, a tragic moment

when it is no longer possible to give ground without abdicating. For the individual, abnegation may take the form of an almost divine generosity, but in a nation it can only be construed as cowardice or treachery.

A great deal has been asked of French Canada since confederation, and a great deal received. But it must be understood that her racial survival is a thing she prizes above all, that national pride fills her heart, and that in her veins runs the blood of heroes who sacrificed everything save honour.

The French Canadian is loyal, faithful to his principles as well as to leaders who do not betray him. Long since has he recognized in the Liberal party that spirit of justice, of harmony, of Canadianism and of unity, embodied in the confederation pact. French Canada has pinned her faith, her hopes on the Liberal party, because to all appearances its leaders had never betrayed her.

The province of Quebec has willingly participated in the present conflict. She has accepted in many fields, and without grousing, the principle of compulsion, because her leaders had promised that such compulsion would never apply to military service overseas.

She had faith in the future of this country and every confidence in her political leaders; she believed in democracy and firmly relied on sacred pledges. Such has been the background of the French-Canadian effort, about which many people were dubious at the beginning of the war, but which can only be questioned by fanatics to-day. The character of the average French Canadian will never change. No shirker, he insists on being treated with frankness, honesty and respect. The French Canadian is smart enough to realize that if national unity means sacrifices on one side only, it is no longer unity but tyranny. He has never felt that the association of a rider with his horse can be unity. He will never accept to be led like a tamed animal.

In relinquishing the important post he held in the government, the hon. member for Richelieu-Verchères exemplified the spirit of the French-Canadian people. Ever loyal to his leader, giving ground, sacrificing some principles in the interest of national unity, he had to withhold his cooperation when there arose the tragic question of breaking his pledged word.

Such is also my own stand and no French Canadian will ever do otherwise.

Since 1938, the imperialists in the government have been proceeding very gradually. There was first our rearming which was accepted though reluctantly by all Canadians. From session to session, the nilitary estimates were increased. I do not wish to criticize that policy, Mr. Speaker, for in that field the democracies made a mistake in failing to prepare early enough and on the same scale as Hitler and Mussolini. But, good heavens, why proclaim on every side that Canada would not participate again in outside wars while larger and larger estimates were being voted for military purposes.

The French Canadians accepted the principle of rearmament along with the policy of non-participation advocated by all political leaders at the last election. War came in Europe and without any hesitation those same imperialistic leaders launched Canada into that adventure.

I do not wish, Mr. Speaker, to criticize Canada's declaration of war on the axis powers, but why should there have been such eagerness to foster a pacifistic state of mind while preparations were then being made for war, and to-day, for total war?

In order to ward off popular resentment and to keep the confidence of the electorate, those same leaders suggested a compromise: "We will wage war, we will accept many sacrifices, but conscription will never be enforced".

Came 1940 and national registration followed by conscription for home defence. That was a logical move but why should it have been taken while opposite principles were being advocated?

A further compromise was suggested: "The conscription of national resources for the purpose of a total war effort, with the understanding that conscription would never be enforced for overseas service".

The French Canadian already felt, indeed quite deeply, that he had not been treated frankly, but the danger threatening his country brought about a unity of purpose and silenced a feeling of indignation which in normal times would have surely become vocal. Even though he hated constraint, he accepted it because it was intended for the defence of Canada. And believe me, Mr. Speaker, conscription is useless, unnecessary and futile. History is there to prove it. If Canada has remained under British rule, it is due to the loyalty, gallantry and military valour of the French Canadians. Once conscription for military service in Canada had been accepted, everyone sincerely believed that the government's policy in that field had reached its extreme limit.

The voluntary system of recruitment was tried out, and Quebec did more than her share. French Canada supplied the first regiments which went to the assistance of European democracies. Our young men overseas have shown heroic courage in every theatre of war and they continue to do so.

Our men are fighting for the principles of freedom, the respect of minorities and the sovereign right of nations. Those principles for which their forefathers so staunchly fought, are inherent to all French Canadians.

While the voluntary system was proving fully adequate, imperialistic stooges were heard demanding conscription for overseas service. The people became uneasy for it seemed that the limit had not yet been reached. It became necessary once again to reassure them and to adopt indirect methods. Then came the plebiscite! I do not oppose consulting the people on an important issue, Mr. Speaker, but why spend millions, open the door to bitter argument, trouble the population in the midst of its war effort, when the question cannot be put to them frankly?

The Prime Minister (Mr. Mackenzie King) in this very house, and his ministers over the radio and elsewhere, throughout the plebiscite campaign or before, stated in evident good faith: "There is no connection between the plebiscite and conscription." It was merely a matter of releasing the government from a pledge to which our allies seemed to take exception. United in a common belief in a sacred principle, French Canadians throughout the country refused to release the administration; to allow the government to break a solemn pledge.

I could not have said that the government would construe a "yes" vote as favouring conscription for service overseas since I had faith in my leaders, but I had my doubts and could not urge my constituents to release me from a solemn pledge taken at election time. I was fully aware of my duty and responsibility as I went to meet my electors, despite the handicap of illness from which I suffered throughout the plebiscite campaign, and to explain that this was a free and popular vote, that they were free to hold whatever opinion they wished on the matter, but that their member could not take the responsibility for an affirmative vote and that he would vote "no". My personal opinion was the same as that of nearly 98 per cent of the people in my constituency. The province of Quebec, by an overwhelming majority, refused to release the government from its given pledge.

But the plebiscite was hardly over when a bill was introduced in this house calling for conscription for service outside of Canada. We are told that this is the outcome of the plebiscite vote. This faltering explanation does not agree with the meaning given to the plebiscite by the Prime Minister himself, to wit that the question of conscription was not an issue. But suppose conscription had been the issue, how could the government feel released from their pledge when the very people to whom this pledge was given definitely refused to allow it? Thus spoke Quebec.

Bill No. 80 is intended to delete section 3 of the act. When that is done, compulsory military service for any theatre of war or, in other words, conscription for service outside of Canada will be the law of the land. But it is explained that conscription is not necessary now and that it may never be. For my part, I refuse to be led blindly in this direction on the question before the house.

The principle of this bill is the enforcement by order in council of conscription at any time it is deemed necessary to do so. But the people were given the solemn assurance that never would this measure be enforced without first consulting parliament. If section 3 is repealed never again will hon. members of this house have the opportunity of expressing their views on the question of conscription. I cannot agree to the principle of governing merely by order in council in a matter of such vital importance.

In opposing this bill, I am simply adhering to the political will of the great Canadian statesman who was Sir Wilfrid Laurier: "Ever against conscription." The original of this testament is in the hands of the right hon. Prime Minister who, in accepting Sir Wilfrid Laurier's successorship, pledged himself to respect it. For the last quarter of a century, every Liberal candidate received a copy of the political will of that great patriot and it was used as a guide to every speech made in all election campaigns. The repeal of section 3 would mean destroying this precious document. Never shall I have anything to do with the imperialists in the government and be a traitor to the memory of Laurier, and to my constituents who elected me on the basis of that platform.

To my mind, we have gone far enough along the lines of compulsion when we consider the size of our population. Since the voluntary system admittedly gives satisfactory results, why risk dividing irrevocably two main groups of Canadian citizens by passing a conscription measure for overseas service.

The voluntary system is already far from being such. Judging by the means employed to force our young men to enter either the active force or the war industries, I refer to the order prohibiting the employment of men between the ages of 17 and 45, which has seriously affected war production and may even have disrupted it in certain cases.

How is this problem to be solved? Where are we to look for a palliative? Female labour night and day? This is now being attempted. No public man, no citizen hav-

ing at heart the welfare of his fellow human beings and actuated by patriotic feelings can thus countenance the destruction of a whole race by ruining the health of its young girls. The factory girl of to-day is the mother of to-morrow and if she has to overwork herself, the very vitality of the race is threatened thereby. No doubt this will please Mr. Carson and his fellow-members of the Grand Lodge of Orange who view with alarm the "miracle of the cradles" in French Canada. But no one who is the least bit scrupulous will accept the responsibility for such a crime by either encouraging or tolerating night labour for young girls. I take the liberty of drawing the attention of the government to this matter.

Mr. Speaker, if, in spite of everything, we continue to long for the fullest cooperation, particularly with a view to national unity, knowing the price we have paid so far for that unity, it is for the sake of our native land and because we are of good heart. Because of this price we paid for national unity, I cannot allow it to be sabotaged and threatened with destruction through the enactment of conscription for overseas service.

If the question of the plebiscite had been squarely put to the Canadian people—"For or against conscription for overseas service"—one may well wonder if the result would have been the same. At a time when the enemy is sinking our ships in the St. Lawrence, attacking our Pacific coastline and landing troops on the North American continent, I wonder if there are still many Canadians who favour sending our best men overseas and running the risk of being unable to cope with the enemy's attack.

The French Canadian does not shirk from doing his share in our war effort and, despite the shameful innuendoes of a handful of Toronto imperialists, the province of Quebec is as anxious to win this war as any other province.

We can rightfully be proud of our war effort, and we shall further it with pride and patriotism, but let us be granted at least the right to safeguard a principle based primarily on the country's best interests and our home defence needs.

My own constituency set an example which might well have been followed in others reporting a majority of affirmative votes. Every appeal on behalf of war loans has met with the most gratifying response. Most of our quotas were oversubscribed to the extent of 140, 150 and 160 per cent, even though my own county of Drummond-Arthabaska is peopled entirely by farmers and labourers. It is no centre of great wealth and national revenue authorities would vainly seek there an opportunity of lining their coffers out of large income taxes. In the last Red Cross campaign, our objective was reached almost a whole week before the closing date.

In terms of military service, our cooperation has been no less full and unstinting. Our young men have readily responded to compulsory training and many of our volunteers are now fighting on all theatres of war. Some fifteen Drummondville youths were among the heroes of Hong Kong and, only recently, the county of Arthabaska lost three of its bravest young men, one of whom died on duty with the Canadian navy while the second, Sergeant-pilot Tourville, gloriously laid down his life in Libya, and the third, Pilot Dionne, lost his life in a flying accident. May I be allowed a word of tribute to the memory of those heroes and of gratitude and sympathy for their families.

All of which, Mr. Speaker, but serves to emphasize the fact that, in opposing conscription for overseas service, we have no wish to impede the country's war effort. On the contrary, we believe that, because it provides better soldiers, the voluntary system is likely to give better results.

Once again, I regret this lack of frankness toward my fellow citizens and deplore the breach of trust in the pledged word. To sum up briefly, I may say that I shall oppose Bill No. 80 and in so doing remain true to my word, comply with the views of my electors and serve my country by working for the preservation of national unity and better understanding between the two main ethnical groups in Canada.

On motion of Mr. Mulock the debate was adjourned.

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. J. L. ILSLEY (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, as we approach the end of a third year of war, we find ourselves in the midst of undertakings vaster than we ever hoped to assume for the defence of the world's freedom. We are surrounded by united nations more numerous and powerful

than we ever dared to expect to be allied with us. Our war programme is great and growing in size and effectiveness. More and more of our national strength is being absorbed into it. The programmes of the united nations are daily becoming more closely knit in mutual aid. Yet to-day it is bitterly plain that we have far to go before victory is in sight.

The financial task of facilitating and safeguarding these developments has also grown in size and difficulty, but in the record and plans disclosed in this fourth war-time budget speech, it has become simple and direct in principle, though increasingly difficult of execution.

I

ECONOMIC AND FINANCIAL REVIEW

The budget proposals which I shall present to the house necessarily grow out of the experience of the past and are shaped by what we know of the work ahead.

Let me first recall some of the economic and financial events and policies of the past fiscal year. It was marked by great shifts and increases in production, employment, income, and private spending. The prime movers in our war economy are, obviously, our sales of goods abroad and our own government expenditures.

Taking the twelve months to the end of March as a basis of comparison, our exports to the United Kingdom increased by 36 per cent, our exports to the United States by 41 per cent, our total exports by almost 50 per cent. In the face of restrictions abroad on non-essential buying and the use of transport facilities, these increases, much greater in amount than in any preceding year may be taken as evidence of our greatly enlarged contribution of war supplies and essential goods to allied and friendly countries.

For our own war programme, in the first quarter of this calendar year, our war direct expenditures were $500 million as compared with $275 million in the same months of last year, that is, more than 80 per cent higher.

General employment at the end of the fiscal year was up 22 per cent over the level of preceding March and employment in manufacturing was up 30 per cent. From the beginning of the war, employment in manufacturing has expanded by more than 80 per cent. Average weekly earnings of employees rose throughout the year. Retail sales at the close of the fiscal year were running about 20 per cent above the previous year's level, more than 50 per cent above the pre-war level, and showed few signs of slackening. Making allowance for the differences in prices, the quantity of goods being sold (aside from automobiles) appeared to be from 20 to 25 per cent above pre-war volume.

CONTROL OF PRICES, INCOMES AND SUPPLIES

As the year passed, numerous and marked shortages became apparent. The mounting war output of the united nations, greatly accelerated by the entry of the United States into the war, created scarcities of one strategic material after another. The widening of the area of conflict, the submarine menace on our coasts, and the loss of sources of supply in the far east shut off or reduced many imports on which we were accustomed to depend. The widening scope, the increasing speed of our own war programme, both in the armed services and in production, made heavy demands on our man-power until no one any longer denies the scarcity of labour. To these have been added shortage of power, congested transportation facilities, and widely ramifying limitations of productive capacity. It has been clear these many months that our economy is in the zone of full employment, a condition in which it is still possible to expand our programmes for production and the armed services but only if we are prepared to make careful and wise choices as to what is urgent, what is more urgent, and what we can do without.

This is not an unexpected nor wholly unwelcome situation. It was clearly forecast in the budget speech, which I delivered in September, 1939. For the most part, it is reassuring evidence that we, as well as other nations associated with us, have so set the scale of our war programme that it will engage our full strength and more than we knew we had.

A clear sign of developing scarcities was provided in the rapid rise in prices in the summer of 1941. By October, 1941, the index of wholesale prices had risen by approximately 22 points since the beginning of the war. Of that, 10 points of rise occurred in the four months of 1939 when our exchange rate changed and shipping rates increased. Of the remaining 12 points of rise, 8 occurred between March and October of 1941. In living costs, half the full rise of the war period occurred between March and October of 1941.

These accelerating changes in production, employment, supplies and prices produced by October of last year a situation which was substantially different in degree from that which could be discerned on April 29, 1941, when the budget of that year was presented

to the house. It was clear to the government that new fiscal measures, which could be adopted when parliament met, would be too late in effect and not sufficiently specific in application to meet the situation. It was, therefore, decided that direct controls should be established promptly over prices, wages and salaries, and that controls over production and supplies should be extended and made more rigorous.

The government's policy of over-all control on prices, wages, and salaries has already been discussed at length in the house. I would point out here four things: (1) the policy has in fact worked and has won support at home and admiration and emulation abroad; (2) though increases in some wage rates have been severely restricted, the earnings of labour have not been "frozen". On the contrary, depressed wage rates have been, and are being, adjusted by the war labour boards, while the Dominion Bureau of Statistics reports that for its sample of over a million and a half employees, weekly earnings per employee which reflect more continuous employment and overtime, increased nearly 8 per cent since October last. This increase in the average took place, despite the introduction of many women and other inexperienced production workers into industry; (3) the government by guaranteed prices, minimum prices, and export prices, which could not have been so high except for the terms of the War Appropriation (United Kingdom Financing) Act, and the intervention of the government, has contributed to a desired improvement in farm income while endeavouring to direct farm efforts to the most needed products. In the calendar year 1941, with relatively poor crops in many localities cash income from the sale of farm products was only 17 per cent below the income of 1928, the year of the biggest crops in our history. Good crops in 1942-43, with assured prices, will bring cash farm income close to the best records of Canadian agriculture. Excluding wheat, which has been in surplus supply since the beginning of the war and has required special measures, the prices of farm products on the average are now about 2 per cent above the level of 1926 and prices of animal products on the average are relatively still higher. Farmers are assured of these prices on a wide range of this season's crops, and will receive, by government action, higher prices than those on last year's crops for wheat, flax, soy beans, sugar beets and apples; (4) price and income control are essential weapons in combating inflation. They must be used, however, in close coordination with direct control of supplies and productive equipment, with direction and management of man-power, with consumer rationing, where necessary, and with fiscal policy. No one of these instruments is itself powerful and pervasive enough to do the whole job of directing our resources to the end desired.

Measures for the direct control of supplies multiplied during the year. The Minister of Munitions and Supply and the Wartime Prices and Trade Board have ordered the discontinuance or curtailment of manufacture of a large and growing number of non-essential products using metals and other scarce materials. Building construction and the installation of equipment, other than for war production, were more severely curtailed. The Wartime Prices and Trade Board is rapidly extending its orders on simplified practice to effect reductions in costs and provide the most ample supplies of essential products that the fundamental limitations will permit. Though dealers' stocks are large, it simply will not be possible during the present fiscal year for consumers to obtain the quantities of goods which they have been purchasing during the past year. Restrictions on civilian industry to save materials and man-power will unavoidably multiply. We need not anticipate severe hardship; the government will do all it can to ensure equitable distribution of essentials. There must be, however, rigorous economy in consumption if the necessary materials, productive capacity, and labour are to be available for the winning of the war.

PROVINCIAL TAX AGREEMENTS

Since the Dominion-Provincial Taxation Agreement Act has been debated and passed by parliament and the agreements tabled, I need do no more than remind the house of the tax agreements with the provinces. In my budget speech of April 29, 1941, the provincial governments were offered compensation in respect of personal and corporation income taxes and the guarantee of gasoline tax revenues, if they would vacate the personal and corporation income tax fields for the duration of the war. This offer was accepted by the provinces, and I should like to pay tribute to the patriotic and constructive spirit in which the provincial governments cooperated in bringing the long and involved negotiations to a successful conclusion. The effect is that I am now free to recommend such tax changes as appear to the government necessary and equitable, and parliament is free to enact such changes, knowing that persons and corporations affected will be paying the same tax on similar incomes in no matter what province they are located. These are war-time agreements, and their duration is limited, but they make a

great contribution to the possibility of an effective and equitable tax policy during the war.

STERLING AND DOLLAR EXCHANGE PROBLEMS

Concerning our exchange problems as they affect the finances of the past fiscal year, I need speak only briefly. In the last three budget speeches, they were dealt with at length because they then were to a degree separate problems requiring measures peculiar to them. They have now, by reason of events and measures taken, become merged with the general budget problem.

In introducing the resolutions on the War Appropriation (United Kingdom Financing) Act, on March 18 last, I explained fully the ways in which the government financed the United Kingdom's deficiency in Canadian dollars since the beginning of the war. During the fiscal year, 1941-42, the entire deficiency amounted to approximately $1,100 million and was financed by Canada. Of this total, slightly less than $48 million was financed by private repatriation of securities, gifts and other private transactions. Of the remaining $1,050 million, which required government financing, $365 million was financed by repatriation of government and government guaranteed dollar securities (including $223 million of the repatriation of $295 million provided for under the Act). The remaining sum, $685 million, represents sterling accumulated to our credit during the year. Such part of this as is not required for working balances, together with accumulations of $215 million prior to March 31, 1941, is being taken care of by the remainder of the $295 million repatriation, by the $700 million loan and to the extent of $76 million by a charge to the $1,000 million gift provided in the War Appropriation (United Kingdom Financing) Act.

This act, in addition to the real advantages and essential rightness of its principles which were recognized by the house, has the minor advantage of removing from our financial picture an element in our national finances, which was very confusing to the layman. For the fiscal year, 1942-43, the financing of the United Kingdom's deficiency in Canadian dollars will appear as an integral part of Canadian war expenditures.

I turn now to the problem of United States exchange which has occupied a good deal of attention since the beginning of the war and has required special legislation and administrative action from time to time. Our imports of war materials from the United States have increased from month to month; recorded imports from the United States for both war and non-war purposes during the past fiscal year amounted to over $1,100 million, the highest figure for any twelve-month period on record. Faced as we were with this growing need for United States dollars, our resources would not have been sufficient to meet the calls on them, had it not been for the Hyde park agreement, especially the sales of munitions of war to the government of the United States under it, and for the legislative and administrative steps taken to conserve United States exchange to which I have referred.

As I informed the house in introducing the United Kingdom War Appropriation Bill on March 18 this year, liquid reserves of gold and United States dollars held by the Foreign Exchange Control Board and the dominion government declined by $142 million during 1941. In the first quarter of 1942, there was a marked, though in part a temporary, improvement. As a result, the decline in our liquid reserves for the fiscal year 1941-42 was only about $50 million. This welcome change was due to two factors: purchases of Canadian securities by investors in the United States, a method of obtaining exchange which cannot be depended on for really substantial amounts in view of the limited supply of securities available in Canada payable in United States dollars; and payments for sales of munitions under the Hyde Park agreement including some substantial advance payments. While we have reason to believe that these sales will increase, as new contracts are arranged and as larger deliveries are made under existing contracts, the advance payments are, of course non-recurring.

The outlook for the fiscal year, 1942-43, is distinctly more cheerful than the results of the calendar year 1941. We cannot expect, however, the full improvement which took place from January to March to continue. Other unfavourable factors have entered the picture, particularly the adverse effect on the tourist trade of the necessary restrictions on the use of gasoline and rubber and the recent decline in newsprint exports. Nevertheless, I look forward with reasonable assurance to transactions under the Hyde Park agreement being sufficient to safeguard our exchange position during the present fiscal year. The various measures which we have taken since June, 1940, have been sufficient to restrict what I may call our "civilian imports" from non-sterling countries to limits well within our ability to pay. The uncontrollable item is imports for war purposes which for the calendar year 1942 it is estimated will total approximately $500 million, of which about

45 per cent is to supply the United Kingdom and other Empire countries and 55 per cent for our own needs. It is our estimate that were it not for the Hyde Park transactions almost the whole of this amount would be a net drain on our resources in United States dollars, or would be as long as we had any such resources left.

As matters stand, we are hopeful that the Hyde Park agreement will ensure our ability to purchase essential materials and war supplies in the United States to the full extent that that country is able to supply them. In effect, the agreement may be thought of as eliminating the dollar sign in our war-time transactions with the United States by providing a convenient technique for an exchange of raw materials and other components of war goods for the finished war supplies we are equipped to produce. By the collaboration of our good neighbour and ally, we hope to be able to meet our exchange requirements, which arise out of our need for war materials, in the way most effective for a nation at war, namely, by the provision of munitions of war for whichever of the united nations and whichever of the world's battle fronts require them most urgently.

This is a most desirable situation, but let it not be misunderstood. We are able to do this only as long as we continue to exercise care and prudence in our non-war transactions. The restrictions on pleasure travel have now been in force for nearly two years and it can be stated with assurance that these restrictions have saved us well over 100 million United States dollars since they were imposed. The amounts saved by the War Exchange Conservation Act are also very substantial. During the past fiscal year, it is likely that the savings under both these heads have amounted to in the neighbourhood of $130 million, about equally divided between the two items. In the light of these figures, it is fully apparent that these measures have played an essential part in the past and that we are not at present in a position to relax them.

GOVERNMENT ACCOUNTS AND FINANCING 1941-42

Against this background, I wish now, Mr. Speaker, to review the government accounts for the past fiscal year and report on the financing which has been carried out. Following the useful custom which has now been established, I shall only summarize the estimates of our revenues and expenditures, and, before I resume my seat, I shall table a White Paper which will include full information concerning these estimates. The house will recall that, though these estimates are close approximations to the final figures, the Public Accounts will not be available until towards the end of this calendar year.

REVENUES

Revenues are again very greatly increased, Our present estimate is that they will total $1,481 million, an increase over the previous year of $609 million, or approximately 70 per cent. This is some $34 million higher than I forecast in presenting the budget last year, and is nearly three times the Dominion's pre-war revenue.

Total tax revenues are now estimated at $1,360,915,000 as compared with $778 million in the preceding fiscal year. In contrast with previous years, direct taxes on incomes and profits made the largest contribution to this total. The graduated tax on personal incomes, the 18 per cent corporation tax and the special tax on dividends and interest produced $404 million, more than 80 per cent in excess of last year's yield. The national defence tax produced $107 million and the excess profits tax, for what was really its first full year of operation, as it is collected on the profits of the previous year, yielded $135 million.

Succession duties, first introduced in last year's budget, produced $7 million, a figure which gives little indication of the future revenue to be derived from this source.

Excise taxes, though no longer the largest source of revenue showed a greater increase than that for the preceding year, rising from $284 million to $453 million. The largest item in this group, the sales tax, at $236 million was $56 million or 31 per cent higher than the previous year. The other excise taxes including the new taxes imposed last year fully reached or exceeded the estimates of the last budget.

Excise duties yielded $110 million as compared with $89 million in the preceding year. Customs duties, as was expected, showed the smallest increase recorded during the year, from $131 million to $142 million.

Non-tax revenue, to which the largest contributor is the Post Office, is estimated to be $103 million. Special receipts and credits will be approximately $18 million.

EXPENDITURES

Turning to our expenditures, we now estimate that ordinary expenditures for 1941-42 were slightly under $444 million, about $53 million more than last year. Of this increase, $15 million is attributable to increased interest on the public debt, $10 million to increased cost of loan flotations and bond amortization, $21 million to compensation to the provinces under the tax agreements and $10 million to

the Unemployment Insurance Act. Other items of ordinary expenditure are slightly reduced. Capital expenditures at $3,357,000 were about the same as the previous year. The category of so-called special expenditures, which includes the costs of unemployment and agricultural relief, Prairie Farm Assistance Act, wheat acreage reduction payments, and prairie farm income payments will, it is estimated, show expenditures of $62,879,000. Expenditures for relief and works projects have fallen to small figures, but payments under the Prairie Farm Assistance Act, the wheat acreage reduction and the prairie farm income payments have offset this decrease and occasioned an increase of $20 million in the total. To meet deficits resulting from the operations of the Canadian Wheat Board, which had not been previously provided for, $12,571,000 has been placed in reserve.

In 1940-41, government-owned enterprises required $18 million. In 1941-42, because of the immense increase in railway earnings, this was reduced to $1,215,000, only the Prince Edward Island car ferry and terminals and the National Harbours Board requiring such expenditures.

In the last budget, I estimated that war expenditures for 1941-42 would be between $1,300,000,000 and $1,450,000,000. It is now estimated that they will be $1,351,553,000, excluding outlays of $42,480,000 charged to active assets. This compares with $752 million spent in the preceding year.

OVER-ALL DEFICIT

Adding to the amounts, which I have given, miscellaneous other charges representing chiefly write-down of assets, we get an aggregate expenditure for the year 1941-42 of $1,894,966,000, an amount more than 50 per cent higher than the expenditures of 1940-41, viz., $1,250 million. Deduction of total revenues of $1,481,285,000 gives $413,681,000 as the over-all deficit or increase in the direct net debt, which on March 31, 1942, was approximately $4,062,372,000. I estimated last year that we would pay between 73 and 79 per cent of our direct expenditures out of revenue. It now appears that we will have paid 78 per cent.

On March 31, 1942, the outstanding unmatured funded debt (including treasury bills) was $5,866,071,000 on which the average rate of interest was 2·90 per cent as compared with 3·06 per cent a year previously. In addition, there were outstanding bonds and debentures bearing the guarantee of the Dominion to the amount of $818,842,000, a decrease of $165 million during the fiscal year.

BORROWINGS

Total borrowings during the year, excluding debentures of over $33 million reissued to the western provinces in continuation of the school lands settlement, amounted to approximately $2,424 million. Of this total, $1,834 million was borrowed from the public in the two victory loans; $85,294,000 represents the sale of war savings certificates and stamps; $4,553,000 non-interest bearing certificates; $10,000,000 was borrowed in New York for refunding; $450 million was borrowed from the Bank of Canada and the chartered banks, replacing issues of identical amounts held by them and which matured during the year; the remainder, $40,000,000, is the increase in treasury bills outstanding during the year. Thus, aside from the increase in treasury bills, there was no new direct borrowing from the Bank of Canada or the chartered banks during the year.

DEBT

Dominion of Canada direct obligations in the amount of $931,042,000 (excluding school lands debentures) were redeemed during 1941-42, leaving net borrowings for the year of $1,493,000,000. This sum was used to meet the over-all deficit of $413,681,000, to advance $400 million to the Foreign Exchange Control Board, for use in financing the sterling area's Canadian-dollar deficit, to advance $252 million to the Canadian National Railways (nearly all of which was used to effect a redemption of railway securities), and the remainder ($427 million) to make various other advances and raise the working balances of the government.

To obtain from the people of this country loans to the amount of $1,673 million (allowing for the redemption of securities in New York and London), to obtain from the people and corporations of this country such an amount after they had contributed nearly $1,500 million in revenue is a great financial achievement. It reflects the willingness of Canadians to do what is necessary in finance as in other fields to resolve this conflict in complete victory. It is an achievement which reflects the greatest credit on the National War Finance Committee and on the campaigns which it has so successfully carried out for the sale of war savings certificates and stamps and victory bonds. To them, to the press, radio, and other agencies, which have made special contributions to this success, and to the thousands of workers who cooperated in the campaigns, the government and the people of this country are grateful.

Our whole financial record for 1941-42 is an achievement but I wish to add a word of

warning. When we say that 78 per cent of our expenditures was paid out of revenues we are perfectly correct by the principles of bookkeeping, but the figure is open to misconstruction. In addition to our expenditures, we must take account of the financing of the United Kingdom. It was necessary during the year for the government to find approximately $1,050 million for this purpose. In exchange for the Canadian dollars transferred to the United Kingdom, we acquired assets, certain Canadian government obligations held in London and sterling balances which have now been converted into the $700,000,000 loan. Since we acquired assets, the accountants are quite correct in classifying these outlays as investments. But just as an individual faces the same immediate financial problem in finding $100 whether it is to be used to pay for the winter's coal, buy a government bond or make a gift to his son, so the immediate financial and economic problem of our financing of United Kingdom purchases has been the same as that of our own war expenditures. We must realize that though it is correct to say that in 1941-42 we paid 78 per cent of our expenditures out of revenue, the significant thing to say is that we paid just over 50 per cent of our expenditures and war advances out of revenue.

Further, we must not be misled by our achievements in borrowing from the public and the corporations. The conditions, under which a government may most easily borrow from its people and have its loans always oversubscribed, are the conditions in which there is a considerable inflation of incomes and of bank balances. The government is committed to a policy of "pay as you go as far as it may be practicable"; it has set its face against distributing the cost of war through the medium of inflation. We must bear in mind that if it is easy for some of the people of this country to lend, easy for the government to borrow, there is a presumption, unless most of the opportunities for expenditure have been blocked, that we are falling short of our declared policy. I shall have occasion to say something further on this subject a little later.

II

BUDGET FORECAST 1942-43 AND PROPOSALS

So much for the past. I have given a brief, and, I hope, lucid account of the financial policies of the past year and the results of the budget of 1941-42. I realize, however, that the house has a greater interest in the estimates of our expenditures for the new fiscal year and in the measures and policies we propose to meet these expenditures.

ESTIMATE OF EXPENDITURES

For the fiscal ending March 31, 1943, the house has before it estimates of non-war expenditure amounting to $455 million. To this will have to be added supplementary and possibly further supplementary estimates, including about $20 million to provide for payments under the Wheat Acreage Reduction Act, and perhaps amounting altogether to, say, $30 million.

The Dominion-Provincial Taxation Agreement Act provides for payments to the provinces of $84,428,000. This does not include any payments which it may be necessary to make as a result of the guarantee of provincial gasoline tax revenue. However, any amount which will fall due on this guarantee in the present fiscal year is likely to be small.

It will be recalled that the War Appropriation Act makes provision for war expenditures of $2,000 million. In the early years of the war actual expenditures were likely to fall short of estimates. At this stage, they are more likely to reach or exceed the estimates and I may have to ask the house for an additional appropriation at a later date. Indeed, as I pointed out to the house in March, though the total appropriation requested was $2,000 million, the individual items in the estimates, submitted by the departments at that time, totalled $2,200 million.

The War Appropriation (United Kingdom Financing) Act provides for expenditures of $1,000 million to furnish food, raw materials, and munitions of war to the United Kingdom. Of this amount, the sum of $76 million was used to purchase sterling accumulated during the month of March and this sum logically, and as intended, should have been charged to expenditures for the year 1941-42. It was, however, impossible to determine the amount and effect the necessary accounting entries before April 30, the last date on which charges could be taken into the accounts for the last fiscal year. While the gift to the United Kingdom is limited to $1,000 million, it already appears likely that ways and means will have to be found to finance further shipments before March 31, 1943.

Adding these estimates together, we arrive at a total of $3,570 million. In view of the considerations I have mentioned, the figure is likely to be exceeded. I feel, therefore, that it would not be safe nor fair to the house and the people of Canada to make financial plans for less than expenditures of $3,900 million.

ESTIMATE OF REVENUE

To meet these requirements, it is estimated that with present taxes and tax rates, our total ordinary revenues for the fiscal year 1942-43 will be approximately $1,672 million. The following statement shows how the estimate is made up and, for comparative purposes, the estimated yields for 1941-42:

	1942-43 (millions)	1941-42 (millions)
Customs duties	$ 135	$ 142
Excise duties	123	110
Sales tax	218	236
War exchange tax	95	101
Other excise taxes	85	116
Income taxes—		
Personal	240	190
Corporate	200	186
Interest and dividends	28	28
National defence tax	150	107
Excess profits tax	275	135
Succession duties	15	7
Miscellaneous	3	3
	$1,567	$1,361
Non-tax revenue	105	103
Total ordinary revenue	$1,672	$1,463

It will be noted that we anticipate substantial increases in revenues from national defence tax and personal income tax and a very large increase in the yield of the excess profits tax. These will result from increases in incomes and the application of the rates of the 1941 budget to incomes for a full year. We also look for a sizable increase from excise duties. We anticipate that the yields of the sales tax, the war exchange tax, and other commodity taxes will decline by about $55 million since a large number of goods subject to tax will not be available in the quantities purchased last year and inventories being used up will have already been taxed. Obviously, the amount of such decreases is very hard to estimate with accuracy. The figures which I have given are the most careful guesses which we have been able to achieve.

THE FINANCIAL TASK

Expenditures of $3,900 million and revenues of $1,672 million will leave an apparent deficit of $2,228 million to be covered by new taxes and borrowing. On the basis of these estimates, we should be paying less than 43 per cent of our expenditures out of revenue. To make a comparison with last year, we can exclude the United Kingdom financing and reach a deficit of $1,228 million as compared with $414 million as estimated for the past fiscal year.

Last year, I referred to the financial requirements of 1941-42, which were difficult to define clearly, as "staggering." Confronted now with much larger requirements, set out as the simplest of sums in arithmetic, I must perforce drop all adjectives and try to state, as clearly as one who isn't a prophet may state, what they mean in terms of the future.

During the last fiscal year, we appeared to achieve the impossible. Rough estimates indicate that we increased the dollar value of our national output of goods and services by nearly 25 per cent, (bringing the increase during the war to about 80 per cent), but we increased our expenditures on war (including expenditures for United Kingdom purchases) by a greater absolute amount. One might have expected that this would necessitate reduced expenditures for private consumption. On the contrary, estimates indicate that expenditures for private consumption were substantially increased. Our own observation confirms this.

The explanation of this seeming paradox is twofold. On the side of goods and services, some of the goods, which were purchased last year, did not come out of our own current output. Apparently, we reduced our inventories somewhat during the fiscal year, and ended the year with lower stocks on hand than we had at the beginning, having used more than we produced in the interval. We did not maintain our capital equipment by expending on repairs and replacements the full depreciation charged as an expense. Shortage of materials, in many cases, made such maintenance impossible. We did not pay for all our imports from the United States out of current production. Decline in our reserves of United States funds and imports of capital provided in the neighbourhood of $200 million of imports paid for out of capital not out of income.

On the side of money, not all the funds which the government acquired by taxation and borrowing came out of income, even out of gross income. A substantial amount, in fact, came in this the first year in which really big bond-selling campaigns were carried on, from idle bank balances or directly or indirectly from private bank loans. We obtained from an increase in our treasury bill issues $40 million.

As I read the experience of the past fiscal year, we were not able to draw enough goods from sources other than our current output to match the idle balances and bank credit which were drawn into the treasury and paid out again in incomes. Of the $1,673 million which we borrowed from the people of this country, by no means all could have come out of current saving. This, and similar situations in countries with which we trade, together with the insatiable demands of war for goods and services, occasioned the rapid rise of prices last

summer, and, but for the prompt action of the government in imposing drastic restrictions on prices and incomes, would have led to a further and disastrous inflation.

In the present year, we must and can again increase our total output but by no such amount as was added to it last year. Shortages of materials are daily growing more stringent. Scarcities of power, transport facilities and labour have placed narrow limits on the production of almost everything. The need for war production, and it is only too apparent how urgent that need is this year, will absorb all our capacity to expand output and more.

Looking at the problem from the side of goods and services, we shall not be able to obtain substantial imports from the United States without paying for them out of current output, for we expect to meet, or nearly meet, our exchange problem by deliveries of goods under the Hyde Park agreement. We can probably again draw on inventories of civilian goods but by how much I do not know, for information as to inventories is very deficient. Deferred maintenance and replacement must again contribute a substantial sum. Making allowances for these sources outside of current output, the conclusion is inescapable that industry will not be able to supply goods for civilian consumption and private investment on the scale of last year.

Looking at money income, the conclusion is the same. Increased government expenditures of the amounts which I have given will, with present rates of taxation, leave in the hands of persons and corporations spendable income far in excess of what can be matched at current prices by goods and services. In our borrowing, it would be dangerous folly to depend on the investment of idle balances. Even if we needed to borrow from the public no more than we borrowed last year, there must be a very substantial increase in current saving.

It is a most difficult task to deal with sums of the magnitude involved here. It is an even more difficult and sobering experience to reach decisions affecting such large fractions of the incomes of our people. I have given the most careful and earnest consideration to the problem confronting us, and have inevitably come to the clear decision that my proposals in this budget must include measures to increase our revenues within the fiscal year substantially, at least to the point where our dependence on borrowing will be more nearly within the limits of our current saving; they must provide for increased saving, both corporate and personal; they must include also measures to ensure that the task of contributing to the required increase in current saving is more widely and equitably distributed.

These fiscal measures are necessary if we are to follow honestly our declared policy to pay as we go in so far as it is practicable. They are necessary if our war debt is not to create post-war difficulties. It is not the size of the debt that is a matter of chief concern for after all it is an obligation of the people of Canada through their government to the people of Canada. Rather, we are concerned about the distribution of it. It is a matter of the first importance that those who have the right to receive payments on government obligations shall be those who will use the repayments to provide needed improvements in their standard of living, maintain themselves against insecurity, and contribute to the improvement of our productive equipment.

These fiscal measures are necessary also to success in our four-front battle against inflation. The price ceiling, control and rationing of supplies, the direction of man-power, and fiscal policy are complementary, not alternative measures. The offensive must be maintained on all four fronts. No one front can be held unless the others are held. The price ceiling, a sound policy which is being administered with great courage and imagination, cannot itself defeat inflation. If I may venture another military metaphor, it can prevent the enemy from winning by infiltration.

PERSONAL INCOME TAXES

From what has been said it is evident that fiscal necessity forces us to look again to the income tax on individuals, or some similar device, for a large amount of additional funds. In devising measures to meet this need I have had to keep in mind three other important considerations—the need for equity, for incentive, and for savings.

As regards equity, I am sure we all agree that the income tax on individuals is the fairest method of taxation. By and large, a person's income is the best single measure of his taxable capacity, particularly when we take into account the number of persons dependent on him. It is by no means a perfect measure, however, and as we increase the rates to higher levels we must attempt to take into account other factors affecting ability to pay. Therefore I have several suggestions to put forward in a few minutes, intended to take into account additional special circumstances affecting ability to pay.

The problem in regard to incentive is less easy to assess but more fundamental and therefore more difficult to overcome. A pro-

gressive income tax must of necessity take more out of an additional dollar of earnings than it does out of the average dollar of earnings. Consequently it must bear heavily on additional income earned through extra effort or efficiency. There is a danger that high progressive rates of income tax may interfere with the incentive for harder and better work for efficient production. We can and must rely upon other than economic motives to a large extent these days. Nevertheless we cannot afford to dispense entirely with the incentive of improved earnings as a stimulus in the continual week-in, week-out production work of the nation at a time when production is of vital importance. I have endeavoured therefore, to frame these income tax measures so as to preserve as much as possible of the earnings incentive for the great majority of the working population.

The third consideration is the need to ensure that the increase in taxes is reflected in a decrease in expenditures and not in reduced saving. There would be little net gain if the putting into effect of higher income tax rates resulted in a corresponding decline in saving. It is vitally necessary that, while tax revenues increase, the flow of savings into the treasury shall also increase greatly.

Equity, incentive, and the encouragement of saving—these are the considerations which I have kept in mind, but fiscal necessity and the rude facts of war press us hard.

In order to obtain the increased yield from income tax which is required, I am proposing that we combine the present national defence tax and the graduated income tax into a single assessment to be collected as far as possible by deduction at the source, or, where that is impracticable, by a compulsory instalment plan. This total assessment will consist in part of a flat rate tax on the total income like the present national defence tax, and in part of a steeply graduated tax at substantially higher rates than the present. It will be assessed in respect of incomes of the calendar year 1942, but will be collected and payable over the twelve months from September 1 of this year to August 31 of next year. Returns are to be filed, as at present, on or before March 31. National defence tax already deducted from 1942 incomes will be credited toward the total payable under the new tax; this will afford considerable alleviation of the immediate burden for those in the lower brackets.

As at present, single persons with incomes of less than $660 per year and married persons with less than $1,200 a year will be exempt from tax, and the tax will not reduce incomes below these starting points. The flat rate tax corresponding to the present national defence tax, will be at the rate of 7 per cent for married persons, and at the same rate for single persons with incomes not exceeding $1,800; it will be 8 per cent on single persons with incomes exceeding $1,800 but not exceeding $3,000, and 9 per cent on single persons with incomes exceeding $3,000. The allowance of $20 for a child under the national defence tax has been increased to $28 for this flat rate tax—that is, in direct proportion to the increase in the rate. It will be noted that the differentiation between the single and married in the rate of tax comes more gradually and at a higher income than in the present national defence tax; the effect of this on the relative tax payable will be more than counterbalanced in the brackets between $1,200 per year and $3,000 by the changes in the graduated tax and by other means to be noted in a moment.

The changes in the graduated tax are more complicated. In place of the present exemptions of $750 for single persons, $1,500 for married persons and $400 for each child, we are shifting over to a single basic exemption of $660—which is also the present starting point for national defence tax—and a flat allowance off the tax for married persons and for children. Married persons will deduct $150 from the graduated tax, and the allowance for children (or other dependents) will be $80 each. These figures were reached by taking the present exemptions of $750 for a wife and $400 for a child and evaluating them in terms of a tax saving at the rate of 20 per cent, which is not the lowest rate of the present graduated tax, but the rate in the second thousand of taxable income. In effect, therefore, we are "freezing" the value of these present exemptions at about the amount they have been worth to a taxpayer having an income of around $2,500 or $3,000. This, I believe to be a better way of increasing the tax on persons with families than reducing the current exemptions, particularly under present circumstances when other changes are being made which will have the effect of widening the difference between the levies on the single, the married, and those with children.

The proposed rates of the graduated tax are set forth in detail in the resolution. They are substantially higher than the present rates. The first thousand dollars of net taxable income (i.e., after the exemptions are deducted) is now taxed at the rate of 15 per cent. Under the new schedule the first $500 is to be subject to a rate of 30 per

cent, the next $500 to 33 per cent, and the following $1,000 to a rate of 37 per cent—compared with the 20 per cent rate on the second thousand in the present schedule. I shall give a number of examples in a moment to illustrate the effects of these increases.

These new rates, together with the changes in exemptions and allowances, will increase very substantially the amounts to be obtained from taxpayers, although they will not impose taxes on any who would not be liable for taxes under present rates and exemptions. For example, these new rates would require from a married man without children and having an income of $3,000 a year a total of $884, in place of the amount of $400 under the present law. While the total yield these rates will produce is still something short of the amounts we should like to obtain and therefore they cannot be considered more than enough from the point of view of our war requirements, they place such a severe burden upon many taxpayers that I believe we must now be prepared to make certain new types of adjustments in order to meet the considerations which I mentioned a few moments ago—considerations of equity, incentive and savings.

One type of special provision which I am suggesting, although not the most important, is to permit an exemption from taxable income in respect of unusually large medical or hospital expenses which a taxpayer has had to meet during the year out of the income on which he is being taxed. This will take the form of permitting as a deduction from income, for the purpose of calculating tax, amounts spent by the taxpayer during the tax year on medical, dental, hospital and nursing services to the extent that these exceed 5 per cent of the taxpayer's income. A limit is to be set on the amounts that may be claimed in this way, of $400 for one taxpayer, plus $200 for his wife and $100 for each child, up to a maximum of $1,000. I should point out that while a family of five, for example, is more likely to have a large excess of these expenses in any year than a single person, it is not likely to have five times the amount for it is not to be expected that all five will be subject to serious illness or accident in the same year. I may say by way of explanation of the 5 per cent that studies of family expenditure indicate that the average expenditure on medical services, et cetera, are in the neighbourhood of 4 or 5 per cent of income, and we desire only to provide exemption for those who have more than average expenditures of this kind. Those claiming this exemption will be required to submit evidence that these payments have, in fact, been made in respect of services received by the taxpayer or his dependents within a specified period.

REFUNDABLE TAX

The second and most important type of alleviation I wish to recommend in order to render equitable the increased rates which I have outlined involves a substantial innovation in our tax machinery. I am proposing to make a portion of the increased tax refundable within a specified period after the war, with accrued interest at 2 per cent. This portion of the assessment on his income will therefore constitute a form of savings for the taxpayer, rather than simply a tax. This saving will be a part of the taxpayer's war-time earnings, kept for him until after the war, when it can be spent to better advantage. By means of this principle we are able to meet our immediate fiscal needs to a substantial degree without endangering the incentive afforded by the possibility of higher earnings for more and better work. In the case of those with incomes in the lowest brackets subject to tax, the refundable portion will be greater than the increase in the total taken, so that the net tax on these lower paid groups will be somewhat lighter than at present, although they will be required to provide a fair share of the increased total assessment.

This refundable portion of the tax we may term a "minimum savings requirement". It will ensure that the taxpayer not only pays his taxes but saves a certain minimum amount, dependent on his income, his tax, and his family responsibilities. In general, it will be collected in the same way and at the same time as the income tax. Allowance is to be made, however, in this refundable portion of the tax for certain types of savings already being made by the taxpayer under contract, which the taxpayer cannot cease making without substantial loss or danger. Payments made by the taxpayer within the tax years as net premiums on life insurance contracts in force to-day, or as principal payments on a mortgage on one residence, or

as payments into a pension fund, retirement fund or superannuation fund, will be accepted as an alternative to the liability to turn over funds directly to the treasury as part of the minimum savings requirement. These alternative types of savings cannot readily be drawn upon during the war, and of course to the extent they are drawn upon in any year, they cannot be included. The use of funds for these purposes by the taxpayer does not compete with war requirements for goods or services, nor add to the problems of price control and rationing, as does the use of funds for expenditure. By permitting these savings under existing contracts to be counted a part of the minimum savings requirements, we are able to ensure that everyone saves the minimum amount without creating hardship for those who have contracted to save substantial amounts by means of life insurance, mortgage payments or pension funds.

Let me emphasize clearly that this minimum of savings to be required of all does not release any of us from the obligation to save as much as is humanly possible in addition to this, and to invest it in war savings certificates or victory loans. We are not substituting compulsory for voluntary savings. On the contrary, we must secure a very large increase in voluntary savings from individuals this year, in addition to the minimum savings now to be required by law. The figures I shall give in a few minutes of the amount we shall have to borrow in addition to the revenue to be obtained from existing and increased taxes will make it quite evident that savings must greatly increase.

There is no doubt that Canadians as a whole have the financial means to make such savings. Under the pressure of vast war expenditures their aggregate income is reaching levels which would have seemed impossible a few years ago or even in the palmy days of 1929. Under the measures being proposed we are going as far as we feel we can to ensure a reasonable minimum degree of equity in respect of war saving. But the great majority of Canadians can save more than this basic minimum, and some can save very much more. I have in mind, for instance, family groups whose total income has increased very substantially because of the war. Under a fiscal system which is based on the individual rather than the family as a unit, the full mobilization of possible savings by such groups can only take place on the voluntary principle.

It is therefore clear that the National War Finance Committee, which directs our savings campaigns, has an even bigger and more difficult job to do than it has had in the past. The magnitude and the character of its task is such that the committee does not believe it can succeed unless it becomes to an even greater extent than it is now a people's organization. Success will depend upon the extent to which it can draw upon every group in the community for men and women who will help in planning its activities as well as in carrying them out, and organization is now proceeding with this end in view.

The taxes and minimum savings required from persons with various incomes are illustrated in a table which I would like to place on *Hansard* at this point, with the consent of the house.

The table gives the figures for single persons, married persons without children and married persons with two children, for selected incomes from the exemption limits up to high figures. The amount of tax payable at current rates, including national defence tax, is shown for the purpose of comparison:

TABLE ILLUSTRATING EFFECT OF PROPOSED INCOME TAX RATES WITH REFUNDABLE FEATURE

(Amounts shown in even dollars for purposes of illustration)

Annual Income	Tax at Present Rates	Proposed Increase in Tax Alone	Tax at Proposed New Rates	Refundable Portion, or Minimum Savings Requirement	Total, i.e., New Tax plus Refundable Portion or Minimum Savings Requirement
Single Persons, Without Dependents					
700	35	−15	20	20	40
850	57	1	58	58	116
1,000	87	5	92	80	172
1,250	162	5	167	100	267
1,500	217	30	247	120	367
1,750	273	58	331	140	471
2,000	340	101	441	160	601
2,500	475	151	626	200	826
3,000	622	202	824	240	1,064
4,000	955	319	1,274	320	1,594
5,000	1,332	396	1,728	400	2,128
7,500	2,400	570	2,970	600	3,570
10,000	3,600	712	4,312	800	5,112
20,000	9,105	1,924	11,029	800	11,829
30,000	15,082	3,314	18,396	800	19,196
50,000	28,392	6,511	34,903	800	35,703
100,000	64,347	15,990	80,337	800	81,137
500,000	411,720	60,584	472,304	800	473,104
Married Persons, Without Children					
1,250	50	−25	25	25	50
1,300	65	−15	50	50	100
1,500	75	34	109	108	217
1,750	125	36	161	160	321
2,000	175	56	231	200	431
2,250	225	91	316	225	541
2,500	275	126	401	250	651
3,000	400	184	584	300	884
,000	675	289	964	400	1,364
5,000	1,000	378	1,378	500	1,878
7,500	1,965	555	2,520	750	3,270
10,000	3,080	682	3,762	1,000	4,762
20,000	8,330	1,949	10,279	1,000	11,279
30,000	14,085	3,361	17,446	1,000	18,446
50,000	26,965	6,588	33,553	1,000	34,553
100,000	61,875	16,112	77,987	1,000	78,987
500,000	401,120	60,834	461,954	1,000	462,954

TABLE ILLUSTRATING EFFECT OF PROPOSED INCOME TAX RATES WITH REFUNDABLE FEATURE—*Concluded*

(Amounts shown in even dollars for purposes of illustration)

Annual Income	Tax at Present Rates	Proposed Increase in Tax Alone	Tax at Proposed New Rates	Refundable Portion, or Minimum Savings Requirement	Total, i.e., New Tax plus Refundable Portion or Minimum Savings Requirement
MARRIED PERSONS, WITH 2 CHILDREN					
1,250	22	−6	16	16	32
1,300	25	−7	18	17	35
1,400	30	−9	21	21	42
1,500	35	−10	25	24	49
1,750	48	5	53	52	105
2,000	60	47	107	108	215
2,250	73	90	163	162	325
2,500	115	102	217	218	435
3,000	215	119	334	334	668
4,000	450	218	668	480	1,148
5,000	735	327	1,062	600	1,662
7,500	1,637	517	2,154	900	3,054
10,000	2,710	636	3,346	1,200	4,546
20,000	7,890	1,973	9,863	1,200	11,063
30,000	13,621	3,409	17,030	1,200	18,230
50,000	26,437	6,700	33,137	1,200	34,337
100,000	61,299	16,272	77,571	1,200	78,771
500,000	400,408	61,130	461,538	1,200	462,738

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.

Let me give a few examples from the table. A married man without children and with an income of $2,000 a year is liable under the present law for a tax of $175. Under the rates proposed he would be liable for a total amount of $431, of which $231 would be tax and $200 would be his minimum savings requirement to be refunded after the war, with interest. A single man with the same income would be paying $340 under the present rates, and would pay a total of $601 under the new rates, of which $160 would be refundable and $441 would be tax. A single man with an income of $1,000 is at present rates subject to a tax of $87.50, and at the new rates would be subject to a tax of $92—only a slight increase—and as well to a minimum savings requirement of $80. Going up to the middle income brackets, a married man without children, earning $4,000 a year, who is subject to a tax of $675 at present rates, would under the new rates be liable for a tax of $964, and, in addition, for a minimum savings requirement of $400. If he had two dependent children, the tax liability would be only $668, compared with $450 at present, and the refundable portion of the total assessment would be $480, making a total of $1,148. A married man with two children and an income of $1,500 is at present liable for a national defence tax of $35. Under the new plan his tax liability would be reduced to $24.50, and he would have a minium savings requirement of an equal amount. I should point out that in many of these cases at least a portion of the minimum savings requirement will undoubtedly be met by the contractual savings already being made by the taxpayer in the form of life insurance premiums or pension fund deductions from wages or salaries.

It will be noted that on the amount of any income in excess of $100,000, the rate of graduated tax is 85 per cent to which, of course, must be added the flat rate tax of 7 per cent for married persons and 9 per cent for single persons. In addition to this we must

add the 4 per cent surtax on investment income, since any income in excess of $100,000 is almost certain to be investment income in this country.

Therefore we have an effective top rate of tax of 96 per cent for married persons and 98 per cent for single persons. This leaves what for such persons will amount to only a token residual of 2 per cent or 4 per cent. The effect of these rates will be that while a married person with a $100,000 income, of which $30,000 is earned income, will be left with about $21,000, another having a total income of $500,000 will be left with about $37,000.

I have considered the suggestion that a maximum level should be set for net income after tax—that we should place a "roof," so to speak, on what a person may be allowed to retain, whatever his actual income may be. In the United States, where there is an awkward problem arising from the existence of large incomes from tax-exempt securities, there may be some special need for legislation of this character. In this country, however, there would be no substantial amount of revenue to be gained from imposing a 100 per cent top rate rather than the 98 per cent rate I am proposing. There may be some political allurement in the principle of establishing by legislation an absolute limit on personal incomes, instead of adhering to the principles of progressive taxation even though at very high rates. I can only say that there have been too many difficult and far-reaching decisions to be made in framing this budget for me to give any consideration to its political adornment.

I would estimate the yield of the present income tax, including national defence tax, for a full year at the present rates on the current level of incomes, at about $410 million. The increase in rates, and changes in exemptions, which are proposed would, I believe, yield an additional $115 million in a full year in the form of tax revenue proper. It would also impose a minimum savings requirement of about $250 million in addition, but we must expect a very substantial portion of this to be met by the alternative contractual forms of saving, leaving possibly $125 million as the yield of refundable taxes. I am not including this refundable tax with the estimates of revenue, however, as it is properly regarded as borrowing rather than revenue.

COLLECTION AT SOURCE

I mentioned that it was proposed to collect as much as possible of the new tax at the source or by a compulsory instalment plan.

[Mr. Ilsley.]

The instalment plans that have been in effect on a voluntary basis for the last two years have been welcomed by many, but they have been used by only a minority of taxpayers. With the higher rates now being put into effect, including the refundable portion of the tax, it is obvious that the income tax is something for which almost everyone subject to it must budget the year round. From the national point of view, it is necessary that these higher rates should be reflected in reduced spending power as soon as reasonably possible, and regularly thereafter rather than in fits and starts. Consequently it is proposed to commence in September of this year to deduct at the source as much as is practicable of the new income tax rates, including the refundable portion. It will not be administratively possible to deduct 100 per cent of the tax liability as is the case with the national defence tax in some cases, but we shall aim at something like 85 per cent or 90 per cent, leaving only a moderate remainder to be paid when the return is filed. During the first four months the deductions will not be on the full scale that will be in effect from January 1943 to August of that year, but will be at an intermediate level between that and the present national defence tax level, in order to give taxpayers an opportunity to adjust themselves to the change. As I have noted, the national defence tax deducted during the first 8 months of 1942 will be credited against the tax payable on 1942 incomes, and this will be reflected in the scale of the deductions, particularly in the first four months.

The actual details of the deduction plans remain to be worked out and are not provided for in the resolution that I am moving. In general, it is expected that employers will be asked to deduct specified amounts from employees of a specified family status within a specified earnings range. Thus, for example, it may be that for married employees without children earning between, say $33 and $36 per week, the employer will be asked to deduct, say, $5.50 a week to be forwarded to the income tax office and to be credited to the employee's tax liability and minimum savings requirements. Tables will have to be prepared showing the amounts to be deducted for various wage and salary ranges for single and married persons and so forth. It is believed that though the amounts to be deducted by employers will be much greater, the work of calculating and recording will not be greatly increased. Deductions will be based upon the income of the pay period against which they are made. It will be necessary for each taxpayer to meet any excess of his tax and savings liability over the amounts

actually deducted during the twelve months of deductions or to claim a refund in case of over-deductions.

It will obviously not be possible to deduct the major part of the tax at the source on all forms of income. It is therefore proposed that those persons having incomes in such forms as are not subject to deduction at the source shall be required to pay their taxes and their minimum savings requirements on a compulsory instalment plan extending over the same period as the deductions from other incomes. For this purpose it will be necessary to provide for only four instalments rather than twelve in order to reduce the administrative work involved in such frequent payments.

The collection of most of the income tax at the source, beginning in September, and the compulsory use of the instalment plan of payment for those types of income where the tax is not deducted at the source, would have the effect of increasing the amount of income tax to be received in the current fiscal year, but this effect is offset by the fact that the national defence tax deducted during the first eight months of 1942 will apply toward the payment of the new total tax, and part of the revenue from these national defence tax deductions has already been taken into last year's accounts. As a consequence of the several factors affecting the time of payment, as well as the changes in rates and exemptions, it is estimated that we shall receive from income tax on individuals, including deductions for national defence tax, a total of $435 million in this fiscal year, which amounts to an increase of $45 million over the figure I gave a few minutes ago for the potential yield this year of income tax and national defence tax under the existing law. These figures do not include the portion of the tax which will be refundable; we might expect $140 million of refundable tax or minimum savings requirement during the fiscal year, but a large portion of this—we may say $70 million—is likely to be accounted for in the alternative forms of contractual saving.

There are some minor changes proposed in the personal income tax which I will mention only briefly. I am proposing that the age up to which children may normally be claimed as dependents should be reduced from the twenty-first birthday to the eighteenth birthday except in cases where the child is attending school or college. Under present circumstances all able-bodied persons of eighteen years of age or over should, I believe, be engaged in some useful work or service unless they are completing their education, and consequently children of this age should no longer be presumed to be dependent on their parents. Those dependent by reason of physical or mental infirmity will, of course, continue to be regarded as dependent for the purpose of income tax, irrespective of age.

For those at the other end of their working lives I am proposing some alleviation by providing that anyone over the age of 65 years shall not be liable for the minimum savings requirement, if their incomes do not exceed $3,000 per year. Old persons with small incomes cannot reasonably be forced to save a substantial amount for a future which they may not live to enjoy. I would hope, however, that a large proportion of those entitled to this exemption will choose not to avail themselves of it, or to save even more in other forms, so that they may share with their younger compatriots the burdens of these historic years.

WAR SERVICE PENSIONS

In addition to the changes in the rate structure and the other proposals which I have just mentioned there are several other items which are of general interest. I am pleased to announce that I am going to recommend to the house an exemption from all taxes under the Income War Tax Act in respect of war service pensions, regardless of whether they arise out of the past war or the present one. I feel sure that this will meet with a hearty response not only in the house but in the country as a whole.

OTHER INCOME TAX CHANGES

Legislation will be introduced to prevent tax avoidance in certain directions. For example, it is proposed that income received from oil or gas wells organized on the so-called royalty basis shall be deemed to be income received by the person or persons actually operating the oil or gas wells on behalf of the royalty holders and taxed at that point. Also, when property is sold on an instalment basis the capital payments shall be deemed to include interest at a reasonable rate in cases where there is no interest provided for or where the interest provided for is unduly low.

Our tax on non-residents which now applies to interest, dividends, rents, royalties and certain other income will be extended to cover salaries and annuities. This will bring our tax on non-residents more nearly into line with those imposed by other governments on our citizens. At the same time I propose to remove the present limitation on the personal exemption applying to non-residents who but for this limitation would pay tax under our law on the same basis as residents. This provision, which will be on a reciprocal basis, will be

of particular interest to persons who commute across our international border. Several other minor changes in the law will be introduced which I need not mention here but which will appear in the resolutions. Rates of tax in the gift tax schedule will be increased 3 per cent.

This concludes the section on proposals relating to personal income taxes. I wish to turn now to some proposals concerning the excess profits tax.

EXCESS PROFITS TAX

The excess profits tax as it was drafted in the budget of June, 1940, and revised in many details in last year's budget, has been appropriate to the period of expansion during the early years of the war. During this time it has produced substantial revenues for the treasury in a reasonably equitable manner. It has imposed a heavy tax on increases in profits. It has served to keep the over-all increase in profits of all corporations within moderate limits, so that the total of all profits has increased by only a small percentage from year to year despite the very much larger increases in the total of business carried on. At the same time it has permitted rapidly expanding businesses to retain a fraction of their increased profits in order to meet their requirements for additional working capital during this expansion period.

The time has now come when we can and should make the excess profits tax more severe The rate of expansion in business will now be much less than it has been heretofore. In the case of many civilian businesses the volume of their production or turn-over is likely to decline rather than expand. Even in the field of war production we are getting close to the levels of full capacity. Consequently, businesses in general no longer need to retain substantial amounts of their current profits for reinvestment in working capital and can afford to pay a large proportion to the treasury. Secondly, the machinery required to administer the excess profits tax has now been built up and is operating efficiently. We are, therefore, able to undertake changes in the tax which could not be readily undertaken when we did not have the administrative machinery to carry them out effectively. Finally, in the past year we have adopted a much more rigorous general economic policy, involving control over many forms of incomes as well as over production and distribution. This more rigorous economic policy makes appropriate the more rigorous excess profits tax.

I have given a good deal of consideration to various alternative means of increasing the excess profits tax. I believe that the increase should affect the tax on excess profits rather than on profits that have not increased substantially over pre-war levels. Already the tax on profits that have not increased is heavy when we bear in mind that those profits when distributed as dividends are subject to all the personal income taxes in addition to the corporation taxes. This involves, in effect, a discrimination against income earned in the form of corporate profits as distinct from other types of income, such as interest. Some discrimination may be justified, but I believe we have already gone far enough in that direction. Consequently, I propose to increase the rate of tax on excess profits but not the flat rate of tax which applies to profits generally.

In proposing this increase I think it important that we should not remove entirely the continuing, day to day, incentive for economy and efficiency in production. If that incentive were entirely removed by making the tax such that it would take the whole of any increase in profits, leaving no benefit to the producer, then we would be exposing ourselves to the danger of slackness and carelessness in regard to costs and efficiency. I am not suggesting that Canadian producers, or distributors for that matter, or those engaged in any other type of business would in any way sabotage our national effort at this time, but simply that the complete removal of the standard, by which business men are accustomed to determine whether expenditures are justifiable or not, might make them forget the minor economies and opportunities for increased efficiency which do not appear significant in themselves in relation to the national effort but which in the aggregate have very great importance. We cannot afford now to waste labour, materials or time. We need to preserve efficiency by every reasonable means at our disposal. Secondly, I believe that in making any change we should not deprive businesses of all chance to build up reserves for the post-war period. Some reserves will be needed if business is to press ahead actively after the war with the conversion of its operations from war purposes to peace purposes, to modernize its plant and thereby place itself in the best position to provide employment in the post-war period. Thirdly, we must beware of making too severe an instrument of taxation that can never be perfectly fair and equitable, however much we endeavour to provide for various types of cases and situations. If we had a tax that was extremely severe in its treatment of so-called excess profits, yet something short of perfect in determining standard profits, we

should be continually tempted to make special allowances of one kind or another to temper its severity in hard cases in an endeavour to be equitable and these would be apt to add up in total to a tax that was far less severe than was intended.

On the other hand our need for funds at the present time is very pressing, as I have already emphasized in connection with the personal income taxes. We must obtain every dollar that we can. Moreover, it is desirable at the present time not to permit those who have substantially increased profits to disperse them in higher current dividends since this would be directly contrary to the government's policy of stabilizing incomes. Any increase in profits would better be reserved to enable the business to play an active part in post-war reconstruction.

Balancing these various considerations I have decided to propose that the rate of tax on excess profits be raised from 75 per cent to 100 per cent, and, at the same time, that provision be made for refunding after the war 20 per cent of the excess profits taken, over the range where this 100 per cent rate is effective.

I am also proposing another more complicated change which is less spectacular but serves to increase the effective rate of tax very substantially on businesses whose profits have increased significantly over pre-war levels. Let me remind the house that under the present act a corporate taxpayer pays an 18 per cent corporation income tax on all of its profits and then under the Excess Profits Tax Act pays either (a) 75 per cent of the excess profits over standard profits after deducting the corporation income tax paid on this excess or (b) 22 per cent of its total profits, whichever is the greater. I am now proposing that under the Excess Profits Tax Act a company shall pay a flat rate of 12 per cent on its total profits in addition to the 18 per cent corporation income tax, and then shall pay as well either 10 per cent of its total profits or 100 per cent of its excess profits after deduction of the corporation income tax and the 12 per cent rate thereon, whichever is the greater. In effect, therefore, I am taking the 22 per cent in the present act and splitting it into 12 per cent to apply to total profits in any event, and 10 per cent to apply as an alternative where that is greater than the amount produced by the rate on excess profits. The effect of this change, which may appear inconsequential at first sight, is to increase substantially the tax liability of all those whose profits have increased by more than one-sixth of their standard profits.

The amount to be refunded to those corporations which are subject to the 100 per cent rate on excess profits will be 20 per cent of the amount of profits in excess of the amount at which the 100 per cent tax on the excess after the deduction of corporation income tax and the 12 per cent flat rate equals the 10 per cent tax on the total profit. This rather complicated provision results in the 20 per cent refund applying only where the 100 per cent rate effectively applies on any additional profits. The amount to be refunded will not bear interest but will be returned unconditionally to the taxpayer after the war, provided only that his tax liabilities have been paid.

The result of these changes in the rate structure of the excess profits tax will be that no corporation will be permitted to retain more than 70 per cent of its pre-war standard profits, though it will be given the opportunity to earn a post-war credit through economies and efficiencies and increased production that enable it to earn higher profits before tax. This limitation on the amount of profits which may be retained may eventually require some corporations whose profits or dividends have increased substantially in recent years to reduce their current rates of dividends. If certain reductions of dividends should be required by the measure I am proposing I do not believe it will be too much of a burden to place on these corporations or their shareholders at this critical time. The amount of tax which will be refunded will not be lost to the corporation but will enable it to safeguard its post-war position and to make itself ready to take part in the important work of reconstruction.

Because these changes impose a 100 per cent rate on many corporations and because in many cases available earnings have already been disposed of, I have decided that it would be impossible to make it retroactive. Consequently, these new rates of excess profits tax will apply as from the 1st of July onwards. In order to ensure that the taxes payable under this act and by corporations under the Income War Tax Act are remitted at as early a date as possible to the treasury it is proposed to require monthly instalment payments on account of the tax liability, including the refundable portion. The payments made before the end of the fiscal period of the business will have to be based upon anticipated earnings or earnings in the preceding period. The result of this change in timing will mean a very substantial increase in the amount of revenues to be obtained from the excess profits tax during the current fiscal year.

Certain other amendments to the Excess Profits Tax Act will be brought in. For example, the tax exemption designed to encourage mineral production which previously was obtained in the Income War Tax Act will be transferred to the Excess Profits Tax Act. The house may recall that the present exemption expires December 31, 1942. It is proposed that a generally similar exemption shall be granted under the Excess Profits Tax Act where the tax relief is greater rather than under the Income War Tax Act. The new exemption will apply to producers of base metals and strategic minerals. This exemption may be regarded as complementary to the measure of assistance being granted under the Income War Tax Act which encourages the search for these minerals.

In the interests of achieving greater equity in our taxes on business enterprises which now of necessity are at such very high levels, I propose to allow in future a one-year carry-forward of losses. This will apply in the case of corporations to both income and excess profits tax and in the case of sole proprietorships and partnerships to excess profits tax.

The law at present gives complete exemption to small businesses with profits of $5,000 or less. Under a proposed amendment this exemption will be withdrawn in respect of the new 12 per cent flat rate which applies generally to total profits of corporations. Other changes of a technical nature which I need not explain here will be found in the resolutions.

I have already given an estimate of $275 million as the yield in this fiscal year of the excess profits tax if there were to be no changes made in it. This revenue would be largely derived from the tax on profits earned in 1941. The introduction of the compulsory instalment plan for the payment of this tax will increase substantially the revenue to be expected from it during this fiscal year from taxes on income earned during 1942. Excluding the effects of the changes in rates, this increase would be about $145 million. The changes in the rates of the excess profits tax which I am proposing would, it is estimated, yield an increase in revenue of about $58 million on the basis of a full year's application with profits at their current levels. Because of the instalment plan, we shall get some of this increase during the current fiscal year, and allowing for the fact that the changes go into effect from July 1, it is estimated that the amount will be about $20 million. In addition to these amounts of actual revenue, the amount we shall receive in the form of refundable tax under the excess profits tax is estimated at about $60 million on the basis of a full year's application with profits at current levels, of which we may anticipate receipts of about $25 million during the current fiscal year.

The application of the instalment plan to the corporation income tax will bring about an increase in revenues from that tax during the present fiscal year, even though the rates are not changed at all. It is estimated this will amount to $105 million.

In the Succession Duty Act there will be few significant changes. The rate structure will not be altered. As a matter of general interest, however, I may call attention to the new form of exemption which will allow charitable gifts up to one-half the estate to pass entirely tax free where previously the duty was one-half the ordinary rate. It is also proposed to offer exemption on a reciprocal basis to representatives of foreign governments. Certain other minor changes will be made with a view to clarifying the law and assisting in its administration.

INDIRECT TAXES

I come now to indirect taxes. I would remind the house that, in the three previous war budgets, we have made a highly selective approach to indirect taxes. We have attempted to collect revenues on specific expenditures rather than on all expenditures. Remembering that we already had an 8 per cent sales tax at the outbreak of war, we have avoided, since the first war budget, except in last year's increase in the sugar tax, indirect taxes which would raise the cost of the necessaries of life. The imposition of the price ceiling has added conclusively to the weight of argument against general rather than selective increases in consumption taxes. I propose to follow again, therefore, a selective approach and recommend substantial increases in taxes which fall on luxury expenditures. It is hoped that these taxes will discourage such expenditure. To the extent that they do, current savings will be increased. To the extent that such expenditures persist, the treasury will benefit from the revenue.

The excise duties on alcoholic beverages have already been increased substantially since the outbreak of war, but the record of sales leads me to conclude that further large increases can again be made. I shall recommend that the excise duty on spirits, which was increased from $4 to $7 a gallon in September, 1939, be raised to $9 and that on Canadian brandy from $6 to $7. The pre-war excise duty on malt was 6 cents a pound and was increased to 10 cents in September, 1939, and to 12 cents in April, 1941. My recommendation is that it

be now increased to 16 cents a pound and that corresponding increases be imposed on malt syrup and on beer imported as such. It is proposed that the excise tax on wines be raised from 40 to 50 cents and on sparkling wines from $2 to $2.50 per gallon. It is anticipated that these changes will result in an increase of revenue of $11,650,000 in this fiscal year and $15,600,000 in a full year.

It is recognized that the provinces, as well as the dominion, derive revenue from the taxation or sale of alcoholic beverages. They have also the responsibility for regulation of the sale. If the tax increase here proposed should seem likely to affect their revenues they have it in their own power to raise their prices or taxes. The purpose of these increases is to provide additional revenue for the dominion at the expense of the consumer, not to make inroads on provincial revenues.

Sales of cigarettes, now taxed at $6 per thousand, have increased very rapidly despite war-time increases in excise duties of 50 per cent. It is proposed, therefore, to amend the Special War Revenue Act to provide for an additional excise tax of one cent for each five cigarettes or fraction thereof contained in any package. Relative to cigarettes, smoking tobacco has been less highly taxed. While not seeking to equalize the rates, I propose an additional tax of one cent per ounce on manufactured tobacco. It will be recommended further that the rate on raw leaf tobacco be raised from 10 to 20 cents a pound. It will be recommended also that the tax on cigars be increased by 25 per cent, the tax on cigarette papers be increased from 5 cents to 6 cents per 100 and that on cigarette tubes be raised from 10 cents to 12 cents per hundred. It is estimated that these increases on tobacco, in its various forms and uses, will produce additional revenue of $17,205,000 in the fiscal year and $22,950,000 in the full year.

I shall recommend that a number of excise taxes be increased and that some new taxes be imposed. The increases proposed are briefly as follows: On soft drinks, of which the supply is at present inadequate to meet the demand, a specific tax of 1 cent a bottle in addition to the present 25 per cent tax; on carbonic acid gas, a corresponding increase from 25 cents to 50 cents a pound; on playing cards, an increase from 15 cents to 20 cents a pack; on passenger transportation, a rise from 10 per cent to 15 per cent with the exemption limit raised from 50 to 75 cents; on berths, from 10 per cent to 15 per cent with a minimum tax of 35 cents, and on parlour-car seats, from 10 cents to 15 cents; on long distance telephone calls an advance from 10 per cent to 15 per cent with a corresponding adjustment of the rates on pay-station calls, the maximum tax being limited to 75 cents; and on telegrams, cables and radiograms an increase from 5 cents to 7 cents per message. On furs, which are at present subject to sales tax at 12 per cent, it is proposed to advance the rate to 25 per cent and change the form of tax from a sales tax to an excise tax.

I shall propose new excise taxes to be levied, at the manufacturer's level, on candy and chewing gum at a rate of 30 per cent and photographic films and plates, except for industrial and professional use, at the rate now imposed on cameras, 25 per cent. I shall further recommend a new tax of 25 cents per month on telephone extensions in private households. The treasury will be glad to have the revenue but, if anyone chooses to discontinue their use of such extensions, the telephone companies will be glad to have the instruments.

It was my opinion, at the time of the last budget, that expenditures in dance halls and cabarets were a proper occasion for taxation, but I was unable at that time to find a suitable formula. I shall recommend that a tax of 20 per cent be collected on all expenditures in dance halls, night clubs, cabarets and other such establishments which combine any two of the following features: provision for dancing by the patrons, the sale of alcoholic beverages, the offering of musical or other entertainment by paid performers. This tax is to be payable by excise stamps affixed to the bill or account which must be rendered by the proprietor to the patron. It is proposed that this tax take effect on July 1 next.

I shall recommend also that excise taxes be levied on the retail purchases of certain luxury articles. The tax of 25 per cent of the retail price is to be accounted for by the affixing of excise stamps to the bill, cash slip or the article itself. The articles, on the retail price of which it is recommended that this tax be applied, are (1) articles of personal luggage, brief cases, jewel cases, purses, handbags, sports bags, etc., with an exemption of articles selling for $1 or less; (2) diamonds, jewellery and imitation jewellery and all goldsmiths' and silversmiths' products, articles of ivory, jet, amber, mother-of-pearl, etc., with exemption of articles selling for 50 cents or less; (3) articles of cut glass or crystal, articles selling for 50 cents or less

being exempt; (4) articles of china, porcelain, stoneware, etc., except such articles for use in the preparation or serving of food or drink, the 50 cent exemption also applying to this category; (5) clocks and watches; (6) ash trays, tobacco pipes, cigar and cigarette holders, and cigarette rolling devices and other smokers' accessories; (7) fountain pens, propelling pencils, desk sets and desk accessories. In respect of the last three groups of articles the tax will not apply to articles selling for $1 or less.

I am sure that the house will agree that these excise taxes will fall on articles which it is not essential to purchase in war time and that they will fall almost wholly on persons who make unnecessary expenditures, and thus give evidence that they are in a position to contribute to the revenues of the country. I expect that the increases in excise taxes will produce additional revenue in the fiscal year of $20,995,000 and $28,025,000 in the full year.

In the case of taxes on commodities and services which are levied on the retail price and paid by the consumer or patron when his bill is paid, the tax will be stated separately from the price and will be deemed not to be part of the price for the purposes of the maximum prices regulations. Of the commodities on which new or increased taxes are assessed on the manufacturers' price it may be noted that furs are exempt from the maximum prices regulations, as are also sales of alcoholic beverages by provincial liquor boards. The other commodities affected are subject to the maximum prices regulations, viz., alcoholic beverages sold otherwise, cigarettes and tobacco, cigarette papers and tubes, candy and chewing gum, photographic films and plates, soft drinks and playing cards. On cigarettes and tobacco, the new taxes are separately stated and will be so indicated by stamps on the packages. The tax will not be considered part of the price for purposes of the maximum prices regulations. In respect of the other commodities, the wartime prices and trade board will permit such adjustments as are necessary and equitable.

Expenditures on one commodity and one service affected by tax increases, cigarettes and passenger transportation, are included in the Dominion Bureau of Statistics cost of living index. That index has since the institution of price and income control acquired an importance which it did not previously have. It is calculated by precisely the same methods that have been used since its inception. No considerations of policy or expediency can be permitted to affect it. However, these tax increases will be separately stated and clearly identifiable as taxes on the consumer. I propose that in the case of cigarettes which, desirable as they may be in other circumstances, are clearly not necessaries of life for the population as a whole, the new tax shall not be deemed part of the price for the calculation of the cost of living index.

In announcing the offer to provincial governments regarding tax agreements last year, I stated that if certain taxes were given up by the provinces it was possible that the dominion, in order to prevent certain classes of companies from benefiting by the change, might impose special taxes in these directions. On reviewing the situation, it has been decided to levy a tax of 2 per cent on premiums paid on life, fire and casualty insurance, in addition to the taxes we at present impose which are confined to fire and casualty insurance. In the case of other classes of companies it was found that the increase in dominion taxes on profits more than offset the special taxes which they had been paying to the provinces and accordingly no special taxes by the dominion are necessary. Since the taxes collected in this fiscal year will cover both 1941 and 1942 the revenue in the fiscal year should be $13 million or double the annual yield.

The changes proposed in the customs tariff provide for a number of tariff reductions and amend the wording of several items to facilitate administration. The resolutions about to be tabled affect twenty-five items and also provide for increased additional duties on imports of alcoholic beverages. The changes being made in these additional duties equalize the increases being made on the same commodities under the Excise Act. The existing excise duty on beer is being removed from the schedule to the Excise Act and replaced by a gallonage tax in the customs tariff.

New duty free items are being provided to cover machinery and apparatus for operating oil sands by mining operations and for extracting oil from the sands so mined, fuel injection pumps and nozzles for diesel and semi-diesel engines, magnesium scrap and crude cotton seed oil for canning fish.

Additions to existing items provide for reduced rates on semi-finished piston castings of any material, parts of saggers, glass tubing for use in the manufacture of vials and ampoules, especially designed pins for marking systems, unbraided wick for the manufacture of wax candles or tapers, belting, non-elastic woven fabrics for the manufacture of abdom-

inal supporters and spinal braces, mouthpieces and wood bowls for the manufacture of tobacco pipes.

The wording is being amended to facilitate the administration of the items covering parts for use in the manufacture of motor trucks, motor buses, motor truck bodies, motor bus bodies, prepared or preserved vegetables, blended orange and grapefruit juice, silicate of soda and resin or rosin.

This completes the tax changes which I am recommending and I shall put on *Hansard* two tables, one showing the estimated increases in revenue which are expected in the remainder of this fiscal year and in a full year from the new and increased taxes, and the other showing the full revenue estimates for the present fiscal year after giving effect to all the changes and tax rates and time of payment:

Yields from Proposed Changes in Taxation

		Full year	Balance of current fiscal year 1942-43
Increased yields from changes in existing taxes—			
Personal Income Tax		$115,000,000	$ 45,000,000*
Corporate Income Tax		....	105,000,000*
Excess Profits Tax		58,000,000	165,000,000*
Insurance Premiums		6,500,000	13,000,000†
Excise Duties—			
Spirits (potable)		6,000,000	4,500,000
Malt		9,000,000	6,700,000
Malt Syrup and Beer		200,000	150,000
Tobacco (raw leaf)		350,000	260,000
		$ 15,550,000	$ 11,610,000
Excise Taxes—			
Wines		$ 400,000	$ 300,000
Cigarettes		17,600,000	13,200,000
Tobacco (manufactured)		4,000,000	3,000,000
Cigars		100,000	75,000
Cigarette Papers and Tubes		900,000	670,000
Soft Drinks		5,000,000	3,750,000
Carbonic Acid Gas		300,000	225,000
Playing Cards		100,000	75,000
Passenger Transportation		3,000,000	2,250,000
Berths and Parlor Car Seats		500,000	375,000
Long Distance Telephone Calls		900,000	670,000
Telegrams and Cables		250,000	190,000
Furs		750,000	560,000
		$ 33,800,000	$ 25,340,000
Yields from New Excise Taxes—			
Candy and Chewing Gum		$ 7,000,000	$ 5,250,000
Films and Photographic Supplies		350,000	260,000
Telephone Extensions		125,000	90,000
Cabarets, Dance Halls, etc		2,000,000	1,500,000
Stamp Tax on—			
Luggage	$1,500,000		
Jewellery, Clocks, Watches	5,000,000		
Cut Glass and China	750,000		
Ash Trays, Pipes, Fountain Pens, Pencils, etc...	500,000		
		7,750,000	5,800,000
		$ 17,225,000	$ 12,900,000
Total		$246,075,000	$377,850,000

* These estimates for the balance of the current fiscal year include substantial effects of proposed changes in the time and method of payment.

† Two years revenue will be collected in the balance of the current fiscal year, the proposed rate increases being retroactive to January 1, 1941.

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Forecast of Total Ordinary Revenue for Fiscal Year 1942-43

	Revenue from existing taxes	Increase in revenue resulting from budget proposals	Total ordinary revenue
Customs duties	$ 135,000,000	....	$ 135,000,000
Excise duties	123,000,000	$ 11,610,000	134,610,000
Sales tax	218,000,000	....	218,000,000
War exchange tax	95,000,000	....	95,000,000
Other excise taxes	85,000,000	38,240,000	123,240,000
Income taxes—			
Personal	240,000,000	45,000,000	435,000,000
National defence tax	150,000,000		
Corporation	200,000,000	105,000,000	305,000,000
Interest and dividends	28,000,000	....	28,000,000
Excess profits tax	275,000,000	165,000,000	440,000,000
Succession duties	15,000,000	....	15,000,000
Miscellaneous taxes	2,600,000	13,000,000	15,600,000
Total tax revenue	$ 1,566,600,000	$ 377,850,000	$ 1,944,450,000
Non-tax revenue	105,000,000	....	105,000,000
Total ordinary revenue	$ 1,671,600,000	$ 377,850,000	$ 2,049,450,000

CONCLUSION

If our estimates of the yields of new and increased taxes during the balance of the current fiscal year are reasonably correct, the dominion's total revenues for 1942-43 should be approximately $2,050 million. With expenditures of $3,900 million, this leaves a budgetary deficit of $1,850 million which will have to be covered by borrowing. On these estimates, we shall have paid somewhat more than 52 per cent of our expenditures out of revenue.

The enactment of the budget proposals will provide for the collection in 1942-43 of additional sums to be refunded after the war and which it is estimated will amount to $95 million.

This will leave for other methods of financing $1,755 million. I shall put a brief tabular statement on *Hansard* to summarize these calculations in convenient form:

Fiscal Year 1942-43

Estimated total expenditure	$3,900,000,000
Estimated ordinary revenue	2,050,000,000
Budgetary deficit	1,850,000,000
Estimated refundable taxes	95,000,000
Amount to be met by decline in cash and by borrowing	1,755,000,000

After making full allowance for some reduction in our cash balances which were unusually large at the beginning of this year, for moneys available for investment from the Unemployment Insurance Fund and other special government accounts and for subscriptions from insurance and trust companies and other corporate investors, it is apparent that the balance which should be provided by individual purchases of war savings certificates and bonds is very large, perhaps as much as two-thirds of the total.

[Mr. Ilsley.]

No great fraction of this can be provided by individuals with incomes of more than $3,000 or $4,000. Individually they must do their share but the total of their subscriptions will be limited by the smallness of their numbers. It must be provided by people of lower incomes especially those in families whose incomes have increased during the war.

Now, the house will understand what I meant when I said that I was not proposing to substitute compulsory savings for voluntary savings. The refundable tax and other provisions which I am recommending are merely to equalize the base from which voluntary savings start. Subscriptions to victory loans and war savings certificates indicate that the current savings of individuals for the purchase of government securities are certainly not in excess of $12 million a week and may be somewhat lower. Over and above the higher taxes, over and above the minimum savings requirement, these current savings must not only be increased; they must be increased greatly if we are to finance this war the sane and the equitable way, if those of us who are not in armed forces are to demonstrate that, as a democracy, we are capable of meeting the stern tests of war as we expect those who dare physical destruction to meet far sterner tests.

Will this mean a reduction in our standard of living? Certainly. The war will not be won by disputing as to whether labour or agriculture or employer or employee should get a larger share of a swollen national income. It will be won, not alone by the valour of fighting forces and the skill of generals but by the willingness of the people at home to make necessary sacrifices—willingness to make those sacrifices first and not after all other groups have made them.

I am asking that there should be by every individual the most rigorous economy. Every dollar we spend means that someone is working for us. Let us not spend it if that someone might instead be working for victory. I am not asking that anyone's standard of living should be reduced below the level of personal efficiency and decency. I am asking that it should be no higher than that level. Let us compete with our neighbours, in saving, not spending; in making shift with what clothing and house furnishings we have, not in buying more; in hard work and plain and thrifty living.

All this has an immediate and necessary purpose. All the equipment, materials and labour that we can possibly spare must be used in this bitter conflict for victory. It has a further purpose which gives hope for the future. The savings that we make now will be available after the war. We can then replenish our wardrobes and build our houses and take more leisure, knowing that not only will we be increasing the comfort and vitality of our families but providing work and pay for thousands of people who will come out of the armed services and war industries and earn their livelihoods once more in civilian industry. By all means let us have a new world after the war. It will not come from speeches and laws. We must work and save for it and for victory now.

The National War Finance Committee is engaged in the development of an organization in each province which will undertake a continuous campaign for the regular sale of bonds, war savings cerificates and stamps to the public throughout the entire year, supplemented from time to time, by special campaigns. I bespeak for them every dollar of savings that can be made and the active help of everyone in their campaign.

I should like to say a word to the business men who operate large and small businesses throughout this country. A big part of the earnings of business must during the war flow into the treasury. That is not because it is government policy to penalize business enterprise but because so large a part of all our incomes and all our work must go to winning this war. I realize fully that where most of the profits are absorbed by taxes it is difficult to be as vigilant in watching costs as when $1 of expense saved is $1 added to profits and the mark of a well-run business. Nevertheless it is imperative that business men should be vigilant also in the national interest. Let no one have it on his conscience that he took man-power for unnecessary work, that he permitted cost increases which could have been avoided. For business too there is a longer view. Industry is going through a tremendous conversion to war production. When victory is achieved, it will have another great job of conversion to do. It must be prepared to serve again the civilian population, perhaps with many new and different products. It is the business interest and the nation's interest that men of business come to that task with costs that have been kept rigorously under control and with funds available for reequipping and restocking their plants and shops. The refundable portion of the excess profits tax will be available for that adjustment but it will be of less than its full value if business ends the war with highly inflated costs.

This, Mr. Speaker, concludes my presentation of the budget. The proposed tax increases are substantial and severe. They are imposed on the assumption that Canadians appreciate the critical gravity of recent events and the necessity of making a supreme effort in the present year. A few weeks ago, the atmosphere was surcharged with optimism which in many of its manifestations was almost lighthearted. The war would be over by January; the tide had turned; Germany was facing internal collapse; Japan had overextended herself; Italy was a joke; and so forth. More and more Canadians were putting forward demands for their own material betterments, and increasing numbers were transferring their interest from war to post-war problems.

The events of the last few days must surely have had a sobering effect. This is no time for airy overconfidence. Events in China, events in the Ukraine, events in the Crimea, events in Libya—do not these convince us that the war may not be won this year, may not be won for many years? It was not recklessly that Germany and Japan brought the United States into the war, as they did. What foolish statements we have made! Not long ago, how often was it said that Hitler was a madman, irrationally running headlong to destruction, that Japan was committing hara-kiri! Alas, there seems to have been nothing irrational—certainly nothing intentionally suicidal about the plans of our enemies. These aggressor nations prodded the United States into the war because they

were convinced that they could, nevertheless, win—win in 1942. Do Canadians realize how critical the situation is at this moment in Russia, in China, and in the middle east, and how critical it may be elsewhere before long? I believe that now they do and that their individual desires for gain, and ease, and advantage are submerged in the nation's will to win. In this belief, I present this budget to the house and to the Canadian people.

RESOLUTIONS

Mr. Speaker, I desire to give notice that when we are in committee of ways and means I shall move the following resolutions:

INCOME WAR TAX ACT

Resolved, that it is expedient to amend the Income War Tax Act and to provide:

1. That the rates of tax applicable to persons other than corporations and joint stock companies shall be increased to the rates set forth in the following schedule:

A. Rates of tax applicable to persons other than corporations and joint stock companies:

I. Normal tax—

(1) In the case of

(a) a married person,

(b) a widow or widower with a son or daughter under eighteen years of age and wholly dependent upon such taxpayer for support, or a son or daughter eighteen years of age or over and dependent on account of mental or physical infirmity, or a son or daughter under twenty-one years of age who is dependent upon such parent for support on proof that such child is a student at secondary school, university, or other educational institution;

(c) an individual, other than a married person, who maintains a self-contained domestic establishment and who actually supports therein a person wholly dependent upon him and connected with him by blood relationship, marriage or adoption;

(d) a minister or clergyman, other than a married person, in charge of a diocese, parish or congregation, whose duties require him to maintain at his own and sole expense, a self-contained domestic establishment and who employs therein on full time a housekeeper or servant;

Provided, in the case of (a), the spouse, and in case of (b), the said dependent, is resident in Canada or in any other part of the territory of the British Commonwealth of Nations, or in a country contiguous to Canada, or is a national or citizen of a country allied with Canada in the present war and is prevented from entry into Canada due to the exigencies of the war, or is legally debarred from entry into Canada;

Seven per centum of the income, if the income exceeds $1,200 per year;

And in the case of

(e) a husband and wife having each a separate income,

Seven per centum of the income of each, if the income of each exceeds $660 per year;

And in the case of

(f) a single person, or

(g) a married person whose spouse is not resident in Canada or in any other part of the territory of the British Commonwealth of Nations, or in a country contiguous to Canada or in a country allied with Canada in the present war, or whose spouse is not legally debarred from entry into Canada,

Seven per centum of the income, if the income exceeds $660 but does not exceed $1,800 per year;

Eight per centum of the income, if the income exceeds $1,800 but does not exceed $3,000 per year; and

Nine per centum of the income, if the income exceeds $3,000 per year.

And in the case of

(h) Estates having income taxable as provided by subsections 2 and 4 of section 11 of this act;

Nine per centum of the income.

(2) From the Normal Tax there shall be allowed a deduction of $28 for the year 1942 and for each year thereafter for each of the following persons who is resident in Canada or in any other part of the territory of the British Commonwealth of Nations or in a country contiguous to Canada or in a country allied with Canada in the present war or who is legally debarred from entry into Canada, and wholly dependent upon the taxpayer for support, namely

(i) a child, grandchild, brother or sister of the taxpayer under eighteen years of age, or if eighteen years of age or over, is wholly dependent on account of mental or physical infirmity, or under twenty-one years of age on proof that such child is a student at a secondary school, university or other educational institution;

(ii) a parent or grandparent of a taxpayer, wholly dependent on account of mental or physical infirmity;

(iii) a child under eighteen years of age maintained by the taxpayer in Canada under a cooperative scheme sponsored by the governments of the United Kingdom and of Canada or any of the provinces of Canada, for children brought from the United Kingdom under a government plan, or under twenty-one years of age, and likewise maintained, upon proof that such child is a student at a secondary school, university or other educational institution;

except one such dependent provided for in (b) and (c) of subparagraph (1) hereof;

(3) If the tax exigible under the Normal Tax should cause the income of a single person or a husband or a wife to be reduced below the amount of $660 or in the case of those persons referred to in (a), (b), (c) and (d) of subparagraph (1) hereof, below $1,200, then to the extent that it would so reduce the income of the taxpayer, such tax shall not be payable.

II. Graduated Rates of Tax:

In addition to the Normal Tax there shall be imposed in respect of the income above the exemption hereinafter provided, the following:

On the first $500 of income or any portion thereof, 30 per centum per annum, or

$150 upon the income of $500; and 33 per centum upon the amount by which the income exceeds $500 and does not exceed $1,000; or

$315 upon income of $1,000; and 37 per centum upon the amount by which the income exceeds $1,000 and does not exceed $2,000; or

$685 upon income of $2,000; and 41 per centum upon the amount by which the income exceeds $2,000 and does not exceed $3,500; or

$1,300 upon income of $3,500; and 45 per centum upon the amount by which the income exceeds $3,500 and does not exceed $5,000; or

$1,975 upon income of $5,000; and 50 per centum upon the amount by which the income exceeds $5,000 and does not exceed $8,000; or

$3,475 upon income of $8,000; and 55 per centum upon the amount by which the income exceeds $8,000 and does not exceed $13,000; or

$6,225 upon income of $13,000; and 60 per centum upon the amount by which the income exceeds $13,000 and does not exceed $20,000; or

$10,425 upon income of $20,000; and 65 per centum upon the amount by which the income exceeds $20,000 and does not exceed $30,000; or

$16,925 upon income of $30,000; and 70 per centum upon the amount by which the income exceeds $30,000 and does not exceed $50,000; or

$30,925 upon income of $50,000; and 75 per centum upon the amount by which the income exceeds $50,000 and does not exceed $70,000; or

$45,925 upon income of $70,000; and 80 per centum upon the amount by which the income exceeds $70,000 and does not exceed $100,000; or

$69,925 upon income of $100,000; and 85 per centum upon the amount by which the income exceeds $100,000.

2. That the exemptions of $1,500 and $750 shall be reduced for the purposes of the Graduated Rates to $660 for all persons;

3. That a married person, or a person heretofore entitled to an exemption equivalent to that of a married person, shall be allowed as a deduction from the tax payable under the Graduated Rates, an amount of $150;

4. That in lieu of the deduction of $400 from income for each dependent child or grandchild there shall be allowed a deduction of $80 from the tax payable under the Graduated Rates;

5. That a deduction from the tax payable under the Graduated Rates be allowed a taxpayer to the extent of 20 per centum of the amount actually contributed for the support of a dependent parent or grandparent, or a brother or sister under eighteen years of age or eighteen years of age or over and dependent on account of mental or physical infirmity, or under twenty-one years of age, upon proof that such brother or sister is a student at a secondary school, university or other educational institution: provided that the maximum credit herein shall not exceed $80.

6. That one-half of the total taxes payable by a taxpayer under the Normal Rate of tax and the Graduated Rates of tax shall be refundable to a taxpayer

provided, however, that such refund shall not exceed

8 per centum of the income of a single person, or $800, whichever is the lesser; or

10 per centum of the income of a married person, or $1,000, whichever is the lesser; plus

1 per centum of the taxpayer's income for each dependent, or $100, whichever is the lesser;

7. (1) That the total taxes payable by any taxpayer under the Normal Rate of tax and the Graduated Rates of tax shall be reduced by the amount paid by the taxpayer in respect of

(a) payments into any approved superannuation, retirement or pension fund or plan, paid as a term of employment and not repayable during the continuance of such employment;

(b) premiums on life insurance policies in force prior to the twenty-third day of June, 1942;

(c) principal payments on a mortgage on one residential property, provided such mortgage was registered and in effect prior to the twenty-third day of June, 1942;

Provided, however, that such reductions shall not exceed the amount of the refundable portion of the tax as provided for in resolution 6 above; and the said refundable portion shall be reduced accordingly;

(2) That in the case of a taxpayer over sixty-five years of age with income less than three thousand dollars, the total taxes payable under the Normal Rate of tax and the Graduated Rates of tax shall be reduced by the refundable portion of the tax as provided for in resolution 6 above, and the said refundable portion shall be eliminated accordingly;

8. That the refundable portion of any tax exigible under any enactment founded on these resolutions shall be repaid to the taxpayer or to his legal representatives, after the cessation of hostilities between Canada and Germany, Italy and Japan, and in the following manner: The refundable portion of the tax in respect of income of 1942 shall be repaid at such times and in such instalments as the Governor in Council may determine but not later than the end of the second fiscal period of the government commencing after the said cessation of hostilities; the refundable portion of the tax in respect of the income of 1943 shall be repaid at such times and in such instalments as the Governor in Council may determine but not later than the end of the third fiscal year of the government commencing after the said cessation of hostilities and so on in respect of the refundable portion of the tax on income of successive years.

The date of the cessation of hostilities shall be deemed to be the date of a proclamation issued under the authority of the Governor in Council declaring that, for the purposes of the said refund, the war no longer exists.

9. That the refundable portion of any tax paid by the taxpayer in the twelve months preceding the first day of September in any year shall bear interest at the rate of 2 per cent from that date and shall be payable when the refundable portion is repaid;

10. That where, under any existing or future contract or arrangement, a capital or principal sum is payable by instalments or otherwise, without providing for interest, or with interest at a nominal rate only, the Minister in his sole discretion may by regulation or otherwise determine what part of the capital payment represents interest, which shall be deemed to be income for the purposes of this act;

11. That where any royalty company, association, or other body is organized for the purpose of drilling for and operating oil or gas wells whereby the production belongs not to the company but to the investors in the property, the production shall be deemed to be for and on behalf of the company and the income of the company shall be deemed to include the proceeds secured from the sale of the said oil or gas, less necessary expenses;

12. That any pension granted to any member of His Majesty's military, naval or air forces or to any member of the military, naval or air forces of His Majesty's allies, for any disability suffered on active war service by the pensioner or any pension granted to any dependent relative of any person who was killed or suffered any disability while on active war service in the said forces, shall be exempt from taxation;

13. That any amount received as compensation, other than compensation for loss of time, under any Workmen's Compensation legislation of any of the provinces of Canada in respect of any injury or disability incurred or in respect of any death, shall be exempt from taxation;

14. That any employer may deduct as an expense an amount up to 5 per centum of his pay roll, under limitations to be prescribed, paid as contributions to any employees' superannuation or pension fund or plan, excluding therefrom, however, portions in respect of salaries over $6,000 per annum;

15. That a taxpayer shall be allowed a deduction from income in respect of medical expenses in excess of 5 per centum of the income of such taxpayer, incurred and paid by such taxpayer in the taxation year, or paid in the taxation year and incurred within one year prior to the date of payment if such payment is made to any qualified medical practitioner, dentist, or nurse, registered under any Dominion or Provincial legislation or regulation, or public or provincially licensed private hospital, in respect of any birth in the family of, illness or operation upon, the taxpayer or his spouse, or any person dependent upon the taxpayer, in respect of whom the taxpayer would heretofore have been entitled to an exemption and if the said dependent is resident in Canada, provided that the allowance in any taxation year shall not exceed the sum of

(a) $400 in the case of a single person without dependents, or

(b) $600 in the case of a married person or a person entitled to an equivalent allowance to that of a married person; plus

$100 in respect of each additional person (not exceeding four) dependent upon the taxpayer for support;

Provided, however, that the maximum deduction hereunder shall not exceed $1,000;

and provided further that the said amounts are substantiated by receipts and that such receipts are lodged with and at the time of filing the taxpayer's income tax return;

16. That the revenue losses in any business, of the immediately preceding year, may be allowed as a deduction.

17. That contributions not exceeding $500 to any one registered prospecting syndicate searching for base metals or strategic minerals, but not exceeding $5,000 in the aggregate, and payments not exceeding $5,000 by any corporation in respect of its own prospecting expenses for similar minerals, may be allowed as a deduction from the income of any taxpayer, provided that the tax saving under this act and the Excess Profits Tax Act, 1940, shall not exceed 40 per centum thereof in each case;

18. That the deduction provided for by section 7 of the said Act under which a taxpayer is entitled to deduct from tax the amount paid under part III of the Special War Revenue Act, be repealed;

19. That salary and other periodic payments payable to non-residents of Canada who are residents of a country which imposes a tax of a similar nature shall be subject to a tax of 15 per centum at the source;

20. That the tax payable by all persons other than corporations shall be paid by quarterly instalments during the six months immediately prior to the close of the calendar year and the six months immediately subsequent to the close of the calendar year

(a) as to the six months, July to December, one-quarter of the estimated tax on or before the 15th day of September and the 15th day of December each year, having regard to the previous year's income and applying the current year's rates, and

(b) as to the six months, January to June, one-half of the tax (after deducting therefrom the previous two quarterly payments) on or before the 15th day of March and the 15th day of June each year, having regard to the income and applying the rates of the taxation year.

This shall be applicable to the tax on income of the calendar year 1942 and each year thereafter.

Any additional tax found due over that estimated or declared by the taxpayer shall be paid immediately upon assessment, together with interest at 5 per centum after four months from the close of the calendar year.

This instalment method of payment shall not apply to persons whose tax is being deducted at the source in respect of salary or wages, and whose salary or wage constitutes three-quarters or more of his income;

21. That the tax payable by a corporation shall be paid by monthly instalments during the six months immediately prior to the close of its fiscal period and the six months immediately subsequent to the close of its fiscal period

(a) as to the first six months, one-twelfth of the estimated tax, having regard to the previous or anticipated current year's income, applying the current year's rates, and

(b) as to the second six months, one-sixth of the tax after deducting therefrom the previous six months' payments having regard to the income, and applying the rates of the taxation year.

This shall be applicable to the tax on profits of fiscal periods ending on and after 31st December, 1942.

Any additional tax found due over that estimated or declared by the taxpayer shall be paid immediately upon assessment, together with interest at 5 per centum, after four months from the close of the fiscal period;

22. That the schedule of rates of tax on gifts in section 88 of the said act be repealed and in lieu thereof there be substituted the following schedule, to apply to gifts made after June 23, 1942:

	Per cent
On gifts up to and including $5,000.....	10
On gifts exceeding	
$ 5,000 but not exceeding $ 10,000...	11
10,000 " " " 20,000...	12
20,000 " " " 30,000...	13
30,000 " " " 40,000...	14
40,000 " " " 50,000...	15
50,000 " " " 75,000...	16
75,000 " " " 100,000...	17
100,000 " " " 150,000...	18
150,000 " " " 200,000...	19
200,000 " " " 250,000...	20
250,000 " " " 300,000...	21
300,000 " " " 400,000...	22
400,000 " " " 500,000...	23
500,000 " " " 600,000...	24
600,000 " " " 700,000...	25
700,000 " " " 800,000...	26
800,000 " " " 1,000,000...	27
1,000,000.....	28

23. That provisions relating to the collection of National Defence Tax be repealed as of midnight of the 31st August, 1942;

24. That commencing after the 31st day of August, 1942, all dividends and registered interest paid by any debtor to residents of Canada shall be subject to a deduction at the source at the rate of 7 per centum;

25. That commencing after the 31st day of August, 1942, all salaries and wages paid by any employer to residents of, or persons employed in, Canada shall be subject to a deduction at the source of such portions of the taxes authorized herein as may be determined hereafter by the Governor in Council;

26. That any enactments founded on

(a) Resolutions 1 to 15 inclusive, 20 and 21 shall be applicable to the income of the 1942 taxation period and fiscal periods ending therein and to all subsequent periods;

(b) Resolution 16 shall be applicable to the income of 1943 taxation period and fiscal periods ending therein and all subsequent periods;

(c) Resolution 17 shall be applicable only to the income of the 1942 taxation period and fiscal periods ending therein;

(d) Resolution 18 shall be applicable to the income of the 1941 taxation period and fiscal periods ending therein and all subsequent periods;

(e) Resolution 19 shall be deemed to have come into force on the 24th day of June, 1942, and shall be applicable to all payments made on and after the said date.

EXCESS PROFITS TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Excess Profits Tax Act, 1940, and to provide—

1. That the rates of tax as set out in the Second Schedule to the said Act be repealed and the following substituted therefor:

"First part—

Ten per centum of the profits of corporations and joint stock companies and fifteen per centum of the profits of all persons other than corporations, before deduction therefrom of any tax paid thereon under the Income War Tax Act.

"Second part—

One hundred per centum of the excess profits.

"Third part—

Twelve per centum of profits of corporations and joint stock companies before deduction therefrom of any tax paid thereon under the Income War Tax Act."

2. That in computing the amount of excess profits subject to the tax of one hundred per centum, corporations be allowed to deduct such portion of the income tax and the tax payable under the Third Part of the Second Schedule to the Excess Profits Tax Act as the excess profits bear to the total profits.

3. That the exemption from excess profits tax of corporations with profits not in excess of five thousand dollars be limited to an exemption from the tax under the First Part or the Second Part of the Second Schedule but that such corporations be subject to the tax under the Third Part of the Second Schedule, namely, a tax of twelve per centum of profits.

4. That there shall be refunded to the taxpayer in accordance with paragraph five of these resolutions an amount equal to twenty per centum of the profits above the point at which the tax calculated under the First Part of the Second Schedule is equal to the tax calculated under the Second Part of the Second Schedule. provided that the said profits have been paid by way of taxes under the Income War Tax Act and the Excess Profits Tax Act, 1940, to the Receiver General of Canada.

5. That the refundable portion of any tax exigible under any enactment founded on these resolutions shall be repaid to the taxpayer or

to his legal representatives, after the cessation of hostilities between Canada and Germany, Italy and Japan, and in the following manner: The refundable portion of the tax in respect of the profits of 1942 and fiscal periods ending therein shall be repaid at such times and in such instalments as the Governor in Council may determine but not later than the end of the second fiscal period of the Government commencing after the said cessation of hostilities: the refundable portion of the tax in respect of the profits of 1943 and fiscal periods ending therein shall be repaid at such times and in such instalments as the Governor in Council may determine but not later than the end of the third fiscal year of the Government commencing after the said cessation of hostilities and so on in respect of the refundable portion of the tax on the profits of successive years or fiscal periods.

The date of the cessation of hostilities shall be deemed to be the date of a proclamation issued under the authority of the Governor in Council declaring that, for purposes of the said refund, the war no longer exists.

6. That the tax payable by a corporation shall be paid by monthly instalments during the six months immediately prior to the close of its fiscal period and the six months immediately subsequent to the close of its fiscal period—

(a) as to the first six months, one-twelfth of the estimated tax, having regard to the previous or anticipated current year's income, applying the current year's rates, and

(b) as to the second six months, one-sixth of the tax (after deducting therefrom the previous six months' payments) having regard to the income, and applying the rates of the taxation year;

This shall be applicable to the tax on profits of fiscal periods ending on and after 31st December, 1942.

Any additional tax found due over that estimated or declared by the taxpayer shall be paid immediately upon assessment, together with interest at five per centum, after four months from the close of the fiscal period.

7. That the definition of "standard profits" be amended to exclude therefrom dividends deemed to have been received under the provisions of section nineteen of the Income War Tax Act.

8. That if the Minister of National Revenue is satisfied that the taxpayer has not commenced business prior to the second day of January, 1939, he shall direct that the standard profits be ascertained by the Board of Referees.

9. That the revenue losses in any business of the immediately preceding year may be allowed as a deduction.

10. That the income of any company derived from the production of base metals or strategic minerals shall be exempt from taxation hereunder if the company first came into production during the period of three years commencing the first day of January, 1943, and such exemption shall extend to the income of the first three fiscal periods of twelve months each of any such company following commencement of such production.

11. That any enactment founded upon (a) resolutions Nos. 1, 2, 3 and 4 shall apply to one-half of the profits of the calendar year 1942 and to the profits of all subsequent periods, provided that in the case of the fiscal period ending after June 30, 1942, and prior to December 31, 1942, the said enactment shall be applicable to that portion of the profits of any such fiscal period which the number of days therein after June 30, 1942, bears to the total number of days of such fiscal period, (b) resolutions Nos. 7 and 8 shall be deemed to have come into force at the commencement of the said Act, and (c) resolution No. 9 shall apply to the profits of 1943 and fiscal periods ending therein.

[Mr. Ilsley.]

DOMINION SUCCESSION DUTY ACT

Resolved, that it is expedient to introduce a measure to amend the Dominion Succession Duty Act and to provide—

1. That superannuation benefits granted by the Dominion, the Provinces or any superannuation or pension fund or plan shall be subject to succession duty;

2. That one-half of the estate may be given to charitable organizations in Canada free of succession duty;

3. That the exemption in respect of gifts made prior to the 29th day of April, 1941, shall be allowed only in respect of gifts which are absolute and without any reservation of benefits to the donor;

4. That officials of foreign countries accredited to Canada owning real estate in Canada for residential purposes, shall in respect of such residential property be exempt from succession duty, if the country they represent grants similar relief;

5. That the proceeds of life-insurance policies, including annuity contracts, shall be exempt from duty if the deceased was domiciled outside of Canada at the time the contract was entered into and at the time of his death and further that the beneficiary also was resident outside of Canada at the time of the death of the deceased;

6. (a) That executors be protected against court action by successors having any interest in expectancy in the property of the deceased if the executor elects to pay the duty in respect thereof at the time of death and not at the time when the expectancy falls into posssession.

(b) That in order to secure payment of the duty a statutory lien be provided for in respect of any real or immovable property in Canada owned by any person who dies domiciled outside of Canada.

7. That executors be permitted to pay out, without the consent of the Minister, sums not in excess of—

(1) $1,500 in the case of moneys payable

(a) under any contract of insurance;

(b) by any friendly society; or

(c) under any superannuation or pension fund or plan.

(2) $500 in the case of moneys payable

(a) out of any bank account; or

(b) out of any trust or loan company's deposit account; or

(c) in satisfaction of wages or salaries.

8. That the foregoing resolutions shall apply from the commencement of the Dominion Succession Duty Act.

EXCISE ACT, 1934

Resolved, that it is expedient to introduce a measure to amend the schedule to the Excise Act, 1934, and to provide:

1. That the duty of excise on spirits distilled in Canada be increased from seven dollars to nine dollars per proof gallon, provided that duty paid spirits owned by any distiller at the close of business on the twenty-third day of June, one thousand nine hundred and forty-two shall be subject to the following additional duty of excise on every gallon of the strength of proof two dollars and so in proporton for any greater or less strength than the strength of proof and for any less quantity than a gallon.

2. That the duty of excise on Canadian brandy be increased from six dollars to seven dollars per proof gallon, provided that duty paid Canadian brandy owned by any distiller at the close of business on the twenty-third of June, one thousand nine hundred and forty-two shall be subject to the following additional duty of excise on every gallon of the strength of proof one dollar and so in proportion for any greater or less strength than the strength of proof and for any less quantity than a gallon.

3. That duty of excise on beer or malt liquor brewed in whole or in part from any substances other than malt be increased from thirty-five cents to forty-five cents per gallon.

4. That the duty of excise on malt manufactured or produced in Canada or imported be increased from twelve cents to sixteen cents per pound.

5. That the duty of excise on malt syrup manufactured or produced in Canada be increased from eighteen cents to twenty-four cents per pound and malt syrup imported into Canada and entered for consumption be increased from thirty cents to forty cents per pound.

6. That the duty of excise on Canadian raw leaf tobacco when sold for consumption be increased from ten cents to twenty cents per pound actual weight.

7. That any enactment founded upon the foregoing resolution shall come into force on the twenty-fourth day of June, one thousand nine hundred and forty-two.

SPECIAL WAR REVENUE ACT

Resolved, that it is expedient to introduce a measure to amend the Special War Revenue Act and to provide:

1. That the tax on telegraph dispatches be increased from five cents to seven cents upon each dispatch transmitted.

2. That the tax on long distance telephone calls be increased from ten per cent of the charge made to fifteen per cent provided, however, that upon long distance telephone calls made from any public pay station there shall be paid in lieu of the tax hereinbefore provided for, the sum of five cents for each such call for which a charge of more than fifteen cents and not more than forty-five cents is made, and five cents for each additional charge of thirty-five cents or any fraction of thirty-five cents; and provided further that the tax imposed shall in no case be greater than seventy-five cents on any one call.

3. That there shall be imposed, levied and collected an excise tax of twenty-five cents per month on each telephone extension in any dwelling house, apartment or other domestic establishment.

4. That the tax on railway, vessel, bus and aircraft tickets or right of transportation be increased from ten per cent of the charge made to fifteen per cent; provided, however, that the said tax shall not apply on the charge for a ticket or right of transportation, if the regular one-way charge is seventy-five cents or less.

5. That the tax on pullman or parlour-car seats be increased from ten cents to fifteen cents.

6. That the tax on berths in sleeping cars or on other sleeping accommodation on railway trains be increased from ten per cent of the charge made to fifteen per cent; provided, however, that in no case shall the tax imposed be less than thirty-five cents.

7. That the excise tax on cigarette paper be increased from five cents for each one hundred leaves or fraction thereof to six cents.

8. That the excise tax on cigarette paper tubes be increased from ten cents for each one hundred cigarette paper tubes or fraction thereof to twelve cents.

9. That there shall be imposed, levied and collected an excise tax of one cent for each five cigarettes or fraction of five cigarettes contained in any package of cigarettes manufactured or imported into Canada.

10. That there shall be imposed, levied and collected an excise tax of one cent per ounce actual weight or fraction thereof on manufactured tobacco of all descriptions, except cigars or cigarettes, manufactured or imported into Canada.

11. That the excise tax on playing cards be increased from fifteen cents per pack to twenty cents per pack.

12. That the excise tax on wines of all kinds, except sparkling wines, containing not more than forty per cent of proof spirit be increased from forty cents per gallon to fifty cents per gallon, and that the excise tax on champagne and all other sparkling wines be increased from two dollars per gallon to two dollars and fifty cents per gallon.

13. That paragraph (a) of subsection four of section eighty-six of said Act is repealed and the following substituted therefor:

"4. (a) There shall be imposed, levied and collected an excise tax of 25 per cent upon the current market value of all dressed and/or dyed furs,—

(i) imported into Canada, payable by the importer or transferee who takes the goods out of bond for consumption at the time when the goods are imported or taken out of warehouse for consumption; or

(ii) dressed and/or dyed in Canada, payable by the dresser or dyer at the time of delivery by him."

14. That there shall be imposed, levied and collected an excise tax of 20 per cent payable by excise stamps on any charge for admission, cover charge, charge for meals, refreshment service or merchandise, or otherwise, which is payable by a person attending any dance hall,

night club, cabaret or similar place of entertainment which provides a combination of any two of the following features:

dancing by patrons,
sale of alcoholic beverages,
entertainment by paid performers.

15. That in addition to any other duty or tax which may be payable under the said Act, or any other statute, there shall be imposed, levied and collected from the consumer or user a retail purchase tax payable by excise stamps in respect of the goods mentioned in the Schedule hereunder, purchased or imported by the consumer or user, at the rate set opposite each item in the said Schedule, computed on the retail selling price, if the goods are purchased in Canada, and on a value which includes all other duties and taxes if the goods are imported by a consumer or user, provided that the said tax shall not apply to goods of which the total retail selling price or the total cost to the consumer or user is not in excess of one dollar, in the case of any item mentioned in sub-paragraphs 1, 2, 4, 7 and 8 of the said Schedule, or in excess of fifty cents in the case of any item mentioned in sub-paragraphs 3, 5 and 6 of the said Schedule:

1. Trunks; suitcases; bags and luggage of all kinds; purses; handbags; jewel cases; brief and catalogue cases; dressing and toilet cases; shopping bags, except paper bags; golf and other sports bags; all the foregoing whether fitted or not, 25 per cent;

2. Clocks and watches adapted to household or personal use, 25 per cent;

3. Articles commonly or commercially known as jewellery, whether real or imitation, including diamonds and other precious or semi-precious stones for personal use or for adornment of the person; goldsmiths' and silversmiths' products including all gold, silver, chromium or other plated ware and pewter ware, 25 per cent;

4. Articles of all kinds made in whole or in part of ivory, jet, amber, coral, mother of pearl, natural shells, tortoise shell, jade, onyx, lapis lazuli, or other semi-precious stones, 25 per cent;

5. Articles of cut glassware, crystal glassware, cut or not, etched glassware, metal decorated glassware or marble, twenty-five per cent;

6. Articles of china, porcelain, earthenware, stoneware or other pottery ware, except articles for use in the preparation or serving of food or drink, twenty-five per cent;

7. Ash trays; tobacco pipes; cigar and cigarette holders; cigarette rolling devices and other smokers' accessories, not to include lighters, matches or tobacco, twenty-five per cent;

8. Fountain pens; propelling pencils; desk sets and all other desk accessories, twenty-five per cent.

16. That immediately after the word "cameras" in section five of Schedule I to the said Act, be added the following words:

"photographic films and plates; projectors for slides, films or pictures; except those designed exclusively for industrial or professional photographers' use, twenty-five per cent."

[Mr. Ilsley.]

17. That section eight of said Schedule I to the said Act be repealed and the following substituted therefor:

"9. Beverages consisting of unfermented fruit juices (not including grape and other native fruit juices where at least ninety-five per cent of the products sold consist of pure juice of the fruit) and imitations thereof, carbonated beverages or aerated waters and all other compounded or mixed soft drinks, put up in bottles for sale, twenty-five per cent and one cent per bottle."

18. That the said Schedule I to the said Act is further amended by adding at the end thereof as Sections ten and eleven the following:

"10. Chocolate, candy and confectionery which may be classed as candy or a substitute for candy, thirty per cent."

"11. Chewing gum, thirty per cent."

19. That the rate of excise tax on cigars mentioned in paragraphs (a) (b) (c) (d) and (e) of section one of Schedule II to this Act be increased by twenty-five per cent.

20. That section two of the said Schedule II to the said Act be repealed and the following substituted therefor:

"2. Sugar, etc.:—

(a) Materials enumerated in customs tariff items 134, 135, 135a, 135b, one and one-half cents per pound;

(b) Materials enumerated in customs tariff items 139 (except glucose and grape sugar) 140 (except molasses), two cents per pound;

(c) Glucose and grape sugar (except when for use exclusively in the manufacture of leather and artificial silk), one cent per pound."

21. That the excise tax on carbonic acid gas and similar preparations to be used for aerating non-alcoholic beverages be increased from twenty-five cents per pound to fifty cents per pound.

22. (1) That the tax imposed upon mutual companies authorized under the laws of the Dominion of Canada or of any Province thereof to transact the business of insurance, other than life insurance, on the premium deposit plan, and the tax on every exchange so authorized shall be increased from two per centum to four per centum upon the net premiums received by it in Canada during the calendar year 1941 and each calendar year thereafter.

(2) That the tax imposed upon mutual companies, other than those mentioned in subparagraph (1) hereof, and upon associations of persons formed upon the plan known as Lloyds', authorized under the laws of the Dominion of Canada or of any Province thereof to transact the business of insurance, other than life insurance, be increased from one per centum to three per centum upon the net premiums received by it in Canada, less net premiums paid for reinsurance to companies or associations to which the tax authorized by this subparagraph or subparagraph (3) hereof applies during the year 1941 and each calendar year thereafter.

(3) That the tax imposed upon every company, other than those mentioned in subparagraphs (1) and (2) hereof, authorized under the laws of the Dominion of Canada or of any Province thereof to transact the business of insurance, other than life insurance, shall be increased from one per centum to two per

centum upon the net premiums received by it in Canada, less net premiums paid for reinsurance to companies or associations to which the tax authorized by this subparagraph or subparagraph (2) hereof applies during the year 1941 and each calendar year thereafter.

(4) That there be imposed upon every company authorized under the laws of the Dominion of Canada or of any Province thereof to transact the business of life insurance, a tax of two per centum upon the net premiums received by it in Canada, less net premiums paid for reinsurance to companies or associations to which the tax authorized by this subparagraph or subparagraphs (2) or (3) hereof applies during the year 1941 and each calendar year thereafter.

23. (1) That any enactment founded on paragraph twenty of these resolutions shall be deemed to have come into force on the sixteenth day of February, one thousand nine hundred and forty-two.

(2) That any enactment founded on paragraph fourteen of these resolutions shall come into force on the first day of July, one thousand nine hundred and forty-two.

(3) That any enactment founded on paragraphs one to thirteen inclusive, paragraphs fifteen to nineteen inclusive and paragraph twenty-one of these resolutions, except as hereinbefore provided, shall be deemed to have come into force on the twenty-fourth day of June, one thousand nine hundred and forty-two and to have applied on all goods imported or taken out of warehouse for consumption on and after that day and to have applied on all goods previously imported for which no entry for consumption was made before that day.

CUSTOMS TARIFF

1. Resolved, that Schedule A to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended, is further amended by striking thereout subdivisions (a), (b), (c) and (d) of tariff item 90, tariff items 152b, 152d, 210, 276, 282b, 316a, 347, 410c, 422a, 435, 438d, 438i, 451b, subdivisions (a) and (b) of 534, 574, 584, 610, 610a, 657, 682a, the several enumerations of goods respectively and the several rates of duties of customs, if any, set opposite each of the said items, and by inserting the following items, enumerations and rates of duty in said Schedule A:

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates		
					B.P. Tariff	Intermediate Tariff	General Tariff
90a	Vegetables, dried, desiccated or dehydrated, including vegetable flour, n.o.p.	15 p.c.	27½ p.c.	30 p.c.	15 p.c.	27½ p.c.	30 p.c.
90b	Vegetables, pickled or preserved in salt, brine, oil or in any other manner, n.o.p.	15 p.c.	32½ p.c.	35 p.c.	15 p.c.	32½ p.c.	35 p.c.
90c	Vegetable juices, liquid mustards, soy and vegetable sauces of all kinds	15 p.c.	32½ p.c.	35 p.c.	15 p.c.	32½ p.c.	35 p.c.
90d	Vegetable pastes and hash and all similar products composed of vegetables and meat or fish, or both, n.o.p.	15 p.c.	32½ p.c.	35 p.c.	15 p.c.	32½ p.c.	35 p.c.
152b	Orange juice, grapefruit juice, and blended orange and grapefruit juice, the product of the British West Indies, when imported direct from the country of production	Free			Free 15 p.c.		
210	Peroxide of soda; silicate of soda, dry or in water solution; bichromate of soda; sulphide of sodium; nitrite of soda; arseniate, binarseniate, chlorate, bisulphite and stannate of soda, prussiate of soda and sulphite of soda	Free	15 p.c.	20 p.c.	Free 15 p.c.	15 p.c. 25 p.c.	20 p.c. 25 p.c.
276	Cotton seed oil for canning fish	Free	Free	Free	Free 12½ p.c.	Free 17½ p.c.	Free 17½ p.c.
282b	Saggars, hillers, bats, and plate setters, when used in the manufacture of ceramic products	Free	Free	Free	Free 12½ p.c.	Free 20 p.c.	Free 22½ p.c.
316a	Incandescent lamp bulbs for use in the manufacture of incandescent lamps; glass tubing for use in the manufacture of incandescent lamps, vials and ampoules; mantle stocking for gas light	Free	7½ p.c.	10 p.c.	Free 10 p.c.	7½ p.c. 20 p.c.	10 p.c. 22½ p.c.
349c	Magnesium scrap Provided, that nothing shall be deemed to be magnesium scrap except waste or refuse magnesium, fit only to be remelted.	Free	Free	Free	15 p.c.	25 p.c.	25 p.c.

410c	(i) Machinery and apparatus and complete parts thereof for use exclusively in producing unrefined oil from shales, not to include motive power, of a class or kind not made in Canada.....	Free	Free	Free	Free	Free	Free
	(ii) Machinery and apparatus for operating oil-sands by mining operations and for extracting oil from the sands so mined; complete parts of the foregoing...	Free	Free	Free	Free 10 p.c.	27½ p.c. 27½ p.c.	35 p.c. 35 p.c.
422a	Concrete road-paving machines, self-propelling, end loading type, with a capacity of 21 cubic feet of wet concrete or more; concrete and asphalt road finishing machines; form graders; sub-graders; combination excavating and transporting scraper units; concrete mixers, transit type; dump wagons or trailers, having a capacity of 10 cubic yards or over, not self-propelled; back-filling machines and equipment, mounted on self-propelling wheels or crawling traction, semi- or full-revolving boom and scraper type; steam or air driven pile hammers or extractors; well-points; truck turntables; all the foregoing of a class or kind not made in Canada, and complete parts thereof.....	Free	10 p.c.	12½ p.c.	Free 15 p.c.	10 p.c. 27½ p.c.	12½ p.c. 30 p.c.
428g	Fuel injection pumps and nozzles for diesel and semi-diesel engines.....	Free	Free	Free	Free Free	Free 25 p.c.	Free 30 p.c.
435	Locomotives and motor cars for railways, of a class or kind not made in Canada, and complete parts thereof, for use exclusively in mining, metallurgical or sawmill operations; diesel switching locomotives of a class or kind not made in Canada.....	Free	12½ p.c.	20 p.c.	Free 15 p.c.	12½ p.c. 30 p.c.	20 p.c. 35 p.c.
438d	Front and rear axles; brakes; clutches; internal combustion engines; steering gears; magnetos; rims for pneumatic tires larger than thirty inches by five inches; transmission assemblies; drive shafts; universal joints; steel road wheels; and parts of the foregoing, when of a class or kind not made in Canada, and imported by manufacturers of the goods enumerated in tariff items 424 and 438a for use only in the manufacture of motor trucks, motor buses and electric trackless trolley buses, or for the manufacture of chassis for the same.....	Free	17½ p.c.	27½ p.c.	Free Free	17½ p.c. 25 p.c.	27½ p.c. 40 p.c.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates		
					B.P. Tariff	Intermediate Tariff	General Tariff
	(1) Provided that if the above articles are imported for use as original equipment for motor trucks, motor buses and electric trackless trolley buses, or for chassis for the same, by a manufacturer of the goods enumerated in tariff items 424 and 438a, and provided also that during the year during which importation is sought, not less than forty per centum of the factory cost of production of such motor vehicles and chassis therefor, not to include duties and taxes, is incurred in the British Empire, the rates of duty under this item shall be.....	Free	7½ p.c.	27½ p.c.	Free Free	7½ p.c. 25 p.c.	27½ p.c. 40 p.c.
	(2) Provided that the Governor in Council may make such regulations, if any, as are deemed necessary for carrying out the provisions of this item.						
438i	Body bottom cross members and steel shapes for the manufacture thereof; bumpers, front and rear, and parts thereof, including spring steel bumper plates; casket tables or platforms for hearses; destination and route sign assemblies, illuminated or not, and parts thereof; direction signals, illuminated or not; door and step mechanism, hand, vacuum or air operated, and parts thereof; door locks and catches and parts thereof; electric switches, buzzers, bells, push buttons, fuse assemblies and parts thereof; forward drive control conversion assemblies and parts thereof; lamps of all kinds, illuminating and indicating, including sockets, flanges, terminals, glassware, lenses and gaskets therefor, assembled or not, but not to include lamp bulbs; metal stampings, oiled and primed or not, and assemblies thereof; rubber fenders; seat operating mechanisms; ventilators, including motor driven fan type, and grilles, and parts thereof; window operating mechanisms; all of the foregoing when imported to be used only in the manufacture of motor bus bodies, electric trackless trolley bus bodies, motor ambulances and hearses.....	Free	Free	20 p.c.	Free Free	Free 25 p.c.	20 p.c. 40 p.c.

438j	Semi-finished piston castings of any material.....	Free	25 p.c.	35 p.c.	Free	30 p.c.	40 p.c.
451b	Pins manufactured from wire of any metal:						
	(i) Specially designed for marking systems.....	Free	5 p.c.	10 p.c.	17½ p.c.	27½ p.c. 10 cts. per pound	30 p.c. 10 cts. per pound
	(ii) N.o.p.....	17½ p.c.	27½ p.c.	30 p.c.	17½ p.c.	27½ p.c.	30 p.c.
	and, per pound.....		10 cts.	10 cts.		10 cts. per pound	10 cts. per pound
534	*(a)* Wick, with or without core, processed or not, when imported by manufacturers of wax candles or tapers for use in their own factories in the manufacture of wax candles or tapers.....	Free	Free	Free	Free 15 p.c.	Free 22½ p.c. 3½ cts. per pound	Free 25 p.c. 4 cts. per pound
	(b) Braided wick, with or without core, processed or not, when imported for use exclusively in oil-burning sanctuary lamps, under such regulations as the Minister may prescribe.....	Free	Free	Free	Free	Free	Free
574	Woven fabrics, non-elastic, not exceeding three inches in width, imported by manufacturers of suspenders, garters, hose supporters, abdominal supporters and spinal braces for use exclusively in the manufacture of such articles in their own factories.....	10 p.c.	17½ p.c.	20 p.c.	10 p.c. 22½ p.c.	17½ p.c. 27½ p.c.	20 p.c. 35 p.c.
584	Resin or rosin; bone pitch, crude only.....	Free	Free	Free	Free 15 p.c.	Free 25 p.c.	Free 25 p.c.
610	Belting, n.o.p.....	7½ p.c.	25 p.c.	27½ p.c.	15 p.c. 7½ p.c.	25 p.c. 27½ p.c.	27½ p.c. 27½ p.c.
657	Mouthpieces in the rough, screws, aluminum pipe fitments and pipe bowls moulded from briarwood dust, and bowls of wood, not further processed than frazed, when imported by manufacturers of tobacco pipes for use in the manufacture of such pipes, in their own factories.....	Free	Free	25 p.c.	Free 15 p.c. 17½ p.c. 20 p.c.	Free 25 p.c. 22½ p.c. 27½ p.c.	25 p.c. 25 p.c. 25 p.c. 30 p.c.
682a	Net floats of aluminum, glass, canvas, cork, rubber, or cellulose acetate, for use exclusively in commercial fishing.....	Free	Free	Free	Free 20 p.c.	Free 30 p.c.	Free 35 p.c.

2. Resolved, that Schedule A to the Customs Tariff, as amended, be further amended by deleting from The Customs Tariff Amendment Act, 1939, as amended by chapter twenty-nine of the statutes of 1940 and chapter thirteen of the statutes of 1941, the following enumerations of goods and rates of additional duties of customs:

Whisky, brandy, rum, gin and all other goods specified in Customs Tariff Items 156, 156a, and 156b, $3 per gallon of the strength of proof.

Ale, beer, porter and stout, 9 cents per gallon.

Wines of all kinds except sparkling wines, containing not more than 4 per cent of proof spirit, 32½ cents per gallon.

Champagne and all other sparkling wines, $1.25 per gallon.

and by substituting therefor the following enumerations of goods and rates of additional duties of customs:

Whisky, brandy, rum, gin and all other goods specified in Customs Tariff Items 156, 156a, and 156b, $5 per gallon of the strength of proof.

Ale, beer, porter and stout, 30 cents per gallon.

Wines of all kinds except sparkling wines, containing not more than 40 per cent of proof spirit, 42½ cents per gallon.

Champagne and all other sparkling wines, $1.75 per gallon.

3. Resolved, that any enactment founded upon the foregoing resolutions shall be deemed to have come into force on the twenty-fourth day of June, one thousand nine hundred and forty-two, and to have applied to all goods mentioned in the foregoing resolutions imported or taken out of warehouse for consumption on and after that date, and to have applied to goods previously imported for which no entry for consumption was made before that date.

APPENDIX TO THE BUDGET, 1942-43

A. REVIEW OF GOVERNMENT ACCOUNTS, 1941-42.

B. TABLES ON ECONOMIC CONDITIONS, 1941-42.

A. GOVERNMENT ACCOUNTS, 1941-42

COMPARATIVE SUMMARY STATEMENT OF REVENUES AND EXPENDITURES

1. As the final figures for the fiscal year 1941-42 are not as yet available, all statements dealing with revenues, expenditures, investments and balance sheet items are estimated. It is expected that when the books of the year are finally closed, any variations from the figures shown herein will be of slight importance.

2. The following tables show, by main categories and in detail, revenues, expenditures and the increase in net debt for the fiscal year 1941-42, together with comparable figures for the four preceding fiscal years:

STATEMENT OF REVENUES FOR THE LAST FIVE FISCAL YEARS

(000 omitted)

—	1937-38	1938-39	1939-40	1940-41	Estimated 1941-42
	$	$	$	$	$
Tax Revenues—					
Customs import duties	93,456	78,751	104,301	130,757	142,392
Excise duties—					
Spirits, malt, etc	19,626	18,530	21,267	34,140	46,777
Cigars, cigarettes and tobacco	32,837	33,225	40,557	55,417	65,050
Licences	38	34	35	45	39
	52,501	51,789	61,859	89,602	111,866
Less refunds	464	475	827	994	1,775
	52,037	51,314	61,032	88,608	110,091
Excise taxes—					
Sales	141,864	125,927	141,121	184,536	246,553
Manufacturers—					
Automobiles,rubber tires and tubes	1,453	1,343	1,568	11,206	16,742
Gasoline	—	—	—	—	24,752
Cigars, cigarette papers and tubes	1,428	1,575	2,009	3,601	4,281
Beverages	—	—	—	—	6,247
Matches and lighters	1,769	1,819	2,135	2,173	2,766
Sugar	10,833	11,004	12,302	11,894	22,009
Toilet preparations and soap	1,224	1,249	1,371	1,542	3,539
Electric and gas appliances	—	—	—	1,886	8,470
Phonographs, radios and tubes	—	—	—	1,289	2,361
Sundry	477	465	732	1,340	2,322
Amusements	—	—	—	—	7,710
Tax on pari mutuel bets	—	—	—	—	1,082
Special excise (importations)	18,622	15,591	1,979	1,008	861
Transportation and communication	1,727	1,640	1,657	1,848	8,131
Stamps, licences, interest, etc	5,231	4,885	4,829	4,747	5,095
War exchange	—	—	—	61,932	100,874
	184,628	165,498	169,703	289,002	463,795
Less refunds	3,809	3,787	3,675	4,835	10,369
	180,819	161,711	166,028	284,167	453,426
Income tax—					
Individuals	40,445	46,937	45,407	75,863	189,502
Corporations	69,769	85,186	77,920	131,566	185,836
Dividends, interest, etc	10,152	9,903	11,122	13,042	28,269
	120,366	142,026	134,449	220,471	403,607
National defence tax	—	—	—	27,672	106,637
Excess profits tax	—	—	—	23,995	135,168
Succession duties	—	—	—	—	6,957
Banks, Insurance Companies, etc.—					
Chartered banks	1,107	1,014	949	898	787
Insurance companies	867	891	926	972	1,148
Miscellaneous	509	587	586	673	702
Total Revenue from taxes	449,161	436,294	468,271	778,213	1,360,915
Non-tax Revenues—					
Post Office	35,546	35,288	36,728	40,383	45,994
Return on investments	14,463	14,407	14,617	17,592	25,830
Bullion and coinage	1,715	2,052	3,756	6,266	4,765
Premium, discount and exchange	27	477	7,939	6,107	11,780
Other	9,386	9,499	10,306	11,194	14,200
Total non-tax revenue	61,137	61,723	73,346	81,542	102,569
Total ordinary revenues	510,298	498,017	541,617	859,755	1,463,484

STATEMENT OF REVENUES FOR THE LAST FIVE FISCAL YEARS—*Concluded*

(000 omitted)

—	1937-38	1938-39	1939-40	1940-41	Estimated 1941-42
	$	$	$	$	$
Special Receipts and Other Credits—					
Consolidated Fund—					
Refunds of previous years' special expenditure	1,184	1,232	153	78	102
Refunds of previous years' war expenditure	.....	.....	.....	1,221	7,826
War donations	—	—	11	1,410	459
Special receipts arising out of the war	—	—	—	321	1,649
Canadian National Railways—					
Operating surplus for calendar year 1941	—	—	—	—	4,016
Capital gain on redemption of 4% debenture stock	—	—	—	5,504	99
Canadian National (West Indies) Steamships Ltd.—					
Operating surplus for 1936 and 1937	270	—	—	—	—
Dominion stock "A" written off	—	—	—	4	—
Montreal Turnpike Trust Account—adjustment	—	24	—	—	—
Surplus value of free lands and reclaimed leases previously held in the Soldier Land Settlement Assurance Fund transferred to Consolidated Revenue Fund	758	—	—	—	—
Inventory value of stores on hand in the Department of Transport as at April 1, 1937, credited to Consolidated Revenue Fund pursuant to Department of Transport Stores Act, 1937	798	—	—	—	—
Total Consolidated Fund	3,010	1,256	164	8,538	14,151
Capital Accounts—					
Refunds of previous years' expenditure	1,543	40	21	20	36
Net insurance proceeds on the P.E.I. Car Ferry	—	—	—	—	984
Non-active Accounts—					
Canadian Government Merchant Marine, Limited—					
Balance in Contingency Reserve	—	—	—	1	—
National Harbours Board—					
Reduction in indebtedness	—	—	—	—	33
Write-downs to Consolidated Fund—					
Seed Grain and Relief Loans	14	18	10	46	58
Relief Loans to Province of Manitoba	805	—	—	—	—
Relief Loans to Province of Saskatchewan	—	—	17,682	—	—
Soldier and General Land Settlement Loans	—	127	—	—	—
Canadian National Railways Securities Trust Stock—					
Line abandonments	—	2,713	2,600	2,334	2,539
Net capital loss on sale of S.S. *Prince David* and S.S. *Prince Robert*	—	—	—	1,475	—
Net credit resulting from Canadian National Railways Capital Revision Act, 1937	1,023	—	—	—	—
Total Special Receipts and Credits	6,395	4,154	20,477	12,414	17,801
Grand Total Revenue	516,693	502,171	562,094	872,169	1,481,285

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS
FOR THE LAST FIVE FISCAL YEARS
(000 omitted)

—	1937-38	1938-39	1939-40	1940-41	Estimated 1941-42
	$	$	$	$	$
ORDINARY EXPENDITURE					
Agriculture	9,017	9,527	11,817	8,593	8,437
Auditor General's Office	463	473	459	453	456
Civil Service Commission	358	379	398	397	401
External Affairs, including Office of Prime Minister	1,450	1,057	1,220	1,013	1,055
Finance—					
Interest on Public Debt	132,118	127,996	129,315	139,179	154,270
Cost of Loan Flotations and Annual Amortization of Bond Discounts and Commissions	4,555	4,914	4,992	6,304	16,430
Subsidies to Provinces	13,735	13,752	13,769	13,769	14,409
Special Grants to Provinces	7,475	7,475	5,475	5,475	—
War-time Prices and Trade Board— Dominion Fuel Board Administration, coal subsidies and subventions	—	—	—	—	[6] 4,880
Miscellaneous Grants and Contributions	560	643	660	530	533
Civil Pensions and Superannuation	712	638	567	500	445
Government contribution to Superannuation Fund	2,065	2,220	2,271	2,316	2,347
Old Age Pensions, including pensions to blind persons	28,653	29,044	29,977	29,912	29,612
Compensation to Provinces under Dominion-Provincial Taxation Agreements	—	—	—	—	21,120
Administrative and Sundry Expenditure	3,573	3,689	3,966	3,508	3,513
Fisheries	1,850	2,036	2,320	1,618	1,684
Governor General and Lieutenant Governors	225	226	227	213	226
Insurance	187	194	195	176	180
Justice	2,790	2,748	2,725	2,711	2,658
Penitentiaries	2,577	2,675	2,941	2,717	2,786
Labour	706	788	788	826	763
Technical Education	49	27	31	18	41
Unemployment Insurance Act, 1940—					
Administration	—	—	—	69	2,345
Government contribution	—	—	—	—	7,287
Government Annuities—					
Payments to maintain reserve	8,941	—	379	111	661
Legislation—					
House of Commons	1,516	1,800	1,286	2,468	1,408
Library of Parliament	79	72	76	70	72
Senate	536	600	432	868	424
General	57	75	68	58	47
Dominion Franchise Office	76	50	—	—	—
Chief Electoral Officer, including elections	45	114	458	2,469	281
Mines and Resources—					
Administration	[1] 1,491	[1] 184	[1] 186	[1] 179	[1] 170
Immigration and Colonization	1,163	1,335	1,338	1,273	1,287
Indian Affairs	4,897	5,305	5,675	5,183	4,979
Lands, Parks and Forests	1,910	2,249	2,116	1,937	1,963
Surveys and Engineering	933	1,325	1,301	1,114	1,175
Mines and Geological Survey	658	1,340	1,324	1,173	1,153
Movement of Coal and Subsidies under Domestic Fuel Act	2,521	1,921	4,532	4,408	[2] —
Munitions and Supply	—	—	—	9	12
National Defence—					
Administration	—	[3] 409	[3] 178	[3] 30	[3] 38
Militia Service	17,221	15,772	5,997	—	—
Naval Service	4,372	6,590	1,869	—	—
Air Service	10,018	11,216	4,852	—	—
Sundry Services	1,149	447	295	168	231
National Revenue (including Income Tax)	11,870	11,899	12,064	12,229	13,430
National War Services	—	—	—	—	675
Pensions and National Health—					
Administration	—	[3] 118	[3] 132	[3] 133	[3] 137
Treatment and after-care of returned soldiers	12,109	13,453	14,771	13,402	12,733

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS FOR THE LAST FIVE FISCAL YEARS—*Continued*

(000 omitted)

—	1937-38	1938-39	1939-40	1940-41	Estimated 1941-42
	$	$	$	$	$
ORDINARY EXPENDITURE—*Continued*					
Pensions and National Health—*Conc.*					
Pensions, War and Military	42,240	42,181	42,219	41,515	40,582
Health Division	957	1,012	1,113	1,111	1,249
Post Office	33,762	35,456	36,726	38,700	41,495
Privy Council	48	49	59	54	54
Public Archives	170	159	150	126	123
Public Printing and Stationery	161	191	199	283	195
Public Works	12,382	15,484	13,065	11,507	11,936
Royal Canadian Mounted Police	6,308	6,145	5,626	5,554	6,021
Secretary of State	693	730	836	772	823
Soldier Settlement	801	758	624	582	564
Trade and Commerce	4,070	4,763	4,999	4,315	(4) 6,200
Canada Grain Act	1,675	1,847	1,933	1,908	1,909
Mail Subsidies and Steamship Subventions	2,029	1,993	1,907	942	616
Transport—					
Administration	417	371	358	334	364
Air Service	2,935	3,457	3,862	3,478	3,414
Marine Service	4,290	4,271	4,215	3,795	4,013
Canadian Travel Bureau	250	249	312	470	(5) —
Railways and Canals	3,661	4,371	3,763	3,527	3,697
Maritime Freight Rates Act	3,183	2,583	2,660	3,951	3,935
Railway Grade Crossing Fund	180	187	255	126	25
Total ordinary expenditure	414,892	413,032	398,323	390,629	443,969
CAPITAL EXPENDITURE					
Railways	71	26	23	7	5
Public Works	4,359	5,398	7,007	3,351	3,352
Total Capital Expenditure	4,430	5,424	7,030	3,358	3,357
WAR EXPENDITURE					
War (*see* sections 17 to 27)	—	—	118,291	752,045	1,351,553
SPECIAL EXPENDITURE					
Unemployment Relief—					
Administration—Relief Acts	378	260	287	236	102
Grants-in-aid to Provinces	19,493	17,037	—	—	—
Material Aid to Provinces, including municipal improvements projects	—	—	19,534	15,785	1,856
Dominion share of joint Dominion-Provincial projects	8,841	6,259	7,147	1,794	487
Dominion projects	13,913	12,981	24,919	9,784	5,948
Transportation facilities into mining areas	1,324	1,213	1,121	48	—
	43,949	37,750	53,008	27,647	8,393

(1) Prior to 1937-38 general administration expenses were not segregated from other expenditures of the respective services of the departments which were amalgamated to form the Department of Mines and Resources. The figures from 1938-39 represent only Departmental Administration, other administration costs being included as in other departments, under the respective services.

(2) For current year *see* Department of Finance.

(3) Prior to 1938-39 general administration expenses were not segregated from other expenditure of the respective services of the departments.

(4) Includes an estimated amount of $2,565,000 for Census of population of Canada.

(5) For current year included in National War Services.

(6) For previous years included in Departments of Trade and Commerce and Mines and Resources.

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS FOR THE LAST FIVE FISCAL YEARS—*Continued*

(000 omitted)

—	1937-38	1938-39	1939-40	1940-41	Estimated 1941-42
	$	$	$	$	$
SPECIAL EXPENDITURE—*Continued*					
Western Drought Area Relief—					
Direct Relief	11,925	8,869	1,605	—	—
Feed and fodder and freight thereon	11,352				
Expenses of marketing cattle	337	—	—	—	—
Purchase and distribution of foodstuffs	972	277	—	—	—
Prairie Farm Assistance Act, 1939—					
Administration	—	—	—	346	420
Advances to Prairie Farm Emergency Fund	—	—	7,500	4,376	11,836
Wheat acreage reduction payments	—	—	—	—	29,659
	24,586	9,146	9,105	4,722	41,915
Provision for reserve against estimated losses on 1938 wheat marketing guarantees	—	25,000	27,000	—	—
Provision for reserve to meet deficits resulting from the operations of the Canadian Wheat Board calculated as at July 31, 1940 and 1941, respectively, not previously provided for	—	—	—	10,500	12,571
Total special expenditure	68,535	71,896	89,113	42,869	62,879
GOVERNMENT OWNED ENTERPRISES					
Losses charged to Consolidated Fund—					
Canadian National Railway System, ex-eastern lines	37,882	48,194	34,850	14,451	—
Eastern lines	4,464	6,120	5,245	2,514	—
Prince Edward Island Car Ferry and Terminals	—	(1) 388	427	461	424
National Harbours Board	289	138	94	40	33
Trans-Canada Air Lines	111	818	412	—	—
Central Mortgage Bank	—	—	16	—	—
Total charged to consolidated fund	42,746	55,658	41,044	17,466	457
Loans and advances non-active—					
Canadian National Steamships	104	6	8	—	—
National Harbours Board	1,983	3,279	1,027	716	758
Total non-active advances	2,087	3,285	1,035	716	758
Total government-owned enterprises	44,833	58,943	42,079	18,182	1,215
OTHER CHARGES					
Write-down of assets chargeable to Consolidated Fund—					
Drought Area Relief Loans, 1934-35—					
Province of Saskatchewan	—	—	1,374	—	—
Reduction of soldier and general land settlement loans	750	1,023	1,643	1,011	271
Yearly established losses in seed grain and relief accounts—Department of Mines and Resources	14	18	10	46	58

(1) Included with Eastern lines in previous years.

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS

FOR THE LAST FIVE FISCAL YEARS—*Concluded*

(000 omitted)

—	1937-38	1938-39	1939-40	1940-41	Estimated 1941-42
OTHER CHARGES—*Concluded*	$	$	$	$	$
Canadian National Railways Securities Trust Stock—Reduction due to line abandonments during calendar years 1938, 1939, 1940 and 1941.....	(2) —	2,713	2,600	2,334	2,539
Canadian National Railways Securities Trust Stock—Capital loss (exclusive of loss applicable to expired service life) on sale of S.S. Prince David and Prince Robert.....	—	—	—	1,475	—
Cancellation of Canadian Farm Loan Board—					
Capital Stock.....	10	14	11	12	10
Province of Manitoba Treasury Bills..	(3) 805	—	—	—	—
Province of Saskatchewan Treasury Bills.....	—	—	(3) 17,682	—	—
To provide a reserve for possible losses on ultimate realization of Active Loans and Advances.....	—	—	—	25,000	25,000
Non-Active Accounts—					
General Land Settlement Loans.....	139	—	—	—	—
Fulfilment of guarantees—					
Saskatchewan Seed Grain Loans,1936 and 1937.....	—	—	2,638	7,136	—
Canadian National Railways Securities Trust Stock—					
Increase in Dominion's Equity in the Canadian National Railways due to capital gain on redemption of £22,500,000 G.T.R. 4% Perpetual Debenture Stock.....	—	—	—	5,504	99
Increase in Dominion's Equity in the Canadian National Railways due to surplus earnings of Canadian National Railway System for calendar year 1941.....	—	—	—	—	4,016
Total other charges.....	1,718	3,768	25,958	42,518	31,993
Grand total expenditures.....	534,408	553,063	680,794	1,249,601	1,894,966

(2) An amount of $711,000 representing line abandonments during the calendar year 1937 was included in the adjustments resulting from the Canadian National Railways Capital Revision Act, 1937.

(3) These amounts are offset by a contra account on the revenue side.

SUMMARY OF REVENUES AND EXPENDITURES

(000 omitted)

—	1937-1938	1938-1939	1939-1940	1940-1941	Estimated 1941-42
	$	$	$	$	$
Ordinary revenues	510,298	498,017	541,617	859,755	1,463,484
Ordinary expenditures	414,892	413,032	398,323	390,629	443,969
Surplus on ordinary account	95,406	84,985	143,294	469,126	1,019,515
War and special expenditures	68,535	71,896	207,404	794,914	1,414,432
Less special receipts	3,010	1,256	164	8,538	14,151
Balance	65,525	70,640	207,240	786,376	1,400,281
Add—Capital expenditures	4,430	5,424	7,030	3,358	3,357
" Government owned Enterprises	44,833	58,943	42,079	18,182	1,215
" Other charges	1,718	3,768	25,958	42,518	31,993
	116,506	138,775	282,307	850,434	1,436,846
Less other credits	3,385	2,898	20,313	3,876	3,650
	113,121	135,877	261,994	846,558	1,433,196
Deduct surplus as above	95,406	84,985	143,294	469,126	1,019,515
Over-all deficit or increase of direct net debt	17,715	50,892	118,700	377,432	413,681

REVENUES, 1941-42

3. When the books for the fiscal year 1941-42 are finally closed, total revenues will reach, it is estimated, an all-time record of $1,481,285,000. This represents an increase over the preceding fiscal year of no less than $609,116,000 or approximately 70 per cent. The chief reasons for this very substantial increase were the new taxes and the increases in old tax rates imposed by the last budget and the higher level of national income and production due to heavy expenditures for war purposes. In addition, there were less important increases in the yield from income taxes due to changes in the time and method of collection. As a result of the last budget, the due date for personal income taxes was moved back from April 30 to March 31 and the prepayment instalment plan became effective in September 1941, thus providing for seven monthly payments during the fiscal year for those who adopted the plan as compared with only three monthly instalments in the preceding fiscal year under the instalment plan which began in January 1941.

4. The five-year table of revenues shown on page 4 is in the same form as was used last year. This table is divided to show tax revenues under appropriate headings with subheadings for Excise Duties, Excise Taxes and Income Taxes. The non-tax revenue section is broken down under five main headings.

5. Total revenues from taxation for the fiscal year ended March 31, 1942, are estimated at $1,360,915,000 compared with $778,213,000 collected during the previous year. This total represents 92 per cent of the total estimated revenues. An examination of the five-year table discloses that direct taxes on incomes realized $645,412,000 compared with $272,138,000 during the previous year. While, in 1940-41, direct taxes represented 35·0 per cent of the total revenue from taxes, they represented 47·4 per cent of total tax revenues in 1941-42. This comparison illustrates the increasing reliance upon the direct taxation of incomes. Because of the change in the due date of personal income taxes from April 30 to March 31, and the longer period in which the prepayment instalment plan was in operation during 1941-42, an accurate comparison of receipts from personal income taxes during 1941-42 with the amounts received in previous years cannot be made.

6. As a result of the Budget of April 29, 1941, the Dominion levied succession duties for the first time. The yield of this new tax amounted to $6,957,000. This compared with a rough estimate of $10,000,000 given in last year's Budget.

7. The total revenue from sales tax, less refunds, is estimated at $236,184,000, an increase of $56,483,000 as compared with the previous year. Part of this increase was the result of removing building materials from the exempt list (effected by the Budget of April 1941) but for the most part it reflects the higher level of activity brought about by increasing expenditures for war purposes.

8. The war exchange tax is expected to realize a total revenue of $100,874,000 compared with $61,932,000 received during the previous year.

9. Other excise taxes as set out in the five-year table are estimated to produce $116,368,000, an increase over the previous year of $73,834,000. Excise taxes derived from new imposts realized $44,937,000 as follows: gasoline $24,752,000; amusements $7,710,000; parimutuel bets $1,082,000; soft drinks $6,247,000; and travel $5,146,000. The remainder of the increase, namely $28,897,000, is accounted for by business expansion and by increased excise taxes on automobiles, cigarette papers and tubes, lighters, playing cards, sugar, toilet preparations, wines and long distance telephone calls, etc.

10. Revenues from customs import duties for the year just closed are estimated at $142,392,000 compared with $130,757,000 received during 1940-41. This increase is due largely to increased imports arising out of the war.

11. Receipts from excise duties mainly on liquor and tobacco, are expected to total $110,091,000, an increase of $21,483,000 over the previous fiscal year. The gross duty on spirits, malt, etc., is estimated at $46,777,000 and that on tobacco at $65,050,000.

12. Total non-tax revenues are estimated at $102,569,000 compared with $81,542,000 in the previous year. The largest non-tax item is the receipts from the Post Office which it is expected will total $45,994,000, an increase of approximately $5,611,000 over the preceding fiscal year. The receipts from the Post Office will, it is expected, exceed the cost of operations by $4,500,000. As mentioned in previous Budget Speeches, the Post Office accounts do not include the rental value and other costs of premises occupied and equipment used, nor do they include any credit to the Post Office for services rendered to other departments for the free use of the mails. Other increases in the non-tax section were recorded under the headings of Premium, Discount and Exchange, and Return on Investments. The increase in Premium, Discount and Exchange was due to repatriation of sterling securities and the increase in Return on Investments was accounted for mainly by interest on increased loans to the Foreign Exchange Control Board and the Canadian National Railways.

13. The total amount shown for the fiscal year 1941-42 under the heading, Special Receipts and Credits, is $17,801,000. Of this, total cash receipts account for $11,089,000 as follows: refunds of previous years' war expenditures $7,826,000; voluntary donations for war purposes $459,000; insurance moneys received on loss of Prince Edward Island Car Ferry $984,000; and sundry receipts $1,820,000.

The remainder amounting to $6,712,000 represents bookkeeping items which affected the book value of the Canadian National Railways Securities Trust Capital Stock and certain other non-active assets. All of these items making up the total of $6,712,000 are offset by contra amounts appearing on the expenditure side under the heading, Other Charges.

The first of these items is that affecting the book valuation of the Canadian National Railways Securities Trust Capital Stock which was increased by $4,115,000, due to (a) surplus earnings of The Canadian National Railway System for the calendar year 1941, amounting to $4,016,000, and (b) the capital gain arising from redemption of Grand Trunk Railway 4 per cent Debenture Stock at less than par in Canadian funds amounting to $99,000. In addition, there were two other transactions affecting the non-active accounts: Canadian National Railways Securities Trust Capital Stock was reduced by reason of line abandonments during the year 1941 in the amount of $2,539,000, and the sum of $58,000 representing the yearly established losses in the seed grain and relief accounts of the Department of Mines and Resources was written off.

13A. The table below gives a summary of the forecasts made at the time of the last Budget of the probable receipts from various sources of revenue during the fiscal year 1941-42 and a comparison of these forecasts with the present estimates of actual receipts during the fiscal year. It will be noted that there is shown in the first column the forecast of expected receipts from the tax structure as it existed before the Budget of April 29, 1941, was brought down in the House, while the second column gives the expected receipts from the tax structure as affected by the proposals made in the Budget, and the third column the expected receipts from the tax structure as amended by the legislation finally passed by Parliament.

Under the conditions which have prevailed since the outbreak of war, with production and employment expanding rapidly and with prices rising (until last December), it has been very difficult to make accurate forecasts of the yield from various types of taxation. Budgetary authorities must always be cautious in predicting the probable magnitude and results of expanding economic activity and rising national income. It is always wise to err on the side of conservatism rather than undue optimism. It will be noted from the table that while there were under-estimates or over-estimates of some proportions in the case of individual revenue sources, these cancelled each other out to a considerable extent. The total yield from taxation was under-estimated by only $4,815,000.

Some comments may be made in regard to the probable explanation for the major differences as between the forecasts and the estimated actual results. The increase in customs duties as compared with the forecast was due to a higher level of prices and a greater volume of imports than had been anticipated. The increase in excise duties was due to a higher volume of sales than had been expected while the substantial increases in the various excise taxes were due not only to a greater volume of business but also to higher prices than had been anticipated. The close estimate of the yield of the national defence tax indicates substantial accuracy in forecasting the level of personal incomes and the under-estimate of the yield of the graduated tax on personal incomes is chiefly due to the facts (a) that a smaller proportion of taxpayers than was expected took advantage of the prepayment instalment plan, and (b) that many returns mailed on March 31st were not received in sufficient time to be included in receipts for the fiscal year 1941-42.

The difficulty of making accurate allowance in advance for the effects of the pre-payment instalment plan was probably also the main explanation of the under-estimate of the yield from the corporate income tax and the over-estimate of the yield from the excess profits tax although other factors may also have been operative in the case of the latter including probably the fact that depressed businesses were allowed to calculate and pay their tax on the minimum basis pending final determination of standard profits by the Board of Referees. In comparing the forecast with the actual yield from succession duties, it should be remembered that this was an entirely new tax and there was no experience to go upon in preparing the forecast. Perhaps, also, insufficient account was taken of the time necessarily involved in securing full payment of succession duties. In any case, fluctuations in the yield of succession duties are almost impossible to predict in advance. Reference was made in an earlier paragraph to the increase in non-tax revenues. This resulted from a substantial increase in Post Office receipts, a large increase in Premium, Discount and Exchange arising out of the heavy repatriation operations and the increase in return on investments due to advances to the Foreign Exchange Control Board and the Canadian National Railways. It is impossible to predict the amount of special receipts and credits that may accrue in any fiscal year and it has not been the practice to attempt any estimate of this category of revenues.

DETAILED STATEMENT OF FORECASTS AND ACTUAL RECEIPTS OF REVENUE, 1941-42

Source of Revenue	Forecast of Receipts			Actual Receipts (Preliminary)	Increase (+) or decrease (−) in receipts as compared with final forecast
	From tax structure before Budget changes	From tax structure as changed by proposals made in Budget of April 29, 1941	From tax structure as amended in Parliament		
	000 omitted	000 omitted	000 omitted	000 omitted	000 omitted
Tax Revenues	$	$	$	$	$
Customs duties	137,000	137,000	137,000	142,392	+5,392
Excise duties	98,000	101,200	101,200	110,091	+8,891
Excise taxes:					
Sales tax	190,000	203,500	203,500	236,184	+32,684
War Exchange tax	81,000	81,000	81,000	100,874	+19,874
Other excise taxes	51,000	108,900	113,900	116,368	+2,468
Total excises taxes	322,000	393,400	398,400	453,426	+55,026
Income taxes:					
Graduated tax on personal incomes	135,000	225,000	225,000	189,502	−35,498
National defence tax	55,000	110,000	110,000	106,637	−3,363
Corporate income tax	165,000	165,000	165,000	185,836	+20,836
Excess profits tax	140,000	180,000	180,000	135,168	−44,832
Interest and Dividends	15,000	42,500	27,500	28,269	+769
Total income taxes	510,000	722,500	707,500	645,412	−62,088
Succession duties	—	10,000	10,000	6,957	−3,043
Miscellaneous taxes	2,000	2,000	2,000	2,637	+637
Total Tax Revenues	1,069,000	1,366,100	1,356,100	1,360,915	+4,815
Non-tax Revenues	81,000	81,000	81,000	102,569	+21,569
Special Receipts and Credits		(no estimate made)		17,801	+17,801
Grand Total	1,150,000	1,447,100	1,437,100	1,481,285	+44,185

EXPENDITURES, 1941-42

14. The comments which follow will deal with expenditures classified by the usual main categories: (1) Ordinary Expenditures; (2) Capital Expenditures; (3) War Expenditures; (4) Specal Expenditures; (5) Operating Deficits of, and Non-active Advances to Government-owned Enterprises; and (6) Other Charges. All disbursements under these headings with the exception of active loans and investments chargeable to War Appropriation Acts, are included as expenditures in arriving at the over-all deficit or increase in net debt.

ORDINARY EXPENDITURES

15. It is estimated that ordinary expenditures for the year will total $443,969,000, of which such uncontrollable and contractual items as interest and other charges on the public debt, pensions, unemployment insurance, post office, subsidies and payments to provinces under the Dominion-Provincial taxation agreements will aggregate $330,342,000, approximately 74 per cent of the total. The remaining 26 per cent represents general administrative expenses and other services of government charged to Ordinary Expenditures.

The above estimated total of $443,969,000 is greater than the actual amount of ordinary expenditures during the previous fiscal year by $53,340,000. It may be noted, however, that this increase is due in considerable part to increased expenditures which are really due to the war itself, including the following as the more important items:

Increased Interest on Public Debt	$15,091,000
Increased Cost of Loan Flotations and Annual Amortization of Bond Discount and Commissions	10,126,000
Compensation to Provinces under the Dominion-Provincial Taxation Agreements	21,120,000
Increase in Administrative Cost, Department of National Revenue	1,201,000
	$47,538,000

The total of these increases due to the war should be reduced by $5,475,000 representing the aggregate of special grants to the provinces which were dropped in 1941 and replaced by the arrangements under the new Dominion-Provincial Taxation Agreements. This leaves a balance of $42,063,000. If we add to this the increased cost of unemployment insurance, namely $9,563,000, we get a total of $51,626,000. Some of the increases in the so-called ordinary expenditures of other departments might be regarded as due directly or indirectly to the war, such, for instance, as the $2,795,000 increase by the Post Office Department and the $467,000 for administration of the Royal Canadian Mounted Police. Regular subsidies to provinces increased by $640,000. Other minor increases were: Government Annuities $550,000; Public Works $429,000; Trade and Commerce $1,560,000; and sundry increases $1,780,000.

The largest decrease in Ordinary Expenditures was occasioned by the suspension of the special grants to Provinces which amounted to $5,475,000. Other decreases are as follows:—Agriculture $156,000; Old Age Pensions $300,000; House of Commons $1,060,000; Senate $444,000; Chief Electoral Officer $2,188,000; Indian Affairs $204,000; Treatment and after-care of returned soldiers $669,000; Pensions, War and Military, $933,000; Transport $233,000; Sundry $320,000. These decreases aggregate $11,982,000.

CAPITAL EXPENDITURE

16. Total expenditures charged to capital are estimated at $3,357,000 compared with $3,358,000 in the previous year. The main items in this category are expenditures arising out of dredging the St. Lawrence Ship Channel amounting to $1,952,000, and other construction and improvements, including lighting and radio facilities in connection with civil airways and airports, amounting to $1,250,000.

WAR EXPENDITURES

17. Direct war expenditures accounted for roughly three-quarters of the Dominion's total expenditures during the fiscal year ended March 31, 1942. This is, of course, apart from the assistance given to the Government of the United Kingdom by the accumulation of sterling balances or the repatriation of Canadian securities held in the United Kingdom. It is now estimated that Canada's total direct outlays on war account will amount to $1,394,033,000 for the past fiscal year. Included in this total is the sum of $42,480,000 charged to Active Assets, of which $18,149,000 represented additions to Loans and Investments and $24,331,000 represented advances to crown corporations organized by the Minister of Munitions and Supply for the purchase of scarce commodities. This total direct war outlay represents an increase of $615,609,000 over the corresponding figure for the preceding fiscal year.

The rapid increase in Canada's war expenditures (including amounts charged to Active Assets) is shown by the following table:

Fiscal Year 1939-40	$ 127,384,000
Fiscal Year 1940-41	778,424,000
Fiscal Year 1941-42	1,394,033,000
	$2,299,841,000

During the corresponding three years of the first World War, expenditures charged direct to war account aggregated approximately $533,000,000. It will be seen, therefore, that expenditures by the Dominion on account of

the present war have to date been over four times the expenditures made in the same period of the last war. They exceed by over $603,000,000 Canada's total expenditures for war and demobilization during the whole of the last war. Indeed Canada's direct war outlays during the past fiscal year were less than $300,000,000 short of the total cost to Canada of the last war.

18. If we deduct the amount charged to Active Assets, we get a total of $1,351,553,000 as the estimated total to be charged to *expenditures* on war account during the past fiscal year. This represents an increase over the previous year of $599,508,000. The amounts expended by the major Departments or Services and the increases over the preceding year may be summarized as follows:

	Direct War Expenditures		Increase
	1940-41	1941-42	
	$	$	$
Department of National Defence—Army	383,235,000	509,879,000	126,644,000
Department of National Defence—Naval Service	88,163,000	132,443,000	44,280,000
Department of National Defence—Air Service	176,279,000	386,418,000	210,139,000
Department of Munitions and Supply	79,954,000	248,639,000	168,685,000
Department of National War Services	2,370,000	3,112,000	742,000
Miscellaneous Departments:			
Agriculture	4,490,000	25,724,000	21,234,000
Finance	1,692,000	16,727,000	15,035,000
Labour	1,897,000	6,559,000	4,662,000
Pensions and National Health	3,370,000	5,619,000	2,249,000
Transport	1,214,000	3,666,000	2,452,000
Other	9,381,000	12,767,000	3,386,000
Total	752,045,000	1,351,553,000	599,508,000

19. Expenditures made by the Department of National Defence, Army, are estimated at $509,879,000, which compares with $383,235,000 during the preceding year. This total is broken down as follows:

Administration	$ 809,000
Army Services	501,542,000
Royal Military College	517,000
Radio Services, N.W.T. and Yukon	167,000
Joint Inspection Board of the United Kingdom and Canada	4,876,000
Internment Operations	1,315,000
Censorship	230,000
Dependents' Allowance Board	407,000
Dependents' Supplementary Grant Fund	16,000
	$ 509,879,000

20. Expenditures made by the Department of National Defence, Naval Services, aggregated $132,443,000, which compares with $88,163,000 expended during the preceding fiscal year. The rapid expansion of the Canadian Navy may be indicated by a comparison with Canada's Naval expenditures during the last war; during the corresponding fiscal year of that war, namely, 1916-17, the total expenditures on Canada's Naval Services amounted to $3,806,000.

21. Total expenditures of the Department of National Defence, Air Services, for the fiscal year ended March 31, 1942, are estimated at $386,418,000, classified as follows:

Home War Establishment	$ 108,708,000
Overseas Establishment	10,370,000
British Commonwealth Air Training Plan	267,189,000
Departmental Administration, Air	113,000
Construction of Temporary Building, Ottawa	38,000
	$386,418,000

For the fiscal year 1940-41 Canada's total expenditure on Air Services amounted to $176,279,000.

22. Under the Department of Munitions and Supply expenditures chargeable to the War Appropriation for 1941-42 aggregated $248,639,000, of which administration accounted for $4,939,000 and expansion of industry for $243,700,000. Corresponding expenditure during the previous fiscal year was $79,954,000.

23. Expenditures of the Department of National War Services chargeable to the War Appropriation amounted to $3,112,000 during the fiscal year ending March 31, 1942. This compares with an expenditure of $2,370,000 during the preceding fiscal year. The total of $3,112,000 may be itemized as follows:

Departmental Administration	$ 84,000
National Registration	274,000
Mobilization	634,000
Division of Human and Material Resources, General	21,000
Salvage	157,000
Public Information	709,000
War Charities	27,000
Radio Broadcasting Censorship	22,000
Women's Voluntary Services	1,000
National Film Board	8,000
Payments re Auxiliary War Services.	1,175,000
	$ 3,112,000

24. Included in the estimated total war expenditures for 1941-42, estimated at $1,351,553,000 are various expenditures by the non-war departments for services or activities arising directly or indirectly out of the war and charged to the War Appropriation. The total of these expenditures, not including loans and investments referred to above, amounted to $71,062,000 as compared with $22,044,000 during the preceding fiscal year.

The following table gives a detailed itemization of these expenditures classified by Departments and Services:

Agriculture—			
Agricultural Supplies Board Administration		$ 22,000	
Flour and Feed Administration		13,000	
Advertising, 1940-41 Commitments		25,000	
Publishing Wartime Pamphlets		6,000	
Compensation of Inspectors of 1941 Flax		5,000	
Etrich Flax Tow Scutching Machine		67,000	
Vanhawert Turbine Flax Scutcher		8,000	
Installation of Experimental Refrigeration		19,000	
Experimental Shipment of Eggs to Great Britain		2,000	
Bacon Hog Advertising Programme		29,000	
Egg Production Programme		8,000	
Subsidy on Export Eggs		305,000	
Bacon Board Administration		53,000	
Bacon Export Subsidy		2,281,000	
Dairy Products Board Administration		11,000	
Cheese Exports to the United Kingdom		1,784,000	
Nova Scotia Apples, 1941 Crop	$ 1,359,000		
Less refund on account 1940 Crop	1,200,000		
		159,000	
British Columbia Apples, 1940 Crop		182,000	
British Columbia Apples, 1941 Crop		311,000	
Freight Assistance on Western Grains, 1940-41 Accounts		170,000	
Freight Assistance on Western Grains, 1941-42 Accounts		3,802,000	
Special Products Board Administration		13,000	
Payment to increase Income of Farmers in Spring Wheat Area of Western Canada		16,298,000	
Inspection and Grading of Fibre Flax		6,000	
Equipment for Dehydration of Apples		7,000	
Dehydration of Vegetables		132,000	
Sundry		6,000	
			$ 25,724,000
Auditor General's Office—			
Audit of War Expenditure			150,000
Civil Service Commission—			
Additional War Expenses			238,000
External Affairs—			
Departmental Administration		244,000	
Office of the Prime Minister		10,000	
Representation Abroad		76,000	
Evacuation of Offices Abroad		23,000	
Consular Services, St. Pierre, Miquelon and Greenland		4,000	
Permanent Joint Board on Defence		2,000	
Payments to Canadian Government Employees evacuated from enemy occupied Territories		8,000	
Expenses of Canadian section of Joint Economic Committee		16,000	
Sundry		5,000	
			388,000
Finance—			
Payment of premium on purchase of Dominion of Canada Registered Stock		8,100,000	
Office of the Comptroller of the Treasury—Dependents, Allowances and Outside Offices, etc		3,864,000	
Royal Canadian Mint		80,000	
Wartime Prices and Trade Board—			
Licence Division		139,000	
Administration		1,208,000	
Furniture and Equipment		94,000	
Subsidies, etc., due to application of order placing ceiling on prices		3,242,000	
			16,727,000

Fisheries—		
Canned Lobster Control	$ 103,000	
Wartime Fisheries Advisory Committee	1,000	
Committee *re* Japanese Fishing Boats	5,000	
	$	109,000
Justice—		
Prize Court	6,000	
Defence of Canada Regulations	35,000	
War Measures Act	4,000	
Arvida Commission of Enquiry	9,000	
Royal Commission *re* Hong Kong Expedition	7,000	
		61,000
Labour—		
Vocational Training for Discharged Members of Canada's Armed Forces	3,000	
Wartime Bureau of Technical Personnel	41,000	
Cost of Living Commission	2,000	
Wartime Wages Policy Civil Employment Reinstatement Regulations	12,000	
Labour Supply Investigation Project	8,000	
National War Labour Board	91,000	
Interdepartmental Committee on Labour Coordination	9,000	
National Labour Supply Council	12,000	
Assistance to Necessitous Dependents 1940-41	10,000	
Assistance to Necessitous Dependents 1941-42	59,000	
Training men for R.C.A.F. Ground Crews	1,489,000	
Purchase of Machine Tools	52,000	
Enlistments in His Majesty's Forces *re* Youth Training	25,000	
Skilled and Semi-Skilled Occupations for War Work 1940-41	139,000	
Skilled and Semi-Skilled Occupations for War Work 1941-42	4,430,000	
Occupation History of Canada's Armed Forces	10,000	
Advertising Intent and Purpose of Government Wages Stabilization Policy	31,000	
Ontario Farm Labour Service	54,000	
Specialized Training for Aircraft Manufacturers' Employees	14,000	
British Columbia Security Commission	25,000	
Manpower Inventory	43,000	
		6,559,000
Mines and Resources—		
Metallic Minerals Division—Services to War Departments	58,000	
Grant to Yukon Council	20,000	
Prince Rupert—Cedarvale Highway	10,000	
Explosives Division—Administration of Regulations	12,000	
British Columbia—Road—Pinchi Lake	1,000	
National Parks Bureau—Alternative Service Work Camps	237,000	
Dominion Forest Service—Alternative Service Work Camps	11,000	
Forest Products Laboratories	16,000	
Dominion Forest Service—Internment Operations	24,000	
Engineering and Construction Service—Alternative Service Work Camps	98,000	
General Expenses—British Isles and Canada	17,000	
Detention of Alien Seamen	17,000	
Canadian Interests in Enemy or Enemy Controlled Territory	81,000	
Canadian Interests Abroad, Apart from Enemy Controlled Territory	5,000	
Grants to National Advisory Council—Children from Overseas	79,000	
British Evacuee Children	1,000	
Return of French Fishermen, SS. *Angelus*	6,000	
Employment of Japanese Nationals	71,000	
		764,000
National Harbours Board—		
Halifax—Extension to Pier 9	627,000	
—Lighterage Berth at Fish Pier	66,000	
—Moorings for Ships under Repair	204,000	
—Equipment and Operation of Fire Tug *Rouille*	48,000	
Saint John—Construction of Wooden Pile Dock	589,000	
Montreal—Purchase of Locomotive Cranes	113,000	
		1,647,000
National Research Council—		
Special War Activities	246,000	
New Annex Laboratories	303,000	
Explosive Testing Laboratory	55,000	
Radio Direction Finding Programme	528,000	
		1,132,000
National Revenue—		
Censorship of Publications		4,000

Pensions and National Health—		
Treatment—Members and Ex Members Defence Forces	$ 2,700,000	
R.C.M.P.	96,000	
Pensions—Defence Forces, etc	888,000	
Air Raid Precautions	620,000	
Investigations—Dependents' Allowance Board	26,000	
Inspection of Industrial Plants	15,000	
Public Health Engineering	15,000	
Quarantine Service	52,000	
Hire of Boat—Halifax	14,000	
Additional Accommodation—Departmental Hospitals	100,000	
Fixtures and Furnishings	42,000	
Committee on Demobilization	9,000	
Processing of Blood	101,000	
Additions—Camp Hill Hospital	52,000	
Lancaster Hospital	133,000	
Maintenance—Non-resident Seamen	10,000	
Committee on Reconstruction	9,000	
Extension—Nurses Home, Westminster Hospital	35,000	
Staff Accommodation and Recreation Building, St. Anne	36,000	
Additional Accomodation—Savard Park Hospital	43,000	
Calgary	31,000	
Detention Allowance—Canadian Seamen	53,000	
Addition—University of Alberta (Departmental Hospital)	24,000	
Improvements—Deer Lodge	15,000	
Alteration to Steam Mains—St. Anne	17,000	
Infectious Unit—Shaughnessy	23,000	
Post Discharge Re-establishment	105,000	
Reserve Stores	340,000	
Sundry	15,000	
		$ 5,619,000
Post Office—		
Postal Censorship	328,000	
Army Postal Services	166,000	
		494,000
Privy Council—		
Office of the Registrar of Orders in Council		4,000
Public Archives—		
Compensation to staff evacuated from abroad		3,000
Public Works—		
Additional Accommodation, C.O.T.C. Units	61,000	
Ottawa—Daly Bldg., Annex	31,000	
Rock Island, Que.—Armoury	11,000	
London, Ont.—Westminster Hospital	35,000	
Ottawa, Ont.—Base Army Post Office	64,000	
Jackson Building—Taxes	31,000	
Extension of Jackson Building	166,000	
Record Storage Building	20,000	
Temporary Building No. 3	13,000	
Temporary Building No. 4	307,000	
Temporary Building No. 5	471,000	
Temporary Building No. 6	244,000	
Temporary Building for Department of Pensions and National Health	4,000	
Toronto, Ont.—City Delivery Building	10,000	
Temporary Building for Post Office Department	62,000	
Vancouver, B.C.—Hospital	147,000	
Furniture, etc. for wartime employees	784,000	
Repairs, alterations, etc. to buildings	946,000	
Rental of new premises	462,000	
Dartmouth, N.S.—Wharf improvements, etc.	202,000	
Missaguash River, N.S.—Interprovincial Bridge	22,000	
Shelburne, N.S.—Wharf repairs	48,000	
Saint John (Courtenay Bay), N.B.—Dredging	130,000	
Lorne, Que. Dry Dock—Operation	2,000	
Repairs to Pier	15,000	
Midland, Ont.—Dredging	10,000	
Esquimalt, B.C.—Dry Dock—Operation	13,000	
Dry Dock—Dredging	3,000	
Protection and Camouflaging	5,000	
Provision for 24-hour telegraph service on Pacific Coast	10,000	
Port Hardy, B.C.—Wharf extension and shed	8,000	
Sidney, B.C.—Wharf improvements and repairs	6,000	
Communication facilities between Port Alberni, B.C., and Ucluelet, B.C., Air Base	23,000	
Contingencies	132,000	
		4,498,000

Royal Canadian Mounted Police—		
Land Services		$ 3,009,000
Secretary of State—		
Internment Operations	$ 77,000	
Press Censorship	81,000	
Refugee Camps	21,000	
Sundry	7,000	
		186,000
Trade and Commerce—		
Canadian Shipping Board	32,000	
Export Permit Branch	46,000	
Shipping Priorities Committee	2,000	
		80,000
Transport—		
Meteorological Services	209,000	
Radio Interception and Monitoring	391,000	
Civil Aviation	135,000	
Marine Service Steamers	94,000	
Nautical Services	25,000	
Aids to Navigation	50,000	
Compensation to Masters and Crews *re* loss of personal effects	25,000	
Administration of Pilotage	12,000	
Office of Director of Merchant Seamen	341,000	
Installation of Degaussing Equipment	171,000	
Additional Harbour and Transportation Facilities—Halifax	1,932,000	
Salvaging of Captured Vessels	13,000	
Office of the Transport Controller	83,000	
Balance *re* payment to Yukon Southern Air Transport and Trans-Canada Air Lines	10,000	
Purchase and Repairs *re* Motor Tug *François*	29,000	
Stores, etc. C.G.S. *Montcalm*	100,000	
Dredging in St. Charles River, Que	32,000	
Sundry	14,000	
		3,666,000
		$ 71,062,000

25. Reference has already been made to the fact that included in the total estimated outlays for war purposes during the fiscal year 1941-42 was the sum of $42,480,000 representing outlays made under authority of the War Appropriation Act 1941 and carried forward as Active Assets. This amount is made up as follows:

Advances to Commodity Corporations under Department of Munitions and Supply—	$ 24,331,000
Purchases of Railway Equipment	1,027,000
Working Capital, Canadian National Railways	17,122,000
	$ 42,480,000

Since the beginning of the war advances have been made to provide working capital for commodity corporations set up by the Department of Munitions and Supply and for other companies. The following table shows the net balances in respect of these advances as at the close of the fiscal year 1941-42:

Commodity Corporations—		
Melbourne Merchandising Company Ltd. (Wool)	$ 5,531,000	
Fairmont Company Ltd. (Rubber and hides)	11,955,000	
Plateau Company Ltd. (Silk)	958,000	
		$ 18,444,000
Other Companies—		
Atlas Plant Extension Ltd	6,207,000	
Research Enterprises Ltd	285,000	
Algoma Steel Corp. Ltd	4,000,000	
John Bertram and Co. Ltd	312,000	
Dominion Steel and Coal Corp. Ltd	1,577,000	
English Electric Co. of Canada Ltd	777,000	
Steel Company of Canada Ltd	2,545,000	
A. C. Wickman (Canada) Ltd	75,000	
		15,778,000
		$ 34,222,000

Of the above total of $34,222,000, the sum of $9,891,000 represents the aggregate of the net balances as at the close of the preceding fiscal year 1940-41, thereby making the net advances for the year $24,331,000.

The advances to the commodity corporations have been brought to the account as assets because the funds represent either cash balances in the hands of the corporations concerned or are invested in commodities, such as rubber, leather, silk and wool, that are readily marketable after the war as commercial commodities. The advances to producing companies will be invested in commodities, goods in process, etc., that may not be readily saleable in the commercial markets after the war, although in some lines at least a considerable sum will no doubt be realized by liquidation. For this reason advances of this latter type have been charged to expenditures for the year in which they were incurred.

Advances by way of loans repayable over a specified period have been made to a number of private corporations to provide additional plant and equipment facilities. Repayments in the amount of $4,582,000 have been received, and the balance outstanding at the close of the fiscal year is shown at $15,778,000.

26. In addition to the foregoing advances, there have been advances made under authority of Section 3 of the War Appropriation Act, 1941, which are recoverable from the Government of the United Kingdom or from other allied governments. These advances were made to facilitate the provision of services for the said governments. The charges which are brought to account against the respective governments are for services and supplies, such as services arising out of recruitment and training in Canada of the nationals of allied governments, and supplies, repairs or equipment for units of the Royal Navy or naval vessels of allied governments entering Canadian ports.

Recoverable vouchers are raised by National Defence authorities at points of origin and are cleared to Ottawa where they are brought to account against the governments concerned and billed regularly. On the whole these accounts are repaid promptly by the respective governments. Naturally the major participant in this type of operation is the Government of the United Kingdom.

Under Army Services there are charges arising out of the operation of internment camps in Canada for prisoners of war and internees sent from the United Kingdom. As at March 31, 1942, there was a balance owing on this account of $854.000. The Naval Services has a large operation arising out of the servicing of His Majesty's ships at Halifax and Esquimalt dockyards and at other points. A similar service is rendered to Canada's naval units when they are in United Kingdom waters. Under Air Services the major operation arises out of the Air Training Plan in Canada. This has resulted in substantial charges against the United Kingdom for equipment purchased in lieu of a contribution in kind provided for by the original agreement, and also charges for supplies, services and construction work arising out of the establishment and operation of the R.A.F. Special Schools in Canada. The debit balance in these two accounts as at March 31, 1942, is estimated at $102,419,000, all of which will be adjusted when the new Air Training Agreement becomes operative as at July 1, 1942. In respect of participation in the Air Training Plan by Australia and New Zealand, the former had a small balance owing of $2,-812,000 as at March 31, 1942, while New Zealand's obligations had been fully met.

It must be understood that corresponding services are rendered to Canada by the United Kingdom in connection with units of Canada's Armed Forces serving in the United Kingdom. In this case the United Kingdom Government bills Canada, but necessarily settlements can only be made some considerable time after the services have been rendered by the United Kingdom authorities. It is impossible as yet to give a close estimate of the amount payable by Canada as at the close of last fiscal year but it is fair to assume that this will substantially offset the amounts due the Dominion.

An estimate of the amounts owing to Canada, as at March 31, 1942, in respect of recoverable advances made under Section 3 of the War Appropriation Act, is as follows:

Army	$ 1.595.000
Navy	11.862.000
Air	1.017.000
Internment Operations	854.000
R.A.F. Special Schools	53.730.000
B.C.A.T.P.—U.K. Equipment	48.689.000
B.C.A.T.P.—Australia's share	2.812.000
Total	$ 120,559,000

27. Before leaving this summary of war expenditures, it may be well to call attention to the indirect assistance given to the Government of the United Kingdom during the fiscal year under review. In the past such assistance has taken a form which did not result in direct Government expenditure. Since the passing of the War Appropriation (United Kingdom Financing) Act, 1942, this situation has been substantially changed, as will be explained in later paragraphs.

During the fiscal year 1941-42, the deficit of the sterling area in Canadian dollars amounted to approximately $1,100 million and this deficit was financed by Canada. Slightly less than $48 million was financed by private repatriation

of securities, gifts and other private transactions. Of the remaining $1,050 million which required Government financing, $365 million was financed by the repatriation of Government securities, Canadian National Railway guaranteed and unguaranteed securities and other Government guaranteed securities. The remainder, namely $685 million, represents sterling which was accumulated by the Foreign Exchange Control Board during the year.

The War Appropriation (United Kingdom Financing) Act, 1942, received Royal Assent on March 27th last. Its three main provisions were: (1) the granting of a billion dollar gift to the Government of the United Kingdom to finance the purchase in Canada of foodstuffs, raw materials and munitions of war and to defray other expenditures incurred in Canada for war purposes; (2) the granting of authority to repatriate all Dominion of Canada direct and guaranteed securities and other Canadian National Railway securities held by British investors; and (3) the conversion of sterling balances accumulated to the credit of the Government of Canada to an amount equivalent to $700 million (at the exchange rate of $4.45 to the pound sterling) into a Canadian dollar obligation which is not to bear interest until after the termination of the war.

The conversion of sterling balances into a Canadian dollar obligation did not take place until after the close of the last fiscal year. In regard to the repatriation of securities, one delivery of securities was received before the close of the fiscal year. The value of these securities at the vesting prices, less interest included therein, amounted to $222,724,000. The securities so purchased by the Dominion Government were classified as follows:

Dominion of Canada obligations		$ 25,338,000
Canadian National Railway securities—		
Dominion guaranteed	$132,841,000	
Unguaranteed	63,624,000	
		196,465,000
Other Dominion guaranted securities		921,000
		$222,724,000

In accordance with the terms of the Act, Canadian National Railway securities to the value of $191,603,000 were turned over to the Railway Company and a temporary loan for this amount was made to the Company to enable it to acquire them. At the close of the fiscal year all the other securities were held by the Dominion with the exception of a small Dominion sterling issue which was cancelled.

The Act provided that the Minister would acquire from the Foreign Exchange Control Board such sterling balances held at the date of the commencement of the Act as were not required for the repatriation operation, the conversion of the $700 million of sterling balances and the current operations of the Board. The cost of acquisition of this surplus sterling was to be charged to the billion dollar gift and as the sterling balances involved represented accumulations to meet the United Kingdom's Canadian dollar deficit during the major part of the month of March, it had been intended that the amount should be charged to the accounts for the fiscal year 1941-42. However, it was not possible to complete the necessary arrangements and estimate the surplus sterling until after April 30th, the last day on which an expenditure incurred in respect of the fiscal year 1941-42 could be charged to that fiscal year. Accordingly the cost of this surplus sterling, namely, $76,429,000, will appear in the Government's expenditures for the current fiscal year.

SPECIAL EXPENDITURES

28. Expenditures classified as Special Expenditures for the fiscal year 1941-42 are estimated to total $62,879,000, which compares with $42,869,000 for the preceding fiscal year, an increase of $20,010,000. Payments of awards under the Wheat Acreage Reduction Plan are estimated to total $29,659,000. There was no expenditure on this account during the fiscal year 1940-41. Expenditures by the Dominion under the Prairie Farm Assistance Act in the form of advances to the Prairie Farm Emergency Fund, as provided for in the Act, are estimated at $11,836,000, an increase of $7,460,000 over the preceding year. The cost of administering this Act is estimated at $420,000, an increase of $74,000.

29. The remaining item under Special Expenditures which shows an increase is the provision for reserve to meet deficits resulting from the operations of the Canadian Wheat Board. There has been added to this reserve account $12,571,000, an increase of $2,071,000 over the provision made for this purpose in the accounts of the preceding fiscal year.

As reflected in the Public Accounts for the year ended March 31, 1940, an advance of $52,000,000 was made to the Canadian Wheat Board to meet possible losses of the Board in respect of the 1938 wheat crop. During the fiscal year ended March 31, 1941, an additional amount of $10,499,677 was set up in the Domin-

ion's books as a reserve to meet the deficit of the Board not previously provided for, on the basis of calculation made as at July 31, 1940. In the fiscal year now under review, an additional amount of $12,570,828 was added to the reserve account to provide for deficits of the Board not previously provided for, on the basis of calculations made as at July 31, 1941, to the close of the last crop year. These amounts, which aggregate $75,070,505, represent deficits resulting from the operations of the Canadian Wheat Board on the basis of calculations made as at July 31, 1941.

From the reserve account there was advanced to the Board during the fiscal year ended March 31, 1942, the sum of $4,623,382, which amount enabled the Board to discharge its liability in respect of advances made by chartered banks to the Board and guaranteed by the Government of Canada in connection with the marketing of wheat crops up to and including the 1938 crop. As a result of these advances the amount now held in the reserve account is $18,447,123.

30. The total of the increases of the various items of special expenditure noted above is $39,264,000. Offsetting these increases there was a reduction of relief expenditures of $19,254,000, leaving a net increase in Special Expenditures of $20,010,000, as compared with the previous year.

GOVERNMENT-OWNED ENTERPRISES

The next major classification of expenditures comprises the losses of and the non-active advances to Government-owned enterprises, which are operated as separate corporations.

Canadian National Railways

31. The operating revenues of the Canadian National Railways for the calendar year 1941 totalled $304,376,000, an increase of $56,849,000 or 23 per cent over the previous year. With the single exception of the year 1928, this represented the largest revenue in the company's history, and was more than double that of 1933.

Operating expenses of the railway amounted to $237,768,000, an increase of $35,249,000, or 17·4 per cent over the preceding year.

Net revenue available for interest on the railway's debt amounted to $54,361,000 compared with $33,474,000 in 1940. After payment of interest charges of $44,698,000 on debt held by the public and interest charges of $5,647,000 due to the Government in respect of temporary loans for capital and refunding purposes there was a net cash surplus of $4,016,000 compared with a cash deficit of $16,965,000 in the previous year. This cash surplus, the first since 1928, was paid over to the Government in redemption of temporary loans.

The operating deficit of the Prince Edward Island Ferry and Terminals during 1941 was $424,000 compared with $461,000 in 1940.

Canadian National Steamships

32. The operations of the Canadian National (West Indies) Steamships Limited in the calendar year 1941 resulted in a cash surplus of $1,206,000 after payment of interest on bonds held by the public but before depreciation and interest on advances from the Government. The comparable figure for 1940 was $666,000. The operating surplus was paid to the Government as interest on advances (current and arrears).

National Harbours Board

33. The operations of the facilities and harbours under the administration of the National Harbours Board recorded a slight gain over 1940. Operating income for the calendar year, after payment of interest to the public but before depreciation and interest on Government advances, totalled $5,174,000 compared with $4,942,000 in 1940.

Financial assistance provided by the Government to the National Harbours Board and charged to Dominion expenditure totalled $791,000. This amount is made up as follows: $33,000 for the operating deficit of the Churchill Harbour; $342,000 for non-active advances in respect of the deficit of the Jacques Cartier Bridge at Montreal; $400,000 for the retirement of debentures of the Quebec Harbour Commission; $2,000 for the redemption of debentures of the Saint John Harbour Commission; and the remaining $14,000 for miscellaneous capital expenditures at various ports.

The elevators at Port Colborne and Prescott operated at a profit during 1941 and the Government received $213,000 from these sources which was credited to Ordinary Revenue.

Summary

34. The total amount charged to Government expenditures resulting from the operating deficits of, and non-active advances to, all government-owned enterprises totalled $1,215,000 as compared with $18,182,000 in the previous year. This decrease of $16,967,000 was due entirely to the better operating results of the Canadian National Railways, as there was a slight increase in expenditure on other government-owned enterprises. Loans and Advances to government-owned enterprises which are treated in the Public Accounts as Active Assets are referred to in a later section.

OTHER CHARGES

35. The total of Other Charges, the final main category of expenditures, is estimated at $31,993,000.

The principal item included in this total is $25,000,000, to increase the reserve to meet possible losses on ultimate realization of assets treated as "active" in the Dominion's balance sheet. This is the same amount as was provided for in the Public Accounts for the year ended March 31, 1941.

In addition, there was the usual annual write-off of Soldier and General Land Settlement Loans estimated at $271,000, and cancellation of Canadian Farm Loan Board Capital Stock, amounting to $10,000. The provision for a further reserve of $25,000,000 and the write-offs from Active Assets result in a proportionate increase in the net debt of the Dominion.

36. The Canadian National Railways Securities Trust Stock, representing the proprietor's equity of the Dominion in the Canadian National Railways, has been increased by $4,016,000 due to the surplus earnings of the Canadian National Railway System for the calendar year 1941, and also by $99,000 due to the capital gain on redemption of Grand Trunk Railway 4 per cent Perpetual Debenture Stock at a price below par in Canadian funds. Both these items are offset by similar amounts included as special credits to Consolidated Fund already referred to under Revenues.

37. Write-offs from Non-active Assets include $2,539,000 from the Canadian National Railways Securities Trust Stock, representing line abandonments during the calendar year 1941, and $58,000, the yearly established loss on Seed Grain and Relief Accounts of the Department of Mines and Resources. Both these items are offset by similar amounts of other credits already referred to under Revenues.

SUMMARY OF EXPENDITURES

38. The grand total of expenditures for the fiscal year 1941-42, under the various categories enumerated, namely, Ordinary Expenditures, Capital Expenditures, War Expenditures, Special Expenditures, Losses of and non-active advances to government-owned enterprises, and Other Charges, is $1,894,966,000.

39. The following table shows the percentage distribution of revenues and expenditures for a number of important items of revenue and expenditure. Receipts from various taxes and other revenue sources are shown as percentages both of total revenues and of total expenditures. Similarly, several of the main items of expenditure or groups of such items are shown as percentages both of total expenditures and of total revenues. This table should only be used for the purpose of drawing broad conclusions as to the relative burdens imposed on the treasury by the several important services or obligations of Government.

PERCENTAGE DISTRIBUTION OF REVENUES AND EXPENDITURES, 1941-42

(000 omitted)

Revenues	Amount (estimated)	Percentage of total Revenues	Percentage to total Expenditures
	$	%	%
Ordinary Revenue—			
Income Tax	403,607	27·25	21·30
National Defence Tax	106,637	7·20	5·63
Excess profits tax	135,168	9·12	7·13
Succession duties	6,957	0·47	0·37
Customs Import Duties	142,392	9·61	7·52
Excise Duties	110,091	7·43	5·81
Sales Tax	236,184	15·94	12·46
War Exchange Tax	100,874	6·81	5·32
Manufacturers, transportation and communication, stamp taxes, etc	116,368	7·86	6·14
Other tax revenues	2,637	0·18	0·14
Total revenue from taxes	1,360,915	91·87	71·82
Non-tax revenues	102,569	6·92	5·41
Total ordinary revenue	1,463,484	98·79	77·23
Special receipts and other credits	17,801	1·21	0·94
Grand Total Revenues	1,481,285	100·00	78·17

PERCENTAGE DISTRIBUTION OF REVENUES AND EXPENDITURES, 1941-42

(000 omitted)

Expenditures	Amount (estimated)	Percentage of total Expenditures	Percentage to total Revenues
	$	%	%
Ordinary Expenditure—			
Interest on Public debt	154,270	8·14	10·41
Cost of loan flotations and amortization charges	16,430	0·87	1·11
Public Debt Charges	170,700	9·01	11·52
Subsidies to provinces	14,409	0·76	0·97
Compensation to provinces under taxation agreements	21,120	1·11	1·43
Old Age Pensions	29,612	1·56	2·00
Civil pensions and superannuation	445	0·02	0·03
Pensions and after-care of soldiers—			
Pensions, war and military	40,582	2·14	2·74
Treatment and after-care of returned soldiers	12,733	0·67	0·86
Total	53,315	2·81	3·60
Agriculture	8,437	0·45	0·57
Fisheries	1,684	0·09	0·11
Legislation	2,232	0·12	0·15
Mines and Resources	10,727	0·57	0·73
Post Office	41,495	2·19	2·80
Public Works	11,936	0·63	0·81
Transport	15,448	0·82	1·04
All other	62,409	3·29	4·21
Total Ordinary Expenditure	443,969	23·43	29·97
Capital Expenditure—			
Railways	5	—	—
Public Works	3,352	0·18	0·23
Total Capital Expenditure	3,357	0·18	0·23
War Expenditure	1,351,553	71·32	91·24
Special Expenditures—			
Relief expenditures	8,393	0·44	0·57
Prairie Farm Assistance including wheat acreage reduction	41,915	2·21	2·83
Wheat Marketing guarantees	12,571	0·67	0·85
Total Special Expenditure	62,879	3·32	4·25
Government Owned Enterprises—			
Losses charged to Consolidated Fund—			
Prince Edward Island Car Ferry & Terminals and National Harbours Board	457	0·02	0·03
Loans and Advances non-active—			
National Harbours Board	758	0·04	0·05
Total Government Owned Enterprises	1,215	0·06	0·08
Other Charges—			
Write down of assets	27,878	1·47	1·88
Canadian National Railways Securities Trust Stock	4,115	0·22	0·28
Total Other Charges	31,993	1·69	2·16
Grand Total Expenditures	1,894,966	100·00	127·93

OVER-ALL DEFICIT

40. As total revenues for the fiscal year 1941-42 have been estimated at $1,481,285,000 and total expenditures at $1,894,966,000, the estimated over-all deficit (or increase in net debt) for the year is $413,681,000. In the preceding fiscal year a comparable deficit was $377,432,000.

LOANS AND INVESTMENTS

ACTIVE ASSETS

41. In addition to the expenditures for the year, as already outlined, the Dominion has made disbursements for the acquisition of investments which are treated as active assets in the Public Accounts. These active assets are deducted from the total direct debt in arriving at the figure of net debt. The net increase in active loans and investments during the fiscal year 1941-42 is estimated at $616,147,000 as compared with $362,370,000 in 1940-41. This increase is fully itemized in the table under section 56.

LOANS TO PROVINCES

42. As was shown in the Public Accounts for the fiscal year ended March 31, 1941, loans made to the Western Provinces under authority of the annual Relief Acts and outstanding at the close of that year totalled $157,492,294.23.

No loans have since been made and during the year under review repayments were received from the Provinces of Saskatchewan and Alberta in the amounts of $171,272.74 and $46,000 respectively. These repayments left the net amount outstanding as of March 31, 1942, at $157,275,021.49, divided by Provinces as follows:

Manitoba	$ 25,217,214 18
Saskatchewan	71,341,419 95
Alberta	25,972,000 00
British Columbia	34,744,387 36
Total	$157,275,021 49

43. The following table shows the net loans made to each Province during each fiscal year:

NET LOANS TO PROVINCES UNDER RELIEF ACTS BY FISCAL YEARS

—	Manitoba	Saskatchewan	Alberta	British Columbia	Total
	$	$	$	$	$
1931-32	2,788,812	10,934,341	4,097,740	4,813,124	22,634,017
1932-33	5,171,904	7,578,556	1,902,041	912,636	15,565,137
1933-34	2,273,283	5,469,240	4,050,743	1,321,761	13,115,027
1934-35	2,874,631	10,141,014	1,926,476	7,966,714	22,908,835
1935-36	2,396,226	14,245,478	13,104,000	12,558,445	42,304,149
1936-37	4,626,000	6,058,879	805,198	3,972,400	15,462,477
1937-38	2,959,188	11,604,787	193,000	1,541,636	16,298,611
1938-39	1,405,499	13,708,847	—	−129,506	14,984,840
1939-40	1,882,493	9,190,681	−53,698	1,546,552	12,566,028
1940-41	−355,924	1,637,007	−7,500	240,625	1,514,208
1941-42	—	−171,272	−46,000	—	−217,272
	26,022,112	90,397,558	25,972,000	34,744,387	177,136,057
Less Write-off as provided by votes 392 and 393 of further supplementary estimates, 1936-37	804,897	17,682,158	—	—	18,487,055
Less Write-off Saskatchewan Treasury Bills *re* 1934-35 Drought Area relief assumed by Dominion. (Principal $1,250,000; Accrued interest previous years $123,979.81)	—	1,373,980	—	—	1,373,980
	25,217,215	71,341,420	25,972,000	34,744,387	157,275,022

Canadian National Railways

44. During the fiscal year ended March 31, 1942, the Government made net advances to the Canadian National Railways in the amount of $251,721,580, classified as follows:

Advances—	
Under Canadian National Railways Financing and Guarantee Act, 1941—for capital expenditures and retirement of miscellaneous obligations	$ 11,943,000
Under The War Appropriation (United Kingdom Financing) Act, 1942—Purchase of securities	191,602,582
Under The War Appropriation Act, 1941—Temporary Loan for Working Capital	17,121,725
Under Canadian National Railways Financing and Guarantee Act, 1940—Purchase of Grand Trunk Railway Company of Canada 4 per cent Perpetual Consolidated D benture Stock	11,784,932
Under the Canadian National Railways Refunding Act, 1938—Retirement of maturing issues	27,135,668
Total Advances	$259,587,907
Repayments—	
Temporary Loan on account of interim deficit	$ 3,850,000
Application of 1941 Surplus—	
Advances—Financing and Guarantee Act, 1938	1,717,009
Advances—Financing and Guarantee Act, 1939	1,110,409
Advances—Senneterre-Rouyn Branch Line Construction	638,909
Advances—Trans-Canada Air Lines	550,000
Total Repayments	$ 7,866,327
Net Advances	$251,721,580

Under the authority of The War Appropriation Act 1941 and The War Measures Act the Dominion purchased $1,027,426 of railway equipment which is being leased to the Canadiant National Railways under the terms of a hire-purchase agreement. The Railway Company repaid instalments aggregating $1,509,141 under the terms of hire-purchase agreements relating to equipment purchased by the Government in the fiscal years 1935-36 and 1936-37; 1939-40 and 1940-41.

Canadian Pacific Railway Company

45. Loans to the Canadian Pacific Railway Company made in previous years for relief purposes were completely liquidated by repayments aggregating $981,000. In addition, the Railway paid the fifth instalment of $441,000 under the terms of a hire-purchase agreement relating to certain equipment purchased by the Government in the fiscal years 1935-36, 1936-37 and 1937-38 at a cost of $5,730,000 and leased to the Railway Company. The Railway also paid the first instalment of $663,000 under the terms of a hire-purchase agreement relating to equipment purchased by the Government in the fiscal years 1939-40 and 1940-41 at a cost of $9,951,000 and leased to the Railway Company.

OTHER LOANS AND INVESTMENTS

46. In the fiscal year ended March 31, 1942, the Government purchased an additional $25,000 of the capital stock of the Canadian Farm Loan Board. Capital Stock in the amount of $10,000 was cancelled and written off. The Board repurchased out of surplus funds from the Government $1,000,000 of its 3½ per cent Bonds. At the close of the fiscal year the Government's investment in the Canadian Farm Loan Board was $36,537,000.

47. The Canadian Broadcasting Corporation repaid $283,000 on account of loans made by the Government during the fiscal years 1937-38 and 1939-40.

48. The Canadian Government Merchant Marine, Limited, repaid loans aggregating $750,000 made in the fiscal year 1940-41 in order to provide the Company with working capital.

49. There was advanced to the Foreign Exchange Control Board in the fiscal year 1941-42 an amount of $400,000,000 in order to provide the Board with capital to carry on its foreign exchange transactions.

50. Loans totalling $230,000 were made to the National Harbours Board during the year for capital construction purposes at the ports of Montreal and Vancouver. In the same period, loans made in previous years were reduced by $1,210,000, leaving a net credit on this account of $980,000.

51. Investments in Sinking Funds amounted to $486,000 during the fiscal year under review. This amount together with the amount held at

March 31, 1941, viz., $5,233,000, was written off to Redemption of Debt, as the 4 per cent Loan of 1953-58, the 3¼ per cent Loan of 1950-55 and the 3¼ per cent Loan of 1958-63 were vested by the Government of the United Kingdom in August 1941. In turn these three sterling issues were purchased by the Government of Canada and cancelled.

52. In the fiscal year under review the Provinces of Manitoba, British Columbia and Nova Scotia reduced by $740,000 loans made to them by the Dominion Government for house construction in the period following the first Great War.

53. Loans for Soldier and General Land Settlement were reduced by payments of $1,521,000, and, in addition $271,000 was written off and charged to Consolidated Fund.

54. In the period April 1, 1941, to March 31, 1942, 4,309 loans were approved under the National Housing Act for an amount of $13,541,415, bringing the total approvals to March 31, 1942, to $76,784,145. During the fiscal year, the Dominion's share of loans actually paid out, less repayments by borrowers, totalled $2,644,165. The net amount of loans under the authority of the National Housing Act and the Dominion Housing Act, outstanding on the books of the Dominion at March 31, 1942, was $16,254,095. Loans under the authority of the National Housing Act are made jointly by the Government and approved lending institutions and are secured by first mortgage or hypothec, running jointly to the Government and an approved lending institution. Loans are normally made not in excess of 80 per cent of the cost or appraised value of the completed property, whichever is the lesser. However, in the case of owner-occupied houses where the lending value does not exceed $2,500, a loan may be made up to 90 per cent of the said lending value. Since January 1, 1940, new applications for loans are received only in respect of the construction of houses containing one self-contained dwelling place and where the loan does not exceed $4,000.

55. Under the Municipal Improvements Assistance Act, 1938, no further loans were approved during the fiscal year ended March 31, 1942. From the inception of the Act to March 31, 1942, total loans approved totalled $7,801,000. During the said fiscal year, the amount actually paid out by the Government, less repayments, was $331,000. These loans bear interest at the rate of 2 per cent per annum and are amortized over a period not longer than the estimated useful life of the project. The province in which the municipality is situated is required to guarantee the payments for interest on and amortization of each loan.

56. The following statement shows in summary form the net changes in active investments during the last fiscal year together with comparable figures for the four preceding years:

LOANS AND INVESTMENTS, ACTIVE

(000 omitted)

—	1937–38	1938–39	1939–40	1940–41*	Estimated* 1941–42
	$	$	$	$	$
Sinking Funds	3,843	4,336	Cr. 2,798	Cr. 61,963	Cr. 5,233
Canadian National Railways	Cr. 27,429	3,841	21,479	105,573	251,722
Canadian Pacific Railway	Cr. 211	Cr. 211	Cr. 211	Cr. 211	Cr. 981
Canadian Farm Loan Board	3,848	2,834	2,288	838	Cr. 974
Dominion and National Housing Acts—Loans	1,678	2,657	4,393	3,805	2,644
Municipal Improvements Assistance Act, 1938—Loans	—	815	3,111	1,718	331
National Harbours Board	1,890	692	947	Cr. 333	Cr. 980
Province of Sask. Power Commission	—	—	—	58	Cr. 4
Provinces—under relief legislation	16,299	14,985	12,566	1,514	Cr. 217
Provinces—Housing Loans, 1919	Cr. 1,422	Cr. 105	Cr. 699	Cr. 1,634	Cr. 740
Railway Equipment purchased	89	Cr. 1,399	8,135	14,781	Cr. 1,586
Soldier and general land settlement	505	Cr. 749	Cr. 1,116	Cr. 1,139	Cr. 1,521
Roumanian Government	359	—	—	—	—
Bank of Canada Capital Stock	—	820	—	—	—
Central Mortgage Bank—Capital Stock	—	—	250	—	—
Canadian Broadcasting Corporation	500	Cr. 50	700	Cr. 364	Cr. 283
Canadian National (West Indies) Steamships	450	—	—	—	—
Canadian Government Merchant Marine	—	—	—	750	Cr. 750
Foreign Exchange Control Board	—	—	—	325,000	400,000
Net Advances	399	28,466	49,045	388,393	641,428

44561—230

LOANS AND INVESTMENTS ACTIVE—*Concluded*

(000 omitted)

—	1937–38	1938–39	1939–40	1940–41*	Estimated* 1941–42
	$	$	$	$	$
Less write-offs—					
Soldier and general land settlement loans	−750	−895	−1,643	−1,011	−271
Canadian Farm Loan Board—Capital Stock	−10	−14	−11	−12	−10
Loans to Province of Saskatchewan—Drought Area Relief, 1934–35	—	—	−1,374	—	—
Reserve for possible losses on ultimate realization of active loans and advances	—	—	—	−25,000	−25,000
Net change in active investments	Cr. 361	27,557	46,017	362,370	616,147

*Does not include advances by the Department of Munitions and Supply to commodity and other corporations described in section 25 (pages 22-23).

LOAN FLOTATIONS

57. During the fiscal year ended March 31, 1942 the Government issued obligations in the amount of $2,457,464,570 (including the increase in Treasury Bills outstanding but not the total amount of recurring issues of Treasury Bills made to refund outstanding Treasury Bills). With the exception of one $10,000,000 issue sold in New York, all issues were sold in the Canadian market. During the same period Dominion obligations in the amount of $964,335,201 were paid off out of the proceeds of the new issues. The remainder of the proceeds, namely, $1,493,129,369, less cost of flotation, provided cash for direct and indirect outlays on war account.

58. The following table gives details of the amounts and terms of the new issues, including the prices at which they were sold:

LOAN FLOTATIONS, 1941-42

Issue Date	Maturity Date	Interest Rate	Where Payable	Price		Yield at		Amount Issued
				To Public	To Government	Public Price	Price to Government	
1941		%		$	$	%	%	$
May 1	May 1, 1942	1	Canada	—	100·00	—	1·00	250,000,000
May 1	May 1, 1943	2½	New York	—	100·00	—	2·25	10.000.000
June 15	Dec. 15, 1946	2	Canada	99·00	97·98	2·19	2·40	193,286,000
June 15	June 15, 1951	3	Canada	100·00	98·95	3·09	3·21	643,534,250
July 1	July 1, 1942	4	Canada (School Lands)	—	100.00	—	4·00	33,293,471
Oct. 16	Oct. 16, 1944	1½	Canada	—	99·27	—	1·75	200,000,000
1942								
Mar. 1	Sept. 1, 1944	1½	Canada	100·00	(x)	1·50	(x)	(a) 57,169,000
Mar. 1	Mar. 1, 1948	2½	Canada	100·00	(x)	2·25	(x)	(a)268,924,000
Mar. 1	Mar. 1, 1954	3	Canada	100·00	(x)	3·07	(x)	(a)671,410,300
Various	June 15, 1945	Non-Interest Bearing Certificates.	Canada	100·00	100·00	Nil	Nil	4,553,219
Various	Various	War Savings Certificates.	Canada	—	—	3·00†	3·00†	84,333,840
Various		War Savings Stamps	Canada	—	—	Nil	Nil	960,490
								2,417,464,570
Increase in short-term Treasury Bills								40,000,000
								2,457,464,570

(a) Preliminary figures.

(x) Final costs for Second Victory Loan not yet available.

(†) Yield to investor if held to maturity, seven and one-half years after issue.

[Mr. Ilsley.]

It will be noted that both the first and second Victory Loans were sold during the fiscal year under review. Each was an outstanding success. In the case of the first Victory Loan, total subscriptions amounted to $836,820,250 and the total number of subscribers was 968,259. The second Victory Loan offered in February last resulted in total subscriptions of $997,503,300 and the total number of subscribers was no less than 1,681,525.

59. The following table gives the details of Dominion of Canada bond redemptions during the fiscal year under review.

DOMINION OF CANADA BOND REDEMPTIONS, 1941-42

Maturity Date	Interest Rate	Where Payable	Amount
	%		$
May 1, 1941	1¼	New York....	20,000,000
May 1, 1941	1	Canada.....	250,000,000
July 1, 1941 (School Lands)	4	Canada.....	33,293,471
October 16, 1941	2	Canada.....	200,000,000
November 15, 1941	5	Canada.....	141,663,000
May 15, 1942 (1)	1½	Canada.....	93,818,000
June 1, 1942 (1)	2	Canada.....	59,761,000
October 1, 1947 (2)	2½	London.....	4,201,913
May 1, 1955 (3)	3¼	London.....	42,761,390
September 1, 1958 (3)	4	London.....	68,550,263
July 1, 1963 (3)	3¼	London.....	44,257,087
War Savings Certificates	3 (4)	Canada.....	4,551,948
Non-Interest Bearing Certificates	Nil	Canada.....	1,477,129
			964,335,201

(1) Amount converted into Second Victory Loan.

(2) This issue was vested by the Treasury of the United Kingdom in January 1942. The amount (at par of exchange) purchased in the fiscal year 1941-42 was cancelled.

(3) These issues were vested by the Treasury of the United Kingdom in August 1941. The amounts purchased, including Sinking Funds were cancelled.

(4) Yield to investor if held to maturity, seven and one-half years after issue date.

60. The fortnightly issue of three months Treasury Bills was continued during the past fiscal year. The last issue made during the year was sold at a discount of 0·552 per cent. The amount of these Treasury Bills outstanding at the close of the fiscal year was $270,000,000, and increase of $40,000,000 over the amount outstanding at the beginning of the year.

As at March 31, 1942, the average rate of interest on the Dominion's outstanding direct funded debt (including Treasury Bills) was 2·90 per cent. This compares with an average rate of 3·06 per cent on the debt outstanding at the close of the preceding fiscal year and is probably the lowest average rate in the Dominion's history.

60A. It may be of interest to give a summary of Loan Flotations and Bond Redemptions made by the Government of Canada since the outbreak of war to March 31, 1942. The record of such financing operations is found in the two following statements:

DOMINION OF CANADA BOND REDEMPTIONS SINCE OUTBREAK OF WAR TO MARCH 31, 1942

Maturity Date	Interest Rate	Where Payable	Amount
	%		$
Oct. 15, 1939	4	Canada	17,168,000
Oct. 15, 1939	2½	Canada	6,242,500
Nov. 15, 1939	2	Canada	4,654,000
March 1, 1940	3	Canada	115,013,637
April 17, 1940	3½	London	(1)137,058,841
June 1, 1940	1½	Canada	80,000,000
Sept. 1, 1940	4½	Canada	75,000,000
Oct. 1, 1940	4	London	(2)93,926,667
March 15, 1941	1	Canada	45,000,000
May 1, 1941	1¼	New York	20,000,000
May 1, 1941	1	Canada	250,000,000
Oct. 16, 1941	2	Canada	200,000,000
Nov. 15, 1941	5	Canada	141,663,000
May 15, 1942	1½	Canada	(3)93,818,000
June 1, 1942	2	Canada	(3)59,761,000
Oct. 1, 1947	2½	London	(4)4,201,913
May 1, 1955	3¼	London	(5)42,761,390
Sept. 1, 1958	4	London	(5)68,550,263
July 1, 1963	3¼	London	(5)44,257,087
War Savings Certificates	(6)3	Canada	4,746,413
Non-Interest Bearing Certificates	Nil	Canada	1,655,632
Total			1,505,478,343

RECAPITULATION—

Payable in Canada	1,094,722,182
New York	20,000,000
London	390,756,161
	1,505,478,343

(1) Due July, 1, 1950, called for redemption on April 17, 1940.

(2) Due October 1, 1960, called for redemption on October 1, 1940.

(3) Amount converted into Second Victory Loan.

(4) This issue was vested by the Treasury of the United Kingdom in January, 1942. The amount (at par of exchange) purchased to March 31, 1942, has been cancelled.

(5) These issues were vested by the Treasury of the United Kingdom in August, 1941. The amounts purchased (at par of exchange) to March 31, 1942, have been cancelled.

(6) Yield to investor if held to maturity, seven and one-half years after issue date.

DOMINION OF CANADA LOAN FLOTATIONS SINCE OUTBREAK OF WAR TO MARCH 31, 1942

Title of Issue	Issue Date	Maturity Date	Interest Rate	Sold to			Total Issued
				Public	Chartered Banks	Bank of Canada	
			%	$	$	$	$
Two-Year Notes	Oct. 16, 1939	Oct. 16, 1941	2	—	200,000,000	—	200,000,000
First War Loan (***)	Feb. 1, 1940	Feb. 1, 1948–52	3¼	250,000,000	—	—	250,000,000
Five-Year Bonds	March 1, 1940	March 1, 1945	2	—	—	40,000,000	40,000,000
One-Year Notes	May 1, 1940	May 1, 1941	1	—	—	250,000,000	250,000,000
Five-Year Bonds	June 1, 1940	March 1, 1945	2	—	40,960,000	24,040,000	65,000,000
Second War Loan (***)	Oct. 1, 1940	Oct. 1, 1952	3	324,945,700	—	—	324,945,700
Two and One-Half Year Notes	Jan. 2, 1941	July 2, 1943	1½	—	250,000,000	—	250,000,000
New York Bank Credit	May 1, 1941	May 1, 1943	2¼	—	(**)10,000,000	—	10,000,000
One-Year Notes	May 1, 1941	May 1, 1942	1	—	—	250,000,000	250,000,000
1941 Victory Loan	June 15, 1941	Dec. 15, 1946	2	836,820,250	—	—	193,286,000
1941 Victory Loan	June 15, 1941	June 15, 1951	3				643,534,250
Total—1941 Victory Loan (***)				836,820,250	—	—	836,820,250
Three-Year Notes	Oct. 16, 1941	Oct. 16, 1944	1½	—	99,700,000	100,300,000	200,000,000
Second Victory Loan	March 1, 1942	Sept. 1, 1944	1½	997,503,300	—	—	57,169,000
Second Victory Loan	March 1, 1942	March 1, 1948	2½				268,924,000
Second Victory Loan	March 1, 1942	March 1, 1954	3				671,410,300
Total—Second Victory Loan (***)				997,503,300	—	—	997,503,300
War Savings Certificates	Various	Various	†3	133,473,762	—	—	133,473,762
Non-Interest Bearing Certificates	Various	June 15, 1945	Nil	10,765,678	—	—	10,765,678
Total				2,553,508,690	600,660,000	664,340,000	3,818,508,690
Increase in short-term Treasury Bills				(*)	(*)	(*)	115,000,000
Grand Total							3,933,508,690

† Yield to investor if held to maturity seven and one-half years after issue date.
(*) It is not possible to allocate the increase in Treasury Bills to purchases by the public, chartered banks and Bank of Canada.
(**) Includes participation by a United States bank.
(***) The chartered banks and the Bank of Canada converted maturing bonds into bonds of these issues, in the case of the 1941 Victory Loan conversions amounted to $42,225,000 and in the Second Victory Loan to $117,486,000.

NATIONAL DEBT

61. At the close of the fiscal year under review the gross unmatured funded debt (including Treasury Bills) of the Dominion outstanding amounted to $5,866,071,000. Other liabilities consisting chiefly of Annuities, Superannuation and insurance funds, Post Office Savings Bank deposits, and various trust and contingent funds were outstanding on the same date in an aggregate amount of $742,949,000. The gross liabilities of the Dominion, therefore, totalled $6,609,020,000 as at March 31, 1942. On the other side of its balance sheet, however, the Dominion had active assets of $2,546,648,000 consisting of cash on hand and various active loans and investments (less reserves provided against ultimate loss on their realization). If, therefore, we deduct the amount of the net active assets from the amount of the gross liabilities, we arrive at a figure of $4,062,372,000 representing the estimated net debt of the Dominion. This net debt shows an increase over the corresponding figure for the close of the preceding fiscal year of $413,681,000, which of course is the amount of the over-all deficit for the fiscal year ending March 31 last.

62. The following is a preliminary statement or balance sheet showing the liabilities and assets of the Dominion as estimated at March 31, 1942:

LIABILITIES—MARCH 31, 1942

(estimated)

Bank Circulation Redemption Fund		$ 4,478,000
Post Office Money Orders, Postal Notes, etc., outstanding		6,900,000
Post Office Savings Bank deposits		21,678,000
Insurance and Superannuation Funds—		
Government Annuities	$ 172,970,000	
Insurance Fund—Civil Service	15,118,000	
Insurance Fund—Returned Soldiers	20,574,000	
Retirement Fund	12,718,000	
Superannuation Funds	65,533,000	
Unemployment Insurance Fund (cash)	5,213,000	
		292,126,000
Trust Funds—		
Indian Funds	14,642,000	
Common School Funds	2,678,000	
Contractors' Securities Deposits	6,851,000	
Other Trust Funds	10,463,000	
		34,634,000
War Supplies Limited		36,714,000
Contingent and Special Funds		257,567,000
Canadian Wheat Board—Reserve for losses on wheat marketing guarantees		18,447,000
Province Debt Accounts		11,920,000
Funded Debt and Treasury Bills unmatured	5,866,071,000	
Floating Debt—		
Funded Debt matured and outstanding	6,000,000	
Interest due and outstanding	8,485,000	
Outstanding cheques	44,000,000	
		5,924,556,000
		$6,609,020,000

ASSETS—MARCH 31, 1942

(estimated)

Cash, working capital advances and other current assets		$ 791,093,000
Recoverable Advances—		
United Kingdom and other Allied Governments, Army, Navy and Air		120,559,000
Special Deposits		3,022,000
Bank of Canada Capital Stock		5,920,000
Central Mortgage Bank Capital Stock		250,000
Canadian Broadcasting Corporation—Loan		503,000
Canadian National (West Indies) Steamships, Ltd.—Loan		450,000
Dominion and National Housing Acts—Loans		16,254,000
Municipal Improvements Assistance Act, 1938—Loans		5,976,000
Loans to Provinces—		
Housing Loans, O. C. of December 3, 1918 and amendments	$ 130,000	
Unemployment Relief Loans	157,275.000	
Province of Saskatchewan—Power Commission	54,000	
Province of Alberta—subsidy overpayment	469,000	
		157,928,000
Loans to National Harbours Board—		
Montreal	60,326,000	
Vancouver	25,091,000	
		85,417,000
New Westminster Harbour Commission—Loan		275,000
Canadian Farm Loan Board—Advances and Capital Stock		36,537,000
Foreign Exchange Control Board—Loans and Advances		725,000,000
Railway Accounts—		
Canadian National Railways—		
Advances—Refunding Act, 1938	51,825,000	
Advances—Financing and Guarantee Act, 1939	11,332,000	
Advances—Financing and Guarantee Act, 1940	7,573,000	
Advances—Financing and Guarantee Act, 1940—		
Grand Trunk Railway Debenture Stock	105,936,000	
Advances—Financing and Guarantee Act, 1941	11,943,000	
Advances—The War Appropriation (United Kingdom Financing) Act, 1942—purchase of securities	191,602,000	
Advances—The War Appropriation Act 1941—		
Temporary Loan	17,122,000	
		397,333,000
Purchase of equipment leased to—		
Canadian National Railways—		
1936 Agreement	4,655,000	
War Appropriation Act, 1940	13,888,000	
War Appropriation Act, 1941	1,027,000	
		19,570,000
Canadian Pacific Railway—		
1936 Agreement	3,526,000	
War Appropriation Act, 1940	9,288,000	
		12,814,000
Loans to Foreign Governments—		
Greece	6,525,000	
Roumania	24,329,000	
		30,854,000
Soldier and General Land Settlement Loans		33,888,000
Seed Grain and Relief Advances		2,413,000
Munitions and Supply—Advances to Commodity and other Companies		34,222,000
Canadian Government Railways Working Capital		16,772,000
Bond Holding Account		41,860,000
Province Debt Accounts		2,296,000
Unamortized Discount and Commission on Loans		55,442,000
		$2,596,648,000
LESS—Reserve for possible losses on ultimate realization of active loans and advances		50,000 000
		$2,546,648,000
Net Debt, March 31, 1942 (estimated)		$4,062,372,000
Net Debt represented by—		
A. Expenditure and non-active assets (estimated) March 31, 1942.		
Capital Expenditures—		
Public Works—		
Canals	$ 240,303,000	
Railways	425,960,000	
Public buildings, harbour and river improvements	307,828,000	
Military Property and stores	12,572,000	
Territorial Accounts	9,896,000	
		$ 996,559,000

ASSETS—MARCH 31, 1942—*Concluded*
(estimated)

Loans, Non-active—		
Canadian National Railways Securities Trust Stock		$ 267,283,000
Canadian National Railway Stock		18,000,000
Canadian Pacific Railway (old)		62,791,000
Canadian National Steamships		13,872,000
National Harbours Board—		
Quebec	27,778,000	
Chicoutimi	3,838,000	
Churchill	10,000	
Halifax	12,452,000	
Saint John	16,550,000	
Three Rivers	3,741,000	
Montreal (Jacques Cartier Bridge)	4,815,000	
		69,184,000
Seed Grain and Relief Advances		346,000
Soldier and General Land Settlement		16,526,000
Saskatchewan Seed Grain Loans Guarantee Act, 1936		2,637,000
The Seed Grain Loans Guarantee Act, 1937		7,136,000
Miscellaneous Advances		3,537,000
B. Consolidated Fund—		
Balance Consolidated Fund brought forward from March 31, 1941	2,195,400,000	
Excess of expenditure over revenue, less amounts charged under A above, fiscal year ended March 31, 1942—(estimated)	409,101,000	
		2,604,501,000
		$4,062,372,000

63. The following table shows the various obligations included in the unmatured funded debt of the Dominion outstanding as at March 31, 1942, and the annual interest charges thereon:

UNMATURED FUNDED DEBT AND TREASURY BILLS AS AT MARCH 31, 1942, AND ANNUAL INTEREST THEREON

Date of Maturity	Rate Per Cent	Where Payable	Amount of Loan	Annual Interest Charges
1942, May 1	1	Canada	$ 250,000,000 00	$ 2,500,000 00
May 15	1½	Canada	1,682,000 00	25,230 00
June 1	2	Canada	239,000 00	4,780 00
July 1	4	Canada	33,293,470 85	1,331,738 83
Oct. 15	3	Canada	40,409,000 00	1,212,270 00
1943, May 1	2¼	New York	10,000,000 00	225,000 00
June 1	2½	Canada	20,000,000 00	500,000 00
July 2	1½	Canada	250,000,000 00	3,750,000 00
Oct. 15	5	Canada	147,000,100 00	7,350,005 00
1944, Jan. 15	2¼	New York	30,000,000 00	675,000 00
June 1	2	Canada	90,625,000 00	1,812,500 00
Sept. 1	1½	Canada	*57,169,000 00	857,535 00
Oct. 15	4½	Canada	50,000,000 00	2,250,000 00
Oct. 16	1½	Canada	200,000,000 00	3,000,000 00
Nov. 15	2½	Canada	20,000,000 00	500,000 00
1945, Mar. 1	2	Canada	105,000,000 00	2,100,000 00
Aug. 15	2½	New York	76,000,000 00	1,900,000 00
Oct. 15	4	Canada	88,337,500 00	3,533,500 00
1946, Feb. 1	4½	Canada	45,000,000 00	2,025,000 00
Dec. 15	2	Canada	193,286,000 00	3,865,720 00
1947, Oct. 1	2½	London	686,272 41	17,156 81
1948, Feb. 1	3¼	Canada	50,000,000 00	1,625,000 00
Mar. 1	2¼	Canada	*268,924,000 00	6,050,790 00
1949, Feb. 1	3¼	Canada	50,000,000 00	1,625,000 00
June 1	3¼	Canada	33,500,000 00	1,088,750 00
Oct. 15	3½	Canada	138,322,000 00	4,841,270 00
1950, Feb. 1	3¼	Canada	50,000,000 00	1,625,000 00
1951, Feb. 1	3¼	Canada	50,000,000 00	1,625,000 00
June 15	3	Canada	643,534,250 00	19,306,027 50
Nov. 15	3¼	Canada	60,000,000 00	1,950,000 00
1952, Feb. 1	3¼	Canada	50,000,000 00	1,625,000 00
May 1	5	New York	100,000,000 00	5,000,000 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	*671,410,300 00	20,142,309 00

UNMATURED FUNDED DEBT AND TREASURY BILLS AS AT MARCH 31, 1942, AND ANNUAL INTEREST THEREON—*Concluded*

Date of Maturity	Rate Per Cent	Where Payable	Amount of Loan	Annual Interest Charges
1955, May 1	3½	London	$ 5,905,276 73	$ 191 921 49
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	4½	Canada	43,125,700 00	1,940,656 50
1957, 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	4,449,736 66	177,989 47
Nov. 1	4½	Canada	276,687,600 00	12,450,942 00
1959, Nov. 1	4½	Canada	289,693,300 00	13,036,198 50
1960, Oct. 1	4	New York	100,000,000 00	4,000,000 00
1961, Jan. 15	3½	New York	48,000,000 00	1,560,000 00
1963, July 1	3½	London	4,409,579 62	143,311 34
1966, June 1	3½	Canada	54,703,000 00	1,777,847 50
Sept. 15	3	Canada	55,000,000 00	1,650,000 00
1967, Jan. 15	3	New York	55,000,000 00	1,650,000 00
1968, Nov. 15	3	New York	40,000,000 00	1,200,000 00
Treasury Bills due April 1, 1942	·548	Canada	45,000,000 00	246,600 00
Treasury Bills due April 17, 1942	·548	Canada	45,000,000 00	246,600 00
Treasury Bills due April 29, 1942	·547	Canada	45,000,000 00	246,150 00
Treasury Bills due May 15, 1942	·545	Canada	45,000,000 00	245,250 00
Treasury Bills due May 29, 1942	·547	Canada	45,000,000 00	246,150 00
Treasury Bills due June 12, 1942	·552	Canada	45,000,000 00	248,400 00
			$5,723,251,986.27	$166,378,153 94
War Savings Certificates	†3	Canada	129,677,966 48	†3,870,745 74
War Savings Stamps		Canada	4,030,578 00	—
Non-Interest Bearing Certificates		Canada	9,110,045 92	—
			$5,866,070,576 67	$170,248,899 68
Payable in Canada			$5,391,619,711 25	91·92%
Payable in New York			459,000,000 00	7·82%
Payable in London			15,450,865 42	0·26%
			$5,866,070,576 67	100·00%

* Preliminary figures.
† 3 per cent on purchase value if held to maturity (7½ years from date of issue).

INDIRECT LIABILITIES

64. Bonds and debenture stocks bearing the guarantee of the Dominion and outstanding in the hands of the public as at March 31, 1942, totalled $818,841,717, a decrease of $165,174,661 during the fiscal year under review. This decrease is accounted for mainly by the purchase of Canadian National Railway Company securities from the Government of the United Kingdom, as provided for under the War Appropriation (United Kingdom Financing) Act 1942.

65. There were also outstanding at the close of the fiscal year other contingent liabilities assumed under Relief, Seed Grain and other legislation. During the fiscal year the Government agreed to guarantee the repayment of bank advances to the Canadian Red Cross Society to a maximum amount of $3,000,000. It was anticipated that this Society would require funds for carrying on its war services pending the time when receipts would be available to it from a general public campaign. However, no advances were required under this guarantee.

66. Advances by Canadian chartered banks to the Government of Newfoundland, amounting to $625,000 and carrying the guarantee of the Government of Canada have been referred to in previous budget speeches. These advances were paid off by the Government of Newfoundland during the fiscal year under review.

67. Guaranteed bank advances to the Canadian Wheat Board outstanding as at March 31, 1942, amounted to $116,686,562. This amount constitutes the Board's gross liability to the banks and related mainly to the purchase of wheat of the 1939, 1940 and 1941 crops. The guarantee of the Dominion to the Winnipeg Grain and Produce Clearing Association Limited referred to in previous budget speeches is still outstanding. However, no liability accrues from day to day in connection with this guarantee as margin deposits are made to the Clearing Association.

68. Before operations under the Home Improvement Loans Guarantee Act were discontinued (October 31, 1940), 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 outstanding on March 31, 1942, had been reduced to $6,162,009, the contingent liability of the Government is limited to this amount. Up to March 31, 1942, 801 loss claims for an aggregate amount of $259,100 had been paid. In terms of total losses to total volume of loans, this loss ratio is only slightly more than one-half of one per cent. Repayments to March 31, 1942, amounted to $43,797,048 or 88 per cent of the total volume of loans made.

69. Under the Dominion Housing Act, 1935, and the National Housing Act, 1938, the Government 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.

The manner in which losses in respect of any loan are to be borne by the Dominion and the lending institution is fixed by the contract. The general principle is 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 amounts due, is more than the amount advanced by the Dominion. In the case of small loans (for amounts not in excess of $4,000, in the case of a single family dwelling place or not in excess of $700 per habitable room in the case of a multiple family dwelling), 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. The above provisions apply to loans made under the National Housing Act and its predecessor, the Dominion Housing Act. Under the National Housing Act a new provision has been added to encourage the making of small loans in such small or remote communities and in such districts or other communities as may be 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 in such areas by the lending institution.

Order in Council of December 5, 1939, provided that after January 1, 1940, applications would be received only for loans for the construction of houses containing one self-contained dwelling place and where the loan does not exceed $4,000.

Loans to the number of 18,251 had been approved at March 31, 1942, under the Dominion Housing Act, 1935, and the National Housing Act, 1938, in the amount of $76,-784,145. Losses recorded and paid to March 31, 1942, amounted to $1,010.28, covering the Dominion's proportion of the loss on three loans. This amount represents total losses to date under both the Dominion Housing Act, 1935, and Part 1 of the National Housing Act, 1938. These losses are offset in part by a profit of $288.41 realized by the sale of eight properties. The net loss to date is therefore only $721.87.

70. The following is a statement of bonds and debenture stocks and other indebtedness guaranteed by the Dominion, outstanding on March 31, 1942.

BOND AND DEBENTURE STOCKS GUARANTEED BY THE DOMINION GOVERNMENT AS AT MARCH 31, 1941

Date of Maturity	Issue	Interest Rate	Amount Outstanding
		%	$ cts.
Feb. 15, 1943	Canadian National	2	55,000,000 00
Feb. 1, 1944	Canadian National	2¼	15,500,000 00
May 1, 1944	Canadian National	3	35,000,000 00
Jan. 15, 1946	Canadian National	2¼	15,000,000 00
July 1, 1946	Canadian Northern	6½	23,759,000 00
April 1, 1948	New Westminster Harbour Commissioners	4¾	700,000 00
Dec. 15, 1950	Canadian National	3	50,500,000 00
Sept. 1, 1951	Canadian National	4½	50,000,000 00
Feb. 1, 1952	Canadian National	3	20,000,000 00
Aug. 1, 1952	Saint John Harbour Commissioners	5	667,953 04
Feb. 15, 1953	Canadian National	3	25,000,000 00
July 10, 1953	Canadian Northern	3	2,011,330 05
Feb. 1, 1954	Canadian National	5	50,000,000 00
Mar. 1, 1955	Canadian National (West Indies) Steamships Limited	5	9,400,000 00
June 15, 1955	Canadian National	4¼	48,587,000 00
Feb. 1, 1956	Canadian National	4½	70,000,000 00
July 1, 1957	Canadian National	4½	65,000,000 00
July 20, 1958	Canadian Northern	3½	6,621,474 47
Jan. 15, 1959	Canadian National	3	35,000,000 00
May 4, 1960	Canadian Northern Alberta	3½	911,332 00
May 19, 1961	Canadian Northern Ontario	3½	8,144,663 54
Jan. 1, 1962	Grand Trunk Pacific	3	34,992,000 00
Jan. 1, 1962	Grand Trunk Pacific	4	8,440,848 00
July 1, 1969	Canadian National	5	57,138,000 00
Oct. 1, 1969	Canadian National	5	57,858,200 00
Nov. 1, 1969	Harbour Commissioners of Montreal	5	19,000,000 00
Feb. 1, 1970	Canadian National	5	17,376,000 00
By drawings	Canadian National	2	3,383,676 53
Various dates 1942-54	City of Saint John Debentures assumed by Saint John Harbour Commissioners	Various	775,229 31
Perpetual	Grand Trunk Guaranteed Stock	4	15,573,333 33
do	Grand Trunk Debenture Stock	5	5,549,825 00
do	Great Western Debenture Stock	5	3,153,989 34
do	Grand Trunk Debenture Stock	4	8,295,549 67
do	Northern Railway of Canada Debenture Stock	4	502,313 00
			$ 818,841,717 28

OTHER LIABILITIES GUARANTEED	Principal Amount Outstanding Mar. 31, 1942
Bank Advances, *re* Province of Manitoba Savings Office	$ 6,131,616
Province of Manitoba Treasury Bill	4,805,723
Province of British Columbia Treasury Bill	626,534
Bank Advances, *re* Canadian Wheat Board	116,686,562
Winnipeg Grain and Produce Clearing Association Ltd. Day to day margins of the Canadian Wheat Board (closed out daily)	
Bank Advances guaranteed under Seed Grain Loans Guarantee Act, 1938	Not determined
Loans made by approved lending institutions under Dominion Housing Act, 1935 and National Housing Act, 1938	Indeterminate
Loans made by approved lending institutions under The Home Improvement Loans Guarantee Act, 1935	6,162,009
Deposits maintained by the chartered banks in the Bank of Canada	241,931,985
Bank Advances, *re* Government War Contracts—Department of Munitions and Supply	1,700,357
Guarantee under Dominion-Provincial Taxation Agreements of Provincial receipts from gasoline taxes at amounts received in fiscal years ending nearest December 31, 1940	Indeterminate

CANADIAN ECONOMIC CONDITIONS—ANNUAL FIGURES

	Calendar Years						
	1926	1928	1932	1937	1939	1940	1941
Group I—Comprehensive Indexes (1935-39=100)							
Physical volume of business	83	98	66	102	102	121	135
Volume of manufacturing	92	104	68	113	109	135	151
Mining	53	62	57	100	113	125	129
Forestry	84	87	57	117	102	123	126
Carloadings	131	148	88	106	102	114	129
Electric power output	46	61	61	106	109	115	128
Employment (a)	100	111	88	114	114	124	152
National income	109	124	70	105	118	131	157
Retail sales	(e)	(e)	92	105	105	118	136
Group II.—Price Levels and Financial Factors (1926=100)							
Wholesale prices	100	96	67	85	76	83	90
Farm product prices	100	101	48	87	64	67	71
Cost of living (b)	122	121	99	101	102	106	112
Common stock prices (b)	91	145	51	116	92	77	68
Bank deposits	100	115	100	120	132	139	152
Active currency circulation	100	105	81	103	111	147	198
Group III.—Gross Value of Production in Major Industries ($ millions)							
Agriculture	1,715	1,806	767	1,039	1,205	1,265	(c) 1,375
Forestry	556	586	349	494	466	627	(c) 740
Fisheries	73	71	34	51	53	60	(c) 61
Mining (including Smelting)	277	313	265	663	663	748	(c) 777
Construction	386	488	133	352	373	474	(c) 607
Manufacturing	3,101	3,582	1,981	3,626	3,475	4,529	(c) 5,018
Group IV.—Foreign Trade and International Transactions ($ millions)							
Exports (gold excluded)	1,277	1,364	498	1,012	936	1,193	1,640
Net non-monetary gold exports (d)	30	40	70	145	184	203	204
Total exports, including non-monetary gold	1,307	1,404	568	1,157	1,120	1,396	1,844
Imports (gold excluded)	1,008	1,222	453	809	751	1,082	1,449
Total trade	2,315	2,626	1,021	1,966	1,871	2,478	3,293
Export balance	+299	+182	+115	+348	+369	+314	+395
Net tourist receipts	(e)	(e)	(e)	(e)	(e)	60	87
Net interest and dividends going abroad	201	221	262	246	254	272	(c) 256

(a) 1926=100.
(b) 1935-39=100.
(c) Preliminary estimate.
(d) Adjusted for changes in stocks of earmarked gold. These figures were computed by the Bank of Canada on the basis of official trade returns.
(e) Not available.

[Mr. Ilsley.]

CANADIAN ECONOMIC CONDITIONS—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	1940	114	109	106	120	118	120	121	129	130	129	130	128
	1941	131	128	126	131	134	137	138	142	149	139	132	141
	1942	141	134	136	140	.....	.....	.....	.....	.....	.....	.....	.....
Volume of manufacturing	1940	130	120	116	128	130	129	134	144	149	146	147	142
	1941	142	136	140	143	143	144	154	164	182	165	149	159
	1942	158	152	150	160	.....	.....	.....	.....	.....	.....	.....	.....
Mining	1940	116	109	113	146	121	137	127	142	124	117	128	124
	1941	123	125	123	122	141	126	146	141	126	124	126	124
	1942	120	114	119	130	.....	.....	.....	.....	.....	.....	.....	.....
Forestry	1940	121	107	109	113	121	136	137	134	132	125	123	117
	1941	126	121	126	118	114	117	131	130	146	133	123	128
	1942	127	134	134	123	.....	.....	.....	.....	.....	.....	.....	.....
Carloadings	1940	113	109	96	111	117	115	127	120	107	109	115	125
	1941	126	123	125	129	139	134	140	128	119	121	124	139
	1942	150	140	136	140	.....	.....	.....	.....	.....	.....	.....	.....
Electric power output	1940	112	114	107	112	123	124	129	119	114	109	109	111
	1941	117	116	116	126	129	123	131	126	136	137	138	139
	1942	143	138	142	144	.....	.....	.....	.....	.....	.....	.....	.....
Employment (b)	1940	121	119	118	119	119	121	122	124	127	130	133	136
	1941	139	141	141	150	151	153	155	156	156	158	160	165
	1942	172	172	172	175	.....	.....	.....	.....	.....	.....	.....	.....
Retail sales (c)	1940	90	90	106	110	120	121	103	113	114	132	136	174
	1941	102	101	119	136	143	134	122	134	137	152	147	202
	1942	128	120	145	155	.....	.....	.....	.....	.....	.....	.....	.....
Group II.—Price Levels and Financial Factors— (1926=100)													
Wholesale prices	1940	83	83	83	83	82	82	82	83	83	83	84	84
	1941	85	85	86	87	89	90	91	92	93	94	94	94
	1942	94	95	95	95	.....	.....	.....	.....	.....	.....	.....	.....
Farm product prices	1940	70	70	71	72	68	64	65	63	64	65	67	67
	1941	67	68	69	70	70	71	72	72	73	74	74	75
	1942	77	78	79	80	.....	.....	.....	.....	.....	.....	.....	.....

CANADIAN ECONOMIC CONDITIONS—MONTHLY FIGURES—*Concluded*

—		Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Group II—*Concluded*													
Cost of living (d)	1940	104	104	105	105	105	105	106	106	106	107	108	108
	1941	108	108	108	109	109	111	112	114	115	116	116	116
	1942	115	116	116	116	116	.....	.....	.....	.....	.....	.....	.....
Common stock prices (d)	1940	91	90	90	88	73	66	66	69	76	74	75	70
	1941	71	67	67	66	64	64	68	68	71	69	69	67
	1942	67	65	62	61	.....	.....	.....	.....	.....	.....	.....	.....
Bank deposits (e)	1940	142	143	139	140	139	137	136	135	138	140	140	139
	1941	146	150	149	151	154	155	154	154	153	151	153	154
	1942	156	160	166	166	.....	.....	.....	.....	.....	.....	.....	.....
Active currency circulation (e)	1940	119	120	126	125	127	143	154	159	168	173	173	178
	1941	169	175	182	186	187	194	198	206	211	217	222	230
	1942	225	234	241	244	.....	.....	.....	.....	.....	.....	.....	.....
Group III.—Other Significant Factors													
Exports (f) ($ millions)	1940	91	72	84	85	111	112	102	111	103	107	119	99
	1941	89	100	103	118	163	147	171	150	143	140	164	152
	1942	152	168	177	170	235	.....	.....	.....	.....	.....	.....	.....
Imports (f) ($ millions)	1940	71	71	77	86	101	91	90	97	86	109	102	102
	1941	98	90	108	106	128	115	128	138	137	141	134	126
	1942	142	120	115	142	.....	.....	.....	.....	.....	.....	.....	.....
Net non-monetary gold exports (g) ($ millions)	1940	22	12	16	18	17	15	16	18	17	19	17	17
	1941	19	15	20	14	16	18	17	13	21	17	15	17
	1942	15	17	16	14	.....	.....	.....	.....	.....	.....	.....	.....
Construction contracts awarded ($ millions)	1940	9	12	12	26	28	39	29	41	52	26	55	17
	1941	27	25	14	24	41	86	32	36	39	29	23	19
	1942	13	11	18	23	24	.....	.....	.....	.....	.....	.....	.....
War contracts awarded (h) ($ millions)	1940	35	42	31	21	30	46	87	74	70	148	68	144
	1941	53	64	73	153	111	61	96	85	57	85	51	99
	1942	99	55	85	.....	.....	.....	.....	.....	.....	.....	.....	.....
War expenditure ($ millions)	1940	13	24	(i) 33	10	24	40	39	59	67	82	72	84
	1941	88	83	(i) 104	46	90	65	108	99	91	111	120	124
	1942	145	133	(i) 220	142	205	.....	.....	.....	.....	.....	.....	.....

(a) Indexes seasonally adjusted unless otherwise indicated.
(b) As at first of month. 1926=100.
(c) Unadjusted
(d) 1935-39=100
(e) Based on daily average figures: index unadjusted.
(f) All gold excluded; includes exports of foreign produce.
(g) Adjusted for changes in stocks of earmarked gold. These figures were computed by the Bank of Canada on the basis of official trade returns.
(h) Contracts awarded by Department of Munitions and Supply on Canadian Account; Feb., 1942, preliminary; March, 1942, estimated.
(i) Includes year-end expenditure.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I should like to offer my congratulations to the hon. gentleman upon the manner and the methods he has adopted in the presentation of this budget. I especially call the attention of hon. members of this house to his concluding paragraph which I hope will sink into the minds and hearts of every last one of us, and every last one of our citizens. I agree with every sentiment he has expressed in that paragraph, and I only wish that 100 per cent of our people will also agree.

On motion of Mr. Hanson (York-Sunbury) the debate was adjourned.

HONOURS AND DECORATIONS

APPOINTMENT OF COMMITTEE TO CONSIDER APPLICATION OF PRINCIPLE ACCEPTED IN 1919 TO MEMBERS OF CANADIAN ARMED FORCES

Hon. N. A. McLARTY (Secretary of State) moved:

Whereas the report of a special committee of the House of Commons on titles, honours and decorations was presented to the house on May 14, 1919, and carried, on division, on May 22, 1919; and

Whereas the opinion has been expressed that the application of the principles embodied in the report in the circumstances which have emerged during the present war had led to discrimination between the members of the Canadian armed forces, and others of his majesty's armed forces, between different ranks in the Canadian armed forces; and between Canadians actively participating in the present war, and others of his majesty's subjects; and

Whereas the further opinion has been expressed that it is impracticable to make provision for recognition of conduct and action involving gallantry, courage, meritorious service and devotion to duty without contravening the principles embodied in the report;

Therefore be it resolved:

That a select committee of the house be appointed to inquire into and to report upon the expediency:

(a) of maintaining the principles that form the basis of the recommendations contained in the said report and continuing in effect the said recommendations, or

(b) of cancelling, altering, modifying or adding to the said recommendations, in so far as they relate to honours and decorations which do not involve titles, and, if so, in what respect and to what extent.

That the committee shall consist of the following members: Messrs. Bertrand (Laurier-Montreal), Bruce, Fraser (Peterborough West), Gershaw, Graham, Hill, Kinley, Macmillan, Marshall, McCuaig, Stirling, Turgeon, Weir, Wood, Wright, and shall have power to send for persons and records, to examine witnesses under oath, and to report their opinions and observations from time to time to the house.

He said: In rising to move the resolution standing in my name I feel that it is rather an anti-climax to the magnificent address we have heard from the Minister of Finance (Mr. Ilsley). We used to hear of the great addresses made by other ministers of finance such as Sir George Foster, Mr. Fielding and other capable ministers, and sometimes we have taken the position that things are not as they used to be, that we do not hear the magnificent eloquence which was heard in speeches made many years ago. That reminds me of an apropos remark which *Punch* made about the *Times*. When someone wrote and said that the *Times* was not as it used to be, *Punch* replied, "Yes, but it never was."

I think we have heard to-night as fine a budget address as this house has ever heard, and I am speaking not only of the present house but of the old house as well. Again I should like to congratulate my colleague upon a magnificent and splendid address. I should like also to congratulate Canada upon having a Minister of Finance who can prepare and deliver such a budget as we have heard to-night.

In moving the resolution standing in my name for the appointment of a select committee of this house to review the question of honours and decorations, it is not necessary at this stage to deal with it at any great length. It is, however, I believe desirable that I should deal briefly, in the first place, with the present situation and endeavour to point out to the house why it is desirable to have the proposed committee appointed.

As members of the house will see, no question of conferring titles is involved. The members of the house will recall that in the year 1919 a special committee considered the question of titles, honours and decorations and presented its report on May 14, 1919. This report was discussed by the house and was carried on division on May 22, 1919. It will not be necessary for me to read the full report, but I might give a summary of its contents.

The report provided for the submission of an address to His Majesty the King dealing with the exercise by the king of certain legal powers which formed a part of the royal prerogative. It involved an expression by the House of Commons of its views to the effect that:

(1) No titles of honour or titular distinctions should be conferred upon British subjects domiciled or ordinarily resident in Canada save such appellations as might be of a professional or vocational character or which appertain to an office.

(2) Hereditary titles of honour or titular distinctions or dignitaries or titles as peers of the realm should, by legislation or otherwise, be extinguished upon the death of the holder if domiciled or ordinarily resident in Canada, and no further hereditary titles should be conferred upon Canadians.

(3) The titles "right honourable" and "honourable" should be continued.

(4) The practice of awarding military and naval decorations such as the Victoria Cross, the Military Medal, the Military Cross, the Conspicuous Service Cross, and similar decorations to persons in military or naval services of Canada for exceptional valour and devotion to duty should be continued.

(5) No person domiciled or ordinarily resident in Canada should accept or use titles of honour or titular distinction conferred by foreign rulers or governors.

The policy recommended in the report has been followed by the governments which have been in power since 1919, with one exception. In 1934 and 1935 certain recommendations of Canadians for titles and honours were made and a number of titles and honours were granted.

It will be observed that in the proposed terms of reference in this motion, one of the suggestions is that the committee should consider cancelling, altering, modifying or adding to the recommendations in the report of the committee in 1919 in so far as they relate to honours and decorations which do not involve titles.

It will also be observed that in the report of the committee of 1919 the statement is made that the committee do not recommend the discontinuance of the practice of awarding military or naval decorations to members of the military or naval services of Canada for exceptional valour and devotion to duty. At that time the Royal Canadian Air Force had not been established, and this accounts for the fact that no reference is made to members of the air force. Carrying out the policy approved by the house in adopting the report in 1919, the prohibition on the recommendation and acceptance by Canadians of titles of honour or titular distinctions has been interpreted to mean that Canadians may not receive any medal or award in an order of chivalry, on the ground that such an award, for example, as a companionship in the Order of the Bath or the Order of Saint Michael and Saint George, or the Order of the British Empire, involves membership in an order of chivalry in which the highest grades involve knighthood.

The medals and decorations mentioned in the report of the committee of 1919—the Victoria Cross, the Military Medal, the Military Cross, and the like—are medals and decorations which are awarded, in the main, for conspicuous gallantry in action. While the Victoria Cross may be awarded to men of all ranks in the army, the navy and the air force, some of the others, such as the Military Cross and the Military Medal, are awarded only to officers or men below certain ranks. For example, the Military Cross is restricted by royal warrant to officers below the rank of major and to warrant officers, classes 1 and 2. The Military Medal can be granted only for gallantry in action and can be awarded only to warrant officers, classes 1 and 2, non-commissioned officers and men.

An examination of the provisions of the report and of the debates in the House of Commons, indicates that there is some doubt as to whether the House of Commons, in 1919, intended to impose a ban upon military decorations other than those which involved titles or titular distinctions. In the text of the resolution, the prohibition is confined to "any title of honour or titular distinction"; while in the debates there was much confusion as to whether the prohibition was intended to extend to military decorations, such as the lower classes in the orders of chivalry, which do not involve either titles of honour or titular distinctions.

When the question of awards arose during the present war, the position taken was that ordinary medals and decorations might freely be awarded to members of the Canadian armed forces and to Canadians serving in others of his majesty's armed forces as members thereof or as attached personnel. The awards thus made available included the ordinary medals and decorations, such as the Distinguished Service Order, the Distinguished Conduct Medal, and the Medal of the Order of the British Empire, as well as mentions in dispatches and commendations. All awards involving titles, and awards in the lower grades of those orders of chivalry which, in their higher grades, involved titles, were regarded as coming within the prohibition involved in the report. It was, therefore, open to Canadians to receive the Victoria Cross, the Distinguished Service Order, the Distinguished Flying Cross and similar decorations. On the other hand, such awards as Knight Commander of the Bath, Companion of the Bath (military), Knight Commander of St. Michael and St. George and Companion of St. Michael and St. George, Knight Commander of the Order of the British Empire, Commander of the Order of the British Empire, Officer of the Order of the British Empire, and Member of the Order of the British Empire (military) were not available to Canadians.

In the present war, civilan decorations have been instituted by His Majesty the King. The report does not preserve any rights in respect of civilian decorations. There was a good deal of doubt as to whether, upon the institution of the George Cross and the George Medal, it would be open to the Canadian

government to provide for recommendations without contravening the provisions of the report. The position taken was that a ban upon the award of the George Cross or the George Medal would not be in accord with the general spirit underlying the report and, accordingly, steps were taken to make these civilian awards available for Canadians.

It is desirable that the position with regard to the classes of the orders of chivalry which do not involve titles should be clarified and that doubt should be removed with regard to the availability of the George Cross and the George Medal.

A further question has arisen by reason of the nature of the present war. In total war the dangers of the burdens fall heavily upon the civilians as well as upon the soldiers. There are Canadians serving in positions of great personal danger who are showing qualities of courage and devotion to duty that are clearly comparable with those which result in awards to the armed forces. Such civilians are all excluded from recognition except in cases which qualify for the George Cross and the George Medal. It is thought that the House of Commons would desire to review the whole question of recognition of civilian service in the light of the conditions which have arisen during the present war.

Another problem results from the nature of naval warfare. It has been increasingly evident that seamen of the merchant navy are showing qualities of courage and devotion to duty which require recognition. It is desirable, therefore, that the house should consider whether members of the merchant navy should not be placed in a position of equality with members of the armed forces. It will, of course, be understood that the British mercantile marine is given recognition in the matter of awards fairly comparable with that which is accorded to the Royal Navy and it is probable that members of the house would desire that Canadian seamen should receive similar treatment.

Under the present position, immediate awards take the form of medals and decorations and have been available to Canadians on the same basis as to members of the armed forces of other parts of the British commonwealth. Individual actions of gallantry in the face of the enemy have led to awards to Canadians without discrimination. On the other hand, under the system which has been in force in the past and which is applied to the members of the armed forces of the British commonwealth with the exception of Canada, a substantial number of awards for courage and devotion to duty are made periodically, normally at the New Year and on the occasion of the king's birthday. These lists include operational awards earned by continued courageous action and devotion to duty during operations, and also awards for exceptional devotion to duty in the course of services rendered outside active theatres of war. These periodic awards normally consist of the Knight Grand Cross of the Order of the Bath, Knight Commander of the Bath, Companion of the Bath, Knight Grand Cross of the Order of the British Empire, Knight Commander of the Order of the British Empire, Commander of the Order of the British Empire, Officer of the Order of the British Empire, Member of the Order of the British Empire, and the British Empire Medal, all in the military divisions of the orders. Of these only one, namely, the British Empire Medal, has been regarded as being available to Canadians. The Knight Grand Cross of the Order of the Bath, Knight Commander of the Bath, Knight Grand Cross of the Order of the British Empire, and Knight Commander of the Order of the British Empire are higher classes of orders of chivalry; the recipients of these awards have the right to the title "Sir" during their lives and their wives are entitled to be called "Lady". They are thus clearly within the wording "titles of honour or titular distinctions" as set forth in the report. The other awards, Companion of the Bath, Commander of the Order of the British Empire, Officer of the Order of the British Empire and Member of the Order of the British Empire, are lower classes of the same orders of chivalry which do not carry titles. The recipients of the awards are entitled to wear ribbons on their uniforms and formal insignia on ceremonial occasions. These awards are, however, regarded as being so associated with titles of honour or titular distinctions as to be excluded by the provisions of the report.

In the practical working out of the British system of recognition of courageous action and devotion to duty, the present position results in discrimination between Canadians and members of the armed forces of other parts of the British commonwealth; and also in discrimination between officers and warrant officers, on the one hand, and non-commissioned officers and men on the other hand.

The best illustration of the first type of discrimination would be found in the case of commissioned officers, warrant officers, non-commissioned officers and aircraftmen who are charged with the direction and maintenance, under conditions of grave danger and hardship, of aircraft engaged in operation. Their courage and devotion to duty lead to extended recognition in the awards to ground personnel of the Royal Air Force, and of

other air forces operating with the Royal Air Force, including awards in the Order of the British Empire, and medals of that order. In the cases in which equivalent courage and devotion to duty is shown by commissioned officers, warrant officers, non-commissioned officers, and aircraftmen of the Royal Canadian Air Force, no awards involving membership in the Order of the British Empire can be made by reason of the principles set forth in the report. Other concrete illustrations might be taken from the experience of other branches of the Canadian armed forces.

The other element of discrimination is between members of the Canadian forces. Here, again, the best illustration would be found in the ground crews of a Royal Canadian Air Force squadron. Assuming that, through a difficult period, continued courage and devotion to duty had been shown by a pilot officer, a warrant officer, second class, and a leading aircraftman; under the present position, a British Empire Medal could be awarded to the leading aircraftman, but the warrant officer, second class, and the pilot officer would have to forgo recognition.

It is thought that the House of Commons might want to examine these aspects of the question, with a view to devising some means whereby discrimination, if any exists, could be avoided. Within the terms of the reference to the committee, it would be possible to submit recommendations to the house which would lead to the removal of any element of discrimination from members of the Canadian armed forces, except in the case, of course, of officers holding the rank of Rear-Admiral, Major-General, Air Vice-Marshal, or higher ranks. Under the existing system of awards it is not possible to arrange for recognition of the services of these higher ranking officers without providing for the revival of titles in Canada—a course which I am sure this house will agree would be unlikely to commend itself under present conditions.

In the making of recommendations with regard to these matters it will of course be understood that, under our constitution, the crown is the fountain of honour, and that any recommendations which may be made should take the form of recommendations with a view to their submission, through the appropriate channels, to His Majesty the King, for approval.

We are all conscious of heroic deeds which are being performed and of distinguished services which are being given by self-sacrificing and patriotic Canadian men and women in the armed forces. I think it will also be agreed that Canadians who are serving in many parts of the world and on many battle fronts beside their comrades from the United Kingdom, from Australia, New Zealand, South Africa and the Indian empire should, subject to the limitations of the resolution, be eligible for official recognition which may be regarded as equivalent to that given their comrades.

This is one of the reasons why the government has reached the conclusion that the whole question at this time should be studied by a select committee of the house. I trust that after the committee has examined the question from all points of view, the report which it may submit will be such as to commend itself to the judgment of parliament.

Mr. JEAN FRANÇOIS POULIOT (Témiscouata): I wish to join the Secretary of State (Mr. McLarty) in paying a tribute to the Minister of Finance (Mr. Ilsley). Sometimes I disagree with his policies, but I always admire his native eloquence.

Regarding this resolution, I remember that between 1930 and 1935 the present Prime Minister (Mr. Mackenzie King) took a definite stand against the awarding of titles in this country, precisely at the time when Mr. Bennett decided to go back to the old tradition of bestowing titles on Canadian citizens. We are frequently told that we are at war and that we should not forget that we are at war; and I do not. In my humble view decorations should be given only to those who risk their lives for their fellow citizens, either in the army, or in research when they expose their own lives in scientific studies, or in civilian life to those who risk their lives to save those of others, such as the man who jumps into the water to rescue a child from drowning. These people are entitled to decorations. Their decorations have a real meaning; they signify that a man has accomplished a conspicuous action for mankind at the risk of his own life. I assume that up to this point everybody will agree.

Now, sir, what is nobility? Noblemen were first roturiers, and the difference between a noble lord and a roturier is the fact that the lord has been made such from a roturier, who may be described as a man of the mob. It is interesting to discover how it happens that a man who comes from the mob turns into a nobleman as by enchantment. It is much the same as if he were touched by Merlin's magic wand. It is really funny. Four years ago, after a visit to England, I took the trouble to examine the House of Lords "Who's Who", and I noticed that one-half of the noble lords had belonged to the nobility only since the beginning of the twentieth century; that is, at the end of the nineteenth century they were roturiers.

Of course the highest degree of civilization is to enjoy the same kind of life as Horace did in Rome two thousand years ago, when, in the beautiful climate of Italy, garbed in a peplum, he could sit and philosophize while drinking Falernian wine. It was a great life. I know that the lives of most noblemen consist in enjoying the best that civilization can afford—in living in a castle, in hunting, in reading—because there are intellectual pleasures available to those whose livelihood is earned for them—in eating and drinking the best, in racing, fox-hunting and so on. This is very fine.

But the greatest nobility is the nobility of the heart, and that is why soldiers—and when I say soldiers I mean sailors and airmen as well—deserve a special recognition. Their hearts are so big that, though they may not always make the supreme sacrifice, they expose themselves to the risk of sacrifice in such a way that they are entitled to be distinguished in some manner, so that their fellow citizens, seeing them, will be in a position to observe, "That man is a hero; he must have accomplished conspicuous deeds that deserved particular recognition."

In the army there are three classes of men, and now I refer to the militia in particular. There are the privates; there are the non-commissioned officers, and there are the officers. Well, it takes a long time for a private to become a non-commissioned officer, and a much longer time for a non-commissioned officer to become an officer. For my part, the best reward that could be given, not as a matter of decoration—a medal with a ribbon—to any private, is to make him a non-commissioned officer, and the best reward for a non-commissioned officer is to make him an officer—and no officer is prouder than the man from the lower ranks who gets his promotion on the battlefield. Everyone will be in favour of this, but it takes a long time to get it. There is a reason for these promotions. It is that when a man is worth a promotion in the army he is in most instances qualified to have a larger number of men under his direction, and it would improve the army if we insisted upon the observance of the promotion system before going any further in connection with the distribution of titles.

I do not think more titles should be given; in fact, I think some titles should be dropped. For instance, take all those civilians who are now in uniform, especially in the Department of National Defence for Air. There are civilians who are in uniform now, doing civilian jobs, and who are entitled to allowances for their wives and so on. Do you not think, Mr. Speaker, that they should return to civilian life so long as they are doing civilian work? It is not because they are working in a defence department that they should be allowed such a privilege as to wear a uniform when they are not military men. The government should discontinue buying uniforms and paying allowances for these men.

I believe, sir, that you were in the house when we received certain correspondence from Toronto from a gentleman who wrote regarding the restoration of titles. He must have been acting for—

Mr. DEPUTY SPEAKER: Order. The question of titles is not covered by the resolution. The resolution refers to honours and decorations which do not involve titles. Therefore I do not think the question of granting honours which do involve titles comes within the scope of the resolution.

Mr. POULIOT: The first paragraph reads:

> Whereas the opinion has been expressed that the application of the principles embodied in the report in the circumstances which have emerged during the present war had led to discrimination between the members of the Canadian armed forces, and others of His Majesty's armed forces, between different ranks in the Canadian armed forces; and between Canadians actively participating in the present war, and others of His Majesty's subjects. . . .

I will not insist upon the question of titles, but I wish to say a word about decorations, using the language of the motion, to those Canadians who are "others of His Majesty's subjects." These must be people who have had nothing to do with the war. I should have liked my good friend the Secretary of State (Mr. McLarty) to say something more by way of definition of "Canadians actively participating in the present war" and, in the second place, "others of His Majesty's subjects." In the first place, reference is made to the armed forces of the country, and then there are two other categories of people mentioned. Who are those Canadians actively participating in the present war? Are they the dollar-a-year men? I admit that some of them are good men, but I wonder if all of them should be awarded decorations or anything of that sort when most of them are paid high travelling expenses and living allowances. They are already receiving compensation. Then there are "others of His Majesty's subjects." Who are they? Of course, the committee would have ample opportunity to inquire into the matter, but I remind the government that we are the ones who have to vote upon the motion for the formation of the committee, and, therefore, if anybody is to get the information the first ones to have that privilege should be the

members of the house who have the responsibility of passing a motion like this, which is not clear at all. It does not satisfy my mind, and I know the farmers in my county will laugh about it. Let me make myself clear in this regard. They will not laugh about anything that is done in order to recognize the exceptional merit of anyone in the armed forces, but they will laugh when they think of those fellows who look after their own business while "actively participating in the present war." It is a distinction between the army and those business men who are "actively participating in the present war." It is most impressive. Besides that, there are "others." Who are they? It smells bad.

Whereas the further opinion has been expressed that it is impracticable to make provision for recognition of conduct and action involving gallantry, courage, meritorious service and devotion to duty without contravening the principles embodied in the report. . . .

If it applied only to the army, I would agree. But if it applies in the first place to "Canadians actively participating in the present war" but not in the army, and in the second place to "others of His Majesty's subjects", I do not agree with it. There is something more that strikes me. It is that reference to a report of a special committee of the house on titles, honours and decorations that was presented to the house on May 14, 1919, and carried, on division, on May 22, 1919. Nobody has read that report. It was passed when you, sir, were sitting in the house, but I never had that report. I do not know what it is. But I can tell you, sir, that that motion is superfluous, because when R. B. Bennett was Prime Minister he paid no attention to that report; he gave titles by the bushel and the shovelful. Therefore why refer to that report when it was ignored by R. B. Bennett? I find it childish, especially at this time when Russia, the United States and all other countries will pay no attention to those titles. Here we go back in the vaults of this chamber and find an old report of 1919 which has been ignored by R. B. Bennett when he created barons out of whisky makers and so on. It is childishness in war time—I can return the compliment to the government. I was once told by the Minister of National Defence (Mr. Ralston) that we should be serious. Is this a serious matter? It is toys to amuse the wealthy.

Mr. DEPUTY SPEAKER: I do not think the hon. gentleman is in order. It is not in order under the rules of the house to style as childish a resolution presented by a minister of the crown—or by any other hon. member as far as that goes.

[Mr. Pouliot.]

Furthermore, I do not believe that the hon. gentleman is speaking to the very subject matter of the resolution, which is the expediency of referring to a committee of the house the question of studying some method to give recognition of conduct and action involving gallantry, courage, meritorious service and devotion to duty. I would like the hon. gentleman to withdraw that expression.

Mr. POULIOT: Then, sir, I will substitute the words "not serious".

Mr. DEPUTY SPEAKER: Even that is hardly in order.

Mr. POULIOT: Then I will substitute for what I have said that I cannot understand it. I will tell your honour what I have in mind when I used the expression "childish". Your honour will remember that Napoleon said, "c'est avec des hochets que l'on mene les hommes". "Hochets" means toys. That is why I thought of "childishness"; if you find it out of order, of course I desire to abide by your ruling, and I am not hard to please.

But, sir, the basis of that argument is a report, a report which I have never read, which I ignore except for the summary given in the resolution. The first paragraph of the motion summarizes the report that will be studied again by a committee which will include many distinguished members of this house, and especially my very dear friend and esteemed colleague the hon. member for Queens (Mr. Macmillan). In the first paragraph there is mention of titles, honours and decorations. I hear one of the ministers say "no". Well, you may table the famous report. It is easy to have copies made by the king's printer. I am anxious to read the report, but I am too busy to make long searches. If it is given to me here, I will read it.

So we have the preamble, "whereas" and "whereas" and "whereas", and then:

Therefore be it resolved:

That a select committee of the house be appointed to inquire into and to report upon the expediency—

The expediency, observe.

—(a) of maintaining the principles that form the basis of the recommendations contained in the said report and continuing in effect the said recommendations, or—

Mr. MACDONALD (Brantford City): That throws it wide open.

Mr. POULIOT: As it may be decided by the committee. But are we to entrust the committee with that job now? We are still in the dark, we do not know.

(b) of cancelling, altering, modifying or adding to the said recommendations, in so far as

they relate to honours and decorations which do not involve titles, and, if so, in what respect and to what extent.

The whole thing will be studied from A to Z, I presume, and in my humble opinion that will be a waste of time. When I think of the intelligence of my colleagues, of their experience and their value as members of this house, to think that they will have to spend their time on this—and mark you, I do not say "waste", I say "spend" their time on this—when Tobruk has just fallen; when we heard solemn words of warning from the Minister of Finance just a moment ago, when everybody, if not fearful, is greatly concerned and worried about the future, I find that there is no time for this.

To summarize what I have to say it is this. In the first place there should be no snobbery in the army; there should be no caste in the army, no caste to keep privileges or promotions for themselves. The army should be made more accessible to the common man, and the common man should be given greater opportunity for promotion on the battlefield. The same thing applies to the sailor and the airman. If that is done, our men will be so satisfied with having at last what they were promised when they enlisted that they will not insist upon anything more than they are entitled to receive now in regard to decorations. Is there anything to prevent our men from receiving the Distinguished Flying Cross, the Distinguished Flying Medal, the Distinguished Service Order, the Distinguished Conduct Medal, and so on? But there is one thing I regret, and I will tell you what it is. I regret very much what was done in the case of one man, who at the risk of his life took away a bomb that had fallen either very near or in St. Paul's cathedral in London. He did something which was deserving of the Victoria Cross, but instead of any such recognition he has been put in gaol for five years. First get that man out of gaol; then we might talk about decorations. That is my humble view about the matter.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, if I may be permitted just a word, I think my hon. friend is under a complete misapprehension with regard to this motion. I share his view as to the undesirability of bringing forward a matter of this kind at such a serious period in war, if it were at all possible to deal with it otherwise and see that justice might be done. But I want to say to you, sir, that a very great injustice is being done to the non-commissioned officers and men, and to the officers, of the armed services on account of the resolution known as the Nickle resolution, which apparently has been regarded as more or less binding.

May I say to the hon. member who just sat down that the Distinguished Flying Cross is awarded for gallantry in the face of the enemy, and the particular matter that is in mind as far as the armed services are concerned is awards for meritorious service not in the face of the enemy, service such as that to which he referred a few moments ago as being performed by a man who was a member of a bomb-removal squad. Those are matters which cannot be dealt with by way of recommendations at the present time, except in very limited fashion. The air force have an Air Force Cross which can be awarded for meritorious service not in the face of the enemy. The only thing the army has is what is known as the Meritorious Service Medal. That can be awarded for acts of bravery or endurance not in the face of the enemy, but it can be awarded only to other ranks, not to officers. The air force also has the Air Force Medal, which of course is not applicable to the army or the navy. If my hon. friend had noticed the birthday honours, he would have seen recognition accorded a large number of members of the British, Australian and other forces for meritorious services performed. These were not dollar-a-year men, to whom the hon. gentleman referred, but men who performed meritorious service, acts of endurance and devotion to duty, whose only reward can be some recognition of this kind by their country. The fact that this is a serious period in the history of the war constitutes, it seems to me, all the more reason why we should consider this question. It is all we can do for our boys, particularly those who, through no fault of their own, have not seen action as yet. I therefore submit to the house that this resolution should be passed and that the committee should be asked to examine into that situation.

My hon. friend has seen fit to indulge in some remarks with regard to promotions in the army. I want to say to him that promotions in the army are made from the ranks, except in some special technical services, and on merit. He speaks of young men being promoted on the field of battle. Every month young men are coming back from England to take officers' courses here, junior staff courses, for instance. They have been promoted in the field; they have shown their qualifications, and they have come back here to take these special courses. The same thing is being done with regard to the men in the ranks in this country. I think my hon. friend must know,

or at least he should know, the rule that a man must serve for four months in the ranks before he may be promoted to become an officer. The hon. gentleman suggests that recognition should be given men by promoting them. There may be men who perform meritorious acts for whom no vacancy may exist as far as promotion is concerned. Would my hon. friend suggest that we should wait for a vacancy in the establishment and then solemnly make a man a corporal because he did something which should be entitled to recognition by way of a decoration? I say that is not the sort of recognition that is contemplated for acts of the sort I have mentioned. Men receive their promotions when they are entitled to them, having regard to their service and what they can do in the way of leadership and when there are vacancies. That has nothing whatever to do with these matters of exceptional gallantry or exceptional devotion to duty, for which it is hoped the decorations suggested here may be provided.

If I may presume to offer a suggestion, personally I have always felt that there was a good deal to be said for the establishment of a Canadian order, an order of our own. Here perhaps I may be stepping beyond the functions of a member of the house, particularly since the matter is to go to a committee, but it seems to me that this is a matter which might well be given consideration by that committee: a Canadian order of merit, for instance, or some other decoration, which might be awarded by Canada itself as a recognition of devotion to duty and meritorious service by its sons in the armed forces, or elsewhere for that matter.

Mr. CHURCH: If I may ask the minister a question, would he quote from the text of the resolution of 1919 any principle which prohibits the decoration of soldiers in this way at the present time, as applied to this war? I have the text of the resolution before me and I cannot find it. As a matter of fact, it is not there.

Mr. RALSTON: I have not the text before me; but, if I remember correctly, orders of chivalry are mentioned, which would mean that membership in the Order of the British Empire could not be awarded even to those who might earn the right to such an award by reason of some act of meritorious service. That is one instance. I have not the resolution before me now; but I am advised by the legal officers of the department, and also, I think, by the legal officers of the Department of External Affairs, that the resolution does prevent the award of decorations of this kind for meritorious services which are not actually acts of gallantry in the face of the enemy. I cannot give my hon. friend the text, since I have not the resolution before me. Needless to say, as far as I am concerned, this matter would not have been brought before this house if it were considered that it could have been dealt with otherwise, but I have felt that a grave injustice was being done to the men in the armed forces, and this seemed the only way in which it might be remedied.

Hon. GROTE STIRLING (Yale): That is an interpretation which makes it desirable that there should be a committee to examine the matter, and I want to commend the Secretary of State (Mr. McLarty) for having introduced this resolution. We shall certainly work with the committee and do our best to have these discriminations removed. The minister has referred to an interpretation at present used with which I certainly do not agree; this is an interpretation put by someone on the first part of the Nickle resolution. I raised this matter in March last year when I asked a statement of policy from the government as to the awarding of these decorations. Rather to my surprise that produced a statement by the Prime Minister (Mr. Mackenzie King) that the government would still stand on the Nickle resolution of 1919 and the interpretation previously given to the first part.

Mr. CHURCH: Is the hon. gentleman speaking for those on this side of the house or for himself?

Mr. COLDWELL: Eleven o'clock.

Mr. McLARTY: Does the hon. member wish to speak on this? Could we not get it through to-night? I do not think we should take up too much time with it.

On motion of Mr. Church the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, June 24, 1942

The house met at three o'clock.

PACIFIC COUNCIL

THE PRIME MINISTER IN ATTENDANCE AT WASHINGTON CONFERENCES

Hon. T. A. CRERAR (Minister of Mines and Resources): Mr. Speaker, I should like to inform the house that the Prime Minister (Mr. Mackenzie King), at the invitation of President Roosevelt, left to-day for Washington to attend a meeting to-morrow of the

Pacific council at which Mr. Churchill will also be present. During his visit the Prime Minister will also have an opportunity for further conferences with Mr. Roosevelt and Mr. Churchill. I should perhaps add that Mr. Churchill had also expressed a desire to confer, during his brief visit to this continent, with the Prime Minister.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

R.C.A.F.—ENLISTMENTS FROM QUEBEC PROVINCE

Mr. STOKES:

1. What is the total enlistment from the province of Quebec in the Royal Canadian Air Force?

2. Of these, how many are, (a) of French-Canadian origin, (b) of origin other than French Canadian?

3. Of each of the above categories, how many have (a) enlisted for actual flying duties as air crew, (b) enlisted as mechanics for ground crew duties, (c) enlisted for general duties?

Mr. POWER:

1. Recruiting centres in the province of Quebec are located in Montreal and Quebec city, and the enlistments from these two centres as at June 3, 1942, totalled 12,513 (including 352 Women's Division).

2. Where an officer or airman or airwoman does not indicate in his application or attestation papers that he is of French-Canadian origin the following points are taken into consideration in making the assessment:

(i) If he or she has a French-Canadian name as determined by a French-Canadian clerk.

(ii) If he or she completes in French the necessary information on an attestation paper printed in French.

(iii) If he or she makes the declaration on the attestation paper that he or she speaks French fluently and/or speaks very little or no English.

(iv) If he or she was born of French-Canadian parents in any part of Canada which is populated by French Canadians (Quebec, Gravelbourg, Sask., St. Boniface, Man., etc.).

(v) If the mother is definitely French Canadian, and the father is of French-Canadian extraction (even though the name may be "MacKinnon"),—especially if living in the eastern townships of Quebec.

Subject to the foregoing assessment the total enlistments indicated in 1 above are divided (a) 5,110, (b) 7,403 (including 867 U.S. citizens).

3. (a) French, 1,041; other than French, 3,231 (incl. 867 U.S. citizens). (b) French, 2,402; other than French, 3,305. (c) French, 1,582; other than French, 600. French, 85 (airwomen); other than French, 267 (airwomen).

CANADIAN ARMY—ENLISTMENTS FROM QUEBEC PROVINCE

Mr. STOKES:

1. What is the total enlistment from the province of Quebec in the Canadian army?

2. Of these, how many are, (a) of French-Canadian origin, (b) of origin other than French Canadian?

3. Of each of the above categories, how many have, (a) enlisted for active service anywhere, (b) enlisted for service in Canada only?

Mr. RALSTON:

1. It is not possible without an examination of over three hundred thousand records to segregate the total enlistments of residents of the province of Quebec. It is assumed that this question refers to the total number of enlistments which took place in the province of Quebec. The whole of the province of Quebec except four counties (Gatineau, Hull, Pontiac and Temiscamingue) is contained in military district No. 4 and military district No. 5. These four counties are included in military district No. 3 with headquarters at Kingston, Ontario. The total enlistments actually taking place in military district No. 4 and military district No. 5 in active units and formations of the Canadian army from 1st September, 1939 to 6th June, 1942 were 56,722.

2. Records of enlistments by racial origin are not kept, so that the question can not be answered accurately. The method of taking the names as indicating racial origin has been urged. This method is obviously open to the objection that French names are borne by those of other than French origin. On the other hand, those of French origin bear names which are other than French. However, a compilation has been made using this method, from which it is ascertained that the number of those enlisting from the province of Quebec (without counting the three counties above mentioned) who bear names which are generally considered to indicate French origin, whether French Canadian, French Acadian, or otherwise, is 29,651, and the number enlisting from the province of Quebec (without counting the three counties above mentioned) who bear names which are generally considered to indicate other than French origin, whether French Canadian, French Acadian, or otherwise, is 27,071.

3. All of the above have enlisted for active service anywhere. There is no provision for

voluntary enlistment in active units and formations of the Canadian army for service in Canada only.

ROYAL CANADIAN NAVY—ENLISTMENTS FROM QUEBEC PROVINCE

Mr. STOKES:

1. What is the total enlistment from the province of Quebec in the Royal Canadian Navy?
2. Of these, how many are, (a) of French-Canadian origin, (b) of origin other than French Canadian?
3. Of each of the above categories, how many have, (a) enlisted for active service anywhere, (b) enlisted for service in the Royal Canadian Naval Volunteer Reserve?

Mr. MACDONALD (Kingston City):

1. (Approximate)

Royal Canadian Navy.....	153
Royal Canadian Naval Reserve	521
Royal Canadian Naval Volunteer Reserve.....	4,506
Total	5,180

2. (a) (Approximate) 1,474.
(b) (Approximate) 3,706.

It should be stated that all recruiting for the Naval Service in the province of Quebec is done at one or other of the three R.C.N.V.R. divisions. One of these is in the city of Quebec and two are in the city of Montreal. At one of the Montreal divisions most of the recruiting is from the English population. In the city of Quebec, the division enlists both English and French recruits. In compiling the above figures an account was taken of the enlistments from the city of Hull which are dealt with at the Ottawa R.C.N.V.R. division.

3. All personnel joining the naval forces whether in the Royal Canadian Navy or reserve forces enrolled for active service where required.

RAILWAY TANK CARS

Mr. HATFIELD:

1. How many railway tank cars are owned and operated by the Canadian railways?
2. How many railway tank cars are owned by private companies?
3. How many railway tank cars are leased from outside of Canada and operated in Canada?

Mr. HOWE:

1. The board of transport commissioners reports that Canadian railways have about 400 tank cars on the books but it is not known how many of these are in service. The board states that these cars are used in company service for various purposes including transportation for water and fuel oil services in connection with oil burning locomotives and for other services.

[Mr. Ralston.]

2. Information not of record with the Department of Transport, the board of transport commissioners or the transportation and public utilities branch of the Dominion Bureau of Statistics. Tank cars of oil companies and other private companies are leased to shippers for the transportation of commodities as required, and the railways have no control over the movement of these cars except as they are billed from loading points to destination. This applies not only to Canadian private car companies but also to United States private car companies. Consequently, additional cars belonging to United States companies might be just as numerous on Canadian lines as cars belonging to Canadian car companies.

3. Information not of record in Department of Transport, Board of Transport Commissioners or Dominion Bureau of Statistics.

EMPLOYMENT OF F. LEDUC

Mr. LACOMBE:

1. Have the professional services of Mr. F. Leduc, C.E., of Montreal, been engaged by the government to make a survey into silk intended for use in parachute construction?
2. If so, when was Mr. Leduc appointed and for what length of time?
3. How much has been paid to Mr. Leduc to date for his professional services in this connection?
4. Has the government entrusted to Mr. F. Leduc other surveys or analyses into chemical products intended for use in war industries?
5. If so, when and for what period?
6. How much has been paid to Mr. Leduc to date in payment for his professional services in each case?

Mr. HOWE:

1. No.
2 and 3. Answered by 1.
4. No.
5 and 6. Answered by 1.

FUEL OIL AND GASOLINE—MARITIME PROVINCES

Mr. ISNOR:

1. What quantity of fuel oil was in storage in Nova Scotia on March 31, 1942?
2. What quantities have since been received between the period of April 1 and May 31, 1942?
3. What was the average monthly quantity of fuel oil in storage in Nova Scotia during the years 1939-40 and 1941?
4. What was the average monthly quantity of gasoline refined in Nova Scotia during the years 1939, 1940 and 1941?
5. What has been the monthly quantity of gasoline refined in Nova Scotia from January 1 to May 31?
6. Has the refining of gasoline been continuous (along same lines as years 1939-1940) since January 1 to May 31 of present year?
7. How many oil tank cars are owned by the railways operating in Canada?

8. How many oil tank railway cars are owned by private companies in Canada?

9. How many oil tank cars have been used to transport gasoline to the maritimes (Nova Scotia, New Brunswick and Prince Edward Island) from April 1 to May 31?

10. What total amount in gallons of gasoline was shipped from other points to the maritimes from April 1 to May 31, 1942?

11. What total amount in gallons of gasoline was shipped from other points to Nova Scotia from April 1 to May 31?

12. In view of the extra heavy special wartime demands being made on supplies of fuel oil and gasoline in Nova Scotia, are steps being taken for greater storage? If so, will such plans provide for sufficient fuel oil and gasoline to meet the present requirements?

Mr. HOWE: Mr. Speaker, it is quite impossible to give the information asked for in this question. The first question is "What quantity of fuel oil was in storage in Nova Scotia on March 31, 1942?" I am sure Hitler would like to know the answer to that, also the quantities received between April 1 and May 31. I would ask that this question be dropped.

Mr. HANSON (York-Sunbury): Not all of it, surely.

Mr. HOWE: Then let it be redrafted.

Mr. HANSON (York-Sunbury): The minister may be quite correct as to the first question, but there are other questions on matters of great public importance to the province of Nova Scotia. I have no brief for the member who asks this question but I do know that this matter is agitating the minds of the people down there and that they believe they have not had a square deal. I have not followed up this hue and cry, as the minister knows. Instead I have tried to help him. But the plain fact is that the people just do not believe what the minister has been telling them. It may be an improper attitude for them to take. I am not going to pass judgment on that. But the people down there have been stirred up and they certainly should be reassured.

Mr. HOWE: I am doing my best to operate the supplies of petroleum in the best interests of the war. I do not know that I am called upon to prove my position. I am not greatly worried whether people believe what I have said or not, so that we can leave that part of it out. I repeat however, that to make public the quantity of fuel oil storage at Halifax for the navy would not be in the public interest, nor would it be in the public interest to state what quantities have been received between April 1, and May 31, 1942. I suggest that it is also not in the public interest to state the average monthly quantity of fuel oil in storage in Nova Scotia during the years 1939-40 and 1941.

Mr. HANSON (York-Sunbury): Well, all right.

Mr. HOWE: Surely hon. members know what is reasonable information to make public. I shall be glad to answer any questions other than those that concern storage and shipment of stocks of strategic materials.

Question dropped.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GASOLINE RATIONING—MARITIME PROVINCES

Mr. PURDY:

1. How many gasoline rationing books in categories higher than "A" were issued in, (a) Nova Scotia, (b) New Brunswick, as at 1st May, 1942?

2. What is the number in each category?

3. How many books in each province and in each category have now been recalled and lower categories issued in place thereof, and to what categories have these been reduced?

4. What are the occupations of those who have had their categories reduced and are their cars used for other than pleasure driving?

5. Is the Quebec-New Brunswick border the dividing line at which the value of the gasoline coupon is reduced from five to two gallons?

6. If so, will the Minister of Munitions and Supply explain why this demarkation point was decided upon?

7. Are all points in the five eastern provinces, where gasoline is conveyed to the distributing centre by means of small tankers and tank cars, on the same rations?

8. If not, why not?

Mr. HOWE: Return tabled.

MUNITIONS AND SUPPLY—PURCHASE OF COAL FOR USE IN PICTOU COUNTY, N.S.

Mr. BLACK (Cumberland):

1. Were tenders called for or prices requested by the Department of Munitions and Supply for coal for use in Pictou county during 1942?

2. If so, what firms or persons were asked to submit prices, stating the grade of coal and place of delivery?

3. What tenders or offers were received stating the names of firms or persons, the grade of coal, the place of delivery and the prices?

4. What orders have been placed, stating dates, names of firms or persons, quality, quantity and grade of coal, place and time of delivery, delivered price for each order per ton?

Mr. HOWE: Return tabled.

MOTIONS FOR PAPERS

R.C.A.F.—TORONTO MANNING POOL

Mr. CHURCH:

For a copy of the sylabus of training in the Royal Canadian Air Force at manning pool, Toronto, showing, (a) the length of time spent there by each recruit for air training, (b) the amount of time per day spent on fatigue and guard duties, and a copy of the rules and regulations relating thereto, (c) the number who have spent, (i) over six months' time, (ii) over three months' time at this depot; (d) the regulations as to weekend leave and fines imposed.

R.C.A.F.—STAFF AT TORONTO HEADQUARTERS, MANNING POOL AND EXHIBITION GROUNDS

Mr. CHURCH:

For a return showing—1. Who compose the R.C.A.F. headquarters staff at Toronto and the officers at manning pool, and at the exhibition grounds?

2. The number of chaplains, clerks, stenographers, accountants, pay and bank officials, press liaison officers, amusement, physical training and sports, civilian and other quasi officers, their salaries, pay, emoluments, subsistence and other allowances.

3. Uniforms worn by these persons and the cost of same.

4. Their military training, if any, before appointment as officers.

5. How many will later go overseas.

6. How many are engaged in purely civilian duties at home, who appointed them, and what are their names and pay.

7. How many of those there now had any training in the universities C.O.T.C. when they joined, what is the length of time for training for this classification and what fatigue, guard and kitchen duties do they perform.

Mr. POWER: I would ask the hon. member to clarify his meaning of the words "quasi officers." With that restriction, I have no objection.

HONOURS AND DECORATIONS

APPOINTMENT OF COMMITTEE TO CONSIDER APPLICATION OF PRINCIPLE ACCEPTED IN 1919 TO MEMBERS OF CANADIAN ARMED FORCES

The house resumed from Tuesday, June 23, consideration of the motion of Mr. McLarty, for the appointment of a select committee of the house to consider the application of the principle accepted in 1919 with respect to honours and decorations to members of the Canadian armed forces.

Mr. M. J. COLDWELL (Rosetown-Biggar): I do not wish to prolong this debate, but I think the motion might be amended to enable the committee to consider the cancellation of hereditary titles now held by persons domiciled in the dominion. I believe it is in the public interest that citizens of this country should not pass on to their heirs and successors titles that are meaningless here, and which embarrass the holders of such titles in future years.

Mr. T. L. CHURCH (Broadview): Last night I asked the minister in charge of this resolution certain questions on some parts of it. It is true that according to the ruling given by the Deputy Speaker, reference may not be made to the question of titles, but if one carefully examines the Nickle resolution of 1919 he will find that it deals with honours and decorations and also at least refers directly and indirectly to the subject matter of titles.

This resolution is based on the report of the Nickle committee of May 14 and May 22, 1919. I had the text of that report before me last night and quoted from it that soldiers' honours did not come under it. I find on further examination of the debate on the subject that there was a considerable number of speakers at that time, including members from Ontario as well as from all the other provinces, and it is clear from the text of the resolution and of the report of the committee and of its meetings that what the acting leader of the opposition (Mr. Stirling) said last night is borne out as true, and that he stated the facts. I do not wish to be discourteous to the hon. member for Yale, because he is one of the most courteous men I know, but I would point out that this whole question was raised by him at the last session, when he asked, quite rightly, for a ruling on soldiers' honours and decorations.

I have no intention of detaining the house, but I am bound to point out to the government that over a month ago the Canadian people, by a "yes" vote on the plebiscite that was submitted to them, gave the government power to deal with the whole war question itself, and not by reference to committees, and in that vote the Canadian people showed a decidedly bellicose spirit toward the government and the House of Commons, including all parties, for our failure to get on with the war. In that vote the people urged the government and the members of this house to get on with a total war effort. Here we are, on the ninety-third day of the session talking about honours and decorations and all that kind of tomfoolery after the waste of time on a plebiscite. The enemy is at our front door, our back door, our side door and everywhere else, and still, at this late date of the session, we are engaged in discussing an academic question—because that is all it is—which is not primary, but secondary, and could wait until the end of the war.

If the legal officers of the crown are right in the opinion which they have expressed in

regard to decorations and honours—and it is only an opinion; merely because they say so does not mean that what they say is right or what they take the law to be; it is a matter of policy, not of law—then a good many decorations given by certain bodies such as secret societies and other agencies in this country would be illegal. If these legal officers are correct in their position, then the Knights of Pythias and other secret orders, spiritual and temporal, have no right also under the principle of the Nickle resolution and would, for example, have no right to hand out to the hon. member for Témiscouata (Mr. Pouliot), the title of lord high potentate of the Knights of Pythias or anything else. We have numerous other civilian bodies in this country that decorate their members and hand out honours. The Nickle resolution and the action of the parliament of 1919 cannot bind this parliament. Their powers ceased on the dissolution in 1921 of that parliament.

We see people parading on March 17 and on July 12 respectively. We see them on the streets wearing all kinds of civilian honours and decorations, and if the legal opinion we have on this subject now is correct, then these gorgeous decorations are also out. And so are university degrees. There are very few men on the front benches who have not doctors' degrees. I am glad to see them get these degrees. I remember when the Prime Minister was leaving the house in 1923 to get a degree from Yale; I told him, as he went out, that he was "becoming popular by degrees". I say, Mr. Speaker, that the time has gone by for fun or for talking of these matters in time of war.

Yesterday, June 23, was what we might call decoration day with the budget speech and this decoration debate. Well, I can remember many years ago, forty-six years ago, June 23, 1896 when the Tory government of Sir Charles Tupper went out of office because they would not stick to their principles, and Ontario and other provinces upset the government and elected another in their place. They elected the late Sir Wilfrid Laurier. I remember a temperance committee that once waited upon his government. I am not a temperance man myself, and I do not pose as one, so I was not on the deputation, but I did hear of that deputation being received by the government of Sir Wilfrid Laurier. The deputation was led by the Rev. Mr. Huxtable, and it asked for legislation based on a prohibition vote as a result of a referendum that had been held—it was called a referendum then; now it is a plebiscite. The Rev. Mr. Huxtable, in the course of his remarks, referred to Mr. Laurier, as he was then, as Sir Wilfrid. Sir Wilfrid Laurier replied, "Do not call me Sir Wilfrid; I am simply Mr. Laurier"; he said, "I am a democrat to the hilt". I am glad that afterwards Sir Wilfrid forgot his pledge against titles and was prevailed upon to accept a title, because he had earned it. He deserved that title as head of this country, and there was no law to stop it, nor did he take a plebiscite on it.

Let me point out to the government that in this resolution we have an example of the committee system of government. Instead of taking the responsibility for this question, the government passes it over to a committee. Who is asking for this anyhow? It is not the soldiers. We have been trying to get a committee appointed to consider soldier questions in regard to pensions, readjustments of pay, dependents' bonuses, soldiers' insurance, cheap fares, and other matters in which there are hundreds of anomalies and inequalities in the pay of the army, the navy and the air force, but nothing is done. All these matters of first importance should go to a committee ahead of the question of medals. We cannot get the Minister of Finance (Mr. Ilsley) to take appropriate action on dependents bonuses. Perhaps the government do not realize that they have conferred a decoration on 99 per cent of the people—they did so last night, for they are sending 99 per cent of the people to the poorhouse. That is where the proletarian Canadian people are headed for. I repeat, this is not a matter for a committee, but for the government which has the power. A committee is not the proper forum to consider this question. The government must accept the responsibility for any changes that are made. Since the beginning of this war we have had nothing but the committee form of government, government by order in council and the controls system. I have sat on some of these committees, and the system has been weighed in the balance and found wanting. There are five or six of these committees sitting now. I myself have attended meetings of committees, and I am disappointed in the work that is being done. We have had no report in regard to what is being done in the war expenditures committee; we have had no report in connection with the radio, and so on. The government has initiated this decoration question itself without any demand for it, and must abide by its decision; it must take responsibility for the whole thing. I am not going to refer to the word "titles", or discuss that question, because the Deputy Speaker last night properly ruled that only honours and decorations are

being considered; but the fact is that the government is simply trying to shift the responsibility from their own shoulders to a committee. In other words, the door will be wide open for the committee to send on titles. I am a supporter of soldiers' medals, honours and decorations, but not hereditary titles.

This committee will not add anything to the powers which the government already has in regard to decorations and honours for soldiers. Why appoint it? Honours and decorations are the only question before the house, and the government can take action in that respect. I am not going to labour the point much further, but it seems to me a pity that we should be discussing this matter now while we are leaving undiscussed the important and urgent questions I mentioned with regard to soldiers and their dependents. What does it matter if someone wants an honour or a decoration at once when the war is on and he may be decorated immediately? I cannot understand the mentality of this house when it will consider, without much effort, an academic resolution like this, while it refuses to do something for our soldiers along the lines I have mentioned. This is a purely academic motion while the war is going on. We do not want a motion of this sort. This is a motion from a government that does not govern, a government that has no policy and is guided only by political expediency. The people are wondering when this House of Commons is going to wake up to a realization of the real war situation, before it is too late and we are invaded. We have been here a long time now, and in my opinion the government has been weighed in the balance and found wanting. The people of Canada showed that through the ballot box a month ago. It showed a hostile, bellicose spirit toward the way in which we have been conducting the business of the country. If representative government is to survive in Canada—I say this with all due respect to your high office, Mr. Speaker—there must be an end of politics in this house in war time, because since the war started, the government has been carrying on the affairs of the country from the party point of view. Every backbencher as well as every front-bencher must take his responsibility in the matter and, if necessary, supporters of the government must make the sacrifice involved in standing up for principle. Everyone must be prepared to spend some time in the wilderness for principle's sake, and every member of the government should be willing to do his duty and stand by his principles and forget politics until victory comes. This is not the time for this resolution.

No one objects to decorations and honours for our soldiers. As I said before, the government has the necessary power, as will be found by reference to the report submitted in 1919. I am not going to read that report, but hon. members can find it in *Hansard* of May 22 of that year. Mr. Nickle of Kingston City moved the adoption of the special committee's report, and it was pointed out in the report that decorations and honours, so far as soldiers were concerned, were not being interfered with. The Nickle report also referred to the fact that a report, signed by twenty members of the House of Lords and the House of Commons in Great Britain, had criticized the corruption which prevailed in England at that time in connection with the granting of honours, decorations, titles and all that sort of thing for purely party purposes. No sensible person will object to honours and decorations for our soldiers, but this is certainly not the time to raise or debate such a policy, when the enemy is at our door. I do not know what is wrong, but it seems that we in Canada are lacking entirely in war mentality, and that is largely because the government is introducing academic measures, such as the one now before us, and taking up the time of parliament in that way. The government cannot get away from the principle of the resolution that was passed in 1919. The Canadian people, in the "yes" vote which they gave in the ballot box a month ago, showed what they thought of the government and want a real war spirit. In conclusion, I object to this motion, for these reasons now. The committee will not have power, by the text of this resolution, to add to any of the powers which the government now has and which the Nickle resolution left with the government, so far as decorations for soldiers, and honours of that sort, are concerned. A declaration from a committee will not add to the powers of the government in this regard.

Hon. H. A. BRUCE (Parkdale): I do not intend to delay the house by discussing the question of honours or decorations. I simply wish to protest against the time of the house being taken up by this discussion when such an important measure as Bill No. 80, having to do with man-power, should be under consideration. With the Huns sinking our ships on the Atlantic coast, and the Japs shelling our Pacific coast, surely the question of man-power is the urgent one that should engage the attention of the house at this time. I would suggest that this resolution

be referred to a special committee for consideration, and then any hon. member who wishes to speak later on will have an opportunity at a more propitious time.

Mr. SPEAKER: Shall the motion carry?

Mr. POULIOT: On division.

Motion agreed to on division.

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT OF SERVICE OVERSEAS

The house resumed from Tuesday, June 23, consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940, and the amendment thereto of Mr. Roy.

Hon. W. P. MULOCK (Postmaster General): Mr. Speaker, we the members of the House of Commons are the representatives of the people of Canada at the hour of her gravest danger, at a time when her very existence is threatened and when defeat means death or slavery to our people. Under conditions such as these one thing and one alone should be considered; that is, how can Canada and the Canadian people make the most effective effort to help the freedom-loving nations of the world, and to save themselves from the perils which day by day are coming closer to our shores. This is no time for false optimism. The months before us will be filled with grave danger; they will test the resources of the united nations and the character of their peoples to the utmost limits. Let us not take it for granted that we are sure to win this war. If we and the united nations have the will to win; if we and our people and the peoples of the united nations are prepared to make sacrifices, increasing sacrifices, under more difficult and trying conditions, then we shall win. But if we are not prepared to make those sacrifices, we will not win.

Let us consider the conditions and the outlook facing Canada to-day. On the Atlantic, German submarines are sinking ships along the American coast; not off the coast of the United States alone and in the Caribbean, but off our coasts, off Nova Scotia, New Brunswick, Prince Edward Island and Quebec, right in the St. Lawrence. On the island of Newfoundland our troops stand side by side with their brothers in arms from the great republic to the south, defending the approaches to Canada and the north American continent from the forces of the axis powers. Farther to the east and north the United States has assumed the protection of Greenland and Iceland. In the case of Iceland they relieved troops from Great Britain and from Canada, which fortunately arrived in Iceland before the invasion forces from nazi Germany were able to do so.

Farther to the east and south we have Great Britain with a large army, together with our own Canadian army of volunteers overseas who stand on guard protecting Britain itself and preparing for the day when a second front can be established on the continent of Europe. It is well for us to remember the important part played by our first division overseas when, after Dunkirk, in so far as organized land forces were concerned, they would to a great extent have been called upon to bear the brunt of any attempt of invasion of Britain. We all remember the terrible air attacks of the German luftwaffe, and the destruction, suffering and death they brought to the British people. But even that terrorism could not break the morale of the British; their courage saw them through. Nor did those attacks lessen their grim determination to resist aggression.

I wish to pay tribute to the men of the Royal Air Force whose courage and determination stood between a victorious German army and the world domination which they nearly achieved at that time. We as Canadians are proud to know that many from Canada were in those immortal squadrons that saved the freedom-loving peoples of the world at that time. The names of those airmen of ours will never die. As long as freedom exists in the world their achievements will never be forgotten.

In more recent days the forces of the British empire have been joined overseas by large numbers of troops from the United States of America, who came to play their part in the fight for freedom in the world.

Still farther to the east across the continent of Europe, in a battle line stretching from the Arctic ocean to the Black sea, thousands of miles in length, we have Russia, a nation of 190,000,000 people, locked in a life-and-death struggle in battles that may well become the greatest ever to take place upon the face of the earth. Russia, in spite of straining every nerve to produce the equipment she requires, must have help from the other united nations to aid her in equipping her armed services. We are all indeed glad that Great Britain, the United States and Canada are giving that assistance in increasing measure.

In north Africa we have suffered a disastrous defeat, toward the end of the third year of the war. That defeat has imperilled

the whole position of the united nations in the east. Throughout Europe the nations which have been overrun but whose spirits remain unbroken and whose people are still unconquered are seething with unrest. Those freedom-loving peoples have fought and are fighting for us with every means at their disposal. They are fighting for the cause of liberty and for the very existence of this country.

To the west the present situation from the point of view of the united nations is no brighter. On December 7 last Japan entered the war, entered it in such a manner that she sacrificed her national honour for all time to come. She had pledged her word, and without warning she broke it. She aped the treachery of her axis partners. Deeply though that treachery is resented by the people of the world, we must admit that in a period of less than seven months the Japanese have made substantial conquests. They have taken Guam and Wake islands, Hong Kong and the Philippines, Malaya and Singapore, the Dutch East Indies and part of Borneo, the Andaman islands and Burma. They have made heavy attacks on Hawaii and Australia. They have greatly increased the tempo and ferocity of their attacks on China, I believe with the idea of opening land communications with Burma, thus releasing a large quantity of their merchant shipping for other purposes. It appears to me that the Japanese problem at this time is one of transportation, not man-power. Japan is a nation of 70,000,000 people; she has a tremendous army; millions of men, experienced troops, well equipped; men who have been brought up from childhood to glorify war, who believe that the greatest honour they can receive is to be killed in action on the field of battle for their Mikado and for the Japanese empire, and that such a death gives them a passport to the heaven that they envisage. She has an army of soldiers who believe in conquest, into whose minds hatred and jealousy of the white nations have been inculcated for many years. Even when they were our allies in the last war they had no love for either the Canadian or the United States troops. I believe that Japan has been working according to a plan carefully prepared over a period of many, many years. It was at the end of the last war that they obtained their foothold in Manchuria. They made large investments of capital in the city of Harbin, and it now appears clear that they were only waiting for the most opportune occasion for Japanese troops to follow their investments, for the conquest of Manchuria.

[Mr. Mulock.]

As I have said, their plan of action has been very carefully prepared. Every eventuality has been considered, and alternative or supplementary plans have been prepared in detail, ready to go into effect as the exigencies of the situation demand. Within the last few weeks Japan has commenced the occupation of the Aleutian islands, the stepping stones from Asia to the north American continent. These attacks on the Aleutian islands may be a great deal more dangerous and a much greater menace to the people of the north American continent than many believe at the present time. It has been the opinion of many who are well informed and who have had much experience that attacks on our western coast are most likely to be in the nature of sporadic raids. They may be correct; I hope they are, but I believe they are wrong. The Japanese nation, which has been preparing for many years, whose forces are highly trained and well equipped, including hundreds of thousands of men with actual front-line experience in battle, is now at the peak of its military strength. Is it reasonable to expect that Japan will wait until Canada and the United States have attained their maximum power; that Japan will wait until the forces of this continent can dictate the time and place for the great battles of the future? I do not think it is. Japan realizes that the final reckoning, no matter what temporary conquests she may make in Asia, will be with the nations of the north American continent and the British empire. It is quite probable that she may try to invade this continent by way of the Aleutian islands and Alaska before we have mobilized our utmost strength. If the Japanese meet with success in the Aleutian islands, and if for the time being the balance of sea power in the Pacific should shift in their favour, I believe it quite possible that they may make an actual landing in force on the upper western coast, fortify their positions and try to hold that part of this continent until such time as they can bring up additional troops, munitions and supplies of all kinds, in the meantime fortifying their harbours and constructing airports to use in their drive southward along the Pacific coast, west of the Rocky mountains and protected by them.

Those attacks must be stopped before they reach Canadian territory; yet there are those who would oppose the repeal of section 3 of this act and would seek to prevent our troops, raised under this act, from fighting alongside United States troops for the very protection of this continent of north America.

No one can tell where Japan will strike next; she holds the initiative. With an improvement in her transportation problem the

attack might be on India, through Burma. It might be another attack on Australia, or on Midway and Hawaii, to gain control of the mid-Pacific and so lessen the advantages of the Panama canal to the united nations. It might take the form of an attack on the Russian area from Vladivostock to Khabarovsk, not only to force the Russians to move troops from the German front but also to obtain for Japan control over an area in which airports might be located for use against her vulnerable cities.

Until such time as the allied forces are able to go on the offensive, the axis powers will to a great extent have the choice as to the location of battles and the time when those battles will be fought. With the axis powers holding the initiative we must expect a variety of attacks to be made in an attempt to divert us from our main objective, the establishment of a second front and the destruction of the German war machine. It is possible that the present axis strategy is to attack in a number of widely separated areas, with the object of creating confusion and panic among the united nations. Their great purpose, we may be sure, would be to prevent, if possible, the united nations from assembling in Great Britain the forces, munitions and transport necessary successfully to invade the European continent.

It may be that the present occupation of the islands in the Aleutian group is for this purpose. On the other hand we can be very sure that if the Japanese achieve successes, they will follow them up very quickly. It is almost a foregone conclusion that in the development of the strategical scheme Canada, with its vast air training plan, has not been overlooked by the axis powers. The German high command undoubtedly does not view with equanimity the arrival in the skies over Germany of increasing numbers of Canadian airmen. It may be that by these threats they hope to have large numbers of these airmen retained in Canada. Perhaps they expect, by engendering a feeling of panic, to create a demand in Canada that our forces now in Britain be brought back here.

With conditions as they are; with perils and dangers coming closer to our shores, unfortunately already there are some who subscribe to this view, who say that our troops should not fight alongside the armies of Great Britain, the United States or Russia, but should be kept in Canada. May I make it quite clear that I am not advocating the sending all of our troops overseas; that we would leave our coastlines undefended, or that we should not build up our coastal defences in every possible manner. But the fact remains that we in Canada are going to be in a desperate position if the time ever comes when we must defend this country with the forces that can be raised from eleven and a half millions of people, without help from other members of the united nations.

There are still those who say that the United States will protect us, that the United States will not let any other nation take Canada. I should like people having those ideas to consider this. If Canada relied on the United States to protect her and was not willing to assist the United States in the Aleutian islands, in Alaska or on their western coast, what right would Canada have to expect help from the United States if we should need it? If attacks were made on Prince Rupert, or Vancouver, or Victoria, it might be that our action in refusing to help the United States when our help was most needed would make it impossible for the United States to send us help, no matter how much she might desire to do so.

Others say that they do not want to fight for England. To them I would say this. Britain stands between Germany and world domination. In order to achieve world domination Germany must destroy Great Britain, but she does not particularly want the British isles. They have not the great mineral resources, the great ability to produce potential electrical energy, the vast spaces for colonization by surplus German population, the great farming areas that we have in the Dominion of Canada.

Do not for one moment believe that a defeat in this war will not directly and seriously affect us, and those we represent—because it will. If we do not realize this, then we are indulging in wishful thinking. If Germany should win this war she would probably reward heroes in her army with properties and farms in this country. It is probable that she would take over the farms and allot them to whom she wished. We, and those whom we represent, may be on our farms; but in such event we would not be there as owners, but as virtual slaves until the day we are lucky enough to die. If Germany should win this war and should decide to make large transfers of her population to Canada, can we doubt, with the lessons of Poland, Czechoslovakia, Norway, Holland and France before us, that she would have a few purges to remove those who had been most troublesome?

Mr. HANSON (York-Sunbury): There would be no Postmaster General.

Mr. MULOCK: Or leader of the opposition.

Mr. HANSON (York-Sunbury): Not bad!

Mr. MULOCK: And she would send those of our people whom she did not want up to the north country, or to some other part of the world.

Mr. MACKENZIE (Vancouver Centre): New Brunswick.

Mr. MULOCK: There are people who say that Hitler is wholly to blame. Of course Hitler has a lot to answer for. But getting rid of Hitler, and the rest of the gangsters associated with him, including those in charge of the nazi party, would not correct the situation. Let us not forget that millions of children growing up in Germany have been trained in nazi principles since they were four years old. They have had inculcated into their minds the rabid nazi propaganda that the nazi way of life is the only one worth living—that is worth fighting for and worth dying for. From the time they have been old enough to understand they have been told that they belong to a super race which should dominate the world, and that if they would follow their nazi leaders they would become the masters of the world, with a greatly improved standard of living. Such ideas have been so firmly planted in the minds of those young people that there have been instances where children have betrayed their own fathers and mothers to the gestapo.

Can we expect any mercy, any fair treatment, from brutes such as these? While it is true that we fight for freedom alongside Britain, and alongside the United States and Russia, it is equally true that we fight for ourselves, and our very existence as a nation.

When I asked the people in my constituency to vote "yes" on the plebiscite, these are the words I used:

> At this time any government responsible to the Canadian people for the safety of the state, for the defence of Canada, for the protection of the men, women and children of this country, must have an absolutely free hand, unfettered by any commitments of any kind, so that they in their judgment may do that which they consider best to defend this country.

By a very large majority the people of Canada voted "yes" on the plebiscite. As a result, we have an amendment before us; and unless the amendment is approved by the house, the government is prevented from sending troops raised under the National Resources Mobilization Act to the Aleutian islands, Alaska and the United States territory on the Pacific coast, because that would be service outside Canada and the territorial waters. If the amendment is defeated, the government could send those troops only after passing an order in council under the War Measures Act, a procedure which would be in direct disregard of the expressed will of the House of Commons.

Do hon. members who object to the removal of this restriction believe that we should ask our United States brothers to defend us at sea and on the land, ask them to protect us from attacks by the Japanese? Do they believe we should keep our troops raised under the act on our own side of the border until United States troops have been driven back, before coming to their assistance and before beginning to fight? Do they not believe that any request we might make in the future, whether for help along our eastern or western coasts, might be received with this very reasonable thought: "If Canada has to fight by herself for a while, she will be more sympathetic in giving help to us, the next time we need it".

Do hon. members who oppose the amendment believe that in the event of our overseas army being sent to the attack on the continent of Europe and to fight for them and for our country, the government should leave those men to their fate, without proper reinforcements? With such an attitude I could never agree.

My position is this: I believe the amendment is necessary for the protection of this country, and for the protection of our volunteers overseas. I do not believe we can protect Canada or win the war by staying within our own boundaries and waiting to be attacked, any more than any other of the united nations can help to win the war by keeping their troops indefinitely within the borders of their own countries.

I do not believe that conscription should be put into effect unless it is going to assist and strengthen the war effort of this country—and at this time I do not believe that it would do so. I agree with the statement of the Prime Minister: "Not necessarily conscription, but conscription if necessary."

In connection with the repeal of section 3, the result of which repeal would be to give the government a free hand in connection with the raising of troops for overseas service, it has been suggested that other commitments should replace the one now being removed. Some desire an understanding that in the event of the present amendment being approved by the house there should be immediate conscription. Others wish to tie the hands of the government by saying, "If the bill passes, will you promise not to put conscription into effect, under any circumstances?" To both I say this: We are one of the united nations fighting in a world war, a war in which conditions change from day to day. The government has a very real sense of its responsibili-

ties, and it wants to be free to deal with problems as they arise, and according to its judgment as to what is best in the light of prevailing circumstances. It must be realized that there are times when the government receives from other governments certain information which it cannot divulge. I make this appeal: Do not hamper the efforts of the government to defend this country. Our ideas may not be the same as to what constitutes defence; but upon this I hope we are unanimously agreed: We all want to serve Canada to the best of our ability. Having that determination, I ask the house to do what the Canadian people have done: give the government a free hand to get on with the war.

Mr. G. S. WHITE (Hastings-Peterborough): Mr. Speaker, I should like first to offer my congratulations to the minister who has just spoken (Mr. Mulock). He made a very fine speech—except toward the end of it, when he clearly indicated that he was not in favour of immediate conscription.

In rising to take part in the debate I fully realize the importance of the bill before the house, and the obligation imposed upon every hon. member when the vote is taken. When the plebiscite bill was before the house I was one of the members who opposed having a plebiscite because I held the view that it was the duty of the government to take whatever action might be necessary from time to time to meet the ever-changing conditions of the war from day to day. But when the members of this house decided that we should hold a plebiscite I supported it in every way and worked in my own riding to obtain a "yes" majority. That "yes" majority was obtained, and I wish to make it perfectly clear, Mr. Speaker, that so far as the electors of my riding were concerned there was never any misapprehension as to what they were voting for. Despite all the red herrings that were dragged across the trail and all the speeches made hour after hour as to what plebiscite meant, people in my section of Ontario were of the opinion that when they voted "yes" on the plebiscite they were voting for conscription for overseas service, and when they voted "no", they were voting against conscription for overseas service. The electors in my part of Ontario have always been 100 per cent for a total war effort, and they are to-day.

Ever since September, 1939, I have felt that that was the time, when Canada declared war, to introduce conscription of our material resources and man-power for service anywhere in the world. But at that time we were still living in the days of isolation and appeasement, and we were starting the practice of drifting and playing at war. If anyone will read the speeches recorded in *Hansard* in that short session of 1939 he will see that some of the members advocated a very limited participation in the war by Canada. If the Minister of Justice (Mr. St. Laurent) will read the report of that debate he will not find one single word of coercion or direction by the United Kingdom or any other nation as to what action Canada should take in the war. Everyone realizes and appreciates that Canada entered this war of her own free will and accord, as a free, independent nation. The question was brought up in parliament and decided upon by the duly elected representatives of the people.

The Minister of Justice in his speech of last week is reported at page 3391 of *Hansard* as follows:

> It is not a word they are opposed to; it is the thing which the word "conscription" has come to symbolize in their minds. In their minds, conscription is the theory that they can be forced to enrol, train, fight and die for some other cause than that of their own country.

Not only the Minister of Justice but many other members of the house spoke along similar lines, trying to indicate that the Canadian army is not fighting for Canada but that Canada is in this war because it is an imperialistic war being waged on behalf of Britain. Last week the hon. member for Cariboo (Mr. Turgeon) very capably and eloquently made clear that the only powers which have any imperialistic designs to-day are the axis powers. Does any hon. member of this house attempt to say or argue that Canada is fighting an imperialistic war for Britain? I say that the Canadian forces, no matter where they are fighting, are fighting to defend the shores of Canada. When the British navy sank the *Graf Spee* off the coast of south America and the *Bismarck* in the north Atlantic, does anybody suggest that these two naval actions were not fought just as much in defence of Canada as in defence of Great Britain? Or when Japan struck at Pearl Harbour, was not that just as much an attack on the west coast of Canada as on the western defences of the United States? Does any hon. member of this house think that the soldiers of the great republic to the south of us are fighting an imperialistic war for Great Britain or any other country? Certainly not. They are fighting to defend their own country, their own lives, their own porperty, and the rights of their citizens. Both Canada and the United States are waging war on behalf of their own

peoples. They want to preserve their own religions, their own race, their own freedoms and their privileges. It is quite true that in this war the United States and Canada are allies with Great Britain, but we are also allies with Russia and China and Mexico and Belgium and all the other members of the united nations.

The aims of the united nations are set out in part in the Atlantic charter and in the other agreements signed by the united nations on January 1, 1942. I wish to refer to only one sentence, clause 2, of the Atlantic charter, which reads:

> They desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned.

Does that sound as though the United Kingdom or the United States were waging an imperialistic war to gain other lands? The united nations are welded together for a common purpose, to defeat a common foe. The aim of the united nations is the survival of democracy and of freedom and of all those decent things of life which free men cherish. I say again, let no one in this house be misled into thinking that Canada is waging an imperialistic war.

The Minister of Justice in the same speech also stated that there was no duty upon a Canadian citizen to give his life in the defence of any other country. I quite agree with him, but I would also point out that there is nothing in the laws of the United Kingdom or of the United States or of the other members of the united nations which imposes any such obligation upon their citizens. But when Japan struck at Pearl Harbour on December 7 last the attitude of the United States changed overnight. Gone forever were their days of isolation and appeasement. Within a few days the Congress of the United States passed in a matter of minutes, without a dissenting vote, a law which made compulsory service for American soldiers anywhere in the world the law of the United States. Will any member from the province of Quebec attempt to argue that that law was passed to aid Great Britain in an imperialistic war? Certainly not. That law was passed to protect the lives and property of the citizens of the United States, because the United States realized at once that the common enemy must be met and defeated far from American shores.

It has been stated many times in this house that our front line is overseas. Only yesterday the Minister of National Defence (Mr. Ralston) stated that our front line was in the English channel. I agree with him, and I say further that our front line also runs through Libya, on the Egyptian border, through Midway island and the Coral sea, through Australia—wherever, in fact, the enemy is operating. Why do hon. members attempt to argue that they only want to fight for Canada on Canadian soil? Does any member of this house or any citizen of Canada want to see the fight take place on Canadian soil? Are there any who want to see the front line run through Vancouver, Winnipeg, Toronto, Montreal, or Halifax? I wonder if some people realize what war in the front line is like. If hon. members want a picture of war in the front line at Hong Kong, there is running in the *Saturday Evening Post* a series of articles entitled "I escaped from Hong Kong," in which will be found a vivid eye-witness account of life in the front line, of the savage barbarism of the Japanese, of the unspeakable tortures that they wreaked upon helpless British soldiers and officers, of the indignities inflicted upon civilian prisoners, and of the raping of women. Is that the type of warfare that any Canadian citizen wants to have in Canada? I say frankly to you that if we do not defeat the enemy overseas that is exactly the type of warfare, and the nature of atrocities which will be committed on Canadian prisoners and Canadian women in Canada.

The United States realized that the war had to be won overseas and for that purpose they passed an act making service compulsory anywhere in the world. That is why to-day we find American soldiers stationed over the entire globe. Everyone realizes that in times of emergency, of national crisis, many of the liberties and the rights which individual citizens enjoy in peace time are taken away. This is only natural, because the state must be protected no matter what the cost may be. And in imposing conscription for anywhere in the world the United States did not hesitate: they did not seek to appease any one section of that great nation, neither did they sit on the fence. Will anyone in this house attempt to argue against the principle that in time of war every citizen owes a duty to the state, a duty which may even cost that citizen his life? For the state must be preserved at all costs. In all democratic countries there are people who in times of peace are only too ready and willing to accept all the rights and privileges and advantages of free citizenship, but when war comes they are the first to find obstacles and excuses for staying at home. They are only too willing to stay at home and "cop off" the good jobs, the high wages, the cream of everything that is going, cashing in on the other man's patriotism while he is away fighting their battle. Mr. Nash summed it all up very clearly in his fine speech

before the rehabilitation committee on Friday, May 22, when, speaking of New Zealand, he said:

I emphasize three things, and they are very closely related: one is that no man who goes away from his country to fight ought to be worse off because he goes away to fight. The same applies to women—no woman who goes away to serve ought to be worse off because she goes away to serve; two, that nobody ought to be better off because he stayed at home, and three, no one in the present world situation should at any time expect to profit from the supply of the essential things associated with war.

The very same condition that existed in the last war exists to-day.

The Minister of Justice (Mr. St. Laurent), in his recent speech in the House of Commons, is reported in *Hansard*, page 3391, as follows:

The other conception seems to many of us in Quebec to be characterized by a blind, sentimental, proud and even arrogant attachment to England, not only as the mother country, but as the real homeland toward which all loyal British hearts should ever turn.

I do not agree with what the minister said. Speaking for myself, I am a Canadian born in Canada. My parents also were born in Canada. Like the minister, I can say that the roots of my family go down fairly deep into Canadian soil. Both my parents were of Irish descent, and like all people with Irish ancestors I have a sentimental regard and affection for Ireland. But I do not think it can be regarded as blind or arrogant. I do not regard Ireland as my mother country. Canada is my mother country, and it is to Canada that I owe allegiance. My children regard Canada as their mother country, and it is to Canada that they owe allegiance. But at the same time I am proud to be a British citizen, and proud that Canada is a member of the British commonwealth of nations. Let me ask this one question; were would Canada be to-day if from the second of September, 1939, to the present day, the British navy had not stood between us and the German navy?

The hon. member for Quebec-Montmorency (Mr. LaCroix), as reported at page 3402 of *Hansard* of June 16, said:

The Canadian army is three times the size of that of the American or English army, in proportion to population and other considerations.

The hon. member is not here, but I would ask that during the course of this debate he give the house the figures on which he has based his calculation. On the same page he is further reported as follows:

British troops are not yet in action on the continent, and Canada's contribution so far is relatively greater than that of England herself.

The hon. member must have forgotten that the British army was in action in May and June, 1940, in France, Belgium and the Netherlands, where they suffered many casualties and lost many prisoners. The British army was also in action in Norway; has he forgotten that? It was in action in Greece, Crete, Libya, India, Singapore, Burma, and many other places throughout the world.

Mr. MacNICOL: And Hong Kong.

Mr. WHITE: And Hong Kong too. The hon. member objects to sending reinforcements to soldiers overseas, but in the very next line he apparently realizes that our front line is overseas, because he says, at page 3402:

If the axis powers should succeed in their effort to crush that first line of defence,—

Referring to Britain. If that is our first line of defence, there is an obligation on Canada to provide all necessary reinforcements for our men overseas and everything else that may be needed for modern warfare.

But as Canadians it matters little whether we are of Irish, French, English or Scottish descent; we are Canadians first, and I for one have never looked upon Canada as a conquered colony, as mentioned by the Minister of Justice. I regard Canada as a free, independent, sovereign state, absolute mistress in her own house. But as Canadians we all have a duty to the state in time of war. You may call it patriotism, or duty, or whatever other name you wish. I cannot define patriotism or duty, but there is something inside everyone of us that in time of war tells us what is our duty and what is our obligation to the state. Ask any soldier who served in the last war what were the impulses and the real causes that made him enlist, and you will find it is very difficult for him to explain. I cannot explain in words why I enlisted in the last war. Neither can I explain in words why my son enlisted in this war. Perhaps it is something that is born and bred in every one of us, something handed down of the glories and traditions of the race from which we as individuals spring. I can only say that it is something that is very precious to every one of us, and it raises a question that everyone must answer for himself.

In regard to military district No. 3, in which I reside, the Minister of National War Services (Mr. Thorson) has advised the house that nearly all the men available under the National Resources Mobilization Act have been called up. The reason for this is the very large enlistment of young men in the active forces. They are young men who are

willing to give up their future, their education, their careers, their homes, and all they hold dear, in the defence of Canada. I would like the Minister of Justice (Mr. St. Laurent) to say why one section of this country should pour out its best blood to defend another section which is unwilling to make an equal contribution. Or let the hon. member for Richelieu-Verchères (Mr. Cardin) answer the question—the hon. member who stated in his speech that the minority, in his province, had made one concession after another to the majority. I for one would be much interested if the hon. member would place on *Hansard* during the course of this debate a record of those concessions.

The Minister of Justice stated further in the course of his speech, as reported in *Hansard*, page 3394:

> —nor have we any wish for domination over anyone. But we do wish to be recognized as full partners and full citizens anywhere and everywhere in Canada.

I for one would like to have the minister explain what rights the English-speaking Canadian has which are denied to the French-speaking Canadian. I would be much interested in hearing of one single instance wherein it can be shown that the French-speaking citizens of Quebec are discriminated against. The minister stated in the same speech that his province does not wish to dominate anyone. Will the minister deny that members from his province have had their fair share in the government and the direction of the affairs of this country? The minister himself holds the most important portfolio after that of the Prime Minister. The tolerance and understanding for which the Minister of Justice pleads with English-speaking Canadians might well begin with his own race in attempting to make some effort to understand the attitude of English-speaking Canadians. I say to hon. members from Quebec that you as a minority group in this country have always had your rights respected; your religion, your language, your culture, all the things which you hold most dear, have been preserved; but I ask you, how long do you think they would last under the German gestapo? If we go down to defeat you will lose everything that you hold dear. Only a few days ago the press of the civilized world reported that the gestapo had wiped out an entire village in Czechoslovakia. The inhabitants were butchered and the village itself reduced to a heap of ruins. With such atrocities staring you in the face, and knowing that such things might happen in Canada, even in your own province, how can you say that you are not going to join in total war because this is an "imperialistic" war?

[Mr. White.]

From the speeches made by many hon. members from Quebec it is indicated that they are going to oppose this amendment. I say to them, if you persist in that course you are going to leave in the Dominion of Canada such a legacy of hate, distrust and suspicion that no one sitting in this house will ever again during his lifetime see even a semblance of unity in this country. We have heard much in this debate about national unity, but apparently the view of national unity held by hon. members from Quebec is that the other eight provinces must bow to their will.

For years the province of Quebec have held the balance of power in this dominion and they have used that position for their own benefit. I for one say that the end of this has come. No longer are the eight other provinces of Canada going to be dominated by the province of Quebec. If this matter is to come to a showdown, the sooner the better. Does any hon. member believe that when the war is over and the boys overseas return they are going to be dominated by a province which refused during the war to make an equal contribution in the common cause? I say to you hon. members that you are to-day sowing the seeds of bloodshed and revolution in this country.

Mr. LACROIX (Beauce): That is what you are trying to do.

Mr. BRADETTE: The most shameful speech I have heard in this house.

Mr. WHITE: The hon. member will hear many more like it. The Prime Minister said that conscription would be enforced when it became necessary. Other hon. members kept repeating the same phrase. I would point out that we have had conscription for over two years in this country. To-day we are raising men for overseas service by conscription and by methods that do no credit to a democratic country, a country which has not the backbone to enforce conscription for overseas service. As was well pointed out by the hon. member for Lambton West (Mr. Gray) in his speech last week, who can say what number of men are needed? We had one example, in the expedition to Hong Kong, of lack of trained men and equipment, and now we have a report which asks us simply to brush the matter aside.

I would ask the Prime Minister to make full disclosure in this house before the debate ends as to the real man-power situation, because a careful reading of the remarks of the Minister of National Defence yesterday shows he clearly points out that there are still very large reserves of man-power untapped in this country.

I for one have always felt that conscription on a selective basis is the only fair and proper method of raising an army. I am not one who has recently changed his mind on this subject, because, speaking in this house over fifteen months ago, on March 11, 1941, I spoke as follows, as reported in *Hansard* at page 1548:

> Recently the government had a series of radio talks which they called, "Let's Face the Facts". Why not face the facts right here in this house? Let us as members of parliament show, for once, a little backbone, and face the facts and admit that conscription of all man-power for service anywhere in the world is the only answer to the present situation. Any young Canadian who will not fight for his country is not fit to receive the benefits that this country gives to him.

The Minister of National Defence, replying to me, stated that I was only trying to hinder the war effort and to create disunity. But it is clear from a careful reading of the remarks made by the minister yesterday that he has changed his mind very much since March 11, 1941.

I well remember when this act which we are now seeking to amend was introduced in the house, and the Prime Minister appealed to hon. members for speed, in his very best Hollywood manner. With tears trickling down his throat, he pleaded to have the act passed so that he could have the necessary power to take further action in connection with the war. I wondered at the time what marvellous new scheme we were going to have. After weeks of delay we were advised that we were to have the farce of the thirty-day training scheme, a scheme which was approved by the chief of the general staff. Someone in this house coined the phrase that the young men of Canada had to be made "military conscious." To-day at twelve o'clock it was announced on the radio that Cuba was to have conscription immediately. It was also announced that New Zealand was forming a national government. I say to the members of our war cabinet and the other members of the government, who must have confidential information as to the exact truth of the war situation to-day, "How can you still quibble about politics and the survival of a party, at a time when the very existence of our country is at stake? Can you not realize that there is no such thing as a second prize in this war, that the united nations either gain the victory or we go back to a status that is not even equal to slavery?"

The Prime Minister has stated several times that he will put conscription in force when the proper time comes. Does he expect the Japanese to tell him what are their plans about our west coast? We have had evidence in the Hong Kong report of the slight knowledge or appreciation which the government had of the true situation before the boys were sent to Hong Kong. What we need in this country is decisive, courageous and intelligent leadership—not leadership of a party, not leadership of a caucus, not leadership of one section of the country, but leadership of the whole nation, intelligent and foresighted and courageous enough to tell the people what is needed and how to get it, and ruthless enough to see that they do get it. The Canadian people do not need to be spoon fed. They can take bad news; but when bad news comes it is glossed over and made to appear unimportant or insignificant. Let us be frank and tell the people the real truth. The real truth is that we have lost the war ever since it started; we have not even held our own. Does anyone deny that anything less than a total war effort by every citizen of the united nations will be sufficient to defeat the axis powers? We have only to look around the world and see what happened to the other nations that refused to put their house in order before the zero hour. Are we in Canada to suffer the same fate because we think we are safe behind a rotten Maginot line of isolation and appeasement?

Hon. members who served in the last war know better than anyone else the need of reinforcements and proper equipment at the right time. It is well recognized that if a new front is opened the Canadian army will be the spearhead of that attack. It will then be too late to send reinforcements overseas. Are we to have another Hong Kong through lack of properly trained men and proper equipment? I say that when this government decided to send an expeditionary force overseas there was an implied obligation that those men would be provided with all needed reinforcements and with implements of war in unlimited quantities. That obligation must be fulfilled to the limit.

I intend to support this bill, but I hope that on third reading the government will introduce all the necessary rules and regulations to make conscription for overseas service anywhere in the world enforcible at once. We must not be faced with another example of too little and too late.

Mr. L. PHILIPPE PICARD (Bellechasse): I was not privileged to hear all the speech of the hon. gentleman who preceded me (Mr. White); I have surely missed many pearls and gems. But I heard enough to know the meaning that he tried to impress upon us. He said a moment ago that Quebec had been trying to run the country during the last few years. If he means by that that for a

long time Quebec knew how to vote and so helped to bring to power the Liberal government that gave ten years of prosperity under Mackenzie King, he is right, and that when Quebec failed the good cause, we got Bennett and depression, he is right.

The hon. gentleman said that Quebec had tried to run the country. What did Quebec get from the running of the country in the way he means? I did not intend to touch on that matter, yet I am prepared to do so. There is a point I should like to bring to the attention of the house; it concerns French Canada's participation in the war and the extensive criticism thereof in the English language press. Many of my colleagues have refuted those insinuations, but I should like to touch briefly on one aspect of the matter, and that is the apparent success at times of some extremists and demagogues in Quebec who appeal to prejudice in the same way as my hon. friend did a moment ago. These people do not represent Quebec any more than the hon. gentleman represents English-speaking Canada, I hope. They represent a group of extremists who are a small minority, just the same as the hon. member represents a group or caste or school that, happily for Canada, is still a minority in English-speaking Canada.

One of the strongest arguments of those in Quebec who oppose our efforts for unity and harmony is that the majority still refuse to deal on equal terms with us and that we are denied our share of privileges.

The hon. gentleman says that we are running the country. It seems to me we are getting very poor results if we do run it. That would be a good answer to give to some of the extremists in Quebec. I should like to see some evidence of it.

Mr. LOCKHART: Explain the attitude on the plebiscite.

Mr. PICARD: The hon. gentleman will get his answer all in due course. I say to my English speaking colleagues: if you want us to carry on the fight for unity and understanding, rather than such appeals to prejudice as have been made this afternoon and are sometimes made in Quebec; if we are to struggle for unity and understanding between all citizens of good will in this country, whether English, French, Scotch, Irish, or central European, I say, give us a chance; give us the means by which we can curb the speeches of those who try to do in Quebec what the hon. gentleman did here this afternoon. Above all, show your good will more than merely in words and appeals to loyalty; give us our share of the public appointments. Do not overlook our people simply because you have not met them. Do not let the appointments to public control boards and supply boards be the fruit of personal association. Mr. X bringing in Mr. A. because they were on the same board of directors or because A was a good customer of his firm, as has been done so often. Look around and recognize that there are people whom you may not have met in business but who have as good training and education as yourselves. Give us our share, and we shall be in a position to silence the nationalists and extremists in Quebec. Do not expect us to be satisfied to have in Quebec federal public servants who cannot speak French, any more than people in Toronto would be content with men who could not speak English.

Mr. LOCKHART: Why not speak English?

Mr. PICARD: The matter has been settled when confederation was made and you will not change it to-day. Our majority partners in the confederation are surprised and horrified by the statements of some of our demagogues but a moment of serious thought would reveal they are themselves building these demagogues. Quebec is misrepresented by the statements of some of our extremists, but it is evident that the appeals of these extremists are strengthened not only by appeals like the one we heard a moment ago but by the poor handling of the practical end of the relations between the different races in Canada, by the sad neglect and oftentimes the disgusting prejudice shown against French Canadians by a certain caste of narrow-minded people in other parts of Canada as evidenced by the words of the hon. member who preceded me. They are supplying the material for our extremists to use in arousing bitterness and resentment against English Canada just the same as the hon. gentleman is trying to arouse bitterness among those of his own language against my people. Have you seen hatred and suspicion breeding from satisfaction and content? Try for a change to treat French Canadians on equal terms, not only in your speeches but in your daily acts. Do not discriminate against them in your industries, even in Quebec, or against their entry into the civil service; or, they being there, do not spend your time trying to justify overlooking their due promotion, as I have seen so often in the twelve years during which I stood with Ernest Lapointe in Ottawa. Give us a square deal; let us start a new deal for French Canada, and the preachings of the extremists will fall flat.

If one analyses carefully the speeches made during the plebiscite campaign, of which there

is a record, he will find that three-quarters of them were based on these grievances, and on the treatment which the French Canadians consider they deserved but did not get.

Would it not be a clever move to try another method with us? Translate your good intentions into practice, and you will take most of the wind away from these demagogues. They thrive on grievances, just as other gentlemen like the one who spoke before me thrive on prejudices just for the pleasure of it and they will fall flat if you remove those grievances. I would not say to my hon friend that there is a feeling of love for Britain on the part of 100 per cent of the French Canadians, but I will say that all fair-minded French Canadians, which would include more than 90 per cent of them, have respect for Britain, and admiration for the behaviour of the people of Britain in this war. They have a deep attachment to British institutions, and above all they have great devotion for their homeland, Quebec, and their country, Canada. The best use could be made of that feeling by making them proud partners in confederation and in the national business. If they have an equal share in the profits they will be more than ready to accept an equal share of the liabilities. If you ask from them a full realization of their duties, it is up to you to give them full enjoyment of the same privileges you enjoy.

Once more, sir, this house is in the throes of a discussion as to the most efficient method of mustering Canada's man-power for a total effort for victory. We are going through the same procedure, voicing the pros and cons of conscription for overseas service. Is it truly for the good of the country that we should be again airing our advocacy or our opposition in regard to conscription? Does anything justify the continuation of such a discussion as to the proper method to supply the army with men? Has the present system of recruiting failed? Are our camps empty? Are training facilities not being made use of? Are there not in other branches of the service, such as the navy, the air force and other specialized units, definite waiting lists? I can answer in regard to the navy, because I know of a young man who tried to enlist the other day and was told that he might have to wait a month before he could do so. In short, are there any strategic or definite reasons why we should be again arguing this matter? There are none of which I know. We are at it again as the result of political manœuvres which succeeded in creating a psychic condition among a certain element of the population. If conscription had not been made a political football from the very start of the war, conditions in the country to-day would be more conducive to a successful war effort than they are tending to be at present, with the campaign that was started and is still going on, stirring up prejudice and resentment between classes and races in this country. Disinterested observers of the future who study the question without bias will, I am sure, cast all responsibility on the shoulders of those who, for purely political reasons, have agitated public opinion throughout Canada in order to impress upon the population the necessity of a conscription measure. The result of their behaviour has been to cause the country tremendous harm: first, by raising doubts in the minds of Canadians as to the scope and extent of their accomplishments; second, by causing such views to be broadcast in the United States, thereby impairing our publicity over there and creating a false impression concerning our war effort; third, by disrupting national unity by arousing suspicion and anger in the minds of Canadians with regard to the attitude of other Canadians of different racial origin. Those who engineered this campaign may feel proud, politically, to have succeeded—temporarily only—in dividing the Liberals on this question of the best means to supply the army with men. If they could survey their actions purely from the point of view of patriotism, they could not but feel ashamed of the result of what they have done.

As for myself, sir, I am against conscription, not as a matter of principle but as a matter of expediency, in the interests of the efficient prosecution of the war and the best results to be obtained in the struggle we are waging against Hitlerism. Since there is nothing just and fair in war, there never has been devised a means perfectly fair and just of summoning men to the defence of their country. Conscription is no exception to that statement. There is nothing just in the fact that the young and the sane and the strong, should sacrifice their liberty, their leisure, their comfort, sometimes their health and, unfortunately, their lives so that others may prosper or at least may not be enslaved. There is nothing fair in that; but even though no system can be perfectly fair, we must have recourse to one of two systems in order to provide the army with the men it needs. One is the voluntary system, under which men are invited to join the colours to fight the battles of their country. Up to now in most countries this has been found the only possible means of supplying the air force, the navy and highly specialized units such as the parachute troops, the tank corps and more recently the commandos. The other method is the compulsory system,

under which men are called up by age groups, given a physical check-up and then either discharged or put in the army.

In a country where there exists a strong national sentiment and close national unity, where there is no doubt that the army is fighting not only ultimately but directly for the protection of the country, either by way of defence or of attack, it would appear that a compulsory method, applied without favour and through selective service, might be the least unfair, if there is anything at all fair in such a thing as the mobilization of men when we do not have mobilization of labour, of resources or of wealth. Unfortunately, sir, Canada is not in such a position. It is forever trying to build up national unity, which has never been completely achieved; and, unfortunately, it has no true Canadian national sentiment, nor will it have as long as French Canadians—and I admit it for my own part—consider their province to be their country, and as long as English Canadians think more of the empire and of Britain than of Canada. Moreover, no wars in which Canada has participated during the past century have been Canada's wars. They have been imperial wars in which we participated because of our imperial ties. National sentiment cannot be created in a country where at least fifty per cent of the people are not of pure British origin, in connection with the fighting of an imperial war or participation in an imperial adventure.

I have already stated in this house and elsewhere that I consider the present war, in the stage it has now reached, as vastly different from any preceding wars, and I have readily admitted the urgency of an unmitigated war effort. But national sentiment, even though it may be stirred when war exists, cannot be especially created when war is on. Therefore a system which might be defended under given circumstances would be inadvisable when all the elements necessary to its success did not exist; and it should be resorted to for service other than hemispheric defence only if the ultimate security of the country demanded it.

A day or so ago the Minister of National Defence for Naval Services (Mr. Macdonald) mentioned the examples of Russia, France and so on in regard to compulsory service. As a matter of fact, compulsory service more or less originated following the French revolution, in an attempt to bring about a sort of equality of sacrifice of life, if not equality of sacrifice in other directions such as comfort and wealth and so on. As I have said, it can be applied in a country where national unity exists, and it is the only method that could be devised in Russia and elsewhere which would take account of conditions existing there. It never existed in Italy until the war of 1914. We shall see in a short time what pains of childbirth there were when it was brought out in England in 1916, seventeen months after the start of the last war.

What are the circumstances which concern us to-day as to our participation in the war? We have started out with a voluntary system, and it has up to now met with success. In fact we have barely been able at times to equip the men who enlisted. As it goes, the first policy of the government met with the approval of all the citizens, and it was stated to be, first, the adequate protection of the country; second, larger industrial output of materials not only for our own needs, but also to be supplied to Great Britain and our other allies; third, larger agriculture output not only to feed Canadians but mainly to feed Britain, which was in need of food and, fourth, a well-equipped and trained expeditionary force to share in the united nations' effort to curb the enemy abroad.

Canada has up to now splendidly worked toward that end. It has obtained 470,000 men who enlisted voluntarily for service anywhere, and it has an army of 150,000 mobilized under the National Resources Mobilization Act. My only reproach of the Department of National Defence would be that it has not availed itself sufficiently of the National Resources Mobilization Act to create an adequate territorial army. All the time and energy of the department has been spent on the so-called active force, whose very name implies that the territorial or defence army is to be inactive.

There can be no more inappropriate name for the defence army than the term "reserve army". It is a reserve for what?—a reserve that supplies the active, or the so-called active army—as if our army would become active only when they are on the soil of Great Britain, and only when associated with the imperial army? This spirit is evident at every step in the military set-up. A man mobilized for service in Canada was interesting as long as hope had not been abandoned to make him enlist for service overseas. The trouble is that the government's policy was entrusted to men who never believed in it, and who from the very start had other ideas in mind, and who tried to bring them about either through compulsion or through the moulding of public opinion by the Tory press.

I still maintain that there is nothing absurd or ridiculous in the idea I previously expressed in the house that there should be two different types of army in a country like ours, so long

as it is made up in the way it is, and so long as we have no closer unity than exists among ourselves. There would be a territorial army for Canada, with conscription for Canada under a process of selective service, forcing all men who could serve or who could be spared from industry or agriculture for the defence of Canada. Then there would be a Canadian expeditionary force to take part in the war elsewhere for the defence of civilization, recruited under the voluntary system by the voluntary passage into it of men already in the territorial army, or by the voluntary enlistment of men not yet called in that army under the mobilization act. Both armies to receive the same proper training to make them fit for modern warfare.

That would give us a balanced war effort, without disturbing national unity. There is nothing absurd in it. What is absurd is the present system of putting a man, who is a conscript, in a regiment of volunteers. I will admit that procedure has no sense. On the other hand, if we are mobilizing units for the defence of Canada and recruiting units for an expeditionary force, both trained in the same way, and if we keep in Canada a little more of the machinery and equipment that we send abroad at present you will ensure a better defence of the country while contributing to the fight against the enemy on other shores.

There is a further point I should like to touch upon. I am getting more and more annoyed with the unfair and unjust campaign against Quebec and against French Canadians on the pretext of their opposition to conscription for service overseas. They are trying, like the hon. member who preceded me, to make the people of Canada believe that French Canadians are unworthy citizens, because they do not like conscription. They are trying to make us believe that they are less patriotic Canadians. To read some of the articles published in the Tory press, one would believe that French Canadians are the only ones in the empire who have opposed conscription for service outside Canada. Many of my colleagues have refuted that by citing the examples of Australia, South Africa and Northern Ireland.

Let me go further than that. Let us examine the whole question of the opposition to compulsory service. The objection to conscription is not a French-Canadian invention, nor is it a monopoly of my fellow compatriots. Allow me to quote an opinion on conscription:

> My objection to the employment of compulsion for the purpose of recruiting the army under existing conditions has not been based at all upon abstract attachment to a principle. It is based upon an entirely different ground, namely, that the employment of compulsion under existing conditions would forfeit what I regard to be of supreme and capital importance, that is, the maintenance of the national unity. That again is an abstract objection, but when translated into concrete terms it means this; if you were to apply, I do not speak of any particular method, but any method of coercion or compulsion, without something in the nature, I will not say of universal, but of general consent, you would defeat your own purpose.

Mark those words:

> It would not be a practicable or workable method of making good and filling up the gaps left by the defects of the voluntary system. I am speaking my own view—entirely my own view. My proposition, if I were to formulate one, would be this: Not that I rule out compulsion as an impossible expedient, but that compulsion, if resorted to, ought only to be resorted to, and can only from a practical point of view be resorted to—or, in other words, be made a workable expedient for filling up the gap which you have to supply—with something in the nature of general consent.

Mr. ROSS (St. Paul's): What is the hon. member reading?

Mr. PICARD: Who said this? I shall answer the hon. member for St. Paul's. Was it a French-Canadian member of parliament? Was it a nationalist speaker from Quebec? Was it one of our cabinet ministers? No; the words were uttered by no other than the Prime Minister of Great Britain on November 2, 1915, fifteen months after the start of the great war. Mr. Asquith had said just previously to that—and there is nothing like old books to get new thoughts—

Mr. ROSS (Souris): Did he have a change of mind on that?

Mr. PICARD: If he did, the hon. member will see in a moment.

Here is a further statement by that British Prime Minister:

> I will let the house into a cabinet secret—I hope without breaking any obligations of secrecy or any confidence—and that is that there have been differences of opinion amongst the members of the cabinet as to whether what we need, whether, in other words, what I call the full exploitation and employment of the recruitable reservoir can or cannot be obtained without resort to some form of compulsion. I will state my own view. In the first place, I have no abstract objection of any sort or kind to compulsion—in time of war. It is a pure question of practical expediency—how are we going to bring the war to a successful conclusion?

I have many more of these quotations, but I shall have to shorten them, because there are some further points I wish to make before resuming my seat.

An hon. member asked me if Mr. Asquith changed his mind. It was on January 5, 1916, that the compulsory service bill was introduced into the British House of Commons. Let us

see what kind of compulsion it was. Let us remember that it was brought into effect only after seventeen months of war. Let us see what reaction its introduction produced on some hon. members in the house at the time. We will see if Mr. Asquith had changed his mind with respect to the compulsory method, when he spoke on January 5, 1916. This is what he said:

There was considerable controversy in the early autumn of last year as to whether we could best do our duty in the war by persevering with our voluntary system, with such improvements as experience had shown to be necessary, or by the introduction, in some form, of general compulsion. There were great divergences of opinion on that subject, even among those who are ordinarily accustomed to think alike, and they penetrated, as I think I have disclosed before, into the cabinet. I believe that these divergences of view on the general question still exist. My own view is well known, and has been publicly expressed. Speaking for myself for the moment, for myself alone—as I have said I do not propose on this larger issue to speak for all my colleagues—I am of opinion that no case has been made out for general compulsion. I, at any rate, would be no party to a measure which had that for its object.

The bill that I am about to ask leave to introduce is one, I think, which can be sincerely supported by those who, either on principle or, as in my own case, on grounds of expediency, are opposed to what is commonly described as conscription.

The right hon. gentleman then went on to give a full explanation of the bill. Note, Mr. Speaker, to what stratagems they had to resort to bring in a conscription bill. It was in effect a conscription bill, but in principle it was not one. Mr. Asquith a little later on said:

The course we are going to ask parliament to adopt is to provide that, if, after due opportunity of inquiry, it is found that there are single men of military age who have no ground whatever for exemption or excuse, they shall be deemed to have done what everyone agrees it is their duty to the state in times like these to do, and be treated as though they had attested or enlisted. . . . The bill applies to all male British subjects who, on the 15th August, 1915, had attained eighteen years and not attained forty-one years of age, and who, at that date were unmarried or widowers without children dependent upon them.

This method of introducing the bill was not followed by a French Canadian, it was not done in the province of Quebec, but in Great Britain, by Mr. Asquith, the Prime Minister, who tried to sugar-coat the bill so that it would be more easily swallowed. It was not conscription, and yet it was conscription. So that in England in 1915 and 1916 there were men like Mr. Asquith who declared themselves opposed to conscription on grounds of expediency, and there were also men like Sir John Simon who regarded conscription as opposed to the democratic way of life. He resigned his post of home secretary rather than support the bill. He said:

I confess to have regarded the voluntary system as a vital principle of national life.

He said further:

If the bill passes, what are the real chances of general consent? Are the omens favourable? I ask myself with the full sense of the responsibility it involves what is the position to be if and when this bill reaches the statute book. . . . I do beg the government and the House of Commons to consider whether the . . . difficulties, some of them existing already in relation to the administration of other acts of parliament, are not likely to be multiplied?

May I remind the house that the gentleman who uttered these words was no less than the Right Hon. Sir John Simon, who had just resigned as home secretary rather than support the bill. And he was not the only one. I could cite many others, but unfortunately I have not the time at my disposal. I shall quote only one more, Right Hon. J. H. Thomas, who said:

I resent to the full the suggestion that has already been made, that those who are likely to oppose this bill are not in favour of winning the war. Not only are they in favour of winning the war, but they genuinely and sincerely believe that the course they adopt is the best course in the interests of winning the war. Therefore, I do not think it will help matters to hurl charges of that kind.

And that applies to the hon. member who spoke ahead of me. Mr. Thomas went on:

I do beg the house to realize, whatever ministers may say, that there is a deep-rooted suspicion in the minds of the workers of this country, that this position has been forced on the government to-day, not with a view of winning the war, and not because of any military value, but because of a certain section of the press.

Mr. ROSS (Souris): Now quote Mr. Churchill.

Mr. PICARD: I think the house has had enough for the moment. I can quote Mr. Churchill some other day; I have not the time at my disposal now.

From general considerations of the question of conscription and of French Canada's reaction to it I come now to the bill before us and the attitude I intend to take upon it.

My mind and my heart have been torn asunder on the vote to be given on the measure before us, and I am not ashamed to admit it. I have abstained from following any group in a joint consideration of a concerted attitude to be taken. I have worked and studied and listened and consulted, and I shall be alone responsible for my decision.

My opposition to conscription, as I stated previously, is not so much one of principle as of expediency and what is best for the efficient conduct of the war. I admit that I would have no repulsion to extending conscription to service overseas if I were conscientiously convinced that it was needed in the interests of our own country. As conditions are at the moment I cannot come to that conclusion; I have no such conviction. On the contrary, I think it would hamper our war effort and make it less efficient and it might bring—I hope not—as Sir John Simon said in England, internal disturbances that would cause more harm to the prosecution of a well balanced war effort than the good that might ensue from a more regular flow of men to the army.

But no matter how much opposed I may be to conscription on the ground of expediency, I cannot ignore the fact that the political plots of the Tories in this house and in the press have forced the conscription issue on the Canadian people and have succeeded in making many people in Canada believe that it is now vital to the winning of the war. As a result of this we are faced to-day with a measure which until a few days ago I thought represented a sincere attempt to conciliate opposing views, much in the same spirit as evidenced by Mr. Asquith in introducing military bill No. 2 at Westminster in 1916. Bill No. 80 will give the government all the necessary authority to send the men called up under the National Resources Mobilization Act anywhere it thinks fit, and should satisfy those who wish the government to have a free hand. On the other hand, those who oppose conscription for overseas service had reason to be pleased with the assurances of the Prime Minister that such powers would be used only if absolutely necessary, and he thought they were not necessary at the present time.

However, the speeches of the Minister of National Defence for Naval Services (Mr. Macdonald) and of the Minister of National Defence (Mr. Ralston), who seemed to be competing with each other, have shown a lack of unity in the cabinet which justifies a greater need of caution from those who have to pass on this measure. As long as it could be viewed as a compromise and a conciliatory effort, the measure was no doubt worthy of most benevolent consideration, because it must be recognized that good government in a country ethnically and geographically composed as ours is must of necessity be the fruit of conciliation and understanding rather than of one-sided decisions.

Against the arguments which prompted me to vote for the measure I had to weigh the most important factor of the expressed will of the people whom I represent on the issue at stake. I need not go over their reasons again, but it is abundantly evident that not only were my constituents against conscription for overseas but they had unmistakably come to the conclusion and made clear by their vote that they were against releasing the Prime Minister from his pledges despite the personal appeals and pleadings I made to change their views.

Is it not a principle of democracy that a representative of the people should as much as possible express the views of those who have elected him as their representative and vote accordingly unless by doing so he endangers their own interests and impairs their own security or that of the country?

The government appeals to-day to the province of Quebec to change an opinion it has nursed since the South African war—non-participation in imperial wars of Britain—and it has not prepared public opinion to understand that our share in the present conflict in its fields of battle abroad and especially in Britain is not to support the empire, that it is a contribution to a war for the survival of our own liberties and our own institutions. Public opinion in Quebec has not been prepared by the government's agencies. Let us admit that the propaganda and information services have been most inadequate, to say the least, as far as French Canada is concerned, and that our people have not been enlightened by members of the government themselves. If they had talked of Canadian interests in the war, they might have been able to convince the French Canadians to accept a compulsory measure at this time; but not having contributed to bring that about, I do not think the government can except its supporters from the province of Quebec to go back to our people now and attempt to convince them overnight that conscription for overseas service had become a matter of life or death for Canada. I would be willing to risk myself in such an effort if I had received any help before. But I cannot do it in a week. You cannot all of a sudden, overnight as it were, change the lifelong sentiments of a people.

I could not be convinced, sir, that I would have acted wrongly if I voted against the measure and as my constituents desired; yet I had a feeling that I would best serve the interests of understanding, of unity, and of the bonne entente if I voted for the amendment. At that point of my hesitations I came across a sentence—which perhaps I had better not quote; however, I will go ahead—when perusing Lord Durham's report on the

affairs of British North America which set me to thinking anew as to the course I should follow.

Reviewing the constant flare-ups in Lower Canada between the new English settlers and the French Canadians and analysing the source and reasons of their quarrels, Lord Durham referred to the men of good-will who tried to compromise and to reach a livable understanding, and he concluded with these words:

A few of the French, distinguished by moderate and enlarged views, still condemn the narrow national prejudices and ruinous violence of their countrymen, while they equally resist what they consider the violent and unjust pretensions of a "minority"—

And mind you, sir, at the time the minority was not French, but was English, and ruled with the force of arms Canada at that time.

—and endeavour to form a middle party between the two extremes.

Those who affect to form a middle party exercise no influence on the contending extremes and those who side with the English are regarded by their countrymen with aggravated hatred, as renegades from their race; while they obtain but little of the real affection, confidence, or esteem of those whom they have joined.

These grave words, the fruit of a keen observation in 1839, a close survey of our political history will unfortunately show to have been true very often. Unjust as this reaction may be, it has proved to exist in each crisis which we have gone through in this country.

Willing as I am to work to change the viewpoint and to broaden the horizons of my compatriots on some issues where I am not always in agreement with them, is it wise to separate myself at this moment from them? If I had any hesitations left, the statements of the Minister of National Defence would have wiped them out.

I must say, however, that if I expected by my vote to overthrow the Prime Minister, I would not hesitate to vote for the bill, even if I were next day to be blamed by many people, because I would consider it of the utmost importance to ensure his continuance in office in these days, when more than ever is needed at the helm his wise, guiding hand. Under present conditions, although my own inclination is to vote confidence in the Prime Minister in appreciation of this further conciliatory measure, which, I am sure, he has introduced in the hope of maintaining unity and harmony as well as in the hope of keeping the full strength of the country behind the war effort, I cannot but view with alarm the divergence of views in the cabinet on the effect of the present measure, and I will consider it a duty to heed the expressed wishes of my compatriots and vote against the repeal of section 3 of the National Resources Mobilization Act. But I wish to assure you, sir, using the words of a British statesman, that:

. . . the choice that faces a member who finds himself divided from his chief is a difficult and painful one.

Mr. ELPHEGE MARIER (Jacques Cartier) (Translation): Mr. Speaker, I take pleasure in congratulating the hon. member for Bellechasse (Mr. Picard) for the magnificent speech he has just delivered, and for the many substantiated arguments he set forth to justify the stand of those who oppose the measure recently introduced by the government.

At the general election of March 1940, the Conservative party leader, as well as the head of the Liberal party, all the Quebec representatives and most of the other members of this house, assured the Canadian people that there would be no conscription for service overseas.

Why give this pledge when we had been at war for seven months and certain developments were already indicating that the conflict would become universal? Simply because our politicians remembered the lessons of the past. Conscription in 1917 had been an absolute failure from the practical point of view. It increased by very little the strength of our armed forces and produced on the other hand the most disastrous results. Its enforcement left in the province of Quebec the distinct impression of an attempt at racial domination, and also the conviction that for some, perhaps for a great many of our fellow citizens, empire interests came before those of Canada, the only homeland the French Canadians have. Moreover, it was very costly in bloodshed and useless hardship, and the wounds it caused are not yet completely healed; above all, it sharply divided the Canadian nation.

The anti-conscription policy preached by the Liberal party for the last twenty-five years and endorsed by all parties prior to the 1940 election, was neither new nor unknown in the different Canadian provinces.

No need to delve far back into the past to recall the statement made by the right hon. Prime Minister (Mr. Mackenzie King) and the Right Hon. Ernest Lapointe in this very house in March 1939, as well as the statements uttered by these same leaders in September 1939, when war was declared, and those of the hon. Dr. Manion, then Conservative leader.

At the Quebec provincial election in October 1939, the National Union party, then in power, advocated a non-intervention policy. We saw the Right Hon. Ernest Lapointe and

the former Minister of Public Works and Transport (Mr. Cardin) enter the fight to secure Quebec's approval of the federal government's war policy. They promised that Canada's participation in this war would be voluntary and that there would be no conscription for overseas service. On these terms, the province of Quebec pledged her full support to the war effort and promised to contribute her share generously and loyally, side by side with the other provinces in this dominion.

I recall the flattering remarks she then received on every side. There was no newspaper in Canada that did not extol the broadmindedness of our people, their farseeing patriotism and will to cooperate. And these qualities, may I add, this broadmindedness, this patriotism and will to cooperate for victory, still exist there.

That election of March, 1940, gave the Liberal party the greatest majority ever returned to this house since Confederation, which proves that the policy of voluntary participation commanded the approval of the whole country and, so far, nothing shows that the Canadian people have changed their minds. Of course, there have been various interpretations of the plebiscite vote. Some claim that it expressed, on the part of the majority, the desire to see conscription for overseas service implemented without delay; others considered it as a simple expression of opinion, authorizing the government and parliament to discuss the matter on its merits and take any step that circumstances might require.

When the plebiscite was submitted to the house in February, I supported the measure. Many forecasts on the duration of the war and its limitation to certain European countries, had not become realities. Conditions had often changed since September, 1939. Above all else, the entry of the United States into the struggle could and did considerably alter the situation; it could even have forced us, for example, to direct our war effort into new channels. I believed, as I still do, that in a democracy the people had the right to release us from any promises made to them. For this reason, on the day of the plebiscite, April 27 last, I requested the electors of Jacques Cartier, whom I have the honour of representing in this house, to answer "yes" to the plebiscite question. I took this stand on the strength of statements made by the right hon. Prime Minister in this house and elsewhere. Here is an excerpt from a speech I delivered over the radio on April 21 last:

> Mr. King stated in the house, on February 24 last, that conscription for overseas service is not and may never become necessary; the people, he said, over the radio, on April 7, are not called upon to take a stand on conscription by their vote on the plebiscite question; this matter, if it ever becomes the subject of a debate, will be discussed by parliament who will settle it on its merits.

In stating that the question, if it were ever discussed, would be debated on its merits by parliament, I was merely repeating the words of the Prime Minister, in his radio speech of April 7. I quote:

> The question of conscription, properly viewed, is a military question. The place to discuss it is in parliament. What the government now seeks for itself and for parliament is freedom to consider and debate and decide this question, like all other questions concerned with the war, unrestricted by any pledge and in the light only of the needs of national security.

Further on he added:

> The only place it can satisfactorily be decided whether a particular step is necessary or a particular measure needed, is in parliament. In parliament, the government can state its case and provide the information on which a wise decision can alone be made.

Had the vote in my constituency been negative, I would be bound by the will of my electors and I would have little to add to the clear, complete and eloquent statement of the reasons against repeal of section 3 made by the former Minister of Public Works and Transport, and by the other hon. members who are so strongly opposed to the principle of conscription for overseas service as exemplified by Bill No. 80. But in view of the fact that a large majority of my constituents have, on the contrary, given me an affirmative vote and that, in certain quarters, this vote is construed as a vote in favour of conscription, I feel justified in furnishing additional reasons for my stand.

It seems to me that in order to decide whether parliament should agree to the proposed amendment or not, we need only ask ourselves the following questions and answer them logically and sensibly: does the plebiscite vote mean a vote for conscription? Is conscription for overseas service necessary and, if so, should the reasons for that necessity be submitted to the members of this house, so that they may judge them on their merits? Finally, if the measure is not necessary, is it expedient? Or is it liable to produce disastrous consequences?

I must thank the right hon. Prime Minister for having answered "no" to the first question. He has emphatically stated that the plebiscite vote did not mean conscription. The excerpts from the radio speeches of the hon. leader of the opposition (Mr. Hanson) and the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) which he quoted in his speech of June 10 agree with what he has stated on various occasions in this house and elsewhere.

An affirmative answer only involved freedom for the government and parliament to discuss the matter of conscription for service overseas, and to judge it on its merits; it did not imply the obligation to enforce it, whether necessary or not.

Moreover, that is the way the voters in my constituency understood it. They had enough confidence in me to leave me free to state whether I was for or against any measure involving conscription for overseas service. But in so doing they laid upon me a new responsibility. And it is because I deeply feel that responsibility that I have a right to know the reasons for the introduction of this measure. Is it really necessary? I followed closely the speech delivered by the Prime Minister on June 10. I have read it many times; in my opinion, it is a very strong plea by the leader of the government against conscription.

I would like to quote the following words which appear at pages 3238 and 3239 of *Hansard*:

> On February 4, the Minister of Finance gave the reasons for believing that the government's war programme for 1942-43 would constitute the utmost effort of which the country is capable. The minister said:
>
> "I believe that the programme which we plan should for the immediate future, the coming year, be a programme which will strain the human and material resources of this country to the limit. I have, therefore, agreed as Minister of Finance, to a war programme for the coming fiscal year which, in my opinion, and in the opinion of my advisers, is the extreme limit of what this country can do, having in mind its human and material resources."

The new features in the budget speech we heard yesterday will tax more heavily, if possible, the human and material resources of the nation.

The Prime Minister said, as reported at page 3239:

> On February 10, the Minister of National Defence stated that the estimated man-power requirements of the army, for service anywhere, from January 1, 1942, to March 31, 1943, a period of fifteen months, were 90,000 to 100,000 men. Of that number over 50,000 had enlisted by the end of May. That is in a period of only five months. These figures show clearly that, at the present time, the voluntary system of recruitment is functioning adequately.

And at page 3241:

> How could resort to conscription for overseas service add to our war effort? The one way, in which so far as I can see, it might add to our war effort, would be by securing more men for service in the army overseas than can be secured by voluntary means.
>
> If the size of the overseas army was unlimited; if we did not require men urgently for other purposes as well as for the army; there might be a possibility of increasing the total war effort by conscripting men for the overseas army.

And further on the same page:

> Clearly there are no grounds for asserting that compulsion is needed at the present time to secure the men required for service in the army overseas. There is nothing to indicate that its application now would add anything to Canada's total contribution to the winning of the war.

Since that date, the Minister of Agriculture (Mr. Gardiner) and the Minister of Munitions and Supply (Mr. Howe) have enlarged, if possible, upon the Prime Minister's words in that connection. The Minister of National War Services (Mr. Thorson) went farther; he asserted that conscription would hamper our war effort.

If conscription for overseas service is not necessary, why is the amendment to the Mobilization Act introduced at this time? What are the facts by which we may judge this measure on its merits? I cannot find them in the Prime Minister's speech. The voluntary system is supplying more men than required and, the taxing of our resources in men and material to the extreme limit will suffice to meet the requirements of the government's programme up to March 31, 1943. Moreover, the Mobilization Act as it stands empowers the government to conscript all able-bodied men in the country for service in Canada and to train them in exactly the same way as they train volunteers.

In the hour of supreme effort and ultimate sacrifice, what is there to prevent the government from seeking the approval of parliament to the amendment they have now introduced and to launch overseas all the armed forces of Canada, should such a sacrifice or such an effort become necessary? Should conscription become necessary to save the country and to win the war, despite the fact that I, in common with my French-Canadian fellow-citizens, loathe conscription, I would vote for such a measure. But, without necessity or reason and despite enemy attacks on both our coasts, despite the more urgent peril requiring stronger forces for our own defence and for the protection of those sources of

supply on which the very life of Great Britain depends, it is being urged that we put on the statute books a measure admittedly unnecessary at the present time, but which may be made use of by some other government tomorrow or by some other leader who might hold an entirely different view of the situation.

The present Prime Minister has more than any other and throughout his entire career, advocated the supremacy of parliament. I understand the government should hold greater powers in time of war, but when the very lives of our youth, the cream of the nation, are at stake, the members of this house would indeed make a serious mistake and fail in their duty should they renounce the right to decide when and how, in what circumstances and in the face of what danger, the government may take upon themselves the right of disposing of the lives of others. In support of his attitude, the Prime Minister tells us that parliament, by virtue of the Mobilization Act, has already conferred upon the government the power of conscripting men and that the present amendment is but an extension of this power. He overlooks the fact that when they brought down this measure in 1940, the government gave excellent reasons to justify its adoption and that, besides, it was accompanied by another solemn pledge given by the Prime Minister, which can be found on page 854 of *Hansard* for June 18, 1940:

> Once again, I wish to repeat my undertaking, frequently given, that no measure for the conscription of men for overseas service will be introduced by the present administration.

It was on the same day that the Prime Minister announced the armistice parleys between France on the one hand and Italy and Germany on the other. It was in those dark hours when England, together with her dominions and colonies, faced the dark future alone, at an infinitely graver hour than the present one.

Russia was then bound to Germany by a non-aggression pact; we were even anxiously wondering whether she would join our enemies. Japan was as threatening as ever and no one doubted that she would enter the conflict sooner or later.

The United States were still out of the war, and while supplying the allies with credit, arms and munitions, were not extending to them the tremendous support given at the moment.

If the Prime Minister, notwithstanding all this and in spite of the anticipation of an increasing danger, repeated the assurance that there would be no conscription for overseas service, he undoubtedly did so to maintain in this country the sacred unity which must remain the basis of our war effort.

Is it more expedient to-day than at that time to break our pledges, to stir up popular feeling, to plant the seeds of hatred which extremists have endeavoured to sow throughout the country?

Already an important section of the Canadian people is looked upon with distrust because it voted "no" in the plebiscite. Already, the small group of politicians and financiers who have sworn to overthrow the government and to form a so-called national union government are jeering at Quebec through their hired press and their paid advertisements published on a lavish scale all over Canada and even in the United States.

They play upon the inborn feeling of attachment for Great Britain existing among our English-speaking fellow citizens, just as they make able use of the undeserved reproach that Quebec is not bearing her share of sacrifice for the purpose of winning the war. If Canadian unity is destroyed, if good understanding between the two main racial groups in the country exists no longer, whose fault is it? The French-Canadian minority has made concession after concession in order to maintain it, as the hon. member for Richelieu-Verchères so ably explained.

Is it that unity and good understanding can only be maintained through repeated and constant sacrifices on the part of the minority, in the absence of any reciprocity? Does unity demand that the French Canadians should give up one of the most sacred rights for which we are now fighting, namely, that of freely expressing their opinions? The overwhelming majority of French Canadians have refused to release the government from its commitments or pledges. Had they not a right to do so, since the question of the plebiscite was an open one? The government was released from its past commitments by a large majority. Well and good, we submit to this verdict. But when the government ask that section 3 be repealed, that the principle of conscription be written into the statute books, have we not the right to know the reasons for this attitude and the circumstances which justify it? Is this incompatible with our position as loyal Canadian subjects. The isolation of the province of Quebec has been mentioned. The vote given in the 1940 election is still too recent for us to believe that the overwhelming majority of the people in this country ardently wish for conscription for overseas service and I share the opinion of the Minister of Agriculture when he states that no

party with a background and a hope for the future could well enforce such a measure. Which shows that, in his opinion, a majority of the electorate is still opposed to conscription for overseas service.

The hon. Minister of Justice (Mr. St. Laurent) has made an eloquent appeal in favour of trusting the present government. His speech is remarkable by the elevation of thought and by the expression of certain truths good to hear now and again, in this house and through the country as a whole. But the hon. Minister of Justice, who is also a great lawyer, endeavoured to justify the blind vote of confidence the government is asking from the hon. members by quoting the fact that in his profession he always insists that his clients do not interfere in the conduct of a case. I practised that same profession for nearly thirty years and always I demanded the same degree of trust from my clients. But the latter know nothing about the law and they come to us for advice, not to guide us. Thus the minister's argument implies, to my mind, that we have nothing to say in the conduct of the war and that we must invest the government with dictatorial powers. I am sorry to say that the conception I have of a member's responsibility is quite different.

The leader of the Cooperative Commonwealth Federation, in the course of the remarkable speech he delivered in this house on June 11, stated that one of the reasons of the disunity we deplore to-day lies in the fact that never during the last twenty-five years did Canada have a policy of her own, as becomes a sovereign nation.

This is partly true. We have lived for a long time within the orbit of a great power and we have suffered the repercussions of a policy over which we had little or no control. However, during the last few years and under the guidance of the Prime Minister, who is to be congratulated on this account, our political, financial and economic life has followed pretty closely the pattern set by our country's geographical position. Canada is an American country and if this is taken into account and our policies hence given a purely Canadian trend, many difficulties will be overcome, many causes of disunity will disappear for the greater good of the country. We shall hear less of the two principal nationalities that share our territory and more of the Canadian nation.

I have the highest esteem and regard for the leader of the government, our leader, but I cannot support the proposed amendment to the Mobilization Act, which implies a change of policy and incorporates in our statute books the principle of conscription for overseas service. Neither can I admit that the government, by a simple order in council, be empowered, under section 5 of the Mobilization Act, to apply conscription without consulting parliament and send overseas thousands of young men drafted hereto for the defence of Canada, and of Canada only.

Moreover, the statements of the Prime Minister and the principal members of his cabinet imply that conscription for overseas service is not necessary, that it might even hamper our war effort. For these various reasons, I feel compelled to vote against this measure.

Mr. J. ALPHÉE POIRIER (Bonaventure) (Translation): The question which arises to-day in the House of Commons is whether we should give the present government or its successors the power to impose by order in council a measure of conscription for overseas service. Therefore the principle of conscription for military service overseas is at stake in this bill, and it is the Liberal government that presents the bill and asks Liberal members from the province of Quebec to vote to give the government a free hand to put conscription into effect by and by if needed. Speaking for my constituency and for myself, I regret to say, Mr. Speaker, that I will not support the government on this question, that I will vote against it. I am breaking a fifty-three year old tradition when I set myself against the Liberal party in this chamber, and words could not express my regret. As a matter of fact it was in 1889 that Sir François Lemieux was elected Liberal member for the county of Bonaventure, which constituency he wrested from such famous Conservatives as Tarte, Robitaille and Riopel, by whom it had been held since confederation. Since that time, fifty-three years ago, my county has been Liberal, without a single defeat; and I do not think any member from that constituency, including Sir François Lemieux, Hon. Charles Marcil or Hon. Pierre Emile Cote, has ever had to vote against the government and the head of the Liberal party. In a recent radio talk I said about the Hon. Mr. King:

> No other prime minister of Canada has so loved the province of Quebec and has treated it with such a measure of justice. I know of no other man who, because of his dignity and honesty, of his exemplary life devoted entirely to his country's service, deserves so much esteem as the Prime Minister.

I cannot understand, however, how it is that the Liberal government, which has always been supported by the province of Quebec, which

has represented during many years the true Canadian sentiment not only in Quebec but in a great majority of the constituencies of this country, should now allow itself to be advised by the worst enemies of the Liberal party and of French-Canadian sentiment, and should go from one concession to another even to the point of bringing into parliament a bill containing the principle of conscription for overseas service. It is easy to see that it is high finance that is influencing the will of the government and forcing it to present such a bill. It is high time we offered some resistance to the will of high finance. I say that immediately after the war the people will revolt, peacefully or with violence, against the rapacity of high finance. In my county of Bonaventure, as in almost every part of the country, people suffered much during the depression of 1930-35. They were told that there was no money to buy bread, and large families were expected to live on relief allowances of $10 to $20 a month. But just as soon as war was declared billions of dollars were found with which to organize it. It is time to realize the financial tyranny which crushes the people of Canada. We are 100 per cent behind the war effort, but on the sole condition that the rapacious financiers be brought to reason, that after the war the riches of the country be put to the service of the people and not the people to the service of the riches.

I wish all my colleagues to understand me, Mr. Speaker. I am a Canadian, and no one loves his country more than I do. My maternal ancestor, a public notary, Alexandre Bourque, came to this country, to Port Royal in Acadia, in 1635; my paternal ancestor came to live in Prince Edward Island shortly after that. Therefore it is more than three hundred years since my forefathers settled in Canada. I represent a county which is representative of the whole of Canada through its components of Acadians, French Canadians and English Canadians. The latter, Scotch, English and Irish, form about 18 per cent of the population. We walk hand in hand, and there are no racial problems in my county. Bonaventure county can be proud of its war effort up to the present. It has furnished to the three Canadian services more than two thousand volunteers, out of a population of 42,000. The families of my county were among the first to be stricken, and more than two hundred of them weep over their sons who have fallen or who are prisoners of war at Hong Kong. The airmen of my county perished gloriously, one after the other, in the near east, in Great Britain, or in the neighbouring zones. Let me in passing offer to these stricken families the grateful salute of their proud country, which will never die.

We are ready to suffer all sacrifice in order to win this war. We have nobly consented to the general mobilization and to conscription for the defence of Canadian territory. We have consented to the gift of a billion dollars to England. We even would have consented to conscription which would have allowed men to be sent to any part of the American continent, in order to liberate all Canadian volunteers now on Canadian soil. Nevertheless we are not ready to go as far as conscription for overseas, first because we fear that conscription for overseas will disorganize completely the defence of our own country. In my county, Mr. Speaker, there are 120 miles of coastal territory without any military defence whatsoever. We, who have given more volunteers than almost any other part of Canada in proportion to our population, are left exposed to danger at the very door of the gulf of St. Lawrence, without defence of any kind. We have sacrificed the flower of our youth in this present war, with joy, with enthusiasm, with patriotism; but do you think we have been given any credit for it? Not a cent has been spent in my county, and we are supposed to accept this principle of sending the rest of our young men overseas by order in council. The Prime Minister and all the members of his cabinet are in accord that conscription is not necessary, that it perhaps never will be necessary; nevertheless we are asked to vote the principle of conscription. Such an attitude is contradictory.

Why have conscription, Mr. Speaker, when the Minister of National War Services (Mr. Thorson) declares in this house that there are no more bachelors or widowers without children in two districts, Quebec and Vancouver? Why have conscription when the director of selective service, Mr. Little, officially declares that we are threatened with a very serious shortage of labour, when we are in need of four thousand men in the Arvida war industry in the province of Quebec, and when Ontario war industries could employ twelve thousand more men? Why have conscription when Canadian agriculture lacks farmers and when the fishermen of Gaspé, as well as those of the east, are not numerous enough to fill their contracts with England and furnish the quantity of fish required by the armies of the allies? I would suggest rather that a reasonable and intelligently managed campaign of voluntary enlistment be carried on in those districts where there are still able-bodied men. For example, everyone knows that the Gaspé peninsula with a population of eighty thousand

has furnished more than four thousand volunteers. We also know that the population of the Gaspé peninsula is spread over a coastal territory of three hundred miles along the St. Lawrence. We know that this population is one of able seamanship, and that its sons would have cut a worthy figure in the Canadian navy. It is hardly believable, but no enlistment office for the navy has ever been opened in that region, and our boys have been forced, under those circumstances, to enlist in the land forces.

I do not want to be unjust toward anyone, and I am glad to admit that the Minister of National Defence (Mr. Ralston) has greatly improved the situation of French Canadians in the Canadian army. He has created new French Canadian regiments. Lately he did all he could to increase the number of French Canadian officers in the army. He has even opened special schools to allow educated French Canadians to follow training courses for officers at St. Jerome, Quebec, and at Brockville, Ontario. I congratulate him. We appreciate his efforts, and we are grateful for all he has done in this direction.

Following the same trend of ideas, I am pleased to recognize publicly in the parliament of my country the tolerance and moderation of the great majority of my English-speaking colleagues. A son of Acadia, I myself belong to a race whose wisdom, calm and moderation have been its strength in the past. Submitted to the greatest trials a people can endure, we have survived, I am glad and proud to say, thanks to the indomitable courage, unending patience and unexampled strength of will of our race. Thanks to these qualities we have succeeded at last in obtaining recognition of a part of our rights. We are ready to walk hand in hand with Canadians of other nationalities. It is with these dispositions that I came here two years ago, and I am happy to say that I have found here English-speaking colleagues who have an open mind and a tolerant soul. They are all filled, as we are, with love for our country. They are ready, I believe with all my heart, to understand the mentality and the aspirations of French Canadians and Acadians. I therefore beg them to make an effort to understand our point of view.

It is clear that in 1940 the honour and the given word of the Canadian people in its entirety were at stake in this promise that there would be no conscription for overseas. The province of Quebec, to whom the representatives of the Liberal party had long since promised that we would never participate in the wars of the empire, nevertheless consented to everything, provided there would be no conscription for overseas. Consequently this pledge of honour cannot be broken without the consent of Quebec. Let us therefore continue our voluntary war effort. Let the Minister of National Defence continue to grant his favours and place his confidence in the province of Quebec, and he will see that the volunteers will continue to come into the Canadian forces in ever-growing numbers.

It was Reverend George A. Little of Toronto who said lately before a religious meeting held in Winnipeg that Quebec would surprise the rest of the country by the number of its enlistments, if we went about the matter in the right way. I thank this distinguished clergyman of the Protestant faith for his wide understanding of the French-Canadian point of view. He is right. In spite of the mistakes that have been made in Quebec; in spite of the fact that a free field has been left to anti-British propaganda for two years and a half, the bulk of the French-Canadian population is ready to suffer voluntarily all the sacrifices expected of it.

A great many English-speaking members have expressed the same opinions in the house, and I thank them with all my heart. Many are making an effort to-day to keep intact the bridges which connect the two races. They are right, Mr. Speaker.

Within the last few days the hon. member for Leeds (Mr. Fulford) and the hon. member for Halton (Mr. Cleaver) have tried to create a little harmony between the two races and many others are working in this direction.

The whole of the country will be grateful to them. Let us admit, with the French journal *L'Action Catholique,* that there are a great many points on which we fully agree; and let us leave aside the only point on which we cannot think alike.

I express the hope, in concluding this speech, that the present crisis will pass, that we will win the war with volunteers without the application of conscription, and that the two great races of Canada will continue together in friendship toward their glorious destiny.

On motion of Mr. Mitchell the debate was adjourned.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, June 25, 1942

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

R.C.A.F.—BUILDINGS ERECTED IN TORONTO HARBOUR AREA

Mr. CHURCH:

1. How many sheds or huts have been erected on Toronto harbour improvements, on the north shore of Toronto bay, east of Yonge street, by the R.C.A.F. equipment department, under the British empire air scheme, and at what cost?

2. What is the total expenditure?

3. How many are occupied and for what purpose?

4. How many civilian men and women are now employed there and on what work, and who appointed them?

5. How many returned soldiers?

6. Who supplies the guards, and for what period are they on duty, and how many?

Mr. POWER:

1. Fifty-eight buildings.

2. Total commitment to date, $959,773.36.

3. Nine buildings are occupied by administrative offices, and motor transport section, and the remaining forty-nine buildings are used for the storage of equipment.

4. 840 civilians, consisting of 580 males and 260 females. They are engaged in handling R.C.A.F. equipment received and despatched for distribution among units of No. 1 Training Command.

The appointment of these civilians was made through the medium of the Unemployment Insurance commission, Soldier Welfare Committee, Canadian Corps association, Canadian Legion and Welfare department, City Hall, Toronto.

5. Eighty-five per cent of the male employees are returned soldiers, having served either in 1914-1918 or in the present war.

6. The main guard is supplied by the R.C.A.F. security guard, and in addition ten civilian watchmen form two shifts, from 4 p.m. to 12 p.m. and from 12 p.m. to 8 a.m. on piers 4 and 6.

SHIPMENTS OF DRESSED BEEF TO THE UNITED STATES

Mr. McKINNON (Kenora-Rainy River):

How much dressed beef was shipped to the United States the first five months in 1942 as compared with the first five months in 1941?

Mr. MacKINNON (Edmonton West): Mr. Speaker, it seemed to me there was no reason why this question could not be immediately answered, but I am advised that the censorship advisory committee has held several meetings recently to consider the question of the publication of statistical information, and, after consultation with the representatives of the United Kingdom and the intelligence branches of the Canadian armed forces, it is deemed inadvisable to release for publication any statistical information during the war period.

I know that in some cases, such as this one, it appears doubtful as to the possible value of this information to the enemy. The authorities, however, take the most serious view of a question of this kind. I assure hon. members that there is no desire whatever to withhold any information from them, and I am prepared to give any hon. member the statistical information he desires for his own personal and confidential use, if accepted by him on that responsibility.

Mr. HANSON (York-Sunbury): I want to register positive dissent from that point of view, especially in relation to a question of this kind, and I believe I shall be sustained by the judgment of the house and the country. What possible good could result to the enemy from giving the information sought in this question? This is the state of mind of bureaucracy. Does it reflect the policy of the government? It would appear that it does. I protest against it.

Mr. MacKINNON (Edmonton West): I do not think any further comment from me is necessary. I expressed not only my own personal view, but also the departmental view. It is very difficult to know just where to draw the line in respect to giving information which may or may not be useful to the enemy. This rule has been adopted by the censorship committee which has been set up

SCRAP IRON AND IRON ORE

Mr. JACKMAN:

1. What was the tonnage of scrap iron exported from Canada during 1937-41, inclusive?

2. What were the countries of destination and what was the tonnage sent to each country during each of the above years?

3. How many tons of iron ore were mined in Canada during each of the years 1937-1941, inclusive?

Mr. MacKINNON (Edmonton West):

1 and 2.

Exports of scrap iron by countries, during the calendar years 1937 to 1941.

Country	1937	1938	1939	1940*	1941*
	(Tons of 2,000 pounds)				
United Kingdom	15,824	13,884	8,573	....	....
Hong Kong	....	34	....	....	....
Newfoundland	8	217	....	....	....
Belgium	....	629	14	....	....
Germany	....	....	821	....	....
Japan	46,948	41,033	46,866	....	....
Netherlands	55	2,363	7,111	....	....
Portuguese Africa	302	....	64	....	....
Sweden	34	....	....	....	....
Alaska	2	....	....	....	....
United States	80,804	26,962	30,388	....	....
Totals	143,977	85,122	93,837	....	....

*Years 1940 and 1941—country detail not available.

On September 20, 1939, the exportation of scrap iron was made subject to export permit regulations and no permits have been granted since that date, other than for shipments to the United Kingdom, and a certain quantity to the United States, of a type that could not be utilized in Canada.

3. Year	Ton
1937	None
1938	None
1939	123,598
1940	Not published
1941	Not published

QUESTIONS PASSED AS ORDERS FOR RETURNS

WHEAT ACREAGE REDUCTION AND OTHER PRAIRIE FARM ASSISTANCE

Mr. FAIR:

1. In the province of Manitoba, how many claims have been made for bonus under, (a) wheat acreage reduction regulations; (b) Prairie Farm Assistance Act; (c) prairie farm income regulations?

2. How many of such claims have been passed for payment?

3. How many claims have actually been paid, (a) in full, (b) in part?

4. In the province of Saskatchewan, how many claims have been made for bonus under: (a) wheat acreage reduction regulations; (b) Prairie Farm Assistance Act; (c) prairie farm income regulations?

5. How many of such claims have been passed for payment?

6. How many claims have actually been paid, (a) in full, (b) in part?

7. In the province of Alberta, how many claims have been made for bonus under: (a) wheat acreage reduction regulations; (b) Prairie Farm Assistance Act; (c) prairie farm income regulations?

8. How many of such claims have been passed for payment?

[Mr. J. A. MacKinnon.]

9. How many claims have actually been paid, (a) in full, (b) in part?

10. What amount has been paid under each bonus act or regulation in, (a) Manitoba, (b) Saskatchewan, (c) Alberta?

11. What is the estimated amount still due and to be paid under each act or regulation in, (a) Manitoba, (b) Saskatchewan, (c) Alberta?

12. Has any decision yet been made as to what constitutes, (a) a rancher, (b) primary occupation?

13. If so, what is it?

14. If not, when will it be made?

15. Has any decision yet been made to pay individual claims to father and son where they are domiciled under one roof but operating their farms as two separate units, and each owning part of the farm machinery?

16. Who are the members of the board of review?

17. Are any of these practical farmers?

18. Who are the members of the treasury board?

19. Is the decision of the board of review binding on the treasury board?

CANADIAN FORCES—HONOURS AND DECORATIONS

Mr. JACKMAN:

1. Will a general service medal be issued to those sailors, soldiers and airmen who enlist for active service during the present war, but who are retained in Canada?

2. If so, will the government recognize similarly those soldiers and airmen who enlisted for active service in the great war, but who for reasons beyond their own control were retained within Canada?

3. If not, how many, (a) soldiers, (b) airmen enlisted for active service overseas during the great war, but who, because of uncompleted training prior to the armistice, or being retained in Canada for the purpose of training others, or for home defence, or because of youth or over-age, or otherwise, saw service only in Canada and were not awarded the general service medal, 1914-1918?

4. Of these how many are now serving in the armed forces and have no distinction to show that they served in the great war?

5. How many soldiers or airmen lost their lives in Canada while on active service?

6. How many George V jubilee medals were awarded in Canada?

7. How many George VI coronation medals were awarded in Canada?

WARTIME ADMINISTRATOR, PORT OF HALIFAX

Mr. ISNOR:

1. Has a war-time administrator been appointed for the port of Halifax?

2. If so, what is the name of said administrator?

3. What are his duties?

4. What are his special qualifications for such work?

5. Where was he employed before his appointment to his present position, and what was his salary?

6. What salary will he receive as war-time administrator at Halifax?

7. Was he allowed any transportation expenses to Halifax? If so, what amount?

8. Will he receive any living or expense allowances? If so, what?

9. Will he be provided with an automobile? If so, state arrangements; if not, state any arrangements entered into with respect to a purchase of automobile, and the taking over of said car at the expiration of period of employment of administrator?

10. What were the reasons for the appointment of such a person to the port of Halifax, (a) was there a lack of proper supervision of harbour facilities; (b) was there a loss of time in the docking of ships; (c) was there inefficiency in the directing of traffic through the port?

11. Will the administrator's authority rank higher than that of, (a) the controller of loading operations in so far as war-time supplies are concerned; (b) the navy in respect to control and direction of traffic?

12. What, if any, experience has he had in shipbuilding and ship repairs?

PAY OF SOLDIERS WITH DEPENDENTS—COST OF LIVING BONUS TO CIVILIAN MESSMEN

Mr. NOSEWORTHY:

1. How does the amount of pay now received by soldiers with dependents compare with that received by soldiers with dependents in the last war, when the allowances paid from the Canadian patriotic fund are taken into consideration?

2. What steps have been taken to provide cost of living bonus for the civilian employees of the air force known as messmen?

AIRCRAFT PRODUCTION—EFFICIENCY OF PERSONNEL

Mr. JACKMAN:

On Thursday, May 14, 1942, on page 2648 of *Hansard*, the Minister of Munitions and Supply stated:—"He turned out a tremendous amount of work, but it was found he had destroyed over $3,000 worth of stock and had produced nothing which would be useful in an aeroplane."

1. When did the incident occur?

2. What was the material used?

3. What form was it in when given to the novice?

4. What, if any, was the system of inspection of work in process or of parts immediately on finishing?

5. What part or article was the novice attempting to produce?

6. What was the name of the plant?

7. What were the names of the president and general manager?

CIVIL SERVICE COMMISSION—EXAMINERS

Mr. SHAW:

1. What are the names of the civil service examiners?

2. Who is the chief examiner?

3. What was the occupation or profession of each examiner at the time of his appointment?

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT OF SERVICE OVERSEAS

The house resumed from Wednesday, June 24, consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940, and the amendment thereto of Mr. Roy.

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, this has been a very long debate. Almost every point of view on economic and social questions has been aired in this house, and I think it is only fair to say to my friends of the Cooperative Commonwealth Federation that the conscription of wealth is now an inescapable reality. I do not think there is much more to conscript; wealth is down the drain. I would make this short statement, however. I do believe that in the post-war period we shall have this country so organized that we shall be in a position to abolish want.

Opinions have been expressed indicating the will of the Canadian people on the plebiscite. There is no doubt in my mind that our people definitely placed the responsibility upon parliament and the government to implement any policy including conscription for overseas service if they deemed it necessary for the successful prosecution of the war. It has brought to the surface the driving force of the faith in the future destiny of this country, and the fundamental viewpoints of those in favour of and those opposed to conscription of men for service overseas. I would point out to some who have taken part in the debate that some of the arguments used have been prevalent in countries which have long since fallen under the heel of the enemy, whose people are now suffering from the mistakes of their leaders.

This war is different from the last war. In the last war the front was mainly in continental Europe and the allies had almost unchallenged control of the seas. In this war the front encircles the globe and their control of the seas is by no means sure. In the last war our problem was how soon the allies would win; in this war the problem has always been and still is whether we can stave off defeat long enough to enable us effectively to mobilize our man-power and our resources on behalf of the common front of the united nations. In the last war our defeat would have meant some loss of territory and possibly the payment of an indemnity, but even after defeat we would have continued to lead our own lives with the loss of only a few of our liberties. In this war, as the experience of all the conquered nations shows, defeat means the utter and ruthless repression of all our liberties and our institutions and the degradation of all of us to the level of slaves and beasts of burden to the master race.

Let us visualize the position in which we are in this dominion at the moment. Eleven million people are living on what is almost a continent, and by the same token one of the richest parts of the world. Through the genius and foresight of our people we have pushed back the arctic circle so that we can grow things where they had never grown before. We have uncovered mineral riches which have added greatly to our productive powers and without which successful war cannot be waged. As I have already pointed out, we are a small population living in a vast country; but on the basis of our ability to produce the instruments of war, the valour of our fighting men, and the initiative of those engaged in industrial and agricultural pursuits, we are a far more important unit of the united nations than mere population would indicate.

We have heard it said in this house, and also outside, that Canada is not on a total war footing, the inference being that without conscription for overseas service we cannot wage total war. What is total war? Does it mean squeezing the last possible man out of the population and putting him in uniform, or does it mean making the maximum war effort by a balanced distribution of man-power between the armed services on the one hand, and, on the other, agriculture, war industry and civilian occupations? We may well ask ourselves these questions. Hon. members' memories are not so short that they cannot recall the words of Prime Minister Churchill, "Give us the tools and we will finish the job."

[Mr. Mitchell.]

It cannot be denied that Canada has moved with the utmost speed to provide the tools of war on every possible front. My colleague the Minister of Munitions and Supply (Mr. Howe) indicated this in a striking manner to the house the other day. This war cannot be won with bows and arrows. Dunkirk, Hong Kong, Singapore, Burma, and more recently Tobruk, should have taught us the folly of raising men for armed forces without also providing them with the best and most powerful weapons of war. Let this be clearly understood: we must maintain the level of our war production to ensure the adequate provision of war equipment for our own men and those of the united nations, but we must soon face the question, how long we can continue to increase both the number of our men in the armed forces and war production.

As one of the major arsenals and granaries in the British commonwealth, our Canadian war problem resolves itself primarily into a balance for the allocation of total man- and woman-power to: (1) the armed services; (2) production of munitions; (3) production of foodstuffs for war purposes; (4) production of essential civilian supplies. While raising a large number of men for the armed services, we have been able at the same time to achieve a remarkable increase in both industrial and agricultural production. Up to the present we have been able to accomplish this by a process of natural selection, allowing individuals to find that war-time service in which they feel able to make their best contribution to the total war effort. However, the time has come when we cannot reach the military, industrial and agricultural goals that are necessary to ensure victory without the gradual exercise of some government direction and control. One has only to read the newspapers—and by this I do not necessarily mean editorials. In recent issues of the Toronto and Ottawa papers I have noted almost frantic appeals from war industry for men. Many of these industries are located in ridings represented by hon. members here this afternoon, and they cover almost the whole field of human endeavour. Particularly is there need for men in the heavy industries; and in my judgment, if we are to continue production on the scale on which we are now producing—and of course we have planned for even a further increased production—it will be necessary to pay particular attention to heavy industry, because it is the basic industry of the war, in which few women can be employed. I believe that steps will have to be taken in the very near future to see that the heavy industries of this country are provided with sufficient men

so that we can produce the necessary supplies according to plan. I sometimes wonder whether we have not tried to do too much for a nation the size of ours.

In recent weeks I have received many visits from industrialists who are anxious about the shortage of labour and its effect on war production. I should like to quote two paragraphs from a letter which, because of the nature of its contents, dealing with the war effort, was confidential. This paragraph reads:

> Indications are that this condition is going to become worse, since we have a number of production units which will go into production during the summer months, so that unless more labour becomes available by the fall our efficiency will be greatly impaired.
>
> At the present time we have need for between 300 and 400 men, and with the new units going into production we will require by September or October a force of approximately 500 to 600 more than the number we now have working. We are doing everything we can to relieve the situation by picking up labour in the north country and in various other parts of Ontario where we understand non-essential industry is being curtailed.

I could instance many other appeals for labour to take jobs on which women cannot be employed. It is evident that almost all our people who are ordinarily accepted for work in industry and agriculture are now fully employed. From now on we must carefully classify the man- and woman-power of the country so that every individual can be referred to the work in which he can make his maximum contribution to our war effort.

The conclusion is inescapable that we cannot reach the military, industrial and agricultural goal which we must attain to ensure victory without steadily increasing resort to measures of government direction and control, of which I now wish to speak briefly.

Effective utilization of man-power implies that none be wasted by unemployment. Every unemployed male worker is now required to register for work and to keep that registration active as long as he remains unemployed. This will soon be made compulsory for women workers also. It is generally agreed that every effort should be made to offer jobs first to the available men. We do not expect 100 per cent success in removing every local or temporary pocket of unemployment; even Great Britain has not been able to achieve that. But lack of success will no longer be because of incomplete information. We must know of every unemployed worker, where he is and what sort of work he is best fitted for.

On Friday last the leader of the opposition (Mr. Hanson) requested a statement as to the total numbers of males and females recorded at the employment offices across Canada in compliance with the order requiring all male persons from sixteen to sixty-nine years of age to register. I may say that the employment offices have been reporting the number of persons who at specified dates had applied for work and who on the dates reported had not yet been placed. The following are comparative figures, as at April 30 in the years 1940, 1941 and 1942, of those who had voluntarily come to the employment offices seeking work and have not been placed:

April 1	Men	Women	Total
1940.....	108,257	19,295	127,552
1941.....	51,580	14,912	66,492
1942.....	24,879	8,141	33,020

Of course in the day to day transactions of the employment offices there will always be a number of persons who at the end of any given day are unplaced because of the ordinary movement of men and women from one job to another. However, the comparison I have just given of unplaced applicants as between 1940 and 1942 shows that the reservoir of available labour is almost entirely depleted.

An interesting check against the foregoing figures is disclosed by the employment reports secured monthly by the bureau of statistics from firms employing more than fifteen employees. These reports indicate a very large increase in the number of persons employed in non-agricultural employment. The figures are:

March	No.
1940.....	2,120,000
1941.....	2,678,000
1942.....	3,131,000

Hon. members will see that there has been an increase of approximately a million persons employed in these industries over the last two years. It is apparent from these figures that the number of persons reporting voluntarily for work is decreasing rapidly and that the number of persons employed in this group of roughly 13,000 firms has increased by over a million in the last two years.

It is interesting to note that in April, 1942, as compared with April, 1940, the number of unplaced applicants at the employment offices showed a decrease of 74 per cent and the number of wage earners employed by these 13,000 firms had increased between March, 1940, and March, 1942, by 47 per cent.

It was our opinion that the number of employable men who have not registered at the offices voluntarily was very small. However to make sure and to obtain a registration of employable women on a voluntary basis and generally to encourage the use of the employment offices, compulsory registration of men and voluntary registration of women

was ordered to be taken early in June. At the close of business on June 11, 1942, as a result of the two registrations the total number reported as being unemployed in Canada was:

Women	8,818
Men	59,933
Total	68,751

It should be noted that the number of women who registered is not greatly in excess of the figures for April 30, 1942. Since the registration was voluntary, most of those who registered were women who were actually seeking employment. As the registration of men was compulsory, the 59,933 who registered included many unemployable persons, many only partly employable and many who for various reasons it would be difficult to place in employment. The employment officers are examining the registration, and from preliminary but incomplete returns it appears that some 50 per cent of the 59,933 males are totally or partly unemployable. Accordingly the net figure of employable men registered is approximately the same as the total number of males who had voluntarily registered at April 30, 1942, or something over 20,000, and not more than 30,000 unplaced on June 11, 1942. This is a remarkably low figure, undoubtedly an all-time low for Canada. The registration of all those persons covered by unemployment insurance is almost complete. They are being classified by age, skill, sex, and industry.

It is obvious that we cannot meet our man-power requirements solely from the present small number of unemployed. Women must replace men in very many occupations within the range of their strength and skill; men must be transferred from less essential to more essential industry, and it may be necessary further to contract employment in less essential production. One has only to walk down the main streets of any of our cities to observe that we have not yet touched the fringe of the measure of sacrifice necessary for victory.

One will appreciate the difficulties in establishing a man-power inventory when we are dealing with the records of millions of individuals. The inventory gets out of date before it can be put to effective use. But we are undertaking to maintain a running inventory of our man-power by requiring employers to report all additions to and separations from their payrolls. This is essential to reduce excessive and wasteful labour turnover. The effort to prohibit enticement from war industries was not effective, because employers were free to hire anybody who applied. However, the wage control policy has restrained employers from putting up wages in their competition for scarce labour. This competition, of course, did not increase the total supply of labour, but simply caused more movement of the available supply between employers.

We intend to channel all transfers of labour through employment offices. At the moment employers are required to notify the national selective service officer of all their vacancies and all prospective lay-offs, and they may engage only persons referred to them or approved by the national selective service officer. This is the beginning of genuine control and direction of man-power. The national selective service officer, as the system develops, will have before him at all times the local demand for and the supply of labour.

As employers and employees grow more accustomed to using the officers, and as the officers gradually learn the details of their local situations, it will be possible, either generally or in particular localities, or in respect of particular industries and occupations, to tighten or slacken the control as circumstances necessitate. This will mean some inconvenience to both employers and employees. A tremendous burden of work and responsibility is imposed on the employment offices, but the procedure if effective will facilitate post-war readjustments in employment of untold benfit and value.

The house is well aware of the steps already taken with respect to the maintenance of an adequate labour supply for agriculture. I would like to say this to my farmer and industrial friends. This war in its very essence demands that we improvise from day to day, and as the changing conditions require, the measures necessary to free men for the fighting forces so that victory may be assured.

Last year the province of Ontario, in cooperation with the dominion, was able to organize a farm labour programme that provided an additional 23,000 workers to assist in the peak period of agricultural activities, and a similar arrangement has been made for this year.

It is certain that governments cannot do everything, but I am confident that with the intelligent cooperation of the farmers themselves most of the difficulties of farm labour supply can be minimized.

If I had more time I could discuss the war emergency training programme under which tens of thousands have been trained, and the plan recently adopted to train 15,000 war plant job instructors within a period of three months. We have set in motion, in cooperation with the universities, a course of training

in personnel work, because of the dearth of qualified men in that field, which I think will be of untold benefit both to employers and to employees in our industrial life. From my experience as chairman of the industrial disputes inquiry commission I am of the opinion that one great defect is the lack of knowledge by some managements of how to deal with the human element in industry. A man may be one of the brightest of engineers, but when it comes to the engineering of men he sometimes is the worst kind of engineer, and we have felt in the labour department that with the development of a personnel force especially trained and skilled in the handling of men much unnecessary industrial friction may be avoided. The British government have taken similar steps, also our friends to the south.

We have arranged with the universities and the provinces to provide assistance to student doctors, dentists, engineers, and scientists who on graduation will be directed to the armed services and war industries. This financial aid will make it possible to continue the courses in the summer months and will speed up training in these most important occupations.

Funds are being made available to meet the transportation costs of moving workers to distant employment.

Negotiations are proceeding with the provinces with a view to the conclusion of agreements for the establishment of day nurseries for the children of women employed in the war industries.

It will be observed that by the adoption of a variety of measures, some still in their early stages, the mobilization of Canadian man-power has been proceeding steadily. The regional and national war labour boards are turning to the problems of wage adjustments necessary to attract and retain labour in distant and isolated undertakings, such as the defence projects in British Columbia.

As the labour supply situation tightens I shall be prepared to recommend, and I know the Canadian people would wish me to recommend, whatever measures of increased direction, compulsion or control prove necessary to meet future requirements. As Minister of Labour I have the task of seeing that there are enough men for our war industries. Hence the setting up of the national selective service branch under Mr. Elliott M. Little, who with his associates are moving faster in the total mobilization of man-power than many realize. It is the part of statesmanship in this time to unify the people of this dominion so that our national war effort may reach maximum proportions and efficiency. We cannot maintain our free institutions in these desperate times unless there is national unity. I believe that is the soundest policy to pursue.

May I say this, Mr. Speaker, that I am doing many things to-day which are in direct contradiction of everything I have ever believed in, and I am doing them because I believe they are in the interests of this dominion. Many "shalls" and "shall nots" are going out from the Department of Labour every day in the week, but I trust that it may be said of the Minister of Labour and of the government of this country that no step that we take will endanger the liberties that have been handed down to us, and I hope that at the conclusion of the war we shall speedily return to that way of life where the utmost amount of freedom is possible for the people of this country.

Tribute has been paid to the various racial groups that go to make up the life of this dominion. Basically we have French and British, but we have taken within our blood streams most of the finest races of Europe and have fashioned a nation based on the concept of freedom equal to that of any other country in the world.

Mention has been made of imperialism. The British people, and I speak now in the broader sense, with all their faults, have been mainly responsible for the form of government that has made possible even this debate in the House of Commons. It has been my privilege, Mr. Speaker, to visit almost every part of what is sometimes called the British empire, and I know something of the contributions that have been made to democratic government and justice by the British people. I have also seen things and conditions that I felt were not warranted in any civilized country, but viewed in the broad sweep of history I think it will be said that the contributions made by the British empire have been the greatest in the history of the world.

Members of this house have a terrible responsibility. It is their duty to give leadership to their constituents. Freedom, as we understand it, is in the balance. When the history of our time is written, may it be said that we measured up to our responsibility, and that nothing we should have done, no matter what the cost, was not undertaken to preserve the heritage of liberty handed down to us by those who have gone before.

I do not want hon. members to have any doubt as to where I stand on the question of conscription for overseas service. It has been indicated in certain quarters that I am a conscriptionist. Be that as it may, I hope it can never be said I am not a realist. I want to say in conclusion that when in my view con-

scription for overseas service is essential to the safety of the state and the preservation of our way of life, I will express my opinion in no uncertain terms.

In conclusion I should like to quote from a book written by an American. It is called "The White Cliffs", and from it I take this thought:

I am American bred,
I have seen much to hate here—much to forgive,
But in a world where England is finished and dead,
I do not wish to live.

That expresses my sentiments.

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, first of all I should like to congratulate the Minister of Labour (Mr. Mitchell) upon the excellent speech he has made this afternoon. I take to myself a good deal of credit for the fact that he occupies his present position. Some hon. members will recall that nearly two years ago I recommended to the house that we have as Minister of Labour a man who understood the problems of labour. I am glad to see that for some little time we have had a man as able as the hon. gentleman who has just taken his seat.

After listening to the monotonous, partisan repetitions of set phrases which came to us like a gramophone record of their master's voice, in the form of speeches by one cabinet minister after another in support of voluntary enlistment, and of the Prime Minister's policy of procrastination in so far as the real issue is concerned, it was indeed refreshing to hear the well-reasoned argument of the Minister of National Defence for Naval Services (Mr. Macdonald) in favour of conscription.

There is no misunderstanding his language when he says:

The need for conscripting those men—

For overseas.

—having arisen, I say frankly . . . the government should have power to apply conscription.

He does not follow the Prime Minister's ifs and whens, or the Minister of National War Services' confessions of an ex-pacifist, but says with conviction that the time is here —now. I congratulate him upon his courage, and the valuable contribution he has made to the debate.

On Tuesday last I listened with much interest to the important speech of the Minister of National Defence (Mr. Ralston). I congratulate him upon the change which has taken place in his attitude toward the manpower problem since he rebuked me in the house following my speech on May 12, 1941, when I had the termerity to suggest the adoption of compulsory selective service. I admit at once that he may have done this from the very best of motives, knowing as he probably did the effect which even the suggestion of conscription would have upon Quebec. I am glad to find that he now declares there is nothing sinister about the word conscription, and that if it comes to a choice between national unity and national security he will select the latter.

On May 12 I spoke in part as follows:

We should have the compulsory selective service which was visualized by the sweeping powers of the National Resources Mobilization Act passed last June, without the hamstringing clause that prevents men who train under that act from being used wherever the need is urgent. Voluntary recruiting has reached the stage where it is slow, cumbersome and wasteful. I am certain that all parts of Canada will respond to the high patriotic call that the situation now requires. Selective compulsory enlistment is the only fair and efficient way to meet the complex needs of Canada. I venture to suggest therefore that this session should not close until we have disposed of this urgent business.

I objected then, as I do now, and as I did in 1940 when the National Resources Mobilization Act was passed, to section 3 being incorporated in the act. I am firmly of the opinion that if the government had courageously introduced conscription at that time, the province of Quebec would have accepted it, and to-day we would have greater national unity. This lack of unity I attribute to the vacillating leadership we have had under the present government.

From listening to various speeches one would assume that the need for conscription has not yet arisen, but that when it comes—and not until then—conscription will be enforced. They seem to lose sight of the fact that it takes from nine months to two years to make an efficient soldier. When the need comes we cannot just go out and grab men, put them into the service and rush them into the firing line. We have had many illustrations of the lack of wisdom of that procedure.

I wish to congratulate the hon. member for Trinity (Mr. Roebuck) upon the courage he has shown in casting aside at least temporarily his partisan ties, and upon the able way in which he disposed of the irrelevancies with which the speeches of his political friends have confused the issue. He has offered a correct and logical interpretation of the meaning of the "yes" and "no" votes as applied to conscription. I agree entirely with the hon. member when he says:

The question of conscription cries out for decision, and can no longer be evaded. Let us

determine it now. This is the debate, and now is the time. It has already been decided by the high court of the electorate.

And I may say to the hon. member that it was decided by the high court of the electorate in my constituency, as well as in his.

May I also congratulate the hon. member for Lambton West (Mr. Gray) upon the admirable speech on conscription he delivered in the house on June 18. He expressed the views held by over 80 per cent of the people of this province, and earned their admiration for his courage in doing so. After all, I submit that in time of war, national defence should be placed before party, and that is just what the hon. members to whom I have referred have done.

The hon. member for Bellechasse (Mr. Picard), speaking yesterday, called for unity and understanding and referred to what he termed the disgusting prejudice against French Canadians. I may tell him that that does not apply to any of the hon. members of this house who are associated with me here. It certainly does not apply to me. I have always advocated tolerance. I should like to quote from a speech I made on April 24, 1934, on our heritage of tolerance. I said:

> The priceless heritage of tolerance, the priceless gift of freedom which this dominion, as a part of a great empire holds in trust for this and future generations, will, I know, never be betrayed, never be lost. For it is in this freedom, this tolerance, this true democracy, that the richest life is to be found for all men.

I may tell him also that I have nothing but the kindliest feeling of friendship and admiration for the race which he represents. Many years ago I went to Paris to take a post-graduate course in surgery, because in that city there were some of the most expert exponents of surgery to be found anywhere in the world. I should like to pay a tribute to that great scientist Louis Pasteur, whose discovery that minute organisms caused suppuration has enabled such great progress to be made in surgery. Had it not been for his discovery, many of the successful operations now performed on various parts of the human body would not have been possible.

I believe also that our French-Canadian compatriots are just as loyal as any of us. If they are placed in a false position to-day it is not their fault; it is owing entirely to the perverse education they have received at the hands of the politicians. It is a fact that a million French-Canadian people of Quebec origin who now live in the New England states have responded to the national selective service draft as loyally as any other United States citizens. Our French-Canadian compatriots would do the same under the leadership of a Roosevelt or a Churchill. Instead they have been misled for political party considerations by the Prime Minister (Mr. Mackenzie King) and some of his colleagues. It is clear that the present unhappy situation in Quebec has been due to the spread of anti-British propaganda over a period of years by politicians for their own partisan ends.

The hon. member for Bellechasse has been less than fair in quoting only the statements made by Mr. Asquith in 1915 and 1916, because it was in the latter year that Mr. Asquith was deposed from leadership for his persistence in those views and for following of a policy of "wait and see." There is ample evidence of disunity in this house, as well as a steadily mounting feeling of distrust and despair throughout the country under our present Asquithian leadership, to warn the Prime Minister that he will soon meet a similar fate. I should like to bring the hon. member for Bellechasse up to date by quoting a few passages from a speech made by Mr. Churchill in May, 1939, to be found at page 170 of "Blood, Sweat and Tears." Speaking of the conscription act, he said:

> But there is nothing undemocratic about this measure; it is the most democratic thing we have ever done in the island. Provided that no exceptions are allowed, it will wear away differences between class and class, and it may also be the beginning of a far more broadly and evenly based society than we have ever known.

And again:

> This is a time when prejudices must be abandoned on either side, and a true comradeship established between all parties and classes throughout our loyal anxious land.

Referring to the period of which my hon. friend spoke, he says in part:

> This proved intolerable to the national sense of justice. Moreover, the two million households and families whose menfolk had borne the whole burden, were infuriated by the fact that there were very large numbers of perfectly fit men remaining at home, filling at higher wages the jobs of those who had volunteered. It was this sense of wrong and injustice, which spread through the country in the spring and summer of 1916, that alone carried the conscription bill.
>
> How different now! Today, before a shot has been fired, in cool blood we are taking this momentous step, and taking it with a very large measure of national acceptance. Nothing could more vividly mark the manner in which the wage-earning classes—without whom no armies can be formed—have realized the deadly nature of the assault which is being directed at their fundamental right and liberties. What nearly two years of bloody war only attained with difficulty in 1916, is now practically conceded by the will of the nation in a time of nominal peace. This is the point which should impress foreign countries, and—

I interject, "Canada".

—because it is the most explicit guarantee of the resolve of the British people to bear its part in what is now plainly a world cause.

I am sure we were all greatly touched by the pathetic evidence of fog which surrounded the statesman from Saskatchewan when he visited a valley in British Columbia many years ago. One can only conclude that the same fog has pursued him through the years and still envelops him. This is perhaps the kindest way to explain his willingness to sit silent and listen to the aspersions which have been cast upon his former colleague, Right Hon. Arthur Meighen, in connection with the enforcement of conscription. This would seem to be the appropriate time to get the record straight. Mr. Meighen drew up the conscription act of 1917 in his capacity as Solicitor General, and no one can read that act without agreeing that it is as fair and equitable as a law could be made. All decisions to be made under it with respect to the liberty of the subject were made by impartially appointed tribunals. The bill was introduced by Sir Robert Borden on June 11, 1917. It passed on July 24 of the same year, when it received the practically unanimous support not only of the Conservative members of the house but of a large part of the Liberal party as well. About a month later, on August 28, Mr. Meighen left the justice department to become Secretary of State. On October 2 of the same year he became Minister of the Interior, which position he held until 1919. Sir Robert Borden promised not to give the bill effect until it was submitted to the people in a general election, which was held on December 17, 1917. The actual call for service was not made until January 3, 1918.

The administration of the military service act was entirely under the Department of Justice, whose head was the Hon. C. J. Doherty, of Quebec. From what I can learn there does not appear to have been any complaint at all about its having been unjustly administered, although, doubtless, minor errors were made. The talk, therefore, about the administration of the act being the cause of the opposition is absurd. The opposition, clearly, was to conscription itself, as everybody will realize who has sat in this house during the last week or so.

The present Prime Minister and his Quebec ministers capitalized on it in the most ruthless way. It will be apparent how unfair and untrue it was for the Prime Minister to announce over the radio in seeking the "yes" vote, as he did, as follows:

The pledge not to impose conscription, as everybody knows, was the result of Canada's experience in the last war. The way in which conscription was then introduced and the way it was enforced gave rise to bitter resentment.

I say, Mr. Speaker, that this statement is the more reprehensible because it was made in what the Prime Minister proclaimed as a non-party campaign, and when Mr. Meighen, a member of the government of 1918, had no means of replying to the audience which the Prime Minister reached, gratis, over the radio.

May I point out that the present Minister of Mines and Resources (Mr. Crerar) and all the Liberal ministers in the Union government at that time, as well as Mr. Meighen, were jointly responsible for what was done. The minister of mines, who has been a member of the present government for many years, had exactly the same relation to the enforcement of conscription as had Mr. Meighen. But the Liberals made a bogeyman of Mr. Meighen because he became the leader of the Conservative party. If there was anything wrong or unjust in the enforcement of the act, the minister of mines had the full responsibility that Mr. Meighen had, but had not the common fairness between man and man to defend either himself or his former colleague. Instead, he proposes sending me and other critics of the government to a concentration camp—which only confirms the fears of some people that we are soon to have, if we have not already, a dictatorship in this country. In fact, does not the announcement yesterday of the action launched against Colonel Drew point in the same direction?

Some hon. MEMBERS: Order.

Mr. FLEMING: That is before the courts.

Mr. BRUCE: I gave a fair hearing to the hon. gentleman who spoke before me, and I would ask my hon. friends to accord me the same treatment.

Mr. SPEAKER: May I point out that any reference to a matter which is before the courts is not in order.

Mr. BRUCE: I would simply add that I consider, as many others do, that the methods of the gestapo were brought into play and displayed for the observation of this country yesterday. Is it a crime for a man to try to find out what caused our troops to be sent unarmed—

Some hon. MEMBERS: Order.

Mr. BRUCE: —and untrained to Hong Kong? If not, then some explanation is needed of what took place yesterday.

The present debate on conscription, Mr. Speaker—

Mr. GOLDING: Mr. Speaker, I rise to a point of order. I believe that the rules of the house prohibit speakers from reading constantly from manuscript.

Mr. HANSON (York-Sunbury): The Minister of Labour read every word of his speech.

Mr. GOLDING: Mr. Speaker has given a ruling and so far as the leader of the opposition is concerned he is the first one to create a fuss if anybody interrupts him. I am now addressing myself to the house through Mr. Speaker.

Mr. SPEAKER: Order. I have already stated to the house the rule regarding the reading of speeches. I will not say that the hon. member is reading his speech in a manner that should be taken objection to. It is true that the hon. member is reading closely from his notes, but I think that some latitude has been given to other members addressing the house.

Mr. HANSON (York-Sunbury): The Postmaster General yesterday read every minute during his speech.

Mr. MULOCK: That is not correct.

Mr. BRUCE: Thank you, Mr. Speaker. I have had previous interruptions from the hon. member for Huron-Perth (Mr. Golding), and I expected the same thing from him again this afternoon. He has been very restless for some time, particularly when I talked about some of his friends.

The present debate calls to mind the discussions which took place during the crisis which arose over conscription in England in the summer of 1915, when Mr. Asquith was Prime Minister. Mr. Churchill explained that the delays and uncertainty were arousing great disquiet, and then went on to discuss in a general way the question of temporizing in peace and war. The quotation will be found in "The World Crisis", volume I, page 243.

Mr. FLEMING: Well, we can read it there.

Mr. BRUCE: I should like to read just what Mr. Churchill said. The hon. member for Bellechasse (Mr. Picard) read a good many extracts yesterday. Surely I can have a similar privilege to-day, without the Minister of Agriculture (Mr. Gardiner) and others looking discomfited.

Mr. SPEAKER: Order. I must call the attention of hon. members to the fact that the hon. member who has the floor has a perfect right to give expression to his point of view, whether or not it is pleasing to other hon. members of the house. He should be extended the consideration to which all hon. members are entitled, and I must insist that he have the right to make his speech without interruption.

Mr. GARDINER: Mr. Speaker, I object to the hon. gentleman bringing my name into it. I was sitting here just listening to him.

Mr. HANSON (York-Sunbury): A case of mistaken identity.

Mr. BRUCE: I thought the minister's actions portrayed a little more than a kindly interest. Perhaps not; I am sorry if I misunderstood him. Mr. Churchill says:

> There is an extraordinary contrast between the processes of thought and methods of management required in war and those which serve in peace. Much is gained in peace by ignoring or putting off disagreeable or awkward questions, and avoiding clear-cut decisions which, if they please some, offend others. It is often better in peace to persist for a time patiently in an obscure and indeterminate course of action rather than break up or dangerously strain a political combination. . . . In war everything is different. There is no place for compromise in war. That invaluable process only means that soldiers are shot because their leaders in council and camp are unable to resolve. In war, the clouds never blow over; they gather unceasingly and fall in thunderbolts. Things do not get better by being let alone; unless they are adjusted they explode with shattering detonation. Clear leadership, violent action, rigid decisions one way or the other, form the only path not only of victory, but of safety and even of mercy.
>
> The state cannot afford division or hesitation at the executive centre. To humour a distinguished man, to avoid a fierce dispute, nay, even to preserve the governing instrument itself, cannot, except as an alternative to sheer anarchy, be held to justify half measures. The peace of the council may for the moment be won, but the price is paid on the battlefield by brave men marching forward against unspeakable terrors in the belief that conviction and coherence have animated their orders.

Thus does Britain's great war-time leader set forth in clear and unmistakable language the distinction between peace and war-time leadership, and confirm the attitude which I took shortly after I entered this house when I raised the question, in all good faith, I submit, whether the qualities that commended our present Prime Minister for the job of conventional statecraft in peace-time were not the very ones which condemned him as a courageous war-time leader. At the time I assured the house, as I do now, that this appraisal of the Prime Minister's ability and temperament was not meant to be personal criticism of him as a man of opposite political faith, because, as I have often said before, I do not consider in these grave times that a man's political viewpoint is of any moment whatever. However, my statement

that I was apprehensive as to whether the Prime Minister's temperament was such as to qualify him to direct this nation in the greatest crisis in its history was interpreted falsely, and of course the heavy guns of partisanship were trained on me. May I ask again with equal sincerity if the events of the past weeks do not in some degree justify the apprehension which I expresed two years ago.

Briefly, the Prime Minister's philosophy to keep the party afloat and lie at anchor in the stream of time has not worked even sucessfully for the great party which he has the honour to head. I further submit that this policy of evasion of responsibility has worked disastrously also for the interests of the nation. Without dealing in recriminations, I should like to say that those of us who, from the most honest and honourable motives, tried to prevent the Prime Minister and his party from evading responsibility by submitting the question of mobilization of man-power, to the people in the form of a plebiscite have been fully justified in opposing this method on the floor of the house. I should like also to add that once the plebiscite as a means had pased this parliament and become an instrument through which the nation was to express its views on mobilization of man-power, I, and the other loyal members of this house, shared equally and vigorously in the campaign to bring the vote on this evasively-worded question to a successful result.

It is with some pride that I point to my constituency, Parkdale in Toronto, and to the result which they gave—92 per cent "yes" in answer to the question which was asked. Speaking as a member from the province of Ontario, I wish to say that the result of the vote in that section of Canada is a magnificent tribute to the patriotism and soundness of the Canadian people. However, the plebiscite is past history. That it was a political blunder of the first magnitude goes without saying. The vote, however, established clearly for this government that there is a division of opinion in Canada on the question of conscription. No matter in what innocuous language the question was phrased, the result of the vote was a clear-cut indication to this government that the people went to the polls and voted on conscription, "yes" or "no".

What is the result? In one part of Canada the carefully nurtured bogey of conscription has borne full and devastating fruit, while throughout the nation as a whole a substantial majority of the people have told this parliament through its government to introduce full-out conscription and have done with this hypocrisy. In the eyes of world opinion the government's unwillingness in the past to face up to this issue honestly and courageously has done us untold harm. This nation won its reputation and carried influence in world affairs far beyond what its small population justified, because of the magnificent achievements of the Canadian forces in the last war. That this reputation and our current effort have been done serious harm throughout the world by the government's policy of conscription, is an unchallengeable statement. This damage is such that only time and deeds can repair it.

Therefore I appeal to the Prime Minister of this nation, even at this late date. Let us have finished with half measures and deception. Let us obey the will of the majority of the people of this great dominion. Let us put ourselves on an equal plane with the other members of the united nations by a straightforward clear-cut introduction of complete selective compulsory service. I hear our present system defended because the voluntary form of enlistment is said to be successful. I submit it is most niggardly and cowardly for this nation to continue a system which obviously brings out all its best and bravest, placing a penalty on patriotism while paying a premium to the shirkers who stay at home. We all as members of this highest court of the nation stand here as trustees for those brave young flyers, those gallant members of our naval forces, and the yet unproven but equally fine mettle of Canadian manhood which constitutes our active army. Let us be faithful to that trust.

I ask the Prime Minister to amend the present bill in committee to provide for the immediate introduction of conscription. He will perhaps draw strength partly from his political adversaries. If there is a defection on the part of his cultivated followers I am sure it will be accompanied with regrets, but I am equally certain that as this war progresses the wisdom of that course will be vindicated and those who temporarily do not see fit to support a policy of honesty and courage will some day thank him for performing what must be considered the first duty of the head of any government, that of taking the proper steps to protect the lives and property of the people who constitute the nation which it is his high privilege to govern.

I have heard much of a political crisis in recent weeks. There need not be one. I address myself to the Prime Minister through the acting leader of the house: by taking the simple, honest, fearless course he can enlist

his critics on his side, and the judgment of history will certainly dissipate any temporary dissension within his party ranks. These tragic days of war will not always be upon us. Surely it is consistent with statesmanship and honour that this nation be governed with a view to the future. I am perfectly conscious that the great job in hand is the effective prosecution of the war, and I am not unmindful of the great contribution this nation has made in many spheres under the present government. But I do feel that when that day arrives when all our sacrifices will be crowned with victory it will be an irreparable tragedy if the British empire's war effort should have suffered because Canada failed to adopt a form of conscription equal to that of the United States. Canada's position geographically makes her the show window of the British commonwealth of nations, influencing American public opinion to a far greater degree than her population of twelve million people would in itself warrant. We cannot afford to prejudice the magnificent contribution of those brave people of England, the senior partner of this commonwealth, by causing a chink in her armour. If the comradeship which is being gained in arms among the Anglo-Saxon nations by the sacrifice of their bravest and best is to bear full fruit in the days of peace, surely it is important that this nation leave no justifiable opportunity for individual patriots in any land to say that Canada among the united nations failed to meet the sacrifices of any other country.

Again I appeal to the Prime Minister to consider our obligations to the future, and to give this house at once a clear-cut measure of conscription, which will enable sacrifices to be equally shared so that the laurels which will accompany victory may be worn with equal pride in every section of this dominion.

Mr. SPEAKER: Exception has been taken this afternoon to the reading of speeches. At the beginning of this debate I asked hon. members to give strict observance to the rule in that regard. That observance has not been given throughout this debate, and hon. members on both sides of the house are at fault in that breach of the rule. It is clearly the sense of the house that speeches should not be read, and that there should be strict conformity to the rule, no matter from what side of the house or in what language the speech is made. I therefore propose now, knowing the sense of the house, to require strict conformity with the rule, and I therefore ask hon. members to observe it.

Mr. A. G. SLAGHT (Parry Sound): Before making some observations on this bill I wish to compliment the hon. member who has just spoken (Mr. Bruce) on the clearness and tolerance and the excellent manner of delivery of his address. I shall have a word to say a little later as to his introduction into this debate of the name of his honoured leader, but in the meantime I do pay that tribute, a genuine one, to my hon. friend.

Let me say at once that I propose to vote for this bill. Indeed I could find no reason not to do so. I believe I owe it to my constituents and to the people of Canada and to myself to support this bill, in order that the answer given by the people in the plebiscite may have the effect for which they overwhelmingly voted.

What argument can really be found to the contrary? Section 3 of the mobilization act, if it remains the law, is a distinct prohibition against the government introducing compulsory service at such time as they may in the light of all the circumstances of the moment deem it essential so to do in order to maintain Canada's war effort. Therefore I find no difficulty whatever in believing that it is my bounden duty to vote for Bill No. 80.

How can we justify any other course? If occasion arises, if our voluntary system should fail—the contrary is the fact for the moment —the government should, I believe, be free to act speedily and fearlessly by introducing a measure to provide for compulsory service, in order that we may at all times reinforce and support and not desert the young men of this country whom we have sent overseas, whom we have voted money to support, whom we are maintaining, French-Canadian and English, in Britain and elsewhere to fight Canada's battle over there.

I feel that some confusion has crept into this debate because we have not realized the importance of one of the main factors, and I should like to put it to hon. members now. Canada has a budget, or if you like a programme, under which to carry on the war.

We budgeted wisely in advance, not merely for money—we had our money budget on Tuesday and that will be discussed at the proper time—but for our man-power needs in all three armed forces, as all nations do. We budgeted for the fifteen-months period for our man-power requirements, from January 1, 1942, to March 31, 1943; we announced the budget to parliament and received the assent of parliament, practically unanimously, to our man-power budget. Our war cabinet did not do that lightly. You heard from the Minister of National Defence (Mr. Ralston) that he had consulted the high commands of all our Canadian forces. Next they consulted and received the approval of our much

respected and revered chief of the armed forces, General McNaughton, who also approved our man-power budget. Next, as the minister has told you, he secured the approval, although it was not necessary at all to do so, of the British Secretary of State for War to the sufficiency and propriety of our budget.

We budgeted to increase our forces—the members are all familiar with the details—from 27,000 men now in the navy to 40,000 by March of next year. We need 80,000 more young men in the air force to bring the strength up from 100,000 to 180,000, and we need from 90,000 to 100,000 more men in the army to bring it up to the requirements of the two army corps set out in the manner indicated by the minister, it is on *Hansard,* and I shall not repeat it. So that the total budget of our man-power by March next is 615,000 men for all the armed forces. I have heard no man in this house or out of it declare that he has any quarrel with those figures or with that objective, with that budget or with that programme. If there is any such, let him indicate to me now that he does not think it is enough, having regard to those who approved this budget, and having regard to the well-known fact that generals as a rule want all the men they can get. With General McNaughton's approval of that budget, I have not heard a man in Canada, not even a newspaper in Canada, say that it was not an ample and proper budget, when you remember what we have to do in the other fields of total war effort.

Those other fields I shall not dwell on, but there is the food supply. We supply from Canada to-day two-thirds of the food of the British isles. We are supplying now three times more food to Britain every month than we supplied during the corresponding period of the whole course of the last war. We have also greatly increased our munitions supply, our supply of automotive vehicles, and of all that comes under the head of munitions. We are supplying eight times more munitions for the allies now than we did at any time in the last war. Remember those two facts, and do not let us get out of gear when we attempt to determine whether Canada's war effort is one of which we may be proud, and not one, as I am afraid some hon. members have almost indicated, at which we must hang our heads for fear the United States might laugh at us or sneer at us because our war effort was insufficient. I do not believe that the great majority of the decent people of the United States have any such notion in their hearts or heads at all. Would we be a proper subject for their laughter or their sneers when by a purely voluntary effort, without the least compulsion, we have done everything the mother country has asked us to do, and when, in the midst of this budget period, we are over-subscribed in money and in men for all three armed forces? And Canada is doing all that on a voluntary basis!

May I digress for a moment, Mr. Speaker, to deal with an incidental topic which I am sure you will feel is in order but which nevertheless is a little off my thesis. The United States recently raised the minimum monthly pay of any soldier in the United States army to $50 a month. After listening to the budget delivered in this house two days ago I say that we in this country ought at once to put similar legislation on our statute books. The soldiers of that great country and our own have almost everything in common—their mode of living, their scale of subsistence, their common desires, their common expenditures. All these things make them practically parallel, and I do not want to feel that these boys of ours, when they get over there, will be fighting shoulder to shoulder in a great crisis yet to come with the gallant troops from the United States and be receiving only $39 a month while the soldiers of the United States receive $50. I believe that we can afford to pay them $50, and we ought to do it. The hon. member for Lethbridge (Mr. Blackmore) touched on this subject the other day, and I am heartily in agreement with him. He deserves great credit for bringing it to our attention.

Mr. LOCKHART: Would the hon. member elaborate for a moment on the dependents' allowance, which makes, I think, a little difference?

Mr. SLAGHT: My hon. friend is correct. But dependents' allowance or no dependents' allowance—and what we are paying is not any too much for those dependents—we should raise the soldiers pay to $50 a month as a minimum. If the Minister of Finance has any doubts about it, then the least he should do, although I would prefer that he pay the $50 to them now every month, would be to let the difference between $39 and $50 accumulate as savings for the soldier, to be paid to him at the end of the war.

I have a word to say to two types of people on the subject of this debate. They are very different types. The first type is the man from Quebec or anywhere else in Canada, whether in or out of this house—and there are very few in this house to whom my remarks will apply at all—who says: I am against any young man from Canada going out of Canada

to fight. Unfortunately there are some few people in this country to-day who take that position, who say: I will not send any Canadian boy or be a party to sending him outside Canada to war anywhere, at any time, under any circumstances. I am referring now to the absolute isolationist, who says that under no method, voluntary or compulsory, will he be a party to a boy from Canada fighting outside of Canada. That is the old Duplessis doctrine which we fought to a standstill a couple of years ago, when the gallant people of Quebec, to their credit—I had no part in the contest—indicated decisively that they would have no part in that doctrine in this war.

Why did Canada declare war on Germany? When we came here in September 1939 did we put a mushy declaration on the statute book that if Germany came over here we would get out our g ns and fight her? No; Canada declared war on Germany, and Canada said, "We will stand beside the mother country, and we will help her whip Germany to her knees." That in effect was the declaration of war, if hon. members will look it up and read it, as I did this morning. And what else could you expect, in declaring war, than to proceed to send men to fight the enemy outside of Canada, wherever the enemy could be found?

Do you people who say we should not send men out of Canada to fight expect some day to whip Germany in Canada? Is that the theory on which we declared war—to whip Germany in Canada? To ask the question is to answer it. I say to my hon. friends from Quebec—to the very few I am now addressing—you joined gallantly with us in September, 1939 in declaring war on Germany. You joined with us for three years in voting moneys—to do what? To send overseas our armed forces who enlisted voluntarily. You joined with us in Red Cross activities—not to have bandages waiting down in Quebec, but to send bandages to meet all needs and mercies to the Red Cross overseas. Those bandages were to follow our men, to be ready if disaster should come.

You have also followed us in respect to our air force. Could it be said by the isolationist that he intended only that our airmen should fly up and down over Manitoba and Quebec? Was it intended that they should not go outside the country? What arrant nonsense that would be! We created an air force—the greatest thing Canada has ever done since confederation—which has attracted the eyes of the whole world. We created that air force to go over there and fight the enemy where they can find him. We created the air force to whip him in Germany and to fight in Germany—and that is what they are doing.

All over the world our boys are to be found—and I shall not give the details, because they were put on *Hansard* the other day.

An hon. MEMBER: To China.

Mr. SLAGHT: Yes, even to China. And what about the navy? Did we build up that gallant navy in order that they might sail up and down lake Erie, or up and down lake Ontario, or perhaps even down the St. Lawrence river—"but if they get eleven miles out, don't dare let the boys go outside the twelve-mile limit"! What arrant nonsense, again! We created a navy in order that it might brave the perils of the Atlantic to meet the enemy, and we have been doing it, ever since the war started, in the finest and most splendid way. Let us, therefore, have a truce to all these suggestions that the boys should not be sent outside of Canada to fight for Canada and whip Germany, to win the war.

That is the first type of person to which I wished to direct my first observations. The second type of person is the man who says, "Enforce conscription right away. Put it on the books to-morrow. Don't wait another moment." There are some hon. members to whom I wish to pay the greatest credit, because I am of the opinion that they believe that to be the best thing to do. But will they permit me to examine for a moment whether or not we should take that course, having in mind the plight in which we find ourselves on this 25th day of June, 1942.

Let me refer to the observations made yesterday by the hon. member for Hastings-Peterborough (Mr. White), speaking to this bill. He asked that on the third reading—and I trust I may refer to my notes in this connection—the government should introduce all necessary rules and regulations to make conscription enforcible, and that we should go on and debate all the petty details, every little item, and sit here I suppose all summer, or possibly into the fall—perhaps even up to Christmastide. Meantime Hitler and the Japanese would not be waiting for us. I entirely disagree with the hon. member's suggestion that the house should follow details of that kind. It may be that the hon. member for Parkdale (Mr. Bruce) would agree with him.

Let me for the benefit of the hon. member for Hastings-Peterborough look a little deeper into his suggestion. It is important to recall that in 1917 a conscription bill was placed upon the statute book, and assent was given to

that bill on August 29 of that year. There was provision that the measure should become effective on December 1, 1917. It was introduced by a Unionist government, containing within its ranks splendid Canadians of both stripes of politics, Canadian from both the great political parties. Our new-found friends to the left had hardly come out of their swaddling clothes, or perhaps were not even born at that time—and I make that observation in no offensive way.

I call attention to the fact that in 1917 the government headed by Sir Robert Borden joined with eminent Canadian Liberals such as the late revered Mr. Rowell—I shall not name them, because history has recorded their names—and that government went to the country on the question of conscription. On December 19, having brought in a bill and having wrestled with it in parliament, as my hon. friend would have us do now—the hon. member from the west will recall the occasion—and having settled all the details with respect to it, the people of Canada passed upon it, and declared overwhelmingly in favour of conscription, on a vote of 153 for and 82 against.

In promoting that legislation Sir Robert Borden said to the people of Canada earlier in the year, back in May or June, "We must have 70,000 more men by December 31." That was one of his great pleas. That was the only way he could get them. What happened? When December 31 came they did not have even 7,000 more men. January, February and March passed by, and they had called up 404,000 men all across Canada, under conscription. It is recorded that 380,000 applications for exemptions had been filed. Of the total registrants called up, the proportion from Ontario was 125,000.

In order to have my figures accurate perhaps at this stage I could not do better than to read an extract from a most revered author who has now passed away. I refer to the late Doctor O. D. Skelton, a man who for fifteen years under different governments was Under-Secretary of State for External Affairs, and a man who was held in the highest respect, as was so clearly indicated on the occasion of his passing in July of last year. As an historian of integrity he has had something to say about conscription, an issue which it was his duty to follow very closely. I quote the following from page 545, volume 2, as filed in the parliamentary library:

It failed absolutely—

He was referring to conscription.

—in the ostensible aim of providing greater reinforcements than the voluntary system. The government had had a free hand in framing the measure. No effort or expense was spared in its enforcement. A huge administrative staff was set up, each office with its full equipment of shining desks and elaborate files; forms and instructions and regulations rained from the printing bureau; medical officers and reviewing boards, local tribunals, appeal courts and a central appeal judge (Mr. Justice Duff) were appointed, with militia representatives to check exemptions; police were enrolled to round up defaulters. In Quebec as elsewhere, once the issue was decided at the polls, the act was accepted, and its operation given full scope. Yet the legions promised did not appear. The first shock to the sanguine supporters of the act came when it was found that of the 404,000 of the first class, unmarried men from twenty to thirty-four, who had registered by the end of 1917, 380,000 had claimed exemption; the next, with the announcement that there were 118,000 claims for exemption from Ontario as against 115,000 from Quebec (out of 125,000 and 117,000 registrants).

Will the hon. member for Parkdale digest that little morsel?

Mr. BRUCE: Mostly farmers, I should think.

Some hon. MEMBERS: Oh, oh.

Mr. BRUCE: Who were needed on the land.

Mr. SLAGHT: My hon. friend is casting slurs on the farmers of my province and I resent it.

Mr. BRUCE: Only because—

Mr. SLAGHT: I represent a riding where there are as fine farmers as my hon. friend ever had in his riding.

Mr. BRUCE: I happen to be a farmer myself.

An hon. MEMBER: Take it back.

Mr. BRUCE: Only because the farmers were needed on the land, the same as they are to-day.

Mr. SLAGHT: Perhaps the figures for Quebec will tell the house whether the farmers were needed on the land in Quebec. Is there any virtue about the Quebec soil that it farms itself? Let my hon. friend show a little reason in this discussion.

Just let me digress to say that he referred to his absentee leader, his remote control leader, whom he sought to eulogize by saying that he was the author of the act of 1917. I want him to listen to how the act of 1917 worked out. Perhaps he did not remember that his revered leader, his remote control leader to whom he pays such a tribute, had a great deal to do with the enforcement of the act of 1917 as well as having been the draftsman of the act.

An hon. MEMBER: The lost leader.

Mr. SLAGHT: Lost leader is right. I admire the affectionate way in which the hon. member for Parkdale referred to his leader. It was touching. It was almost bridal in its effect. Let me say to him that since February 9, when the people of York South had something to say, the honeymoon has been over for my hon. friend and his great leader.

Mr. BRUCE: May I just interject a word?

Mr. SLAGHT: Will time come off for this?

Mr. SPEAKER: No.

Mr. SLAGHT: Then my hon. friend will have to pardon me. I think I will be able to keep within my time; if I do I shall invite him to ask any question he wishes before I sit down. If not, no. Let us see what happened in Quebec. A total of 117,000 were called, and out of the Quebec registrants there were 115,000 applications for exemption.

Mr. BRUCE: Not bad.

Mr. SLAGHT: Not bad, but is my hon. friend saying that the discrepancy between the figures for Ontario and Quebec justifies the language we heard yesterday across the floor of this house? No. I continue with Doctor Skelton:

> Local tribunals, particularly in Quebec, were charged with being farcically lax; on the other hand, the military representatives appealed nearly every exemption in Quebec, but allowed 90,000 in Ontario to go unopposed. Exemptions were reviewed by the appeal judges and later by Justice Duff; by the end of March, some 364,000 out of 372,000 cases had been decided. In Quebec 108,000 exemptions had been finally approved, and in Ontario 104,000. Sir Robert Borden had insisted in June that it was absolutely essential to have 70,000 men by December 31, 1917. By March 31 1918, the number ordered to report for duty was only 31,000, of whom 5,000 defaulted, the net yield being less than 26,000. Supporters of conscription were slow to admit its failure, but in the face of this breakdown criticism could not wholly be suppressed.

Then there is a quotation from the Montreal *Gazette*. I think this is one of the newspapers loudest in support of conscription. It was not playing politics when it said:

> The spectacle offered by the operation of the draft system has not been encouraging. The government appears to have established a system which if it gets the men at all, will get them so slowly that whatever military advantage depends upon expeditious reinforcement will be lost.

I am sorry the hon. member for Broadview (Mr. Church) is not here, for the Toronto *Globe* referred to the widespread feeling of disappointment, while it is said that Mayor Church of Toronto stated:

> The Military Service Act will cost the country millions and is getting very little results. If the government had spent one-quarter of the money in voluntary recruiting, they would have got more men.

I am not quoting this to annoy my hon. friend from Toronto. I believe he is as loyal a man as there is in this house. If I may say so, I think he has been rather misled by his absentee leader.

I have just a few more quotations from Doctor Skelton's book. This gives the worst side of the picture. I want to be fair, because there is another item. I quote from page 548 as follows:

> The military crisis caused by the German drive for the channel ports in March gave occasion for a change in policy. The government decided to cancel all exemptions granted to men of twenty, twenty-one and twenty-two years of age. A resolution sanctioning an order in council to this effect passed parliament by a vote of 114 to 65.

The matter was carefully reviewed in parliament, and this order called up men who were entitled to stay home. Parliament did that, and parliament had the right to do it. Doctor Skelton continues:

> When the end came in November, 1918, some 83,000 men had been enrolled under the act, or had reported voluntarily after its enactment; of these, 7,000 were on compassionate leave and 15,000 on farm leave, so that the actual yield was 61,000 men, of whom few ever saw France.

What does that mean? We were to have 70,000 men by the end of December, 1917, but at the end of March, 1918, we had only 26,000. While the figures show that 61,000 were obtained as a result of that compulsion during the whole period up to armistice day, November 11, during the same period 101,000 men enlisted voluntarily.

I suggest that our fight must go on. A man who talks of peace now ought to be stuck up against a wall and shot. It would be nothing but a German peace; we would be putting our people into slavery for the rest of their existence. To my friends from Quebec, for many of whom I have the highest personal regard, let me say this in the friendliest spirit. The one sure way to avoid conscription for overseas is to continue the good work that you are doing of voluntary enlistments in ever-increasing numbers. That is the solution. Let all our provinces unite in friendly competition to supply men for the armed forces in this great struggle.

Mr. GRANT: Like Prince Edward Island.

Mr. SLAGHT: Like little Prince Edward Island. We shall have a hard time, in any province, to beat their record.

I have referred, perhaps insufficiently, to the fact that Quebec has done well in the armed forces under the voluntary system.

Thousands and thousands of our best boys in the navy, guarding and convoying and doing all the dirty work of the seas, come from Quebec, and you may be proud of them. Thousands and thousands of the young men in our air force—those who are over the channel, over Great Britain, over Germany—come from your province, and you may be proud of them. I had the privilege some ten days ago of attending a function, just outside these noble buildings, when two young French Canadians, Robillard and Morin, were acclaimed by a multitude of 20,000 people. French Canadians came in thousands from the other side of the river and we English-speaking people joined with them in a tribute to these two young heroes. They did not spend their time in the air over Manitoba or Quebec; they were over Germany, and we should not overlook the fact that the youth of Quebec turned out on that occasion with us and paid the greatest tribute to boys who were willing to go and did go and fight overseas, and were decorated by His Majesty the King. Let us keep up the tradition those two lads have set for the province of Quebec.

I conclude with this suggestion. Let us live our Canada as we believe she should be lived. Let us ban all those sayings which come so readily to the lips, and set race against race. Let us understand that we have had a wonderful history and record as a nation under the most difficult circumstances. Let us not forget those wonderful words which Winston Churchill uttered more than a year ago, and which apply with even greater force to-day: "There is grave reason for vigilance and concern, but no room for despair." I say to you, my fellow Canadians of the House of Commons and any across Canada who may hear or learn of what I have said: Let us join together in unity. The danger is terrific. What might happen is unthinkable unless we make a common cause, unless we show a common front, unless we go out to stop the enemy from destroying the motherland. Were the British fleet to go—I am not uttering these reflections as a harbinger of evil, but we must think of what might happen—how long would it be before the enemy's ships and their dastardly agents of destruction would be up the St. Lawrence river, through the fair province of Quebec, desecrating your cathedrals, blasting your schools, ravishing your loved ones? I say to my hon. friends across the way, as well as those by my side: Can any of us afford to do anything but adopt a course which is all for the greatness and glory of Canada? Let us not forget that little sentence which I like so much: "There is always a far horizon for forward-looking men."

Mr. J. R. HURTUBISE (Nipissing): Mr. Speaker, I wish to say a few words on this all-important resolution, but I experience some timidity in speaking after the eloquent member for Parry Sound (Mr. Slaght) who has just resumed his seat.

I think it is my duty to say a few words on this matter on behalf of my riding and the good electors whom I represent. Much has been said in this house; many speeches have been made—many of them read. Mine has not been written: I shall just utter a few expressions on this important subject.

I consider it a great honour to represent the constituency of Nipissing, which extends, on the direct line from east to west, stretching from the Ottawa river to Georgian bay, a distance of two hundred miles, and another two hundred miles from north to south. In the election of 1935 there were nearly 63,000 voters on the lists, and without boasting I may say that I held eighty-six meetings during the campaign. In other words, to be the member for Nipissing is a full-time job. The riding is composed partly of rural and partly of urban people. We have a nice farming country; we have also the cities of North Bay and Sudbury, containing populations of 17,000 and 34,000 respectively. Of my electors, about 40 per cent are of Anglo-Saxon origin, about 40 per cent French, and the remainder of other nationalities.

Since this war began I have been astonished to see the patriotism, good-will and generosity of all those citizens, regardless of race, creed or politics. It would have been the wish of the people of North Bay and Sudbury to have separate regiments of their own, as they had in the last war, which did such marvellous deeds then, but we were told by the military authorities that this was not possible in view of the fact that uniformity in training was highly desirable. We therefore accepted their decision. Nevertheless, in the constituency of Nipissing our citizens have enlisted by thousands from the very start, and regardless of race or religion they have come forward—English, Scotch, Irish, French, Italian, Greek, Finns, Ukrainians, Poles, Jews, Serbs, Croatians and Indians. Some of them have joined Scottish regiments, the Royal Engineers, the Grey and Simcoe, the 14th Forestry Tank Corps and many other units. In the first Scottish regiment that was recruited, there are to be seen, I am proud to say, men of many nationalities wearing the kilts. They have continued to enlist in this way until the present

day. Every time the military authorities have asked for a quota in my district the best young men have come forward. There has been complete cooperation on the part of everyone. Our citizens have accepted the situation with patriotism and generosity. They have been willing to bear the restrictions that have been imposed from time to time. They have willingly paid their taxes and have made various contributions to the war effort. We have played our part. All our public bodies have cooperated. I might cite one example of generosity and patriotism. At the time of military registration in North Bay, that city did all the work gratuitously. I do not know that this was done in many other places, but it shows the spirit of the people in that part of my riding.

In 1930 the electors of Nipissing did me the honour of returning me to represent them at Ottawa. I am not so credulous as to suppose that they voted mainly for myself. They voted for the party led by the present Prime Minister (Mr. Mackenzie King) and for those supporting him. Since that time they have voted for the same party as a government, and they have done so with increasing majorities. Again, I do not take credit for this; I give it to the Prime Minister and his government. In 1930 the majority in my district for the government party was 2,000; in 1935, 12,000, and in 1940, almost 16,000.

In the plebiscite, those who voted in my constituency returned 4,868 of a majority in favour of the affirmative. Many things have been said about the plebiscite, and I have taken the trouble to go around my constituency in order to find out the sentiments of the people. I want to be perfectly frank with the members of this house as well as with my electors. I admit that many voted "yes", for conscription, while many voted against conscription; but a great mass of the people voted neither for nor against conscription but simply as a means of expressing confidence in the present administration and so giving directions for a continuance of the present war effort. They voted to release the government from its past commitments. That was the attitude of a great part of the voters in my county, and I am sure that if a straight vote had been taken for or against conscription the result would have been different.

The question of conscription has been brought up in different campaigns that have been held in my district. It was discussed during the plebiscite, and it has been the chief topic of discussion during this debate. Widely different opinions have been expressed, but the conclusion I have drawn from the discussion, from all the speeches and the different statements that have been made, is that there is no great necessity for the immediate imposition of conscription. Why should there be pressure for the immediate imposition of conscription when we had the experience, as stated a few moments ago by the member for Parry Sound, which we had in the last war, when the results that were obtained were so unsatisfactory. It proved altogether impracticable. Judged by the results, the method was then a failure.

Since this question first came up we have had statements in the house from the different war ministers indicating that until now we have filled all our quotas; that, indeed, we have been in advance of our quotas, in regard to the army, the navy and the air force. The various ministers have proved this beyond any doubt. We have complied with the demands of our own military authorities and with the demands of the combined allied military authorities. Mr. Churchill made the statement that our contribution to the war effort was magnificent, and yet in spite of that we have heard a good many speeches—and violent speeches at that—in favour of conscription. I cannot understand it. For some days now we have been hearing from different ministers that for the present there is no necessity for conscription. I believe that Canadians are generous enough, loyal enough, to continue to answer the call in numbers great enough to fill the needs, and this voluntarily. But no one knows when the war will end or what the necessities for Canada or for the rest of the world will be in the future. However, I have confidence in the Prime Minister and in his cabinet, and I believe that they will act wisely under the circumstances that exist at any time. That is why I intend to support the present resolution, because I have full confidence in the government. I know they will not act unwisely. I know they will bear in mind always, as they have done from the beginning, that a total war effort means a well-balanced war effort. They know that if they should throw this total war effort out of balance, it would be disastrous for Canada and would greatly impair our contribution in this war.

The question of conscription has given rise to a great deal of discussion against my compatriots. I am a French-Canadian and I am proud of the fact. Although my father and mother were born in Quebec, I was born in Ontario and I was brought up and educated in that province, except for my arts course. I have lived in contact with the English speaking people of my part of the country—I might say mainly with the Scotch people—

I have got to know them, and I think we have always co-operated well together. With good-will we can go very far. Yes; I was brought up among Scotch people. I remember very well that my mother could understand English but could not speak it, and our neighbour—Martha Campbell—was a good old lady who cound understand French but could not speak it. They were, however, great friends and used to visit each other and have long conversations together, one speaking in English and the other in French, and they understood each other very well. That shows that with good-will we can always work together in a friendly spirit.

After my university course in the good Scotch Presbyterian university of Queens I went north to what I think is the most cosmopolitan part of the whole of Canada; it is about 40 per cent British stock, 40 per cent French and the remaining 20 per cent of various racial origins. Yet I may say we have always agreed together very well. I have been there for about thirty-five years; I grew up with our chief towns and cities, and I know the mentality of the people. We agree together very well although we differ in race and religion. I remember that before the last war there was some antipathy between different groups—and let me say I believe that such antipathy between people of different race or religion is always due to ignorance, lack of contact, nothing else. I have seen proof of it. In my own constituency before the last war there were groups that looked upon one another with some antagonism, but the contacts made during the last war between men of different races and religions did great good in bringing those men together and creating a real national ideal and unity. I know men of both races who went to the last war very narrow-minded and who came back real Canadians ready to cooperate in a fraternal spirit with their fellow citizens.

The question of conscription, which has been talked of so much in this debate, has been approached from a very bad angle, mainly, I would say, by the extremists. If we are broad enough to take the people as they are and treat them as they are, we shall have greater cooperation and less friction. Those who understand the French Canadians and have the right approach to them have always found 100 per cent cooperation. I want to cite one great Canadian who sat in the seat now occupied by the hon. member for Parkdale. I refer to Mr. C. H. Cahan of Montreal. I think he was one of the greatest of Canadians; he was Canadian first and all the time. This is what he had to say in March, 1939, speaking of foreign policy, as reported at page 2497 of *Hansard* of that year. I think it covers the subject very well as far as the mentality of the French Canadians in the last war and the reason for that mentality are concerned. He said:

Therefore as far as I am concerned I stand by and support the attitude taken this afternoon by the Minister of Justice.

That was the late Right Hon. Ernest Lapointe. Mr. Cahan continued:

I could go on and say many things in support of his suggestion that at the time of the outbreak of the last war the province of Quebec and the people of the French-Canadian race were placed in a very difficult position indeed. But I could write a volume to show, I think, that the great body of sentiment in that province was in favour of cooperation; but it resisted coercion at a time when coercion was not necessary.

As was proven by the hon. member for Parry Sound a few minutes ago. A little further on Mr. Cahan said, as reported at page 2498 of the same *Hansard:*

That, after all, is the spirit of the French people; but you must treat them with the consideration, respect and esteem which they deserve and which we often fail to give. If that is done, and it comes to another great conflict, if it comes under this government I am sure other methods, more conciliatory, will be followed; and if they are followed you will find the young men of the French Canadian race—I know them better in the country districts, perhaps, than in the cities—ready and anxious to play their part and do their share of service alongside their Canadian fellow subjects. Coersion will not be necessary in Quebec if you exercise conciliation and respect the mentality and traditions of the great people who founded that race, particularly—and I hope this will not be offensive to any person—those of the Norman race to which so many of us actually belong. I can make that statement with some pride, because my grandmother on one side came from the Huguenots and had strong French sympathies.

This great decision, if it has to be made, may have to be made suddenly. If so, the whole matter of Canada's active participation in war must be decided by the Canadian parliament, and, through parliament, by the Canadian people. But if that issue is raised, if my fellow Canadians in the province of Quebec realize that the question of neutrality involves the severance of Canada from the British empire and from the British crown, I have no doubt as to the decision that the thoughtful people will make.

I sometimes talk to the leading clergy of Quebec and to those men who lead public opinion on various sides of politics in Quebec, and I am persuaded that the thoughtful and intelligent men of that province believe that the preservation of those religious and racial rights which they hold sacred depends upon Canada remaining a part of the British empire, because in no other state in Europe or in America is there the same freedom of religious opinion and of religious worship as is to be found throughout the British empire under the crown.

I heard those words across the floor of this house in 1939. Mr. Cahan, I think, knows the people of Quebec province as well as anyone. I have known Mr. Cahan by reputation for many years; I have followed his writings in books and papers, and have always thought he was a great Canadian; and I think his opinion on this subject should be worth something.

He said that the question of conscription should be decided by parliament. That is something I was always led to believe. I have confidence in my leader and his cabinet, but we have a right to our personal opinions and I may disagree on some points. I say here and now that I regret very much that this question is not directly submitted to parliament for decision. That is what we were promised in the past. Still I have enough confidence in the present prime minister and his cabinet to do the wisest thing under the circumstances, for the reasons I stated a few minutes ago.

Some might think that as a French Canadian I have spoken in a queer manner on the racial question. But I was brought up under different circumstances and had the opportunity of seeing both sides. There is not very much difference between French Canadians, and when I say that I really mean those of Norman descent—and, let us say, the Orangemen of Ontario. The difficulty is that we do not know each other. Anybody who has read history knows that the Normans were descendants of the Norwegians, of the Norsemen. In the revolution under the Vikings, those who were defeated emigrated to the south shore of the English channel and some to the east coast of England. Later the Norman kings conquered England. They were people of French education; they gave to England Magna Charta and its form of government, and there in England they found their brothers on the east coast who had left Norway many years before. We French Canadians of Norman descent have been separated from France for a long time. France in the meantime was progressing through an evolution, and England came over and took possession of Canada and implanted here British institutions. We French Canadians have adopted those British institutions and have learned to love and cherish them and to defend them. Yes; we are lovers of British institutions, though probably the great majority of French Canadians do not know why. It is because we have found in those British institutions the ideals of our forefathers, who themselves were lovers of liberty. That is why I cited this afternoon the words of Mr. Cahan, when he spoke of coercion versus cooperation. With our mentality, French Canadians are lovers of liberty and freedom; we do not like coercion, and it will be hard ever to make French Canadians swallow it. If, however, they are approached in the proper way, they will be found just as loyal to Canada and to our king as anybody else. But they will not stand coercion. With the proper approach you will find among the French Canadians as much cooperation and enlistment and fighting for king and country as among any other Canadians.

I had no speech prepared, Mr. Speaker, and have made these few remarks because I thought I might help in these difficult times to bring us closer together. Every individual, every nation has made mistakes in the past. Why spend this precious time in mutual reproaches. Let us forget our little difficulties, our little racial and political animosities because, after all, we have all the same ideals, the same ambition and the same end in view—to win this war. So let us put aside this little political fight that has been going on. I think the time has come when we should cut short all this discussion and give a free hand to the government by passing this bill. Let us members of parliament show our confidence in the government as the people of Canada showed their confidence in the government in March. I for one am sure that the government will do the right thing at the right time, and without throwing out of balance our present war effort.

Mr. J. P. HOWDEN (St. Boniface): Mr. Speaker, on rising I should like to assure the hon. member who has just resumed his seat (Mr. Hurtubise) that he need make no apologies for the speech which he has just delivered. I have been in this house now for upwards of seventeen years. I was here in the hectic days of 1926 when the government of the day balanced on the ridge of the fence for six months, and I heard the oratorical talent of this parliament developed then to its fullest. But I must say, reviewing that time and all the years that have since passed, there has never been a debate in the House of Commons that has brought forth so many wonderful speeches and so much grand oratory, almost astounding for its magnificence and power, as this debate. Still it is my firm conviction that no matter how many speeches are made, no matter what may be said in the course of this debate the result in the end will be the same.

Before I get my wires crossed I had better say at once that I intend to vote for this bill to amend the National Resources Mobilization Act. That is my intention, and I want

to say that immediately on rising. The hands of this government must be freed to employ such measures as will best meet at the time any emergencies which may arise. When we see gaps in the lines of our men who at present are protecting our land and our lives, and those gaps not being filled as they have been filled in the past, undoubtedly the government must have authority to proceed along such lines as it may deem best.

The great tragedy of war is that it demands the best of everything, the best of manhood and the best of material. And all to what end? Mostly for slaughter and distress. I am very sorry that this should be so. Men of my age and generation feel useless at a time like this. We have neither the strength nor the stamina nor the courage to be of any use to our country. Only the young men of strength and vigour, the hope of the next generation, are taken out of the land to carry on the work that must be done, while we who have had a run for our money, have used up the most of our three score years and ten, and have enjoyed largely of life, are left at home in comparative safety and comfort. The young go forth to lay their lives on the altar of patriotism.

The other night I listened to the speech of the hon. member for Quebec West and South (Mr. Parent), one which was most excellent and full of force and eloquence. He indicated that his compatriots from Quebec were willing, if necessary, to give their lives for this Canadian country, as it stretches from the green meadows of Prince Edward Island to the pine-clad mountains on the Pacific coast. But he pointed out that when Canada was ceded to Great Britain, French Canadians had been given assurances that they would not be asked to fight outside this country for Britain, and that they would never agree willingly to do so.

As he spoke I felt sympathetically toward him. In my opinion much of what he said was true, and I thought at the time that I should like to vote as he will vote. But at the same time I had a vision of a man who lived in a house in a city. One night he heard the sound of running feet, and cries of "fire". After a time he noticed that the confusion appeared to concentrate round his own house, and there appeared to be loud and excited conversation. Hearing this, he went to the window and saw a great throng of people talking excitedly. Looking round, he observed that his neighbour's house, not many feet from his, was on fire. But he said to himself, "Oh, well, it is not my house; I do not need to be particularly concerned; I shall just go back to bed and settle down." Then, after a time there was a knock on his door, and someone said, "Do you know the house next door is on fire, and the wind is blowing in your direction?" But his reply was, "Oh, that is all right; I need not worry about that; it is not my house." He retired again. After another short time there was a loud banging at his door, and the people said, "Do you know your house is on fire?" Then, indeed, did he bestir himself. Then, indeed, did he dress in a hurry, get his family out, and do what he could to save his possessions. But it was too late; his house was burning.

It occurred to me that that was about the position in which many people from French Canada are placing themselves to-day. They are not willing to get out and bestir themselves when the houses just opposite are burning. They seem prepared to wait until their own house is in flames. What chance will there be if the people of Canada wait until the invader is at our doors?—and he is at our doors. If they wait until the invader is at our doors, what hope is there? There is none whatsoever.

The issue under debate is plain enough. I need not refer again to the various elements which enter into the discussion. I might say briefly, however, that on the one hand there are many strong elements of British extraction who demand immediate conscription. On the other hand we have many French Canadians—not all of them, it is true—who steadfastly resist the application of that principle. I would preface my further remarks by asking two questions which seem to bear on this subject. First, why are the French Canadians so bitterly opposed to conscription? Second, why are other people so determined to have immediate conscription?

Let us turn to the first question, as to why the French Canadians are so bitterly opposed, and consider the corollary as to why Quebec and French Canadians should require pledges, more than others. In that connection I would refer to the remarks of the former Minister of Transport and Public Works (Mr. Cardin) who, in his observations, sought to explain the first question in these words:

> But when we come to consider problems such as the one confronting us at the present time, immediately any man who has any elementary knowledge of psychology will understand that your response is going to be much quicker than mine. Why? Because I have to reason in my mind why I have to support the British flag and spend my energies for the defence of British race in this conflict, or perhaps elsewhere. It is the result of thinking, the result of reasoning, if I come to that conclusion; with you it is the impulse of the heart. Your heart becomes inflamed as soon as the name of England, of the British empire, is mentioned.

That is very largely true. We people, although common citizens of Canada, differ greatly in some respects. After all, the French Canadians are French. They came from France hundreds of years ago—about four hundred years ago, history records. Their tradition is French; their language is French; their education and their religion are of the French Catholic church.

Mr. BRADETTE: Catholic.

Mr. HOWDEN: Their religion is Catholic, and their education is of the French Catholic type. The French people have no real regional connection with Great Britain. Their minds undoubtedly go back to the land of France, the land of their great forefathers. When Canada was conquered by Britain the French were given a good deal—there is no doubt about that. After the conquest of Quebec the French Canadians were allowed to retain their possessions and to carry on in precisely the same manner as they had prior to the war. Not only that, but I believe they were very much better used by their new English masters than they had been by many of their French governors. They were satisfied, and they played the game with Great Britain as is shown by their actions at the time of the revolt of the United States, in 1775, and again in 1849. For the next hundred years after the conquest of Canada the French Canadians were well satisfied.

The patriotic zeal of the French Canadian swung away from old France at the time of the revolution when that country forsook royalty and religion. However, when the patriotic regard of the French Canadian for old France was withdrawn, it was not turned to Great Britain by any means. At this time the people of Quebec transferred their allegiance from the fatherland in Europe to their own home in Canada. Canada became their new country. Canada was their only country. They owed allegiance to no other land than Canada. I may be wrong, but it is my opinion that with all the respect and loyalty that remained in the hearts of the French-Canadian people, with regard to the British empire, there was never any indication of filial love for the great empire. So long as the people of French Canada were not asked to take part in British wars which might take them out of the country, everything was all right; everything was quiet. This afternoon we have heard of the great number of young French Canadians who have enlisted voluntarily in this war, as well as of those who enlisted voluntarily in the last war. However, on every occasion when there was any suggestion of coercion or compulsion or domination, the French, who are a fiery, sensitive and proud people, resented it and fought against it as they are fighting to-day.

The hon. member for Richelieu-Verchères was only half right. He referred to the Canadian people who were burning with patriotic fire. I should like to point out the difference between the French people with their French traditions and those of British origin. I never learned it at school, and I certainly never learned it at church, but I always thought of Canada as being a member of a great British family. I thought of Canada as being a family herself and as being one of many other families. When any one of those families got into trouble their relatives and their friends came to their assistance. I well remember 1884, when I was not a very big boy, when the young men of Winnipeg went on the Nile voyage to the siege of Khartum. That is my earliest international memory. Then the next year we had the northwest rebellion, and I remember the redcoats from Toronto in the old Canadian Pacific Railway depot who had come out to help our 90th battalion, the so-called Little Black Devils. That seemed only natural to me.

When I first heard it said that the sun never set on the British empire I thrilled with pride. I have always had that feeling about Canada and about Great Britain. After all, we are one of a great conglomeration of people with like sympathies and a like purpose in life. This seems to me to be perhaps the most outstanding difference between us of British origin and those of French origin. The latter came from France, and they had a filial connection with that country which they threw off after the conquest of Canada. On the other hand, we are of British extraction. I am the fourth generation of my family in this country, but I am afraid that I have never been consumed with this so-called patriotic fire. At any time that the British empire has become involved in trouble I have felt a decided sense of duty and obligation, but it has been a well considered idea.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. HOWDEN: Mr. Speaker, when the house rose at six o'clock I was speaking to the question, why are the French so bitter against conscription? Why this question should be addressed only to the French I do not know,

because I believe there are in Canada a great many of racial origins other than French who would probably resent with equal force the application of conscription. I believe that if the recent plebiscite had been submitted to the people in the form of a question such as, "Do you favour the application of immediate conscription?" many thousands of our young men, their mothers and perhaps their fathers, and probably a number of industrialists who had engaged young men whose services they particularly wanted to retain, might have thought twice before they answered that question, and their answer might have been different.

I was seeking to explain the reason for the resentment of French Canadians toward conscription. Of course we all know the real reason; there is nobody in this house who does not know it. It is that French Canadians resent coercion, which is a form of domination. They claim and, I assume, with entire truth, that they were given to understand by the British, a hundred years ago or thereabouts—

Mr. MacNICOL: In 1763.

Mr. HOWDEN: —actually, in 1760, that they would not be called upon to fight British wars overseas. Unfortunately, since that time they have been compelled to do so. Probably that instance has been the outstanding occasion of offence to the people of French Canada. While not seeking to make a complete answer to the question, I wish to present a few relevant circumstances from our past history.

To begin with, French Canadians have been in this country for about four hundred years. They were the pioneers. They lived here for two hundred years before the country passed from the control of France. I believe that with French Canadians it has always been a case of Canada for Canadians, Canada for French Canadians, Canada and Canada only as their homeland, and they recognize no filial obligation to any other. As the Jews, after two thousand years, still look for the day when they will repopulate Jerusalem, so in the hearts of French Canadians there lives the hope, as well as the half-belief, that the day will come when Canada will come back to French Canadians and to the French Catholic church.

Mr. BRADETTE: Never that.

Mr. HOWDEN: My hon. friend behind me says, "Never that". Well, I would not blame them, and certainly I am not blaming them. It is, perhaps, a worthy hope. But let me suggest that to-day we are living in the immediate present, and if Hitler and Japan have their way, the day in which Canada returns to the French may be long delayed.

The reason why the French detest conscription dates back, of course, to the conquest of Canada. No one likes the humility of defeat, and the French are a proud and sensitive people. For nearly two hundred years they owned this land, which had been, in the words of of the former Minister of Transport and public works (Mr. Cardin), wrested from the wilderness and the savages and given to Christianity by their forefathers. Through the early terrible years they suffered many hardships and privations. They defended the land against raiding Indians and against the invasion of the English colonists. Often their early settlements were wiped out with fire and massacre. But they persisted; they held on. They turned forests into farms; they built roads, villages, communities and fortified cities. After two hundred years their land was handed over by the crown of France to that of Great Britain. Fortunately, their new masters were, comparatively speaking, easy and much less offensive than some of their rulers from the old land.

Now, sir, at confederation the people of French Canada received, in my opinion, a very satisfactory arrangement. About a hundred years passed, during which they were quite satisfied and contented; they had very little to complain of; but when, in 1885, when Riel was hanged, Quebec was not so happy. Riel was a French Catholic. He was a dreamer, an impractical dreamer, who had visions of setting up an independent republic in Rupert's Land, with himself as president and the local archbishop enthroned as the pontiff. That may sound ridiculous, but that is the fact.

Mr. FOURNIER (Maisonneuve-Rosemont): It does not sound ridiculous, but it sounds strange.

Mr. HOWDEN: May I tell my hon. friend that I have the intimate friendship of many of Riel's compatriots, that I have been family attendant physician for his brother's family, and that I have had those words from them. So I did not get that in any history book.

Mr. McIVOR: I know it is right.

Mr. HOWDEN: When trouble arose in 1870 between Riel and a man named Scott, resulting in the death of the latter, Riel had to flee and thereafter was exiled. Later he came back to lead the rebellion of 1885; and although the massacres at Frog Lake, Duck Lake and Battleford were probably not under his control, he was the leader, and he suffered in consequence. There was certainly just cause for the Canadian government to send aid to the threatened people of the northwest, for by this time the northwest was part of the Dominion of Canada and the white

settlers were Canadian colonists who had gone to pioneer the new land. Quebec looked upon the whole western move as an extension of empire, and many felt that Riel had come to an untimely and unjust end. Probably that is the first incident in the history of Canada since confederation that estranged the people of Quebec to some extent.

At the time of the South African war Quebec looked with disfavour upon the sending of Canadians to assist Britain. We remember that the British interests were roughly discriminated against in the South African Dutch republic and that the Jameson raid was in the form of a rebellious protest; but it is questionable if it justified the government of Britain in later attacking that republic and subjecting it to British rule. In any event, it was the beginning of the French-Canadian nationalist movement which was in protest, first of all, against the extension of British imperialism and also against Canadians being called upon to fight Britain's imperialistic wars overseas.

The next trouble came during the great war. It was well known by this time that the people of Quebec, while prepared to fight and die in the defence of Canada, had no sympathy whatever for British imperialism and disavowed any responsibility or obligation in relation thereto. When, therefore, Russia backed Serbia, France backed Russia and England backed France against Germany and Hungary in 1914, it certainly looked like a war of conquest for national aggrandizement. When a bill for conscription was brought into this house in 1917 by a union government preponderantly British, and a union government preponderantly British was used to push it through, Quebec opposed it fiercely and sent a solid phalanx to oppose it. Quebec took the attitude that we were in reality an independent nation, that there was no obligation to send men overseas, and fiercely resented compulsion in the matter of securing men for the army. I am disposed to think that the people of Quebec were not far wrong, particularly when defeat in the last war could not likely have made so much difference to Canada, and when one feels that the union government had more fish to fry than one, and that besides the provision of men for the army there was the little matter of the Canadian National and Grand Trunk investments to be considered.

At the outbreak of the present war no political party in Canada felt that conscription was necessary or that there was any need indeed for sending men overseas, and they so stated in this house and out of it. Pledges were given to Canadians everywhere that there would certainly be no conscription for overseas, and when this pledge was challenged by the Premier of Quebec we all know what happened. Small wonder then that when the government sought release from this pledge and used the preponderance of the British vote by way of the plebiscite to overrule the French, and when now this government seeks to remove the last barrier, the French people feel that they have been betrayed and look with distrust on the action of the government.

I would now turn to question number 2 and ask why other Canadians, as typified largely by members of the official opposition, are so set on immediate conscription for men overseas, when there is at present no apparent need. That there has been a well sustained effort in this house and out of it by members of the opposition and their friends to force the government to apply conscription will hardly be denied. Then, conscious of the well-known aversion of French Canadians, and of the fact that with two exceptions the French Canadian group in this house are supporters of the Liberal government, and the further fact that the application of conscription will probably—at any rate possibly if not probably—bring about national disunity, why do the members of the opposition insist on a measure of this kind? Do they seek to create a cleavage in party support in the chamber?

Mr. SPEAKER: I am sorry to interrupt the hon. gentleman, but this afternoon attention was called to the reading of speeches and I would ask him to refrain from reading his speech.

Mr. HOWDEN: I will do my best to address the house without referring to my notes so closely; but with all deference to Your Honour, I do not think this ruling is quite fair, because I see leaders of all parties, and very many members too, being permitted to peruse their notes very closely. There is no irritation whatever on my part, and no rebellion; but I must say that the thoughts I have set down here have received extensive consideration before being put down, and while I hesitate to do so, I would remind Your Honour that I have spent many years in this house with yourself and that there were occasions when it was desirable apparently for Your Honour also to use a written text.

Mr. SPEAKER: I realize the accuracy of the hon. gentleman's observations, but to-day the house expressed its opposition to the reading of speeches. There is a rule, and that rule I must enforce. It is distasteful to me to have to call attention to that rule, but from now on I must insist that it be observed.

Mr. HOWDEN: I was asking whether the opposition are seeking to create a cleavage in the government's following in this house in order possibly to defeat the government or force it to form a union government. I would remind the house of a drive some four years ago against the government for the formation of a union government.

I find that my time has expired.

Mr. NORMAN J. M. LOCKHART (Lincoln): I shall humbly bow to your ruling, Mr. Speaker, and endeavour to the best of my ability not even to refer to my notes, any more than I can possibly help.

At the outset of my remarks I wish to refer to the Minister of Munitions and Supply (Mr. Howe) who, when giving during this debate, his review of the accomplishments of his department, gave us a very clear description of what had been done, for which I think he deserves a great deal of credit, in giving leadership to such an accomplishment as has been developed by the industrial forces of this country. I am sure the minister knows that I have no animosity toward him and will do anything I can to help him; but I must say this, that not many months ago an urgent demand was made to members of this house —it was to myself and, I know, to other members with whom I have conferred—urging that industrialists and the great army of industrial workers be given an opportunity to make tanks and aeroplanes in Canada. The minister, improperly advised I think, said that this was impossible on account of lack of technical men and for other reasons which were stated. I know that answer did not please the great body of industrial men in this country; it did not suit the army of industrial workers who are so capable of carrying on this work, and I know considerable pressure was brought to bear upon the minister, so that in due course they were able to persuade him that these things could be done. I wish that the minister had, in his report, made reference to the loyalty of the heads of industry and the great body of workers in industry, because I believe that was due them, as I think the minister will probably agree. The minister rather gave the impression that what has been done was largely as a result of the efforts of his department; but I want to say publicly, knowing something of the situation, that it took some persuasion on the part of heads of industry to make, probably not the minister, but his department realize what could be done in Canada, as shown by what has eventually been done.

Passing on to the Minister of National Defence for Naval Services (Mr. Macdonald) and referring briefly to the Minister of National Defence (Mr. Ralston), I think this house was deeply appreciative of the clear and concise statements given by the ministers of those departments, on whom rests so much responsibility. I do not believe that the country at large or this house were particularly enthusiastic about the explanations given by the Minister of Agriculture (Mr. Gardiner) although I pay him this tribute, that he is now, at long last, doing a better job in trying to coordinate the interests of the farming community. I have, however, heard a good deal of criticism of the tactics employed by him in his address. That criticism was made to me both by letter and in person. Then, when we come to the Minister of Mines and Resources (Mr. Crerar)—well, I think the press said enough about that. Those of us who observed the attitude of the minister when he spoke in the house the other day, and compared that with his record, realize that it does not carry much weight with the Canadian people.

This debate awakens strange thoughts in our minds. The security of this country is threatened from both without and within. It is threatened from without by the fiendish activities of the nazis and fascists and by the atrocities that are being perpetrated in the world. I fear it, threatened as it is from within by the practice of political expediency right down to the present moment. No nation can survive when it is attacked from without and from within; no nation, young or old, can survive attacks of those kinds.

I rise in my place in this house for one of several reasons. I read carefully the statement made by the Prime Minister (Mr. Mackenzie King) upon the second reading of this bill. At page 3237 of *Hansard* for June 10 I find these words:

> It is not only the right but it is a duty of hon. members to interpret the view of their constituents, but it is equally a duty in so doing to see that a construction is not placed upon their views which was never and could never have been intended.

That was the first challenge thrown out by the Prime Minister to the members of this house. Then, as reported at page 3235 of *Hansard* the right hon. gentleman said:

> What really is important is that the government's policy should be fully known, presented to parliament, and agreed to by parliament before any action is taken. In this way and in this way only, the people's representatives in parliament can be afforded a full opportunity to discuss the whole subject upon its merits.

The only exception I take to that statement is that here we have a bare bill purporting to give the government an authority which the people of Canada undoubtedly wished the

government to have; yet in the words of the Prime Minister we are told that it may never be necessary to have any form of compulsory service for overseas.

I now pass on to another remark by the Prime Minister, dealing with the plebiscite. These were his words, as reported at page 3231 of *Hansard*:

> If there be any wisdom in removing false impressions, surely the sooner they are removed the better.

With that I entirely agree, and I say there have been altogether too many false impressions attempted to be put over on the Canadian public.

I now quote briefly from page 3233 of *Hansard*, where the Prime Minister, after saying that the government had full power to deal with this matter as and when it desired to do so, notwithstanding the provisions of section 3 of the National Resources Mobilization Act, went on to say:

> Why then, it will be asked, does the government come to parliament for powers which it already possesses? The answer to this question is the sense the executive has of its responsibility to parliament.

After this address by the Prime Minister I thought perhaps it would be advisable for me to state what I believe to be the interpretation that was placed upon the plebiscite vote in my constituency, and also to make some brief observations on the general situation that has developed in this House of Commons. As reported at page 3231 of *Hansard* the Prime Minister stated that it was difficult enough, in some quarters, to have the people see the wisdom of trusting the government, and he went on to ask, "Why arouse suspicions?" That is what I find in the hearts of a great many of the people. They are suspicious, and I do not believe the debate which has developed here has done much to remove that suspicion.

But let me pass on and state what I believe the people felt was the correct interpretation of the plebiscite vote. They appeared to feel that it was an evasion of responsibility. That statement has been made several times in this house, and I believe that was in the hearts and minds of a good many people. Personally I opposed the taking of the plebiscite. Had the Prime Minister agreed to add the words, "in any theatre of war", as one amendment suggested, the whole situation would have been clarified in the minds of the people. Notwithstanding the fact that the question was vague and uncertain, after it was decided to hold the plebiscite large numbers of my constituents said to me, "What do you propose to do in connection with the vote that is to be taken?" I must confess, Mr Speaker, and I readily admit, that I was somewhat at a loss to know just what one should do. When I told them that I felt a "yes" vote was absolutely necessary, of course I was immediately asked, "What does a 'yes' vote mean?" Naturally I could not answer that, but I urged my people to do their utmost to get out and vote, and the results were quite obvious in my constituency. The thing I deplored most of all was the loss of a month of valuable time, when Canada's very destiny was hanging in the balance. But then, when I contemplated how that month was being used by members of this house and citizens at large in certain parts of Canada, it dawned upon me that there was the possibility of a "no" vote throughout this country unless the people who would vote "yes" were stirred to get out and cast their ballots as they were expected to do. I say the indifference of the people up to that point was appalling, but it would have been a national tragedy if a decisive "no" vote had been recorded in one part of Canada, while the people in the rest of the country remained indifferent to the whole question.

In any event, the plebiscite was held, and the results have been published. I suppose all hon. members have copies of the *Canada Gazette* of June 23, which indicates where the "yes" vote was recorded and where the "no" vote was cast. I do not know of anyone on this side of the house who evaded his responsibility. I know that personally I consulted with the other groups represented in my constituency. We held joint meetings, and did our utmost to get the people to vote, notwithstanding the feeling of suspicion and the many criticisms that were voiced against such a vague question. In that plebiscite eight of the nine provinces voted "yes" with a very large majority. I believe approximately two out of three people across Canada voted "yes", while in my constituency the proportion was nine out of ten, and I believe about 28,000 votes were cast there. But even after that vote was taken, we continued to have evasion and equivocation, which were apparent even in the Prime Minister's speech in support of Bill No. 80. I am going to join with the hon. member for Trinity (Mr. Roebuck) by saying that not only in my constituency, but in very many others with which I have been in touch, that was the feeling they had. They were voting on the definite principle of conscription, "yes" or "no", and they expected there would be some definite action in the light of the circumstances developing in this country almost hourly. So I say that the hon. member for Trinity stated quite clearly the condition with

respect not only to his own but to other constituencies. I know of some other constituencies in Canada the representatives of which, if they had the courage of their convictions to tell the story as they know it to be back home, would speak definitely in this debate.

The great criticism I found had to do with the inequality of service being developed. It had to do with letters being received from overseas referring to men with very little training being sent—and they are still being sent—to fill the ranks over there. It was only two or three weeks ago I received a letter from a young chap who lives in Windsor, and who is now in England, pointing out that for some reason men were being sent over who had scarcely any training. I would say that this does not represent a healthy state of mind for our men overseas, when the enemy is coming closer and closer to our very shores—in fact, has now reached our coasts.

This all develops into a question of leadership in Canada. I am a comparatively new member in the House of Commons, but I have read a good deal of the past debates. After the Prime Minister made his long speech in moving the second reading of the bill, I spent some time studying the plebiscite of 1917 to which reference has been made by some hon. members. In one article I found that the great leader of that day, Sir Wilfrid Laurier, who was then leading the Liberal party—and I think men of all political affiliations will agree he was a great statesman—used these words with respect to the plebiscite of that year:

> We do not believe that conscription is necessary to our war effort. But we are part of Canada, and if the majority of the country believe and declare that conscription is necessary, then we will submit loyally to the verdict.

Mr. DUPUIS: Would the hon. member allow a question? I should like to correct a statement he has made. It was not a plebiscite, but rather a referendum.

Mr. LOCKHART: The other evening when the hon. member for Lake Centre (Mr. Diefenbaker) was making a courteous appeal, which I shall attempt to do before I take my seat, and was directing that appeal to the hon. member's compatriots in Quebec, I heard some gentlemen across the floor of the house indulging in sneers, and their words were, "Let Quebec alone." The hon. member who has interrupted me was perhaps one of those gentlemen. If he wishes to make a speech, let him rise in his place and make it after I have finished.

I had quoted the words of an eminent statesman of that day, one who was doing his best to coordinate all the viewpoints which at that time were rampant throughout the country, viewpoints more diversified than Canada had ever had.

There is a brief reference in the remarks of the Prime Minister which I should like to couple in at this time, so as to establish continuity in what I am about to say. At page 3240 of *Hansard* he is reported to have said:

> It is surely time that we began to call things by their right names. The total mobilization of man-power means the most effective use of all the men and women available: it has nothing whatever to do with the method by which that mobilization is achieved.

Following that address, in which we were asked to call things by their right names, the former Minister of Transport and Public Works, the hon. member for Richelieu-Verchères (Mr. Cardin) made a most eloquent appeal on behalf of the people of his province. I believe in many respects he cleared the air in that most memorable address. He went on to point out, how throughout the years, statement after statement had been made to the French people. He even went so far as to say that he had risked his own life by urging the "yes" vote upon his compatriots. I am not criticizing the people of his constituency, or those whom he may have attempted to influence. But I do say that he made abuntantly clear to the house the fact that it was the leadership received in the last twenty-five years which had brought about the present situation. That is something which I suggest has been made clear to the country.

The Minister of Justice (Mr. St. Laurent) attempted to evade the question when my leader asked him about a certain letter written to a political group, in his constituency, I believe it was. It has been a policy of evasion, right through. But if the speech of the hon. member for Richelieu-Verchères has done nothing else, for all time to come it has been made clear, beyond contradiction, that the leadership which Quebec has received for the last twenty-five years, as indicated by the hon. member, has been the cause of all the disruption down to the present time.

At long last I say we are beginning to call things by their right names. The Minister of National Defence (Mr. Ralston) said that 179 constituences voted "yes" and 65 "no." The conclusion is obvious that that was the consensus among the great majority of the Canadian people. The isolationist idea which in the last twenty-five years has been so fruitfully developed has been the cause of a great deal of trouble in Canada. We must conclude that the Prime Minister is responsible for a considerable portion of the blame, and I cannot exclude such men as the Min-

ister of National War Services (Mr. Thorson), because even in this debate he made a long discourse on the subject of isolation. Unfortunately, the people of Quebec—and I am not questioning their loyalty at all—are paying the price to-day of that kind of leadership.

So we must stop to consider this matter in a broader sense. Not so long ago I was talking to a citizen of Canada who is of Polish extraction, and I do not know of a better way to illustrate what I have in mind than to quote his words. He was speaking of the present difficulty we are having in Canada, and as a Canadian citizen he deplored it. He came to this country when five years of age and has lived here for nearly fifty years. He is now living in the central west and, having known him for thirty years, I know what a good Canadian he is. I want to let the good citizens of Quebec know the feeling that came over this new citizen of Canada when he found that the paper money being distributed through the western provinces had two languages upon it. I am stating this man's reaction. He told me that he always thought that Canada was part of the British empire, that our predominant language was English. He told me that there were many people, particularly of his own racial origin, who do not know a word of French. He asked, "Why are we obliged to have this in the Dominion of Canada?" I told him that it was authorized by statute, that there was a lot that could be said about it, but that it had gradually crept in. I am simply trying to give the reaction of this man. There are tens of thousands, perhaps hundreds of thousands of people of the same, or other racial origin in this country, and his feelings are but an illustration of what can easily happen when perhaps tens of thousands more will come in after the war. He feared that a demand for certain racial privileges might easily develop, which he felt was entirely unnecessary if we are going to have one great Canadian family. We must stop to consider the reaction on the part of people of other origins. I say in all fairness to my hon. friends from Quebec that I do not think this is the time to bring out so much bitterness and animosity.

The spirit of conciliation has been quite evident in the house this afternoon. The hon. member for Parry Sound (Mr. Slaght) made a most eloquent appeal, and I was moved by the remarks of the hon. member for Nipissing (Mr. Hurtubise). When the hon. member for St. Boniface (Mr. Howden) was speaking he referred to the French not wanting to fight British wars. References such as that are not fitting on June 25, 1942. Surely all of us, no matter what our racial origin may be, must realize that on this day and date the sanctity of our homes is not secure. In the light of developments of the past few months particularly, and since Dunkirk, I do not know how anyone in Canada can call this a British war.

I do not think that many French-speaking citizens call it a British war, even though some of them may be a little erratic in their attitude toward the present bill or the present issue. This is a question which every one of us must face as a Canadian. I represent a constituency which voted nine out of ten in the affirmative. The people of that constituency, like the people in other parts of the country, felt that they were voting "yes" or "no" on compulsory service. They feel that there is no equality of service if the cream of our young manhood, the men who might be the potential progenitors of a future race, are sent overseas simply because they volunteer. Every one of us has an equal responsibility in beating off the enemy. That is the way my people feel, and I know that most of Canada feels the same way.

Mr. HOWDEN: I should like to correct that allusion of the hon. gentleman. I said nothing about French Canadians not wishing to fight for England in the present war; I was talking about their earlier history.

Mr. LOCKHART: I am sorry if I misinterpreted the hon. member's remarks. His statement clarifies the situation. I do not think that any French-speaking Canadian could possibly hold such a view at the present time.

The Prime Minister is reported on page 3242 of *Hansard* as having said:

> It is no military secret that willing men make better soldiers, on the average, than those who are compelled to serve. Moreover, the army overseas is composed entirely of volunteers. Its spirit and morale will undoubtedly be higher if its reinforcements are also volunteers.

I am simply voicing the sentiments of the people whom I represent. I spent a long week-end in trying to acquaint myself with their feelings. One person, whose opinion I value, sent me a press report dated Washington, June 10. I shall not read it, but the gist of the article is that the United States, having an all-out compulsory service, apparently is taking exception to the words used by the Prime Minister, that "it is no military secret that willing men make better soldiers, on the average, than those who are compelled to serve." There are many members of this house who served in the last war, and I think they will agree that after the conscription bill of 1917 was enforced, no one ever differentiated

between the man who volunteered and the man who was obliged to serve. The Canadian army as a whole covered themselves with glory, and how proud we were of them. I know that French- and English-speaking alike can do it again. References of the kind to which I have referred only cause suspicion and resentment, and they do not befit a leader, in a crisis like this, in Canadian history.

Mr. McLARTY: Has the hon. member information that the Prime Minister of Canada ever made such a remark as he is now quoting?

Mr. LOCKHART: That is right in *Hansard*. I just quoted it from *Hansard*.

Mr. ROSS (Souris): He is hardly the man to make the statement, but it is there.

Mr. LOCKHART: Would the hon. member like to have it?

Mr. McLARTY: The hon. member would not like to have it. He would like to suggest that the quotation is probably a misquotation of the Prime Minister's remarks.

Mr. HANSON (York-Sunbury): What page is it?

Mr. LOCKHART: Page 3242 of *Hansard* of June 10:

> It is no military secret that willing men make better soldiers, on the average, than those who are compelled to serve. Moreover, the army overseas is composed entirely of volunteers. Its spirit and morale will undoubtedly be higher if its reinforcements are also volunteers.

Mr. HANSON (York-Sunbury): Hear, hear. It is right there.

Mr. McLARTY: Oh, well, Mr. Speaker, to lift it from its context is hardly fair.

Mr. HANSON (York-Sunbury): It is not removed from its context.

Mr. McLARTY: The suggestion is, after all, that if a man volunteers—

Mr. SPEAKER: Order.

Mr. McLARTY: All right, Mr. Speaker.

Mr. HANSON (York-Sunbury): It is the end of a paragraph. It is not taken out of its context.

Mr. LOCKHART: It is just at the end of the paragraph.

There are other quotations here I could give which are exactly along the same line. If the minister will read page 3524 throughout, he will see there are several references to the same thing.

[Mr. Lockhart.]

Mr. McLARTY: Mr. Speaker suggests that I should not further interrupt, and I shall adopt his suggestion.

Mr. LOCKHART: I have received from members of the veterans' associations of the last war definite exceptions to such an attitude. I say that these things are leading to public distrust and misunderstanding.

I do urge that we try to bury our differences. There is no question about it; we must pass Bill No. 80. I want to make my position clear; we must pass that bill. If it is to remove a moral obligation, well, it is all right: if the whole thing developed on that ground, as the Prime Minister has indicated, that is all right. But I know the feeling across this country. Perhaps it is borne in upon me more clearly because my people voted in the affirmative more strongly than some other sections; but they voted clearly that we must have a definite equality of service right now in Canada in order to make our proper and most efficient war effort. Upon that point my people were explicit; they have been repeating it continually since this bill came up. I urge upon the Prime Minister that that is the feeling of one hundred and seventy-nine constituencies as against sixty-five, and I believe it is the feeling that the great majority of the people had when they marked their ballot "yes".

So I say to my French-Canadian friends, there has been definite evidence that the majority favour this bill; do not start a filibuster against it. Then the Prime Minister must accompany it with something which will convince the Canadian people that he is still not trying to evade the issue which they have presented to him. He must follow it up, maybe not to-morrow but in the very near future. This bill must be passed. I hope that the whole of the membership of this house, acting in the spirit of the speeches the hon. member for Parry Sound, the hon. member for Nipissing, and others have made, will drop petty differences and let us have a united effort, not only by our personal activities outside the house, but by trying to persuade the Prime Minister that the people of Canada are asking him to develop a universal, selective, compulsory service which will eliminate a lot of present inequalities and what may be called unfairness. I urge this upon the government as the view of nine out of every ten people I represent. They are asking me to bring it to the attention of this house, and I am very glad to have had this opportunity to do so.

Mr. H. E. BRUNELLE (Champlain): Mr. Speaker, the hon. member who has just spoken

(Mr. Lockhart) has graciously given the poor province of Quebec some advice, and in a few minutes I shall refer to the same question. Before making my remarks on Bill No. 80, I wish to refer to the speech which was made last Friday by the Minister of National Defence for Naval Services (Mr. Macdonald). Undoubtedly the plebiscite and conscription, taken together, constitute a very complicated subject. Some light has been thrown upon it by the Prime Minister (Mr. Mackenzie King) and several ministers of his cabinet since the beginning of this debate, but I am afraid that the minister for naval services has complicated it more than ever.

At the beginning of his speech he gave us the impression that the plebiscite was not conscription, and in that he was in agreement with most of us. But in the next breath he proceeded to argue in favour of conscription, and at a given moment, linking the plebiscite and conscription together, he made the following statement as reported in *Hansard* at page 3509:

If conscription is of no value and cannot be of any value, then the plebiscite was of no value.

Again, he said, at page 3512:

We have had a plebiscite on it—

That is, on conscription, because he was discussing conscription.

—and I must confess that I felt that if the vote on the plebiscite was in the affirmative, there would be very little further debate on the matter.

Evidently the minister for naval services believed that if the plebiscite was in the affirmative, it meant conscription. Now I ask the minister for naval services why he did not say this, or did not express this opinion, before the plebiscite. If he had, I think his word, as the word of a minister, would have made a great deal of difference in the vote that was given.

I wish to express in these few words my disagreement with the minister for naval services, and my surprise that he should disagree on such an important question as much as he does with the Prime Minister and with most of the other ministers who have spoken thus far in this debate. The minister for naval services received the repeated applause of the members of the Conservative opposition, and, speaking for myself, I do not envy him that honour. He received the applause of almost the same people who last night listened almost religiously to that shameful, arrogant and provoking race cry which the hon. member for Hastings-Peterborough (Mr. White) sounded in this house. I wish to protest, publicly and now, against that conscriptionist speech of the minister for naval services, because I do not wish it to be said later that I approved it by my silence.

There is another matter which I wish to discuss briefly. We have heard a great many speeches—interesting, substantial speeches—in this house since the beginning of this debate. Practically every speaker in this house, whether he belongs to one party or another, Social Credit, Cooperative Commonwealth Federation, Tory or Liberal, has devoted a good portion of his speech to the province of Quebec. There was a profusion of advice, and, if I may say so, prescriptions. I believe that most of the speeches were made in good faith, earnestness and sincerity, and therefore I thank the members who have so graciously given us much sympathetic advice.

This debate will soon be brought to a conclusion, and I believe it will have had some good results. It will have made us much better known to one another; it will have made us acquainted with the local difficulties and the affairs of members; and particularly it will have shown that every member of this house is imbued with an admirable spirit of tolerance and good-will. Of course, there are exceptions. I wish to refer to the exception who represents the constituency of Hastings-Peterborough. That hon. member, speaking as he did last night, made himself the champion of one of those miserable, but not strong castes of Canadian citizens who are to be found in all races and nationalities and who thrive on religious and racial prejudices, who seem to think that the religious and racial issue is just as important as any in our country. I do not intend to dwell very long on this subject. I will simply say that the hon. member for Hastings-Peterborough and his speech deserve only utter contempt, and everybody whom I met since the hon. member made that speech, whether he came from the maritime provinces, whether he was French-speaking or English-speaking—

Mr. WHITE: On a point of order, I would point out that in my speech yesterday the word "religion" was not mentioned once, nor did I at any time make reference to religion, Protestant, Catholic or any other. I would ask the hon. member to withdraw his remarks in that regard. As far as his other remarks are concerned, I expect nothing different.

Mr. BRUNELLE: I must give the hon. gentleman credit for that much.

Mr. WHITE: I do not wish credit from the hon. member.

Mr. BRUNELLE: The hon. member says he did not mention religion last night, and I withdraw my remark in that regard. Every hon. member whom I have met since last night, whether he comes from Quebec or Ontario, from the west or the maritime provinces, had the same words on his lips; he said, "Shame on the hon. member for Hastings-Peterborough." But I must come to the rescue of the hon. member.

Mr. WHITE: I protest. Heavens above! I do not want to be rescued by the hon. gentleman. I am capable of taking care of myself.

Some hon. MEMBERS: Order; sit down.

Mr. BRUNELLE: I say again I must come to the rescue of the hon. gentleman—

Mr. WHITE: I do not want the hon. member to rescue me.

Mr. BRUNELLE: —whether he likes it or not. I am going to help him out. He did not interpret correctly the vote on the plebiscite as given in his constituency, nor did he give a proper picture of his electors. In his speech last night he said he had helped during the plebiscite and that he had advised his constituents to vote "yes". He said that in voting "yes" they were voting for conscription, and that his electors understood when they were voting "yes" they were voting for conscription and that when they were voting "no" they were voting against conscription. He said further, as reported at page 3661 of *Hansard:*

> The electors in my part of Ontario have always been 100 per cent for a total war effort, and they are to-day.

Note that. Well, I have in my hand the dominion report on the results of the plebiscite given by constituencies, and I note here that Hastings-Peterborough gave the following results: 5,764 votes in the affirmative, 1,357 votes in the negative; 51 ballots were rejected; 7,172 votes were cast in all, and there were 14,980 people on the voters' list.

Mr. WHITE: Mr. Speaker—

Some hon. MEMBERS: Order. Sit down.

Mr. WHITE: On a point of order—

Some hon. MEMBERS: Sit down.

Mr. WHITE: I will not sit down.

Mr. SPEAKER: The hon. gentleman is rising to a point of order.

Mr. WHITE: On a point of order I wish to say that the difference between the number who voted—

[Mr. White.]

An hon. MEMBER: That is not a point of order.

Mr. BRUNELLE: Figures do not lie, and I would much rather rely on figures than on some people.

Mr. SPEAKER: The hon. member must withdraw that statement.

Mr. BRUNELLE: I will, but I insist on helping my friend with his electors. In Hastings, which is very suggestive of loyal citizens, they were very far from being 100 per cent for a total war effort, if a total war effort meant conscription for overseas service. In the first place, 25 per cent of those who voted voted "no", and half, if not more, of the whole number of people who were on the voters list did not vote at all.

Mr. WHITE: Because they were in the army.

Mr. BRUNELLE: Now I wish to tell this to my hon. friend; he is a very convincing talker, a very clever man—he never convinced me though—and he tries hard to drive his point home. He pleaded with his electors to vote "yes"; he told them that in order to have a total war effort we must have conscription for overseas service, and that if we are to have conscription for service overseas, they had to vote "yes." But half of his electors did not pay one bit of attention to him and did not vote at all.

Knowing all this, the hon. member last night insulted the people of Quebec because they voted "no," and he was almost insulting to hon. members representing the province of Quebec because we were not going to support the bill to amend the mobilization act. He knew all the circumstances; he knew that his own electors had not done much better than we did in the province of Quebec. But he had the audacity to ask when and how injustices were imposed by the majority upon the people of Quebec. That was one injustice that he himself committed last night. He did not need to ask. Mr. Speaker, there is one term which I should like very much to apply to the hon. member for Hastings-Peterborough, but I cannot; it is unparliamentary. The Bible, however, applies it to the Pharisees.

Mr. SPEAKER: I think that remark conveys exactly what the hon. member said he could not state. I ask the hon. member to withdraw it. There is only one implication that can be drawn from his reference to the Pharisees. The hon. member is not entitled to make such an implication.

Mr. BRUNELLE: I am sorry; I shall have to withdraw it, but I thought using the words of the Bible would make it good.

Mr. FOURNIER (Maisonneuve-Rosemont): I do not see that words taken from the Bible can be regarded as unparliamentary.

Mr. BRUNELLE: I hope these interruptions will not be counted in my time.

Mr. SPEAKER: The interruptions were provoked by the hon. member himself, and they will be considered in his time.

Mr. BRUNELLE: They have no right to interrupt me. However, I wish to thank all hon. members who have been kind enough to give advice and to prescribe to the province of Quebec. But I think I could give advice to the hon. members who advised me. However, I shall not do it, because, seriously, I think it is too late. A situation has now been created. It took a number of years to create it, and now it has to be faced as it is. I for one gave warning in this house, and some of my colleagues did the same thing; some of my friends outside this house gave warning that certain causes of discontent and friction should be made to disappear, but nothing was done. I say it is too late now to change the situation, and it must be faced as it is.

I cannot refrain from recounting a conversion which took place between two friends, which may have some bearing on the present case. Two friends met; one said to the other, "Do you think the medicine of Doctor Jones is good?" The other said, "I do not think it is unless you follow the directions very closely." And the first one asked, "What are the directions?" The answer was, "Always keep the bottle tightly corked."

(Translation): Before concluding my remarks on Bill No. 80, I wish to refer to the speech delivered here about two weeks ago by the hon. member for Gaspé (Mr. Roy). The house undoubtedly listened with sadness, as did all the representatives of the province of Quebec, to the hon. member's inopportune, unjustified and harsh denunciation of the former Minister of Public Works (Mr. Cardin). Attacking without the slightest provocation, the hon. member for Gaspé worked himself up to a rage where, lacking parliamentary expressions, he resorted to others less dignified. More than once was the Speaker compelled to make him retract his words. Now in critical times such as these, when political partisanship should rightly disappear, at a moment when it is disappearing from the discussion of an essential problem, we can only deplore that the hon. member for Gaspé should have seen fit to depreciate the independence of mind and moral courage shown by the hon. member for Richelieu-Verchères in quitting his post as Minister of Public Works in the federal cabinet.

The hon. member for Gaspé struck a sour note. He merely succeeded in lowering himself in the esteem of his fellow-citizens of Quebec, both Liberal and Conservative. He has turned himself into the symbol or prototype of that far too numerous class of people who always decry those who meet with success, who cannot suffer one of our men to succeed, and who never miss an opportunity of reviling those who surpass them or of belittling that which God has made great.

These same people, Mr. Speaker, even criticized the sensible, energetic and appropriate speech that the Minister of Justice (Mr. St. Laurent) recently gave in this house. They criticized that speech of the Minister of Justice in which he was noble and impartial enough to advise his followers, his colleagues and his friends in the house to vote according to the dictates of their conscience instead of urging them to follow his lead, an advice he might very well have given them. I wish to protest against these malevolent and unbecoming criticisms which can serve no useful purpose.

Mr. Speaker, there is no need of speaking at length to explain our stand on the amendment to the Mobilization Act. Indeed were the length of the speeches measured by that of the amendment, it soon would be disposed of; in fact, one short sentence is the object of this debate, to wit: section 3 of this act is repealed. Our participation in the war in 1939 and the Mobilization Act in 1940 were willingly accepted by all of us following official representations and statements by our ministers, which I shall not quote, precisely because of section 3 of the Mobilization Act which reads as follows:

> The powers conferred by the next preceding section may not be exercised for the purpose of requiring persons to serve in the military, naval or air forces outside of Canada and the territorial waters thereof.

That clause shut the door on conscription for overseas service. We were satisfied and quite prepared to continue making sacrifices. I see a grave danger in the disappearance of that clause notwithstanding what the government give us to understand. I may as well say, Mr. Speaker, that the Quebec people, if I am to judge by the feeling in my constituency, under no consideration will accept compulsion for service overseas; I repeat under no consideration. Being anxious to

state the views of my electors and quite unwilling to deceive those who have been conscripted solely for home defence, mindful also of the pledges I gave my electors, I cannot agree to the repeal of clause 3, our sole guarantee against overseas service.

I supported the holding a plebiscite because it was a means of sampling the opinion of the people, a substantially democratic measure allowing the people to express their will freely. I can now say that at least 95 per cent of my constituents decided not to release the government from its pledge nor to free me from my own commitments. Had they done so, I would nonetheless vote against conscription, for I believe in persuasion and not in compulsion.

I am not ashamed of my own or my electors' stand on this issue, neither am I afraid of voicing my opinion because I feel that we are not alone in that position. It has been pointed out repeatedly, and I wish to recall it once again, that Australia, Northern Ireland, South Africa and India do not have conscription for service outside their borders. When embittered, fanatical and evil Canadian citizens, of the same ilk as Dr. Shields, of Toronto, who does not hesitate to use his church pulpit for the purpose of raising the year round, on fifty-two consecutive Sundays, the race cry in this country, when Canadian citizens preach hatred, discord and intolerance instead of charity and harmony, such people should ask themselves, before blaming the Prime Minister for not enforcing conscription in Quebec, if the province of Quebec does anything to prevent them from adopting conscription for themselves.

Mr. Speaker, I find it quite strange that a congregation of serious and intelligent people should let their pastor use his church pulpit every Sunday of the year for the purpose of raising the race cry, of delivering political speeches and slavering over a quarter of our population at a time when unity is so necessary in this dominion. Mr. Speaker, there are many kinds of fifth columnists. Racial conditions being what they are in this country, the actions of Dr. Shields, of Toronto, are those of a fifth columnist. I know it is not advisable as a rule to publicize the doings of miscreants, but I believe it is high time that this notorious pastor were denounced because our silence might be misconstrued as an admission of the truth of his statements.

If conscription does not follow the passing of this amendment, so much the better, and I pray God that the Prime Minister may hold his ground and succeed in silencing the advocates of conscription in this country. I do not hesitate to say that I shall always trust the Prime Minister but unfortunately he is not the only member of his cabinet and he will not live forever. For those reasons I am quite dubious about this amendment.

I notice with much regret, Mr. Speaker, that the Conservative and conscriptionist opposition, so talkative and politically-minded, is winning another hand in the conscription game. Though that opposition is not powerful, it has but a handful of members, it proves once again that the least useful wheel is the most creaky. I am prepared to admit that some of them are sincere but I believe that most are prompted by other motives and that political considerations have much to do with, if they not wholly explain their attitude. Since 1939 they have been complaining about everything and everybody and they always fall back on conscription with the sole object of embarrassing the Prime Minister whose views in the matter they know, and of dividing the Liberal party in the province of Quebec. Their efforts are well known.

I would even state that in the province of Quebec there are rabid politicians who, while they fear conscription like the very devil, would be satisfied to see the government enforce it so that they might derive some political advantage therefrom. What a shame to deal so lightly with such a grave question! But our Conservative friends in Quebec have once more chosen the wrong path, for the Liberal members from the province of Quebec, almost to a man, wishing to honour their promises, will keep the pledges given to their constituents, will oppose this conscription measure to the bitter end by voting first of all against the amendment to the mobilization act. Sincere opinions deserve to be respected as does a firm attitude consistently held. For perseverance and tenacity are often a proof of sincerity. But what spectacle are the Conservatives giving us? Their only evident consistency since 1939 has been a ceaseless attempt to destroy the Prime Minister and to belittle Canada's vast and admirable war effort.

A wise man makes no statement without substantiating it. I intend quoting evidence gathered at random in the several sessions held since the outbreak of hostilities, to show that while regularly urging the adoption of conscription, the Conservatives mainly attempted to play politics and to have the Canadian people lose confidence in the present government. You shall see, Mr. Speaker, that the Conservatives are opportunists and seek only political advantage.

During one of these sessions, while offering us a side-dish of conscription, they launched their main attack or offensive to form a national government. And we saw the Con-

servatives, who could not reach power the normal way, endeavour to get there through charity's door. They clamored that the best men should be placed at the helm, in order that they might obtain at least a part of the spoils of war they had found so fruitful in 1914 and 1918. But they were on the wrong track and got nowhere.

At another session, they criticized the government because it did not send a sufficient number of men overseas and because our war munitions output was not high enough. After the matter had been debated for at least a week, the Minister of Munitions and Supply (Mr. Howe) made his statement and I can still hear the opposition leader (Mr. Hanson) confessing that he had spoken rashly and that Canada's war effort was, after all, an admirable one.

Later on the conscription issue was raised again. You will remember, Mr. Speaker, those bitter denunciations of the Prime Minister. How comical they all appeared, rising one after the other to say that the Prime Minister was a great man, an honest man and an able administrator to boot, but adding that he was not one to wage war, not a wartime Prime Minister; he lacked the necessary qualities of leadership.

However, the Prime Minister has succeeded in being elected three times to his present high post and the third time he commanded the greatest majority obtained since confederation.

At another session, the interim leader of the opposition, sickened by his failure and aware, after a tour of the country, that the Canadian people opposed conscription for overseas service, tendered his resignation which was immediately if not blithely accepted by his colleagues. The Hon. Arthur Meighen, branded as a thoroughbred conscriptionist, left the Senate well determined to come to this House so as to set things in order and hasten the passing of conscription for overseas service. This was a cause of great rejoicing for the loyalists and the opposition. The campaign in York South was memorable. There were severe accusations against the government for their sluggishness, and against the Prime Minister because he had not assumed the portfolio of war; this was followed by a thorough defeat and the complete crushing of the hopes of the Hon. Arthur Meighen.

At another session, the debate was on selective service. No more was said about conscription for the word had become a bogey. Mr. Speaker, I shall give you my candid opinion on this matter. I feel that selective service, might be a very good system, in a country as populous as the United States, but that, in a country like Canada, whose population is limited, no legislation is necessary to effect a well-balanced distribution of the man-power between army, navy, air force, agriculture and industry.

At still another session, the opposition complained that the Department of National Defence was not putting the Canadian army to work. They claimed that our army was shamefully idle, that our men did not compare with the Australian soldiers; then, England invited the Department of National Defence to send a contingent to Hong Kong. We all know what happened then. Some of our men have died, some have been taken prisoners, all have endured severe hardships. At the next session, the opposition blamed us for having sent troops to Hong Kong.

Mr. Speaker, whatever the calibre of the opposition, they have made considerable progress and I must admit that the idea of conscription has had some success. They keep repeating that our fighting troops overseas are not numerous enough and in the same breath, they complain of the lack of men on the farms and on the industrial front.

Mr. SPEAKER: The hon. member's time has expired.

Mr. BRUNELLE (Translation): I will finish my remarks another time.

Mr. THOMAS FARQUHAR (Algoma East): Mr. Speaker, the debate on Bill No. 80 to repeal section 3 of the National Resources Mobilization Act has, in my opinion, taken up altogether too much time. I intend to touch briefly on only two or three points.

Speaking in the house on the plebiscite bill on March 12, I said that I was not opposed to conscription, if and when conscription became necessary. I stated further that I did not think conscription was necessary at that time. I know of no reason why I should change my mind now.

I have listened carefully to the address of the leader of the opposition (Mr. Hanson) and those of many other hon. members, and I find no suggestion that the voluntary enlistment system has failed in any way. Nor have they given any reason to show that conscription is necessary at the present time. I wish every person in Canada would read the address delivered by the Minister of Munitions and Supply (Mr. Howe) on Tuesday of last week. If his observations were read by all our people, I believe they would be convinced that what we need and what we have is a well-balanced war effort. The minister pointed out that conscription was not the all-

important factor. He showed clearly that one of the great problems was the manufacturing of war munitions, and the building of ships to transport those munitions to our allies who are in such great need of them.

All hon. members know that Russia has far more trained men in reserve than Germany has. If Russia to-day could get enough heavy equipment such as tanks, heavy guns and aeroplanes, she could drive every German out of her country, and defeat Germany on her own soil. I read a report recently which stated that China has five million men at the battle front, and that she has ten million trained men in reserve. But these men cannot get the arms with which to fight. Just think of it! Ten million men, equal in number almost to the population of Canada; all these men, but unarmed! They are crying for arms, but cannot get them.

The same is true of Libya. If our armies in Libya to-day could have had all the heavy equipment and tanks and guns and aeroplanes they required they would not have been driven back sixty miles into Egypt, as is reported in to-day's press. India is in the same position. She has unlimited numbers of men, but cannot get the equipment. The United States is raising an army of ten million men. That country is shipping all possible war materials out of the country, and sending them to India, China, Libya—almost every country in the world. If Great Britain could obtain the heavy equipment, tanks, heavy guns and all other necessary war equipment, we would have a second front to-day, and would be closing in on the Germans from the west.

In these times the all-important task in Canada is not the conscription of men for overseas service. There is something to be proud of in the fact that over half a million men have volunteered for service anywhere in the world. Two days ago the Minister of National Defence (Mr. Ralston) had this to say:

> I always prefer to see our Canadian army overseas a purely volunteer army.

Would not anyone be proud to say that our army overseas was entirely and purely a volunteer army? I trust that when this war is ended Canada will be able to say with pride that not one man had to be forced into service; that every man overseas was a volunteer.

It has been said in this house that there are two extreme views on this question of conscription. To my mind both are wrong. As has been pointed out, the one extreme view is that there should be conscription at any cost, regardless of what effect it may have upon our unity or war effort. The other extreme view is that we should not have conscription under any circumstances. There are many who are opposed to this system of conscription. Sir Wilfrid Laurier held that view; the late Ernest Lapointe held that view; the hon. member for Richelieu-Verchères (Mr. Cardin) holds that view, and many other outstanding leaders in the province of Quebec are of the same mind. Will anyone doubt the sincerity or the loyalty of these men? Can it be expected that men of French origin will have the same feeling toward Great Britain as Canadians of British stock have? I often feel that people in other provinces are most unfair in their judgment of the people of Quebec.

It is difficult to understand the attitude of the opposition group on this question of conscription. When the plebiscite vote was taken Liberals, Conservatives, the members of the Cooperative Commonwealth Federation—I am not so sure of the Social Credit group—all united in an effort to convince the people of Canada that they were not voting on the question of conscription. The Prime Minister (Mr. Mackenzie King), the Leader of the Opposition (Mr. Hanson), and the leader of the Cooperative Commonwealth Federation group (Mr. Coldwell) said so. We said so in our broadcasts; we said so in our letters to the press, and we said so from the public platform. We did everything we possibly could to convince the people of Canada that they were not voting on conscription.

Having some confidence in us, the people of Canada came out and voted "yes" in large numbers. It is true that those who were voting for conscription voted "yes", but it is also true that thousands and thousands of people voted in the belief that we were sincere. Many, if not all of the members of the opposition, and the odd Liberal member interpreted that vote as a vote for conscription. What changed their minds over night? I do not know, but I do know that they must admit one of two things. They must admit that they were sincere but that their people had no confidence in them, or they must admit that they were not sincere and tried deliberately to mislead the people of Canada.

That is one reason why the Conservative party is in the position in which it finds itself to-day. Can any party expect to have the confidence of the people of Canada when their word does not mean anything? Speaking in this debate, the leader of the opposition brought up once again the question of a national government, and he is reported on page 3249 of *Hansard* as follows:

> I believe now, as I have believed from the outset, that the highest efficiency in carrying

out such a programme can be guaranteed only by the establishment of a truly national government, a government composed of the best men in Canada, representative of all shades of opinion, but united by a common and single purpose—the waging of total war by total effort. I have urged this view many times in this house. I emphatically reiterate it to-day. More than ever am I convinced that unity of purpose and action will be achieved only under such a policy and position.

I have no doubt that there are capable men in the Conservative ranks who would be qualified to fill the positions they might be called upon to fill in a national government, but in discussing this question of a national government there is one thing that the leader of the opposition and his followers overlook. In order to form a national government it would be necessary to elect the members. If the leader of the opposition is honest—and I believe he is—he will agree with me when I say that it is very hard to elect a Conservative anywhere in Canada to-day. Surely the leader of the opposition and his followers have not forgotten how the people of Canada refused to accept national government at the last election. Surely they have not forgotten how the people in one of thte strongest Conservative ridings in Ontario said of one of the strongest and ablest men in the party, "We do not want him at any price." In the face of these facts, I suggest to the leader of the opposition and his followers that they forget forever the question of national government. The Conservative party can never expect to regain the confidence of the people of Canada so long as they use the tactics they are using at present in connection with this question of conscription.

I said that I was going to be very brief, and I shall close with these words: Any member of this house, I care not to what party he belongs, who now interprets the affirmative vote on the plebiscite as a vote for conscription—after he and his party definitely said that it was not—and advocates conscription on the strength of that vote, has broken faith with the people of Canada and is no longer worthy of the confidence that his electors placed in him.

Mr. W. R. McDONALD (Pontiac): Mr. Speaker, like all the other hon. members who have spoken, I consider it is clearly my duty on this occasion to present my views on this important issue and to state what will be my attitude toward the amendment at present before the house.

As you know, I am one of the members from the province of Quebec. I am not a French-Canadian member. There is not a drop of French-Canadian blood in my veins. But I do know something of Quebec and of the French Canadians whom I have had the privilege to represent in the legislature of my native province as well as in this house.

On the plebiscite issue I did my utmost in my humble way to obtain, if possible, a "yes" vote, with a pretty good idea beforehand what my efforts would mean. The result was that there was a large "no" vote in my constituency. I was not disappointed. During the Easter recess I made several speeches over the radio in connection with the plebiscite vote, and I took occasion to tell the people of my riding that a "yes" vote on the plebiscite did not necessarily mean a vote for conscription. I went further; I told them distinctly, for reasons which I shall explain later in my speech, that I had been opposed to conscription in the past, was opposed to conscription at that particular time, and would continue to be opposed to it. So you can conclude, sir, from these remarks that, since the amendment contained in the bill before us to-day involves the principle of conscription, I cannot in conscience vote for that amendment; and when I say that, I do it with the utmost regret, because for the first time in my public life of—now—twenty-three years, I shall have to cast a vote of want of confidence against my party and against the leader in whom, apart from this particular issue, I have confidence.

I have said that I am a member from the province of Quebec, and I have sat and listened to derogatory remarks made by members of the opposition—I am sorry that more of them are not in their seats at the present time, because I have something to say to them—about Quebec and the attitude of its members and its people with regard to the war and to conscription.

The hon. member for Hastings-Peterborough (Mr. White) yesterday afternoon said, among other things:

> . . . the view of national unity held by hon. members from Quebec is that the other eight provinces must bow to their will.

Evidently we members from the province of Quebec are supermen and are quite capable of exercising our will and superiority over the great majority of the members of this house. I appreciate the compliment, coming from the hon. member. He also made some other allusions to the province of Quebec, and I shall answer them as I go along in my speech.

The hon. member for Parkdale (Mr. Bruce), in his usual ingratiating manner, referred this afternoon to Quebec's perverse education at the hands of politicians. I am quite willing

to admit, sir, that Quebec has received perverse education at the hands of certain politicians, not, however, members of the Liberal party, and I intend to prove that from certain historical papers which I have before me.

The hon. member for Lincoln (Mr. Lockhart) said to-night that the leadership of the province of Quebec is such that the people of Quebec are to-day paying the price for it.

Let us see something of the so-called leadership on this particular issue that the people of Quebec have been receiving, these hon. members say, for the last twenty-five years. I hold in my hand excerpts of articles taken from *Le Devoir* under date of May 29, 1913, signed by Henri Bourassa, who at that time was the owner and editor of this newspaper. Mr. Bourassa was at that time also the leader of the Nationalist party in the province of Quebec. He had broken away from Sir Wilfrid Laurier over the South African war and formed a party of Nationalists in our province. In 1910 a by-election was held in the constituency of Drummond-Arthabaska, in the province of Quebec, in which by-election the Nationalist party for the first time presented a candidate. The doctrine that they preached to the people of that constituency in the by-election was not one of participation in the wars of the British empire or in wars outside Canada; quite the contrary. They said, "If you return Laurier and Laurier's candidate to power, you encourage him to carry on his naval bill", which at that time he had before parliament; "he will conscript your sons, place them on these vessels which he is going to build, and send them over all the seas of the world to fight in England's wars, and they will be engaged in every war in which the empire takes part." The appeal went home. While the government of Sir Wilfrid Laurier at that time was very strong, particularly in the province of Quebec, Mr. Bourassa's candidate was elected by a majority of something over 200 votes. That was the first test of the Nationalist party in the province of Quebec.

Then came the general election of 1911. It was supposed to be fought out on the reciprocity issue, but the issue in the province of Quebec was not reciprocity; it was Laurier's naval bill, and Mr. Bourassa and his candidates of the Nationalist party took part in that election. Now we get the story, as printed in this newspaper *Le Devoir,* of what occurred. Probably it would have never come to light had it not been for the fact that, when these gentlemen eventually were elected and attained power, they forgot the promises they made to Mr. Bourassa and, in order to retain office, remained within the ranks of the Conservative party.

Then the plot was exposed. That is the reason why for some time we have been able to know what took place. We know now about the loyalty of the Conservative party; we know what party flag-wavers they are, and we know that in the election of 1911 their candidates were strutting up and down Ontario, with a flag wrapped round them, saying to the people of that province, "No truck or trade with the Yankees; President Taft says that if this treaty passes, Canada will become a political adjunct of the United States." But, Mr. Speaker, that was not what was taking place in the province of Quebec; it was something entirely different. Here is part of the story. The first article is on May 29, 1913:

The Conservatives solicit the help of the Nationalists.

Mr. Bourassa is writing:

Not being a party, we will not have a candidate in the ranks; but we will support any candidate, Liberal or Conservative, for or against reciprocity, who will at first hand promise to fight any policy of participation, direct or indirect, in the wars of the empire outside of Canada, or at least who will promise to repulse any measure of this kind before the people have been consulted by means of a plebiscite; and in such a case we will consult neither the wishes nor the interests of one or the other party. We wish—and this is no secret—to obtain the election of enough independent members to overthrow the navy bill and all other means of contributing to imperial armaments just as long as the people have not stated their will in the matter.

There was the first step towards the agreement with our friends the Conservatives. He goes on:

It is up to Mr. Borden and his lieutenants to decide whether they will allow the election of the candidates we support or begin a tripartite fight which will assure the election of the ministerial candidates. In those electoral districts where the fight will take place between orthodox Liberals and Conservatives we will let them fight amongst themselves.

They were not interested in that. They arranged that no candidates should be placed in the field under the name of Conservatives or anything else, except these Nationalists, and he goes on to state that one good Conservative had to make room for a Nationalist candidate because the organizer of the Nationalist party arranged for his withdrawal. You know the old saying, Mr. Speaker, that elections are not won by prayers, and the Nationalist candidates were quite able men on the platform, but they were not gifted overmuch with this world's goods. Hence, finances were somewhat of a necessity. Mr. Bourassa says:

Besides the protestations of faith, the speeches and courtesies of the candidates, there remained the very important question of electoral funds, that festering sore of politics. In this regard the Nationalists were of no help. They furnished the ideas, the enthusiasm and the popularity, but that was all they could give. The organizers of the autonomous party—

That is the Nationalist party.

—had offered their moneys, those willing and able to subscribe to the opposition's election funds. There were a certain number who shared Mr. Monk's opinions on the naval question; others thought only of reciprocity; the shade of the candidates they helped was a matter of indifference to them provided they were opposed to the customs convention; others only wished the overthrow of the government, no matter what the ideas or principles of the opposition, whether with regard to the navy or reciprocity.

So they contributed their funds to help the Nationalist party to be elected; and when the regular funds were exhausted another gentleman who had a long purse, a man prominent in the Conservative party in Quebec, appeared upon the scene with some additional funds. He wanted to take notes payable from candidates and they refused to deal with him; consequently he had to accede to the wishes of the candidates and supply the money without receiving the notes. Mr. Bourassa goes on to say:

The fact remains that the Conservative party funds and the imperial treasury helped to defray the election dues of from thirty to forty candidates for or against reciprocity, who denounced the navy bill, and the "no less nefarious" policy of Mr. Borden, and who solemnly pledged themselves to vote against any government that refused to allow a plebiscite on this question.

The Tories at that time went about their work very thoroughly. They had contributed directly to the funds, but they saw another opportunity. Mr. Bourassa, as I have stated, was also proprietor and editor of a newspaper, *Le Devoir* which is still in existence, but which at that time had not anything like the circulation which it has to-day; nor had it the weight or the importance which attaches to it at the present time. So they conceived the idea that it would be good business to get a more extensive circulation of the newspaper in the province of Quebec in order to extend the propaganda through the paper, in addition to the speeches on the platform, and Mr. Bourassa relates how this was brought about. In an article dated Tuesday, June 3, 1913, he says:

Some days afterwards one of the most important heads of the Conservative committee, armed with electoral lists of all the eastern counties, obtained subscriptions to *Le Devoir* for the duration of the campaign from a few thousand of these brave electors. At any rate, we were princely. Far from taking advantage of the situation and holding up these gentlemen, the paper gave them generous terms; we only asked for the price of the regular subscription—

They did not charge them anything extra, just the regular subscription.

—minus the commission usually paid to regular solicitors.

They were generous.

We thus remained free from anything that looked like political subscription and we had the paramount satisfaction—

This is rich.

—of having the mammon of Tory imperialistic iniquity served to spread the good Nationalist doctrine in full columns.

Mr. Bourassa was making such good progress in the province of Quebec that his fame had spread even to the loyal province of Ontario. I am surprised to read—but of course I knew of it at the time, because I was taking part in that campaign—that he had received an invitation to visit the good loyal province of Ontario and propagate there his good loyal doctrine of nationalism that he was preaching in the province of Quebec. He had a visit from certain gentlemen of Ontario while he was attending a meeting at St. Hyacinthe. His answer was not quite satisfactory to the delegation that waited upon him, so one day he was shown a telegram which was addressed to Mr. McCrea. Mr. McCrea had been told that Mr. Bourassa would not go to Ontario unless certain explicit promises were made by the candidates, so Mr. McCrea evidently wired the candidates and received replies reading as follows:

Mattawa, Ontario,
September 8, 1911.

I certainly am opposed to the reciprocity pact and the navy policy of the government and will support a request for repeal of naval policy and a referendum to the people no matter who is premier.

That was signed by George Gordon, the senator who died recently, who was then a candidate for Nipissing. A similar telegram was also sent by a Mr. Smith.

Being assured by these gentlemen that they would carry out their obligation, Mr. Bourassa consented to visit Ontario and propagate his good, loyal doctrine in that good, loyal province. Here is his reference to the effect of his visit there:

I spoke in Sudbury on September 18. This was the most clearly nationalistic, the most flatly anti-imperialistic speech of all those I delivered during the campaign. Since that time the Hon. Mr. Cochrane, known to be sparing of words and praises, honoured me by saying that my arguments made an even more marked impression on English-speaking electors than on French Canadians.

He made more converts in Ontario than in Quebec.

Mr. HANSON (York-Sunbury): They were pulling his leg.

Mr. McDONALD (Pontiac): The result of the elections in Quebec was as follows. On the dissolution of the house the Liberal party had fifty seats; all other groups had fifteen. After the election the Liberals had thirty-seven seats; the Nationalists had twenty-seven, and there was one Independent, making a total of sixty-five. So that victory in Quebec brought about the balance of power which overthrew the Laurier administration and elected Mr. Borden.

More striking than that are the figures of the popular vote. The Liberal party in that election obtained 164,281 votes. The opposition, the Nationalists, had 159,299. The popular vote in the province of Quebec was split practically fifty-fifty between the Nationalists and the Liberals.

That is what we have had to contend with in the province of Quebec from 1911 down to the present time. That is the element we have to fight, and that is the element which is responsible for what the opposition accuse us of, the wrong leadership in the province of Quebec. My charge is that in 1911 they betrayed every principle of decency; they sold out their party in order to gain a cheap victory, and to-day they are trying to cast that onus and aspersion on the Liberals because, they say, Quebec does not measure up to their expectations.

In a moment I am going to refer to some of the things that were said by one of those men who was afterwards taken into the cabinet. These men who preached doctrines in the province of Quebec which were practically seditious, financed by Conservative money, were taken into the cabinet of Sir Robert Borden in 1911: L. P. Pelletier, Postmaster General; T. D. Monk, Public Works; Bruno Nantel, Minister of National Revenue; and P. E. Blondin, Deputy Speaker, who had a particular flair for shooting holes in the British flag.

Before the term of that parliament had expired, war had broken out. But before that time, Mr. Borden introduced his naval bill for a contribution of $35,000,000 to the British navy. In view of the speeches that these men and other supporters of the Borden administration in the province of Quebec had made, they should have resigned their seats, unless they had a plebiscite of the people. But they hung on to office; office was sweet; they stayed until the expiration of parliament in 1917. There were changes in the administration during that time. Mr. Nantel, who had been Minister of Inland Revenue, had been named a judge; he was replaced by Mr. Blondin, who became Minister of Inland Revenue in 1914. He was introduced into this house in 1915 by the then Minister of Trade and Commerce, a great imperialist, Sir George Foster. I am going to leave it to Sir Wilfrid Laurier to say how he, Mr. Blondin, was introduced. Sir Wilfrid said, in a manner that only Laurier possessed, as reported at page 209 of *Hansard* of 1915:

Mr. Nantel also has been called away from the floor of parliament and removed to another sphere. It is not my intention to say anything of the removal of Mr. Nantel from office, but I may have something to say as to the choice of his successor, the present incumbent of the office, the hon. member for Champlain (Mr. Blondin). It seemed an evidence of the irony of fate that the hon. member for Champlain, the arch-Nationalist, should have been introduced to the house by my hon. friend the Minister of Trade and Commerce (Sir George Foster), the arch-imperialist. When on the opening of the session, I saw the new minister walking into this house leaning upon the arm of my hon friend the Minister of Trade and Commerce, I thought the Minister of Trade and Commerce showed by the way he seemed to be limping that he had a heavy load to carry. My hon. friend the Minister of Trade and Commerce has always been an insistent advocate of imperialism. I cannot say as much of his new colleague; but perhaps, after all, there may be within the ranks of the Conservative party, as there is somewhere else, some joy over the conversion of one sinner. The Minister of Inland Revenue was introduced by my hon. friend the Minister of Trade and Commerce. When he told you, sir, that the hon. gentleman had taken the oath and had signed the roll, I thought he would add that the hon. gentleman had filled up the holes in the flag and that he would now breath the atmosphere of liberty. But he did not, and really there was no necessity for his doing so. The hon. member for Champlain is now breathing the atmosphere of office; he has found an atmosphere which is suitable to him, and he can breathe freely, whether there are holes in the flag or not. I have only this to observe: when my hon. friend the Minister of Inland Revenue, then the hon. member for Champlain, was making the speeches which he did make in the province of Quebec; when he was threatening to destroy the Canadian navy when he had an opportunity of doing so, I never believed that he meant one-half of what he said. I always supposed, and rightly supposed, that what he was after was to create advantage for himself and for his party. He has succeeded. He is now in office, but to attain office he has travelled a very dangerous road. He has sown the seed of discord—and these appeals to passion are always sure to bring forth a crop of prejudices. My hon. friend, the Minister of Inland Revenue, is a young member of this house; perhaps he will permit me to say, since now he has the responsibility of office, that he had better always stand by true principle.

May I direct those words to the Conservative party. It might be better for them to stand by true principle, and lay the responsibility for wrong leadership in the province of Quebec where it properly belongs, instead of attempting to lay it upon the ministers and humble members of the Liberal party who come from that province. Personally I have been fighting the battles of the Liberal party in Quebec for forty years, and I have no apology to make to anyone for the sort of fight I have put up there. I have used conscription as an argument because conscription was imposed upon the people of Canada, and especially upon us in the province of Quebec, in 1917 for no other purpose than to win an election for a government that had lost every vestige of the confidence of the people of Canada. The shameful arguments that were used in the other provinces against us; the shameful announcements which were made, some of which I quoted during my speech here in February, as I said on that occasion and repeat to-night were seared into my memory. I have had no apology to offer, nor have I to-night, for any statement I have made in the past or for any statements I may make in the future in carrying on that campaign in the province of Quebec as long as there is a Tory who shows his face in that province. Little did they dream in 1911, when they were carrying on this campaign to split our people in two on this question of the naval bill and the contribution to imperial wars, that in 1914 war would break out and that between 1914 and 1917 they would be asking the people of Quebec to support the war effort and enlist as those in the other provinces were doing. To-day they are reaping the results of their actions, and theirs is the responsibility.

Now, Mr. Speaker, I come to the present war. In my speech in February I stated that since the declaration of war Quebec has done its share in comparison with the other provinces. I am just as firmly convinced of that to-night, and as a member from Quebec I have no apologies to offer, nor am I blushing over the part my province has taken. I have before me the speech of the late lamented Minister of Justice, Mr. Lapointe, delivered in this house on September 9, 1939, in which he outlined the programme, the sentiment and the feelings of the people of Quebec; not with the idea, as the hon. member for Hastings-Peterborough suggested yesterday, of imposing the will of the people of Quebec upon the other provinces, but as the feelings of a sister province, willing to take her share of responsibility along with the other provinces of this dominion. As reported at page 68 of *Hansard* for September 9, 1939, Mr. Lapointe used these words:

> The whole province of Quebec—and I speak with all the responsibility and all the solemnity I can give to my words—will never agree to accept compulsory service or conscription outside Canada. I will go farther than that: When I say the whole province of Quebec I mean that I personally agree with them.

Then he went on:

> I ask you, Mr. Speaker, is it not worth while to the Canadian nation, when the nation is at war, to preserve unity on the side on which Canada will be—this unity which is represented by the province of Quebec in the government—behind the measures being taken to help our mother country and France? . . .
>
> Provided these points are understood, we are willing to offer our services without limitation and to devote our best efforts for the success of the cause we all have at heart. And those in Quebec who say that we will have conscription, in spite of what some of us are saying, are doing the work of disunity, the work of the foe, the work of the enemy.

Again that same fall of 1939 when the then Premier of Quebec dissolved the legislature and attempted to obtain a new mandate from the people by asking them not to take part in the war our ministers from that province, including Mr. Lapointe, the ex-Minister of Public Works (Mr. Cardin), and the present Minister of National Defence for Air (Mr. Power) took part in the campaign. I have before me a newspaper report of a speech delivered by Mr. Lapointe on October 10, 1939, in which he is quoted as having said:

> But I have faith in my province. I am confident that it will not render a verdict that will be acclaimed in Berlin and Moscow on election night. Nazi and communist agents have stirred up dissension in all the countries of America. Quebec will not allow itself to be influenced by such propaganda.

And further on he said:

> Canada must remain united. Any attempt at breaking that unity is fratricidal and criminal. We must have tolerance and mutual respect.

And again:

> I have succeeded in healing many wounds. I have steadfastly held up Canada's banner, convinced as I was that the sacred interests of my province were linked with the preservation of Canadian ideals.

Those were the sentiments of the late Minister of Justice; those were the sentiments of every true Liberal and every Canadian citizen of the province of Quebec at that time; and, Mr. Speaker, those are the sentiments of the true Canadians of Quebec to-day. We do not want or need conscription in the province of Quebec. Quebec is doing its share in this war.

Let me quote an extract from an address given by the Hon. J. Arthur Mathewson, the provincial treasurer of Quebec. It will be

noted that he is not a French Canadian. This address was delivered in Montreal on November 25, 1941, and was in part as follows:

So much for what we are doing in a material way. Now what about man-power? Quebec can justly boast that it provided the first full regiment of infantry in all Canada. It was a French-Canadian regiment. It was recruited to full strength under its gallant leader, Colonel Robert Bourassa, himself a veteran of the last war, and who unfortunately, after proceeding to England with his unit, has now been invalided back and lies here paralyzed. He led the van of Canada in recruiting and the sympathy of all Canadians must go out to him now, to console him in his suffering.

His was the first regiment. The two regiments which followed in recruiting to full strength were one from Ontario and the other one again from the province of Quebec. Several other regiments, both English-Canadian and French Canadian, have gone from this province.

When the recruiting drive was launched last spring, an objective was set for the province of Quebec. The province met its requirements. The city of Quebec surpassed its quota and achieved 122 per cent.

It would be interesting to the enemy to know exactly how many troops have gone from Quebec. They will not be told. On the other hand Quebec cannot be accused of complacency. We are not complacent.

He concludes with these words:

The French Canadian loves Canada through the province of Quebec, just as a Scotchman loves Britain through his affection for his own native hills. The Grampians and Loch Lomond are to the Scotchman what the Laurentians and the spruce-clad banks of the St. Lawrence are to the French Canadian. That affection for his native heath is not a detriment—it is a source of vital strength.

Quebec will not fail. Depend upon us and we will not let you down. Know above all that here in Quebec are three million Christian consciences, each one a bastion, a fortress, that Hitler's hordes and their supreme commander, who is Satan, will never conquer.

My time has almost expired, and I should like to conclude with two quotations from a book written by Pierre Georges Roy and entitled "Les Petites Choses de Notre Histoire." Two articles struck me forcibly while reading them. The first is headed "Nos coeurs a la France; nos bras a l'Angleterre"—"Our hearts belong to France, but our arms belong to England," and is as follows:

What is the origin of these words which express so admirably the feeling of the great majority of French Canadians since the day when providence broke the bond which united Canada to France?

On July 13, 1885, for the first time since 1760, a French corvette *La Capricieuse* entered the port of Quebec. The older people, greatly moved, said that their people had come back and the French officers were welcomed as heroes and applauded wherever they went.

The captain, monsieur de Belveze, visited mademoiselle de Lanaudière, the daughter of one of the leaders in the battle of the Plains of Abraham—an old lady of eighty-five, with a very good memory and a wit as sparkling as in the days of her youth. They spoke mostly of France, now allied by treaty with England, in what has been known during recent years as an "entente cordiale". But like most French naval officers, the captain did not like England, and could not understand the faithful allegiance of the Canadians to England while they professed such a deep love for France. Finally, unable to find a more convincing argument, mademoiselle de Lanaudière said these words which have become historic: "Our hearts belong to France, but our arms belong to England."

One further quotation from the same source, and I shall have finished. This is headed "Le Dernier Coup de Canon," and is as follows:

During the second session of the second union parliament which was opened on March 29, 1846, by Lord Cathcart, both sides of the house unanimously passed a law to establish the army on a working basis.

Sir Etienne-Paschal Taché, who had fought in 1812, made a patriotic speech in which he assured the house that if the occasion arose, the French Canadians would conduct themselves again in a manner as heroic.

"What our fathers and we ourselves have done to defend the colony," he said, "our children will be found ready to do, if they are considered in a just light. Our loyalty is not one of speculation, of pounds and shillings, and pence. It is not constantly on our lips. We do not make a business of it. Our habits, our laws, our religion, have made us monarchists and conservatives. We only ask to be treated with justice, and if the enemy comes, you will see our battalions, light-hearted and brave, go forth to fight the foe. 'But', our detractors say, 'you are malcontents, it is impossible to reason with you.' 'You are rebels,' say the ultras, 'we alone possess loyalty to the highest degree.' A thousand pardons, gentlemen, treat us as children of the same mother and not as illegitmate, treat us with more justice in your deeds as well as in your words, and I give you my word that if ever this country ceases to be British, the last cannon shot to maintain British power on American soil will have been fired by a French Canadian."

I commend these quotations to the house.

Mr. J. P. MULLINS (Richmond-Wolfe): Mr. Speaker, for the few moments I have left before eleven o'clock I shall endeavour to make my position clear with respect to the bill now under discussion. I have always been opposed to conscription. On each and every occasion in the past twenty-five or thirty years I have taken the stand I am taking to-night. At every opportunity I have spoken against imposing conscription for service overseas. I have felt this way because I am convinced that the most satisfactory method of recruiting men is under the voluntary system, and I believe that experience gained under the mobilization act has proved I am right.

In Canada the province of Quebec, my native province, and one of which I have a right to be proud, has been accused of not

doing its duty. It is clear, however, from figures tabled in the house one day this week that the numbers of French Canadians who have enlisted voluntarily have been very satisfactory indeed. It must not be forgotten that for a country of only between 11,000,000 and 12,000,000 people we have had wonderful success in accomplishing great things in connection with our war endeavour. Other countries have complimented Canada upon the fact that for her size and population she has done more in the way of her war effort than any other country.

It has been said from the opposite side of the house, as well as by other people opposed to this government in politics, that the French Canadians are not doing their share in this war. Such remarks are most unpleasant to the ears of a man who has lived in Quebec all his life and who hopes to pass the rest of his days in that province. I have lived among French-Canadian people, and I do not intend to change my place of abode. They are the finest people in the world. Because of political, and perhaps financial reasons, there are a few in the house and, outside the house, a few in the other provinces who spend their time in knocking Quebec. Why do they seek to divide the country? Is it to try to ruin the party in power for their own political future?

According to the figures in *Hansard,* the total enlistments in the three armed forces from Quebec up to the present month were 74,053, of whom 36,140 were French-speaking and 37,913 were English-speaking and all other origins. The total enlistments in the army to serve anywhere from the beginning of the war up to the present month were 29,651 French-speaking and 27,071 English-speaking and all other origins. Therefore it would appear that the remarks of these gentlemen are absolutely unfounded and unfair. I repeat that there is only one reason for such arguments, to advance their own political and personal positions, and perhaps in the case of some of them, to ensure their political future.

During the plebiscite campaign I did not try to influence my people. I made no public speeches; I left them free, and they voted 75 per cent "no". I hope that my electors will understand, when I vote against this bill, that I do not do so because of any lack of confidence in my government, but I am confident that the present government will never impose conscription. After section 3 of the National Resources Mobilization Act has been deleted, there will be no opportunity of discussing this matter before conscription is put into force. I repeat that it is not lack of confidence in my government or my chief that causes me to vote against the government on this measure.

Mr. Speaker, I wish to say just a few words in French, the native tongue of the majority of my constituents.

(Translation) I have always been opposed to conscription. For the last twenty-five years, on every occasion that offered, I have spoken, in public as in private, against conscription for overseas service. It was not that I was averse to defending our country, but because I considered that conscription, far from promoting voluntary enlistment, would hamper it. That is why, for the last twenty-five years, even during the last war, I have declared myself against conscription as being conscientiously opposed to that measure as I still am to-day.

Mr. Speaker, the province of Quebec has contributed its large share in the present conflict and there are reasons to be proud of that province, proud of its citizens. Our province is sometimes criticized in this house by members who have not resided very long in Canada, but have come from the other side because, over there, they felt like small fish in a large lake. They came to Canada, where they settled and were welcomed by the Canadians who helped them to succeed and to-day they want to show us how to run the country and the war. Mr. Speaker, if those people are well intentioned why do they not set an example instead of always criticizing the province of Quebec? Even in this house, there are people of military age who could do their duty by returning overseas as sincere men. They could at least cease criticizing the honest people of Quebec who do their duty courageously and proudly.

I have always lived in the province of Quebec which I hold to be one of the finest provinces in Canada. I am proud to live among Canadians whom I esteem and I hope to have the privilege of spending there my remaining days.

I shall conclude in saying that the repeal of clause 3 will enable any government in power to enforce conscription without consulting even the house and that is why I shall vote against this bill.

On motion of Mr. Fraser (Northumberland, Ont.) the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, June 26, 1942

The house met at three o'clock.

FOOD CORPORATION

BEEF SUPPLIES—REPRESENTATION OF PRODUCERS

On the orders of the day:

Mr. M. C. SENN (Haldimand): I wish to address a question to the Minister of Agriculture. According to press reports a corporation is to be set up which will purchase and handle beef supplies. Will the minister give the house some assurance that the producers will be represented on that corporation?

Hon. J. G. GARDINER (Minister of Agriculture): The corporation is being set up under the wartime prices and trade board, which is under the Minister of Finance. The corporation itself, I believe, is headed by Mr. Taggart, who is minister of agriculture for Saskatchewan.

Mr. SENN: Then may I ask the Minister of Finance if the matter will be attended to? Even if the minister of agriculture for Saskatchewan is on the board, I doubt whether the producers would be represented by him in the way that a representative of the producers organization might represent them.

Hon. J. L. ILSLEY (Minister of Finance): The food purchasing corporation is merely a group of government employees, like so many other crown corporations, and I do not think it is intended to give public representation on it at all. If we undertook to do that we should certainly have to give much wider representation than to agriculture. It is really a government agency.

Mr. SENN: It has wide powers.

WASHINGTON WAR CONFERENCES

STATEMENT OF THE PRIME MINISTER—SITUATION IN NEAR AND MIDDLE EAST

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to welcome the Prime Minister back from his recent journey to Washington and ask whether he has anything to tell the country as a result.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I thank my hon. friend for his welcome, and hon. members for the manner in which the house has received his words. I went to Washington, as I believe hon. members are aware, on the personal invitation of the President and also of Mr. Churchill. While there I attended two conferences in particular, one of which was presided over by the Prime Minister of Great Britain and which was composed of representatives of the different parts of the British commonwealth of nations. The other conference was the Pacific war council, which was presided over by the President, and at which representatives of different powers surrounding the Pacific attended. At both conferences the war situation was very fully reviewed. There was opportunity for discussion of matters that were of concern to any of those who were present. Unfortunately, I cannot disclose the nature of the proceedings or indeed anything that took place at either conference. Hon. members will appreciate the fact that the conferences were wholly confidential. However, I might give to the house the impressions I gathered while at Washington, both at the conferences themselves and in personal conversation with Prime Minister Churchill and the President, and from other opportunities I had of discussing matters with the Hon. Mr. Hull, the Secretary of State, and Mr. Sumner Welles, the Under-Secretary of State.

The position is one which I imagine will be more or less present in the minds of all hon. members. There can be no doubt at all that the situation at the moment is one of the most critical with which the united nations have been faced, one of the most serious that has arisen in the course of the whole war. To get the true perspective one has, however, to recall the very critical situations which have arisen in the past, and to remind oneself that the forces of the united nations have been able to rise superior to any temporary reverse, and that to-day there can be no doubt that the united nations are stronger and better organized than they have been at any time since the war began. While it is true that the situation is much more serious in the near and middle east than it has been, it is equally true that it is not quite so critical in some other parts. My own view is that the present conflict will have more to do with the probable duration of the war than with any question of its ultimate outcome. It may be that as a result of the present conflict the struggle will be much longer than up to the present we have hoped and expected it might be. It will be a very bitter struggle indeed, and it is just possible that the war may, instead of ending in 1943 as all of us I think had hoped it might, may instead run on for two or three more years.

One thing is quite certain; it is that every country that is a member of the united nations will have to put forth its utmost effort in helping to overcome the enemy.

At the conferences at which I was present I was accompanied by the Hon. Leighton McCarthy, our minister at Washington.

I think that is all I have to say at present.

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT OF SERVICE OVERSEAS

The house resumed from Thursday, June 25, consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940, and the amendment thereto of Mr. Roy.

Hon. C. G. POWER (Minister of National Defence for Air): Mr. Speaker, like many who have recently taken part in this debate I wish to disclaim any intention of adding any new light on this subject, which has already been debated for some considerable time. I assure you, sir, that I have no intention of entering into argument and discussion, apology, or even recrimination; but I propose, perhaps rather shamelessly, to use the facilities of this house as a sounding board to address myself to the electors of the constituency which I represent.

Before doing so I should like to make reference to matters of a personal nature which are bound to influence the decision I have to make in the matter which is now before the house.

Since 1901 the constituency of Quebec South has, with the exception of three years, been represented by two men, my father and myself. The electoral subdivisions in the legislative assembly and in the legislative council have during the same time been represented by other members of the family. During those forty years our relations with the French-Canadian population who comprise the majority of the electorate of the constituency have been of the most cordial and most friendly. Time after time they have given to us spontaneous and sometimes unanimous expressions of trust and confidence, in business, socially, and in politics. Up to very recently, within a few weeks, the relations which existed between us were such that in most matters, national and political, our views were identical or if not identical at least reasonably capable of accommodation.

If however I am to judge from the expression of opinion which was given in the plebiscite a few weeks ago, the time has come when, in appearance if not in substance, there is a sharp difference of opinion between us. My people—I think I can call them that, because so far there has been no appearance of rancour, of anger or even of distrust—if I am to judge by their vote on the plebiscite, believe that the measure which is now before the house opens the door to conscription for overseas service. I believe they are right; I agree with them that this legislation does that very thing. I know that the vast majority of them hold the very word "conscription" in utter abhorrence, and I must take their views into consideration. To a large extent I share them. I have strenuous objections to compulsion or coercion in any form. But I am also and have been for many years a member of this House of Commons of Canada. I am a Canadian, and by Canada I mean every part and every province of Canada. I mean Vancouver, Halifax, Winnipeg, just as much as I mean Quebec. The people of this country as a whole have pronounced themselves by an overwhelming vote clearly and unequivocally in favour of action of which this legislation is possibly the least expression. Following the ordinary democratic process, and being a Canadian before I am a Quebecker, I propose to vote for this bill.

Having said that with respect to my electors I anticipate that this house will expect me, as one of the service ministers, at least to express an opinion on one of the matters which have been frequently discussed in this debate, namely, where the defence line of Canada lies. In this may I say that I am in entire and hearty agreement with my colleagues the Minister of National Defence (Mr. Ralston) and the Minister of National Defence for Naval Services (Mr. Macdonald). This conviction of mine is brought about to a considerable extent by the job of work in which we are at present engaged; because those of us who have to do with the air force know that there is no factor which has come so close to annihilating time and space as the use of air power in modern war. The vast majority of the young men with whom I have to do are Canadians. They know no other homeland than Canada. They have been brought up in our cities and towns and on our farms; they have been educated in our schools and colleges and universities. Very many of them, I would say most of them, had never left the confines of this country until the call of duty took them to the four corners of the earth. They went there because they realized that the spirit of Canada could not and would not survive in a world dominated by racial tyranny and subjugated by racial slavery. And whether they watch the coast of Labrador, or patrol the shores of the Pacific, or fight the Jap in the Indian ocean, or fight the Italian in Libya, or bomb Berlin, they are firmly convinced that they are defending Canada.

The isolationist combat school, which believes that Canada can best be defended by its armed forces remaining within its own boundaries, presents to them a very peculiar aspect which perhaps I may illustrate in this way. Only three to four weeks ago we sent to the Aleutian islands a number of Canadian squadrons, at least some of which were commanded by men who served their apprenticeship in the battle of Britain, battle-scarred heroes who returned from overseas and who are now commanding our men in American Alaska. These men believed when they were half-way round the world over Germany, just as much as they believe now when they are half-way round the world in the other direction that they were defending Canada. We have had no complaint because of the fact that these squadrons have been sent to Alaska; yet a glance at the map will indicate that to the end of the Aleutian islands is 4,500 miles from Ottawa; to the shores of Britain is only 3,000 miles. It is almost as far from Prince Rupert to the Aleutian islands as from Sydney to Liverpool; so our men find it very difficult to understand why there should be more reluctance to move eastward than to move westward, and why we can better defend Canada on one front line than on the other. Our enemies are perhaps not geographical experts, but they seem to have little difficulty in crossing the boundaries of countries and continents. They have attacked in Africa; they have attacked in Asia; they have attacked in Australasia, and only recently they have been sinking ships on one side of our territory and shelling stations on the other side. Our enemies feel that the only way to win victory is to seek out those whom they wish to destroy, wherever they may be, and destroy them. We in the air force feel exactly the same way. We know that for every aircraft destroyed in an aircraft factory in Augsburg, where our men led a raid only a few weeks ago; for every bomb or shell destroyed in blasting the Krupp factory, in which raid Canadians took such a magnificent part, and for every bomber brought down over the English channel, there is one less bomb or shell, one less aircraft or one less bomber which might come to Canada and bomb us. We believe that the best and only way to defend Canada is to take the offensive outside Canada.

Now, sir, having said this, I should like to revert for a moment to my relations with my electors. My future course must depend upon circumstances; but I should like to say simply and plainly, and without fear of being misinterpreted by the people with whom I have been associated for so long, that one cannot believe in a democratic system or in a democratic government and continue indefinitely to represent a constituency the majority of whose people are in political opposition. Should it develop that, as a result of this legislation or of any consequential enactment, there should continue to be a wide divergence of view between the electors of Quebec South and their representative; should this severance be of more than a temporary character; should they, as is their right, desire to be represented by someone who more nearly interprets their views with prestige and conviction then all I have to say is that I have no quarrel with that, but I only hope that the parting will come with as much friendship on their side as it will come with deep gratitude on my side for favours of the past.

Mr. GEORGE BLACK (Yukon): This debate is on the motion for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, by removing from that act section 3, which restricts the government in raising men for service elsewhere than in Canada. The legislation we are discussing to-day is made necessary by, and this debate has resulted from, pledges made by many candidates at the last general election, pledges made to catch the votes of disloyal people, the votes of slackers, those who were afraid to assume the duties they owed their country. I am happy to be able to tell this house that I made no such pledges, that during that campaign I stated that in my opinion compulsory selective service was the only fair and proper way to raise a fighting force, and that any other method was unfair. The voluntary method is unfair. Under that method the loyal, courageous men enlist, while those who are disloyal, those who have not sufficient courage, hang back and let their fellows go forward to perform the duty they should perform.

As the law stood when Canada declared war in the fall of 1939, men could have been called up by the government for service anywhere in the world; but in 1940 this mobilization act was passed by this parliament, containing this restricting clause, and since then the hands of the government have been tied. Since that time, by a plebiscite, a great majority of the people have freed the hands of the government, have removed that handicap, and this legislation is the result.

I must say that a few days ago I was shocked and disappointed to hear the Minister of Justice (Mr. St. Laurent) make the following statement in the house:

> It may be great and glorious to fight and die for the world's salvation, for the salvation of the united nations, for the salvation of democracy and Christian civilization; but that is a privilege of each man, a privilege he has the

right to choose for himself; it is not a duty which citizenship imposes as an obligation correlative to the rights which citizenship guarantees as a privilege.

I decidedly disagree with that sentiment. I say that it is not only a privilege but a duty of citizenship. As I understand the duties of citizenship, every citizen of the state owes his life to the state. It is his duty to offer his life and, if necessary, to give it in defence of the state. There should be equality of service. Every citizen should enjoy all the rights and privileges of citizenship, but should escape none of its obligations; nor should he wish to escape any of its obligations.

I was shocked and disappointed to hear the Minister of Justice pronounce those sentiments in the house, and I was puzzled when the same minister, the one who voiced the sentiments I have just quoted, authorized the prosecution of a man with a splendid record of loyalty and courage for criticizing the report of a commissioner on an investigation recently held with respect to a public matter. This was the criticism of a counsel who was present at the inquiry and who heard the evidence. True, the inquiry was in secret, but it should not have been in secret. The matter investigated was one of great public concern, and concerning which the public should know all the facts. I shall be surprised if that investigation is not the subject of discussion and criticism, and perhaps praise as well, in this House of Commons which, I say, has the duty to perform of discussing the matter. To say that criticism of the report is likely to prejudice recruiting is, to say the least, farfetched, and in my opinion is utter nonsense and an improper exercise of authority.

Addressing the house a few days ago, the Minister of National Defence (Mr. Ralston) said he prefers a volunteer army. So do I. I admire the volunteer. He shows his courage; he shows his interest in the state by offering his all in her defence. But when one cannot get enough men to compose and maintain the strength of an army, a navy or an air force one must go out and get them. At the time of the great war the mistake was made of putting compulsory selective service into force three years after the war began. The then government waited three years before doing what it should have done at the outbreak of war. During those three years the people who were not courageous enough to volunteer had been lulled into a sense of security. They thought they were going to get off without doing their duty to the state. When the state was forced to make them perform that duty they rebelled.

This government has made the same mistake in this war. It has put off compulsory selective service for nearly three years. If it attempts to enforce it now, there will be dissension, trouble and disunity. That law should have been enacted with the declaration of war; it should have been simultaneous.

As the Prime Minister (Mr. Mackenzie King) indicated in his remarks at the opening of the house to-day, we have to admit that the united nations, including Canada, are far from winning the war. The last disaster which overtook the allied nations was the fall of Tobruk. Why did it fall? The excuse given is that there was a surprise attack. How could it have been a surprise attack, when the place had been under attack for a year. Dunkirk was a surprise; Singapore was a surprise; Hong Kong was a surprise. The excuse is given that at Tobruk the enemy tanks were more powerful than those of the allied nations, and that their anti-tank guns were more powerful and more destructive. Why should that be? We hear about the wonderful productive capacity of Great Britain; we hear about the wonderful production of armaments in Canada and in the factories of our neighbour to the south. What is the use of production if the enemy is producing more powerful weapons? There is no sense in urging the undertaking of mass production or, indeed, any production of ineffective weapons of war. We were told that the guns defending the fortress of Singapore were mounted to meet an attack from the sea. Those who were in charge never thought of having to defend themselves from the land at the rear. They believed they were defended by the jungle. Surely they must have known that if monkeys, baboons and gorillas could penetrate the jungles, then their brothers the Japanese could penetrate the jungle, too. They did penetrate the jungle, and made their attack successfully—along with the rest of the gorillas and baboons.

Before Pearl Harbour the United States had been warned that the Japanese might attack. Even when the Japanese emissaries of peace were conferring with the President of the United States it was known that attack was imminent. Canada and the United States have a joint defence board. If the United States members on that board knew of the imminent Japanese attack, it is passing strange that Canada was not warned. What judgment does the joint defence board exercise? For one thing I say, if that board has not better judgment in other matters than it has shown in the selection of a route for the Alaska highway, then I have not very much admiration for the board. May I point out that they say they picked the route.

Mr. SLAGHT: Would my hon. friend dissolve the board?

Mr. HANSON (York-Sunbury): British Columbia says the same thing.

Mr. SLAGHT: Would my hon. friend dissolve and do away with the defence board?

Mr. BLACK (Yukon): No; I would wake it up. How many more disasters must the united nations experience to awaken the defence board to the perils of the present situation?

Canada's air force and Canada's navy are playing a splendid part in this fearful war. But we must remember that Canada's army has not yet fired a shot—with perhaps the exception of those poor men, part of them untrained, and without fighting equipment, who were sent on that ill-conceived, fruitless, fatal expedition to Hong Kong. They went to certain death or imprisonment. They saw some fighting; they did some shooting; but apart from that, Canada's army has not yet fired a shot. When the time comes I am sure that Canada's army will give as good an account of themselves as our air force and as our navy.

Canada declared war without a plebiscite; this government did not ask the people for leave to declare war. It is hard to understand why the government felt that before it could fight the war as it should be fought, a plebiscite would have to be held asking the people to allow the government to do so. I do not know whether we should have conscription or selective military service at once, but I do think we should have had it at the outset of the war. It would then be in effect now. But not having adopted it then, I think the ministers in charge of the army, the navy and the air force are best qualified to say whether the voluntary system is giving them enough men to win the war. If it is not, I feel sure that they will invoke compulsory selective service. When it becomes necessary to do that, I feel sure that they have sufficient courage to do it.

I should like to go on record as supporting the suggestion made yesterday by the hon. member for Parry Sound (Mr. Slaght) that the men in the active fighting forces should be paid not less than $50 a month. That is the rate paid to the fighting forces of the United States. Our men are as good as theirs and should receive the same pay. A civilian in Canada will not work for $50 a month; we would not want him to work for that. That is a Japanese rate. It is not a white man's rate. Civilians are paid much more than $50 a month; so why should not our fighting men who are doing the most dangerous and deadly work of any people receive the same rate?

[Mr. G. Black.]

I should like to refer to another matter which has been brought to my attention many times in this city. I think only those in the army, in the navy or in the air force who are doing actual fighting should be allowed to wear uniforms. There are uniformed battalions of accountants and clerical workers in Ottawa and many other Canadian cities. These people have no intention of getting any closer to the war than behind a desk or an ink bottle, and they should be made to shed their uniforms. Uniforms should be only for the fighting men, the brave men who are doing their duty by their country, not for those who stay at home and try to have an easy time of it.

I have nothing more to say about the legislation now before the house except this: Let us pass the bill and get on with the war.

Mr. W. H. MOORE (Ontario): Mr. Speaker, when this motion was introduced I thought I knew precisely what it meant, and I approved it, but with explanation, misgiving set in. I felt as the master poet has said:

> Ere a man hath power to say, "Behold!"
> The jaws of darkness do devour it up:
> So quick bright things come to confusion.

I agree with the measure, but I do not agree with the explanations that have been given as to its application. If I am right, and I know I am, at least on the first count, we have an assured compulsory service for home defence. It is "likely" we shall have compulsory service to help the United States. And then I find myself in flat opposition to the third statement that has been made in this house more than once, namely that it is "unlikely" we shall have compulsory service to send men to the British isles. I want to register my opposition to that view and will speak directly to the point.

I should like to speak about such matters as our balanced war effort, our farm service, and point to our bulging elevators, but I shall not. I should like to take up the matters discussed the other day by the Minister of Munitions and Supply (Mr. Howe) and the Minister of Labour (Mr. Mitchell) with reference to the need for turning out more tanks and tractors, and point out to them the crowded condition of our freight yards. Nor should we forget that when we entered this war we were an immaturely developed industrial nation. We had only about 3 per cent of the world's factory production, whereas the United States had 45 per cent.

But I must refer particularly to something that was said in this house a few days ago by the former Minister of Public Works (Mr. Cardin) when he held this house in silent spell. I have always admired him, but never more

so than when he scorned the use of a smoke screen and led us directly to the fuel of the fire. I admired but I disagreed on more than one count. He said, as reported on page 3278 of *Hansard*:

> I have to reason in my mind why I have to support the British flag and spend my energies for the defence of British rule in this conflict, or perhaps elsewhere. It is the result of thinking, the result of reasoning, if I come to that conclusion; with you it is the impulse of the heart. Your heart becomes inflamed as soon as the name of England, of the British empire, is mentioned. It is quite natural, it is in your blood; it is your blood that makes that impulse. It cannot be the same with me. It would be against nature.

I say to the minister, "Excuse me, my dear friend, but your blood and my blood are the same." You cannot change a family tree; it is written down. I do not accuse the minister, but many sins have been committed with the statement, "It is in my blood". Let us get the blood line straight. In 1680 a record was made of the birthplace of those immigrants who had come from France, and it was found that four out of five were Normans, either by birth or by marriage.

Mr. THORSON: The same blood as mine.

Mr. MOORE: Icelandic, do you say?

Mr. THORSON: Norse.

Mr. MOORE: Who were the Angles and who were the Scots? Kith and neighbours of the Normans. But as the former minister said, it is not our fault; it is good blood. The point I want to make is not that that blood is always going overseas but that we are of the same blood—crossbreeds, it is true, but good crosses. There is a myth, the myth of the pure-bred, the myth of the Aryan blood. Let us not in this house revive that myth, because a good cause never needs to depend on the racial hates of history.

There is another resentment I have against what the minister said. He spoke of the upsurging of blood. Well, there is no doubt about it that the men who came from Coventry upsurged when they heard about the bombing of that city. But that is not race. That is family, and familiar things—a father or mother killed, or the church to which you went bombed. That is not race.

I have still another objection, and I know my friends in the province of Quebec who speak French will pardon me for saying that I sometimes resent their saying that they are the only first families. There were less than five thousand emigrés here before 1700, and many of us have ancestors who were in America before that time. They were here for nearly three hundred years, both south and north. Remember the name Churchill has been inscribed on our map for a very, very long time. Race? Can you produce a race in two hundred and fifty years? No, but you can produce a national culture, and to that matter I shall turn in just a moment.

There are different races in Canada. In my riding there are thousands who belong to the great Slav race. And it is good blood. That blood upsurged at the atrocities of Europe, and when the plebiscite came the men and women of that blood in my riding rushed to the polls and voted "yes", "yes". I have taken the trouble to ask them why, and they said: "Let us drive Hitlerism out". Out of where? Not out of the British isles; Hitlerism is not there. Out of Europe, out of France, out of a home that has been Norman since the year 911. Hitlerism is there.

Does someone tell me that France is content? If they do, then I use the words that Professor Célestin Bouglé used when Professor Amoroso, representing Italy at a world conference held under the auspices of the League of Nations, said Italy was content. Bouglé said:

> I do not wish to be ironical, but how am I to know? For in all countries where political repression reigns one never gets to know what those affected are really thinking. Why? Because silence reigns—a silence you call peace.

Now may I give the application of what I have said to this debate? The spectacle of one or two or three or four men ruling Europe to-day is almost an incredible one. How did it come about? Simply because absolutism is a cohesive power. Do we talk of freedom? No. We talk of the freedoms—we talk of the free nations—we talk of the democracies. That was the secret of Hitler's success—he talked of the decrepitude of democracy. And he was right; he proved it. It was a devastating phrase that brought him where he is to-day, and that phrase was, "It is not our national duty." I take you back to the days when the freedom of Czechoslovakia was involved, when French and British statesmen met and said, "It is not our national duty". We are now, as I see it, learning how freedom may protect itself. That is a great lesson, but it is a costly one—remember Pearl Harbour. Yes, it is a costly lesson that one must learn if freedom is to survive.

Let me turn to a statement of the Minister of Justice (Mr. St. Laurent), to which the member for Yukon (Mr. Black) has already referred. The Minister of Justice said, as reported at page 3391 of *Hansard*:

Though some would volunteer to fight for the United Kingdom, people here would not feel that it is a national duty for Canadians as such to do so.

Perilous doctrine!—coming from a minister of the crown. Strange doctrine, in view of what has happened over Europe. Sometimes I thought I knew Quebec. I treasure as much my friendship with the French-speaking people as I do my friendship with the English-speaking people; I thought I knew Quebec, but now I have to call it a province of complenity. I heard the splendid statement of the Minister of National Defence for Air (Mr. Power) to-day and was moved as you were moved, and then I thought back to a statement that I hold in my hand. The hon. member for Bellechasse (Mr. Picard) spoke the other night, and he said, as reported at page 3671 of *Hansard*:

If they—

Meaning the government.

—had talked of Canadian interests in the war, they might have been able to convince the French Canadians to accept a compulsory measure at this time; but not having contributed to bring that about, I do not think the government can expect its supporters from the province of Quebec to go back to our people now and attempt to convince them overnight that conscription for overseas service had become a matter of life or death for Canada. I would be willing to risk myself in such an effort if I had received any help before.

That statement constitutes a terrible indictment of the government. I dislike believing it is so.

The Minister of Justice might have spared us the word "inimical" when he was speaking of the two major nationalities or groups in this country. Inimical? Well, there was a conquest of Britain in 1066 when the Normans came over and left a line of rulers, and not the worst by any means; and there was a British conquest of Canada, though we call it by the softer word—cession. It seems to me that in these days the minister might have remembered that not so long ago French and English died together in a common cause in France. He might have remembered that to-day French and English are laying down their lives for the cause of a free France.

"I have to reason", said the former Minister of Public Works (Mr. Cardin). Freedom begins there. Freedom begins with the right to reason, the right to voice discontents, the right to shape environment, the right to govern ourselves. The right of those who cannot by their own arms defend their possessions. That is what we are losing; that is what is going out of the world—the right of small nations to live and the right of minority cultures to exist within a single nation. That is what is at stake in this war. How can it be preserved without alliances? How can a minority preserve, either as a nation or as a people, a special culture within a state? How can it survive without alliances, and how can there be alliance without reciprocal obligation?

Let us reverse the statement made by the Minister of Justice: "If we do not feel it a national duty to fight for the United Kingdom, we cannot expect the people of the United Kingdom to feel it a national duty to fight for us." What is our alternative? Alliance with the United States? Then, in the strangeness of time, we would have conscription for overseas service—yes, to the British isles. In the 1770's the people who spoke French in this country could have declared themselves out. They preferred to stay in. The Minister of Justice said it was for the preservation of their national culture, their special culture. I agree with that statement.

In the course of time the empire became a commonwealth of nations. We might have objected then if we had wanted to, because the trade pacts that were made then went much further than trade pacts; they cut the life-line of the British isles from the European continent. Members of this house may remember that I voted against those pacts. On one occasion Henri Bourassa and I were the only two to vote on our side of the house against the Ottawa pacts, and not for quite the same reason. I think Bourassa held that Canada should not protect its trade routes; I feared it would not do so, and I said so. What happened? After London closed its doors to agricultural Europe, the agrarian people—and there are a hundred millions of them in Europe—were beggared, and went hat-in-hand to Berlin, where they fell into the German sluice. Now we have a war to establish a new order in Europe.

Were they right, those people who said only the product of a melting-pot could stand the strain of a crisis? Were they right who said minorities can no longer be left to enjoy their distinctive culture within any state, to be given measures of autonomy, to be given schools, allowed their own language? If they were right, then I have misspent years of my life pleading for that very cause.

Let my friends who claim they are of a different race and of a different nationality, and who speak French, not only in Quebec but in the province of Ontario, ask themselves that question and remember this: you cannot have rights without reciprocal obligations. Let them study the map of the Balkans. The objective of this war is made in defence of the people who cannot defend themselves.

Mr. Speaker, I have almost concluded. I want to say just one word more. We have said

we are a nation, and we sang "O Canada" in French and in English. But nations do not exist simply by proclamation, or by the singing of national hymns, or by protestations of loyalty. That is not the test. The test of a nation is not even the will of the people to be a nation. The test is the capacity for common action. That is the test; and that test, under the democratic system, must be given by the will of the majority. Seldom is opinion unanimous. The plebiscite was not unanimous in Quebec, but no one contends the minority spoke for Quebec, and no one should contend Quebec spoke for the other eight provinces.

We of this house shall not have the final word; the people will have the final word. But let us never forget that if a house be divided against itself, that house cannot stand.

Mr. RODOLPHE LEDUC (Wright): The bill we are now considering is the most important submitted to us at this session. The government has requested that we amend the National Resources Mobilzation Act by repealing section 3, which reads:

> The powers conferred by the next preceding section may not be exercised for the purpose of requiring persons to serve in the military, naval or air forces outside of Canada and the territorial waters thereof.

I intend to support this bill, not because I favour conscription for overseas service at the moment, since the voluntary system has proven adequate for our needs and I have reason to believe it will continue to do so, but because I share the opinion of the Prime Minister (Mr. Mackenzie King), which incidentally is the opinion of the majority in this house and in the country, that the government must at this stage of the war be granted all the powers required to ensure victory.

On plebiscite day, April 27 last, the Canadian people voted, not for or against conscription, but on the following question inscribed on each ballot paper:

> Are you in favour of releasing the government from any obligation arising out of any past commitments restricting the methods of raising men for military service?

The majority of the Canadian people chose to release the government from the pledges it had given them at the last election. To-day the government is acting quite logically in introducing this bill, which is the direct result of the plebiscite vote. I understand that many of my colleagues feel obliged to oppose this bill because their electors voted negatively on the plebiscite. For my part, despite the fact that in my constituency the "nays" had it by a majority of two thousand votes, I shall have to support this bill to amend the mobilization act in order to be logical and to obey the dictates of my conscience.

During the plebiscite campaign I asked that the government be released from its past commitments, for I was convinced that if the administration were to guide our war effort successfully, it would have to be empowered to take whatever measures it deemed necessary and expedient, in the light of all the circumstances and future events, to ensure final victory.

I am well aware that such a stand will prejudice my chances of re-election to this house; but, faced with the choice of serving my country or being re-elected, I do not hesitate in choosing to serve my country. Moreover, this is not the first time I have voted against the wishes of a large number of my supporters. I remember the session of 1937 when I cast my first important vote in this house in favour of the increased military appropriation for national defence. I am sure that if a plebiscite had been held in my province and in my constituency on this subject, the majority of the voters would have opposed such an increase, as did a group of my colleagues from Quebec who followed what they judged to be the opinion of the majority and voted against the proposed increase. In 1939, when we declared war on Germany, I am equally sure that if the issue had been submitted to the province of Quebec in a plebiscite, the majority would have opposed participation. When the National Resources Mobilization Act was passed in 1940 I am convinced that a plebiscite held in Quebec and in my constituency on that issue would have shown widespread opposition to the measure. Yet I always trusted and supported the government on these important issues. I have the utmost faith in the Prime Minister, whom I consider to be the greatest statesman our country has ever produced, and in his cabinet ministers, who have demonstrated their efficiency, their unselfish devotion and their wisdom in the administration of the country and its war effort.

I must confess that, like a certain number of my constituents and fellow citizens of Quebec and other provinces, I am opposed to conscription at this time of men for overseas service, because this step appears useless, and dangerous to national unity. But I also know that if the fate of Canada and all we hold dear depended on it, the Canadian people would readily agree to the heaviest sacrifices. As citizens of this country, whether of English or French descent, let us remember that we all have an equal loyalty to and love for our land of Canada, even though our two racial groups may not fully agree in the means of discharging our duty toward it. I ask nothing more than to have my supporters and fellow citizens of the province of Quebec under-

stand that our soldiers overseas are defending both England and Canada; that our airmen, striking formidable blows at the enemy in Europe, are defending Canada; that our sailors who seek out the enemy on our coasts and on the high seas are also defending Canada. I trust that, once and for all, my fellow citizens of Quebec and elsewhere in Canada will realize that this is not England's war, but a war being waged by Great Britain, Canada and all the united nations in the defence of our liberties and our Christian civilization. I want everyone to consider and realize that the defence of Canada does not mean exclusively defence in Canada.

I wish to protest against unfair attacks launched from certain sections of the country against the war effort of the province of Quebec. History has amply proven that the people of my province and my race have always been loyal and devoted to their country, their king and the British empire. At present I am proud of the war effort made by my country, my province and the constituency which I have the honour to represent in this house. I am in a position to show that my constituents have willingly and generously responded to their country's call. I wish to say how proud and grateful I am in respect of the sacrifices made by a number of them so far, as well as the sacrifices they will willingly accept in the future for the defence of our country whenever further sacrifices may become necessary.

Although my constituency is located in an agricultural section, it has responded marvellously in voluntary enlistment. Here are a few figures illustrating that statement. In the town of Aylmer, located only a few miles from this capital city of Ottawa, out of a population of 3,200 there have enlisted in the active forces 428. Of this number, 25 per cent are of English extraction and 75 per cent are French Canadians. Of the number enlisted, 145 are serving overseas; 253 are serving in Canada, thirty are trainees. In addition, thirty-three persons have enlisted in the reserve army. I have reason to be proud of this splendid contribution, for very few towns of equal population have given so many men to the army.

I also wish to mention my home town of Maniwaki, situated some eighty-five miles north of the capital. Out of a population of 2,200 over 200 men have enlisted in the active force, and most of them are now serving overseas. Some have already given their lives for their country, and I wish particularly to direct attention to one of my neighbours, who gave two of his sons to the air force. One was killed last fall during an air raid, while on duty as a radio operator at an aerodrome somewhere in England. The other was reported missing two weeks ago following a raid over Germany, in which he piloted a bomber. Here is another illustration of the patriotism and loyalty of my constituents. Three men from my town, close friends of mine, are prisoners in Hong Kong. Two are brothers belonging to a family of five sons; the other three, together with a sister, a graduate nurse, are on active service in England.

Had I sufficient time at my disposal I could show that in every municipality of my constituency the people thoroughly understand their duty in this war and have generously answered the call of their country. Moreover, in each municipality there is to be found a very active Red Cross organization. Subscriptions to the victory loan exceeded the objective set for the constituency. On the strength of such an effort I am entitled to believe and to state that, if needs be, we are willing to make still greater sacrifices for victory.

I will admit that active force enlistments in my province are not quite as numerous as in other provinces. However, I believe four factors must be considered if one wishes to be fair in passing judgment on the adequacy of the man-power contribution of French Canadians in the province of Quebec. First, according to official statistics one-third of the population of Quebec is devoted to agriculture, and those of military age in this class reasonably consider that they are making a fair contribution to the country's war effort by producing the food essential to our own people, our army and our allies. Second, according to official statistics the adult male population of Quebec is proportionately less than that of any other province, because of the large number of children in the average French-Canadian family. Furthermore, the government is paying dependents' allowances to only four children; that is, $12 a month each for the first two children, $9 a month for the third and $6 a month for the fourth, which I consider a serious injustice to the men serving their country as well as to the large families they leave behind them. Third, a great majority of the people of my province neither speak nor understand the English language. Those of military age realize that if they enlist in the active army without any knowledge of English, they can expect no promotions to higher ranks. Moreover, they realize that if they are sent outside Quebec, either elsewhere in Canada or to England, they will meet almost none but English-speaking people, who will be unable to understand them; that their stay among such people, even though they may be sympathetic, will be tedious, and

that they will become homesick, like so many French Canadians now on active service in England. Fourth, a false education about conscription has been carried on in my province by certain members of the two older parties; by nationalists, whose origin dates back to 1911; by blindly anti-British people, and by supporters of the league for the defence of Canada.

To my mind, these considerations should be pondered by anyone inclined to condemn the stand taken by my fellow citizens of Quebec. Let no one forget that we all want to attain final victory, and that we are all confident that a new social order will prevail after the war, not only in this country but throughout the world. In order to express my views on this matter of a new social order, I cannot do better than quote excerpts from the splendid joint pastoral letter of his eminence the cardinal archbishop of Quebec, their excellencies the archbishops, bishops and other prelates of Canada on the stand taken by Canadian Catholics in this war:

> We should indeed appreciate the advantages we have, at least if we save our inherent human rights from the ravages of totalitarism, and we should do all in our power to improve our civil institutions. Later on, guided by sound social principles, we should erect in our country a society founded on a new order of justice and charity, in which religion, law and equity will ensure true peace. Then, even the most severe and bloody sacrifices of the present time will bear fruit in the eyes of God and men.

Mr. M. E. McGARRY (Inverness-Richmond) Mr. Speaker, probably only those who understand my weak resistance will pardon me for showing the symptoms of infection after the epidemic of speech-making that has prevailed in this chamber for the last two weeks. I have only a very few symptoms of that contagion, however, because my remarks to-day will be very brief, and I shall not enter into any endurance contest. Even at that I am rather loath to take up the time of this house, because I am afraid if I undertook to add to or place any particular emphasis upon what has been said already, my attempt would be rather unsuccessful. However, representing a constituency whose answer to the plebiscite question was perhaps not as markedly affirmative as that of many other constituencies, I feel that it is timely and fitting that I should explain my attitude with regard to the bill now before the house.

In order that there may be no misunderstanding, I wish at once to affirm, without any qualifications, that I will support the bill. During the plebiscite campaign I urged my people to give an affirmative vote. I did so conscientiously, believing firmly, as I did, that the government had taken the honourable and democratic course to secure its release from commitments made to the electorate in 1940. I could not conceive of anything at that time which would do more to belittle Canada's war effort or to create an adverse sentiment in the minds of our allies than the knowledge that the government of Canada, responsible as it is for our share of the prosecution of the war, did not have the moral and legal authority to call into action any facilities they found necessary to cope with exigencies which might arise in connection with the carrying on of the war.

I freely confess that during the campaign I pointed out to my people that a vote in favour of the plebiscite did not mean the immediate enactment of conscription. I felt then, as did my electors, that conscription was not at that time a necessary factor in the attainment of a greater or more extensive war effort. Had I represented that an affirmative vote on the plebiscite would automatically invoke conscription I doubt very much whether the response of my electors would have been in the affirmative, as in fact it was by a considerable margin.

From these observations I do not wish it to be implied that the people of Inverness-Richmond are in any degree reluctant to contribute their all to the war effort; but they did feel during the plebiscite that up to that time conscription was but a symbol rather than a real or emergent necessity to meet our war requirements. If there are any who entertain doubts respecting the loyalty of my electors, or as to concerted action on their part in making contributions to the war effort, I would draw their attention to the contributions we have made in every phase of our war activities. I would point to the voluntary recruiting of men for the armed forces; I would point to our donations to the Red Cross fund, and our oversubscription of victory loans. All this has been done in my constituency, despite the fact that not one military industrial unit has been established there. This is not because of any lack of effort on my part; the fact is that I have sought something of the kind for the benefit of my people, and I have no doubt the files of government departments connected with the war will show that I have been rather troublesome in that regard.

However, my people are tolerant, and they are reconciled to the fact that this war cannot be carried on on a basis of sentiment. They realize that a business element is involved, and that unless that fact is recognized we cannot carry on successfully. Careful investigations by experts having the knowledge required for the selection of proper sites, have disclosed that the strategic and economic

factors in respect of sites in my section of the country do not merit undertakings at that point. On behalf of my constituents, and because of their tolerance and response to the war effort in general, I express the hope that if the war is to continue for some time our war experts may decide that some military projects shall be established in Inverness-Richmond.

Last week the Minister of Munitions and Supply (Mr. Howe), speaking in the debate, expressed my attitude with respect to the mobilization of forces. With regard to the immediate necessity of conscripting man-power for overseas, he said this: "Man-power applied to war production is just as vital as an army overseas, and really far more helpful in supplying the needs of the united nations". He asked if our reverses in any amphitheatre of war had resulted from lack of man-power, or a lack of weapons, aeroplanes and ships. He inquired if our successes had not been the result of having adequate arms in the hands of those willing and able to use them. It was pointed out by the minister that Russia needed our ammunition, but did not need our army, and that the same was true of China and India. These are almost identically my sentiments with regard to the mobilization of man-power. The conscription of man-power is not an innovation which will achieve greater expedition or enlarge or enhance our war effort in any degree.

On the other hand I believe I reflect the views of my people when I say that if and when the ministers charged with the responsibility of prosecuting the war, and having the benefit of the studied opinions of their advisers, say that it is absolutely necessary to have conscription to engage in an all-out war effort, I can guarantee that the electors of Inverness-Richmond who voted "no" on the plebiscite will cooperate heartily with those who voted "yes". Perhaps those who voted "no" might be said to come from Missouri, to use a common expression; they want to be shown. They want to get their knowledge from the men who know the facts and who are shouldering the responsibility of conducting our war effort. They refuse to take them from any other source. I believe when the position is made clear to them I can depend as much on the electors in my constituency who voted "no" as on those who voted "yes".

This bogey of conscription probably had its nativity at a caucus of money barons in Toronto, and it has been cherished, fostered and nourished by some elements of the press and others who were not aware of the true record of our war effort. I hope that this bogey will be confined to some chamber of silence and not removed until it is authoritatively stated that we need conscription.

I commend the government for their action in attempting to obtain a release of the commitments made in the election of 1940, but when the answer was given and the government undertook to carry out the mandate of the people I was disappointed with the procedure followed. This may be due to my ignorance of parliamentary propriety or parliamentary usage, or perhaps it is a lack of technical knowledge. When the government attempted to carry out this mandate we immediately heard from men on both sides of the house who had gone out and urged the electors to vote in the affirmative. My idea of what would happen was that when the mandate was given, the necessary legislation would pass the house without debate, except possibly a protest from those who had advocated a "no" vote. The government was released, and I think hon. members should have waited to speak until conscription was indicated. That would be a more appropriate time to have the debate.

However, I have great faith in our leader. I trust him, and I have always trusted him. The electors of Canada have always trusted him. I have great faith in the ministers who preside over the departments having directly to do with Canada's part in this war. None of them is a radical. The Minister of National Defence (Mr. Ralston) is possibly the one man in the whole outfit who would urge absolute conscription before anyone else, and I was glad to hear him say that it was conscription not necessarily, but conscription if necessary. If he follows that principle, he will make himself very popular throughout Canada. There is one essential which is necessary if we hope to have a successful prosecution of this war. That essential is cooperation. There must be coordination, not only of individual thought but of action. We may have enough men at the front, we may have enough ships, we may have enough tanks and we may have enough of other equipment, but if we lack the proper spirit of coordination we can never have an all-out war effort.

I am sorry there are not many of them in the house at the moment but I should like to say a few words to my hon. friends from Quebec. These men do not need a champion as to their loyalty to Canada. They gave evidence of it in the last war, and they are giving abundant evidence of it in this one. If their effort is to be of the strongest they must emulate their forbears, those whom we call the founders of Canada. You may ask who were the founders of Canada. They were

the men who came across the waters, the men who hewed down our forests and cleared our land, the men who drained our swamps and created colonies where none existed before. At the price of hardship, privation and bloodshed they founded a country which is designed to have no end. Let me say to these men that the Canada that their forbears founded is in danger to-day. The institutions which they built, and from which has flowed a stream of democracy down through the generations, are threatened. I say, not only to the French Canadians in Quebec but to anybody else who may be inclined to be an isolationist, in this crusade—I would call it a crusade rather than a war—you must ponder the best means and the best method of applying this principle. It would be well for all loyal Canadians to ponder this vital matter. I say, God help Canada, God help her institutions, if we cannot show our brothers who are allied with us in this great war that our cooperation has been such as to merit their succour when we attempt to drive back the hordes from our shores.

In my opinion the proper course for Canada to follow is so to conduct herself in this crusade—imperialism should not be considered at all, because, after all, England is just a unit in the crusade as Canada is—that after it is over our allies will say, "Well done, Canada! You have been a faithful ally; you have never been found wanting; you came to our assistance when we were hard pressed by the enemy." If we will look upon ourselves and our allies as one joint military body fighting for our very existence—and if we lose our liberty and freedom we had better be dead—we shall write a bright page on the dark history of this war that will make the coming generations proud of us. When those who come after us see what we achieved in our day and what we were prepared to sacrifice for democracy they will attach the same value to the heritage of democracy that we hand down to them, and should the occasion arise again they will be prepared to pay the price and make the sacrifices that their forefathers did before them.

Mr. H. R. FLEMING (Humboldt): Mr. Speaker, in this debate which is now growing fairly old we have heard a great many speeches for and against Bill No. 80. I listened to; I have read and re-read the speech on this bill which was made by the Prime Minister of this country (Mr. Mackenize King), and I deeply regret that my right hon. leader has been misunderstood and that certain groups consider that he has diverged from his time-honoured principles. During his long public career serious situations have continually arisen, but through diplomacy and good judgment he has successfully surmounted them all. It would seem that ever since the Prime Minister's entry into public life he was confronted at every turn with one difficult situation after another; yet each found him equal to the occasion. When appeals were made to prejudice or to racial or religious passions for the purpose of embroiling him in political controversies, his broad statesmanship, his high-mindedness and his profound humanitarianism always enabled him to reach the solution. I would therefore appeal this afternoon to the critics of the Prime Minister to remember the words of Lord Durham who, in his famous report to his gracious sovereign, said:

> I expected to find a contest between a government and a people. I found two nations warring in the bosom of a single state. I found a struggle, not of principles, but of races, and I perceived that it would be idle to attempt any amelioration of laws or institutions until we could first succeed in terminating the dreadful animosity that now separates the inhabitants of Lower Canada.

That was the situation many years ago; but through compromise, by good understanding between the two great races in this country, and by wise leadership on the part of our public men, many of these old animosities have passed away. Let the critics remember that confederation itself, as the former minister of public works (Mr. Cardin) said in the able address he made to this house the other day, was a compromise. We all know that confederation would never have come into being if it had not been for compromise.

Throughout all these years French Canada has always stood out upon one particular issue, conscription for service outside Canada. That was made perfectly clear as recently as March 31, 1939, when the authoritative voice of the late minister of justice, Right Hon. Ernest Lapointe, uttered these words in this House of Commons:

> Now I am going to touch a subject which is a delicate one. The French Canadians will never agree that any government has the right to force them to military service on the other side of the ocean. In 1917 that was my view, and I have never altered it. I believe that conscription in 1917 was a blunder of frightful magnitude, and that we are still reaping the sad and sorry results of that ill-conceived policy. I was pleased that my hon. friend the leader of the opposition (Mr. Manion) said yesterday, what I have myself learned, that the results did not in any way justify the taking of the risk; because in the end very few conscripts ever saw the front lines during the war. All should be reconciled to the doctrine which I have just expounded. The best way, the most effective way of helping is not the way that would divide our country and tear it asunder.

We are not alone in that view. Australia has always been against conscription, South Africa will never have conscription, Ireland would never have conscription. I think I am true to my concept of Canadian unity when I say that I shall always fight against this policy; I would not be a member of a government that would enact it; and not only that, but I say with all my responsibility to the people of Canada that I would oppose any government that would enforce it.

That was the view of a man who did a great deal for the unity of Canada.

At the time of the plebiscite I returned to my constituency, as did many other hon. members, and day in and day out, on the radio, in the columns of the newspapers, on the public platform and by personal contact I explained to my electors that a "yes" vote in the plebiscite was not a vote for conscription. I believe that I was perfectly clear on that point, and I am glad that my right hon. leader had no intention of interpreting the plebiscite as a vote on conscription. The electors of Humboldt constituency, which is composed of many racial groups—out of 46,000 people there are something like 22,000 of German racial origin, and we have also Austrians, Czechs, Slovaks, Hungarians and nationalities from almost every country of Europe—turned out and gave an affirmative majority of one thousand in the plebiscite. But I am quite certain that if they had believed they were voting for conscription, they would have given an entirely different vote, and that would have been the situation not only in that constituency but in many others across Canada. Everyone, even our judges and civil servants, went out and assisted in bringing out a "yes" vote. There was no opposition there. The only place where there was any opposition to getting out a "yes" vote was in the province of Quebec.

The Prime Minister (Mr. Mackenzie King) in his speech said that the principle involved in this amendment is not immediate conscription. If that is so, then why was there such a great rush to bring in this measure just as soon as the house met? Was it that the opposition thought there was a chance to gain some political advantage and urged this matter upon the Prime Minister, and that he believed that this agitation might go on in the newspapers and throughout the country and have a damaging effect upon our war effort? That may be one reason. Despite the manner in which the problem of overseas conscription has been introduced to the people of Canada and to this house, I maintain that my right hon. leader is entitled to every confidence by the Canadian people.

During the plebiscite I spoke over the radio to the electors of my constituency, and I said on that occasion:

Mr. King is not a militarist; on the contrary, by heredity, by instinct, by temperament, he is a man of peace. It was his grandfather who espoused the cause of the common people when they were being trampled under foot by an arrogant oligarchy who sought to impose the caste system upon this country, and it was from his example that my right hon. leader drew the political philosophy which has dominated the whole of his political career.

Even in early life, and before his entry into politics, he had developed a sympathy for the cause of the common people. As a student at college, his mind was directed along these channels and his book entitled "Humanity and Industry" epitomizes this sympathy. It is a work in which humanitarianism is linked with industry. In it he assigns to the worker a high place in the social and economic life of the nation.

With his unusual grasp of world problems, with his genius for government, with his sympathy for those in humble walks of life, the Prime Minister, if anyone, can lead us out of this valley of carnage and catastrophe. If I reject, and if a sufficient number of others reject, the leadership of the leader of this government, where will it lead us? We all know where it will lead. It will lead to union government, and we know where union government led us in 1917, and what a mess everything got into. At that time a party with no political past and no political future, as the Minister of Agriculture (Mr. Gardiner) stated in this debate, produced chaos.

The situation would be no better this time. In fact, it might even be worse, because they would have the experience of their forefathers. Factions would be worked for certain interests that would be seeking to control the destinies of this nation. We know what happened when we were saddled with the Canadian Northern railway, and this time all the old elements would be there lined up behind the various cabals. We can hear the rumbling for the amalgamation of the railroads; we might even be faced with the stealing of the Trans-Canada Air Lines. We would have to fight off the grabbing of water rights, and we would have another pitched battle to defend our natural resources from spoilation. These are all matters which must be given due consideration when one surveys the basic issues at stake.

After all, if we drove the present Prime Minister out of office, who would replace him? Who would have the confidence of the Canadian people? Whom could he advise the governor general to call upon to form a new administration? The only member in the cabinet so far that I know of with views sufficiently different from those of the majority of his associates and who might conceivably form a government is the hon. member for Kingston City (Mr. Macdonald). He was

twice premier of his native province. He has a reputation for political skill. He came here heralded as a great leader; but for the life of me I cannot imagine seeing the hon. member for Kingston City sitting over there beside the hon. member for Parkdale (Mr. Bruce), though I can see the hon. member for Davenport (Mr. MacNicol) reading the flag-waving speech that the hon. member for Kingston City delivered here the other day on conscription. I can see the hon. member for Davenport reading that speech at Cataraqui cemetery at the grave or Sir John Macdonald on the anniversary of his death. Being a dour and canny Scotsman, the hon. member for Kingston City arranges to ride two horses; but he carefully protects himself against all emergencies, and he needs to, because the horses are going in different directions. The hon. member seemed to say in his speech the other day: "Let there be conscription or no conscription for overseas; let there be such conscription now or later; let there be good or bad results from conscription; no matter when it is undertaken, I am secure". Mind you, the hon. member does not say so in so many words; he is too canny for that. But he implies, he suggests and he creates an atmosphere and a mood, and he has succeeded in confusing his listeners and has obtained wonderful headlines from the loyal press of Ontario. Of course, I would quite agree that a great deal of this was for home consumption in the loyal city of Kingston, a city that was my home for many a long year. But listen to some of the words of his associates. What does the Minister of Munitions and Supply (Mr. Howe) say? He is a prominent member of this government, and he says that this matter of conscription is overemphasized; that it is the Colonel Blimp attitude; that they are magnifying out of all proportion the need for conscription for our army overseas. Then take what the Minister of National War Services (Mr. Thorson) says, as reported at page 3413 of *Hansard:*

> Is it necessary to change the present system of voluntary enlistments? It is clear that it would not help the air force; it is likewise clear that it is not necessary in connection with the navy. Is there any necessity for its adoption in connection with the army? Thus far there have been no visible signs of any such necessity.

He goes on to explain the reason why there is no necessity for it. The Postmaster General (Mr. Mulock), speaking on this question, expressed similar ideas. The Minister of Labour (Mr. Mitchell), speaking the other day on the question, said that we had taken on too much without attempting to take on any more. The Minister of National Defence (Mr. Ralston) was a little more careful than the Minister of National Defence for Naval Services. He said he would go so far as to do anything in the world to try to maintain national unity. These are statements that have been made in conflict with statements of other members, in conflict with the Prime Minister's statement; and when contrasted with the speech of the member for Kingston City they reflect the true meaning. If anyone thinks that any single individual can quote in this house the great Sir Wilfrid Laurier in a speech in which he is trying to make out that it is necessary for us to adopt a conscription policy right away, there is something wrong with that particular individual and he has very little respect for that great Liberal leader.

When the mobilization act was first introduced in this house, I, like many more, said nothing about it. It was rushed through in a very short time. I recall that at that time I discussed the matter with the late Minister of Justice, Mr. Ernest Lapointe, and I remember that the day I was speaking to him about it he took the *Hansard* of 1917 and pointed this out to me. He said, as reported at page 2517 of *Hansard* of June 29, 1917:

> Conscription should not, and cannot, be enforced in this country, as in every other British country, without something like general consent.

That was indicated pretty well by the Minister of Munitions and Supply (Mr. Howe) who also said that this was a political issue. Conscription was a political issue in 1917; the history of it I am sure proves that very fully. To-day it is as much a political issue as it was then, as one who reads the debates will see, although I admit that we have improved to some extent, in that, with the exception of a few speakers, the debates are not as bitter as they were in 1917. But I find what the great Sir Wilfrid Laurier had to say upon this question of conscription. On July 24, 1917, he said, as reported at page 3729 of *Hansard* of that date:

> It is a denial of those principles of democracy which we hold dear and sacred. I oppose this bill because it has in it the seeds of discord and disunion; because it is an obstacle and a bar to that union of heart and soul without which it is impossible to hope that this confederation will attain the aims and ends that were had in view when confederation was effected. Sir, all my life I have fought coercion; all my life I have promoted union; and the inspiration which led me to that course shall be my guide at all times, so long as there is a breath left in my body.

We all know what happened in 1917, after the twenty-seven odd Liberals left Sir Wilfrid on this very conscription issue. Hardly had

the ink dried on that conscription bill when the War-time Elections Act was brought in, a measure which disfranchised thousands upon thousands of Canadian citizens, and thousands upon thousands of my constituents, loyal citizens of this country. I remember one of the members who represented Humboldt constituency at that time rose in his place after he had supported the conscription bill and left Sir Wilfrid; he said it was with shame and sorrow in his heart that he had to return to his constituency of Humboldt. This measure of disfranchisement took citizenship away from men and women who had come to Canada, made their homes, sworn allegiance to the king. It was a blot upon the history of this country that it will take many a generation to wipe out. Their naturalization certificates were torn up as mere scraps of paper. Many of them had sons serving in the war at that time and many of them volunteered afterwards. Many of them were of German or Austrian nationality. Whenever to-day you mention the word "conscription" in that constituency, it is not so much conscription as that terrible disgrace of disfranchising people who were loyal subjects of His Majesty the King.

The people of the constituency I represent are loyal and law-abiding citizens of this country. To-day a great many of them are serving in the various armed services. The first major casualty we had in Humboldt constituency was a young man who was in the retreat at Dunkirk, in the air force, who later came back to Canada and was killed in an accident here. He was of German origin. I could go through a long list of these men, young men who are voluntarily enlisting in every branch of the armed services, although at times, many times, when they have gone to their recruiting stations they have been insulted because they have names that are not of Anglo-Saxon origin. But now, since Russia has come into the war, the name of Timoshenko is one that nobody would say you should change. I know many of my constituents, young men who went to the recruiting stations who said, on their return, that the recruiting officer laughed at them and said, "Why don't you go home and change your name?"

I have not decided whether I shall vote for or against this bill. But I will tell my friend the leader of the opposition (Mr. Hanson) that before I do decide—and I have reason for saying this—I want an absolute undertaking from the Prime Minister and leader of this government that when this bill goes through, the next thing is not going to be a disfranchisement of the people of my constituency, because when this plebiscite bill was before the committee there were certain rumblings in this house and the corridors that these people should be disfranchised and deprived of their citizenship.

We who represent constituencies where there are minority problems know full well that if it were not for the old province of Quebec, heaven knows what would happen; we should be at the mercy of the whims of every politician who ever got into power in this country. I hope that no Liberal Prime Minister on whom the mantle of Laurier falls will ever forsake the minority races of this country. Let no one ever forget that Laurier saved confederation, this confederation that Macdonald brought into being. I am sure that the speech of the hon. member for Kingston City the other day did no good. It plunged a dagger into the bleeding heart of the former Minister of Public Works who, I believe history will say, by his resignation from this government helped to save confederation in this country.

There is another thing of which so many people are apparently not aware, for they seem to think that everyone in this dominion is of Anglo-Saxon origin. More than half the population of Canada is not Anglo-Saxon in origin. Why create division, as the hon. member for Parkdale is doing, for political purposes under the cloak of patriotism.

I am glad to see that the hon. member for Lake Centre (Mr. Diefenbaker) is in his place. A few days ago he delivered a speech in this house pleading for Canadian unity. Last night the hon. member for Lincoln (Mr. Lockhart) referred to his pleading. I think it is rather late for the hon. member for Lake Centre to come pleading for Canadian unity or for a good understanding with the old province of Quebec. He was very closely associated with the late Anderson government in Saskatchewan which defeated the government formerly led by the Minister of Agriculture (Mr. Gardiner). They obtained power on an appeal to race and religion. That party slandered French-Canadian priests and sisters and placed on the statute books of Saskatchewan a law that prescribed what form of dress the nuns should wear when teaching in the schools of Saskatchewan.

Mr. DIEFENBAKER: Mr. Speaker, I rise to a point of order.

Mr. FLEMING: This same party that passed legislation—

Mr. DIEFENBAKER: I do not wish to interfere with the reading of the hon. member's speech, but I do ask for a withdrawal of the statement that I was associated with the Anderson government.

Mr. FLEMING: I said you were associated with it. You ran for the legislature in the city of Prince Albert; you were a candidate on behalf of that particular political party, that is all. Not only that, but they passed legislation—and I think the hon. member for Lake Centre (Mr. Diefenbaker) had quite a bit to do with it—making it an indictable offence to have the cross of the crucified Christ in the schools of Saskatchewan. It is rather late for the hon. member now to plead for a better understanding.

Mr. DIEFENBAKER: I ask for a withdrawal of that statement. It is true that I was a candidate for the Conservative party, but I had nothing to do with the drafting of any legislation of any kind.

Mr. FLEMING: I never said the hon. member had anything to do with it; I said he was a candidate. He was very closely associated with them, and he became the leader of the party after that government went out of office. He has just returned from giving up that leadership, which he has held for several years now.

Mr. DIEFENBAKER: I ask that the statement be withdrawn.

Mr. SPEAKER: The hon. member has taken exception to the statement that he was associated with certain legislation brought in by a particular government. I would ask the hon. member to withdraw his statement.

Mr. FLEMING: Well, I withdraw it, but I still have my own opinion on the matter. I am sure the hon. gentleman cannot deny this, that he was associated with the Ku Klux Klan. He will not deny that J. J. Maloney, who insulted millions of those who belong to one branch of the Christian church—

Mr. DIEFENBAKER: Mr. Speaker, I want an unequivocal withdrawal of that statement. It is false in every particular, and—well, I should like to say something, but I am only rising to a point of order.

Mr. FLEMING: I will withdraw the statement, but I know that this man was very closely associated with the Ku Klux Klan, because they had meetings all around Prince Albert.

Mr. SPEAKER: The hon. gentleman must withdraw the statement which has been denied by the hon. member for Lake Centre, that he was associated in any way with the Ku Klux Klan. There must be an unequivocal withdrawal.

Mr. FLEMING: I never said the hon. member was a member of the Ku Klux Klan.

Mr. SPEAKER: The hon. member must withdraw the statement that the hon. member was associated in any way with the Ku Klux Klan.

Mr. FLEMING: I will withdraw the statement. This same hon. gentleman, speaking on the plebiscite, remarked, "While the empire fights, Canada plebiscites." I will quote from the editorial page of the Winnipeg *Free Press*—

Mr. DIEFENBAKER: Mr. Speaker, is it permissible to quote a statement that was made during the present session, in a previous debate?

Mr. SPEAKER: References are made to former debates, but the subject matter of discussion to-day is really a continuation of what has been already discussed in the house, and for that reason I think it would be in order.

Mr. MACKENZIE (Vancouver Centre): According to the rule, reference may be made to any debate in the same session on any question not at the time under discussion.

Mr. FLEMING: The editorial in the Winnipeg *Free Press* of March 7, 1942, goes on to say:

> This is a smart phrase in which Mr. Diefenbaker, we imagine, has been taking less and less pride as his temperature has cooled; and it is even possible that he is by now heartily ashamed of it. The inference to which this assertion lends itself is that Canada and the Canadian forces are out of the fighting until the result of the plebiscite is known. If Mr. Diefenbaker should protest that no one would draw any such inference from his facetious jingle, the answer is that if it has not been pumped over the whole world through the air, this will be due to its having been missed by Doctor Goebbel's sleuths. This is just the sort of thing that for them is ready-made for mischief. No intelligent Canadian, of course, would put any interpretation upon Mr. Diefenbaker's deliverance other than the one which it merits.

The hon. member for Lake Centre also talked a great deal about hyphenated Canadians, and appealed to them to become Americanized. Imagine that, coming from the same party who a few years ago rode into power on the slogan "No truck or trade with the Yankees; nothing to do with the United States." Now the hon. gentleman wants to have our Canadians fight unhyphenated.

Mr. HANSON (York-Sunbury): Mr. Speaker, is there not a rule of relevancy on the second reading of a bill? What has all this to do with the bill before the house?

Mr. FLEMING: It has just as much to do with it as when the hon. member for Lake Centre was asking that these people—

Mr. HANSON (York-Sunbury): I ask for a ruling, and if I am right I want the hon. member to stop this sort of thing.

Mr. SPEAKER: A point of order has been raised by the leader of the opposition, that what the hon. gentleman is now saying is not relevant to the question under discussion. Does the hon. member wish to speak to the point of order? There must be some limit, of course, to discussion that may take place on a bill, and I rather think that what the hon. gentleman is now saying is somewhat irrelevant.

Mr. FLEMING: Hon. gentlemen opposite cannot disagree with this, that the present Prime Minister (Mr. Mackenzie King) has tried his best to maintain friendly relations with the United States. For this he has been condemned and called unpatriotic, and we are now, in this very bill, reaping the results of some of the things that have been said.

Mr. HANSON (York-Sunbury): You have been deflated enough; better sit down.

Mr. FLEMING: It is not very often that the leader of the opposition gets blustery and sore. He is a very good-hearted fellow, I know, and I never interrupt him when he is speaking. I think in place of criticizing our war effort and saying we need conscription right away, we should be going through the country doing everything we can to encourage voluntary enlistment, and we should be bringing to the attention of the people the great things we have already accomplished. Surely that is not out of order. Any time we say anything about our war effort or about the number of troops we have overseas, of course we are told that has nothing to do with the government; that is due to the people of Canada. That is the attitude of our friends across the way, and that is so even in the Tory newspapers. The other day a prominent English newspaper man told me this: "You in Canada have done a most magnificent job. Your war effort has been wonderful, beyond anything we in England ever thought of, yet I am told here that we must not say anything about it. Praise the British effort all you wish, or the United States effort all you wish, or anybody else's effort in the united nations; but don't say anything about Canada's war effort, because it might injure the susceptibilities of a certain crowd in Toronto."

The time at my disposal is getting short, and I shall not discuss the question of the number of men we have in our fighting forces in Canada, and the number overseas. The figures have already been put on *Hansard*.

In an able speech delivered yesterday the hon. member for Parry Sound (Mr. Slaght) showed exactly what conscription would mean to this country. I am convinced that indiscriminate conscription would be no answer to Canada's war contribution, because it all must dovetail into the ultimate strategy of the allied nations. Of course I cannot pretend to any knowledge of strategy, but I can say that I have confidence in those who are directing the affairs of this country.

If the protagonists of immediate conscription had their way, and we sent all available man-power to the aid of Russia, for instance, how would we produce the ships, the guns and the tanks which must be sent to Russia? How would we produce the necessary food, or get the ships to send the supplies overseas? I believe the day will come when we will need all the food supplies we can possibly get. There will come a time when the countries which are now under the heel of Hitler will have an opportunity to arise, and at that time we will have to put into their hands the guns, tanks and ammunition they will need.

I should like to have said something with respect to the hon. member for Rosetown-Biggar (Mr. Coldwell), who said that the Prime Minister was guilty of procrastination. I was trying to find a word which would be equally applicable to the hon. member, and I have thought that I might describe him as an academist. He moved an amendment to this bill, and in that amendment he included the principles of socialism. The hon. member denies that they are socialistic principles, but it is clear that it is the same old pair of pants with a new pair of suspenders.

Mr. SPEAKER: The hon. member's time has expired.

On motion of Mr. Henderson the debate was adjourned.

BUSINESS OF THE HOUSE

DOMINION DAY ADJOURNMENT

Mr. MACKENZIE (Vancouver Centre) moved the adjournment of the house.

Mr. HANSON (York-Sunbury): The suggestion has come from one or two quarters that possibly the house should not sit on Wednesday, Dominion day, in view of the fact that it is only a half day's sitting. I have not ascertained the views of other hon. members, but my own personal view is that we should sit, and endeavour to conclude the business of the session as soon as possible. I would ask the minister to explore the possibilities and make a statement on Monday.

Mr. MACKENZIE (Vancouver Centre): I shall be glad to follow the suggestion of the leader of the opposition. At the moment the

intention of the government is to sit on July 1. If there were a general desire to the contrary, the decision might be altered, but I am not aware that any such opinion has been expressed.

Motion agreed to and the house adjourned at 5.35 p.m.

Monday, June 29, 1942

The house met at three o'clock.

WAR EXPENDITURES

Second report of special committee on war expenditures.—Mr. Fournier (Hull).

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SAVINGS DEPOSITS

Mr. O'BRIEN:

1. How many depositors in all the chartered banks of Canada have savings accounts amounting to, (a) under $1,000; (b) between $1,000 and $2,000; (c) between $2,000 and $3,000; (d) between $3,000 and $4,000; (e) between $4,000 and $5,000; (f) between $5,000 and $10,000; (g) between $10,000 and $25,000; (h) over $25,000?

2. How many depositors with trust companies or similar institutions authorized to accept deposits of money for accounts are there in each of the above mentioned categories?

3. How many are there in each of the above mentioned categories in each province and, if the information is available, in each county in New Brunswick?

Mr. ILSLEY:

1. Section 114 (11) of the Bank Act requires the chartered banks to make an annual return classifying their deposits in Canada according to certain classes. The last return was for October 31, 1941, and the details of the consolidated return are as follows:

Deposits payable after notice	Number	Amount
Deposits of $1,000 or less	3,951,585	$496,309,650
Deposits over $1,000 to $5,000	264,641	522,313,498
Deposits over $5,000 to $25,000	31,267	272,538,827
Deposits over $25,000 to $100,000	2,270	99,623,904
Deposits in excess of $100,000	615	195,557,118
Adjustment representing certified cheques, interest accrued on interest-bearing accounts items in transit, etc.	.....	5,357,082
Total	4,250,378	$1,591,700,079

2. Not available. Trust and loan companies are not required by law to report details of deposits by size categories.

3. Not available. The chartered banks are not required by law to provide the information given in answer to question No. 1, by provinces.

CONSUMER INFORMATION SERVICE

Mr. McGREGOR:

1. Has the government established, or does it propose to establish a publicity branch to be known as "consumer information service"?

2. If so, what, in detail, are the functions to be performed by such a service?

3. Have the services of Mr. Leonard Knott been engaged by the government as coordinator of this service, or in any other capacity in connection with this service?

4. If so, what are Mr. Knott's qualifications for the position to which he has been appointed?

5. When was such appointment made?

6. What salary and/or allowances does Mr. Knott receive?

7. Have any other persons been appointed to the staff of this service?

8. If so, (a) what are the names of persons so appointed; (b) what salary and/or allowance does each such person receive?

9. Were such appointments made following competitive examinations duly advertised?

10. What are the qualifications and former occupations of each person appointed to the staff of this service?

Mr. THORSON:

1. Consumer Information Service has been part of Public Information activities since October 1941.

2. To correlate consumer information prepared by various other departments of government interested in this work; to undertake distribution of this material for these departments when they so request, and to act as the correlating and distributing organization for those departments which request these facilities.

3. Yes, as coordinator, on a month to month basis while organization is being completed.

4. Canadian born; graduate of the university of Manitoba; extensive newspaper experience in Toronto, Hamilton and Montreal, both as a writer and editor, and further extensive experience in publicity.

5. May 11, 1942.

6. $400 per month salary.

7. Yes.

8. (a) Anna M. Speers, $2,040 per annum.
(b) Maud Ferguson, $2,100 per annum.
(c) Ann Donnelly, $1,620 per annum.
(d) Mrs. Frances McArthur, $1,080 per annum.

9. No, but all appointees certified as to qualifications and merit by the civil service commission.

10. (a) Former Occupation—Employed as supervisor of homemaking schools in the province of Manitoba by the Manitoba Department of Education.

Qualifications—Graduated in Home Economics from university of Manitoba 1930; M.A. university of Manitoba 1932, in Economics of Consumption (after work at London School of Economics, London, England); Postgraduate work in adult education methods and consumer education at university of Minnesota in summer of 1941.

(b) Employed by the Calgary *Herald* for ten years as reporter and feature writer; for six years woman's page editor.

(c) Army Public Relations, Department of National Defence. Woman's Editor, Edmonton *Journal;* Woman's page staff writer, *Globe and Mail.*

(d) Editor of Women's Household problems column for London *Free Press.*

FARM LOAN BOARD—REPORTS OF BRANCH MANAGERS

Mr. REID:

Are any reports received weekly, monthly or periodically by the Canadian farm loan board from the various branch managers, dealing with applications, loans and collections?

Mr. ILSLEY: Yes, daily information in respect of loans granted, loan disbursements, moneys received in bank, insurance renewals, appraisal expenses, individual collection reports, individual appraisal reports; et cetera; fortnightly reports on the number of applications dealt with; monthly reports on loans in process of disbursement, yearly reports on number of applications received, loans applied for and loans granted.

LEONARD A. KNOTT—ONTARIO PAPER COMPANY LIMITED

Mr. McGREGOR:

1. Is one, Leonard A. Knott, employed in the Department of National War Services?
2. Is he employed full time?
3. Is he the active head of a publicity organization known as Editorial Associates, Limited?
4. Does he continue in that capacity?
5. Is the Ontario Paper Company, Limited, or its subsidiary, the Quebec North Shore Paper Co. Limited, a client of Leonard A. Knott or Editorial Associates Limited, or has either company been clients at any time since September, 1939?
6. Is the Ontario Paper Company, Limited, owned by the Chicago *Tribune*?

Mr. THORSON:

1. Yes.
2. Month to month basis.
3. Yes.
4. No.
5. Yes, since March, 1935.
6. No information.

[Mr. Thorson.]

PRICE CEILING—DAIRY PRODUCTS, MARITIME PROVINCES

Mr. PURDY:

1. Have recommendations been received from the Nova Scotia provincial board of the wartime prices and trade board asking that the maximum prices in that province on any dairy product in any district be raised?
2. If so, what products and what districts are concerned, and will the recommendations be acted upon?

Mr. ILSLEY:

1. Yes. The dairy arbitration commission has written letters suggesting price increases at Halifax and Sydney, but no orders have been issued, and no action has been taken.

2. At the following points the dairy arbitration commission of Nova Scotia has issued orders increasing milk prices: Dartmouth, Bedford, New Glasgow, Stellarton, Westville, Trenton, Yarmouth, Pictou.

These order have been concurred in by the wartime prices and trade board.

WARTIME HOUSING LIMITED—PAYMENTS TO CERTAIN FIRMS AND INDIVIDUALS

Mr. NICHOLSON:

What is the total amount paid to date to each of the following individuals and firms, and what is the estimate of the future obligations to them by Wartime Housing Limited: Hutton and Souter; Prack and Prack; W. L. McFaul, of Hamilton, Ontario; W. L. Somerville; James, Proctor and Tedfern, and B. R. Coon, of Toronto, Ontario?

Mr. HOWE: Total amount paid by Wartime Housing Limited to individuals and firms as stated, as of May 31, 1942, is as follows: Hutton & Souter, $7,565.08; Prack & Prack, $6,324.76; W. L. McFaul, $1,125.50; W. L. Somerville, $463.11; (travelling expenses), James, Proctor & Redfern, $21,622.49; B. R. Coon, $7,000.

HANTS COUNTY, N.S., IRON ORE PROPERTY

Mr. McGARRY:

1. Has the Minister of Munitions and Supply any information regarding the discovery and the anticipated development of an iron ore property at Economy, Five Islands, Colchester, Hants, Nova Scotia?
2. If development of the property is to be undertaken, does the department intend to render assistance by way of supplying machinery or any financial assistance, or both?

Mr. HOWE: No information regarding the discovery of an iron ore deposit at Economy, Five Islands, Colchester, Hants, Nova Scotia, has been brought to the attention of the department. Any information regarding the above will be welcomed and investigated.

MOTION PICTURE "MRS. MINIVER"

Mr. FLEMING:

1. Will any steps be taken to assist the motion picture "Mrs. Miniver" through government channels across Canada?

2. Will any steps be taken to give this picture quick and wide distribution in Canada to strengthen our people's spirit at this critical time?

Mr. THORSON:

1. The question as to what steps may be taken to assist in the wide distribution of the motion picture "Mrs. Miniver" is under consideration by the proper authorities, collaborating with the private producers and distributors of this film.

2. See answer to 1.

1942 VICTORY LOAN

Mr. SHAW:

1. What was the total commission paid to salesmen for services rendered during the 1942 victory loan campaign?

2. What part of the commission thus earned was paid to the salesmen in cash and what part in bonds, war savings certificates and/or stamps?

3. Has the government given consideration to the paying of all future commissions in bonds, stamps or certificates?

Mr. ILSLEY:

1. $1,654,381.58.

2. No earned commissions were paid to salesmen in bonds, stamps or certificates. However, most salesmen were purchasers of victory bonds and to the extent that their commissions provided available cash, in many cases bonds were purchased by them.

3. The government has not given consideration to the paying of all future commissions in bonds, stamps or certificates. For the most part, salesmen earning commissions are foregoing remuneration from other sources. The national war finance committee feels that the voluntary purchase of bonds, certificates and stamps by salesmen active in victory loans is as appropriate to them as to the general public.

MOUNTED POLICE—SPECIAL CONSTABLES

Mr. SHAW:

1. How many special constables have been added to the Royal Canadian Mounted Police force since the outbreak of the war?

2. What rates of pay and/or allowances are paid to such special constables?

3. Are cost of living bonuses paid to these men?

4. How many special constable guards have been added to the Royal Canadian Mounted Police force since the outbreak of war?

5. What rates of pay and/or allowances are paid to them?

6. Are special constable guards paid cost of living bonuses?

7. Are rates of pay and/or allowances paid to special constables and special constable guards uniform throughout Canada?

Mr. ST. LAURENT:

1. Ninety-four were engaged and 115 discharged. Present strength is 111, compared with 132 at the outbreak of war.

2. The rate of pay varies according to the nature of the duty to be performed and the location. Some receive allowances in the form of meals on patrol or in barracks, et cetera, and some do not. The R. C. M. Police regulations stipulate that the rates of pay shall be as authorized by the minister. Guides and interpreters receive from $40 to $75 per month according to the nature of the work. Ordinary cooks receive from $80 to $90 per month and meals. Two head cooks receive approximately $4 per day and meals. Waiters receive approximately $75 per month and janitors range from $80 to $105 per month, et cetera.

3. No. Recently, however, an increase in pay, approximately equivalent to the bonus, was authorized for some of those receiving $2.66 per diem or less ($80 per month).

4. 5,074 have been engaged and 3,181 discharged. The present strength is 1,893.

5. Supervisors (married) pay, $2.00 per diem; allowances, $1.60 per diem; total, $3.60 per diem. Guards (married), pay, $1.60 per diem; allowances, $1.60 per diem; total, $3.20 per diem. Guards (unmarried), pay, $1.60 per diem; allowances, $1.00 per diem; total, $2.60 per diem.

6. No.

7. As far as possible the same rates of pay and allowances are granted to special constables and special constable guards for the same kind of work, but sometimes local conditions and requirements make it necessary to depart from uniformity.

JAPANESE NATIONALS—BRITISH COLUMBIA—EXCHANGE FOR REPATRIATED CANADIANS

Mr. STIRLING:

1. Are any Japanese residents of British Columbia to be returned to Japan in exchange for Canadians who are to be repatriated?

2. If so, how many?

3. What are their names and occupations?

Mr. MACKENZIE KING:

1. I would refer the hon. member to my statement in the House of Commons on June 12, *Hansard*, page 3301, in which it was stated that arrangements were being made for the repatriation to Canada of Canadians in Japan and occupied China on the understanding that Japanese subjects in Canada who wished to do so may be permitted to return to Japan.

2. No definite figure can be given at the present moment, although in general it may be said that the number of persons to be repatriated will depend upon the transportation and shipping facilities available.

3. No answer can be given to question 3 since the persons to be repatriated to Japan must be approved by the Protecting Power for Japanese interests, acting on behalf of the Japanese government. It is also felt that it would be impracticable to prepare a complete list to cover future repatriations. A number of Japanese non-officials with their families have already left Canada, but their exchange has not yet been effected and it is not considered desirable, therefore, to make public at the present time the names and occupations of the persons included in this party.

EMPLOYMENT IN WAR INDUSTRIES

Mr. LECLERC:

How many men and women respectively are engaged in war industries in each province of Canada?

Mr. MITCHELL: The number of persons, male and female, employed in the various provinces will not be known until the tabulation of the April returns of the unemployment insurance commission respecting those in insured industries is complete.

There is no definite classification as between war and other than war industries. The question in its present form is therefore unanswerable.

UNEMPLOYMENT INSURANCE COMMISSION—STAFF

Mr. RAYMOND:

What are the names of the officials, permanent or otherwise, in the head office at Ottawa of the unemployment insurance commission whose annual salaries each exceeds $3,000?

Mr. MITCHELL: L. J. Trottier, R. J. Tallon, Allan M. Mitchell, R. G. Barclay, R. Brown, E. C. Desormeaux, A. A. Heaps, H. C. Hudson, E. P. Laberge, V. A. Minnes, A. J. Odam, A. Peebles, V. C. Phelan, H. S. Relph, W. K. Rutherford, E. Stangroom.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SUGAR SHORTAGE

Mr. HANSELL:

1. Has the government considered the problem of the shortage of sugar in Canada?

2. If so, what has been done by the government to, (a) increase sugar beet acreage and sugar beet production; (b) construct additional facilities for the refining of sugar?

[Mr. Mackenzie King.]

ST. LAWRENCE RIVER DREDGING

Mr. ROY:

1. Has any dredging been done in the St. Lawrence river channel opposite Deschaillons (Cap a la Roche), Quebec, during the present year?

2. If so, was the work done by contract?

3. Were tenders called?

4. If so, what are the names of those who tendered and the amount of each tender?

5. At what price per yard was the contract let, and for what amount or for how many yards?

6. How many yards were removed daily or weekly?

7. Was similar work done during the year 1941?

8. If so, how many yards and at what cost?

9. How many yards have been dredged since the beginning of 1942 and what amount has been paid to the contractor to date?

10. What is the approximate length of time such works will be carried on at this point?

11. Are such works part of our war effort?

WAR EXPENDITURES IN SYDNEY, N.S.

Mr. GILLIS:

1. How much money, if any, has the government spent to date in rehabilitating the plate mill at Sydney, Nova Scotia?

2. Has the government spent any money on the new marine railway building on land owned by the Sydney Foundry and Machine Company, Limited, in the said city?

3. If so, how much?

4. Has the federal government made any other expenditures in the city of Sydney on war projects? If so, on what projects and to what amount in each case?

PERMANENT AND TEMPORARY GOVERNMENT EMPLOYEES

Mr. FRASER (Peterborough West):

1. How many employees are there in each different department of the government and each different board?

2. How many of these are permanent employees?

3. How many of these are temporary employees?

4. How many of the employees work in Ottawa?

MILITARY MEN IN CLERICAL POSITIONS

Mr. SENN:

How many men of military age occupying clerical positions are employed in, (a) army offices, (b) navy offices, (c) air force offices in the city of Ottawa?

FARM LOAN BOARD

BRITISH COLUMBIA—APPLICATION RECEIVED AND LOANS GRANTED

On the orders of the day:

Hon. J. L. ILSLEY (Minister of Finance): With regard to a motion made by the hon.

member for New Westminster (Mr. Reid) for the production of certain information relating to the Canadian farm loan board, I am now tabling the answer to the question asked, but I should like to make a brief statement in regard to it.

On June 10 an order for return was tabled giving certain data in regard to applications received and loans granted by the British Columbia branch of the Canadian farm loan board, in answer to a question asked by the hon. member for New Westminster. These data were given on a yearly basis, with a footnote stating that "the statistical records of the board are kept on a yearly basis." On June 11 the hon. member stated in the house that the answer to his question was an evasion of the question asked and requested me to bring the information down. At the time I promised to look into the matter and see whether the information was available on the basis asked for.

I have looked into the matter carefully and a statistical table has been prepared showing by months since January 1939 the number of applications for loans received, the number of loans granted, the amount of loans granted, and loan repayments, principal and interest. The original return was not an attempt to evade the question asked; it was merely an attempt to avoid what seemed to be unnecessary work on the part of the staff of the head office of the board, which has been depleted as a result of the war demands, and it was believed that any purpose which the hon. member might have had in mind would be served by the statistical information given. However, as the hon. member apparently regards it as fundamental to have the statistics on a monthly basis, they have been so compiled, and I am tabling herewith an amended return to the order that was tabled on June 10.

WHEAT

BRITISH PURCHASES IN CANADA—INQUIRY AS TO METHOD OF PAYMENT

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I desire to direct a question to the Minister of Trade and Commerce, which I would have asked him last week but for the fact that he was out of the city. It is based on an item appearing in the Winnipeg *Tribune* of June 23, as follows:

Minister Says British Wheat Price Not Set

Ottawa, June 23.—Trade Minister MacKinnon said Monday night no formal settlements have yet been made for British purchases of wheat in Canada.

This was the only comment he had to make on a Winnipeg report of an interview with Professor J. Scott Watson, agricultural attache to the British embassy in Washington.

Professor Scott Watson said he understood British wheat purchases in Canada were being paid for by Canada out of the $1,000,000,000 gift to Britain fund.

To what period did the minister have reference, and did it include the three sales that he has announced in this house? I should like to know also whether the assumption made by Professor Scott Watson was correct.

Some hon. MEMBERS: Order.

Mr. SPEAKER: This matter already has been the subject of answer by the minister, and if he wishes to reply now I think he would be in order in doing so.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I noticed the statement made in Washington, to which the hon. member refers. I had no notice of this question; otherwise I might have been able to give more detailed information. My statement to a representative of the Canadian Press was to the effect that according to my understanding, no formal settlement had been made by Britain for the wheat purchased last year from the Canadian wheat board. My understanding is that our sales to Britain are balanced to a certain extent by payments made, services given and goods shipped by the United Kingdom, but that no formal balancing of those accounts has been made as yet.

Hon. R. B. HANSON (Leader of the Opposition): That is only one part of it. What about the third question? Have our sales of wheat been paid for out of the billion dollar grant and will they be so paid for in the future? Surely the government has decided that question.

Hon. J. L. ILSLEY (Minister of Finance): Perhaps I should say a word about that. Under the act providing for United Kingdom financing, the Dominion of Canada makes available to the United Kingdom a billion dollars for the purpose of purchasing munitions of war, foodstuffs and raw materials in Canada, and for defraying other expenses incurred in Canada by the United Kingdom. It is a little difficult to say whether any part of that billion dollars is applied to any particular commodity. The United Kingdom requires large sums in Canadian dollars for the purpose of purchasing goods in Canada, and they get those dollars in two ways. The first way is by the export of goods and the supplying of services and so on to Canada, which gives them several hundred million dollars. The second way is through the billion dollar gift. I have left out of account the $700,000,000 loan, but for the

present fiscal period those are the two ways in which the United Kingdom obtain the dollars they require, and they use those dollars for the purchase of everything for which they require Canadian dollars, including wheat. But to say that any particular part of the billion dollars is allocated to the purchase of wheat is to say something which is impossible of demonstration. All the dollars which the United Kingdom must have for purchases in Canada are used for the purchase of goods, the obtaining of services, the construction of projects and remittances of one kind and another to Canada, and that total sum is made up in the two ways I have mentioned.

Mr. HANSON (York-Sunbury): The minister has skated all around the specific question. It is this: Has any part of the billion dollar gift been used to pay for wheat sent to Britain, or will it be so used?

Mr. ILSLEY: It cannot be answered.

Mr. HANSON (York-Sunbury): The answer, then, is yes.

Mr. ILSLEY: It cannot be answered.

Mr. HANSON (York-Sunbury): I do not agree with that.

PRIVILEGE

MR. MCDONALD, PONTIAC—REFERENCE TO EDITORIAL IN OTTAWA "JOURNAL" OF JUNE 29

On the orders of the day:

Mr. W. R. McDONALD (Pontiac): Mr. Speaker, I rise to a question of privilege, arising out of an editorial appearing in this morning's Ottawa *Journal*, headed "Falsifying the Record". It goes on to state that I am a stout opponent of conscription—

Mr. HANSON (York-Sunbury): That is not falsifying the record.

Mr. McDONALD (Pontiac): Has my hon. friend anything to say?

Mr. HANSON (York-Sunbury): That is not falsification of the record, is it?

Mr. McDONALD (Pontiac): I would ask the hon. member to wait patiently until I finish my remarks.

Mr. HANSON (York-Sunbury): I have read the editorial. I thought it was very appropriate.

Mr. McDONALD (Pontiac): It goes on to give an excerpt from the speech I delivered the other evening, as follows:

> Conscription was imposed on the people of Canada and particularly the province of Quebec in 1917, for no other reason than to win an election for a party which had lost the last vestige of the confidence of the people.

[Mr. Ilsley.]

That extract from my remarks is followed by this statement:

> So far is that statement from being true that it includes several misrepresentations. So far from conscription in 1917 being "imposed" on the people, a huge majority of the people did it themselves. And it was under a Union government in which the best of the Liberals of the day cooperated, except Sir Wilfrid Laurier.

I submit that the official records of this house show absolutely the reverse; that it was under the Conservative administration of Sir Robert Borden that the Military Service Act was carried in this house and put into force.

Mr. HANSON (York-Sunbury): Surely this is not a matter of privilege.

Mr. SPEAKER: The hon. member is replying to a statement in which he was accused of lying. It seems to me he should have the right to reply.

Mr. HANSON (York-Sunbury): It is a matter of interpretation, and now he is making a speech.

Mr. MACKENZIE (Vancouver Centre): He is entitled to correct a misrepresentation.

Mr. McDONALD (Pontiac): In connection with the passage of the Military Service Act during the session of 1917 I find the following to be the official record, which I should like to place upon *Hansard* in order to justify my statement and to prove that I am not guilty of falsifying the record. The bill was introduced by Sir Robert Borden and read the first time on June 11, 1917. It was read the second time in this house on July 6, 1917; read a third time on July 24, 1917; passed by the senate on August 18, 1917, and received the royal assent on August 29, 1917. The Union government, to which this article refers, was sworn in on November 14, 1917; consequently it had absolutely nothing to do with the passing of the Military Service Act. I am entirely within my rights, I submit, in saying that my reference to that matter was absolutely correct, and that I did not falsify the record.

DEFENCE OF CANADA REGULATIONS

INQUIRY AS TO WITHDRAWAL OF CHARGES AGAINST MR. CHALOULT AND COLONEL DREW

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I should like to ask a question of the Minister of Justice (Mr. St. Laurent). In view of an editorial opinion expressed in the Toronto *Daily Star* on Friday last under the caption "Public Men Brought into Court," in which it deprecates the practice of interfering with

the freedom of speech, even in war time, and refers specifically to the cases of Mr. Chaloult and Colonel Drew, would the minister say whether it is the intention of the government to withdraw the charges in these cases?

Mr. MACKENZIE (Vancouver Centre): I rise to a point of order. If my hon. friend will consult Beauchesne, paragraph 293(c), he will find that an hon. member may not refer to a matter on which a judicial decision is pending. That is one of the best known rules of the house.

Mr. HANSON (York-Sunbury): That rule does not apply in this case at all.

Mr. MACKENZIE (Vancouver Centre): Who says so?

Mr. HANSON (York-Sunbury): I say so.

Mr. CRERAR: Would it not be better to let Mr. Speaker decide it?

Mr. HANSON (York-Sunbury): I am not accepting what the hon. member says the rules of the house should be. We are not expressing an opinion on the question of guilt or innocence; we are merely referring to the propriety of the government or the minister laying a charge. That is what is open to criticism. I hope the time will never come when we cannot do that.

Mr. MACKENZIE (Vancouver Centre): Read the rule—"refer to any matter on which a judicial decision is pending."

Mr. HANSON (York-Sunbury): That is not the rule in May.

Mr. MACKENZIE (Vancouver Centre): It is the rule quoted in May, 12th edition, page 296, and 13th edition, page 323. If my hon. friend knew the rules better he would not make such an exhibition of himself.

Mr. HANSON (York-Sunbury): Do not lose your temper.

Mr. SPEAKER: I do not think there is any doubt as to the rule. It has always been the practice in this house, and it is the rule, that a matter which is the subject of judicial inquiry is outside the purview of the house during the course of the proceedings. I do not see how it is possible for one to raise the question by asking the Minister of Justice whether he intends to withdraw the charges, because upon those grounds would probably rest the argument in court when the proceedngs were being held. The rule is clear that no such question should be asked. I do not believe it should be raised when the matter is now before the courts.

Mr. COLDWELL: May I ask a question? Does that preclude a member rising in the house, as did the hon. member for Parkdale (Mr. Bruce) a few moments ago, and asking if it is the intention or the will of the government to withdraw a case now pending before the courts?

Mr. HANSON (York-Sunbury): That was the question.

Mr. SPEAKER: That is a distinction I leave to the Minister of Justice. But the answer would go to the very roots of the action before the courts. If an expression of opinion were given by the Minister of Justice now with regard to the withdrawal of an action which is at present before the courts, he would be expressing an opinion as to a proceeding before the courts.

Mr. COLDWELL: If the case is withdrawn there is no case; therefore it could not be prejudiced.

Mr. MACKENZIE (Vancouver Centre): That question would arise if it were withdrawn; not before.

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT TO SERVICE OVERSEAS

The house resumed from Friday, June 26, consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940, and the amendment thereto of Mr. Roy.

Hon. N. A. McLARTY (Secretary of State): Mr. Speaker, this debate has now lasted a considerable time. Much straw has been threshed out, and I trust I shall not impose on the house by speaking at too great length.

Mr. COLDWELL: No chaff?

Mr. McLARTY: I may not be a thresher, but if desirable I could speak at some length on that operation. I do feel, however, that it is my duty to make my position clear on this very important issue.

I am wholeheartedly in support of the bill now before the house and about, I trust, to receive its second reading. If I were not otherwise convinced, the events of the last fortnight would undoubtedly have convinced me that everything this country can do should be done in prosecuting the war in every possible way. It is not a matter of courage on my part to take that attitude. I do think, however, that it required some courage on the

part of the Minister of National Defence for Air (Mr. Power) to take the attitude he took in this house on Friday last.

I believe this measure is the natural and inevitable result of the plebiscite which was taken in April. Having thereby obtained the moral right to repeal section 3 of the National Resources Mobilization Act, I do not think we could do otherwise than take such legal right as lay within our power.

It has been suggested in various quarters that the vote was contingent on some precedent condition, that it might be conditioned on some modification of our monetary system, or upon the conscription of finance and industry. I prefer to believe that the question asked was fair and definite. It was made clear during the course of the plebiscite debate. The Prime Minister (Mr. Mackenzie King) made it amply clear, in his addresses on January 26 and February 25, and again in his radio addresses of April 7 and April 24, that the question meant exactly what it said, namely, that it was to give a moral right to take a course which at that time neither the government nor this house had the right to take.

My first reason for favouring the repeal of section 3 is that it constitutes a definite answer to and is the natural result of that plebiscite. That result is now well known. It might be well to put upon *Hansard* a few figures in connection with the vote taken on that occasion, a vote which by the way was the second largest ever taken in the history of Canada. The total vote was 4,638,847. The only other vote which was larger was that given in 1940, which surpassed this vote by approximately 43,000.

Rather than give the figures themselves I believe it might be more helpful if I gave the percentages by provinces and of the active service vote. The following figures refer to the "yes" vote:

	Per cent
Prince Edward Island	83·0
New Brunswick	69·7
Nova Scotia	78·5
Quebec	27·5
Ontario	83·8
Manitoba	79·9
Saskatchewan	71·7
Alberta	71·2
British Columbia	80·1
Yukon territory	73·1
Yellowknife	72·3
Canadian Service vote	80·5

The total was an affirmative vote of 64·2 per cent.

There is one more reason why I approve definitely of the repeal of section 3. We have heard from the Prime Minister (Mr. Mackenzie King), from the various service ministers, from the Minister of Munitions and Supply (Mr. Howe) of the work which Canada has been doing in connection with this war. Figures have been given to us which I believe indicate that this country is doing more per capita than any other of the united nations. But when we refer to the fact that we have expended $4,000,000,000, when we refer to the tremendous increase in the manufacture of aeroplanes, when we refer to the increase in our naval forces, when we refer to the production of all the mechanized units necessary for an army, the effect is lost in the opinion of the united nations because of the fact that section 3 still stands upon our statute book. The whole atmosphere is discoloured, the whole air is contaminated because that happens to be there. For that reason I believe it should be deleted, as is proposed in the bill now before this house.

There is another reason why I favour the deletion of this section. If we in Canada could elect where this war was to be fought we would have a tremendous advantage. But we cannot. Whether it will be fought in Alaska or in Newfoundland or in the British isles is not a matter for our decision; it is a matter for the decision of the enemy. Consequently I feel that we should be free to operate in every part of the world where operation seems to be necessary for the effective prosecution of the war. Suppose the congress of the United States had passed a measure in terms equivalent to section 3 of the act. All the splendid work they are doing in the production of the machines of war would be discounted. And would we not be critical? Would we not be suggesting that that was no effort on their part; that while the machines of war are necessary, while equipment for war is essential, these machines and equipment must necessarily be manned? If the congress of the United States passed such a measure as that what would be the reaction in this country?

I have already given the official returns, but may I suggest that there is perhaps an even stronger reason for adopting the measure we are now considering. It has been proved conclusively that the people of Canada are definitely in favour of the adoption of such a measure. That being so, and parliament being the servant of the people, can we do other than follow the verdict which has been given?

I remember being in Charlottetown about three years ago on the occasion of the celebration of the seventy-fifth anniversary of the Charlottetown convention of 1864. At that time I was impressed by the words on a

bronze tablet, which words I imagine are familiar to most hon. members of this house. They were these:

Providence being their guide they builded better than they knew.

That was the foundation of our confederation. That was the union of the people of Canada. May I refer to my notes in order to state what I believe to be the significance of that union.

In our democratic system of government the evaluations include respect for special interests of groups and of minorities. This results in a balanced compromise which leads to the widest general agreement attainable. It was what John Stuart Mill called the greated good to the greatest number.

We are fighting for our existence—our very survival as a nation. What strategy of defence shall be adopted? The issue is whether the very conditions for the assertion of minority rights shall be lost or preserved. It is for the preservation of minority rights as essential constituents of our organization that we join issue with the enemy, and no group or individual has any social or political, to say nothing of constitutional, right to claim exemption from the duty inherently placed upon every citizen to give his all to preserve his own country's existence.

No minority, in any situation, in any place or at any time can claim the right to refuse to accept the legally ascertained judgment of the state as to the measures to be taken for its own salvation. It would be equivalent to a claim to a right to make that determination of strategy itself. Could any province claim to confine its own forces to its own boundaries? Or to Canada? And if not to Canada, what limitation can be placed on the decision constitutionally made? What is there in any conception of constitutionalism to give countenance to such a claim? Are we to stand on the shore till the enemy lands? Or meet him one mile, two miles, a thousand or two thousand miles, on land or sea? It is either that the strategy of preserving our state shall be confided absolutely to the majority, or that the minority shall have the right to pronounce upon all of us our own sentence of death.

My reference to the tablet in Charlottetown reminds me that perhaps we have been born in a somewhat unfortunate time. We have had to fight two wars, one to make the world safe for democracy and the other to preserve democracy in this world. But if we can pass on to our posterity the heritage which our forefathers have passed on to us, then I believe that in our day and generation we shall have done something of which we can long be proud.

Hon. W. EARL ROWE (Dufferin-Simcoe): Mr. Speaker, it is not my intention to take up the time of this house at any great length. I have listened with interest to the brief and somewhat emphatic but still uncertain utterances of the Secretary of State (Mr. McLarty). I agree with him to one extent, that there is not an hon. member within sound of my voice who has any doubt as to the issue that is at stake and who does not appreciate the seriousness of it during the recent weeks. When one realizes what has happened in Libya, when one remembers what happened in the mouth of the St. Lawrence river, when one realizes that the enemy has landed on the north American continent, when one realizes that only a few minutes ago we were told that the British forces had been driven back another sixty miles in Egypt, then he should have no doubt as to the seriousness of the situation and should pause and consider what is really happening.

Never has there been an issue so clear in the minds of the people, but never has there been an issue so confused in the halls of parliament. I doubt if at this late date in the debate I can do much in the way of clarification of it, but I assure you, sir, that I shall not add to the confusion already caused by the differences of opinion that exist in the minds of some sixty-seven supporters of the government who have spoken. I am glad to find myself in full accord and unison with the eleven speakers who have spoken on this debate from His Majesty's opposition. But as one listens to the speeches coming from the other side one cannot help but think that there are almost as many different policies in the government on this important issue as there were speakers. Together the government stand before the people, but divided they speak in parliament. We have heard a great deal about the importance of cabinet solidarity and unity in the government on important issues, but in the nineteen years in which it has been my privilege to attend this house, Mr. Speaker, I have not seen, and I doubt whether you have in the many years you have been in this house, such a muddled spectacle of disunity in the government party, the very party that has kept national unity on a political parade for the last twenty-five years.

I must not let this my first opportunity pass without complimenting and congratulating those in the government ranks who have submerged, as they believe, their political fortunes, or at least what are called their political interests, in order to respond to what they believed to be the challenge of duty at this time. I cannot help but refer to the hon. member for Ontario (Mr. Moore), who made such a brilliant speech on Friday last, a man

who has followed his party for so many years but who clearly and emphatically told this house and the country that in his mature judgment his party were not taking the stand on this issue which the people of the country believed they should.

Among the ministers we see disunity. But it is most fortunate indeed that we have the three ministers of defence standing four-square and independent of the attitude of the government, and I compliment them for their stand on this important issue. I admit that in normal times such a spectacle of disunity might call for further resignations from the government, but in time of war and grave crisis, when the enemy is hammering at both our doors, there is no one in this house who would suggest or even think of it at this time.

I believe in all sincerity that the Minister of National Defence (Mr. Ralston), the Minister of National Defence for Naval Services (Mr. Macdonald), and the Minister of National Defence for Air (Mr. Power) are struggling their very best at the present time to do a job, and I was further convinced of that when I heard them speak in this debate. I should like to compliment especially the Minister of National Defence for Air, the member for Quebec South (Mr. Power). He was elected on far different slogans from those he proclaimed the other day, but with his eyes open to the effect his attitude might have on his political future he nevertheless chose to stand four-square behind our fighting men, including his own gallant son. His speech in this house last Thursday was a credit to his name, and I trust it will be an inspiration to his great old province of Quebec.

Despite the fact that the three ministers of defence have shown the way and taken their political lives in their hands, we find the remainder of the cabinet floundering and squirming, preferring to follow their leader's wait-and-see policy, refusing to look ahead. They prefer to blink at the war with one eye and wink at the ballot box with the other. I hope they will look where they are going, instead of going where they are looking.

The Minister of Mines and Resources (Mr. Crerar) claims that the emphasis on conscription has distorted our whole war effort, while the Minister of National War Services (Mr. Thorson) makes the brilliant suggestion that the merits of conscription are outweighed by its demerits. No one but himself knows what he means by that, but knowing his former opinion and remembering that he was one of the out-and-out isolationists, I have little confidence in his outlook on an all-out war effort.

The Minister of Munitions and Supply (Mr. Howe) has a heavy burden to carry. He perhaps does not know the past history of his party as well as some of those who are playing politics more viciously, and I therefore hesitate to mention him, especially when he is not in his seat. Quite innocently, I think, he said that the voluntary method was Canada's traditional method of raising men and the method best suited to the character of the people of this country. I do not agree with him. In the midst of his toil, and with that political innocence which he has so often demonstrated, he failed, I think, to realize the implications of his statement.

The Prime Minister (Mr. Mackenzie King) of course tells us that conscription for overseas may never be necessary. The Minister of Agriculture (Mr. Gardiner) says that the present policy should be continued, and that conscription should not be brought into effect unless it was by a party that had no political past and no political future.

Mr. GARDINER: He did not say that.

Mr. ROWE: Yes, he did, because I heard him. One need not be surprised at this amazing utterance by a responsible minister, because while the government has been following the middle-of-the-road policy, that was the policy the Minister of Agriculture advocated before the last election.

But it was the Minister of Justice (Mr. St. Laurent) who made the most amazing statements on this issue. I realize that it was his first speech in this house; and I have a great respect for the hon. gentleman, who has built up for himself a very creditable record at the bar of his native province. But despite all the advantages with which he came here, no minister of justice in the nineteen years I have been in the house has ever left an important issue in more eloquent confusion than the present minister did when he concluded his speech on conscription. Indeed, had the debate concluded at that point, this indecisive government would have had to hold another plebiscite to ascertain whether we were to march forward as a British dominion or to halt as a French colony. I listened to the minister's statement that—

> —our loyalty cannot be expected to be one of traditional affection and sentiment, but it is one based almost solely on a utilitarian viewpoint.

He was repeating a statement he had made in 1939 and he quoted it in this debate at page 3391 of *Hansard*. What a utilitarian viewpoint may mean to a lawyer I do not know. I am a farmer. It might mean cost plus ten per cent, or it might mean freedom and privileges paid for by somebody else. That might not be the meaning given to it in a court of law, but it is the meaning given to it by the

farmers of my constituency. The minister went on to say:

It may be great and glorious to fight and die for the world's salvation, for the salvation of the united nations—

What are we, Mr. Speaker, but one of the united nations? Does he wish us to cease to be a member of the united nations? He went on:

—but that is a privilege of each man, a privilege he has the right to choose for himself—

That is a privilege—for the boys to fly with their loads of bombs over Libya and over Egypt, or to stand and fight with their backs to the wall at Singapore and Hong Kong—that is a pleasant privilege!

—a privilege he has the right to choose for himself; it is not a duty which citizenship imposes as an obligation correlative to the rights which citizenship guarantees as a privilege.

I have always felt that I was a Canadian citizen and also a British subject, and that as a British subject I had some duty to my king and my empire, to the British commonwealth of nations, and, to-day, to the united nations to which the minister referred, which are engaged in a fight to the death against the most terrible enemy that civilization has ever faced. How, then, can we adopt the position taken by the minister?

The *Globe and Mail,* whose accuracy I have no reason to doubt, though at times they have not agreed with me, also report on the same day the Minister of Justice as having said this, speaking in the house:

French-speaking Canadians have no sentimental attachment for the government of the British isles.

I do not know whether the fact that that passage does not appear in *Hansard* indicates that the minister does not feel that way about it. But it has been my privilege during my experience in public life to have known some of the finest French Canadians in this country, both in Ontario and in Quebec: I have talked in Montreal and Quebec to leading French Canadians, and I doubt very much the correctness of the minister's statement, despite his long residence in Quebec, that French Canadians have no sentimental attachment to the government of the British isles, or even to British imperialism, in view of the privileges which they have enjoyed and which were conferred upon them under the British flag. Thousands of French Canadians died in the last great war. Many are fighting and dying valiantly in the present war along with their Anglo-Saxon fellow-citizens. I talked not long ago in Montreal to a French Canadian who was appalled at the representation which his province had received on the floor of this house. He said, "I fought throughout the last war, and my three brothers are fighting in this war; one failed to return from Dunkirk, and another was unable to get away from Greece. I feel," he said, "that if we do not stand together now, we shall fall apart."

I realize, as one of the majority race in this country, the necessity of having tolerance at all times towards one another. But I say to my fellow-Canadians from Quebec: You have gone a long way in your efforts to dictate the policy of this dominion. We have every desire to recognize your rights, specifically with regard to your religion and your schools, guaranteed under the British North America Act; but there is nothing in that act or in the constitution of Canada since confederation which gives any minority the right to dictate the policy of the majority of the people of this dominion. I say that in all kindness, because I do not propose to say anything here or anywhere else in Canada that will hurt the feelings of that other great race of people in this dominion, the French Canadian. But I do say that it is unfair to the great French-Canadian race to have them represented as having no interest in the world conflict outside the shores of Canada, when we know, and they know, that on the result of it depends the liberty of their religion—which is no dearer to them than my religion is to me—the right of free worship, the right of free assembly. We shall not continue to enjoy these rights until we meet the realities which press so urgently for attention. But here we flounder along, trying to find a solution of a matter which the people in the country have already decided for us. It is unfortunate that, evidently for political reasons, one province should be misled and placed in an unfavourable light by those who represent her here. French-speaking Canadians have, I believe, a sentiment of sympathy with the British empire. These ministers, Mr. Speaker, fail to realize, in their pursuit of a policy which puts one province in opposition to the wishes of the rest, that minority rights are secure only so long as the minority enjoys the tolerant good will of the majority. That is a long-existent rule in this country; indeed it is a rule in any country. The majority of the people of Canada expressed themselves in favour of an all-out war effort, and the majority expect an all-out war effort. Because two-thirds of the voters in one province oppose that policy, is their will to prevail against the expressed wishes of an affirmative majority, no less emphatic, in the eight other provinces?

I have been a member of this house for some years. I believe my record shows that

I have been motivated by no feelings of intolerance, and that I have endeavoured to show good will to my friends in Quebec of another race. But I realize what we have gone through and what lies ahead of us, and I believe that we shall not meet the future successfully unless all of us stand together in the present crisis. What is the use of blowing trumpets and talking about national unity on election campaign platforms? "National unity" has been paraded up and down this country; it is the most hackneyed political phrase I know of; it has been the stock-in-trade of the Liberal party in this dominion for a quarter of a century. What is unity? What is its worth if we cannot stand together now, when almost the whole world is against us? We had better know now whether we are to be divided or not. In times of peace, when everything is going well, unity is easy. Now is the time when national unity means something more than filling ballot boxes. Now is the time when we must decide whether we shall have in future decisions by ballots or decisions by bullets. Now is the time to capitalize and utilize the "national unity" which we have been parading for the past twenty-five years, and to see whether it is to be expressed in action by every man who loves the freedom of his own faith—that freedom which my friends of Quebec have so long enjoyed—and the privileges enjoyed by his race, given to that race, after the conquest of years gone by, by the most tolerant power in the world—the British empire—and enjoyed under that flag; for under no other could they have been enjoyed so long and so securely.

Now that we are facing this crisis, I want to ask whether we are to work our own defeat by following policies of disunity. President Lincoln said during the civil war in the United States that a nation divided against itself cannot stand. Those words should echo and reecho in this building and throughout this country at the present time. As Canadians we must face the realities of war, and in such an attitude there is no place for disunity. It must be recognized that the present condition is far removed from that all-out war effort which is needed.

The only hope I can see is that those who prefer to blink at the war with one eye and wink at the ballot box with the other may eventually look where they are going rather than go where they are looking. At any rate I know that no less responsible men than the Prime Minister and his cabinet are worried about what is happening in other countries. I realize that an emissary of the government has been sent to the United States in order to improve the reports that are given out about the Canadian war effort. I know from visiting the United States occasionally that there is reason to be alarmed at the present state of Canada's one-time prestige in the great republic to the south. No doubt the Prime Minister has been concerned, as he has mentioned at different times in this house. One has only to read an editorial such as that reprinted the other day in the Toronto *Globe and Mail* from a United States paper, which stated:

> If the Canadian government expects to enjoy the respect of the American people it will have to impose conscription on a par with America. The Canadian government has a record of so scrupulously respecting minority rights, of coddling a pampered child so long, that failure to impose equal conscription will appear more and more as an effort on its part to place its own personal political welfare ahead of that of victory and have American people assume burdens which it should assume without further fear.

That, Mr. Speaker, is why the American people are concerned; that is why the British people are concerned—not because of the attitude of a province of this dominion, not because of the attitude of a gallant race in this dominion—I hope my friends in the province of Quebec, including the Minister of Justice (Mr. St. Laurent), do not misunderstand me. The reason is that we have this everlasting search for political expediency, even in a time of crisis, which destroyed our plans for an air training scheme in 1938, which has already cost the lives of thousands of boys overseas, which has left us so that the empire does not know where we are going and the United States do not know whence we are coming. I urge that we should stop, look and listen, and awaken to the parade before the world marches by. I have heard no less a man that the late minister of justice, an honoured representative of the province of Quebec—who was, I am proud to say, a very close friend of mine for many years; I always felt at home in his office or wherever I met him—I have heard him speak in days past, and while I never heard him go quite so far as some speakers have in this debate, I recall that on one occasion he went so far as to say that this country had won a new status through a visit of the Prime Minister of Canada and himself overseas. He said: "We have all the status and sovereign right of a state in the British empire." He said: "I see in the distance only a fine silken thread binding us to the empire." He added that the silken thread was still strong, and he was reminded of how that status was secured. It was not secured by the present Prime Minister in those days when he was fol-

lowing his economic appeasement policies throughout the world. It was not achieved by that right hon. gentleman, the great compromiser and reconciler, whether in his own party or in international affairs. It was achieved by the blood of the boys who fought in the last war. As the late Sir Robert Borden said in 1918, "When I signed that treaty I felt the tears roll down my cheeks because I knew that I was writing the new status of Canada with the blood of the boys who sleep in Flanders' fields." "Lest we forget". How will the future prestige of this empire and the future security of this dominion be written? Will it be by the men of my riding who work behind the plough, sixteen hours a day for the fixed prices that the government has imposed on them? Will it be by the man who works in a war industry, or by the army of men carrying on a bureaucratic administration?—necessarily, I admit, in some measure. No; it will be written with the blood of the men behind the guns, and the sooner we realize that the better.

When we roll off the lines thousands and thousands of tanks and aeroplanes and turn out great numbers of machine guns and trench mortars, let us not forget that we shall need that many more men to use them if we are going to win this war. We shall probably meet with certain reverses. We shall probably have to endure some shelling of Halifax, or bombing of Vancouver island, or sinkings in the gulf of St. Lawrence, or other sporadic attacks by the enemy, but to win the war we shall have to start an offensive over where my hon. friend would not admit was any part of our defence, namely, on the western front. That is why there are more—my hon. friend the Minister of National Defence (Mr. Ralston) might think I was going to say something I should not; but I will say this, that the American people realize to-day that if we are going to win this war it must be won overseas in Europe, and that is why they are conscripting their men to put them in the British Isles. Is it to watch their isles in the Pacific that have been taken one by one, to watch the Aleutian islands or the Oregon coast, which was fired on the other day? No; because they realize that, as in any other fight, if we are to win we must meet the enemy on common ground.

Mr. McNIVEN: There are Canadians in both places.

Mr. ROWE: Why would you want conscription to compel a man to fight at home? Who would not fight to protect his own home? I am not speaking of the principle of conscription; it was the government of the day that brought conscription into this country.

Mr. GARDINER: Why does the hon. member not speak on it?

Mr. ROWE: If I were as clever at dodging issues as my hon. friend, that would be the reason. I will speak on it in this way, that even you who stood in the middle of the road before the election—

Mr. GARDINER: I never stand in the middle of the road.

Mr. ROWE: You have never left the middle of the road when there is any political issue at stake. But even you at this time come into this house and support conscription for home defence, while the three ministers of national defence told you plainly the other day that the only defence for Canada is where the enemy is. Let us not pussyfoot on this. Let us not camouflage the issue. Let us not follow the line of least resistance, of political expediency, the whims of someone back home that you may never have the opportunity to represent again unless you look wise and face the issue as it is.

Do the other ministers not agree with the three ministers of national defence, each of whom says the same thing—that Canada's defence is overseas? We are standing at the crossroads of our fate. We must realize that the enemy is ready to strike us if our boys over there let them pass. Those boys stand and say, "They shall not pass", but if they did pass I would like to see what sized army would stop them on the banks of the St. Lawrence. I do not think my hon. friend would prefer to fight them in Saskatchewan rather than overseas. The hour has struck; the time is long past when we should fool away the time of this house as has been done. And it is not the leader of the opposition (Mr. Hanson) or other groups on this side that have held up this debate. We have had sixty-seven speeches from the other side of the house, and the more they talk the less one understands where the government is going. The more speeches they make the more pages they add to another chapter of the story of confusion at which Canada is becoming more and more amazed.

Mr. CRUICKSHANK: Wait till you hear mine.

Mr. ROWE: I should not be surprised if it were better than most, but it would be even less confusing if the hon. member would come and sit over here where he should sit, with the ideas he has on this war issue.

I say in all seriousness, Mr. Speaker, that we have reached a critical point in the history of this country. I warn the government that there is a difference between rigid control of those who hinder the war effort and the persecution by a gestapo of those who criticize the government for its lack of war effort. I

am not mentioning any names, but when I see my deskmate hit over the head and knocked down, and another hon. member liable to the same treatment if he is not careful, I wonder how long this situation is going to continue. I do not know as much about law as the Minister of Justice knows, but I wonder how much I could say before he would intern me. I suggest that there is a tendency in this country that might well be feared by more than the individual, because history has told us, in shocking stories of the past, that when the rights of the individual have been "gestapoed" the freedom of the press is restricted very shortly thereafter. I warn my friends of the press gallery to watch their fast pens these days, because several newspapers are vigorously condemning the government because of its war effort, or lack of it; they are wondering why the government is floundering in this way, what it is waiting for, and so on. They wonder why some of the cabinet say the enemy is overseas and our only defence is over there, while others say we must stay here and fight, while still others say they are not sure we should be in the war at all.

Is it any wonder that the people are rapidly losing confidence in our government? They are losing confidence because they expect courageous leadership in time of crisis. They are losing confidence because they expect determined action against a vicious enemy. They are losing confidence because they expect definite, clear and united purpose in a responsible government. They are losing confidence because the government required a plebiscite to tell them what to do, and more confidence because the government will not do it after being told to do it. We have never seen such a spectacle of uncertainty, confusion, distress, disunity and turmoil in a government; and this government has more members behind it than any other government since confederation. We were twitted when we asked for a national government, no doubt because the administration figured they had behind them people of every stripe of politics, as a result of the disunity which they have brought about, and which they probably felt constituted the only form of national government they could have.

In conclusion I want to say only that we are going to win this war in spite of the government. The prestige of this dominion will be upheld by our boys who have enlisted in the armed forces, God bless them; and the future status of this country will be determined by those boys, not by some glib lawyers who will tell us about it in the years to come. It will not be determined by a floundering, fearful sort of attitude, such as the government has adopted. It will not be determined by an attitude such as that of the Minister of National War Services, or that of the Minister of Agriculture. It will be determined by attitudes such as those of the hon. member for Ontario, the Minister of National Defence for Air, the Minister of National Defence for Naval Services and the Minister of National Defence. This war will not be won by any single political party.

Mr. GARDINER: I thought you were not looking at the ballot boxes.

Mr. ROWE: My hon. friend has been watching them so long and so carefully that he cannot imagine anyone seeing anything else. I listened to the minister's speech, and I must say that it was the most political address I have heard from a minister, in time of crisis, during the last fifteen years.

Mr. GARDINER: Better go back and read it; you do not seem to know what it is all about.

Mr. ROWE: I have read it carefully, but I hardly needed to read it. I knew what it would be about before the minister delivered it. Anyone who has ever heard the minister during a campaign would know what his speech would be like. It was simply cheap, political campaign stuff, in a time of crisis.

Mr. GARDINER: But my speeches get better results than yours did in Ontario.

Mr. ROWE: Yes, and the minister has mentioned that before. I do not have to hide behind any of my past glories, and I am sorry to say that is what the minister is now doing. I say this war will not be won by the Liberal party, nor will it be won by the Conservative party, or by the English-speaking people of this dominion, or by the French Canadians. It will be won by every race and creed and class in this dominion standing firmly together, not only to save Canada so that in future we may sing "O Canada", but that we may sing:

> God save our king and heaven bless
> The maple leaf forever.

My hon. friend laughs. This war will be won by those who appreciate and understand that the privileges and rights they have enjoyed in the past have been given them by that very power, now threatened, the British commonwealth of nations, which forms part of the united nations, standing with that half of our civilization that believes in defending freedom instead of surrendering it as other countries did who thought it was not their duty to go beyond their shores until the enemy invaded them.

Mr. H. B. McKINNON (Kenora-Rainy River): Mr. Speaker, we have heard many excellent speeches during this debate, covering practically all the important points, and with few exceptions those who have spoken have been very considerate and tolerant of the viewpoints of others. We often look back and think how outstanding were the fathers of confederation, how tolerant and understanding they were, with vision that has brought Canada to the position she occupies to-day. But when everything is considered I believe the speech of the Minister of National Defence for Air (Mr. Power) last Friday shows that we still have giants among us, and the future of Canada is well assured as long as we have men of that calibre in the public life of this country.

As I see it, this bill is simply the legal completion of the recent plebiscite. Ordinarily it would be more or less a routine matter, but in view of certain developments it has been given a position of importance that few of us could have imagined a short time ago. The bill has been thoroughly discussed; all points in connection with it have been well brought out, and I see no reason to discuss it further. There are a few remarks I should like to make, however, which might be of material benefit to the welfare of the country and to the war effort as a whole.

Between Fort William and Winnipeg there is a territory covering some 430 miles in which as yet this government has not seen fit to establish any war industries. The government would be well advised to take a leaf out of the book of Russia and establish industries in that territory, which is practically the geographical centre of Canada, because they would be as far away from any possible military action as they could be placed in Canada.

I should like to commend the Minister of Munitions and Supply (Mr. Howe) upon his approval of employer-employee council. That is an excellent idea, and it was only recently that Mr. E. M. Little strongly endorsed the minister's stand. Mr. Little on that occasion said he did not believe all the brains of the country were in the front office. With that I thoroughly agree. Not only should we make use of all the physical abilities of our citizens, but we should use their mental abilities also. With the establishment of these councils we will go a long way toward assisting to put our war effort on an all-out basis. The government should go further and insist that the councils be established in at least the war industries of the country.

There are many matters affecting my constituency I should like to discuss, but I do not believe such discussion would be proper in this debate. There will be other appropriate occasions on which matters of vital importance to my constituency may be brought up. I would point out, however, that the people of Kenora-Rainy River voted thirteen to one in favour of the plebiscite. There never was any question in my mind as to what they would do, if given an opportunity. They have given every possible assistance in the war effort.

Voluntary enlistments from my constituency in this war, as in the last one, are exceptionally high and compare favourably with those of any other part of Canada. The people of Kenora-Rainy River have subscribed heavily to recent loans. When they voted thirteen to one in the affirmative there could be no doubt in my mind as to the meaning they meant to convey. I am definitely in favour of national selective service, and I propose to vote in support of the bill. I should prefer to vote on the details in connection with conscription, but I well realize it may be impossible to give the house an opportunity to do so. Therefore I concede that the government should have the right by order in council to bring in conscription at such time as they deem it necessary. No man, no body of men, no newspaper, in my opinion has the necessary information upon which to base an opinion as to when the conscription of man-power should take place. That would be a duty for the government to perform.

As has been pointed out by various ministers, there are many activities, including agricultural development and the production of munitions, which go to make up our total contribution to the war effort. Only the government know the extent of what has been done, and because of that they are the only body in a position to know when a policy of conscription should be made effective.

Speaking a few days ago, the Minister of Labour (Mr. Mitchell) pointed out that a shortage of man-power was definitely possible. In that he is no doubt correct. I believe, however, that there is plenty of man-power employed in non-essential work which could and should be used in our war effort. Let none of us have any illusions about what we are up against. As I see it, this is a war of extermination. Either we win or we go down where there will be no future for the people of this country. It takes very little thought on my part to decide the proper course, because we have no choice. The issue is as clear as it can be. We either go all-out in fighting our enemies wherever they may be found, or we wait until it is too late.

My family have not waited. All who could go have gone, and I am like-minded. The

people generally in the constituency of Kenora-Rainy River feel that no price is too great to pay for what has to be done.

May I make one suggestion? If and when the government decides that conscription is necessary, I suggest it should set a date, by proclamation or otherwise after which no more volunteers will be accepted. All enlistments from then on should be on a selective service basis. In my opinion that would be fair both to the individual and to the country generally.

Mr. M. J. EDWARDS (Calgary West): Let me say at the outset that I am wholeheartedly in favour of the bill, and will vote for it. My interest in the subject matter of the bill goes back to the evening of September 3, 1939, when I, in common with my fellow Canadians, heard the fateful news over the radio at four o'clock in the morning, mountain time, that Germany had invaded Poland.

How well do I remember the emotions I experienced, which completely changed my thinking processes! For be it known that at that hour on that morning I was laboriously preparing a speech I had expected to deliver in a by-election to be held in September in the constituency of Calgary West. My reaction to the news was such that every partisan or political thought I had entertained was completely obliterated. Matters which seemed of paramount consideration in connection with the winning of the by-election paled into insignificance before the awful thought that our empire was at war. I for one never doubted that my country, my Canada, would take up the sword in defence of liberty and freedom, and against dictatorship and oppression.

A by-election was held in September and I felt so keenly about what had taken place that on the morning of September 3 I wired the government and gave it as my considered opinion that I should withdraw from the by-election to make way for the Conservative candidate in a seat which with one exception had been Conservative from its inception. This was the seat of none other than the Right Hon. R. B. Bennett. It was somewhat of a disappointment, a blow to personal aspirations, but I felt that under the existing circumstances it was the right thing to do, despite the fact that my supporters might misunderstand and my political enemies misconstrue the reasoning behind my decision. A Conservative was returned again from Calgary West. But I was justified in the sacrifice, if you will, which I made at that time, by subsequently being honoured by the same people in the spring of 1940 with their endorsation and election to this house. One of the things uppermost in my mind at that time was the realization that the people of Canada, and particularly the political leaders of Canada, would not wish to be confronted, when they were making up their minds as to what stand they should take in this world conflict, by the lesser consideration as to whether or not there should be the conscription of man-power for overseas service.

I could not help but recall the feelings by which I was actuated when at the time of the last war I did everything I could to gain admission to the fighting services. For the life of me I cannot understand any red-blooded Canadian of military age not having the promptings which I experienced at that time and the desire to go out and fight for his king and country. I have little sympathy with the individual who justifies his refusal to serve as is commonly done these days, on the ground that some other fellow will get his job, that some other young man has not done his part or has not offered to do his part, or that some other section or class, or creed if you will, is not doing its fair share. This is the greatest crisis that has ever confronted mankind, and there can be no such thing as equality of service or sacrifice. Nothing that I can do or give can weigh against the sacrifice of that friend of mine and yours who lays down his life for Canada and the cause for which we fight? There has been a lot of false reasoning and false logic spread abroad in our land to the effect that this is a war for the defence of Canada or the defence of the British empire. I do not believe that the gallant lads whom I knew and whom I taught at school, the men with whom I grew up and have been associated in later years, are in this fight solely for the defence of any particular part of the terrestrial globe, let alone any of that part of the globe which is generally shown in pink and labelled in black letters "Canada."

Surely there is something finer and grander than the defence of a piece of ground. I believe the Canadian people, and certainly the brave lads who wear uniforms, whether they are serving in the air, on land or on the sea, feel that there is something greater at stake. What is it? The Prime Minister (Mr. Mackenzie King) stated what I trust we all believe to be true—that the real issue in this struggle is our way of life and living; it is democracy versus dictatorship; it is freedom and liberty versus slavery. To put this struggle on any other plane is to belittle the objectives and the issues for which we are fighting. Surely we are not in this war merely to defend Canada. Surely the members of this house and the people of Canada realize that if you

took all the man-power and all the production of which this country is capable in the way of munitions, food and everything else, there would not be sufficient to defend Canada successfully against the aggressor nations, any more than it would be possible for one prairie farmer to protect his farm against the onslaught of a prairie fire. This is a world on fire, and we are committed to something greater, to something finer, and I trust to something grander, than merely the defence of our own country.

People fight against things. We are fighting against dictatorship, world domination and slavery. We are not fighting for any thing, place or possession; we work for a better world; we fight against that which would destroy it. Men and women the world over will put forth their best efforts when it is realized that they are fighting against something, not fighting for something.

I should say at the outset that as a theory and as a principle of war policy, I have favoured compulsory selective service not only with respect to man-power but with respect to every resource this country possesses. I realize, however, that not until the national resources mobilization bill was introduced was there a decided opposition to that principle in certain sections of the country. Theoretically I do not see how a democracy can wage total war without recourse to that principle, but in practice I recognize the difficulties of applying it in Canada, by reason of views and opinions held with regard to it by many others.

Be it said that conscription was not an election issue in 1940 in my constituency. There was, however, later, a group in Calgary, to which the Prime Minister has adverted on other occasions in favour of compulsory military service, and it was in that city that he first encountered an organized demand for conscription for overseas service. At that time I felt, and I believe the people of Calgary still feel, that the meetings which were then organized were largely called together by a political pressure group which was endeavouring at that time to sow political discord and disharmony and bring the government of the day into disrepute. There were others, however, and of this I am certain, who were greatly concerned and agitated lest their loved ones overseas should be unsupported.

I for one welcomed the introduction of the plebiscite. I worked during that campaign and was not a little pleased that my constituency, despite handicaps imposed by war restrictions with respect to transportation facilities, and the fact that nobody's political "hide" was at stake, turned out and voted to the number of 19,715 persons as compared with 19,798 persons at the general election. In other words the number of voters was only eighty-three short of the number of voters there had been at the general election in the spring of 1940. Of those who voted, 17,612 voted affrmative, 1,976 negative, and there were 127 spoiled ballots. During that campaign I stated what I then and theretofore believed and still believe to be the democratic, the fair, the just, the ideal and perfect way of mobilizing our resources, including our man-power, namely, by compulsory selective service. With your permission, Mr. Speaker, I should like to read a few paragraphs from the statement I gave to the press just before the plebiscite was taken:

> As a government policy, I believe in compulsory selective service or conscription. As an individual citizen neither you nor I are called upon by this plebiscite to declare whether or not we believe in conscription for overseas service NOW. The best opinion, that is the opinion of those who are charged with the responsibility of conducting this phase of our war effort, say that conscription is not necessary AT THIS TIME but that emergencies may arise at any time when it may be necessary to resort to compulsion, and it is in anticipation of such an emergency that parliament, and by that I mean the representatives of every political party, is asking that it be released from this promise.

And I gave three reasons why they should vote:

> 1. You are not called on by this plebiscite to declare whether or not you believe in conscription for overseas service.
>
> 2. You are not called on to vote for or against the government.
>
> 3. You are not called on to decide any question other than whether the government should be free to adopt any policy that may become necessary to ensure victory.

Then I concluded my statement with these two paragraphs:

> To refuse to vote or to vote "no" is to declare in effect that no matter what emergency may face the country no one should be compelled under any circumstances to defend Canada in any field of action beyond the limits of this dominion, that no one should be called on to strike a blow for his country until the enemy has landed or is about to land on its shores.
>
> I urge all thoughtful Canadians that they should by an overwhelming affirmative vote put their representatives in a position to be free to act and urge the adoption of whatever methods or measures may be required to attain victory in the uncertain and perilous days which lie ahead.

I am grateful and pleased that my electors, my friends, the people of Calgary West, have released me from any pledge, though indeed I needed no release from any pledge except that which was impliedly given by me as a supporter of this government in regard to that one phase of Canada's war effort.

The plebiscite having passed, may I say that there will be nothing but resentment, if this government gives my constituents cause for believing that it entertains any idea of retreating from the position which it took at the outset, that this war is more than a war for the defence of Canada, that it is in very truth a war for an ideal, a war for the defence of democracy and freedom, a war for our way of life and of living. I was proud as a Canadian to learn that not only the people of my constituency but the people of Canada generally voted overwhelmingly to release the government from its commitment as embodied in clause 3 of the National Resources Mobilization Act, to delete which the present bill has been introduced. This bill will, as I believe the people of Canada wish it to do, remove the last and only legislative restriction upon our all-out war effort.

I for one cherish the thought and the hope that never again in the political history of this fair dominion will any statesman feel called upon or obliged to make a promise such as, unquestionably, the leaders of the three major political parties made at the outset of this war. From now on the government has a clear mandate to take any and every action which in its considered opinion is calculated to increase in strength and effectiveness the power of this nation, working in the closest cooperation possible with every other nation having the same objectives.

To my hon. friends from Quebec may I say that the people of western Canada, at least in that part of it in which I have lived for the last thirty years, and especially the men of my age and generation find it extremely difficult to appreciate or understand, or even to view with tolerance, the attitude and ideas to which we have listened in this house. I have been much agitated and, indeed, nonplussed for months to try to discover the causes which lie behind the feeling and views to which we have listened during the last month or six weeks in the debate on this bill. Surely, my French-Canadian friends, you do not appreciate or understand the significance of what is going on in the world about you. Why should you be so alert and so anxious to defend our own country when perforce, by modern means of transportation, London and Liverpool, France and even Germany are closer to you than British Columbia or even parts of my province? And it is there the enemy should and, please God, will be destroyed.

I want to pay tribute to one man in this house from Quebec who, to my way of thinking, has given us an outstanding example of singleness of purpose and devotion to the call of conscience and duty in the speech which he delivered here on Friday last. I refer to the Minister of National Defence for Air (Mr. Power). I am sure that the people throughout the length and breadth of Canada will applaud his actions and his words, which can be likened only to those of another great leader, Sir Wilfrid Laurier, who came from his province and who was willing, at a time of national peril, to take his political future in his hands, vote according to the dictates of his conscience, and govern his actions accordingly.

By any standard, whether of men, money or munitions, Canada's war effort has been adjudged good. The sole question which should concern this house and the Canadian people is, can it be made better, more efficiently effective? Mere size, bulk or numbers, whether of persons, munitions, money or other things, means little in this day and generation when pitted against skill, science and knowledge.

The government has asked to be relieved of its promise. The people of Canada have answered most emphatically that it should be so relieved. I believe that the future conduct of this war can safely be entrusted to the members of the cabinet, headed by our worthy Prime Minister (Mr. Mackenzie King). We have, and I believe the world has, confidence in the Prime Minister; confidence, not only in his judgment, but in his singleness of purpose and his anxious desire that this country shall take its proper place among the nations of the world and do its utmost in the struggle. We have confidence in our Minister of Finance (Mr. Ilsley); in our Minister of Munitions and Supply (Mr. Howe); in our Minister of Agriculture (Mr. Gardiner); and in our three national defence ministers. Is there any doubt or misgiving, on the part of anyone who has followed the careers of these hon. gentlemen in the house and before the public, as to their determination that this nation shall put forth the maximum of which it is capable? Theirs will be the decision. They have asked to be empowered; and I for one, not only reflecting the views of my constituents but giving expression to my personal convictions, am satisfied that they will never shrink from their clear duty, nor pause in their efforts until this country is making its maximum war effort.

As a school boy I learned this verse which has stuck with me throughout the years. I believe they are the words of a great Nova Scotian statesman and patriot, and I commend them to the consideration of this house as an ideal which should animate and inspire every loyal Canadian. I think it goes like this:

Inheritors of glory! O countrymen we swear
To guard the flag that o'er thee
Shall onward Victory bear.
Where e'er through earth's far regions
Its triple crosses fly,
For God, for home, our kinsmen
Shall win, or fighting die.

With that as our objective, with that as our motto, this country cannot fail.

Mr. J. E. S. EMMANUEL d'ANJOU (Rimouski) (Translation): Mr. Speaker, I opposed the plebiscite bill because I believed that such a measure would lead to conscription for overseas service, as later events have borne out. During a memorable meeting held in my constituency on April 16 last, I declared that perhaps within two weeks of the plebiscite vote, provided it were affirmative, a measure would be introduced in the House of Commons calling for conscription for overseas service. And I was right. As a matter of fact on May 10, Bill No. 80 appeared on the order paper and the house was thereby requested to strike out section 3 of the 1940 mobilization act, thus extending compulsory service to overseas. That is the measure we are now discussing, Mr. Speaker.

When I had the honour of being elected as member for Rimouski in 1917, I gave the undertaking that I would oppose any conscription measure submitted to parliament, whatever government were in power. In 1940, the voters of Rimouski again did me the honour of choosing me as their representative. I gave them my solemn pledge that I would even break with my party if that party undertook to enforce conscription for overseas service. Indeed, and I wish to repeat this, I vigorously opposed the plebiscite bill when it was introduced in the house. I voted against it because I believed that it merely served to mask the evil face of conscription. As I have said, events bore me out.

Mr. Speaker, I must adhere to the stand I had previously taken and declare from the very outset that I shall vote against Bill No. 80 because this measure is synonymous with conscription for overseas service. In my humble opinion, the present government is acting even more dangerously than that of 1917 because it desires to introduce conscription not only with the concurrence of the people's representatives but at its own discretion by order in council. In 1917, the union government introduced a conscription bill for overseas service and the measure was discussed for three weeks. Well do I recall the titanic struggle then waged by two regretted leaders of the Liberal party, Sir Wilfrid Laurier and the Right Hon. Ernest Lapointe. We sat night and day to try to prevent the passing of that bill. That is why I wonder at the moment why the Liberal party which has endeavoured for the last twenty-five years, particularly in my province, to show that it was irrevocably opposed to conscription, now wishes to introduce a conscription measure, and that by order in council. As I stated a moment ago, Mr. Speaker, I opposed conscription in 1917 and I do so again to-day. I deeply regret that it should be the Liberal party that wishes to saddle us with this coercive legislation in 1942. You may be sure that the people of my province, the people of Quebec, are surprised, to say the least, at the Liberal government's present stand.

I followed attentively the speeches delivered by hon. members who spoke before me this afternoon. They seemed mainly to assail the attitude of the province of Quebec. Even if Quebec did cast a negative vote on the plebiscite, a close study of the figures for the other provinces shows that some six to seven hundred thousand negative votes were cast. The province of Quebec seems to be the bugbear of certain hon. members of this house. Yet I think that since the outbreak of the war, Quebec has contributed her full share and continues to do so. During the last war two Victoria Crosses were awarded to soldiers from my constituency. Which goes to show, Mr. Speaker, that the constituency of Rimouski is not peopled by cowards and poltroons. Jean Brillant and Joseph Keable were volunteers who fought overseas. They must have proved outstandingly brave since the Victoria Cross is the highest decoration awarded by His Majesty the King. At the present time, Rimouski has a training camp where even farmers' sons report for military service and also an air force training centre at Mont Joli. I therefore feel our citizens are doing their duty and that the criticisms levelled at the province of Quebec are no more warranted in the case of Rimouski than in the case of other constituencies.

Mr. Speaker, a great deal has been said about national unity. It seems that Quebec is always expected to sacrifice everything for the sake of national unity. In our Canadian confederation Quebec secured some rights which she intends to uphold. We insist that they be recognized. We are being asked continuously to ensure national unity and to that end it is we who must always yield, who must forego the rights guaranteed us by confederation. In my opinion, Mr. Speaker, my province has done her full share in the Canadian confederacy and we of Quebec

should not be alone in forsaking our privileges. We must all do our part if we wish to remain united.

In the interest of Canada's defence, I would agree to every sacrifice. We are told that this country will be better defended overseas. The assertion has never been proved. Our country is open to attacks by Germany or Japan on both our coasts and I fear that the government has not devoted sufficient time to the organization of our defences. Yet we have before us Australia's sad experience. Her shock troops fought in Greece and elsewhere and when Australia was attacked, she had to beg for help from the United States. I consider that Canada's war effort has been adequate so far and, as I was saying, I have always opposed coercive methods of dispatching troops overseas. My electors have given me a mandate which I will fulfil by voting against Bill No. 80.

In my opinion, the government has introduced this bill as a sop to the extremist faction in this country. Speeches are delivered in this house by members who will never have to go to war, who have no children, and who, like certain Toronto people, only see in conscription an avenue leading to larger profits. The province of Quebec will be the most affected by conscription for overseas service, because of her larger families. I myself come from a family of fifteen children, which included twelve sons. Families of eight, nine or ten sons are by no means scarce in my constituency. If this conscription bill passes, it will affect us more than the rest of Canada. Moreover, Canada has a population of only 11,000,000. Has not Canada's war effort been adequate so far as compared with that of more populous countries?

This bill is not justified and the government has not, to my mind, been released from its commitments or pledges of 1940. The late Right Hon. Ernest Lapointe declared in this house: "Never will the province of Quebec submit to conscription". That was the agreement entered into at the time of the declaration of war. With Mr. Lapointe, the ministers who represented the province of Quebec stated: "We will participate in the war on condition that conscription for overseas service is never enforced". The province of Quebec voted for the upholding of the pledges given, and moreover a large number of people in other sections did the same, as I said a moment ago. For twenty-five years, the Liberal party has conducted all its election campaigns, not only in the dominion but in the provincial field, on a "no conscription" platform. As I have said, it sought to give, especially to the province of Quebec, the impression that the Liberal party was the only one opposed to conscription. After placing our confidence in the present Prime Minister who, with the help of Mr. Lapointe and all the members from Quebec, was chosen in 1919 to succeed Sir Wilfrid Laurier, I wonder whether it cannot be considered a betrayal of our province to seek to introduce a measure involving conscription for overseas service, in spite of the verdict given on April 27 last.

In politics as in anything else, Mr. Speaker, one must abide by one's pledges. In 1940, every political party was against conscription. The people returned this government with the largest majority ever obtained in our history. It is not enough to claim that conditions have changed. Conditions may have changed but the pledges remain. I for one cannot see any reason for supporting the bill now before the house. It is all well and good for certain hon. members of this house, as I said before, to urge conscription when they will not themselves take part in the war and when they have no sons of military age. As regards our war effort, the province of Quebec has answered the call voluntarily and perhaps much better than certain other provinces of the dominion, and I cannot understand why some hon. members of this house find it impossible to speak without criticizing the province of Quebec.

There is no cause to defend the province of Quebec. She is doing her duty just as she has done in the past. She acquitted herself well in 1917. She has discharged her obligations from 1939 to this date, and this incessant carping on her war effort should cease. I for one criticize no other province. However, as a citizen of Quebec, I have a perfect right to protest strongly against the insinuations of cowardice and ill-will directed against my province by some hon. members.

The province of Quebec is as loyal to her king as she is to the country and I claim for my part that my fellow citizens' first loyalty is to Canada. My motto is that of Sir Wilfrid Laurier: "Canada first, Canada always and Canada only." It sounds fine to say that we should meet the enemy wherever he may be. I wonder, Mr. Speaker, in a struggle such as this, where millions of men are locked in battle, where mechanized forces, tanks and planes are of supreme importance, why run the risk of disturbing the peace of this country by sacrificing through a conscription measure for overseas service between two and three hundred thousand men to the enemy's land and aerial onslaught. Infantry

will not be the deciding factor in this war. It has been shown to date that victory will be won through tanks and aeroplanes. I therefore repeat that it would be a national crime to enact this law of conscription at the risk of destroying national unity, in order to raise perhaps two or three thousand men to be sent overseas as cannon fodder. This war will not be won by masses of men. While millions and millions of men are now taking part in the conflict, the present war is chiefly a mechanized one where tanks and aeroplanes will finally decide the issue.

I believe that the government has been ill-advised. Moreover it has no mandate to impose conscription for overseas service. It has not been released from its commitments. Not only did the province of Quebec refuse to release the government from its pledges against conscription, but there were at least six or seven hundred thousand Canadian citizens in other provinces who voted likewise. When speaking on the plebiscite, I stated that I had faith in my leader and in his cabinet. I must say that I have now lost that faith. I truly believed that I could trust the Prime Minister of Canada. I said that if he remained at the helm, I would continue to place my confidence in him, but that I would give no blank cheque to any member of the cabinet.

Unfortunately, he is and has been in bad company ever since the demise of that great Canadian, the Right Hon. Ernest Lapointe who was his mainstay and counsellor. Since then I have seen a change come over our Prime Minister. He is surrounded by conscriptionists and imperialists and is subjected to their influence. This accounts for the fact that less than a fortnight after the plebiscite vote, he unhesitatingly introduced bill 80 which is synonymous with conscription for overseas service.

Mr. Speaker, I shall not dwell further on the matter. I merely wished to express my feelings frankly as is my custom. I was elected on the strength of a certain programme and I have never deceived my electors. As I mentioned earlier in my remarks, I saw in the plebiscite a mask behind which lurked the hideous features of conscription. I was right. At a meeting held prior to the 27th, I stated correctly that two weeks after the plebiscite vote we would have a bill introducing conscription. And that is just what happened.

I cannot close my remarks Mr. Speaker, without congratulating the former Minister of Public Works and of Transport (Mr. Cardin). I am going to speak frankly; I like to be frank. I did not like his speeches on the plebiscite. He is a wonderful speaker, but those of his speeches I heard did not please me; however, he was just as sincere as when he spoke in this house after he had decided to resign from the cabinet. He has devoted his life to politics and represented his race and his province with honour in the commons. There are some who say: "He should have spoken that way before the plebiscite." Perhaps he should have, but it is never too late to mend. There is forgiveness for every sin, and this is even truer in his case because although he was at the head of two government departments he had the courage to resign and to express himself forthrightly in this house. I wish to congratulate him. He is worthy of Ernest Lapointe, he is worthy of all those great French-Canadian Liberals of my province who have sat in this house. He is worthy of Laurier.

His was the crowning gesture of a splendid career. As I was saying a little while ago, I wish those speeches had been made before the plebiscite, but in any event he was sincere. He too had faith in the government. Having been deceived, he had enough courage to resign.

Mr. Speaker, I will not labour the point. Again, I do not beat about the bush; when I want to say something, I come out and say it. I was a member of this house from 1917 to 1925, and have been from 1940 to this day, and each time I have spoken in this parliament I have said what I thought and have said it in French. I have always honoured the French language.

Mr. Speaker, the little calendar that you see on the table of the house was unilingual when I rose in this house for the first time. If you will look at it now, you will find that it is bilingual. The Hon. Rodolphe Lemieux was then speaker of the house and in the course of a speech I chanced to glance at that calendar. I then asked Mr. Lemieux, who was a patriot, why that little calendar was not bilingual. I told him: "Why don't you have it made bilingual?" Two days later, it was done. Mere details perhaps, yet very important ones from the French Canadian point of view.

When Americans or Englishmen visit the House of Commons and notice this small calendar printed in two languages, they naturally conclude that Canada is a bilingual country. I do not think there is any doubt of it. As I said before, we must uphold the rights granted to us by the constitution. I sat in this house from 1917 to 1925 and I was returned again in 1940. I could speak in English, but as I have the right to speak French I shall continue to do so.

I remember that in 1924 Mr. Justice Joseph Archambault, then member for Chambly-Verchères moved a resolution asking that French speeches be translated into English on the day following their utterance in the house. Before then the view was held that French speeches were of very little importance. Practically no one could understand them and they were translated into English some twelve months later. I do not blame my colleagues in this house for speaking English, especially the French Canadian members of the cabinet who must make themselves understood without delay, but if we are to follow the policy of never speaking French in the house solely because some members might not understand us immediately, I wonder what will become of the French tongue in this country. For my part, as long as I enjoy the high honour of representing my constituency, I shall always speak French. Once again, I do not blame my French-Canadian colleagues, and friends, who occasionally speak in English, especially our cabinet ministers. But I have followed a different policy ever since entering the house and I intend to stick to it.

Mr. Speaker, I did not intend to speak at such length. Before concluding I wish to state that I shall never allow any hon. member of this house, irrespective of party, to attack, unchallenged, the province of Quebec. I shall always rise to answer, for I am proud of my constituency and of my province. I conclude by restating my opposition to Bill No. 80. I shall vote against this measure purporting to strike out section 3 of the mobilization act of 1940, which would mean conscription for overseas service.

Mr. DOUGLAS G. ROSS (St. Paul's): Mr. Speaker, this debate has been a long one and there has been a great deal of repetition, but I feel it my duty to say a few words. The house and the country know exactly where I stand on this issue because I made it abundantly clear when I spoke on the plebiscite. One thing that is certain is that when the House of Commons passes this bill it will mean that the government can enforce conscription. There was never any doubt in my mind about the issue at stake in the plebiscite. The plebiscite was introduced for a definite reason, and that reason was whether men should be conscripted for overseas service. I was opposed to the plebiscite because I felt that the government should have obtained their freedom from parliament. I thought it was putting the cart before the horse, and at that time I said, as reported on page 196 of *Hansard:*

> What do the government hope to gain by a plebiscite? At best the government get a respite of two or three months. Meantime there is all kinds of turmoil. When the three months are up there will be the same pressure for action. This proposal of a plebiscite is an affront to the rights of parliament and an undeserved reflection on the people of this country, of whatever race or creed, if the proposal carries, it will not get rid of the controversy, and it will leave uncertainty as to future action; if it fails to carry, our troops will be abandoned to the uncertainties of voluntary enlistment. In either case the country is humiliated and disgraced.

How right I was. Before the plebiscite bill passed, there was turmoil in this House of Commons, and since then the country has been disrupted by controversy and recriminations. I said at that time that there was no necessity to split the country in two because parliament could have given the government its freedom. The vote in my riding was a great credit to the sincerity of the people as far as the war effort was concerned. There was no doubt in their minds as to what they were voting on. There was an overwhelming majority in my riding in favour of compulsory service anywhere in the world. The vote was 92·6 per cent "yes", and I think a good many voters voted "no" in the belief that they were going to put the Prime Minister (Mr. Mackenzie King) and the government on the spot. Otherwise I think the affirmative vote would have been much greater. I should like to pay a tribute to those people who worked so hard in the plebiscite campaign. One thing they had to overcome was what I have just mentioned, the fact that there were so many people, including soldiers, who thought that by voting "no" they could put the Prime Minister and the government on the spot.

I do not like the method we are using to impose conscription. I think we should adopt the method being used in the United States; that is, call men up by lot and give them plenty of time to get ready. The people of the United States are quite proud of their draft army, and no slurs are cast upon the men as is done in this country. I wonder why such slurs are cast on men who are called up? I do not think the selectees in the United States are particularly better fellows; I do not think they are any worse than the members of our volunteer army. I am proud of our volunteer army. I should like to refer briefly to the remarks of the hon. member for Richelieu-Verchères (Mr. Cardin), and I quote from page 3278 of *Hansard* as follows:

> Who can raise his voice in this house and say that the province of Quebec has been lacking in cooperation with the rest of Canada in every activity, in war as well as in any other line of endeavour? We have been doing our share every moment, in every crisis, in

every difficult time that confronted Canada. We have measured up to the standard. But we have never been able, even to this moment, to know definitely how many French Canadians have enlisted in English-speaking regiments.

The other day a return was brought down which partly answers the hon. member's question as to how many French Canadians from Quebec have enlisted voluntarily in the army, the navy and the air force. According to this return, 36,235 French Canadians from Quebec have enlisted in the army, the navy and the air force; a total of 29,651 enlisted in the army; 1,474 in the navy, and 5,110 in the air force. That answered his question. Those figures speak for themselves.

Mr. McDONALD (Pontiac): Would the hon. member permit a question?

Mr. ROSS (St. Paul's): I am sorry; I have not much time.

Mr. McDONALD (Pontiac): My question was—

Mr. ROSS (St. Paul's): The hon. member can make his speech some other time. I am speaking now.

Again, as reported at page 3277 of *Hansard*, the hon. member for Richelieu-Verchères said:

> There is no necessity at the present time to impose such a measure.

How does he know that there is no necessity? How does any hon. member know? Why did we take the plebiscite? Why did the three defence ministers rise in their places the other day and speak as they did? Are we to suppose that they did not know what they were talking about? Further on he said:

> There is no haste to proceed with such an important measure, which is likely, in the words of the Prime Minister, and in the words of the leader of the opposition as well, to destroy the good understanding which has been established between the two races in Canada for the last forty or fifty years, through troubled hours and difficult days, by the leaders of all parties and those who have taken part in the public life of Canada.

Who has been responsible, I would ask, for the lack of good understanding? Then he went on to say:

> Wait for the necessity to arise.

Wait, I suppose, until Hitler is on your doorstep. Let us wait, he says, for the need to present itself. Wait, I suppose, until Hitler comes up the St. Lawrence. The hon. member continued:

> Then we shall be in a position to judge according to circumstances what course Canada should follow, what policy Canada should adopt.

I have already pointed to the controversy which has already taken place over conscription, and the hon. member would have us go through all that again, bring in another bill like this and have hundreds of speeches all over again. That is not reasonable, Mr. Speaker. There is no logic in it.

Wait until the enemy comes up the St. Lawrence river, and then what will happen? If the enemy ever gets up the St. Lawrence river, there will be an uprooting of those roots deeply embedded in the soil of the province of Quebec for 300 years. And not only that; there are other citizens of this country who have roots deeply embedded in the soil, just as much as French Canadians have. We have been in Ontario for a long time, and we do not want our roots uprooted. We think the front line is over there in Britain, and that is where it is.

I wish to quote a few words from the speech of the Minister of National War Services (Mr. Thorson), who, as reported at page 3413 of *Hansard*, said:

> To come to the armed forces themselves, how could conscription for service overseas help the air force?

It certainly would not hurt it. Some of the draftees could be picked out for the air force. Some of the draftees would apply to go into the air force. That would be all right; it would not hurt the air force. The minister went on:

> We could not conscript young men to fly and expect them to be the flyers that we have, fighting in the skies over every battlefront in the world, with no superiors anywhere in the world. No airman can be compelled to fly; he must have the will to do so. It could not be otherwise. The whole of the Royal Air Force is composed of volunteers.

But the air force in the United States is not entirely built up on a voluntary basis. Some of their men have been chosen from the selective service draft, and they do not make such bad flyers. The minister went on to say:

> The situation is quite similar with regard to the navy. I am quite certain that the work of the Canadian navy, with its great devotion to duty, with the wonderful record of troop ships convoyed without the loss of a single man, could not have been carried out in the same efficient manner if it had not been done by volunteers.

I think it is marvellous to have a volunteer navy, but there is no reason in the world why a man who was called up under a selective service system could not apply to go into the navy and be accepted. The minister went on:

> The only place, therefore, for conscription, if it is of any value at all, is in connection with our army. There, too, I am convinced that it would not make for as effective an army as the Canadian overseas army is at the present time.

If these men called up for service anywhere in the world would be no good for the air force, no good for the navy, and no good for the army overseas, why are they called up for home defence? Is the Minister of National War Services satisfied to have the men that he is calling up now serving on home defence, to defend our women and children in the case of necessity? I think the minister's remark is a slur on these men who are called up, and I would like to see that slur erased.

The Minister of Munitions and Supply (Mr. Howe) says that we must keep our factories going; that we must keep on producing; that we must have a balanced programme. Certainly we must do that. But does he realize that Great Britain has just called up another 100,000 men from industry, to be drafted into the army, and that these men are to be replaced in industry by women? We still have in this country a great reservoir of potential women workers. And not only that, but if we get down to a proper system of rationing for most of our non-essentials, there will be many more people, men and women, available for work in essential industries. Further —and I draw this to the attention of the Minister of Finance (Mr. Ilsley)—it might make the bitter pill of increased taxation a little easier to swallow if we had such rationing. If the people could not buy these non-essentials, they would not spend the money and would have it available to pay in taxes.

I was interested in hearing the address given in this house by the hon. member for Parry Sound (Mr. Slaght). As reported at page 3692 of *Hansard,* he said:

> We budgeted to increase our forces—the members are all familiar with the details—from 27,000 men now in the navy to 40,000 by March of next year.

Then he went on to say, and I do not quote him fully:

> So that the total budget of our man-power by March next is 615,000 men for all the armed forces.

If you are going to budget, you have to find the men to fill your budget, and how are you going to get these men unless you go about it in a proper, businesslike way? These men should be called up two, three, four, five, six, seven or eight months ahead of the time they are required to report. Choose them by lot, and let them know ahead of time when they will be required to report so that they can make their preparations accordingly.

The hon. member for Parry Sound, in criticizing the Military Service Act in force in the last war, said, as reported at page 3695 of *Hansard:*

> We were to have 70,000 men by the end of December, 1917, but at the end of March, 1918, we had only 26,000. While the figures show that 61,000 were obtained as a result of that compulsion during the whole period up to armistice day, November 11, during the same period 101,000 men enlisted voluntarily.

But, Mr. Speaker, those 101,000 men who voluntarily enlisted did so under the shadow of conscription. That is what happened.

There is no doubt about it that the front line is overseas, in the fortress of Britain. I should like to quote these words from the Prime Minister's speech, as reported in *Hansard,* at page 3243:

> It is perfectly clear that the enemy will have to be destroyed overseas if this continent is not to be the field of the final conflict, or possibly even an immediate field of conflict, with Canada the scene of the first invasion.

These are potent words. They are the pith picked out of the two-hour pussy-footing speech made by the Prime Minister. Do you believe those words? Let us go to the ministers of national defence for corroboration. The Minister of National Defence for Naval Services (Mr. Macdonald) minced no words in his speech. He said that the result of the plebiscite was an overwhelming mandate for conscription. And then he remarked as reported at page 3509 of *Hansard*:

> A wayfarer plans to journey along a road, and on his map he sees a point where that road branches or forks in two directions. Across one of these branches is an insurmountable barrier, and he says, "When I reach that fork I wish to have freedom to take either branch. Therefore remove the barrier, so that I may have freedom to travel as I think best. I cannot say at this moment which road I shall take. That decision will be made when I reach the junction, and will depend on several factors, some of which are entirely beyond my control."

The minister knows we have reached the barrier, or we shall reach it very shortly, and he is far-sighted enough to see that we cannot afford to wait. We must do our utmost. We must now take the step.

If you read carefully the speech of the Minister of National Defence (Mr. Ralston), you will find that he sees the barrier as well. He says that the people of Canada have turned on the green light to go ahead with this bill, under the mandate they have given the government for conscription for overseas.

I come now to the magnificent speech made by the Minister of National Defence for Air (Mr. Power). All one has to do is to read it to know he has seen the barrier ahead and wishes to take the step at the present time. Opposed, as he has always been, to conscription, would he have taken the step which he took in the house last week, after his family

had represented Quebec South for forty years, with all the sentiment which was attached to it between himself and his constituents, unless he had thought such a step was necessary? No, Mr. Speaker. I compliment the hon. gentleman upon the course he took in this house the other day. When it comes to the time of the next election his electors will probably think pretty well of him. He says he is first a Canadian and then a Quebecker. I am first a Canadian, and after that I am an Ontarian. We must all be Canadians in that sense, in these days, if we are to lick the Hun.

I come to the speech of the hon. member for Bellechasse (Mr. Picard). He said that he would have voted for the bill had it not been for past history. He complained bitterly about the lack of political education with an eye to overcoming the prejudices between the various provinces of Canada. He said he could not educate his constituents in a week. Certainly he could not. And whose fault was that? That of the political leaders of the province of Quebec who in the past have raised these issues at every election which has been held. Why have they done this? The political leaders in Quebec have for years been making political capital out of these issues in order to hold the balance of power in Canadian politics. This has been on many occasions their avowed intention. Is there any wonder that the policy pursued by them is resented in the other provinces? Until that situation is cleared up, we shall never have national unity.

With respect to the measure before us, I submit that the time has come when opposition must cease. Canada's future is at stake. The future of the British commonwealth of nations is imperilled. The eyes of the world are on us at the present time.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. ROSS (St. Paul's): Before the six o'clock recess I had said that Canada's needs at the present time were greater than those of any province. I might point out what tremendous significance there is in the words of the Minister of National Defence (Mr. Ralston) when he said in effect that he is for national unity, but unity cannot stand in the way of Canada's safety, and Canada is in peril.

The other day the hon. member for Bellechasse (Mr. Picard) quoted some speeches from the British House of Commons of January, 1916, with reference to the debate on the military service bill. He quoted statements in support of one side of the picture; he quoted the then Prime Minister (Mr. Asquith). That Prime Minister, as we all know, was a great prime minister, but he was a peace-time prime minister and his great forte was compromise. He did not quote anyone on the other side. I wish to take this opportunity of quoting a few words spoken by the then Secretary of State for the Colonies, Mr. Bonar Law, which express my own opinion better than I could do myself. He said, as reported in British *Hansard* for 1915-16, January 5, 1916, page 1010:

> When this war broke out I felt as strongly as those who had taken the most active part in what is called the national service movement, that our method of raising recruits by the voluntary system was not a good method for such a war as this. I thought it was not a good method, first of all, because it seemed to me utterly unfair that in the same town, or perhaps in the same street, three or four sons of one family should go, and another family on whom the state had precisely the same claim should not send a single man to the army.

I agree with that. I also think that the privilege of citizenship carries with it the duty of defence of one's country.

Mr. Bonar Law said further:

> I thought it a bad system for another reason, the very reason on which many of those who are opposed to this bill oppose it now—that it was a wasteful system, and that if we were to make any attempt to have a proper correlation between the men employed in the necessary civil services and those who go to fight our battles, that could not be arrived at by a system of haphazard enlistment and recruiting which depended on the voluntary will of individual people.

What about that situation? Why did it become acute? As I said this afternoon, the barrier which the Minister of National Defence for Naval Services (Mr. Macdonald) spoke about was in sight. What actually had been happening at that time was that recruiting had fallen off; they said that it was going to be worse and that they had to take wounded men who had come back to England for convalescence and send them to the front two and three times and the public became incensed.

What is wrong with compulsory selective service? Why is it not right? I cannot see any reason why it is not. Drawing your selectees by lot is a pretty fair way of doing it. Let us take a look across the border; how does it work there? They are proud of their selectees; they cannot do enough for them. They are called up in the regular way, given plenty of time so that they can make their arrangements before they join the army. That is the method we should adopt in this country.

What is the position of a young man in Canada to-day? He has a very difficult decision to make. Many of them do not know

whether they are doing their duty or not. Should they finish their university course; should they still be working in the factories; is it fair that they should have to make this choice themselves? How can they make the choice, when there seems to be such a divided opinion in the cabinet itself? Surely the ministers know the situation; there should not be any division in the cabinet in that respect. What a conglomeration of ideas we have had from the ministry, with the exception of the three ministers of national defence!

Are the other ministers real, honest-to-goodness Canadians, or are they politicians? Why have this division in the cabinet when the facts are known to the minister? Why not let us have some real, fearless leadership, as shown by the Minister of National Defence, the Minister of National Defence for Naval Services, and the Minister of National Defence for Air? I cannot pay too high tribute to the latter minister for the way he handled the situation with which he is faced in this house. Let us get rid of the slurs cast at our conscripts; let us call them up by lot. Life is a gamble anyway. Most people are good gamblers; when they are called up by lot they will take their chances like everyone else; they will be tickled to death, in fact, if they know what they have to do.

This debate started some weeks ago, and it seems likely to continue for some time yet. Let me make a suggestion. We have had a tremendous amount of repetition of ideas of one kind and another, and no doubt there are many more hon. members who want to speak in the debate. I suggest they be allowed to prepare a speech, write it and have it placed on *Hansard,* and they will thus get themselves on record. I think it is a good suggestion, for the same things are being repeated over and over. I am probably doing the same thing; I doubt very much whether I have contributed anything new to the debate.

What are our obligations? We are obligated not only to the defence of our own country, but to the defence of Great Britain, the united nations, the Chinese, the Russians. If there was ever any time when Canada should show herself in the best light and come to the help of the gallant Russian people who have held the foe back all this time, it is now. Where should we be but for them? We know we must open a second front; we must get the men for that, and we must keep our factories going. We cannot let our armies overseas and our navy and our air force down when that second front is opened.

I have just one last word to offer. I hope I have not offended anyone in what I have said to-day. I have spoken from the bottom of my heart; I have said what I thought. I appeal for unity to carry out the will of the people as expressed during the plebiscite recently held. Let us all fight together, Mr. Speaker, or they will kill us one by one.

[Mr. Douglas G. Ross.]

Mr. G. A. CRUICKSHANK (Fraser Valley): I am indeed fortunate to-night, Mr. Speaker. The first time I had the privilege of speaking in this house I followed my good friend the hon. member for St. Paul's (Mr. Ross), who has again preceded me in this debate. With one thing that he said I must agree, and I am not being personal at all. He said he wondered what some of the preceding speakers had contributed to the debate. I also wonder. Some of my political opponents took what I consider to be an unfair advantage of me, though they may consider it fair political strategy. Last Friday I was invited to be the ninth member of a baseball team made up by my good friends of the Cooperative Commonwealth Federation and Social Credit parties to play a team of House of Commons pages. I do not know why I was asked to be the ninth member of that team, unless it was because they could not muster nine players from the two groups, and so I, the most radical member of the other parties, was asked to complete the team. I had the privilege of playing in the outfield, along with my good friend the hon. member for Vancouver East (Mr. MacInnis). He and I, coming from the Pacific coast, talk a good game of baseball; that is, our chatter is good though our playing is not. We both talked our heads off, and as a result I am hoarse to-night. The hon. member for Vancouver East need not care, because he does not have to speak. Then they placed me in centre field, where I had to back up a member of the Social Credit party at second base. He neither caught nor stopped one ball, and of course I had to chase the ball until I was stiff, but in spite of it all the umpire saw to it that we won the game. Then my good friends the Conservatives, perhaps trying to put me at a disadvantage, taking advantage of the preparations being made outside for some coming ceremony, told me that I was not to speak to-night but that the hon. member for Témiscouata (Mr. Pouliot) and I were to have a joint debate on the platform being erected outside the building, and I waited there for twenty minutes. Incidentally, I had better watch the clock, because I believe the time is being checked very closely.

I would not be addressing the house to-night, Mr. Speaker, but for the fact that I consider it the duty of every member of this house who is a returned soldier to express his views in connection with this bill; his duty not only

to the veterans of the last war but also to the veterans of this war. Before I have concluded my remarks I hope to make quite clear how I stand in connection with the vote that is to be taken shortly. I might mention that we in this corner of the house, commonly known as the "Rump", are very proud of the fact that seven of our members are serving in the active forces; that six of our members are veterans of the last war, and that many of those in our corner have sons serving in this war.

In passing, I might mention that I intend placing on the order paper a question asking what members of this house are veterans of the last war, what members are serving in this war, and what members have sons serving. I am asking that question for a reason which was particularly emphasized by the speech of one hon. member this afternoon. I want to bring to the attention of the people of Canada the fact that many members of this house either are serving to-day or have sons serving. I wish to do that for this reason. Who would have more sympathy, more respect, and a greater desire to help our soldiers overseas in every way possible, than those who are serving themselves or who have sons serving? To-day one hon. member was asked whether he was entirely in sympathy with this bill or any other bill having to do with the welfare of Canada and of our soldiers. That hon. member has a son who is perhaps flying over Germany to-night, and I think I am entitled to bring that fact to the attention of the people of Canada, as I intend to do.

Just here I should like to pay my respects to what I consider the most courageous speech ever made in this House of Commons, or at least since I have been a member of it. I refer to the speech made by the Minister of National Defence for Air (Mr. Power). No one questions the great value of the work he did as the organizing genius behind our greatest contribution to the allied cause, the commonwealth air training scheme. The minister suggested that because of the stand he is taking at the present time it may be necessary for him to sacrifice his seat.

An hon. MEMBER: No, no.

Mr. CRUICKSHANK: I am only repeating what the minister said. I want to state, on behalf of British Columbia, that should that time ever come my seat will be available to the minister, and I think I am safe in saying that the Cooperative Commonwealth Federation and Conservative members of this house will help me to see that the minister is elected unanimously. In this connection I would also mention the hon. member for Wright (Mr. Leduc), a private member, it is quite true, but one whose courage should be recognized. I should like to quote one or two paragraphs from his remarks, and I am only sorry that the hon. member for Parkdale (Mr. Bruce) is not present. I am not a wealthy man, but I hope the hon. member for Parkdale will see to it that his famous committee of 200, which includes the wealthiest men in Canada, will have the speech of the hon. member for Wright printed and distributed to every elector in the province of Quebec. As reported at page 3729 of *Hansard* for June 26 the hon. member for Wright said:

> I am well aware that such a stand will prejudice my chances of reelection to this house; but, faced with the choice of serving my country or being reelected, I do not hesitate in choosing to serve my country.

And again:

> I ask nothing more than to have my supporters and fellow citizens of the province of Quebec understand that our soldiers overseas are defending both England and Canada; that our airmen, striking formidable blows at the enemy in Europe, are defending Canada; that our sailors who seek out the enemy on our coasts and on the high seas are also defending Canada. I trust that, once and for all, my fellow citizens of Quebec and elsewhere—

I should like to emphasize the words "and elsewhere."

> —in Canada will realize that this is not England's war, but a war being waged by Great Britain, Canada and all the united nations in the defence of our liberties and our christian civilization.

I could go on quoting from that great speech, but time does not permit.

In my own riding all three parties combined and worked with all the other organizations, and particularly the Canadian Legion, in an endeavour to secure a most emphatic "yes" vote. We were successful to the approximate extent of 80 per cent. I am not in a position to say that an 80 per cent vote was a vote for conscription immediately, in the near future, or at any time. But I am in a position to say most emphatically on behalf of my riding that the people there believe in total war. In our minds total war means exactly what it says; it means conscription of every kind, be it wealth, man-power or industry.

I must admit frankly that I prepared certain notes for this speech. Perhaps I made a mistake in doing this. A speech I could have made, one which would have been most effective, would have been a presentation of newspaper headlines collected throughout the world in the last two years. To-night's headline points out that the fall of Matruh is officially confirmed. I do not believe it is necessary for me to turn to my notes in that

connection to say what people in British Columbia, and most certainly those in Fraser Valley, feel at this time. We believe there is nothing any member of the house or any individual in Canada can do that is enough under the present trying and serious conditions.

I am proud that since the beginning of the war and, in fact, before the war, speaking as a returned soldier, I have preached or advocated what I believed was a proper policy for Canada. I believe, and always will believe in a policy of compulsory selective service, and it is in that policy that my constituency believes. I do not know if they believe in immediate conscription of man-power, but I do know they are behind the policy of compulsory selective service. As I understand it, they realize the seriousness of the situation, and it is possible that we of the Fraser Valley are in a better position than many in that respect. In common with a few—a very few—other members, some from British Columbia, I was scoffed at when I pointed out the seriousness of the Japanese situation. I was scoffed at when I said that every battle which has been lost in this war to date has been lost, not through lack of man-power but through lack of mechanical equipment and through organized fifth column activity. What would have happened to British Columbia if we had been complacent, and, through our silence, had permitted 20,000 fifth-columnist Japanese to remain in our province?

I am pointing that out for this reason: while I may disagree with government policy in some instances, would I be a true Canadian or a true Britisher if, because of that disagreement with past or present policy, I voted against the bill? I do not think so, and I do not believe my hon. friends from Quebec think so. We believe in total war—war with no restrictions. No pledges can prevent us from carrying out our duties as we see them as Canadians and members of the British empire. We believe the war must be fought to every extreme; we must meet the enemy at every angle, and, if possible, be on the initiative in meeting him.

In that connection may I refer to one of the greatest patriots of our sister nation, Joe Louis. He happens to be a coloured man, but he is serving willingly in the army of his country. He is serving voluntarily under a proper selective system. Furthermore, on many occasions he has given voluntarily, in a financial way, through benefits on behalf of the services, more than any other individual of whom I know serving in any allied army. Would Joe Louis ever have become the great victor he is in his own line of endeavour if he had waited for the enemy to attack? Of course not. No other great fighter ever became a victor in that way. The secret of his reputation and his victorious career has been that he has carried the battle to his opponents.

If your neighbour's roof is on fire, would you wait until that fire spread through your own woodshed before attempting to put it out? Would you not attempt to assist in putting it out while it is still on your neighbour's roof? The answer is obvious.

The proper way to meet modern warfare methods is to combat them with the antidotes of those methods. Methods of warfare must be met with an absolute understanding of what those methods mean. In my view—and I state this frankly—in so far as it concerns man-power for overseas I believe the importance of conscription has been overexaggerated. I do not know if conscription is needed to-day, or if it will be needed to-morrow or the next day to keep our army up to full strength. There are only three men who know that, namely, the three ministers of the defence services.

I have always been in favour of national selective service; but whether it is necessary to-day or to-morrow, I do not know. Certainly I cannot understand some of my friends in the Conservative party and the Cooperative Commonwealth Federation. I want to be fair to them by stating that both those parties worked, and worked hard, to secure a "yes" vote in my riding. In its programme the Cooperative Commonwealth Federation has said, "No conscription of man-power unless we have conscription of wealth". The Minister of Pensions and National Health (Mr. Mackenzie) recently before a convention of the greatest organization in Canada—the Canadian Legion—said that he believed in the conscription of wealth before the enforcement of any other kind of conscription. That, at least, is my understanding of what he said.

I agree entirely with that, and have so stated on many occasions. I believe man-power should be conscripted, and, speaking as a veteran of the last war, I believe in the conscription of wealth. But I would say to my hon. friends of the Cooperative Commonwealth Federation: If this new budget does not carry with it conscription of wealth, then all I can say is that I have a railway ticket which will take me back home, but I will need some Social Credit money to pay for my meals on the train. I appeal to them on the ground that we now have conscription of wealth to vote for Bill No. 80 when it comes to a vote on the second reading. If

they sincerely believe in the conscription of wealth, then I say they have received almost all they asked for.

At this time I should like to read a short paragraph from a United States newspaper. Of course this does not apply to the member for Fraser Valley, but would apply to some other hon. members. This quotation from the San Francisco *Argonaut,* bearing the heading "Candid Opinion", states:

If somebody were to establish an endowment fund to award prizes for stupidity we strongly suspect that the greater number of awards would go to members of our congress. It almost makes a man lose his faith in democracy when he sees the kind of human jackasses that get elected to our halls of legislation to make laws for us.

That is from a United States paper. Why do not many members of the House of Commons and Canadians in general, instead of criticizing our war effort at all times, instead of trying to change our great national outdoor game of lacrosse to a mutual indoor game of knocking our Prime Minister and knocking our war effort, adopt the policy of one of the greatest leaders ever developed, particularly in war time, Mr. Wendell Willkie? They should paraphrase his statement and say, "He is my prime minister; Canada is at war; I am a Canadian." Mistakes and errors have been made, but is there any government at war to-day that has not made errors? Why should not the members of this house and the people of Canada tell with pride of our production of tanks, ships, munitions of war and food? As a member of parliament I have had the privilege of seeing that production, as have all members. Is there any greater assistance that we can give to the skunk of all skunks, Hitler; to the runt of all runts, Mussolini, to the scab of all scabs, Hirohito, than to criticize Canada's war effort?

Mistakes have been made in the past, and we are going to make them again. I do not want the house to think I am condoning all the mistakes the government has made. In my opinion the greatest mistake the government has made in the face of our need for conscription has been what I referred to a year ago, the utter stupidity of our recruiting campaign. I happen to be a supporter of the government, but I blame them for our recruiting campaign. One thing that I hold against the government is that they have endeavoured too often to pass on the mistakes we have made. I should like to quote briefly from some of the statements I made to my electors when I was requesting a "yes" vote in the plebiscite. I quote these for the simple reason that I want there to be no mistake about where I stand. I am a member of the Liberal party, a supporter of the Liberal party. I am a British Columbian and I am a Canadian, but above all I am a Britisher. Being a Britisher is above being a Canadian, being a British Columbian or being a member of any political party. The statements I intend to quote appeared in the press of my riding. This may be a small country press, but I do not think it needs to apologize to the press of any province or of any riding in Canada. I quote:

It is to be hoped every one will make the forthcoming plebiscite their own personal problem, will consider the future conduct of our war effort as their own responsibility and say to the government by an overwhelming affirmative vote, "you now have a free hand, no obstacles of any kind in the prosecution of the war to the very extent of Canada's ability to produce the materials of war, either in wealth, industry or man-power; we, the people, demand an entire and all-out war effort and will support all and any action necessary to bring victory."

I am quoting this to show where I stood, and I think I speak with authority for my riding. I quote again:

In particular I urge and every individual and organization who have called for total war now put that just call in practice in a practical way open to all, by seeing that an overwhelming "yes" vote is recorded in the valley on the 27th of April.

One more paragraph in that connection:

It can happen here, it most likely will happen here;

That was said in April and since then there have been two attacks on the Pacific coast and a ship has been sunk off Vancouver island. I quote:

We have no time for complacency by governments, we most certainly have no time for complacency by individuals. One it may be hard to control, can it be said it is hard to control our own actions? Let us all ask ourselves not what the other fellow is doing to defend us from bombs, hit and run attacks, or war in any of its horrible forms, but instead ask ourselves the simple question, what am I doing to protect my very own home and family and the families of those away offering their lives to protect us, we all have a duty.

That is what I wrote in connection with the plebiscite.

I should like to say a word or two about Quebec. I think most of the Quebec members are personal friends of mine. Most of them endeavoured to secure an affirmative vote in the plebiscite. I appreciate their problem because in many cases an affirmative vote was not secured. I realize that their political future may be at stake should they vote "yes" on this amending bill. There was an 80 per cent affirmative vote in my riding. I want to ask my hon. friends from Quebec: What will

happen to your conscience if the time should come—and it will come sooner or later—I am very much afraid it will come very soon—when our troops will cry for trained reinforcements? If you advocated a "yes" vote in the plebiscite in order to relieve the government of every obligation, why not be consistent and vote "yes" now? Why not trust your government; why not trust your leader that conscription will be put in force when and if necessary? Why not realize that if you can advocate a "yes" vote when times are not so serious, you should maintain that stand by voting "yes" now?

What are you going to say to the rest of the provinces if the British isles are invaded? If the British isles are invaded, Canada's Pacific and Atlantic coasts will be invaded. What are you going to say to the people who said in 1885, "Our hearts belong to France but our arms belong to England?" My friends, your hearts may belong to France, but the mother country of France is a conquered country today, and she will remain conquered unless your arms are given to the empire to relieve her. Make no mistake about that. I should like to repeat a statement I heard over the radio on Sunday in connection with the United States war effort. I think it is extremely apropos to the present position. I am speaking particularly to my hon. friends from Quebec, and I want to assure them that I would have been in just as difficult a position had my riding voted "no." Let me say to them: You may have a temporary gain, but the empire means more than you or I as political individuals. This was a programme in connection with the war effort of the United States and the theme was, "Eternity is a long time for a man to be ashamed."

I have every confidence in and every admiration for members from the province of Quebec. They have a difficult problem. I, too, might have a difficult problem to explain to my riding. Frankly, many people in my riding might consider it my duty as a Canadian from British Columbia to condemn the attitude of the province of Quebec, but I do not believe that is what the people of Canada want. Of course, we all become more tolerant as we grow older, but I do not think it should necessarily be compulsory to put any young man into a uniform. I do not claim particularly to be a young man, but still I am rather ashamed of the fact that I am not in uniform to-day. I do not have a son, but if I happened to have a son he would not have to be forced by law to get into uniform. If he did not join the army of his own accord, I would shoot him myself. That is what I think of the British empire.

[Mr. Cruickshank.]

We are sitting here dawdling around in complacency, both individuals and the government, and we do not know there is a war on. We are stalling. Read the headlines in to-day's papers and the headlines of yesterday and the day before. Are we ever going to wake up—not as members of parliament or as a government but as citizens of Canada? There is a war on. We are not fighting to protect the British empire or to protect Canada; we are fighting to protect our very existence—make no mistake about that.

In conclusion, Mr. Speaker, I hope that I have offended no one, particularly anyone from the province of Quebec, by my remarks, but I thought it my duty as a returned soldier member to speak on this question. I am somewhat surprised that other than returned soldier members have spoken in this debate. It is not necessary to have any bitterness, but I do think it is necessary that we as Canadians should remember that we would not be Canadians sitting here to-night if it were not for the great traditions and the actions of the British navy.

I am an infantry man and an army man myself, but before I sit down I should like to quote two stanzas of a poem by one of our gallant airmen, Squadron Leader G. L. Creed, entitled "Somebody's Son"; but just before doing so, let me say to my good friends from Quebec and from every other province, in every district and every riding, let us have no illusions that we would have the privilege of sitting here and speaking to-night if it were not for Britain and the British navy:

Somebody's son has volunteered
To risk his life for you,
Somebody's son is far from home
And the things that homefolk do.
Somebody's son for your freedom's sake
Is preparing himself for war,
Somebody's son deserves your help
For it's You he is fighting for!
Somebody's mother is giving her boy
In a cause that is yours as well.
Somebody's wife knows a loneliness
That only her heart can tell.
Somebody's mother and somebody's wife
Are doing all they can do.
Somebody prays that some other may care.
And the answer is up to You!

Mr. T. J. O'NEILL (Kamloops): Mr. Speaker, I feel very much honoured in following the hon. member for Fraser Valley (Mr. Cruickshank), but I hope he will pardon me if I do not follow along exactly the same lines that he took. I do not take up very much of the time of the house and probably would not be speaking to-night if it were not for the fact that some speeches have been made in this debate which make it almost impossible for a man to continue to sit

silent. I do not think I can add anything new to what has already been said. I doubt, indeed, whether very much more can be said, but I think we should give some consideration to the reason for this legislation. The reason for this legislation is quite a long story, but there are some events of quite recent occurrence to which we might well give consideration at this time.

Some of the members on the opposite side of the house, and particularly of the Conservative party, seem to have the idea that politics, and particularly Liberal party politics, is a crime, at least at this time, although Conservative party politics has certainly been intensified both in this house and through the press under the guise of National government.

I think we are all fairly well agreed that we must have some sort of party government and political parties if democratic government is to function. There must be a party in power, and a party in opposition. As long as I have known anything about politics, I have been taught that the best form of government is one with a strong working majority, faced by a strong opposition. The advocates of National government are advocating exactly the reverse. They would take all the able men out of the opposition and put them in the government. The result would be that we would have a much more powerful government and a much weaker opposition. If the theory is sound that we should have a government with a strong working majority, and a strong opposition, then surely in a time of crisis we should not attempt to make a government weaker by putting more strength into it at the expense of a strong opposition.

As far back as July, 1939, when I returned to this country from Geneva, I found that the Conservative party had started on a campaign to elect a National government. The then leader of the Conservative party was making a tour of the Gaspé peninsula in the interests of the Conservative party, under the guise of a National government, which at that time they were advocating. Later on, in 1940, the election was fought on two distinct issues: one of them was national government versus party government, the other was, as was most emphatically affirmed by all three major parties, no conscription for overseas service. The present Prime Minister (Mr. Mackenzie King), was elected in that year with the greatest majority received by any man at any time in the history of this country. Ever since that election the Conservative party and the Conservative press have done everything humanly possible to destroy Mr. King politically, and his government, and to set up in their stead a National government. As as example of how far things have gone along that line, let me quote what a professor named C. W. Topping, of the university of British Columbia, said before the League of Nations Society of Canada convention recently held in Ottawa:

> His students do not find much sense in fighting for the status quo. The Conservatives have made too good a job in tearing down Mackenzie King.

That was said at a League of Nations Society meeting on May 30, 1942. It is not a party matter. Toronto *Saturday Night*, which I submit is not a Liberal newspaper, had this to say:

> Conscriptionists killing conscription.

Further on:

> Mr. King is clever.

And still further:

> Our regret at Mr. King's course has a different basis. The political insiders may view these things in the manner that we have surmised; but the public does not. The public of the eight provinces has been worked up into the belief that conscription is "necessary," though with no very definite idea for what reasons or by what standards; into a belief that it voted for the enactment and enforcement of conscription; and into a consequent feeling that conscription ought to be enacted and enforced. The present parliamentary debates and press editorials do not fully represent its reaction. It is disillusioned and disappointed. It has come to regard conscription as the "just" way of raising a large military force, and any other way as unjust to certain classes and detrimental to the future character of the nation.

That is something which has been raised up in the minds of the people through the debates in this house and by editorials throughout this country for the past five months. We have been here since last January, and I submit that this house has done nothing but talk conscription pro and con, either on the plebiscite or during the debate which is now proceeding.

The question before parliament to-day is the repeal of section 3 of the National Resources Mobilization Act. As the natural consequence of the plebiscite, and the plebiscite, in my opinion, was the only fair, logical and democratic thing to do under the circumstances. The people of the constituency of Kamloops, which I have the honour to represent, did not vote "yes" on the plebiscite in the belief that it was a vote for conscription at once. I believe they had enough intelligence, knowing that the leader of the opposition (Mr. Hanson), the leader of the Cooperative Commonwealth Federation (Mr. Coldwell), and the leader of the Liberal party (Mr. Mackenzie King), on the public platform, over the air and through the newspapers told them most emphatically that an

affirmative vote was not a vote for conscription, to understand that they were not voting for conscription, but they certainly did know that if they voted "no" the hands of the government of this country would remain tied. They wanted to release the hands of the government so that they would be prepared at any time to take the action which in their best judgment seemed to be the right action to take at the time. It was not intended, as some people suggest, that we should blindly drive into conscription even though it were not necessary in order to win the war. That may appeal to the ideas of some people, but it was not what actuated the people of my constituency in voting "yes" —which they did, in unmistakable terms.

As I understand it, there are sufficient powers in the mobilization act to mobilize and conscript everything in this country, including man-power, except that the government must not conscript men for service overseas. This bill is the natural and logical result of the plebiscite, its intention being to remove that restriction. Not that we must put conscription into effect to-morrow, but conscription is to be introduced if and when in the opinion of the governing body of this country it is necessary. The government, I submit, are the only people who have the necessary information to decide that matter.

What is the record and what are the policies of those who are opposed to the government? I will begin with the Cooperative Commonwealth Federation party. May I at the outset pay tribute to the leader of that party in respect of the exceedingly able and well-delivered proposals of his party. May I also tell him that with some of his submissions, especially those having reference to the three guiding rules of the New Zealand labour government as laid down by the Hon. Walter Nash, I am in complete agreement. But I am somewhat at a loss to reconcile the present attitude of the Cooperative Commonwealth Federation with some of its past utterances and performances. On June 11, when the hon. member for Rosetown-Biggar (Mr. Coldwell) was making his presentation to the house, he is credited in *Hansard,* at page 3262, with the following language:

> We of the Cooperative Commonwealth Federation have always contended that the financial system should be publicly owned and operated for the common good.

May I say at once that I am in complete agreement with that expression. But that has not always been the position of the Cooperative Commonwealth Federation party. In 1934, before I had the honour and privilege of being a member of this house there was instituted in this country the Bank of Canada. The bill constituting this bank was brought in by the Right Hon. R. B. Bennett, who at that time was Prime Minister, and the majority of the Cooperative Commonwealth Federation party of that day voted with the government for private ownership of that bank. I point that out merely to call attention to the fact that the Cooperative Commonwealth Federation of that time were not of the same opinion as that now expressed by the leader of that group, who himself was not a member at that time; he came in, as I did, at the election of 1935.

Mr. MacINNIS: Would the hon. member allow me to say—

Mr. O'NEILL: I have sat here for months and months and listened to many speeches from the hon. member. I have only a little time at my disposal.

Mr. MacINNIS: I want to correct the hon. member's statement. His assertions are wrong. There was no Cooperative Commonwealth Federation in this house in 1934.

Mr. O'NEILL: No; the party came into being in 1932; none of you were elected as Cooperative Commonwealth Federation representatives, but you held the same sort of views as you hold now; you have adapted them to the times.

Mr. MacINNIS: We will tell you later about the screwball amendment against which we voted.

Mr. O'NEILL: I have not interrupted the hon. member since 1935. I assure him there were plenty of times that I should like to have interrupted him with an ink bottle, but I let him go on, and I think he might do the same with me now. I might call attention to the fact that the hon. member who has seen fit to interrupt me voted with the Conservative government for private ownership of the Bank of Canada.

Mr. MacINNIS: That is not true.

Mr. O'NEILL: Look at the record.

Mr. MacINNIS: I say it is not true.

Mr. O'NEILL: Look at the record and you will see it is true.

Mr. MacINNIS: That is not true.

Mr. O'NEILL: The leader of the Cooperative Commonwealth Federation party went on to say, as reported at page 3262 of *Hansard*:

> Hon. members will have noticed that one of the first controls which the government found it necessary to impose in this war was the control of foreign exchange. Banks are instru

ments of financial and investment policy. It is absurd to leave any portion of the policy in private hands during a crisis such as the present.

With that last remark I am in accord. However, I might point out that in the election of 1940 the only man who advocated from a public platform that there should be conscription of wealth, industry and manpower was the Hon. W. D. Herridge, who was defeated in the constituency of Kindersley. But now we have many followers of that doctrine.

Let me now discuss the stand of the Co-operative Commonwealth Federation on former occasions. There was quite a little argument the other night in respect of socialism. As I understand it—I am open to correction if I am wrong—I think the hon. member for Cape Breton South (Mr. Gillis) put forth the aims and objects of the Cooperative Commonwealth Federation on that occasion, and I believe he was contending that the Co-operative Commonwealth Federation are not socialists. I might call the attention of hon. members to the fact that in the Regina *Leader-Post* of June 18 there was this notice:

The C.C.F. will hold a leadership school at Crystal Lake in the Canora district from July 6 to 11, at which members of parliament, members of the legislative assembly, candidates, members of the provincial council and campaign managers and organizers will be present. Guest speaker will be J. W. Bunce, Professor of Economics, at Iowa State College, who will instruct in the economics of socialism.

Mind you, I have no quarrel with the principles of socialism. What I have quarrelled with is the methods that the Cooperative Commonwealth Federation seek to apply. We go back to 1936 and find this. The hon. member for Rosetown-Biggar had this to say on May 28, as reported at page 3203 of *Hansard* of that year:

. . . in my opinion a country the size of Canada, with its divers peoples and small population, is best defended if we rely upon our weakness physically and our goodwill as a good world neighbour rather than attempt to ape the military powers of the European countries.

I contend that is not a very laudable sentiment to be expressed by a man who seeks to be a leader of a great party. Then on November 15, 1937, he said, as reported at page 888 of *Hansard* of that year:

Are we in Canada going to join in this mad race without knowing precisely the policy that underlies the increased estimates upon which we shall shortly have to vote? Our answer in this little group is, of course, no, because we believe that such defence preparations only breed fear and that hate, which, in turn, is the child of fear.

Then on February 22, 1937, the hon. member for Rosetown-Biggar said, as reported at page 1102 of *Hansard* of that year:

We have to bear in mind that in any war we should be involved largely on account of our association with some other country. It might be because of proximity to the United States, or because of our connection with Great Britain, even if we declared neutrality. We must remember that either of those nations has a navy powerful enough to prevent the passage of aircraft carriers across the Atlantic, and would be prepared to stop them for their own protection and the protection of their trade routes.

That is the party which to-day tells us that the Liberal party is not going far enough.

Again on February 22, 1937, the hon. member for Rosetown-Biggar said, as reported at page 1105 of *Hansard* of that year:

If we once put our feet along this path of providing gun emplacements, coastal defences and so on, we must realize that we may be led much farther than we are given to understand to-day we will be. I am thoroughly convinced of that, and that is one reason why I am opposing this estimate. I believe that with a coast line such as we have, to do as the government intends will mean embarking upon a course which will be more or less provocative and interfere with any neutrality we may desire to observe in the future.

About the same time, May 8, 1936, the hon. member for Weyburn (Mr. Douglas) said, as reported at page 2632 of *Hansard* of that year:

When it comes to voting money for these purposes I desire to register a protest, not because I think these things are unnecessary, but because I think there are other things that are more necessary.

On February 19, 1937, the hon. member for Weyburn said, as reported at page 1063 of *Hansard* of that year:

Against whom are we arming? What potential aggressor, is more agressive to-day? Oh I know that bogeymen have been trotted out in this chamber. It has been suggested that it might be Italy, it might be Germany, it might be Japan.

I suggest that if the hon. member had been a prophet instead of a critic in that day he would have been a world-beater.

Speaking on the plebiscite, the hon. member for Rosetown-Biggar had this to say:

I welcomed the opportunity to speak to you to-night—not only to urge you to vote "yes" next Monday, which I do, but also to outline to you my views, and those of the movement for which I speak, on the whole picture of our war effort and Canada's hopes for the future.

I might remark that this is the only time I ever knew any government to pay for spreading political propaganda of their opponents.

With respect to our friends of the Conservative party, we have heard a good deal from

our friends with respect to leadership. Most of those remarks I believe emanated from the leaderless league in Toronto. They have indicated that they have no leadership, but they constantly advocated that the Prime Minister should get out and that someone else should get in; they asked for total war and so on. To my mind, remarks and tactics of that kind cannot have any other effect than to undermine the confidence of the people of this country in democratic government. I care not who is in power, whether Liberals or Conservatives, tactics of that kind by the opposition can have no other effect. It is my opinion that that very thing was more responsible for the fall of France than anything else. That went on in France until the country fell.

We heard this afternoon the hon. member for Dufferin-Simcoe (Mr. Rowe) and the other night the hon. member for Lake Centre (Mr. Diefenbaker) talking about the ballot box. Well, Mr. Speaker, I have not heard any members of the Liberal party talk about the ballot box. Those remarks came from the opposition; and it was the wrong construction they placed on the utterances of those who preceded them in this debate that led them to accuse men of placing the ballot box before the good of their country. We could all go on doing these things, calling each other names, but it would not help the situation one iota. Hon. members who make remarks of that kind, however, would be surprised at what some uncharitable people might say about them as a consequence.

I submit that our war effort has been admirable in the eyes of all throughout the world with the exception of those in this country who are opposed to this government. They are the people who are doing everything humanly possible to belittle and discredit Canada's effort in this struggle for freedom. Hon. Walter Nash, who is now New Zealand's representative in the United States and who was formerly Minister of Finance of New Zealand, in addressing a special committee of this house had this to say:

> We have sent . . . men overseas and . . . of these are airmen who have a lot of skill and knowledge as a result of the training they have received under the magnificent empire air training scheme which you are carrying out here in Canada. If that alone was Canada's contribution with respect to this war it is something to be particularly proud of.

That is only one of the many things Canada is doing in this war; but this gentleman, who leans very far to the left as far as politics are concerned, considers that if it were the only thing, still our effort would be magnificent.

I am sure we all listened with a great deal of interest when the Minister of Munitions and Supply (Mr. Howe) told us what the government was doing in the way of furnishing supplies to the allied nations. If my memory serves me correctly without referring to *Hansard,* we were told by the minister that munitions and war equipment manufactured in Canada were seeing service on every fighting front in the world to-day. We were also told that the tanks we are sending to Russia are among the finest in the world.

At this time I should like to congratulate the government upon what they have done in the way of putting representatives of labour on various boards, and upon having chosen a real labour man to head that department. When I say he is a real labour man, I expect the Cooperative Commonwealth Federation will, of course, not agree. I say these things, Mr. Speaker, because we are constantly told that we must conscript men for overseas service.

This is a news item which I clipped from the Ottawa *Citizen* of June 17. It comes from Vancouver, one of the finest cities in north America, and states:

> C. S. Henley, special representative here for the national selective service board, announced to-day that labour shortages in British Columbia's vital spruce camps had been filled by soldier-loggers given six months leave from the forces, and that a similar plan to fill labour gaps in war industries was in the tentative stage.
>
> Mr. Henley said that the soldiers were sent to spruce camps, chiefly in the Queen Charlotte islands, about three weeks ago.

I mention that in passing because we are told that we must have conscription for overseas service at once, whether or not men are required for other war work. I might read one other clipping along the same line, from the *Monetary Times* of June 20:

> Faced with an acute labour shortage . . . farmers of the Fraser valley in British Columbia have appealed to Colonel A. W. Sparling, D.S.O., local army commander, to release soldiers for work on the farms.

The head of one of the associations making the appeal said:

> The men could be released to work on the farms on an eight-hour day basis at wages arranged by the military authorities.

I was pleased to note the appointment of Mr. E. M. Little to the selective service board. In speaking to the Canadian Manufacturers' Association, Mr. Little had this to say:

> Employer-employee relations can and must be improved. Without them, maximum efficiency cannot exist. With good relations, miracles can be performed. There are men in this room who have been leaders in establishing sound relations with their employees. There are some who would like to have good relations and don't know how to go about it. And there are some employees who don't seem to want good relations.

To those who are willing, but don't know how, will you find out how from those who do? To those who don't want good relations or don't appreciate their value, I say the country cannot afford to have you as an employer at any time, particularly in war time. You must change your ways.

I suggest that if we had more of that sentiment we might be able to increase our war effort quite considerably. A Hamilton labour leader, Mr. John Mitchell, had this to say along the same line:

Employers who refuse to cooperate with their workers are a menace. They are breeders of discontent, hatred and spite, and kill the initiative of the workers.

I think on the whole it can be said without fear of successful contradiction that while the government of this country has made many mistakes, when the history of these times is written, the record of this country will be among the most glorious of all of those who have taken part in this struggle for freedom. The present relations existing between Great Britain, our splendid neighbour the United States, and Canada, can in all fairness I think, be attributed to the statesmanship of our present Prime Minister. No one in this country, even those newspapers which are most strongly against the Prime Minister and his government, ever says anything against the ministers in charge of our war effort: the Minister of Munitions and Supply (Mr. Howe), the Minister of Finance (Mr. Ilsley), the Minister of National Defence for Naval Services (Mr. Macdonald), the Minister of National Defence for Air (Mr. Power), the Minister of National Defence (Mr. Ralston), and the Minister of Agriculture (Mr. Gardiner). I never see any violent criticism of these hon. gentlemen. If a union or national government were formed, whom would my hon. friends put in their places? Would they take these hon. members out?

I am a labour man, Mr. Speaker, and I confess quite frankly that I have always been opposed to compulsion. I am still opposed to it, but there comes a time when one must bury some of the things he has always cherished, and I believe this is that time. It is my intention to vote for this bill; and if tomorrow I am advised by the ministers who are charged with responsibility and who are in possession of all the information, that conscription is necessary, then I am prepared to vote for that also.

I should like to make a few remarks with regard to the Japanese situation in British Columbia, but I shall not detain the house long. When the regulations were set up in British Columbia every person of the Japanese race within the protected area was supposed to be in his place of residence between sun-down and sun-up. That, of course, applied to the protected area. Then there were regulations with respect to arms, ammunition, motor vehicles, radios, cameras and the like. I understand that those regulations are not being carried out in British Columbia. I am not blaming the government for that; I believe that is the fault of the commission, and I shall not say much more on that subject.

However, I hold in my hand a copy of a train order issued to the engineers and conductors on the Canadian National railway running north from Kamloops, through the Blue river district, where the Japanese camps are situated. This order states:

Account Japanese out of hand and liable to do damage to railway; run carefully and keep sharp lookout in vicinity of Gosnell.

I also have a letter from a man who says that when the Japs were out of hand they went toward a house in that neighbourhood. There was only one woman in the house, and she promptly unlimbered a 30.30 and said that if they came another step farther there would be some dead Japanese. This man makes a comment, "That is the first Jap retreat recorded in British Columbia". I have other letters of a similar nature, but since my time is short, I shall not refer to them in detail. In conclusion, I appeal to members of the house for unity. If there ever was a time in the history of Canada when unity was required, that time is now. To my English-speaking friends I would say this: I would urge that you have more tolerance, and that you consider the conditions existing in Switzerland, a nation of four million people and four recognized languages. In that country one hears German, French, Italian and other Romance languages. Yet, despite the difference in language there is a wonderful spirit of unity in that country. I can see no reason why we in Canada cannot have the same spirit.

To my French-speaking friends, in the most kindly spirit I would advocate the teaching of English in their schools. At the same time I would advocate the teaching of French in English schools, in order that we may get to know each other better. In my opinion, the maintenance of unity will be one of the greatest contributing factors to our share of winning the war and establishing an enduring peace.

I am sorry I have taken up so much of the time of the house. Like the speaker who preceded me, I have not in any way attempted to offend anyone. If inadvertently I have

done so, I hope hon. members will bear in mind that I have sat here for five months listening to speeches, and there have been occasions when I thought some of the observations were directed against me. Possibly some hon. members may think my words have been directed against them; I can assure them that is not so.

Mr. PIERRE GAUTHIER (Portneuf): Mr. Speaker, so many things have been said during the course of this debate, the most unusual I have witnessed in the sixteen consecutive sessions in which I have taken part since 1927, that one cannot speak without repeating what has been said before by the goodly number of orators who have taken part in the discussion.

The debate on Bill No. 80 has drawn attention to the house, and seems to have caused the formation of so many groups and the expression of so many points of view that one would think we were in the Palais Bourbon when there existed from ten to fifteen different groups or parties. I doubt that this house is as noisy as the Palais Bourbon was in those days, but when one sees such a mixture of opinion, and notes the different shades of expression of those opinions on one subject he realizes it would have been very difficult at the beginning to pick a winner.

Now that we have heard from the three defence ministers, one can say with confidence that Bill No. 80, when adopted, means conscription in the near future. After three years of controversy on that question, one is now permitted to say that those who from the beginning feared that parliament was heading toward conscription for overseas service were quite right in their deduction. Conscription has long been looked upon by a minority in the house and contrary as the quintessence of total war. The fact that Australia has not adopted a measure of compulsory service for overseas service and that Northern Ireland is on the same footing does not mean anything to that minority. However, who will say that Australia is dragging behind the others? Someone has said that our allies have conscription. True—China, to defend her territory; Russia to repel the Hun; the United States to defend its colonies and its own territory. We have conscription to defend our own territory; why must we have conscription for overseas service? Hundreds of thousands of soldiers are overseas following voluntary enlistment. More are training to prepare themselves. If there had not been so much talk on the part of that troublesome minority which, with a strong press campaign and the help of its two hundred gilded friends in Toronto, has put the heat on the government, there would be more volunteers training for overseas. All this proves that my hon. friends have made an enormous mistake, and that their blindness when considering the subject of total war has led them to miscalculate the results they were so keen to obtain. I will not go as far as to say that this was done purposely to stop voluntary enlistments. When I speak of minorities, I do so intentionally because I am positive that the majority of our population of any descent is against conscription. They have demonstrated clearly their intention of giving a total effort on a voluntary basis, and they have demonstrated that they understand the situation in which the nations of the world are at present.

I am one of the eleven Liberal members who went to their electors in Quebec during the plebiscite campaign and urged a negative answer to the question placed before them for their consideration. We said that an affirmative vote would open the door widely to compulsion for overseas service, and I believe that we were right. The people of Quebec cast their vote against conscription; my constituency voted against it by an overwhelming majority. I do not need any further expression of their opinion in order to vote against this bill.

We have been called extremists, fifth columnists, quislings, and many other names, all of which we do not mind. The result in Quebec was conclusive. Quebec did not want to relieve the government from its commitments. While the majority of Canada answered "yes," only those to whom the commitments were made could release the government. That was our stand on the plebiscite, and it still is. That is also the stand of the province of Quebec. If we were isolationists before, we were forced to abandon that. If we were opposed to participation in any external war, we had to concede, and that is not the first time we have made concessions. But on this occasion we had the solemn promise of our leaders, and of the Conservative candidates as well, that conscription would never be imposed. We kept our promise, and we accepted the adoption of conscription after participation had been decided upon, but we are now asked to go further and accept compulsory conscription for overseas service. I do not think that is fair.

The deletion of section 3 of this act will constitute an acceptance of the principle, and then the democratic procedure of an order in council can consummate the tragedy. I think I am right in saying that two-thirds of the

members admit that conscription is not necessary, that the volunteer makes a better soldier. Nevertheless day by day we come closer to the adoption of that measure. It is no good; but the government, yielding to the pressure of the conscriptionist minority at any cost, has brought forward this bill for the deletion of section 3. I think we must admit that this is dangerous politico-mental gymnastics.

It has been said that the people of Quebec oppose conscription because they have not been properly educated on the question of war; that they do not realize that the situation is so serious; that they have not been spoken to boldly enough and so forth. Prior to 1917 we had not been told for the past twenty-five years that we would have conscription. I am not overlooking the campaign of the Nationalists. It is a positive fact that that campaign was subsidized by Tory money. But even though we had not been told for twenty-five years that we would have conscription, Quebec was still strongly opposed to conscription for overseas service, and the fact that France was then our ally did not lessen our opposition to conscription.

We have always been ready to help, to fight voluntarily. I do not need to recall the various occasions when French Canadians have fought to keep this country for England. They did it voluntarily and with enthusiasm, but they do not like broken promises. That is one good feature of their education.

One sad aspect of this change of policy is the fact that recruits have been called up and are now training for Canada's defence. From the beginning they have been under the impression that there would be no conscription for overseas service, but they are now facing the fact that with the passing of just one order in council they will be liable to be sent anywhere in the world. What will they think then of the word of honour of their representatives? What will they think then of their democratic parliament? Will there be left in them any confidence in this parliament?

The Conservative party is stamped with conscription, and this country is soon to enjoy the sight of a Liberal party with the same black spot upon its soul. Then the Tories will have the Liberal party where they have always wanted it. As their leader said before the plebiscite, they put on the heat. I understand that this go-between measure was to appease the ire of the imperialists, those within the Liberal party as well as those without. To those who believe that imperialism is dead, I ask, "Why are we denied a national flag and a national anthem?" Just because imperialists are afraid that the Canadian people will take too much interest in the flag, a flag which would mean our whole history, a flag which would speak to the soul of our people and make them feel proud of their land. They would believe that at last they are heading toward a real national status.

Someone might answer that it would not mean much. I think that shows a lack of psychology, a lack of national pride. What is behind all this is imperialism which stands aloof behind words such as these: "Canada a nation," "autonomy," "free association of countries in the commonwealth," "freedom to declare war on anyone," "the Westminster statute," and so forth. But when it comes to the consecration of all these statutes, the red light is on and we remain a colony; a country within another country, separated by a few thousand miles of water, from which mainland we have to borrow a flag and a national anthem. They say imperialism is dead. Imperialism will never die as long as trade and commerce interests exist in the world. It will never die because England must have an empire in order to live. I know that those who stress the adoption of a national flag and a national anthem, those who do not look upon the union jack as their national flag or who do not consider "God Save the King" as their national anthem will be considered as being anti-British or even traitors. These are labelled arguments, always in stock.

The development of patriotism does not go with coercion or the denial of autonomous moves and privileges. Minorities in the world, even majorities with a mental inferiority complex, have been kept under the ferrule; and the results attained were often opposite. Sooner or later they woke up to reality. Sooner or later they realized that they were grown-up nations and were entitled to the stature of a nation. Nobody can overlook that law of centuries. Canada has over three centuries of existence. A country like ours, with unlimited wealth, has the right to its own economic and political life, and to make its own decisions. It has a right to salute its own flag and sing its national anthem, and those who would deny these priviliges have a great deal to add to their Canadianism.

I have said before in this house that the lords of the British Admiralty have never favoured a local defence progamme. At the very beginning of this war Hore-Belisha clearly expressed the same policy. If we had not been a part of the British empire, would we have declared war on European nations at the very beginning, when we were not attacked, and when nobody could foresee that this war would develop into a world war? If we had

just been a nation of America without any imperial bonds, we would not have acted so quickly. But when England declares war, all the free nations of the commonwealth declare war, because of their empire bonds. This fact was clearly demonstrated when Canada sent a contingent to south Africa to fight the Boers.

Since the outbreak of this war we have witnessed empires against empires. On one side, Germany, Italy and Japan wish to build up their empire at the expense of Russia, whose dream of ruling the world through communist theories is a kind of imperialism; on the other, the United States and England wish to save their empires. Everyone will admit that the united nations had to put into effect methods that were already in favour amongst totalitarian states, such as defence regulations, press censorship, compulsory loans and so forth, but with a difference in their philosophy.

I do not believe it would be a criticism of the Canadian defence regulations to say that the newspapers and people of England enjoy a larger freedom to discuss the events of the war than we do in Canada. The defence of democracy and of Christian civilization was later on engrafted, however queer may be the fact that the seat of Catholicism is in Italy and that the armies of an atheist state are fighting on our side.

In the democratic states the parliament is elected and empowered by the people and should, normally speaking, bear the responsibilities attached to their mandate. I admit that a plebiscite is a very handy way of lessening to a certain extent responsibility toward the people. "Yes" or "no" would have been more explicit.

There was no plebiscite when through its delegate this country signed a pact giving its word of honour that every economic and military resource would be put at the disposal of every one of the united nations whose signature appeared on that very important document called the Atlantic charter. Every economic and military resource meant all the money, munitions, foodstuffs and soldiers that Canada could provide. This parliament was not consulted on that question; nor were the Canadian people consulted, yet Canada was bound even to conscription if such a measure should be considered absolutely necessary. Even if conscription would provide but a few thousand men, we were bound by our signature to impose the conscription of men as well as the conscription of wealth. That agreement was signed on January 1, 1942, before the plebiscite. If the plebiscite was held to rectify this act of our government, everyone will admit that, even if it was a handy way, it was not the gesture of what we would call responsible government to ask for ratification after the country had pledged itself.

Have we ever heard a member of this house urging upon this government the imposition of conscription for overseas service because we had been bound by our signature to the Atlantic charter? No. Then I am right in saying that conscription is looked upon by some, not to honour a pledge to the united nations, not as an inevitable step in providing the united nations with all the men we could get through conscription, but as part of a policy which has been strongly put forward since right after the election of 1940 by a group of men whose imperialism is as vivid as ever and for whom no conscription in Canada for overseas service would bring dishonour to this country. Canada for them is one with the empire. The boundaries of our country are the boundaries of the empire. In a word, it is the same country. Yet some will say that imperialism is dead!

With some people talk of the war effort and of conscription develops into what medical men call a neurosis, and when controversy awakens they are scandalized to hear someone advocating the defence of Canada as our primary goal. If Canada is attacked directly on its own territory it is because, in their view, we have not conscription for overseas service. The sight of Australia bringing back her soldiers to defend Australian soil does not lessen their "mother knows all" attitude. Conscription for overseas service has become a fixed idea with them, and since French Canadians are strongly opposed to it, queer words are uttered. But we let them go by, ready to forgive, but never ready to surrender.

Our patience has surmounted many obstacles. Our faith in our country has long made us believe that some day the minorities will see their privileges equitably considered. In war time the French Canadians are urged to contribute their share in the conscription of blood. But do you not think, sir, that their good-will would be more apparent if in peace time they were not so often deprived of their share of the advantages to which they are entitled? And this is the real situation in peace time.

"Why don't you speak English in Quebec?" someone said in this house last week. In Quebec we learn and speak both languages because both are official. We would not learn or speak English if we wanted to dominate other parts of the country. A wonderful example of tolerance is given to the "one language, one school" apostle by Switzerland.

They have three official languages in that country, and since none of the three try to absorb the others they are enjoying perfect unity. Why not follow the example of Quebec where the two languages are spoken freely, where religions are taught to children, and school commissions are equally subsidized by the government. That French Catholic legislature of Quebec! The example is on the threshold of the door: "open it wide and broad-mindedness will come in". That is what we find in that "depressed minority of Quebec". If our social laws are not adequate to the needs of our people, which is far from being the truth, Christian charity comes to the rescue.

We have the best laws of hygiene that one can wish. I admit that our farming has not developed into an industry and that we do not receive the millions inherent to the wheat policy. But the permanency of our farm owners is certainly better established. We do not mind buying for millions of dollars even from Toronto firms. One of them, whose president was among the two hundred, showers the province with its catalogues every year. We are patient. Our past illustrates the degree it can attain. It kept us fighting for our share in this Canada of ours. We received it from our mothers, the symbol of patience and self-sacrifice. From them we have inherited the belief in the sanctity of pledges.

We are not opposing conscription because our men are afraid to fight. It is because there is a principle at stake. For this principle we will go on and fight. But there is a limit to everything.

To those who are afraid that French Canada wants to dominate, to rule, to dictate to other parts of the country, I will read these few lines from an article in the publication "Food for Thought". It is entitled, "What French Canadians Want—Survival, not Domination", and is written by the Abbé Arthur Maheux. He says:

> How English-speaking Canadians could fear domination by French Canadians has often been a source of wonder to me. Such people should read French-Canadian writers, poets, journalists, and scholars. They should listen to French-Canadian speeches, sermons and radio talks. I would dare say that not a single French Canadian has ever expressed the aim or desire of domination in Canada or North America. So far as I know from conversations with people from all social groups in French Canada, the idea of domination is quite absent from the mind of the French Canadian. His ambition is not to dominate Canada. Even if he should outnumber the other racial groups put together he would not use his numerical strength to dominate.

Those who are afraid of us should meet us more frequently and know us.

I must repeat, Mr. Speaker, that I shall vote against this bill, and do so with pleasure, because I know now that I was not mistaken about the plebiscite campaign. I know that I was right when I urged my people to vote "no", that this plebiscite meant conscription, and that the deletion of section 3, as has been said in this house, is the logical consequence of the vote. We were right when we said that. We were called Quislings and other nice names. We do not mind. We knew it was conscription coming, conscription in the making, and I was pleased to see that my people voted 95 per cent "no". I shall vote against the measure, and nothing will make me vote in favour of anything heading toward conscription.

Hon. CYRUS MACMILLAN (Queens): Mr. Speaker, I do not wish to prolong this debate, which has already, perhaps, proceeded too long. I do not wish to delay the passing of this bill, but on some of the issues involved I want to make a few comments, which will be very brief.

During the course of this discussion many extraneous topics have been introduced. I am not going to pose to-night as an evangelist of harmony, because I do not believe disharmony exists to a great extent in this country. I am not going to hold an inquest on unity, because I do not believe that unity is dead or is in danger of death. I am not going to turn back very far in the pages of history. I believe that in this debate far too much emphasis has been placed on alleged disunity, and strange pictures have been painted. With all respect, may I say I think there has been far too much beating of dead political horses.

I am going to vote for this legislation. The bill before us is the result of a people's decision, a popular vote, a popular voice. That decision was made on April 27 last. While overwhelmingly in the affirmative, it was not unanimous. There was difference of opinion in every city, in every town, in every district. That difference does not mean revolt or disunity, it does not mean hatred. In these troubled days that are upon us, when half the world has been forced into silence, when an effort is being made to make us all think in terms of nazism or not to think at all, surely it is a privilege—or perhaps I should say it is a luxury—to differ with those for whom I have a deep affection, and a high regard, like those who sit around me. One of the things we are fighting for to-day is the

liberty of difference, and that liberty of difference does not mean the severance of friendship.

There are certain sections of the press that, with a peculiar presumption, arrogate to themselves the sole anxiety for an all-out war effort. They even become armchair strategists and field marshals. I have no objection to their assuming that role if, in doing so, they do not paint an inaccurate picture of my country. We are all, inside this house and outside this house in Canada, whatever our differences may be, one in hope and in heart, and that hope is for the speedy winning of this war. The young men, young women and children with whom I come in contact in this country are each and all sentinels on duty willing to do their best for the safety and the defence of this country. Therefore let us be done with this cry of disunity and these recriminations; let us guard our tongues and our pens when we speak or write about this bill.

In my province of Prince Edward Island the plebiscite was interpreted, as I think its language intended it to be, as a request for release from a pledge which, rightly or wrongly, was given two years ago with regard to the method of raising men for overseas service. The answer to that in my province, as it was throughout Canada on the whole, was an overwhelming "yes." That did not mean necessarily, in my judgment or in the judgment of my constituents, immediate conscription. It meant this, that when the time comes that the system now in vogue fails to be an adequate defence of this dominion, then the government is given freedom and power to act in any way necessary to save this country. When that crisis comes and those obligations arise I, as a former soldier, believe that the decision will depend on the experienced advice, the expert knowledge and the considered judgment of military leaders and of the allied command. When that time comes this government must be free to act in any way necessary, and in accordance with their action or their failure to act the people will hold them responsible.

With many of my hon. friends in this house who served in the last war I believe in the voluntary system as long as it works. I believed in it in the last war. But there may come a time when the stream of men under the voluntary system will dry up. We cannot win this war without aggressiveness; aggressiveness means, casualties; casualties mean reinforcements, and reinforcements mean that troops have to be raised and sent in one way or another. I think one of the proudest things to any Canadian is the success of our voluntary system. In my little province, small in size but great in heart, nearly 9 per cent of the entire population have enlisted for active service. If that proportion were extended throughout all Canada, we would have over a million men in the field to-day. That is true also of New Brunswick and Nova Scotia. A great percentage of those men have gone into the navy. That is natural, because those boys are born and bred to the sea; each boy is drawn to the docks as boys in other provinces are drawn to the baseball parks or the movies. The young men of the martime provinces see themselves in imagination holding a flapping top-sail in the breeze or standing by a kicking wheel on some far distant ocean. So we find them going into the merchant marine or the navy. Conscription would not mean anything in my province, because there is no one left to conscript. That, I think, should be the situation throughout Canada.

I wonder if we have considered the difficulties and obstacles with which the voluntary system was faced. There must be the will for enlistment. Let me go back, from ten years before the war to the very eve of the war, to recall those days right up to 1939 when we were living in a sleep-walker's world. In that world, into the schools and colleges and universities and on the platform and, indeed, into some of our pulpits, went hawkers of utopian propaganda. These so-called leaders exploited our youth, told them to love other countries better than their own, taught them that every war was inglorious, that every hero was a fraud; they had them sign declarations that they would fight on their own terms; even the students of Oxford signed a declaration that they would not fight for king or country. We who came back from the last war tolerated that paradise of dreams; we sat silent while they sang utopian lullabies to youth. When we consider that the boys of that time, from fifteen to twenty years of age even five years ago, now from twenty to twenty-five, have—nothwithstanding that attempt at innoculation given to them by so-called leaders—gone from the schools and colleges and universities in a steady stream and enlisted, with that background I sometimes wonder that they enlisted at all without compulsion. It gives me renewed faith in youth when I regard them and their sterling character. The youth of this country have been weighed in the balance many a time and have never been found wanting.

A second thing that has interfered with the will to enlist is the stream of criticism that has flowed out. I have no objection to criticism if it is fair. But ever since this war

broke out, a certain section of the press in this country has spread misinterpretation to deceive the Canadian people, with greater energy than any dictatorship. One man has been pursued relentlessly and maliciously in a manner before which I think future historians of Canada will stand appalled. That man is the Prime Minister of this dominion. I am not going to indulge in excessive compliment, because it always breeds suspicion, but I will say it is not for his contemporaries to judge him, and I believe that as long as this nation survives he will be remembered in the hearts of the Canadian people because of his conduct of affairs during these last few years.

One other thing I would mention is the lack of news. I do not know who is responsible for that. We hear a great deal about the desirability of more news being spread in the United States, but where we want the news is right here; the news of how the war is going, the news that a squadron of Canadian fighters was over Cologne, that a Canadian corvette limped back to port after ramming a submarine. That is of more value than all the good-will lectures and tours and visits of all the actresses in Hollywood. We are not getting that news. Our young people are asking for it. I just give that as a hint to whoever may be responsible.

Let us make no mistake about it; the crisis is coming. It may come more quickly than we think. When it does come and it may be necessary to send men overseas, let no man think we are fighting for Britain. Does anyone suggest that the Canadian boys who may be dying to-night in Alaska or the Aleutian islands are fighting for the United States? Does anyone suggest that General MacArthur's men in Australia are fighting for Britain, or that the United States troops who were reviewed by their majesties the other day are fighting for Britain? This is what Sir Wilfrid Laurier said, in France, during this June month in 1897:

> I am told that here in France there are people surprised at the attachment which I feel for the crown of England, and which I do not conceal. . . . That double fidelity to ideas and aspirations, quite distinct, is our glory in Canada. We (French Canadians) are faithful to the great nation that gave us life; we are faithful to the great nation that gave us liberty.

That liberty is in jeopardy to-night. It is in greater danger than ever before in the history of our world. Are we going to let it die? Do we want a repetition of Lidice in Canada, where every man was shot to death, every woman raped and sent to a concentration camp, and every child sent to a propaganda school to learn how to murder his neighbours and his kinsmen? Do we want in this country a repetition of the atrocities of Hong Kong? In my part of the country when there is a forest fire we do not wait until it comes round our homestead. We go out to meet it and keep it from our precious possessions, and I believe that is true also on the prairies. There is a line in the United States national anthem which I think fits this case:

> O! thus be it ever, when freemen shall stand
> Between their loved homes and wild war's desolation!

Our men are out fighting to defend their homes from "war's desolation."

When this crisis comes and it is necessary to act, I hope that action will not be the calling of parliament to debate this question again. Democracy is always at a disadvantage in war time. The dictator and the tyrant act on the instant. Democracy acts by consultation, debate and discussion. Dictatorial powers in war time are necessary, if they are not usurped and if they are given to leaders by the people. That is what we have done. The people have given the government power. Why should the government call us back here to discuss this matter at great length again? Hitler will not wait. Do not blame the method; blame Hitler, because he is responsible. The other day I read an address delivered by Admiral King, commander of the United States fleet, to the cadets at Annapolis who were just leaving to go into service. That great leader told those boys three things which I wish I could spread all over Canada: "First, do your best with what you have, and remember that there is no perfection in war either in men or in equipment. Second, do not mourn or weep over the water that has gone over the dam in the past, but let your cry be, 'Where do we go from here?' Third, there are difficulties, but 'difficulties' is the name given to things we have to overcome."

One other thought. As a Canadian I deplore the aspersions cast on Quebec. I know Quebec; it has been kind to me. I know its people. Like many others in this house, my ancestors came to this country nearly 150 years ago from the highlands of Scotland. They did useful work in this country; probably the Minister of Pensions and National Health (Mr. Mackenzie) will say they did the most useful work of any race, and I might agree with him. They came here in search of liberty, looking for freedom to worship God, but they did not forget that the country to which they came was born of French vision, pioneered by French enterprise, colonized by French courage and blessed by French religion. We have lived in peace. The rocks from which

we Canadians have been hewn were of divers countries and divers races. We are not bound together, as someone has said, by reverence for a common past or a common ancestry. We are bound together by a common hope, a hope for a peaceful world, where each man will eat in safety under his own vine what he has planted, and sing the merry song of peace to all his neighbours. We in this country are not enemies; we are friends. We must not be permitted to become enemies. We must not let anything drive us apart, not even this bill, because, as I said before, I believe we are one in hope and in heart.

We are passing through dark days. They will be darker. We shall have to give up many things. We shall have to give up our leisure and devote it to the service of our country in some capacity. There will be less gasoline, less sugar, fewer tires, fewer silk stockings, and other things, but I believe we can take it as a nation. One night, 170 years ago, by a flickering camp fire, a great soldier and writer wrote these lines on a drum head, and I think they might be our lines to-day:

> These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of their country; but he that stands it now, deserves the love and thanks of man and woman.

We have this for our consolation: the more difficult the conflict, the greater will be the triumph. We are not pessimistic. I close with one further memory, which is somewhat sacred to many people in this house. It was a spring day in France in 1918; a day of yellow sunshine, with birds singing above the mutter of the guns, with flowers creeping out among the broken walls. The road hog of Europe was on the move; his grey troops were trying to crush the British and French armies, and there came to every commander of a Canadian unit this message. Does it not sound as though it were written yesterday?

> In an endeavour to reach an immediate decision the enemy has gathered all his forces and struck a mighty blow at the British army. . . .
>
> Measures have been taken successfully to meet this German onslaught. The French have gathered a powerful army, commanded by a most able and trusted leader and this army is now moving swiftly to our help. Fresh British divisions are being thrown in. The Canadians are soon to be engaged. Our motor machine gun brigade has already played a most gallant part and once again covered itself with glory.
>
> Looking back with pride on the unbroken record of your glorious achievements, asking you to realize that today the fate of the British empire hangs in the balance, I place my trust in the Canadian corps, knowing that where Canadians are engaged there can be no giving way.
>
> Under the orders of your devoted officers in the coming battle you will advance or fall where you stand facing the enemy. . . .
>
> Canadians, in this fateful hour, I command you and I trust you to fight as you have ever fought with all your strength, with all your determination, with all your tranquil courage. On many a hard fought field of battle you have overcome this enemy. With God's help you shall achieve victory once more.

That was a message from Sir Arthur Currie, commander of the Canadian corps. My point is this: That message was sent to us a little more than three months after the conscription election, with all its turbulent activities. Do you suppose, Mr. Speaker, that the men who listened to that and went over the top to crack the Hindenburg line were worried about conscription? The Frenchman from Three Rivers was in the centre of his platoon; on his right was a Scotsman from Cape Breton; on his left an Irishman from the Fraser Valley or Toronto, an Englishman from Victoria. One word only described them; it was the word "Canada" on their shoulders.

I believe the spirit with which those men obeyed that order is still ours in Canada. And I believe this, that if we will only banish intolerance from our minds and prejudice from our hearts, and go forward together, with God's help we, too, will achieve victory.

Mr. ROBERT RYAN (Three Rivers): Mr. Speaker, I wish to say a few words in this debate. First I would congratulate the Prime Minister (Mr. Mackenzie King) upon the well-prepared, ably delivered and explicit statement he made to the house at the opening of the debate. I would congratulate, too, the hon. member for Richelieu-Verchères (Mr. Cardin) upon the courageous and vigorous statement he made, and the clear manner in which he placed his position, and that of Quebec, before the house. I would congratulate, too, the Minister of Justice (Mr. St. Laurent) upon his clear exposition of the position of Quebec.

I congratulate the government upon the nomination of the Minister of Justice to his portfolio, because I believe the Prime Minister selected for that post one of the most capable men in Canada. May I congratulate, too, all other ministers and hon. members who have taken part in the debate. Each has expressed his views. One cannot be in favour of all he hears from the orators, but we can believe at least that these men have spoken in good faith.

I have believed since the first session of this parliament that the Conservative party, those who have supported that party and certain organizations throughout Canada, have waged an organized campaign to create preju-

dice in the public mind against the Prime Minister. There is no doubt whatsoever as to the truth of that suggestion, and I could prove it from clippings I have taken from editorials in newspapers.

Six months after the beginning of the war there was a general election, and the leaders of both the major parties stated there was to be no conscription for overseas service. I understand some hon. members opposite did not accept the statement of their leader. That does not matter, however, because the statement was made by both leaders. At the first session of parliament the leader of the opposition (Mr. Hanson) stated in the house that he had been chosen temporary leader, and that when he was chosen it was understood he would oppose the government. He also stated, "As long as I remain in the house I intend to oppose the government." I give him credit that that is what he has done since the first session.

There has been an organized campaign to create prejudice against the Prime Minister—not so much against the government, because it has been suggested at certain times, particularly during the first and second sessions of this parliament, that certain ministers might replace the Prime Minister, if he would kindly get out. I believe it was the Montreal *Gazette* which stated, "Now is the time for the Prime Minister to resign. He could resign in all his glory. He could be one of the best Prime Ministers Canada ever had, if he would get out now." They are of the same opinion to-day.

I recall that on January 26 one of the Ottawa daily papers published a special number in three sections. There was the regular news section, and two others in addition. One of those sections was headed "Canada's War Effort for Victory", and pointed out that the war effort of the dominion was rapidly expanding to a peak. In those special sections I found photographs of nine ministers, and five other gentlemen connected with war departments. The texts under these pictures were most appropriate, giving due credit for the work done by each. So far as it went this was all right. But something was missing, in none of the sections was there a photograph of the Prime Minister of Canada. Why was it missing? It was missing for the reason I mentioned earlier, namely, prejudice against the Prime Minister.

If ministers of the crown have done their duty, they should receive credit. But if, for instance, the Minister of Munitions and Supply (Mr. Howe) and the Minister of National War Services (Mr. Thorson) have done their duty, then surely some of the credit must go to the Prime Minister who had the good judgment to select those men—because we know it is the Prime Minister who made the selection. Let us give him credit.

During the last session I said this, "We may not agree with everything that is being done by the government; but we should agree that on the whole the Prime Minister and the government are carrying on a gigantic undertaking very satisfactorily and under strict control." I repeat that to-night, because it is just as true now as it was then.

In that connection may I read an extract from *Liberty* of June 20, appearing under the hand of the publisher:

> An executive of one of Canada's greatest industrial concerns has stated, "I wonder if people realize that they have seen a miracle. They possibly do not know it, but they have seen in Canada in the last two years the greatest per capita industrial expansion that has ever occurred to any people anywhere."

Following that statement, I should like at this time to congratulate the Minister of Munitions and Supply upon the clear statement of facts which he gave us the other day. I think he has always been held in high esteem, but he will be held in still higher esteem after making that statement. I think it was John Ruskin who wrote:

> That the greatest thing a human soul ever does in this world is to see something, and tell what he saw in a plain way. Hundreds of people can talk for one who can think, but thousands can think for one who can see.

There is no argument as to where the defence line of Canada lies; the difference of opinion is in connection with the method to be used to select men to reinforce that line. In connection with conscription for overseas, I should like to read a letter which appeared in the Montreal *Gazette* of June 23 signed by a gentleman named Arnold Stuart. The heading on this letter, which I suppose is put there by the *Gazette,* is "Crerar's Convictions", and it reads:

> Sir,—This morning's leading editorial asks some pertinent questions concerning Hon. T. A. Crerar, federal Minister of Mines and Resources. "Where are the convictions of 1917," you ask, "and where is his courage of that war?" (concerning conscription).
>
> Well, I should say it is quite possible that Mr. Crerar has looked up the record. Perhaps you should do so too, Mr. Editor. It would show the following:
>
> 404,000 enrolments under the Military Service Act (conscription).
>
> 380,000 exemptions asked (118,000 in Ontario; 115,000 in Quebec, etc.).
>
> 104,000 exemption claims approved in Ontario; 108,000 in Quebec, and so on in other provinces.
>
> 31,000 ordered to report for duty. 5,000 of these defaulted, leaving 26,000 net yield out of 405,000 enrolled.

It is quite possible, Mr. Editor, indeed highly probable, that Hon. Mr. Crerar and his leader the Prime Minister, have these figures of the results of conscription in mind. Is it any wonder that they want to defer conscription until every other expedient has failed?

The *Gazette* said in 1918 concerning the Union government's course in applying the Military Service Act (conscription):

The government appears to have established a system which, if it gets the men at all, will get them so slowly that whatever military advantage depends on expeditious reinforcement will be lost.

If, as is alleged, recruits are coming in satisfactorily under the voluntary system there would appear to be little reason to turn again to the sad expedient of 1917. The fact is that politicians on both sides have for decades made such a *bête noir* of conscription that now it rises up to bedevil the whole domain of our war psychology. But nothing is to be gained by ignoring the real situation.

The leader of the opposition made the following statement, as reported on page 2768 of *Hansard*:

Because this government in the first nine months of the war did absolutely nothing to meet the situation. They were going to have a moderate war. A moderate war! Ask any hon. member from the province of Quebec if they were not promised that Canada's contribution would be a moderate contribution.

As far as I am concerned I have no recollection, and I do not believe anyone else has, that Quebec was promised a moderate war. The promise was made to Quebec that men would not be conscripted for overseas service. Quebec has never objected to a total war effort; Quebec has never objected to men enrolling voluntarily to go any place in the world. Quebec has not criticized the all-out war effort, and it did not criticize the billion dollar gift to England for food, materials and so on. Quebec has not criticized the budget or anything else. There has been no criticism of the government or of any action that has been taken in furthering our total war effort. But the people of Quebec were promised, and they want the government to keep the promise that there will be no conscription for service overseas.

There is one thing I have had in mind for a long time, but hon. members who have spoken before me have brought this up. I am in favour of increased pay for the men in the armed forces. I am also in favour of widowed mothers whose only sons have enlisted being given the same allowance as that received by a wife, namely, $35 a month. To-day such a widowed mother receives only $20. The men who are fighting for our liberty must be assured that after the war there will be a better world in which to live, a world in which every man will be guaranteed work and security.

[Mr. Ryan.]

I want to congratulate the Minister of Pensions and National Health (Mr. Mackenzie) upon some of the public statements he has made during the last couple of years. I do not know if the government was aware of all these statements, but I am very much in favour of certain of the things which the Minister of Pensions and National Health thinks should be done after this war is over. In this connection I should like to quote from "The Road We are Travelling 1914-1942" by Stuart Chase. No doubt most hon. members know who Mr. Chase is. He is a writer on economic questions, and in this book which has just been published, he said:

I believe, moreover, that we are more likely to win the war if we have a clear idea of goals for the peace. Men fight better when they know for what they are fighting. Any peace we make must be superior to that which our enemies can offer. They make alluring promises about new orders and new spheres of prosperity. These promises are widely heard in the lands most affected, and we shall have to do more than sneer at them. We shall have to—and can—offer something better, more just and more convincing.

Defeatism about the peace is almost as dangerous as defeatism about the war. The victory need not and must not lead to economic depression and disaster at home. Actually, when peace does come, it will be an opportunity and a challenge; an opportunity to use our vastly increased plant and human resources to raise the standard of living for us all; a challenge to make a greater civilization.

If our young men were assured that there would be a new and better world after this war, they might feel like joining up.

There are a number of things I should like to say with regard to the plebiscite, and I should like to give my understanding of the plebiscite vote. First, I understand it as a vote to release the government from the promise they had given to the people of Canada that men would not be conscripted for service overseas. Second, the plebiscite was the only democratic method by which the government could secure an expression of opinion from the people in regard to their promise. Third, the "yes" vote in eight provinces did release the government from their promise. However, this vote cannot be interpreted as a definite and emphatic vote for conscription but should be interpreted as a vote for freedom of action for the government. Fourth, the "no" vote refused to release the government from their promise. This vote must be understood as a definite and emphatic vote against conscription of men for service overseas. Fifth, if Bill No. 80 is adopted by parliament, it is my opinion that should the government find it necessary to impose con-

scription of men for overseas service, the matter should be submitted to parliament for final decision.

It has not been proven up to the present that the voluntary method of enrolling men has not been satisfactory and that, if there had been conscription of men for overseas service, a greater number of men could have been trained and equipped. I never heard that any of the three defence ministers were not satisfied with enrolments under the voluntary system. I understood that some time ago the Minister of National Defence (Mr. Ralston) stated that he believed that with the voluntary system the country could carry on until March, 1943. I think some hon. members misunderstood the three speeches made by the ministers of defence and were under the impression that they were in favour of immediate conscription. But these three ministers did not say one word against the voluntary system. They did not say that the voluntary system had failed; they did not say or suggest that conscription should be imposed at once. They did say that they would vote for the bill. Undoubtedly the ministers of defence will vote for the bill or, like the hon. member for Richelieu-Verchères (Mr. Cardin), they would have to resign from the government. There is no doubt in my mind that when these ministers find it necessary to impose conscription for overseas service they will be in favour of imposing it, but in their speeches they did not say anything about that. The public also are under the impression that the voluntary system has been satisfactory, and nothing has been said up to this time by the ministers of defence against that system.

The "no" vote in Quebec was not a vote intended to disrupt the bonne entente that has existed between the two races that have built up Canada. It was a vote to uphold a principle which is deeply rooted in the minds of the great majority of the electors of Quebec.

The vote on the plebiscite or on Bill No. 80 should not affect the good work that has been done up to the present to cement Canadian unity, and this good work should be continued.

Let me recall to this house the words which the Prime Minister uttered in Winnipeg on July 10, 1941. He said:

> My duty as I see it is to seek above all else to preserve national unity, for on the maintenance of national unity all else depends.

In closing, Mr. Speaker, I should like to say as a Quebecker to the English-speaking members of this house that I do not think we shall find men who have more consideration for the English-speaking members than the members from Quebec, and I say to all the English-speaking members of all the other provinces that I do not believe the people of their constituencies have any better friends than the people of Quebec. I am persuaded that I can also say with equal assurance to the members from Quebec that they could not find any better friends than the English-speaking members from the other provinces, whose constituents also, I am sure, have the same friendly feeling toward the people of Quebec as the people of Quebec have towards them.

Mr. J. A. BONNIER (Saint-Henri) (Translation): Mr. Speaker, I wonder if we really need conscription in this country more than in any other British colony. Many voters have asked me this question: Why should Canada adopt a conscription measure which every other English colony has rejected? I would like to have a reply to that question which I have been asked repeatedly, in order to satisfy my electors and state the government's views to them. Australia, Northern Ireland, New Zealand and India have not introduced conscription. Neither has Egypt. Why then do Great Britain and Canada wish to force conscription upon us every time war is declared? Why is this? I would like to know once for all in order to be able to enlighten my constituents.

Mr. Speaker, Sir Wilfrid Laurier always endorsed voluntary service in this country. For my part, I have done the same thing ever since I cast my first ballot. We have been brought up with that in mind. It was in 1903, I think, that we had the Boer war. We dispatched a contingent of volunteers overseas but there was no conscription. Then in 1911 the Conservatives attained power largely through a platform which denounced Laurier's reciprocal trade agreement with the United States and naval programme to the province of Quebec. They tricked the Quebec population and the English element of Canada into defeating Laurier. When he appealed to the people, the English population claimed that Canada was being sold to the United States, that the intention was to annex our country to the United States. In Quebec, the mothers were told: Laurier wants to send your sons on foreign seas immediately. He wants to send your children to war as cannon fodder. He intends sending them to the China sea and to all European waters. Was that not the cry heard all through the campaign organized by the Tories of Quebec and those of Ontario and the other English-speaking provinces in order to defeat Laurier? He was defeated and on the very next day what steps were taken by the Borden government which

had just come into power? Instead of building a navy, we were asked to send $35 million to England.

In 1914, war was declared. Once more we contributed volunteers until 1917; but in 1916 a census was ordered. At first, the people of the French-Canadian province refused to register. In this difficulty, the clergy were asked to undertake a campaign in the various parishes to urge the people to register, stating that it was not a matter of conscription but simply a means of ascertaining the exact population of the country. In 1917, after the census, a conscription bill was introduced. It was opposed by all French Canadians and many Britishers. Our efforts failed to convince the people of Canada that the voluntary system of enlistment was adequate. At that time, many supporters of Laurier, even many of his former ministers, forsook him. But he remained in the struggle. Ever since his attaining the office of Prime Minister, he had held to the principle of avoiding conscription and maintaining the voluntary system. To-day, after so many years during which we have been taught that the voluntary system is the better method, how can we change our views on this subject and support conscription? Our minds have been steeped in the doctrine of voluntary enlistment. In 1938, during the partial election which brought me to this house, conscription was mentioned. I carried the vote of the Liberal convention against seven candidates. Then came the election. You all know my opponent, the former mayor of Montreal, who had been elected to his post by a majority of more than 50,000 and who has always been a dangerous opponent. My election was due to the former minister of public works (Mr. Cardin) and the late Hon. Mr. Rinfret. Conscription was brought up even then, with the promise that it would never be introduced. Again in 1940, it was generally opposed. Moreover, even the English-speaking members of the other provinces were elected on the strength of anti-conscription pledges. Why have they altered their views? Their election campaign, as that of all the others, was waged on the conscription issue. The right hon. Prime Minister (Mr. Mackenzie King) did not come to the province of Quebec only; he visited all provinces, and so did the other ministers. Was there a speech specially prepared for the province of Quebec and another for Ontario and the maritime provinces? No; he gave everywhere the same pledge, to wit, there would be no conscription.

If I remember well, one of the previous speakers who is from Prince Edward Island and represents, I think, the constituency of Queens, (Mr. Macmillan), quoted what Laurier said in France when he thanked that country for having given us birth and England for having given us freedom. Supposing France were one day to be at war not with England but with any other country. Could we then advocate conscription in order to assist our former mother country? Would such a course be accepted? Yet that is a perfectly legitimate stand: one country gave us birth and the other gave us freedom. We would certainly be willing to help our former mother country on a voluntary basis, but we would never advocate compulsory military service for that purpose.

It is said that we are cowardly and that we are afraid to participate in the war. Mr. Speaker, those who say that do not remember that in 1812 our neighbours, who are now on friendly terms with us, invaded Canada. What did the French Canadians do at that time? Did they look around in order to see if the British were there? Did they wait for conscription before rising and saying: We are going to defend our country? They did not. General de Salaberry and his army set out to meet the enemy. The battle was won near Chateauguay at the spot now called Bryson, on the Chateauguay river, in my native county. A monument erected there bears the names of French Canadians who did not wait for the English to defend Canada. They took up her defence themselves. They held their ground right up to the present border on the 45th degree of latitude.

The answer to the plebiscite in the province of Quebec and the intelligent and clear sighted vote cast by her people should have been enough to open the eyes of the Prime Minister and even of the most obtuse among his colleagues. Such also should have been the effect of the resignation of the Prime Minister's faithful colleague, who has been the senior member of this house since the death of the late Mr. Lapointe and whose tact and eloquence held the Montreal district under the Prime Minister's banner as Mr. Lapointe had done in the Quebec district. The resignation of the former Minister of Public Works has therefore come as a most conclusive confirmation of our stand.

We have always believed in Mr. Cardin's sincerity and we now have more reason than ever to do so. Just as Mr. Lapointe, our lamented leader, and we ourselves did, Mr. Cardin hoped that a government led by one whose very faithfulness to Laurier in his struggle against conscription had led to his being chosen as leader of the Liberal party, would never enforce such a measure. It seems that he was in such earnest about it

that he retained his hope longer than we did. However, confronted by the facts, as soon as he realized that the Prime Minister put his cards on the table—

The DEPUTY SPEAKER: Order. It is eleven o'clock. Does the hon. member intend to proceed with his speech at an early date?

Mr. BONNIER: It will take ten minutes at the very most.

The DEPUTY SPEAKER: The hon. member may continue with the unanimous consent of the house.

Is it with unanimous consent of the house?

Mr. COLDWELL: How long is the hon. gentleman going to be?

Mr. BONNIER: Eight or ten minutes.

Mr. STIRLING: I do not think we can consent to that.

Mr. DEPUTY SPEAKER: The hon. gentleman has not unanimous consent. Therefore he must move the adjournment of the debate since it is eleven o'clock.

On motion of Mr. Bonnier the debate was adjourned.

It being two minutes after eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, June 30, 1942

The house met at three o'clock.

CONTROVERTED ELECTIONS

CONSTITUENCY OF STANSTEAD—JUDGMENT OF SUPREME COURT OF CANADA

Mr. SPEAKER: I have the honour to inform the house that I have received from the registrar of the Supreme Court of Canada certified copy of judgment of the said court setting aside the decision of the trial judges of the Superior Court of Quebec and declaring the petition in the matter of the election for the electoral district of Stanstead should be maintained and the election of the respondent for the House of Commons should be annulled.

PRIVILEGE

MR. O'NEILL—REFERENCE TO STATEMENT OF MR. MACINNIS IN DEBATE ON JUNE 29

On the orders of the day:

Mr. T. J. O'NEILL (Kamloops): Yesterday when I was speaking in this house in the debate on the mobilization act amendment bill, the hon. member for Vancouver East (Mr. MacInnis) said that some things I said were not true. In order to keep the record straight I wish to refer to page 3770 of *Hansard*, where the hon. member for Vancouver East is reported to have said:

I want to correct the hon. member's statement. His assertions are wrong. There was no Cooperative Commonwealth Federation in this house in 1934.

The record is somewhat different. On February 1, 1933, at page 1687 of *Hansard*, the late Mr. J. S. Woodsworth, then the member for Winnipeg North Centre, speaking to a resolution of the Cooperative Commonwealth Federation, had this to say:

When I introduced this motion a year ago there was no large body of organized opinion behind it. To-day that situation is altered, for last August there was organized the Cooperative Commonwealth Federation—

Then he goes on to say:

We endorse the general viewpoint and programme involved in socialization of our economic life as these have already been outlined and accepted by the labour, farmer and socialist groups affiliating.

Mr. COLDWELL: Mr. Speaker, I rise to a point of order. Is this a question of privilege? I cannot hear what the hon. member is saying.

Mr. SPEAKER: The hon. gentleman is speaking to a question of privilege in regard to a statement which he made yesterday and which the hon. member for Vancouver East characterized as incorrect.

Mr. COLDWELL: We were not able to hear what the hon. gentleman was saying. I heard indistinctly the name of Mr. Woodsworth mentioned, but could not hear anything else.

Mr. MacINNIS: On a question of privilege—

Some hon. MEMBES: Order.

Mr. MacINNIS: If the hon. member for Kamloops makes a statement we surely have the right to reply. His statement should have been made last night.

Mr. SPEAKER: The hon. gentleman is referring to a statement he made in debate, which, he says, the hon. member for Vancouver East characterized as untrue. He is now rising to a question of privilege in order to substantiate the statement he made.

Mr. O'NEILL: The hon. member for Vancouver East did not merely characterize it as untrue; he said positively that it was not true. That was in connection with my statement that the hon. member for Vancouver East had voted with the Conservative government for private ownership of the Bank of Canada, when the bill relating to the Bank of Canada was introduced for third reading.

Mr. HANSON (York-Sunbury): This is an argument.

Mr. O'NEILL: I have not taken up much of the time of this house, Mr. Speaker, and I think I have the right to proceed. On June 28, 1934, the hon. member for Vancouver East and the late Mr. Woodsworth voted with the government on the third reading of the bill for the establishment of a privately-owned central bank, on a division in which the Liberals all voted against privately-owned banks.

MR. CHURCH—REFERENCE TO STATEMENT OF MR. SLAGHT IN DEBATE ON JUNE 25

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I rise to a question of privilege. I wish to refer to a speech made in the house last Thursday by the hon. member for Parry Sound (Mr. Slaght), at page 3695 of *Hansard*, in which he mentioned myself and the Union government and the Military Service Act. He based his remarks on a text book, Doctor Skelton's "Life of Sir Wilfrid Laurier." He said:

I am sorry the hon. member for Broadview (Mr. Church) is not here, for the Toronto *Globe* referred to the widespread feeling of disappointment, while it is said that Mayor Church of Toronto stated:

"The Military Service Act will cost the country millions and is getting very little results. If the government had spent one-quarter of the money in voluntary recruiting, they would have got more men."

Let me say that this book does not quote the page or the issue of the Toronto *Globe*, nor does it say what I said, because the remarks were never made in that connection. I was complaining about one thing, and that was a lack of equitable enforcement of that act throughout Canada. I complained because before the act became effective Toronto and Ontario had been dried up of voluntary recruits, and hardly any could be further obtained.

I never saw Doctor Skelton's text book until this afternoon. And may I say that the hon. member for Parry Sound has described the author of the book as an historian. Well, if he is an historian he should state facts. The book does not state facts, because the real fact is that from the start I strongly supported the Union government and the Military Service Act. My only complaint was in connection with the non-enforcement of the act elsewhere in the province, and particularly its enforcement in Toronto. I called attention to the fact that that enforcement was not equitable. In reply to the hon. member for Parry Sound I say that what I said was that the enforcement of the act was unfair to Toronto and to Ontario generally.

Two or three years before this war, from 1937 to 1939, I urged on many occasions here a compulsory selective service register for Canada. I have been a supporter of that policy, and before and during the 1940 election I supported conscription and the policy of equality of sacrifice. Then the hon. member for Parry Sound makes things worse by casting reflections upon me, and by attempting to show a worse side of the picture. Referring to me he said "that I had been misled by my absentee leader". I was not a member of the House of Commons between 1917 and 1921. And may I point out in passing that the absentee leader to whom he refers has two sons in England, and that the party he refers to polled nearly one-half of the total vote in the elections of 1940. I might have something to say about these matters in another debate, because the hon. member has not stated the facts exactly and the connection to which they relate. His facts are not correct, nor are those of the writer of the book. I may challenge this or discuss it at another time.

EXCESS PROFITS TAX

BUDGET PROVISION FOR REFUND OF 20 PER CENT AFTER THE WAR

On the orders of the day:

Mr. BROOKE CLAXTON (St. Lawrence-St. George): In view of concern which has been expressed to the effect that the 20 per cent of excess profits tax to be refunded after the war is to be taxable as income when refunded, would the Minister of Finance make a statement in the matter?

Hon. J. L. ILSLEY (Minister of Finance): It will not be subject to income tax when refunded. It will be regarded as a part of income which is already taxed.

BEEF

REDUCTION OF PRICE PAID BY PACKERS TO FARMERS

On the orders of the day:

Mr. G. J. TUSTIN (Prince Edward-Lennox): I should like to ask a question of the Minister of Finance or the Minister of Agriculture. A few days ago the price control board issued a statement setting a ceiling price on beef, and stating that there would be three reductions between July and September, the first of which, to the extent of one cent a pound, is to take effect on July 13. On what authority did packers in Toronto and Winnipeg yesterday reduce the prices for beef paid to farmers to the extent of one cent a pound at Toronto and one and a half cents at Winnipeg?

Hon. J. L. ILSLEY (Minister of Finance): Probably I am the minister responsible. All I can say is that I shall make inquiries and let him have the information either privately or in the house, as he wishes.

Mr. TUSTIN: It is reported in this morning's press.

Mr. ILSLEY: I understand.

THE BUDGET

DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Tuesday, June 23, consideration of the motion of Hon. J. L. Ilsley (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Hon. R. B. HANSON (Leader of the Opposition): Tomorrow will be the seventy-fifth anniversary of the founding of this dominion—a long time in the life of an individual, but relatively short in the life of a nation. Only one other nation—the United States—has made such rapid strides in intellectual progress, political development, and material wealth in such a short period of time. So rapid has been our growth along all these lines, so certain has been our advancement, that we have been largely unconscious of our own development or of our strength. Yet on this seventy-fifth birthday of this nation we are literally standing on the edge of an abyss, and the whole future of civilization hangs in the balance. What a paradox!

What the end will be, no one can foresee. Dark days ahead—yes. But victory in the end is certain if we of the united nations will but gird our loins, put on the full armour of our strength, and pull our weight in the great task which lies before us.

In one respect at least this budget is the answer of the Canadian people to the challenge of the hour. Financial sacrifice—yes. But, after all, that is the least we can do. If you do not believe that, remember the casualty lists of 1917 and 1918, and try to visualize those of this year, next year, and every year until this war is won.

There was neither glamour nor high-sounding rhetoric nor political adornment in the budget speech of the Minister of Finance (Mr. Ilsley) to which we listened on Tuesday last. But there were statements and assertions of an arresting nature at the close of the minister's address which I sincerely hope caught the ear of all the people of Canada, including, if I may say so, those in this house who, in the early days of the war, advocated a moderate contribution—a middle-of-the-road course—for Canada.

I have observed during a somewhat long and full life that if you want to get the immediate attention of an individual you have only to say or do something which affects him personally, something which will affect his pocket-book. We have this something here in this budget.

The tax proposals are not only substantial; they are crushingly severe, and will bring home to all of us, as perhaps nothing else could, "the critical gravity of recent events and the necessity of making a supreme effort", to use the words of the minister, not only during this present year but in each succeeding year in which this nation, along with those of the united nations, will be engaged in a struggle for survival.

The position which the minister portrayed in the concluding paragraphs of his address is exactly the position which I have tried, perhaps inadequately, to portray to the Canadian people from the very first session of this parliament. There have been times when I have been appalled, and have had a feeling of despair at the apathy of a large portion of our people. In the early stages of 1940 there was a feeling of complacency which, in my view, was engendered and fostered by the attitude of the administration itself. Fortunately that has been reversed, both in the minds of the administration and in the minds of our people.

Their complacency, their desires for "gain and ease and advantage"—again quoting the minister—from now on must be submerged in the nation's will to win. I only regret that in one particular feature the Prime Minister (Mr. Mackenzie King) has not shown that will to win which is so urgently needed. But I say this, that sooner or later—I hope not too late—he, going along with the more forthright members of his cabinet, will change his views and practise what he has so long preached—total war with total effort. We are now approaching full conscription of wealth, and soon, I trust, we will be practising, in fact as well as in theory, the total mobilization and use of all the resources of the nation.

To those of us who recall the budgets of Mr. Fielding, in the pre-war days, the budgets of Sir Thomas White, in the days of world war No. 1, or even the budgets after that war, this year's budget is a stern reminder that two world wars have changed our whole economy, as indeed they have changed the lives of every one of us.

The consideration of ways and means should be one of the chief preoccupations of this House of Commons, and I regret exceedingly that the delivery of this budget has been delayed to this late date in the session. Here we were, late in the fifth month of the session,

on the ninety-second sitting day, listening to the largest budget—in terms of dollars and in terms of material sacrifice—in our history. The delay in its presentation is directly attributable to the anxiety of the Prime Minister to maintain his political position in the country and has been brought about largely by his determination to carry through the farce of the plebiscite and his policy of appeasement. We have had almost a hundred speeches by hon. members opposite on the debate on the address, and at least seventy-five on this mobilization bill. On this question of delay, six of the twelve months of the calendar year have passed. Now, after six months, business executives, and more especially taxpayers in the lower income brackets, are being called upon to make tremendous adjustments in order to meet the strain occasioned by this budget. Six months of the calendar year have gone by, and to bring down these changes so late in the year does not give the taxpayer any opportunity to make a twelve months' adjustment, but compels him to carry out a twelve months' adjustment in the last six months of the year. That position is unfair, especially for the small salaried man who has to budget at the beginning of every year and who makes his commitments in the first part of the year. It reveals an attitude of indifference to the plight of the people who are called upon to pay this budget, and it is wholly reprehensible.

In the more than five months in which parliament has been in session, we have really dealt with only three of four important pieces of legislation—the billion dollar appropriation for Britain, the two billion dollar war appropriation bill, the wheat legislation, and the dominion-provincial agreements. All the rest of the time was wasted on the debate on the address, the perfectly useless and wasteful debate on the plebiscite bill, and still later, the debate on bill 80, amending the mobilization act—all three of which measures should have been disposed of in as many weeks.

No wonder the people of Canada look askance at this House of Commons and, in some quarters, express amazement at our performance!

An hon. MEMBER: Ah!

Mr. HANSON (York-Sunbury): I hear some hon. member interject "Ah". I venture to say that that comes from a quarter which has not contributed anything to this debate. No wonder there is a feeling of frustration on the part of the Canadian people at all this sham and shadow-boxing, and that at a time when the fortunes of the united nations are at a lower ebb than at any time since Dunkirk. I confess to you, sir, that when I heard, a week ago Sunday, the black news of the surrender of Tobruk, the news of the imminent fall of Sevastopol, the reports of the shelling of our own shores on the west coast, and this week the depressing news of the retreats in Libya, I was oppressed by the dreary and heartbreaking thought that, little by little, with a retreat here, another there, a disaster here, another there, the united nations were steadily losing this war, while we in Canada, and especially in this House of Commons, were debating among ourselves the question whether we would or we wouldn't, not whether we could or we couldn't, achieve in deed and in truth that which, for two long years, the administration has professed with lip service but which it has not by any means reached—the practice of total war. Surely the time has arrived when we should cease talking about the things which divide us, and here and now highly resolve that if we are to survive we must resort to and put into practice complete and unlimited action, along the line of principles to which most of us, if we will be but true to ourselves, will admit that we adhere.

Down in Washington last week the two greatest statesmen in the world, the two men upon whom the eyes of the whole allied world are to-day straining their vision—

Some hon. MEMBERS: Three.

Mr. HANSON (York-Sunbury): —were meeting to perfect ways and means—

Some hon. MEMBERS: Three.

Mr. SPEAKER: Order.

Mr. HANSON (York-Sunbury): —of stemming the tide of retreat. I said two, and I stick to it.

Some hon. MEMBERS: Three.

Mr. HANSON (York-Sunbury): Mr. Speaker, I should like to have a little order.

Mr. SPEAKER: Order. I must insist that the leader of the opposition have the right to proceed without further interruption.

Mr. HANSON (York-Sunbury): They were meeting to perfect ways and means of stemming the tide of retreat, adopting plans to turn retreat into offence—offence which is the only road to victory. May God guide and direct them. For I say to you, my friends, unless the united nations adopt a new attitude and strike out in an offensive, we shall continue to see and witness more retreats and more disasters.

For months now I have been looking for some sign of an offensive action in Europe. I am firmly convinced this war can and will only be won where it started—in Europe. I

pray that there shall not be a day's delay in reaching a decision. When that time comes, then our gallant Canadian army in Britain, together with the forces of Britain and the hosts from the United States now being massed there, will strike the vital blows that are so necessary for the liberation of the world. Then, and then only, will the forces of the united nations be in a position to overthrow the forces of evil.

I try to visualize the difficulties, with Britain already fighting on so many fronts; but if Russia fails, then ultimate victory recedes. Who is there among us but does not shudder at the very thought of Russian failure?

I have no special knowledge of the feasibility of the project, but we are supposed to have the best trained and best equipped army of its size in Britain. United States troops are being massed there in large numbers. Surely they are not there merely for the defence of Britain. The time and the manner and the place must be left to those in authority.

I turn now to a consideration of our financial requirements for our war effort this year. So far as I have been able to estimate, they, together with the normal peace-time outlay of government, will approximate four billions of dollars. The minister says it will not be less than $3,900 million. Just imagine a total budget expenditure of almost four billions of dollars for this little nation of less than twelve million souls—more than $333 for every man, woman and child in Canada! What a task to raise, by various means, this vast sum of money!

Can it be done? I believe it can and will be done, but it will mean sacrifice, great sacrifice. Let there be no mistake about that. I believe the Canadian people will make the sacrifice willingly, if they are convinced that they will have the leadership so necessary—leadership that we have never had right down to this moment.

Direct taxation and incidental revenues on the basis of 1941-42 are producing many times as much as was produced in the last pre-war year. What we have already accomplished will not be good enough for this and succeeding years of the war. This country will have to produce by taxation two billions of dollars, or half our total outlay, if we are even to approach within striking distance of the objective of the pay-as-you-go—as far as practicable—policy of the administration, and to which neither we nor the Canadian people in general have objected. I have always said the Canadian people will give and lend to the limit, to this or any other government, the money necessary to win this war, but they want the money spent properly, not wasted, and they will hold the government strictly to account.

There is one very grave omission in this budget. Every individual is being asked to practise the most rigorous economy. But what proof is there in this budget, or indeed elsewhere in government policy, that ordinary operating costs of government are being cut to the bare bone, that waste is being eliminated, that thrift and frugality are being practised? In every quarter there is evidence of wasteful expenditure, and particularly is this true in defence expenditures. Evidence and examples of that reach me almost daily, and I know it must be within the knowledge of almost every member of this house, this terrible extravagance that is going on in connection with defence projects. I say to the ministry that the new tax proposals would meet with a more generous reception and there would be greater willingness to shoulder the new tax burdens if the government would itself set the example of economy. Instead, it has budgeted for a 10 per cent increase in ordinary non-war costs of government—instead of what it should be 10 per cent cut off, and then 10 per cent more cut off.

We have a rising national income, attributable largely to war expenditure—not true national income, as I understand that term, but yet national income as interpreted by the economists. How large is that national income? Estimates vary. It depends on who is making the estimate; but let us estimate it at seven billions of dollars. I think that is a little high; but it will approach that figure. If so, then we must divert by taxation at least one-third to war purposes. The balance required must be raised by loans and other devices, if we are to follow the orthodox methods of the administration and its advisers. This will strain the resources of the Canadian people to the utmost. We must not disguise that fact in any way. There must be more of the tightening of the belt, as has been stressed from time to time.

We have raised $2,600 million in our four war loans, in war savings, and in free loans, in forty months of war. Four billions more in taxes and loans or other devices will test us, but I believe the loyal people of Canada will meet the test with fortitude and endurance. We must—or else! All they ask is that the burden of taxation be equitably distributed, and that there be equality of sacrifice. Surely they are entitled to that.

Really, Mr. Speaker, when you come to examine the position, what hardships have we, as a people, been called upon to endure up to this time? Relatively high taxation? Yes. But what else? A little less coffee, a little less tea, a little less sugar, a little less clothing, a little less gasoline, and now we are to be asked to pay a little more for whisky and tobacco. There are also some slight restric-

tions on consumer goods and in other directions. But let us be candid with each other. We have not sacrificed much—nothing like what the people of Britain have sacrificed; nothing like what I fear we shall have to sacrifice before this war is won. Let us face the future manfully and realistically. Let us tap the national income all along the line without fear or favour. Let everyone from the highest all the way down do his share. Only then shall we be able to face our conscience and each of us say to himself: I am doing and shall do my part if it takes the last dollar. The stake is worth it, my friends. That is the text and that is the spirit I offer to the Canadian people to-day.

When Canada entered this war in September, 1939, our basic sources of revenue were customs duties, excise duties and taxes, including a sales tax of 8 per cent, and income tax on corporations and individuals. From these sources, in the fiscal year immediately preceding the war, we derived a total of 435 millions of dollars.

In the fiscal year ended March 31, 1941, we collected from those same basic sources a total of 1,359 millions of dollars, or more than three times as much. I think it is fair to add that we have had some new taxes not differing in principle or radically different in any degree, except in quantum, from the old taxes.

The ability of a country with a population of less than twelve millions to pay in taxation a total of nearly 1½ billions of dollars—averaging, as it does, about $120 per capita—without undue hardship, is a tribute not only to our people but to the material resources of this country.

In making this vast contribution in cash to the national revenues, there have been some inequities and some inequalities. In particular, in the field of personal income taxation, there has not been equality of sacrifice. I emphasized this on a previous occasion. When in 1940, and again in 1941, the rates on personal incomes were raised by the budgets of those years, I indicated the view I held that the taxes then imposed on such personal income were inequitable and lacked the element of equality of sacrifice.

I now wish to deal in some detail, if the house will bear with me, with the proposals of the Minister of Finance with respect to personal income tax.

In his personal income tax proposals the minister has had three major objectives in view. First is the curtailment of present excess purchasing power and the diversion of as large a proportion as possible of the national income to direct war purposes. The curtailment of existing purchasing power is necessary to-day in order to curb the causes of inflation and in order to divert labour from the manufacture of unnecessary consumer goods to the manufacture of war materials or to the use of those materials in the armed forces.

So far as curbing the causes of inflation is concerned, it will be recognized that the existence of a price ceiling may prevent inflation, but I suggest that it does not strike at the causes of inflation and certainly does not prevent inequitable distribution of available essential consumer goods. Consequently a further curtailment of purchasing power and a further diversion of labour to war purposes has become an essential part of our war financing programme.

It will be recollected that last year I criticized the minister's budget on the ground that it had not faced, with sufficient realism, the problem of consumer spending. The enormous increase in retail sales during the last year has demonstrated that I was justified in that criticism, and I am glad to note now that, not only in his income tax proposals but in his new taxation of luxury commodities, the minister has met, in a measure at least—perhaps to a large degree—the criticism which I offered last year.

I now turn to the minister's second objective, which was, of course, the raising of additional revenue. He estimates that the increased yield from the personal income tax will be 45 millions of dollars for the remainder of the present fiscal year, and 115 millions of dollars for a full year. That is a large increase, and I do not believe that people will visualize just how large it is unless a comparison is made with what they have been paying heretofore under the same heading.

The magnitude of this increase is perhaps best illustrated by the fact that in the fiscal year 1938-39 the total personal income tax collections amounted to only 46 millions of dollars. In the fiscal year 1939-40, during seven months of which we were at war, the total income tax collections amounted to only 45 millions of dollars. In other words, the total increased yield from the tax increases for the remainder of the present fiscal year is as much as our total collections from personal income tax in the fiscal year 1939-40, during seven months of which we were at war. Our total income tax collections, including national defence tax, for the first full fiscal year during which we were at war, namely 1940-41, amounted to only 106 millions of dollars. Consequently the anticipated yield from the increased rates for a full year is almost 10 millions of dollars more than our total

collections by way of income tax for the first full fiscal year of the war. That, I think, illustrates the size of the increases.

The third objective which the minister had in mind would appear to be the provision of post-war purchasing power to aid in post-war recovery. I was rather amused at a question—I suppose a framed question—asked by the hon. member for St. Lawrence-St. George (Mr. Claxton) of the Minister of Finance (Mr. Ilsley) at the opening of this sitting, whether the refundable portion of the tax collected would be subject to further income tax. Well, it is a ridiculous question. To do so would be a violation of good faith, and I wonder at the mentality of the hon. member who asked the question.

Mr. ILSLEY: Mr. Speaker—

Mr. HANSON (York-Sunbury): Well, that is just a little lecture, and does not call for a reply from the minister.

Mr. ILSLEY: The question was being asked publicly by certain newspapers.

Mr. HANSON (York-Sunbury): Then the newspapers had better examine their own heads, because to tax that twice would be a breach of faith. It is income tax now, it is credit; it is to be given back to us, and no government, unless it was a socialist government, would dare to tax it twice.

Mr. ROWE: That is why the question was asked in the house.

Mr. HANSON (York-Sunbury): Perhaps that is the reason. If that is so I will forgive the hon. member the question.

In this provision, the minister has adopted in large measure the principles and theories of the great English economist, John Maynard Keynes, whose principles and theories, as expounded by him in his book, "How to Pay for the War", have also been largely adopted in England. As I propose to discuss them in greater detail a little later in my address, I shall not dilate upon them further at this juncture, except to point out that two forward-thinking members of the opposition have frequently advocated the adoption of such a plan. I mention in particular the hon. member for Saskatoon (Mr. Bence) and the hon. member for Dufferin-Simcoe (Mr. Rowe) both of whom have advocated the plan with considerable force and vigour.

These three, then, were the objectives which the minister had in view in presenting his proposals, and the success of his proposals must be judged largely by the manner in which they attain the objectives.

In addition to stating his proposals, the minister laid down three standards or criteria on the basis of which to judge his proposals—namely the need for equity, for incentive, and for savings. That these are proper criteria I would not disagree; I think perhaps we all agree, although we may not be completely in accord on the question whether the minister's proposals are fully in line with all these criteria.

The minister mentioned the danger that high progressive rates of income tax may interfere with the incentive for harder and better work for efficient production; and well he may. There is such a thing as killing the goose that lays the golden egg. In mentioning this the minister recognized, of course, the important role which profit plays in the life of every individual, every last one of us. I would hope that the proposals have not too seriously interfered with that instinctive craving of individual human beings, and that the people of this country will respond to the urgent necessity of making service to the state—let me emphasize that—in this time of national crisis their major incentive to greater and more efficient production. Service to the state, not private profit or private gain, should be the standard for every one of us.

I propose to turn now to a discussion of some of the highlights of the proposals themselves. I think it is only on the anvil of discussion we can get to understand these proposals. That is one of my excuses, not an apology, for occupying the time of this house on this very hot afternoon, and if I add something to the sum total of the knowledge of hon. members I am sure they will forgive me.

The first important change is what the minister speaks of as the combination of the national defence tax and the graduated income tax into a single assessment. In committee we shall be able to analyse these imposts and determine whether the minister has gone far enough in the combination of the two taxes. What is now spoken of as the "normal" rate of tax appears in reality to be substantially the old national defence tax. It differs in principle from the graduated income tax in that is is assessable against the total income of any person whose income exceeds certain specified amounts. In view of the attempt which will be made to deduct both types of income tax at the source, I hope the minister will explain to the committee why he has not made a full and complete combination of the two taxes into a single graduated tax—in other words, added the percentages required to be paid under the normal tax to the percentages required to be paid under the graduated income tax, properly adjusted to produce the same revenue. This would have meant greater simplicity, I submit, both for

the individual taxpayer and for the tax officials of the Department of National Revenue. There may be good reasons why this was not done, but I should like the minister to explain fully in the committee stage just why it was not done. I have a shrewd suspicion as to what the reason was. By this method of putting the normal tax on the full amount of taxable income the minister desires to draw a larger sum from the lower wage and lower salaried people than he would by a complete combination. I think that is incontrovertible.

I am bound to say that I think the increase in rates of the normal tax as opposed to the old national defence tax was expected. I do not think there will be great objection. I believe it will make for equality of sacrifice, a principle for which I have always contended. The increase, however, in the graduated taxes is tremendously heavy, although, as the minister pointed out, there are certain alleviating features which are introduced into our financial system for the first time, and which I shall discuss a little later. These increases will bear heavily upon all classes of our citizenship and will involve a very substantial change in the mode of living of practically every class of our Canadian people. Subject to certain inequalities which I shall point out later, and which I hope the minister will undertake to rectify, I believe the Canadian people will assume this burden in the same spirit of patriotism and willingness to sacrifice as they have assumed every other burden which they have been called upon to bear since the outbreak of the war. These increases are part of the price which we must pay for victory. I do not believe there is any class of our Canadian citizenry who are not prepared to place their last dollar at the government's disposal if it will mean the triumph of our institutions over the forces of evil and terror.

The next important feature in the income tax resolutions is the proposal to collect payments by regular deduction at the source, or, where that is impracticable, by compulsory instalment payment. There will be objections to this procedure in some quarters. There are many deductions from pay envelopes now. There is grumbling, and demands will be made for higher and higher salaries and wages to meet these deductions. In the early stages of the war these demands were met by many employers. This new deduction will cause a good deal of irritation; but, having considered the matter from every angle, I do not intend to oppose the procedure. I realize that this is the easiest method by which the government can get the money, and this is the surest method by which payments will be made. It must be obvious, I think, to all of us that the tax rates have reached such a level that their payment must be a matter of grave anxiety to the taxpayer and a matter of monthly budgeting by every one of us.

I was rather disappointed to hear the minister say in the course of his speech that only a minority had availed themselves of the heretofore existing voluntary instalment plan. I believe that plan was both good and useful, I used it myself. I was compelled to use it, and I found it satisfactory. The new plan of deduction at the source, or the compulsory instalment payment, will bring not only increased revenue but earlier revenue to the treasury, and it will above everything else help to curb consumer-spending by preventing prodigal and spendthrift individuals from going on a buying spree, thus utilizing unnecessary consumer goods and then finding themselves unable to meet their obligations to the state.

The minister has changed the whole principle of exemptions in respect of dependency. Instead of allowing specific sums as exemptions in respect of marriage and dependents, the minister proposes in effect to freeze the value of exemptions at the amount which they have been worth under existing tax rates, to a taxpayer with an income of between $2,500 and $3,000. This feature of the minister's proposal is open to serious objection, and in my view works unwarranted hardship upon the family man as opposed to the single person. I am sure the minister will agree that the family man should be in no less favourable position than the single man or woman, but that is exactly what is occurring and that is where he is being put. He is being put in a less favourable position.

No matter what the economic status of a husband may be, he will now be allowed only $150 deduction in respect of his wife and $80 in respect of each child. Surely no one will suggest that there is any equity in this. Surely no one will assert that the obligations of a married man with two children are only $310 per annum greater than those of a single person. Surely no one will suggest that the obligations of a married man who must buy or rent quarters and provide clothing and food for his family, must provide for the education of his children and the security of his dependents in the event of anything happening to him, are so little greater than those of a single person. Is it right that a man with the responsibilities of a home should be given only $150 per anum consideration for having undertaken those responsibilities, and

an additional $80 for each child whom he maintains? I ask the minister to reconsider that whole position. It is not fair; it is not just.

The minister stated that other changes would have the effect of widening the differences between single and married persons and those with children. While some of the changes do perhaps have this result in an indirect way, I do not believe that any of them are of such a nature that they will place persons of these different marital circumstances upon a substantial equilibrium. I give the minister and the house an example of what I consider to be a glaring case of discrimination and inequity. A single man earning $3,000 a year will contribute total taxes and compulsory savings amounting to $1,064 per annum; a married man with two children, with all the responsibilities of a home, education and all that goes with the maintenance of a family of four, earning $3,000 a year, will contribute total taxes and compulsory savings amounting to $668 per annum. The single man will thus be left with $1,936 net income per annum, while the married man with two children will be left with $2,332 per annum, or less than $400 more than the single man. Is it right that the man with the responsibilities of a home should be allowed less than $400 per annum consideration for having undertaken those responsibilities? I believe the old system was much more equitable and just. It recognized the undoubted fact that as a man's income status becomes higher his necessary family obligations increase, and so his tax exemptions operated to decrease proportionately his tax.

Mr. ILSLEY: But were not those nearer together in the past?

Mr. HANSON (York-Sunbury): These are my deductions. The minister can analyse them any way he likes. I think I am right.

The old system recognized that an attempt should be made to achieve a comparative equity between married and single persons. Now all that is gone by the board and the family life of this nation will inevitably suffer.

I draw this particularly to the attention of the house and particularly of the Prime Minister. I hope he will give some consideration to this question. It is the only appeal I shall make to him in regard to the matter of taxation. Heretofore my observation has been that he has never paid much attention to these questions of taxation. I fail to recall in recent years any occasion on which he has intervened in the budget debate or expressed any opinion on fiscal policy.

I want to point out, and I draw this particularly to the minister's attention, that the object of his fiscal policy, an object with which I agree, is to reduce inflationary spending on useless commodities and services. It is notorious that our young single citizens are the chief contributors to the wave of useless and wasteful purchasing of non-essential goods and services which is a fundamental cause of inflationary danger.

Do not let it be said that I am arguing the case of the rich man. Nothing is further from my intention. I am arguing the case of the small and medium earning class who have undertaken responsibilities to the nation and who should not be penalized but should be given encouragement to fulfil them. Those who say that to retain the old system would help the rich man do not appreciate the fact that the maximum exemption which could possibly be allowed under the old system would be, in the case of a man with an income of $500,000, only 98 per cent of $750—not a very substantial sum for a man with an income of $500,000. If it is thought that to retain the old system would assist the wealthy man too much, then I suggest that the old system be adopted up to a specified ceiling and that the exemption should not then operate at any higher rate. The man I am trying to help is the man of small and moderate income, and I believe that this change works upon the married man of that class a most unfair discrimination.

I consider this proposal a retrograde step, and I urge the minister to revert to the old system, which was much more just and equitable than his new proposal. The youth of any nation is its greatest asset. Anything which tends to discourage the raising of a family is a vital and oppressive blow to the future of any nation, and this proposal does just that. People cannot afford to have children. If Canada is to be a great nation in the future she must have greater population, and the most satisfactory way to achieve an increase in population is to encourage the raising of children steeped in Canadian tradition rather than through immigration of persons steeped in the traditions of other lands. I therefore urge most strongly upon the minister the reconsideration of this proposal, and I sincerely hope he will change it.

As a measure of alleviation of the steep increase in income tax, the minister has proposed the adoption of three new principles:

1. Exemption of medical and hospital expenses in excess of 5 per cent of income;

2. Establishing a proportion of the tax as a minimum savings requirement, which will be held to the credit of the taxpayer as a refundable credit, with accrued interest at 2 per cent;

3. Deduction from the minimum savings requirements of amounts paid in respect of superannuation, life insurance, and principal payments on mortgages on homes.

So far as the first principle is concerned, I am sure that every member of his house, especially those who belong to the medical profession, will be in agreement. Indeed so far as I am concerned I would hope that this might be a permanent feature of the income tax structure. When the tragedy of serious illness befalls a family, the drain on the family income is frequently such that for the state to tax the amounts spent constitutes a most serious hardship. It occurs to me that perhaps the principle will require to be broadened somewhat. As it now stands it does not appear to cover those not unusual cases where the actual expenditure for a physician or for hospitalization is not large, but where the expenses of the individual for medicines prescribed by the physician reach very large sums. I have in mind as an example those who are required to use insulin. I hope the minister in committee will see fit to broaden the resolution to include such cases, although I appreciate that there might be great difficulty in doing so, and perhaps some danger.

Earlier I mentioned, in passing, the new principle of minimum savings requirement, which has been largely adopted from the deferred pay theory of Lord Keynes. I mentioned also that this is a principle which has been advocated from time to time by members on this side of the house. I am glad to see that the minister has adopted the principle. This minimum savings requirement, as part of the general increase in the tax rate, strikes at the problem of unnecessary consumption of consumer goods. The provision for the return of the specified sums in the post-war period means that the individual now forgoes or postpones consumption in order that he may enjoy it at a later period when that consumption will be more advantageous to the economic good of the nation. This plan of deferring or postponing consumption will be, I hope, an important feature in post-war recovery. The release to individual taxpayers after the war of the sums which they will now establish to their credit will lead to a demand for consumer goods after the war and will thereby help to start the wheels of the ordinary economic system in renewed and vigorous operation. Therefore I believe the principle to be a sound one, not only for the present but for the future. There are a number of matters in connection with the practical application of the theory which will require to be clarified when the house is in committee, but I commend the principle itself.

I should like at this stage to reiterate what the minister emphasized in his budget speech, namely, that the refundable portion of the tax is merely a minimum savings requirement. It does not absolve the taxpayer from the patriotic obligation of contributing to his utmost to voluntary savings methods. It is obvious from the minister's speech that new taxation alone will not begin to meet the financial requirements of this country, and that hitherto unheard-of sums will have to be raised by direct borrowing from the people. I have sufficient confidence in the Canadian people, as the minister himself has expressed, to believe that they will respond to their patriotic duty and will endeavour to save, over and above the amounts which they will be called upon to contribute as minimum savings requirements, as much as it is possible for them to do, and will invest it in war savings certificates and victory loans. To do so will require rigorous and plain and simple living on the part of every one of us. I am prepared to make that sacrifice. So are we all, I believe.

An important feature of the minimum savings requirement is the third principle to which I alluded, namely, the deduction from the minimum savings requirement of amounts paid in respect of superannuation, insurance, and principal on mortgages. In other words, credit is being given to the frugal individual who has taken his own means to provide for his own future. The minister has recognized that such a person should not be required to contribute twice and, in addition, that such payments are not of an inflationary character.

Another type of payment for which I believe provision should be made is that under agreements for sale. Such payments are identical in principle with principal payments on a mortgage, and I hope the minister will see fit to include them.

The minister's proposal, as it now stands, will rectify what has always seemed to me to be an inequality. In the past a person contributing to an organized pension or superannuation deduction scheme was entitled to claim exemptions in respect of his payments, whereas the individual who had not the benefit of such a scheme, but who must provide the equivalent by the purchase of government annuities or life insurance as a means of securing himself for the future, was not permitted any deduction. I am glad to see that this inequality has been done away with.

There is just one other feature of this vast increase in personal income tax to which I desire to allude. I call the minister's attention to it particularly. It must be recognized that personal income is of two classes, namely, that earned by the personal effort of the taxpayer, and that received from investments either accumulated or acquired by inheritance. The taxpayer in the fortunate position of owning investments can obviously meet a

difficult situation by selling some of his investments. On the other hand, the taxpayer whose income is derived in the main from personal earnings—say a lawyer, a doctor, or one receiving a salary—has no such happy recourse.

Events of recent years have left many people with debts that they are honestly and valiantly struggling to pay off. The new taxes take such a toll of their earnings that in many cases there will be little or nothing left to apply on old debts. It is surely in the public interest that debtors be given reasonable encouragement to pay their debts. Under conditions now envisaged, this will become practically impossible. It would be only fair and equitable if the government would permit an exemption, with respect to earned income, to the extent of, say, 10 per cent to enable the taxpayer to pay debts contracted before the war. In the aggregate the amount could not be important in relation to the total income tax. But it would in very many cases encourage and assist honest people to pay their old debts, and thereby help to maintain their morale and their feeling that there is something left to work for. People of this type should not be driven to the bankruptcy courts.

I do suggest to the minister that some provision must be made for people in the circumstances to which I have alluded, and I believe an exemption of the type which I have mentioned would serve the purpose best.

I wish to refer now to the excess profits tax. These are important business taxes. Important principles are involved.

In the first war session of September, 1939, we witnessed the introduction and, a few months later, the abandonment of a hastily drawn and ill-conceived excess profits tax. It never was put in operation. It had many inherent defects. I shall not enter into a discussion of these, but it laid down the principle that excess profits over normal or basic profits would be subject to special taxation and so make available to the state a substantial portion of the excess profits made. Its enactment in eighteen hours was hailed as a demonstration that democracy could act with speed on occasion. The present act is based on the statute of 1940.

We on the opposition side of this house have never opposed or criticized the principle of taxation of excess profits. We have all, I think, subscribed to the principle that no one shall become rich out of the war. Whatever criticism has been offered has arisen from the incidence of the tax and its application. That is a fair and legitimate subject of examination and criticism. In my opinion, due regard was not had, up to this budget, to the plight of many industrial corporations which, during the ten-year period of the depression, 1929-1939, had a hectic time to keep alive, not to speak of their obligations to their employees and to the communities which they served and in which they functioned. An attempt was made—which I believe in a measure has been successful, although only partly so—to classify those who were in the so-called "depressed industry" category. I have always thought this effort was praiseworthy and I believe the system established was fairly satisfactory. A board of referees was set up, composed of men of high calibre and good character, men who went about their work conscientiously. But I do not believe and never have believed that the base was broad enough.

There is a feature of our excess profits taxation on corporations and individual proprietors to which I desire to direct attention. Last year I asked the house and the country this question: If you continue to exact high corporation income and excess profits taxes, and still higher personal income taxes—and I agree that we must do so if we are to continue to pay as much as possible of our war costs out of current revenue—if you continue to exact huge so-called excess profits from these same sources, how will these individual proprietors and companies be in a position to meet the exacting post-war period of transition and change from a war-time economy to peace-time activity?

In particular, I then asked what thought have those master minds, who behind the scenes are formulating our war-time financial policies, given to the problem of enabling these same companies to provide the employment for our returned soldiers and our civilian population which it is so necessary to provide if we are to escape that dread period of unemployment which will inevitably descend upon us within a measurable period of time after the close of hostilities? These men have responsibilities; they have great power; but they are not answerable to anybody. I put this question to them—and they will probably all disappear and get out from under by the time the post-war period arrives.

Mr. ILSLEY: Put it to me.

Mr. HANSON (York-Sunbury): I put it to the minister, who can put it to them.

Mr. ILSLEY: No; I shall answer it myself.

Mr. HANSON (York-Sunbury): I dare say the minister will, but I suggest that it is to these gentlemen I wish to speak, these men who are formulating the fiscal policy of Canada, men with great power and no responsibility.

I then asserted that that situation must be faced. I have asserted with assurance on more than one occasion, both here and elsewhere, that no matter how wise government planning may be, no matter how much you may continue with economic controls, no matter what plans may be laid, nothing can ever effectively be substituted for the principle of private employment, which is based on the broader principle of private enterprise.

I believe that unless you keep these private enterprises strong and healthy—supervised and controlled, if you will, wisely and effectively—you will have no cushion upon which these industrial undertakings can rest during that trying period which, plan as we will, is bound to come. Unless they have adequate reserves to fall back upon, then the old problem of unemployment will be upon our backs, as it was in the days following the last war and in the long dreary days which preceded this war

The answer to my appeal, the reasonableness of which no one will deny, is found in that portion of the budget proposals which deals with this subject. The minister takes the ground that the act of 1940, by which certain basic and excess profits taxes were imposed, was appropriate to the period of expansion during the early stages of the war. Undoubtedly it has produced a substantial amount of revenue, but I doubt that it has always been reasonably equitable. However, I have no time to debate that point now. The minister now states that the time has come when we can and should make the tax more severe, and he proposes now to take the full 100 per cent instead of 75 per cent, but with a compensating feature. Personally I would prefer another method, but I shall not argue the point now. He proposes to increase the rate of tax on excess profits but not the flat rate of tax which applies to profits generally. I agree with the latter point of view, for obvious reasons. But I wonder if he is correct in his hypothesis that, in taking 100 per cent excess profits, he will not be removing the incentive for economy and efficiency in production. I hope he is right, but human nature being what it is, I may be at least pardoned if I am sceptical.

By taking the full 100 per cent, even though he leaves the flat rate of tax alone, he is in a degree depriving business of the right and duty to build up reserves—adequate reserves—for the post-war period. As a counter-balance, however, the minister proposes that, after having raised the rate from 75 per cent to 100 per cent, provision will be made—subject, as I understand it, to certain limitations—for refunding after the war, presumably after the official cessation of hostilities, to the taxpayer who has paid the 100 per cent rate on excess profits, 20 per cent of the amount of profits in excess of the amount at which the 100 per cent tax on the excess after the deduction of corporation income tax and the 12 per cent flat rate equals the 10 per cent tax on the total profit. This is a very obscure provision. Clearly it requires further clarification and elucidation. It is complicated, and I admit that I do not fully comprehend it. For this I may be pardoned. I wonder how many hon. members of this house comprehend it? I wonder how many members of the government who gave assent to this budget know what this means? I do not think any one of them outside the minister knows what it means. I suggest that the 20 per cent refund applies only when the 100 per cent rate effectively applies on any additional profits. This is a great limitation. It does not mean exactly a refund of 20 per cent of excess profits where the effective rate is paid, but only after certain other factors are computed. I invite the minister to clarify the position in the committee stage. The sum to be returned is without interest, but is unconditional except as to liability to the crown for any unpaid tax accrued.

Mr. JACKMAN: That is a nice touch.

Mr. HANSON (York-Sunbury): The outstanding principle is clear. These companies will have allocated to them on the books of the nation credits varying in amounts for the express purpose of enabling them to function in giving employment in the trying post-war period. This idea is not original with this government. I have hardly found any original idea in any budget. They have all been copied from something and made to apply to conditions in Canada. Some such a scheme has been established in Britain, although there are differences in the details and different limitations. When there in September last I had a long and most interesting interview with the chancellor of the exchequer, Sir Kingsley Wood, and I discussed this very matter with him.

They have no corporation income tax in Britain, but they have an excess profits tax of 100 per cent over and above standard profits. I have often thought that system would have been the proper one for Canada and preferable to our present system. It avoids the reproach of double or even treble taxation. This reproach has been levelled across the floor of the house on many occasions. I remember well that when the then hon. member for Waterloo North was the Minister of National Revenue I levelled criticism at the proposals made in the 1920's, and he admitted that the charge was well founded. It is probable that

it is too late now to change our system, but it was quite possible to have done so in 1939 and 1940, when the corporation income tax could have been vacated, the income taxed in the hands of the shareholders, and an excess profits tax of 100 per cent established from the very beginning. Business men, I believe, would have accepted it; in fact, those with whom I discussed the problem favoured it.

This was not done. It showed, in my view, a lack of vision, a lack of the realities of the situation which will confront us in the days to come. But because we have the present system fastened upon us, it is still, in my opinion, necessary and quite feasible to prepare for the post-war period by setting up, on the nation's books, credits for those who are paying so much in taxation so that they may—under government control, if you will—be able to function normally in the post-war period and provide that measure of employment and contentment which only private enterprise can provide. I approve the principle, even if I do not clearly understand the details. It is enough if I enunciate the principle which I think should guide us. It has been studied with great care by the treasury officials in Britain. They have no doubt of its soundness and of its necessity. I had intended to offer it as a constructive suggestion to the minister and to the gentlemen, from the head of the Bank of Canada down, who are advising him.

The minister indicated that other and minor amendments to the act will be brought down. I shall only allude to one—that relating to small business. I refer principally to owner-managed businesses. These men are in many cases facing ruin as a result of present taxation and controls. At present the law gives complete exemption to small businesses with profits of $5,000 or less. The minister states that this exemption in respect of the new 12 per cent flat rate will be withdrawn. If this means that taxation is to be made greater and heavier for them, I regret it; for under present conditions of price ceilings and similar restrictions, their plight is a difficult one.

On the whole, I congratulate the Minister of Finance on his action in providing that these taxpayers may recover, even in somewhat limited circumstances, 20 per cent of the 100 per cent excess profits tax at the close of the war, for the purpose of permitting the modernization, reconstruction, or readaptation of their factories, and, much more important, for providing working capital and employment which will then be so necessary.

I just want to say a word to the socialist party in this house in regard to this proposal. They will probably criticize the minister for making what they will allege to be a concession to the profit motive and to capitalism. My own feeling is that fundamentally it is a concession to the very important purpose of permitting employers to find jobs for their workers. I should like to take this opportunity to say to our socialist friends that they are never going to become the true representatives of the Canadian worker until they realize that the one point on which the Canadian worker does approve capitalism is as an employer furnishing jobs—not talking about employment, but furnishing jobs. The Canadian working man knows his common interest with his employer on this point, however much he may differ with him on the details of how the jobs are to be furnished.

Mr. REID: You are not arguing that the Cooperative Commonwealth Federation are the only ones speaking on behalf of labour?

Mr. HANSON (York-Sunbury): Certainly not. In other words, the Canadian worker has a pride in his employer's success, provided that the employer passes on to him the employment, under proper working conditions, that is so necessary for his own well-being and happiness. If you want an instance of that, look at the two great railway systems in this country and how loyal the workmen are to their employers. I doubt whether any socialist speaks for the railway workers of this country.

I have one last word to say to the socialist party on this point. When the socialist party tries to criticize the minister's action in this respect, I should like to remind them that a great English labour leader, Sir Walter Citrine, told the Canadian club in Montreal not a year ago that English labour was tired of being misrepresented to the public by politicians and college professors.

I want to say a word with respect to the succession duty. I am glad to note that the minister has yielded to the theory that charitable gifts shall be entirely free of duty. If I recollect aright, I urged this course a year ago. The experience of a few months must have indicated to him that it was a mistake to impose even one-half the ordinary rate on such gifts. The reason is obvious. No matter how well intentioned a person having property to dispose of, by will or otherwise, may be, he instinctively feels that if the state steps in and confiscates twice, perhaps thrice, a portion of his capital assets, the state thereby releases him from obligations which, under different circumstances, he himself would assume. If the state takes that which under ordinary circumstances would go to charities,

then the state itself must assume those responsibilities. As a result of two, sometimes three, capital levies on the same dollar, plus high taxation for war, and levies for war purposes, charitable gifts have been rapidly receding. I congratulate the minister upon having seen the light, and changed his tune.

Now a word on indirect taxes. The minister has made another of his selective approaches to indirect taxation. He recommends substantial increases in taxes which fall on luxury expenditures. With the general principle involved I am in agreement. Any reasonable measure which will prevent or discourage such expenditures merits support. The money is required for other purposes.

With regard to the excise duties on alcoholic beverages, his approach is definitely not that of restricting consumption, but rather of securing additional revenue. It is of no use to tell this house that $2 a gallon added to the excise duty on spirits will reduce sales and expenditures. The only effect will be to raise the retail prices on domestic whisky from present levels by a small amount. Already I believe the Ontario liquor commission has announced new prices—25 cents more here, 35 cents there, with a maximum of 75 cents on a large quart. Does anyone mean to tell me that any person in Canada who wants a bottle of whisky will stop at the additional impost? The idea is ridiculous. Let any member of this house who uses liquor as a beverage pause and ask himself if he will refrain from buying a bottle of whisky because the government has raised the excise duty by $2 a gallon. The answer is obvious.

I do not know what the effect of the increase on malt will be on the price of beer. I should think not much—15 cents per dozen bottles, perhaps. I have heard that former increases did not perceptibly increase prices. I understood that the brewers, generally speaking, absorbed the increases. Certainly those two increases had no effect on the quantity purchased by the public. On the contrary, sales have steadily increased. I venture to predict that this increase from 12 to 16 cents on malt will not divert any dollars from consumer expenditure. This whole situation, Mr. Speaker, has given cause for grave anxiety in Canada. I fear that the drinking habit is increasing in this country. The drink bill in Canada has increased from $153 million in 1938 to $232 million in 1940, an increase of almost $80 million in two years, and I am told that this year's drink bill will probably reach as high a figure as $290 million. Recently representations have been made to the Prime Minister with regard to this matter. The liquor trade is a thriving trade, and it is the only trade known to me over which control has not been exercised, except by way of taxation.

Recently the hon. member for Mackenzie (Mr. Nicholson) quoted in this house an extract from the "Brewers' Magazine", from which I shall quote two sentences:

> One of the finest things that could have happened the brewing industry was the insistence of high ranking officers—

Meaning high ranking officers in the army, I assume:

> —to make beer available at army camps.

Then mark this. It goes on:

> Here is a chance for brewers to cultivate a taste for beer in millions of young men who will eventually constitute the largest beer-consuming section of our population.

I confess, Mr. Speaker, that when I heard that I was appalled at the implications. The whole general effect will be more revenue from all these sources, and the alleged objective will not be attained. There is only one way to deal with this problem—for problem it is—and that is to make it impossible to expend such vast sums of money on alcoholic and malt beverages; and that apparently is the last thing in the world this government—or the provincial governments either, for that matter—wish to do. They know that the tremendous drink bill of this country is a serious drain on the people of Canada of money which should be diverted to other and better purposes, but neither authority will deal with it.

I shall not refer to the new taxes on cigarettes, smoking tobacco, cigars, and the like. I doubt if the new imposts will cut down consumption. They may. Meanwhile we are to receive in excess of fifteen millions of dollars of new revenue from the one source, and twenty-three millions of dollars from the other—and I suspect that is really what the minister is after.

I wish to refer to the tax on candy. This undoubtedly is imposed on the theory that candy is a luxury. I dispute that premise absolutely. Candy is an important food. It is probably the best energizing food, particularly for young people, because of its sugar and cocoa content. Our soldiers on active service use it for emergency rations. Our Atlantic pilots carry it on their trips, and I believe the commando troops take it with them as emergency rations. Recently Mr. Morgenthau recommended a 15 per cent tax on candy in his message to congress, and the committee threw it out, because candy is such an important food and uses many farm products—butter, milk, cream, et cetera.

Candy is the only food which is taxed in this budget. Cheap jewellery is exempt from $1 down, but a tax is put on the candy sold to children. This is not just figurative, because it will actually be done. All penny goods will have to be eliminated; a child with six cents can buy a chocolate bar, but a child with one or two cents cannot buy anything.

There is another aspect of this matter which should be considered. With the restriction on sugar, children will get less sugar and now they will also get less candy. It will be bound to have a detrimental effect on the health of the rising generation. I say to the minister that this tax is unnecessary, and he ought not to pursue it.

Time will not permit me to make reference to the large number of other taxes, generally described as "nuisance taxes". We had them in the last war. I suppose we shall have to submit to them, as we did then. The only excuse for most of them is that the country needs the money. On that theory they will be accepted, but on the distinct understanding that we shall be rid of them at the earliest possible moment. I fear that is a vain hope. Never again shall we be able to face life freed from the major part of these small, petty, nuisance imposts.

There is one redeeming feature, and it is this. The people of this country, who have become soft and prodigal in their personal spending in normal times, will once again have to scrimp and adopt the old-fashioned virtue of thrift—one of the real virtues, one which our parents practised, one which they endeavoured to instil into us as children, but which, alas! most of us in the easy days of the 1920's soon forgot and failed to practise. It will come back to us. It is being forced upon us, and it will be a good thing for us and for our children. It will teach us and them the principles of self-denial. That, at least, will be worth while.

I have either read or listened to all the budgets which have been delivered in this house for the past forty years. Even in peace time none of them are all good or all bad; but in peace time it is easy to criticize, easy to suggest that some other fiscal policy, some other tax, some other proposal, should be adopted. Per contra, it is usually easy to support some of the proposals in any peace time budget.

One of the difficulties which confronts me, and which always confronts one in my position at any time, is that one is obliged, on a motion to go into committee of ways and means, either to accept the budget outright or wholly to reject it. But the difficulties are greatly accentuated when one is dealing with a war budget, a budget of such dimensions as almost to stagger one with its enormous figures and implications.

It has not been difficult to criticize the budget in its details, to find fault with this feature and that, to say that, from one point of view, it is soaking the rich; and from another angle there is concealed in this budget power to exact an undue portion of the national revenue from the wage-earners of this country—and there is substantial truth in the latter statement.

But having heard this budget delivered at the darkest hour in the history of this war, when the situation is more critical than at any time since Dunkirk; having since read it with care, and endeavoured to master the huge mass of figures and the underlying principles, realizing as I do that we are passing through a world revolution, a very convulsion of civilization itself, I have come to the conclusion that the proper and patriotic course for me is to support the general budget proposals. My reason, my convictions, tell me that we must raise this huge sum of money, by some means or other, and to argue at this time that some other ways or means are preferable has no great appeal to me.

And let us not hear anything more of failure to conscript wealth. We are conscripting wealth. We had it in the 1941 budget, notwithstanding what some people may say or think. We have had it since 1940. We have it here, in stark reality. Also, those who are not possessed of accumulated wealth, those whose wealth consists of their week-to-week and mouth-to-mouth wages, those who are in receipt of the major part of the increased national income—their wealth is being conscripted by this budget too. They are paying—paying much more than appears from the skilfully disguised language employed by the minister. They will be called upon to pay the major part of the new millions which the minister hopes to get under the new personal income and other tax rates. The method or manner of approach to them is skilfully concealed and not so brutal as to those in the higher brackets. It is hidden in a mass of verbiage, but the power to withhold from the pay cheques of the wage earners and the lower salaried classes the greater part of these new levies is embodied in these resolutions, and they will pay by far the heaviest portion of these new imposts.

I point out as a matter of information, and information only, the following facts:

1. Up to this budget, the group earning over $2,000 per annum were 58 per cent of the

income taxpayers, and they paid 97 per cent of the amount paid in personal income taxes. They have been called upon to make great sacrifices, but there has been no great complaint from them.

2. The group under $2,000 constituted 42 per cent of the taxpayers, and they paid 3 per cent of the tax collected.

3. Under the present proposals, based on the status of a married man with two children, the tax on an income of $1,250 has now been increased 45½ per cent; on one with an income of $2,000, 258 per cent; and on $3,000, 211 per cent.

4. Then the curve of increased taxation is reversed. On $5,000, the increase is 126 per cent; on $10,000, 68 per cent; and on $50,000, 30 per cent.

The undoubted fact is that those in the lower group of $3,000 and under are being subjected to a very sudden and steep levy.

But let us not flinch from our obligations. Let us face the situation with courage and fortitude. Let us make every sacrifice. We are all together in this great adventure. There are no favoured few. Together we shall either survive or go under. Let us resolve that survive we shall.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I think the leader of the opposition (Mr. Hanson) has completely excelled himself this afternoon. I cannot recall having heard him deliver a speech more thoughtfully prepared, or more meaty, or more genuinely valuable. It was devoid of all forms of bitterness and party animus, and altogether it was a fine effort. I wish to congratulate him on it. But I do not wish to leave the Minister of Finance (Mr. Ilsley) entirely without commendation. As I have said on more than one occasion, he is the man who has the greatest burden in Canada to-day, and his task is made more difficult by the fact that he is endeavouring to carry on in a power age with an ox-cart financial system. That is almost tantamount to a man's undertaking to equip an army with bows and arrows in order to meet tanks. The mere fact that the minister is endeavouring to carry on under that handicap is cause for congratulating him even more sincerely than one would under ordinary circumstances.

With respect to the budget, I do not desire to be in any way unkindly or harshly critical. I should have been pleased if upon this occasion I could have had my speech carefully written out weeks beforehand so that I could read it, but the rules of the house deny me any such privilege. I must therefore do my best to clothe my thoughts in language as I stand here facing a critical situation.

The attitude to budgets is changing rather rapidly, I fancy, in the world. There was a time when a budget was looked upon simply as a means of raising money, but to-day the budget is regarded as much more than that. It must be a means of regulating the whole economy of a country. To illustrate the truthfulness of what I have said, and to indicate that in this statement I am in reasonably good company, may I read from "Fiscal Policy and Business Cycles", a book copyrighted by Alvin H. Hanson, of Harvard university in 1941. I quote from page 187:

> For the public economy expenditures ought to be weighed not in terms of the profit and loss of the state itself but rather in terms of the effect of such expenditures on the full and efficient functioning of the economy as a whole. Fiscal policy is an important instrument for maximizing the real income of a community and for regulating the distribution of income and wealth.

As I deal with this budget I shall have in mind more particularly the assertion which is made in the second sentence. I read that statement from page 187 in the chapter "budgetary theory and practice". In the first place, I wish to make two or three comments on the budget itself and on the inconsistencies which arise from the difficulty of the minister's position rather than from any inadequacy or inefficiency on his part.

The budget lacks unity because it aims at two things. It has two objectives. The first is to raise money, and the second is to withdraw from the people purchasing power, thereby relieving buying pressure upon prices and tending to offset the tendency to inflation. Since the minister is aiming at two objects all the time he cannot be blamed for forgetting one of them once in a while and being really at a loss to know which object he is pursuing at any given moment. As I listened to him, I thought he hardly knew, in the case of any given impost, whether he had in mind chiefly the raising of money or the withdrawal of purchasing power. As a matter of fact, theoretically, the principle of withdrawing purchasing power should be his principal object, and not the raising of money. He would very much dislike to acknowledge that, I fancy, and I know many good gentlemen, prominent in Canadian financial affairs, who would dread to acknowledge it. But it is unfortunately true, and that is one of the momentous facts predicable of our time, that the object of a budget is no longer to raise money but to withdraw purchasing power.

If we could once grant that the whole object of this budget had been the withdrawal of purchasing power, the incidence of these taxes would have been placed in an altogether different position as regards many imposts.

Is this budget as it stands designed primarily to raise money or to guard against inflation? If it is designed to guard against inflation, to prevent people from buying the things they desire to buy, did the minister have in mind the object of preventing the people from buying life insurance? If he had not in mind preventing people from buying life insurance, why would he withdraw purchasing power until they were unable to buy life insurance? Yet this compromising position has been thrust upon the minister and his department. Did he wish to prevent people from repaying debts? The repayment of a debt would hardly cause inflation, for in most cases the money would go immediately to the bank and the money used in payment of the debt would be dead for that cycle. Did he wish to prevent them from having dental care, or from having medical treatment, or from sending letters by paying postal rates, or from buying flowers and shrubs to decorate and beautify their homes, or from buying breeding stock such as cattle, horses, sheep, swine, poultry, bees and the like, to increase their productive capacity? Did he wish to prevent them from buying fences or building fences, or from getting timber to make fence posts with which to build fences? By these imposts he has successfully contrived to prevent them from buying a good many such things, the purchase of hardly any one of which would tend to cause inflation. I think I have said enough about the inconsistency of the budget, an inconsistency which results from the difficulty of the minister's position and not from his inefficiency or inadequacy in any respect.

Again, the budget is inequitable. I am not saying that the minister did not do what he considered his very best in an endeavour to make it equitable. He said specifically in his speech that in framing the budget his object was to recognize the need of equity, incentive and saving. That indicated a fine power of discernment in the minister, a fine appreciation of values. But in my opinion he has fallen far short of providing equity and incentive in many cases. As the leader of the opposition pointed out very well, I thought, sufficient to render it unnecessary for me to repeat except by reference, this budget bears destructively upon the less well-to-do among Canadians.

The sales tax—I hardly recall whether or not the leader of the opposition mentioned it—is designed to raise $218,000,000 in 1942. A disproportionate amount of that will be taken from the less prosperous. The people who are straining every nerve and lying awake nights trying to make ends meet are being bled of their substance in a dozen and one different ways of which they are not really aware, by an 8 per cent sales tax stealing in upon them and completely unavoidable. While that impost was not levied in this budget, yet it was continued in this budget. I believe that the time has come for the removal of a large part of the sales tax, if not all of it.

The minister has borne with harsh insistence upon those with incomes of $3,000 a year and under. The leader of the opposition in his closing remarks referred to an article in the June 27 number of the *Financial Post*, a portion of which I shall read:

> The tax on an income of $1,250 has now been increased 45·5 per cent. On $2,000 income the increase is 258 per cent. On $3,000 it is 211 per cent. There comes the dividing line. For incomes above that figure the percentage increase declines. At $5,000 the increase is 126 per cent; at $10,000 it is 68 per cent, and at $50,000 it is a 30 per cent increase.

I rarely mention personal matters in this house, but when I was elected to parliament I had nine children. My income would have come in that $1,250 bracket and would have been subject to that increase.

Mr. ILSLEY: Surely not. You get $80 exemption for a child.

Mr. BLACKMORE: Yes, provided there are the children, but the income would come in that bracket. It indicates how seriously we affect people when we increase taxation in the lower income brackets. Generally speaking, incomes below $3,000 a year are those of the men and women of Canada who are carrying the burden, who are raising the men and women who will be the fighters or producers—or who are not raising them, and who very probably will not raise them, as the leader of the opposition pointed out. Under the circumstances I find it difficult to see why the minister bore down with such particular care on the people with lower incomes. He would answer, I believe, as I think he indicated in his speech, that since money had to be raised it was necessary to go down to the incomes of the people who constitute the majority of the population.

Mr. ILSLEY: It is an even and fair gradation from $660 right up to $500,000.

Mr. BLACKMORE: But the evenness ceases to exist when you get into the realities. It is easy to say that academically, but it certainly is not true when you get down

into the lives of men and women. The people with those incomes are having all the trouble to get along that they need.

The minister, still indicating that he was desirous of being equitable, said, as I recall it, that he desired to see people have a decent standard of living. Now, what is a decent standard of living? "Decent" is one of those general expressions, like "a fair wage," "a fair price." It means pretty nearly anything, depending upon who uses the expression and who hears it used. If we could only come to some sort of agreement as to what constitutes a fair income and a decent standard of living! As an example, we felt it necessary, if I recall aright—I am speaking entirely from memory—to give a cost of living bonus to civil servants getting less than $2,000 a year. That indicated the belief that a decent standard of living would be rendered possible for the civil servant only by an income of not less than $2,000 a year. I rather think that is about right. But how in the world are the people who are getting $400 to $450 to have a decent standard of living? Yet we are taxing those $450 incomes through the sales tax right along. I think in a recent issue of the Ottawa *Citizen* there was a statement covering a considerable number of civil servants recently appointed all across Canada. A substantial percentage of them are girls receiving very small incomes and having a hard time to live in Ottawa and elsewhere. But the average income of all of them was $168 a month if I remember correctly. A man could live reasonably well on $168 a month, but if that is the average, when you take into consideration the large number receiving only a bare subsistence, there must be some receiving very substantial incomes. Probably they have no difficulty in attaining a decent standard of living, but I am not so sure about a good many others throughout this land, in agriculture and among the labouring people. What is a decent standard of living? I will not take time to go into it now; I simply raise the question. But I think it can hardly be assumed with justice that this budget is equitable.

This budget makes one more long stride toward the destruction of democracy through national debt. It increases our debt $2,228,000,000, according to the statement of the minister, as compared with $414,000,000 estimated increase for the past fiscal year. Our debt on March 31, 1942, was $4,062,372,000. It is impossible to forecast what our debt will be within a few years. Mr. J. H. Fisher, staff writer for the Toronto *Telegram* in an article on June 29, 1942, estimates that we shall be in debt to the extent of twelve billion dollars if the war lasts for three years, and I think we can pretty safely assume it will last that long. That is twelve billion dollars as compared with three and a half billion exclusive of the guaranteed Canadian National Railways debt at the outbreak of war. Mr. Fisher estimates that this will constitute a mortgage of a thousand dollars a head on every man, woman and child in Canada.

I ask this question: Where does any man in this house or outside it suppose we are going to get the money for social services after the war, with a debt like that?

Mr. JACKMAN: Who owns the debt?

Mr. BLACKMORE: We will come to that in a moment; the question only aggravates the position. Whence will come the reward for the fighting men who are now risking their lives and being maimed? Where will preparations for a later war come from?

At this point I wish to pause to say something I have wanted to say a dozen times. I am going to say it now. I do not believe since the beginning of time there ever was a generation so callously betrayed by its leaders as was the generation which to-day is fighting for its life. Why? Because they had so big a debt they had to save; and the life and very existence of 650 million people are now in jeopardy because we owed so many dollars we had to tighten our belts.

What is going to happen after this war, with a twelve billion dollar debt hanging round our necks, if we insist upon using the system of financing of which the minister now apparently seems to be irretrievably enamoured? Whence will come the relief from the depression about which so many economists running round the country take delight in terrifying the people? "We have to have a depression" they say; "surely we are going to have a depression". Even the leader of the opposition (Mr. Hanson) fell into that foolishness. There is no reason why there should be a depression in this country. There was no reason for the last depression. It was deliberately and foolhardily manipulated by blind men.

Mr. HANSELL: And nearly destroyed us.

Mr. BLACKMORE: It did destroy us, unless we, by good fortune, come through the war successfully. And the very men who engineered that depression are the men who are responsible for the defeats this race has suffered and is suffering to-day.

An hon. MEMBER: They should be shot.

Mr. BLACKMORE: Shooting is too pleasant an experience for them. They betrayed us shamefully, culpably, reprehensibly, and they

are all getting ready to do it all over again as soon as this war is over, simply because we shall be owing twelve billion dollars of debt.

Here is the astonishing fact: we in the House of Commons, responsible members of parliament, calmly and complacently contemplate such a situation as that. Only the odd person here and there rises to contest the claim of those who insist that we must carry on according to this financial system.

The minister made the remark that the size of the debt did not much concern us. So that we may have exactly what he said I shall read his words, as reported at page 3578 of *Hansard:*

> It is not the size of the debt that is a matter of chief concern for after all it is an obligation of the people of Canada through their government to the people of Canada.

Mr. ILSLEY: The hon. member had better finish it.

Mr. BLACKMORE: To be perfectly fair, I shall read everything the minister wishes to have read. He continues:

> Rather, we are concerned about the distribution of it.

Mr. ILSLEY: Right.

Mr. BLACKMORE: Is that sufficient? I want to be perfectly fair. He says that we are concerned about the distribution of the debt. The distribution, I say, is going to be very largely the same kind of distribution we had after the last war. Men who buy war savings certificates and victory bonds, yielding to the urgency of high-pressure sales methods, and activated by an impulse of patriotism, will dispose of their holdings. Of course they will—to pay the corner grocer, or to pay the doctor for the last child, or perhaps to prevent foreclosure on a home.

Who owns this debt? I say solemnly and after consideration, that to say that Canada's public debt is an asset to Canada is to tell a pernicious half-truth, more mischievous than an obvious falsehood. I know who made that remark, and I mean every word of what I have said, and apply it to him. In the position he occupies he should have had a stronger sense of his public responsibility than to make a remark like that, one which would deceive the people of Canada.

Mr. JOHNSTON (Bow River): The governor of the Bank of Canada.

Mr. ILSLEY: He said it was an asset as well as a liability, which is undoubtedly true.

Mr. BLACKMORE: It is a half-truth.

Mr. ILSLEY: If the hon. member would finish what was said by the governor of the Bank of Canada, he would find that there is no half-truth about it.

Mr. BLACKMORE: I say it is a half-truth, no matter what he said or how he said it.

Mr. ILSLEY: It is just like reading only part of what I said.

Mr. BLACKMORE: Would the minister put on record what Mr. Towers did say in that regard?

Mr. ILSLEY: All I am saying is that my recollection is that Mr. Towers said that debt was an asset as well as a liability, which is the truth.

Mr. BLACKMORE: But the implication was that it was an asset to the Canadian people.

Mr. ILSLEY: Because it was being urged that it was purely a liability. There is no half-truth about that; he just finished out the picture. The hon. member is attacking the governor of the Bank of Canada in unrestrained language because he had pointed out an obvious fact, namely that a debt is an asset as well as a liability. It is an asset in the hands of the creditor and a liability to the debtor—both of whom are Canadians.

Mr. BLACKMORE: My next words will answer the minister completely. The minister implied the same thing in the remarks I have just read into *Hansard.*

Mr. ILSLEY: Correct.

Mr. BLACKMORE: All the people will owe that debt, and pay taxes to a point of misery and slavery to repay a few.

Mr. ILSLEY: But taxes in accordance with their ability to pay. The rich will no doubt be taxed much more heavily than the poor.

Mr. MacINNIS: Relatively no.

Mr. BLACKMORE: I challenge the minister's statement that they are taxed in accordance with their ability to pay. The tax structure erected in this budget is there to stay, just as the three-cent postage tax, imposed at the time of the last war, has stayed to this day. Whether or not the people go down into the depths of degrading poverty, as they did during the depression, they will still pay that tax, just as we had to pay the three-cent postage in the depths of the depression in 1932 and 1933. There is no way of getting out of it.

This tax structure is being prepared to bleed the Canadian people of every last drop of spending power possible of extraction from their emaciated bodies for the next generation. And what for? To pay 3 per cent interest on a twelve billion dollar debt to a few favoured ones.

Mr. ILSLEY: On what?

Mr. BLACKMORE: On a twelve billion dollar debt, on the assumption that the war will continue for three years.

The difficulty lies right here. With the exception of, I believe, only three, there is not a newspaper or a public official or a bank manager anywhere in the dominion that is indicating even the slightest scintilla of vision as to what can be done so as to change the system to a point which would render such intolerable conditions more endurable. All they do is to sneer at anyone who has any idea as to what might be done. They will not even go so far as to consider a suggestion and permit intelligent and honest discussion.

Mr. ILSLEY: If the debt should be $12,000,000,000, which I do not admit for one moment, the interest would be $360,000,000. Why does my hon. friend say that we shall have to maintain these taxes because of the interest charges, when this year we are budgeting for expenditures of ten times what the interest charges would be?

Mr. BLACKMORE: That is a very fine answer and a perfectly honest one. If the depression which is promised so abundantly and with such sincerity and gusto occurs, the productive capacity and the national wealth of this country will fall off in huge swaths, as it did in 1929, 1930, 1931 and 1932. The only way by which we shall be able to raise enough money to service that debt will be by the imposition and maintenance of such a tax structure as this, a tax structure which the people are now viewing with apprehension.

Mr. ILSLEY: I do not admit the inevitability of a serious depression, although my hon. friend may.

Mr. BLACKMORE: I tell the minister that unless he changes the system he is using, a depression will come just as surely as the sun shines in the heavens.

Mr. ILSLEY: That system will not cause it.

Mr. BLACKMORE: It will cause it, because the same thing caused the last one.

Mr. ILSLEY: Another system caused the last one.

Mr. BLACKMORE: I should be glad to have the minister explain that. I realize that he would not be prepared to explain it now. Public debt like private debt limits freedom of choice—which means a limitation of democracy in the case of the state,—a limitation of freedom and a limitation of choice of action. Public debt will threaten and completely destroy our security and will almost inevitably impair our productive power. The federal government could and should adopt such a fiscal policy as will enable and encourage all individuals and all groups of individuals to get out of debt and to stay out of debt. The present fiscal policy of Canada motivates and to a considerable degree necessitates falling into debt. Ours is a debt creating system, and terrible have been the results.

I should like to refer to what has happened in Saskatchewan, and I quote from the United Farmers of Canada information bulletin of March, 1942:

> In the meantime the farm debt in this province has increased by nearly $50,000,000 since the war commenced, thereby increasing the Saskatchewan farm debt to approximately $630,000,000 or $21 debt average on the 30,000,000 acres cultivated in this province, which requires about $44,000,000 to satisfy interest. It is estimated that the average debt on the higher quality wheat land is $30 per cultivated acre. It should be remembered that much of this land operates the practice of summer-fallowing one-half of their land each year, consequently each crop acre in such circumstances carries a debt responsibility of $60 per acre, requiring $4.20 to satisfy interest obligation. And, granting that this type of land yields more bushels than the average land of the province, it would require about 45 per cent of a wheat crop at present prices to satisfy interest upon the debt.

That is individual debt.

> Land of inferior quality is not in any better position because, while two-thirds of the cultivated acres is usually cropped and as the average yield is only about 12 or 13 bushels per acre, even with a less than average per acre debt, it is estimated that almost the same percentage of the wheat income is required to cover the interest amount.
>
> As mortgage companies call for one full third share of the crop to apply as mortgage payment it should be clear that even this full one-third is insufficient to meet the interest obligation. This deficiency, plus an amount less than the one-third which also cannot be paid except in exceptional years is pyramiding upon unpaid principal. 1940 produced the second higher provincial farm income since 1930, i.e., $142,000,000 and in that year $42,000,000 was required to service the farm debt of this province, leaving about $100,000,000 as the fundamental maintenance for our provincial economy, or slightly over $100 per person.

It may be contended that this hardly has a bearing on the budget, but I shall soon show that it has. In Alberta, in 1935 the provincial debt amounted to $161,000,000; municipal debt, $70,000,000; mortgage debt, $200,000,000; private debt, $171,000,000, making a total of $602,000,000. Those men who with complete ease and real satisfaction talk about our servicing this $12,000,000,000 debt forget entirely the other debts in Canada which must be serviced as well. In consideration of the debt situation which this budget is imposing

upon the people of Canada, and for other reasons, I beg to move, seconded by the hon. member for Macleod (Mr. Hansell):

That all the words after "that" in the said motion be struck out and the following substituted therefor:

"This house views with alarm the obviously decisive drift into national or state socialism everywhere in evidence in this budget as indicated by the shackling taxation structure it erects; the sweeping trend towards centralization, bureaucracy and oligarchic regimentation which it involves and the general deterioration of morale and incentive to productive effort which it aggravates;

Further, this house regrets the government's apparent inability to see the vast improvement in Canada's efficiency that could be effected by a wisely scientific use of her credit and currency potentialities, and deplores the government's persistent failure to employ Canada's credit and currency to supplement her pay-as-you-go policy, thereby to restrict the appalling growth of debt, and to provide a means of gradually paying off Canada's indebtedness.

Therefore this house respectfully urges the government to formulate and to introduce at the earliest possible moment such a modernized credit and currency policy as will, to the greatest degree rendered possible by our available facilities, curb inflation, control debt, mobilize Canada's resources for total war, ensure democracy and security to Canadians, in war and then in peace."

I wish to turn now to another aspect of this budget. Indirectly this budget is an inflationary budget. There are many situations in life where a man trying to avoid a certain thing runs directly into it. The effort here is to avoid inflation, but this budget is inflationary in effect. In the first place, it actually forces up prices. Take fountain pens, watches, clocks, passenger fares, long distance telephone calls, telegrams and so on as an example. It is commonly assumed without reference to the facts of the situation that each and every one of these items is necessarily a luxury. Are we to assume that people, no matter how poor they are, are now to be able to avoid travelling on railways? Are they not likely to need to use the long distance telephone? For example, take the man operating a small grocery store. Will people no longer require to send telegrams in case of death or great mishaps? Are the teachers in our schools to go henceforth without watches? Must the little nurses in training, no matter how poor they are, get along without watches? Are the children in our schools to be made to go without fountain pens on the assumption that they are a luxury? The price added to the cost of these commodities will increase the family cost of living.

The result is there will be a tendency toward inflation. That is not the most serious aspect of the situation. This budget will discourage production, or it will, in many instances, render production impossible. Just as soon as production begins to be restricted, as it undoubtedly has been now in many respects, there will be an increased buying pressure on the price ceilings. A scarcity of goods always results in an increased buying pressure on the price.

No producer can continue to produce at a loss. The minister said that we would have to find another incentive than the profit motive to encourage men to produce. There are simply tens of thousands of men in this country who must have a little profit or they can no longer produce. How is it that so many men overlook that important fact? As soon as the producers of this country find themselves unable any longer to make a living they will sell their stock, if they are stock raising, desert their farms and join the army or go into industry or go on the streets and hawk. They will do anything rather than stay on the farm where they are losing money, for they must do so.

But once cattle are gone it takes a long time to recover them. We have one fine example of that within the memory of this house. A few years ago the Minister of Agriculture (Mr. Gardiner) deemed it expedient to allow a large percentage of the cattle in Saskatchewan to be destroyed. Would it not help wonderfully if we had those cattle back now? But they just are not there, and we cannot get them there; they are gone. Every herd of cattle that is slaughtered as those were slaughtered that we heard about the other night from the hon. member for Fraser Valley (Mr. Cruickshank) means another herd of cattle gone; and it does not matter whether the children of Canada were crying for milk or the children of Great Britain were starving for cheese, when the cattle are gone, production from them would be impossible, no matter how high the price of milk or cheese may be. Why is it that men cannot see these things in this most trying time? I find myself afflicted almost with dismay when I read some of the short-sighted statements which have been made by certain permanent officials, whom I am not now going to name, with regard, for instance, to the desire of the Ontario farmers for an increase in milk prices to enable them to produce or of the Ontario berry producers for a similar increase in price to enable them to produce.

The government of this country should be watching every breeding animal. Three years ago I pointed out to this house that no more female lambs should be allowed to be killed until we were certain we had enough. Would

it not be a fine thing if we had those lambs to-day? It would help our wool situation greatly. But there were all-wise who thought I was just foolish in making that suggestion. They will now continue to bump their heads against the cold stones of reality until they realize that once in a while some good thing can come out of Nazareth.

The government should be watching every heifer, every cow in this country, and seeing that none are destroyed until we are positive that we have all we need. That does not mean passing a law forbidding their slaughter; it does mean that the government would make sure of buying them if it was necessary for their owners to sell them. That is just common sense. There will be great pressure to sell and to slaughter unless an incentive is given to keep this stock, far more incentive than is indicated in this budget.

May I spend just a moment on inflation. I have spoken on inflation so many times in this house that I know everybody is weary of the subject. Nevertheless the fundamental facts regarding inflation which I have laid down since 1936 are the essentials upon which must be based a new economy, and every year of development will show the truth of what I say.

I am told that in one city of Ontario where there is plenty of ice in the winter, a number of companies, because of impositions and levies and restrictions of one kind and another, have been forced to close their ice business, after having been engaged in it, some of them, for sixty years. And this is all because of utterly impossible regulations. They were forced out of business, not because they did not want any longer to produce ice, not because there was not plenty of ice, not because people were not needing ice, but just because the officials in charge lacked the understanding and discernment, and the humility to be told. They had to go on blundering and bumping their silly heads until knowledge was knocked into them. There are some people that one cannot tell anything to—they know everything—until, by their immeasurable folly, they drag the people of Canada into misery. The result of forcing those people out of the ice business is now a scarcity of ice in that city. A scarcity of ice means that there will be a buying pressure upon ice and a tendency for the price of ice to go up; and if people are unable to buy ice, they will have in their pockets the money they would have spent on ice and will buy something else with it, which will bring pressure to bear on other commodities and cause an inflationary tendency.

[Mr. Blackmore.]

Once we understand what inflation is and realize that it is not a great big ugly bogeyman, with cloven hoofs, a long tail, and great horns; once men realize that it is just a common-sense thing, the result of scientific facts, they will stop talking much of the indescribable nonsense which is being talked over the radio and in the press to-day, and they will come to realize that if we want to prevent inflation we must do the common-sense thing we would do if we wanted to prevent a headache—just refrain from the cause. The cause of inflation is a lack of goods, and anything that causes a lack of goods will have a tendency toward inflation. The people who made the regulations which caused these firms to go out of the production of ice were unwittingly doing that thing which was tending toward inflation. The people who unwittingly neglected to provide adequate sugar supplies in Canada were doing that which tended to cause inflation. The men who neglected to save the ewe lambs so that we would have plenty of wool in Canada were doing that which tended to cause inflation, and the people who caused the destruction of beef cattle all over western Canada were causing inflation and a rise in price without knowing it.

We need to look upon every dollar that goes into circulation as an agent tending toward inflation. As soon as it is out of circulation, it ceases to have that tendency. It is like a billiard ball that goes bouncing about a billiard table knocking anything that gets in its path and giving impetus to it. If you want to stop that billiard ball from doing more damage you must pocket it, and so with that one dollar bill. Get it into the bank, and then you will stop its inflationary tendencies. Every time it buys goods it tends to go into the bank. Suppose it is used to buy milk. The farmer who sells the milk will take the dollar and pay his debt that he incurred when he borrowed the money to produce the milk, thereby killing the dollar for that cycle so far as its inflationary tendency is concerned. If you want to avoid inflation, get as many goods and in as wide a variety as possible; get great productive capacity, and then the dollars which are out in circulation will find the goods and buy them and thus lose their inflationary impetus. Once people all recognize this simple, fundamental, common-sense fact, they will stop talking much of the foolish nonsense and indulging in much of the unjustifiable fears that we hear of to-day regarding inflation, and men will have a great deal more sense about money than many people seem to show in Canada. The government must take all possible care to see that there is plenty of goods in wide variety.

Mr. DEPUTY SPEAKER: Unless the hon. member has unanimous consent to continue, I am sorry to say that his time has expired.

Mr. HANSON (York-Sunbury): He is moving an amendment.

Mr. COLDWELL: It is a non-confidence motion, I believe.

Mr. BLACKMORE: Yes; that is what it is—a non-confidence motion.

Mr. HANSON (York-Sunbury): Yes. The hon. member has all the time he wants.

Mr. BLACKMORE: Thank you, Mr. Speaker, for warning me.

If we are to be saved from inflation, in large measure we must look to our farming population in Canada. The minister has, in my opinion, been unfair to the agricultural portion of our population. He may consider that that is a severe thing for me to say, but I say it in all calmness, certain that I am right. He has been unfair to the agricultural population; he has slighted the farming population, perhaps without knowing it.

Mr. ILSLEY: Not in the budget.

Mr. BLACKMORE: Oh, surely in the budget there should have been some provision made for more generous treatment of the farmer, if the minister was aware the farmer was needing it.

It is a strange thing that the minister should neglect this important matter in his budget, because in speeches which he has delivered in the past he has made statements indicating that he was aware of the importance of agriculture in our economy and the bearing of agricultural production on the whole question of monetary policy, of our strength to win the war. May I read passages from a speech which he delivered before the Ontario Federation of Agriculture on March 17, 1942. I read particularly these words:

> The important position of agriculture, indeed its central position, in relation to this whole policy of price stabilization, was recognized from the very beginning.

Well, we certainly have no evidence that it was, from the prices that were given. I continue to quote:

> As I emphasized in explaining the programme to the House of Commons, the policy could not be introduced until farm prices had been allowed to come fairly well up in line with other prices. We had waited until this had happened. By the time the price ceiling was put into effect the general level of retail food prices and of farm prices, with the exception of wheat, had reached a fairly reasonable relationship with other prices.

Did the minister really believe that? If so, he was altogether misinformed by the men who advised him. I think the minister has some particularly doctrinaire and academic advisers. I think he should get some people from the fighting line of production, where they know something of the realities, to mix with these doctrinaire gentlemen who have taken university degrees and thus are supposed to be qualified to be the minister's advisers in these trying times. Again the minister says:

> Let me assure you, however, that the arrangements by which the prices of various agricultural products are controlled have been worked out, and will continue to be worked out, by men who understand farm marketing problems.

These men may understand farm marketing, but they appear not to understand farm production.

> On the prices board itself we have two senior representatives of the Department of Agriculture, and as foods administrator we have been fortunate to be able to secure Mr. Taggart, Minister of Agriculture of Saskatchewan, an outstanding authority on farming. Under him are many other experts on the marketing of farm products to work out methods and details in consultation with producers and distributors.

I wonder how many on that board are practical farmers, who have got right out and known what it takes to produce a pig, what it costs to produce a bushel of wheat, who know the effort and expense it takes to produce a dozen eggs and keep on producing eggs.

Mr. GARDINER: Mr. Taggart himself does.

Mr. BLACKMORE: Then he must be the only one. There is no evidence that these men—and I do not know one of them except Mr. Taggart, whom I met once—are aware of the real needs of agriculture in this country. There are too many factors which they are disregarding altogether. I shall refer to one or two of them before I finish. Again I read:

> For most of us who are civilians that means one thing above all else now; to produce; to produce more rapidly, to produce more efficiently.

True. The minister never used truer words.

> It is to our superior productive power that we look for an overwhelming victory. We must make that power effective in the factory, in the mine and forest, and in the field. We must produce the goods and deliver the goods.

Utterly true. The one means of producing the goods is to make it pay to produce them. You do not need to go out and plead with farmers over the radio to be patriotic. If you make it pay them to produce goods, they will produce them, if you make it pay them so that they can live.

Having quoted the minister's speech in March of this year, may I quote from his speech on the budget, as reported in *Hansard* at page 3592:

> The war will not be won by disputing as to whether labour or agriculture or employer or employee should get a larger share of a swollen national income.

Mr. ILSLEY: Hear hear.

Mr. BLACKMORE: Perfectly true, but the war may be lost by disregarding the economic exigencies of the whole process of production. It may be lost, I say, by ignoring these things. Men will plead only so long. All that the minister and the men who are associated with him need to do is to read the remarks which were made by the leaders of the delegations who have come in the last three weeks to this government pleading for consideration. Read those statements and see how much hope there is in them. See how nearly ready these men appear to advise that men should stop milking cows and go and join the army. If, Mr. Speaker, we are not going to dispute about matters such as these vital ones to which the minister has referred, why all the prattle about equity? If we are going to pay handsome salaries to civil servants to take lucrative and dignified positions from one coast of Canada to the other, while we tell the farmer that he is supposed to produce for solely patriotic motives, I think the gross inequity will appear so grotesque as to arouse the disgust of ordinary men.

All one has to do is refer to the beef situation. I come from one of, I believe, the best beef-producing constituencies in Canada. What an amount of significance there was in the question asked this afternoon by the hon. member for Prince Edward-Lennox (Mr. Tustin) why the packers were permitted to lower the price of beef.

Mr. ROSS (Souris): And a new quota going on to-morrow.

Mr. BLACKMORE: Never for a moment should that have been permitted. Who is governing this country? Is it the dominion government or the Canada Packers?

Mr. HANSON (York-Sunbury): Ask Mr. Gordon.

Mr. BLACKMORE: If Canada Packers are able to dictate prices and decide whether this country is to have production or is not to have it, how long can we maintain that we are governing this country intelligently? How long can we maintain that we are guided primarily by the principle of an all-out war effort? I speak as one with experience. My father and my family have been producers of beef since I was old enough to know what a cow was. The beef prices in this country have been such as to ruin the beef producers; and now, at the very time when they have a chance to recover themselves, to improve their breeding stock, to get pasturage, to repair their fences, we have Canada Packers obtruding its unwholesome self into the picture, and the government sitting supinely by and permitting it, and then talking about governing the country.

We have to have discussions of farm income, and the discussion should have been on the floor of this house. I have avoided carefully saying anything in this plebiscite discussion which might embarrass the government, or might indicate that I did not sufficiently understand the situation. I will grant that there are things no man can understand, coming from the wholesome west here to Ottawa where we have to hear about the most pernicious political sculduggery going on. I have deliberately avoided saying much about this plebiscite, but it has been one of the astonishing things of my life that this government has devoted months and months to a discussion of the plebiscite and has never had any time to discuss the price of beef which meant food for Britain.

Mr. HANSON (York-Sunbury): That is playing politics pure and simple.

Mr. BLACKMORE: Playing politics, as the leader of the opposition says, and then having the effrontery and hypocrisy to maintain their concern about an all-out war effort. That is the thing that amazes me. I would say that the minister showed callous disregard of the interests of the farmer. He may not have felt it, but it was there and there was the insinuation that farmers should not busy themselves about incomes, about their share of the national income. But you can appoint deputy ministers at $9,000 a year!

An hon. MEMBER: And take it away from them in income tax.

Mr. BLACKMORE: Yes, but you will be taking it away from the farmers in income tax if they get it. At any rate it would be a little comfort to them to be able to get it. The minister in his speech manifested little appreciation of the difficulties of the farmers. There seems to be a surplus of highly paid individuals going to and fro in Canada nowadays calling upon farmers to produce from patriotic motives. Why not help them to make their efforts yield returns? Here is an evidence of the attitude of such men who pose as financial and economic advisers to the people of Canada in this grave crisis. I quote

from the letter of the Bank of Nova Scotia of March, 1942, from which I gathered a great deal of understanding that helped me to see through some of the government ways. I quote:

The price of wheat is a matter of national policy. Such policy must take into account the fact that, from a war-time standpoint as well as from a social standpoint, all sections of the population should receive enough income to maintain their health, their efficiency as producers, and their morale. But such policy must also take account of the fact that war is a time of shortage and that financial assistance to any group increases the demand of that group upon the diminishing supplies of manpower and materials available for civilian purposes.

The income of a deputy minister apparently does not have any effect upon the demand for materials, nor do the incomes of those officials appointed to lucrative positions across Canada apparently affect the demand for materials. But the moment farmers get an extra dollar, that affects the demand for raw materials for civilian supplies. Is it hypocrisy, or is it just unbelievable inconsistency and lack of intelligence?

To continue:

These two considerations balanced against one another, rather than the more obvious financial aspects, set the real limits on aid to prairie wheat farmers—

This indicates that the prairie wheat farmer must be content with only 90 cents a bushel for wheat, not because the government cannot pay more, but because the government is afraid to let the farmer have the money to spend. He is likely to hurt himself and Canada if he takes the money and spends it or pays off some of the tremendous debts that exist in Saskatchewan, or those great debts in Alberta, or pays his store bill or his doctor's bill which has been standing for ten years as a result of the depression. If the farmer takes the money for any of these purposes, he will cause inflation. Can you beat that in this time of war, in 1942? I continue the quotation:

—or for that matter, to any other depressed group of the population.

That is an acknowledgment that the farmers are a depressed group, and we have the callous affirmation of the proposal to keep them a depressed group purely because they must not have the money for the reason that it would cause inflation. That statement comes from the Bank of Nova Scotia in its March, 1942, letter. That man should be made chancellor of one of the prominent universities in order to be quite consistent with what has gone on in the past in Canada.

Mr. HANSON (York-Sunbury): He ought to be in the Bank of Canada.

Mr. BLACKMORE: Let us see what the farmers think about this matter. I will read what George W. Robertson, Secretary of the Saskatchewan Wheat Pool, has to say. He is a man who knows what the realities are:

In my judgment the establishment of parity prices for agricultural commodities represents the equitable method of price control for the agricultural industry, and that no price ceilings on farm commodities should be established below parity level. I would define parity prices for farm comodities as the price which these commodities would need to realize in order to purchase as large a quantity of other commodities now available as it actually did during a specified base period, preferably 1926 to 1929. Ceiling prices should be established at levels approximately 15 per cent above parity prices to offset increased living costs recognized in government's labour policy by provision for cost of living bonus.

It will be answered that price parity has been established, but I will prove unchallengeably that it has not been established.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. BLACKMORE: Before the dinner recess, Mr. Speaker, I was dealing with the budget and arguing that the farmers were not receiving a fair deal. I said that the minister has slighted them, that he had disregarded their interests, that in his budget speech he had indicated a rather callous attitude toward them. Whether or not I was fair to the minister I am not able to say; we shall be better able to judge that by what he does in future, rather than by anything he may say now or anything he has done in the past. I was pointing out that the farmers generally were under a very heavy burden of debt, and now I wish to go forward with the argument as to whether or not the prices the farmers are now receiving are equitable.

The minister indicated that the farmers were receiving reasonably good prices and a reasonably good income. But the minister, in saying that, disregarded the increased cost of the things the farmers buy. In order to show the truth of my statement I should like to read from the Searle letter of June 3, 1942. This letter is published by the Searle Grain company, which I believe is one of the best authorities on farming problems to be found in western Canada. I find the following remarks on page 1:

However, as was shown in an article in this letter on May 20, the price of wheat at the new 90 cent price will still be 31 per cent

below "parity"; the price of hogs is now 15 per cent below "parity", of steers, 19 per cent above and of lambs, 11 per cent above "parity". ("Parity" meaning the present purchasing power of these products as compared with their same purchasing power over the same things farmers had to buy in 1913-14, all as shown by the Searle index.)

This indicates that on the whole the farmers are a good deal worse off to-day with respect to prices than they were in 1913-14. But may I pause here for a moment to deal with this whole question of parity prices. There seems to be abroad both in Canada and in the United States the idea that if we could get the farmers back to the point where they would be getting the same income as they were getting in another given period of time, say between 1909 and 1914 or between 1926 and 1929, or some other period, all would be well with us and we would have no further need to worry about the farmers. I do not believe there has ever been a time in this country when the farming population has had a fair deal. There has always been the grossest disparity between the prices farmers were able to obtain for their products and the prices of things they had to buy. So to say that prices have returned to parity is not enough. We must place the farmers in a position in which they will be able to get as much for their effort, as much of the goods which other people produce and which the farmers have to buy, as other people are able to obtain of the goods which the farmers produce and sell. Then, and not until then shall we have something like a balanced economy with respect to the farming population of this country.

May I now read another statement from the same Searle letter of June 3, 1942:

> The Searle index of the cost of things farmers buy (147 items), now stands at 152·3 (1913-14 equalling 100). This means that these things cost farmers of the west at the present time 52·3 per cent more than did similar items of the same quality in 1913-14. (These costs have risen 16·3 per cent since August, 1939.) The price of wheat is now 10·5 per cent lower than it was in 1913-14. The purchasing power of a bushel of wheat is now, therefore, only 59 per cent of what it was in 1913-14.

When it is remembered that such a large percentage of the farmers of Canada, and particularly of the farmers of the west, are mainly occupied in the production of wheat and are scarcely in a position to go into any other kind of production, I believe such figures must give any thoughtful man cause for serious concern. But there are other matters which go still further in support of the statement I made. I have in my hand the booklet issued by the Searle Grain company, setting forth in great detail the costs of the 147 items which are used by the company in compiling their index, indicating the manner in which the prices have increased by years from 1913-14 up to the present time. From this booklet let me cite a number of facts which I think should impress the members of this house. With regard to twenty-eight items of household equipment, taking the 1913-14 level as 100, it is true that whereas those items of household equipment were priced at 100 in 1913-14, prices had risen in 1926 to 165 and had risen still further in 1941 to 175. Of fifty-three items of farm equipment which were priced at 100 in 1913-14, in 1926 they were priced at 149, and in 1941 at 156. Of twelve items of farm machinery, taking the price at 100 in 1914, we find that price had risen by 1926 to 164, and by 1941 to 187.

Nothing further should be necessary to indicate that even if it were shown that the prices the farmers are receiving had returned to the 1926 level, that in itself would not indicate that the farmers were receiving an adequate return having regard to the price of things which they have to buy as compared with the price of things they are producing and selling.

There were other matters which the minister disregarded, and which are likely to be disregarded by such good men as Donald Gordon and others, men of good-will but who simply have not had time, in the great urge of their responsibilities, to look into all the facts, and who have been advised by men who also are not familiar with the facts. The matters which might be disregarded include such things as these. Many of the farmers, as I indicated in my remarks before the dinner recess, have been forced out of live stock, so that now they do not possess the breeding stock which would enable them to go back into the production of beef or other commodities which might be more profitable to them. They have been through a depression and a long series of very bad years. As a result they have not the capital with which to go back into live-stock production, even should they wish to do so. Then in a great many cases they lack equipment, and in many more cases they are hopelessly in debt. They are simply hampered at every turn. Furthermore I believe the minister has overlooked the increased debt of the farmers, to which I referred at an earlier stage of my remarks.

Before I go on to the last aspect of the budget with which I choose to deal to-night, I wish to read to the house a line or two that will indicate something the minister might do in view of the precedent he has set in this budget.

The minister has forced loans from a number of people, and is undertaking to pay them

only 2 per cent on the money he is forcing them to place with the government. He makes the promise that he will return that money at the end of the war. There are gentlemen who lent money in the past throughout the west, and perhaps throughout the whole of Canada, at interest rates running up as high as 6½ per cent. It was largely as a result of those high interest rates that Alberta was reduced to the state of financial impotence in which the Social Credit government found her in 1935. And it is largely because of that state of financial embarrassment that so many things have occurred under that administration which have aroused the indignation of so many people in high places in Canada.

I should like to read a passage from an editorial appearing in the Edmonton *Bulletin* of Monday, June 29, an editorial which I believe will need no explanation or amplification:

> The high interest rates on public and private debt in Alberta is nothing short of a scandal. Alberta was faced in 1935 with bankruptcy, due largely to paying ruinous interest rates. The drastic action by the Alberta government in cutting in half, to two and a half per cent, the interest rate on the provincial debt was the only action possible at the time, unless social services were entirely abandoned, or by pyramiding a huge increase in debt by funding the unpayable interest charges.
>
> Edmonton is paying about $500,000 yearly in excess interest charges. And still we hear the suggestion to raise street-car fares and curtail much needed civic improvements.
>
> The place to direct our demand for action is where action is possible—the hon. Mr. Ilsley, Minister of Finance, has absolute power to remedy this deplorable situation, which is a positive menace to the public interest.
>
> When Mr. Ilsley in his new budget compels Canadians to lend part of their weekly wages at 2 per cent interest, why can he not compel our financial corporations to charge only reasonable interest rates.
>
> Edmonton is paying 150 per cent more on a debt of $26,000,000 than what Mr. Ilsley declares to be a fair rate of interest.
>
> Canada is fighting for its very existence against Hitler's new order of world slavery, and cannot continue to support the "high interest racket" if she hopes to make an all-out war effort.

One might suppose that that was from a Social Credit paper; but it is just a good, hard-headed Liberal paper from Edmonton.

Mr. ILSLEY: But does nothing depend upon the term during which you have the money? Two per cent is a fair rate for a short term.

Mr. BLACKMORE: If this war lasts for ten years the minister will not return the money until after ten years, and the 2 per cent will not be increased. I say to the minister that 2 per cent is enough. And 2 per cent is also enough for these other gentlemen to have. If they need any more than the 2 per cent, then I suggest to the government that it direct the Bank of Canada to refund the money. Let it give those men back their money, and then let the people of Edmonton have the money at the 2 per cent rate. It does not make sense in 1942, for a people to be charged 5 per cent or 6 per cent on money, while other people are in the throes of war, and having to suffer in order to pay that interest.

I should like now to turn to another aspect of the matter discussed in the budget speech. I would point out that things should be ever so much better than they are indicated in the budget. Again I am not casting any reflection upon the minister. In view of the circumstances in which he found himself he probably did the best he could. So long as he holds to the ordinary debt finance system he is going to be forced to bring down more and more onerous budgets, year after year, until the people of Canada are completely crushed under the enormous structure. It is not so serious now perhaps when the government is spending huge sums of money for goods which are to be taken overseas and destroyed. But just as soon as the country has returned to an economy wherein it consumes what it produces, then there will be a collapse. The object of this group is to adjust our affairs before the time comes for that collapse.

I suggest that the budget could be a victory budget, instead of a budget of defeat, as it is to-day. Notwithstanding all that is going to be done with the money that is raised; notwithstanding the splendid effort Canada has made in the war—and I have no thought of disparaging its vast effort—Canada is not by any means doing what she is capable of doing, judged from the point of view of materials, men and organization.

If business methods were applied directly to Canada's financial and public affairs we could have a great improvement. May I read to the minister something from his budget speech which possibly he hardly realized was so significant, but which I am going to point out to him as being very significant. This is what he said, as reported in *Hansard* at page 3578:

> We can probably again draw on inventories of civilian goods but by how much I do not know, for information as to inventories is very deficient.

No expression could have been used on the floor of the house which would condemn the government more completely, beyond question, than that statement. The very first

thing a businesslike administration should do is to discover what inventories are from one end of the country to the other. When we had that make-believe registration, that child's-play window-dressing in 1940, there should have been a registration of every aspect of Canadian public life, a complete registration of Canada's economic set-up. People will ask: How could it have been done? It could have been done. How is it that the bureau of statistics accomplishes so much by way of gathering statisties? Is it to be supposed that the bureau of statistics could not have been enlarged and specialized so that a complete inventory of everything in the country would have been prepared. Had that been done, the government would have been able to tell at a moment's notice—the minister himself, or anyone in charge of his department—just how many shoes there are in stock from one end of Canada to the other, just how many pounds of butter there are, how many suits of clothes there are. Of course it could have been done. That would be a first essential in a businesslike administration in any country whatsoever, and especially in a country like Canada.

Without delay, the government should at once obtain an accurate and detailed inventory of all goods on hand, from coast to coast. Let it inquire into the amount of food, clothing, shelter, available fuel, educational facilities, available medical and dental services. Let the people be informed as to the available supply of those goods and services. The government would then be in a position to tell how much money it could put into circulation, without causing inflation. Then it would be able to tell how much in the way of goods is available for consumption, how many pairs of shoes a family may have, how many pairs of shoes the province of Alberta may have from Canada's supply, all matters which are vital to any government, where the money situation is going to be managed properly.

Then the government should know the number of non-Canadian goods, goods we receive from Great Britain, the United States, South America, Mexico and other countries.

We should know the number of goods in sight. For example, sugar is produced in my constituency. The government should know exactly the amount of sugar which it is estimated will reach the market this year. Probably it does know that—very likely, in fact, because there is a sugar controller. Then it should have the same information with regard to every commodity in Canada.

[Mr. Blackmore.]

It should know the productive capacity of the country. The government probably does know the productive capacity with respect to sugar and a few other commodities, but it should know the productive capacity with respect to every other commodity in Canada. For that productive capacity has a direct bearing on the question of inflation, the question as to whether money must be taxed out of circulation, so that people may be kept from buying goods, and the question as to whether the minister should have forced loans, or should spend money.

The government, I say, should know the productive capacity of the country. It should know the mechanical productive capacity: the number of machines for manufacturing cloth, for example, and the number of machines for the manufacture of other commodities. It should have the extent of our transportation facilities. The government should know the extent of our storage facilities. This information should be right at the government's finger-tips. All that should be necessary in order to obtain the information is to touch a button. It could be done. The government should know, too, in great detail, the human material available in the country.

The government should know the potential additional productive capacity. They should know, for instance, how much sugar could be produced, and how long it would take to get into that sugar production. They should know how many factories it would be necessary to have, whether they could get the factories and all that sort of thing. They should know our honey producing capacity. They should know our wool producing capacity. They should know our dairy producing capacity, our fruit producing capacity and the same with all other foods. We should have full information as to the resources of Canada, both material and human.

Mr. DEPUTY SPEAKER: The hon. member's time has elapsed.

Mr. BLACKMORE: I have moved a vote of want of confidence in the government, and my time is unlimited.

Mr. DEPUTY SPEAKER: I have taken that into account. The hon. member started to speak at twelve minutes to five, and his amendment was presented at twenty minutes to six. He has now been speaking for one hour and thirty-seven minutes. The hon. member spoke for forty minutes on the motion and fifty-seven minutes on the amendment.

Mr. BLACKMORE: There is no time limit on a member who has moved a vote of want of confidence in the government. If the leader

of the opposition (Mr. Hanson) had moved this amendment, he would have had unlimited time. He did not move it; so I moved it and I have unlimited time.

Mr. NEILL: It is a well known fact that there is no time limit on an hon. member moving a vote of want of confidence in the government. I think the leader of the government will confirm that.

Mr. DEPUTY SPEAKER: Has the hon. member the unanimous consent of the house?

Mr. BLACKMORE: I do not need it.

Mr. STIRLING: I draw attention to the fact that the hon. member does not need unanimous consent. Surely he has unlimited time when he moves a vote of want of confidence.

Mr. DEPUTY SPEAKER: Very well, I am satisfied.

Mr. BLACKMORE: There should be a complete inventory of the needs of Britain and the needs of Russia. Three or four times I have asked on the floor of this house to be given information as to how much of a given commodity the government wants. I do not believe the government has any definite conception of what it wants in the case of most of the major commodities which are required overseas by Britain and Russia. The government is so much in the habit of following the principle of laissez-faire that it cannot get out of the habit even to fight a war. It just has to let things drift. I think that situation should be remedied, and remedied at once. The government should determine what will be left for Canada after Russia, Britain and the other allies that require assistance have been supplied. Then after that it should determine what Canada's consumption could be.

There is something else that has been neglected by the government in connection with all these matters—the cooperation of the provinces. It is conducive to bureaucratic and centralized control in Ottawa when the wartime prices and trade board undertake to govern everything from Ottawa. They will find that in each of the provinces of the Dominion of Canada there is a government which is as much concerned about keeping prices down as ever the government at Ottawa is. Those governments could be of great assistance to the wartime prices and trade board and to the ministers of the departments in making up inventories of goods and in doing many other things which must be done in this time of great peril. It would add greatly to our financial and economic stability.

Then the provinces could be divided into regions, and the regions could take care of these matters. The municipalities could take care of many things. I find that the cities are greatly concerned about prices within their own borders. They are just as vitally concerned as Donald Gordon or any other person in Ottawa in the prices of commodities. Surely we can count on the cities to assist most heartily and effectively in the administration of the policies of the wartime prices and trade board. I suggest that the government needs to decentralize its responsibility at once and bring in a great number of people to assist. It will have no trouble in doing that. The Minister of Labour (Mr. Mitchell) is in his place to-night. He has mentioned that he has found the assistance given by the provincial governments and other bodies most excellent because they are all vitally interested in this war. They are not foreign countries; they are Canada, they are British. Why try to monopolize all the control and management in Ottawa? It just does not make sense. It is contrary to the spirit of the British North America Act. It is contrary to democratic procedure in any British country, and especially in a country like Canada.

After having obtained, with the cooperation of the provinces, an absolutely accurate inventory of the goods on hand and the goods which could be put on hand at a given time, the next thing the government should do is to determine how much money could be absorbed by those goods and by services such as schools, dental establishments, medical establishments, tranportation facilities and all that sort of thing. The government should determine how much might be paid into debt and insurance before it fixes a tax structure such as the minister has fixed by this budget.

The government should next find out the prices which are necessary to stimulate the desired maximum production. I have said time and again that if you give a man a fairly remunerative price for his eggs, or any other commodity, I care not what it is, you do not have to go on the air and plead with him to produce that commodity. You do not have to plead with any particular producer to produce something that will prove profitable to him. As I say, the government should determine the price which will stimulate maximum production. If it is prepared to maintain that price, it will get the maximum production which it desires.

There is one more thing that ought to be done, something to which I referred this afternoon. Let us say the government is trying to determine the price that ought to be paid for

apples. There is no one in Canada who knows more about that price than the apple grower. Why not bring him into consultation instead of having a lot of doctrinaires who have probably never seen an apple orchard.

The next thing to do is to determine the wage rate which is necessary to stimulate maximum production and to make the labourer feel happy. When you are determining what your wage structure will be you should consult the workers; they know.

Mr. MITCHELL: That is what we are doing.

Mr. BLACKMORE: I realize the minister is doing it. I am not sure but that he is the most progressive minister in the whole cabinet, and I hope the others prove themselves able to learn.

Mr. GARDINER: While we are correcting the hon. member, may I say the apple growers are handling the apples.

Mr. BLACKMORE: The minister can hardly conceive how much reassurance he has given me by this evidence that he has finally got on to what is the right thing to do. That is the policy that should be followed. The people who are producing know what is necessary.

There is one more thing that should be done. An adjustment should be made in order to bring agricultural purchasing power, labour purchasing power and the purchasing power of each and every one of the other groups into harmony so that there may be balance in the economy of Canada. In his telegram to the Minister of Finance of October 14, 1941, Mr. H. H. Hannam suggested this and indicated quite strongly that there had to be balance in the Canadian economy. Agriculture is only one of the groups. The other primary producers are also groups; the wage-earners and merchants are also groups which must be brought into such a state of prosperity or spending power that there is a balance throughout the country.

The next thing, after having determined on the price, is to advance credit to producers who would produce and also to students who would be prepared to learn. I commend the government for having helped, through the Department of Labour, to train boys and girls for specialized work. This policy should be followed throughout the country. Wherever there is a young man who is qualified to become a highly skilled technician or workman he should be discovered and the government should advance credit so that he might be able to go on and perfect himself, because that young man or workman can be made into a great asset.

Then there should be price subsidies and wage subsidies, and price discounts, pensions and other allowances. There should be subsidies for freight rates where necessary, and discounts of the prices of secondary products to enable farmers to buy.

People will ask: "Where are you going to get the money to do all this?" The members of the house know full well my stand on that question.

Mr. MacNICOL: We do not. It is not clear to us yet.

Mr. BLACKMORE: Then I am going to say just a little bit more about it. The whole amendment which I have moved this day is centred around credit and currency management. In a country such as Canada it is possible to have a certain amount of credit and currency out in circulation; the amount of credit and currency that can be out in circulation depends upon the goods and services available, upon the consuming and producing power of the country. The task of the government is to determine by scientific means how much credit can be put into circulation without inflation, and then to see to it that that amount of credit and currency is put into circulation. The credit and currency should belong to the government, be under the direction and control of the government, and the direction and control should be exercised scientifically.

If the government wants a farmer away out in one of the Battlefords, for instance, to produce sheep, and the farmer has not the money to produce the sheep, the sensible thing for the government to do is to see that the farmer gets the money with which to produce the sheep, and to show him where he can buy the sheep. Then, when he produces the wool it becomes an asset to the country. If a similar principle were applied over the whole economy of Canada, the improvement in the national economy, in the wealth and strength of this country, would be almost inconceivable; I am sure of that. This whole matter of the possibilities of currency and credit management has been neglected by the minister up to the present; it is time he changed his ways in that respect.

I am going to give just one little illustration to show how this thing could be worked out practically. In Britain during the last war they created a credit instrument called the Bradbury and 354 million pounds of Bradburys went into circulation in Britain during the last war. Hon. members who are interested in a

study of the whole matter will find it excellently dealt with in "Currency, Credit and the Exchanges," by William A. Shaw, one of the best authorities on matters financial in the whole of Britain. As I said, 354 million pounds of Bradburys were distributed among the people. They were paper, treasury bills, nothing but paper currency, but they were accepted and they became legal tender. They helped to finance the war, and through them Britain won the war and would have won the peace had not evil counsels prevailed causing the discontinuance of the Bradburys some time after 1920.

We can think of saving certificates becoming legal tender just as easily as a five dollar bill. The savings certificates could be made not legal tender until a year from now, or two or three or four years from now. They could be kept out of circulation, "frozen" as it were, until the government saw fit to bring them into circulation by the simple device of declaring them to be legal tender or to be negotiable. The Bradbury experiment could be duplicated in Canada with great advantage. If we had a Canadian Bradbury and we paid the farmers the extra price necessary on his wheat with Canadian Bradburys or savings certificates; if we paid in Bradburys an extra price on any commodity that we chose; if we paid a subsidy on wages or on freight rates to bring down the cost of transportation of western wheat from the prairies to Ontario or Quebec or Nova Scotia or New Brunswick, the Bradbury or the savings certificate would then be being used as a credit instrument.

People will say immediately: "What good will all these things be to the companies concerned?" Well, what good are the savings certificates? What good is a bond, apart from the fact that it yields interest? A credit instrument such as the Bradbury or the savings certificate used in this way would be a use of the nation's social credit.

The number of Bradburys which could have been in circulation in Britain during the world war depended upon the number of goods and services available for purchase, together with the amount that could be produced. With price controls, the number of Bradburys could have been increased.

In Canada a considerable number of savings certificates could be put into circulation. What good would that do? Suppose the farmer received, at the end of the year, a $500 subsidy in savings certificates, or in Canadian Bradburys if we decided to issue such a credit instrument. He could then use that credit instrument to pay off, say, a portion of a mortgage. The government could rule that the mortgage companies, but no other companies, could accept the Bradburys this year. That would enable the farmer to use that $500 immediately to pay off some of his debt. If a similar principle were applied throughout the whole economy of Canada, I think we would be astonished at the amount of debt that would be repaid and the tremendous amount of interest that would stop accruing, and surprised also at the general improvement in well-being and strength of the Canadian economy.

If the government chose to issue a kind of Canadian Bradbury or savings certificate it could say: "These certificates will not be transferable until the government so proclaims by order in council". Then, if the government decided that it was unsafe to have that money put into circulation until three or four or five years after the war, it would be in a position to rule accordingly. The government would decide when they should be put into circulation. It need not be worried at all about inflation. If such an accumulation of purchasing power were put into the hands of the people as would result from the application of such a policy as I have indicated, we would have a fine guarantee against a post-war slump. When the war is over and we cease to spend money like water all over the country buying munitions, and the factories immediately try to transform themselves into peace-time production, purchasing power in many ways will at once cease to be distributed, and there will be a shortage of purchasing power, which will cause a shortage of buying, which will tend to cause unemployment and to bring on a depression. But if the government, knowing that there is a great deal of passive purchasing power in the hands of the people at this time, determined to use it by declaring that Bradburys or savings certificates, or whatever the credit instrument might be called, should be negotiable or legal tender at a given time, it would then have a reserve of purchasing power upon which it could draw to remedy the situation resulting from a falling-off of purchasing power following the making of the peace.

I wish to point out just one or two more things to hon. members. I am deadly in earnest in this matter; I am positive that there is a solution here, and that no solution can be found without some principle such as this. I crave the indulgence of the house to read into *Hansard* some bits of literature which I read into *Hansard* on May 25, because it is possible that some hon. members who are now here were not present when I read these passages before. I quote from a book called "Economic Tribulation", by Vincent C. Vickers, of the Vickers munitions corporation.

To give an idea who Mr. Vincent C. Vickers is, I will read the following paragraph from the introductory note:

Vincent Cartwright Vickers was born on 16th January, 1879, and educated at Eton and Magdalen College, Oxford. He was a deputy lieutenant of the City of London, a director of Vickers, Limited, for twenty-two years, and a director of the London Assurance from which he resigned in January, 1939. In 1910 he was made a governor of the Bank of England, and resigned this appointment in 1919. Later, he became president of the Economic Reform Club and Institute.

I submit that any hon. member must be rather impressed by the record that this man has. It is not likely that a man of his calibre and his standing would recklessly espouse any untenable theory. In this book, which was finished on his dying bed, and published in 1941, and in which undoubtedly he put the very best things he had to say, he makes this reference to democracy, which I was discussing for a few minutes this afternoon. I then maintained that this budget is a step toward the destruction of democracy. As some hon. members might consider that I was extreme in saying that, may I support what I had to say on that occasion by the following quotation, which appears on page 66:

Our democratic system and our existing financial system can no longer live together; one of them must give way to the other.

And, Mr. Speaker, the one which is giving way in this country is democracy, and it is giving way very, very fast. I will read from the closing chapter of the book, in which the author offers suggestions which in his judgment are necessary for the preservation of democracy and the restoration of prosperity, peace and hope in the world, and particularly in his own beloved country. I read on page 74:

1. State control and state issue of currency and credit through a central organization managed and controlled by the state.

In this dominion we could use the Bank of Canada. The minister told us not long ago in debate that he was using the Bank of Canada, but it was astonishing, I believe, to every hon. member—it certainly was to me—what meagre use he had made of its facilities. He had touched that privilege as though he was afraid of it. If he can use the Bank of Canada as a means of getting money without cost, as a debt to ourselves as a government, why not use it on a far more generous scale than that on which he has so far used it? If he feels that the financial stability of the Bank of Canada is not great enough to enable him to use it to help finance this war; if he feels that the responsibilities of that institution are so great, because of the foreign exchange control board and other burdens upon it, I suggest that he establish in Canada a currency commission. Such a commission would not be seriously different from what existed in the last war. I pointed out to the house on a previous occasion that $26 million were printed in the last war by the treasury board for the cabinet and the Minister of Finance. That money was printed and used. Hon members will remember that up to the time of the organization of the Bank of Canada all the money of Canada was called Dominion of Canada bills, was printed and issued by the dominion treasury, and was good money—as good as ever it has been since the Bank of Canada printed and issued it. To say that such a board cannot be set up in Canada to-day is to talk arrant nonsense. If the government feels that the Bank of Canada is not in a sufficiently stable position to issue this money, I suggest the appointment of a credit and currency commission whose business it will be to discover the capacity of Canada to absorb currency and credit without inflation and then issue that currency and credit and apply it scientifically in accordance with the needs of the people.

The next suggestion made by Mr. Vickers in his book is this:

2. Stabilization of the wholesale price level of commodities.

He does not say how it is to be done. It can be done by a monetary technique, by price subsidies and discounts, as I have explained several times on the floor of this house.

That is to say, a fixed and constant internal purchasing power of money; so that a pound will buy to-morrow what it bought yesterday; an honest pound, not a fluctuating pound. And this can be done by so issuing and regulating the volume of available credit and currency that it shall at all times be adequate to permit of the purchasing power of the consumer being equated with the volume of production; not by limiting the purchasing power, but by firstly increasing purchasing power more in proportion to the productive capacity of industry.

Again:

3. Fixation of foreign exchanges by foreign exchange equalization funds, and agreement with empire countries and all other countries willing to fall into line; and, once this was accomplished, the removal or diminution of trade barriers which to-day protect the countries from the results of a bad monetary system.

I pause there just a minute to point out, what I believe will be interesting to hon. members, that this writer says we have trade barriers because we have a faulty monetary system—which indicates that if we get a sound monetary system we can demolish trade barriers, greatly to the benefit of the people. I am not advocating any such set-up as will endanger our industries. We must have our

industries in Canada; but we do not need to protect them by trade barriers; we can protect them with such subsidies as are necessary to enable them to compete successfully, and we can subsidize them by the creation of credit and currency which we are able to base on our goods-and-services-producing-power, which again is dependent upon our resources in materials and in men.

4. Any additional supply of money should be issued as a clear asset to the state; so that money will be spent into existence, not lent into existence.

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 the banks and hired out at interest to the country.

May I in closing, Mr. Speaker, point out that there is no need for despair or for a defeatist attitude. This country is going to be richer after this war than ever it was before, except for the loss of precious men and women killed and maimed; for the riches of a country are to be computed in terms of the goods-and-services-producing-power of the country. Every nation at present at war will be richer, excepting in those countries where productive power is being destroyed. The world is on the verge of a greater era of material prosperity than mankind has ever conceived of in its wildest dreams, and the only thing which can keep us from crossing the threshold and entering the realm of that prosperity is our own stupidity, our inability to adjust ourselves to the conditions of an age of plenty, our continuing to think we must carry on the affairs of this country in a power age with a dogcart or an oxcart financial and economic system.

What the government of this dominion needs above all things to-day; what the countries of the British empire and the united nations need above all things, is financially speaking, to turn and face the sunrise and cease to worship the sunset. Having done so; having modernized their economic and financial system, they may go forward with complete confidence; for our productive capacity far exceeds that of our enemies in combination. With the help of Providence, and our own good hard work, the work of the men and women whom we shall be able to employ as a result of a revised financial system, we shall struggle through, and under God we shall win, not only during the war but during the ensuing peace.

Mr. M. J. COLDWELL (Rosetown-Biggar): I do not propose to speak at any great length to-night, because I believe that we should endeavour as far as possible to shorten this debate and to discuss in committee the various matters which we shall consider in connection with the minister's proposals. I am therefore going to confine my remarks within the shortest possible compass.

With what the hon. member for Lethbridge (Mr. Blackmore) has said regarding the condition of agriculture both now and in past days I am in thorough accord. I do not propose to follow him and to discuss the other proposals that he has made; but, as I understand it, we are discussing a budget designed to restrict purchasing power among the people, and I think any policy which would defeat that objective would probably bring disastrous results upon the country at the present time. I, too, believe that we ought to plan our productive effort and our purchasing power in relation to one another; but to think that the mere issue of more money will cure the ills of society, or that the mere manipulation of currency, credit and money will bring us into some sort of utopia, is to follow something of an illusion, a money illusion, if I may put it in that way; for, after all, goods and services, not monetary tokens, are the real wealth of a nation, and if mankind can once grasp that fact, I, like the hon. member for Lethbridge, believe that when this war ends we can be, if we will be, better off, happier than we have ever been in all our history.

I congratulate the Minister of Finance (Mr. Ilsley) upon his able presentation of the financial position of the country. It was, I think, admirably done and he deserves every credit for doing such a splendid job. As a tax measure his proposals move in the right direction. I think they lag toward the top and fail to reach the objective that I should like to have seen reached. I think they fail, too, in another significant respect, and that is in the realm of social security. Again we have a war budget, a budget that contains no additional measures of social security, nor any additional help for the social security measures we now have in effect Old age pensions are left where they are; dependents' allowances are in the same position; veterans' pensions are too low with the rising costs of living which we have experienced, and I think that even in war time the budget should have recognized these needs. Indeed, I believe that if we are going to maintain the morale of our people, not only have we to consider the necessities of the aged, of the

dependents of men overseas and of a health programme for the nation, but we ought to provide something of a minimum standard of life for the people of the country. I should like to have seen a national minimum adopted and a ceiling placed on incomes, not as a political gesture but as a very real aid in our war effort, because I believe that while some sort of ceiling is being established now by means of heavy income tax in the higher brackets, the gulf between low incomes and those that remain high is far too wide.

The budget outlines stupendous expenditures—some $3,500,000,000 for the war alone; but in my opinion the Canadian people will not object to these expenditures because this war must be won, and in order to win it we have to produce the instruments of war. We have to arm the men who are going to the battle zones, and that means that we have to provide for the financing of the instruments of war and the men who will use them. The total budget, I say, is stupendous. With our peace-time expenditures it reaches almost the fabulous sum of $4,000,000,000. In spite of the very heavy increased taxation, just over 50 per cent raised by taxes, we have to raise a very considerable portion by way of loans. Few will object to the higher income tax, because after all the income tax is probably the fairest way of assessing taxation in a modern country. Few will object to the increased income tax, provided they are convinced that these increases are made on an equitable and just basis.

In examining the minister's proposals in that regard, I was struck with the fact that the people in the low and middle brackets will feel the pinch most; for let us keep this in mind: it is not what you pay out in taxes that really counts; it is the amount you have left after your taxes have been paid that counts. On a $2,000 income the increase in tax and compulsory saving is over 250 per cent. That is a tremendous increase for a family man, we will say, in the $2,000 bracket to take all at once. In the $3,000 bracket the increase is slightly over 300 per cent. In the $5,000 bracket it drops; the increase is 120 per cent; and in the $10,000 bracket the increase is 65 per cent, while in the $50,000 bracket it is 30 per cent. The increase above $3,000 diminishes on a percentage basis as the income increases. I think I know the reason why the increase is so great in the middle brackets, but the impact of the present budget in the income tax field will be greatest in these moderate income groups. Presumably, of course, this is to restrict purchases of non-essential goods by the largest group of wage-earners and salary earners who can be reached through the income tax. I know the minister can make a good case for the taxes, because he will say that the reduction in purchasing power in these fields is to prevent buyer competition, to prevent price inflation, and ultimately to release material and labour for war purposes. Those are good objectives, but let us not forget that the impact upon this group of middle-income earners is going to be very great indeed.

The introduction of compulsory saving is also a step in the right direction, following as it does to some extent the British plan, though I believe it is rather more severe than anything the British have adopted as yet.

Mr. MITCHELL: You pay back more.

Mr. COLDWELL: Quite right. A few moments ago the hon. member for Lethbridge remarked that the interest on these compulsory savings, which of course are in the nature of compulsory loans, is to be 2 per cent until paid, and it is anticipated that the loans will be repaid at the end of the war. Here, I think, is the defect in the minister's budget. Where is a compulsory loan made in connection with large accumulations of wealth, held either by individuals or by corporations? The owners of these accumulations will be induced to lend their money to the government at a rate, if the term is longer, in excess of the 2 per cent which will be paid those who are handing over their compulsory savings to the government.

Mr. ISLEY: But we take 20 per cent of the excess profits at no rate of interest.

Mr. COLDWELL: I will deal with that in a moment. I would point out that you are not touching the same people with your excess profits tax as I am talking about at the present time. I am talking about corporations, trust companies, insurance companies and individuals who may have large accumulations of wealth. They are not touched by the excess profits tax; we have no compulsory loan on those accumulations of wealth, and I think that is a defect in the budget.

Mr. ILSLEY: If the hon. gentleman will permit me, on their incomes we are much more severe than on the smaller incomes, in that we pay them back so much less.

Mr. COLDWELL: Quite so, but I am not talking about individual incomes. I am talking about persons who have large accumulations of wealth, not income; and I am talking about corporations which may have accumulations on hand. I believe justice demands that where there are such accumulations, we should levy on them compulsory loans on a

graduated scale, according to their ability to contribute. The compulsory savings plan is, in my opinion, a good feature; but, like the leader of the opposition (Mr. Hanson) this afternoon, I would say that I think it is bound to interfere with the sale of victory bonds in the future, and with the sale of war savings certificates and stamps. It will be impossible for the average man to pay the very high income tax, plus the compulsory saving, and also buy victory bonds and war savings stamps or certificates. Therefore I think the government and the country are going to face a very difficult situation in financing the amount which the minister indicated during his budget speech would have to be financed by way of loan, though I certainly wish him the very best of good fortune in endeavouring to raise money in that way. The amounts in the savings accounts of small depositors will be reduced, of course, and, as I say, that will make it difficult for such people to put their savings, as they have been doing for the past year or so, into various forms of war loans.

The minister mentioned the excess profits tax. It is raised to 100 per cent superficially, but in reality it is increased only 5 per cent, because 20 per cent will be refunded after the war. I think this is insufficient, particularly since the minister admitted in his budget speech that companies have been retaining substantial amounts for reinvestment in working capital, expansion and so on. I think, if I may say so, that this admission on the part of the minister in his budget speech is a vindication of all we have said in past months with regard to the necessity of a 100 per cent excess profits tax; and an answer, if I may say so, to the hon. member for St. Antoine-Westmount (Mr. Abbott), who a couple of weeks ago took me to task for picking out, as he said, a group of profitable companies. I may say I did not pick out a group of profitable companies; I took them more or less as they appeared in the newspapers, and somewhat at random, because they were war production companies. I say the determination of the government to impose this tax now indicates that the demand was justified when we made it some time ago.

With regard to the 20 per cent to be refunded, I noticed that this afternoon the leader of the opposition spoke at some length on this feature of the excess profits tax. He said that it would be a good thing; that it would enable industry to return to its normal way of doing things; that it would provide employment after the war, and so on. But I should like to point out to the house that the 20 per cent is to be refunded unconditionally. There is no obligation upon the company which receives the 20 per cent refund in connection with the excess profits tax to do anything in particular with that money. It could, if it liked, cut a very substantial dividend melon after the war is over. This refund could, therefore, simply be deferred profits returnable to the shareholders when the war is over. If we are going to justify the return of this 20 per cent to industry when the war is over, that return should not be unconditional. It should be conditioned on industry using that amount in the transition from war-time to peace-time operations. Then this 20 per cent refund might be justified. Unless that is done, however, I would point out that we are simply setting up a fund out of which, at some future date, some nice, juicy dividends may be paid, and this would defeat the very object of the 100 per cent excess profits tax.

The leader of the opposition spoke of our little group and said he thought the worker was most interested in returning to his job when the war ended. He spoke at some length of the necessity of producing jobs for our men. Yet, as he was speaking—and I do not say this unkindly—I remembered that to-day is an anniversary. On June 30, 1935, in my home city of Regina, there were some 1,700 or 1,800 young men who were endeavouring to come to Ottawa to place their sad case before a government of which the leader of the opposition was then a member. I recollect meeting those boys in Regina and moving among them. In the number were university graduates and high school students. There were boys very much like my own boy at the time. What happened to them on that 30th day of June? In a peaceful meeting on the market square they were showered with tear gas bombs. A riot occurred, and one of our city detectives was killed.

Let us not allow that kind of thing to happen when this war is over. I have looked around the city in the past forty-eight hours and have seen the flags flying. The city is decorated in honour of those men who are now overseas—and I am glad the country is honouring those boys. Yet let me say that the greatest honour we can do them is to consider immediately how we may best give them an opportunity of living decent, comfortable lives when the war is over. To my mind, the flags are out of place until we have done something of that kind.

I said a few moments ago that the war will need every dollar we can find, and in my opinion we should go further in connection with the excess profits tax. We should take 100 per cent of all profits above a stipulated amount. In another debate in the house

recently I suggested that perhaps that amount might be limited to four per cent, and that above that we should take all else for the war effort. Indeed, I believe that would be fairer than the present system, because I think there is not a member in the house who does not know that in some respects the base upon which the excess profits tax is computed is both uneven and inequitable.

So I would point out that while we commend many features in the budget, it falls far short of anything which might be called the conscription of wealth in war time. It does nothing to conscript industry, and leaves financial institutions free to lend or to refuse to lend money to the government. In those respects, in my opinion it falls short of what a budget during war time ought to be. Let me emphasize again that it does not in any sense nationalize the financial system, without which, in my judgment, not even the shadow of the thing suggested by the hon. member for Lethbridge could be in any way instituted. Without a complete national control of the financial system it is impossible, to use the words of the Prime Minister (Mr. Mackenzie King) to issue currency and credit in terms of the nation's need.

The Minister of Finance has also decided that the new income tax and the excess profits tax shall be collected at their source. I think that is a good plan, and will prevent evasion. But how does the minister propose to prevent evasion in respect of unearned incomes, incomes from all kinds of bonds and investments, unless he compels a complete registration of both the securities and the owners of those securities?

One of the good features of the budget is the allowance for medical care, nursing and that kind of thing. In view of the tremendous tax now imposed upon the Canadian people it seems to me that that is an essential accompaniment of the budget. May I say to the minister that I hope, when the regulations are drawn, they will be sufficiently broad to meet various types of cases. It is proposed to make provision for medical care, hospitalization and nursing services. Among many of the lower income groups there may be a sick mother in the home, or a sick member of the family, but those people are unable to engage the services of a trained nurse or to remove the sick member of the family to a hospital. Yet the amount they spend on the sick person may be very considerable indeed. So, while they may not have the services of a trained nurse and while there may not be hospital expenses, there may be other expenses in connection with that sick person which ought to receive some specific consideration by the minister. Regulations governing this matter are being drawn, and I draw this to his attention in the hope that he will give it favourable consideration.

Then, as in former years I want to put in a word of criticism with respect to the kindness which has been shown for a number of years to the mining interests in this country. I think they have been treated very generously in their relief from taxation. Yet we send out surveyors. I do not know how much the Department of Mines and Resources is spending this year in sending out geologists and scientists into all parts of Canada, looking for favourable indications of minerals or oil. There is no doubt, however, that a very considerable sum is being spent for these purposes. When we have located favourable areas the private companies come in, on most occasions do some further prospecting, and then exploit the properties for their own private gain. Then we give the claims to private corporations and individuals for their own profit.

I think the time has come when we ought to consider doing this ourselves, and obtaining from our vast mineral and other deposits all the revenue that is in them. I notice we are still going in for some prospecting in gold. Well, I agree with those people who think it something of a paradox that we should take gold out of one hole in northern Ontario, ship it to the United States and put it into another hole. It seems to me a great waste of human labour when we are at war, and labour is needed.

The increase in the tax on alcoholic liquors is, as the leader of the opposition said this afternoon, fully justified. I could only wish that some steps might be taken to bring about a more moderate use of intoxicating liquor at this time of war. I believe in temperance, rather than in total abstinence; but I look round this country, and it alarms me to see the amount of alcoholic liquors being consumed at the present time.

Taxes on such luxuries as cigars, cigarettes, tobacco and so on were to be expected, but I want to join with the leader of the opposition in criticizing the imposition of a fairly substantial tax on candies. I think some differentiation might be made. Where candies are worth more than a certain amount per pound or where they are put up in boxes, they might come under the tax, but I think exemption should be given to the ordinary fudges and hard candies which children love. I agree with the leader of the opposition when he says that children crave some sweetmeat. This is a natural craving, and candy in moderate quantities should be within their reach.

The people of this country must be given assurances of a greater measure of social security when this war ends. When peace is proclaimed, are we going back again to the old pre-war unemployment, insecurity and poverty? A mother of a western Canadian boy who is now overseas sent me an extract from a letter which he had written to her during the plebiscite campaign, and which I received about the end of May. The people are English born, and the boy enlisted early in the war and is now in Great Britain. He said he was surprised that I had advocated a "'yes" vote in the plebiscite. He stated that he and some other boys from the same city, all of English stock, had voted "no" in the plebiscite overseas. He said they voted "no" because they did not feel justified in compelling boys to go over there and, when the war is over, to return to the conditions that they left when they enlisted. That comes from a boy who enlisted voluntarily and is now serving overseas. That was his thought, and I am sure the same thought is in the minds of many thousands of Canadian boys who are now in uniform.

What are we doing in the way of real preparation for the post-war situation, for the boys who will come back from overseas and for the workers who will be dismissed from industry? We have unemployment now. The hon. member for Cape Breton South (Mr. Gillis) will tell us that in the area which he represents miners are working only one day a week, and to-day they are enduring depressed conditions almost as bad, if not—

Mr. GILLIS: Worse.

Mr. COLDWELL: The hon. member says worse than they had to endure during the years of the great depression.

Mr. MITCHELL: My hon. friend knows there is an answer for that.

Mr. COLDWELL: I know the answer, but I would point out that nothing is being done to assist these men to maintain their families in decency when they are on such part-time employment. What we need is at least some beginning of a comprehensive social and economic plan. Hon. members have said to me that they have not heard me speak lately of economic planning, but I want to say that it is always in my mind. I believe that there can be no intelligent social and economic life in the future unless through our democratic institutions we build and plan effectively to meet the needs of the people. It is no good crying "socialism!" That is like crying "wolf!" It can be cried too often. I remember not so many years ago when some people in Regina where I lived said, "This man, if given his way, will hoist the red flag on the city hall or on the grounds of the legislative buildings." Our former leader, Mr. J. S. Woodsworth, was accused in this house of wanting to put the red flag on parliament hill. Last Friday when I came up here in the evening I looked over toward the governor general's office and, hanging right outside his excellency's window, I saw the red flag with the hammer and sickle in the corner. I did not put it there. I want that to be known. Times are changing, and it is useless to cry "socialism".

I do not believe in stateism, whether it is state socialism, state capitalism or any form of stateism. In New Zealand the Labour government succeeded in having the foundations of democratic socialism incorporated into the constitution before war broke out. They hope to do this also in Australia under the leadership of Mr. Curtin, and they plan to do it in Great Britain when the war is over under such men as Bevin, Citrine, Morrison, Cripps and so on. Our social democracy must mean the preservation of the widest measure of private ownership in home, in farm and in those things which do not oppress the people, but taking into the nation's hands the great trusts and the great monopolies so that we may plan and use them to attain security, plenty and peace.

Mr. CHARLES E. FERLAND (Joliette-L'Assomption-Montcalm) (Translation): Mr. Speaker, it gives me great pleasure to join the hon. leader of the opposition (Mr. Hanson), the leader of the C.C.F. (Mr. Coldwell) and the leader of the New Democracy group (Mr. Blackmore) in congratulating the Minister of Finance (Mr. Ilsley) on his brilliant delivery of a budget address remarkable both as to form and substance.

That part of the budget which introduces compulsory savings offers an interesting parallel with the "Enforced Benevolences" of King Henry VII who ruled England from 1485 to 1509 and who, impoverished at the end of the War of the Two Roses, filled the empty coffers in his treasury through compulsory loans levied from the nobility. But Henry VII never saw fit to repay his subjects the moneys he had forcibly extracted from their purse. Whatever the criticisms directed at this budget, Mr. Speaker, let us at least confess that our Minister of Finance is kinder than King Henry VII.

The two most important measures submitted to parliament during the present session are undoubtedly Bill No. 80, purporting to strike out section 3 of the National Resources Mobilization Act, thus introducing the principle of conscription of

men for overseas service, and the present budget in which the principle of conscription of wealth is incorporated to a large extent. Canada's war expenditures last year amounted in round figures to a billion and a half. Now the Minister of Finance requires for the present fiscal period appropriations totalling nearly four billion dollars. He estimates the total revenues for 1942-43, the current fiscal year, at $2,050,000,000 and the total expenditures at the figure of $3,900,000,000. This would leave a deficit of $1,850,000,000.

The minister is relying chiefly on direct taxation of incomes and profits and on indirect taxation of goods and services to increase the revenues of the dominion by about $377,850,000.

Here is a summary of the budget:

First, a sharp increase in the income and national defence taxes is contemplated. These taxes will be combined and, whenever possible, deducted at the source. They will be increased by a salary deduction, considered as a form of compulsory savings, repayable after the war at 2 per cent interest.

Secondly, the excess profits tax is raised from 75 per cent to 100 per cent; 20 per cent of the tax would be refunded after the war also bearing interest at the rate of 2 per cent.

Thirdly, there are increased taxes on spirits, tobacco of every description, soft drinks, transportation, telephone communications, night clubs, luxuries such as furs, jewelry, candy, chewing gum, and so forth.

The Minister of Finance wishes the people to understand that Canada, together with the united nations, is in a critical situation and that victory will only be achieved after a long war. He said:

> The war will be won, not alone by the valour of fighting forces and the skill of generals but by the willingness of the people at home to make necessary sacrifices—willingness to make those sacrifices first and not after all other groups have made them.

In this budget, the Minister of Finance calls upon the nation as a whole to accept the heaviest sacrifices in these tragic days, in this the most critical period of our history.

The budget has two main features: taxation is increased to such a degree that it appears crushing and savings become compulsory.

How will this war budget affect the economic life of Canada? I believe it is impossible at the present time, even for the exponents of new doctrines, the builders of theories, the pedlars of new systems and the experts who contributed to the preparation of this budget, to foresee the consequences which, I fear, will spell disaster for many people.

Does this budget not preface a fundamental economic revolution? Is it not, to a certain extent, tainted by state socialism? Let us hope that it will not cause our economic structure to collapse.

This budget places our country on the same footing as every large nation devoted to an all-out war effort. I unhesitatingly state that Canada is now reaching the limit of her war effort, in spite of the statements made by inveterate conscriptionists who, during the last few months and even before, have waged a campaign of hate, prejudice, insult and slander against Quebec, ceaselessly proffering both in their newspapers and in public speeches, the same nonsensical charges with unheard-of violence and in a spirit of revolt against our province heretofore unknown in Canadian history.

Mr. Speaker, a nation with a population of 12,000,000 which raises an army of 500,000 men through the voluntary system, which can employ in its munition plants almost a million workers—the Minister of Munitions and Supply (Mr. Howe) said that the figure was 900,000 at this time—which is able to maintain on farms at least one million men, which supplies to the common cause all the planes, the merchant vessels and the warships it can build in its yards operating to full capacity, which supplies all the guns, munitions, supplies and commodities needed by the allies, a nation of 12,000,000 which does all that has no reason to be ashamed of its conduct, and I do not hesitate to say that Canada now ranks with the great nations which are putting forth a total war effort commensurate with their resources. We are doing even more than our neighbours.

I have before me, Mr. Speaker, a table published in a Montreal newspaper showing the taxes proposed in this budget as well as those that are paid in England and in the United States. I find, in the first place, that England pays the heaviest taxes and I wish to correct a wrong impression which I have frequently noticed among the working classes who think that Canada is doing more than England herself. Taxes are much heavier in England than they are in Canada. One can understand that because Britain is in the war zone.

There are a few comparisons: We find that while a single person with a $2,000 income is taxed $441 in Canada, that same person is taxed $624.50 in Britain and only $106 in the

United States. Single persons earning $10,000 in Canada must pay a tax of $4,312—not including compulsory savings—while in Britain the tax is $4,624.50 and only $2,190 in the United States. I will give no further illustration but the proportion is the same all along the line.

At first sight it does seem that this budget is bound to have among others the following results: it will so reduce the purchasing power of the people that the taxpayer, the consumer and the government's competitors will be unable to buy the raw materials required for war.

The general taxes and the 100 per cent excess profits tax will necessarily bring about a formidable, indeed an excessive reduction of wealth among the very rich. The middle classes will also be seriously affected and they will be forced to adopt a standard of living far below that of pre-war days.

I believe the farmers will not be affected by this budget, those of my province anyway. Such is also the opinion of a financial publication from Toronto. It complained in its issue of Saturday last of what it termed "a grave and serious omission." Still one would need to have very little knowledge of the conditions which obtain among the poverty stricken farmers in Quebec to state that they should be in a position to pay income tax.

Further examples make it evident that certain civil servants, bank employees, employees in industrial, commercial and other establishments, earning a $2,000 income, will find it very difficult to balance their budget particularly after having paid $450 in taxes. But the wealthy—and I emphasize this point as an answer to all demagogues who hold a grudge against the wealthy class—the rich man whose income formerly was $100,000 will only retain $21,000, that is 21 per cent, and turn over $79,000 to the state. And what about the millionaire with a $500,000 income? According to the budget provisions, Mr. Speaker, he will only be able to keep $37,000. On the whole, however, the class most affected is composed of people with an income between $1,500 and $3,000 a year. It seems probable that a large number of these people whose standard of living required every dollar of their income and who must continue paying the same rent until next May, will be unable to balance their budget.

I hope that the hon. Minister of Finance will, within the shortest possible delay, find the means to correct any errors that may have been overlooked in a war budget of that size.

I sincerely think that the present budget will inevitably lead us to the enacting of moratoriums which will necessarily be requested of the government, especially by small property owners and a certain number of small industrialists doing business on a small scale, who seem to be seriously affected by the budget.

In order to reach its ambitious goal, the government also relies on a voluntary savings tax. Certain newspapers claimed that this was merely penalizing the thrifty, since the government taxes insurance premiums. Such a tax, although paid by the insurance companies, will necessarily affect the policyholders, for the companies will certainly deduct the amount of the tax from the dividends payable, at least in the life insurance field. Thus the people generally will be asked to make a further sacrifice.

I hold no brief for the wealthy, but I have heard so much said against them, especially by certain demagogues, that I would be remiss in my duty were I not to point out to the house the sacrifices demanded of those who enjoy large wealth. Is it not true that the wealthy invest their money in insurance companies and are sorely hit by this new tax?

Many people who were in dire need before the war are now earning reasonable wages. A gradual levelling of the social classes is in process of accomplishment and it is to be hoped that after the war there will no longer be families in need of assistance, no unemployment in a country such as ours, as large as a continent and enjoying tremendous resources.

For this levelling of the social classes, the Liberal party deserves some credit. If we consider the results of the Unemployment Insurance Act through which the government collects from 50 to 60 million dollars annually, we must realize that these moneys are held by the state for the benefit of the working class and not for the rich.

Mr. Speaker, as I said before, the government is requesting our people to make tremendous sacrifices. In the opinion of the administration, the present budget is necessary to attain an all-out war effort. Although I find the budget provisions severe, I find war even less to my liking and our people would be even more harshly treated in the event of an invasion of our shores, in the east by Germany or in the west by the Japanese.

The Canadian people realize that in view of the immediate threat to our country and to all the united nations, every individual must do his part and accept personal sacrifices, and no one in our dominion can remain indifferent to the war effort directed by our government.

Mr. Speaker, as the representative of the three combined counties of Joliette-L'Assomption-Montcalm, with a population of 65,000 who have raised no objection to the government's war programme, who have accepted every measure with the sole exception of conscription for service overseas, I believe, Mr. Speaker, that I am expressing the opinion of virtually all my electors when I say that I shall support this budget on the whole, in spite of certain mistakes it reveals, mistakes which, I repeat, are unavoidable in a war budget of that size. I feel that the province of Quebec will accept this budget. I hope it will accept it without complaining. That is my personal opinion, for I have consulted none of my fellow members from the province of Quebec. We have taken that stand, but I feel that I am serving the best interests of my country and my province in supporting this huge war budget, the largest in our political history. I feel that I would ill serve the interests of the French Canadians by a futile and barren opposition to this war budget which commands the general approval, as far as I can see, of the members of this house and which also seems to enjoy the approval of the press in this country. Of course I have no desire to force my opinion on hon. members. Every member of the Liberal party enjoys complete freedom. Those who do not agree with me are at liberty to take whatever stand they deem appropriate. I do not blame them in the least but I sincerely believe that we from Quebec would be mistaken in opposing such a measure; we would even interfere with the spirited battle undertaken by the members from Quebec under the efficient leadership of the former Minister of Transport and Public Works (Mr. Cardin) who has tendered his resignation, and who did a creditable thing when he showed the country at large that the province of Quebec is unalterably opposed to conscription. I feel it would be a mistake to persist in our quarrels and our dissensions on matters of lesser importance and that conscription must take precedence over financial questions. After all, as the saying goes, what money mars money will mend. And I assert with all my heart and with the utmost sincerity that there will never be any equality of sacrifice as between the soldier who sheds his blood, who gives his life, and the Canadian citizen who gives his money. I feel in duty bound to support the government on this measure. I am in agreement with the government's entire policy since the beginning of the war, and I will continue to support it with the sole exception of conscription for overseas service. I shall take the opportunity of stating why my electors are opposed to conscription at some other time, but for the time being I merely want to say that I shall vote against Bill No. 80.

Mr. Speaker, I do not wish to delay the business of the house much longer. This is army week, dedicated to the Canadian soldier. The government has directed that during the week extending from the 29th of June to the 4th of July, we should honour our valiant Canadian soldiers and, personally, I see no better way of paying tribute to the courage of our soldiers than by telling my fellow-citizens in the province of Quebec that they have a duty to fulfil and that if they are opposed to conscription, they must at least make personal sacrifices and assume the obligations imposed by this budget which is deemed necessary in the opinion of the government.

As an homage to the soldiers of Quebec as well as to the clergy and the bishops of our province who have supported every activity of the government with clear-sighted and broad-minded patriotism, may I be permitted to quote an excerpt from the collective letter made public by our bishop:

> Let it be recognized that this spirit of devotion and self-sacrifice is nobly expressed by those who so courageously enlist in the army, navy and air force. We owe a debt of gratitude to our fellow-citizens who, by their courage and their bravery, will have so magnificently served their country and humanity. Their triumph over personal interest is a pledge of final victory; their loyalty honours our nation; their faithfulness to duty is the bulwark of our freedom. Every day we have new reasons to be prouder still of their steadfastness and their courage under fire, through thick and thin. They show themselves worthy of our young and valorous country. In their willingness to conquer or perish, their hearts are filled with heroic strength. And the sacred ties that bind them to all they hold dear are as many reasons for fulfilling their worthy part as defenders of our freedom.

So speak the bishops of the province of Quebec of the self-imposed sacrifices of our soldiers who are risking their lives and who stand ready to shed their blood for the common cause. Do our sacrifices count for so very much, I ask you. Would we not be ashamed to refuse to give a few dollars in support of so sacred and so dear a cause in this struggle between civilization and barbarism, in this battle of freedom against slavery?

In conclusion, Mr. Speaker, I would like to quote these words addressed to our soldiers on the occasion of this national celebration, which I have taken from the newspaper *Le Droit:*

> The Canadians are there!
> . . . and when the Canadians are there, that means the enemy shall not pass! . . . What heroic deeds are theirs! . . . What perilous

tasks they have accomplished! . . . More than once have they covered themselves with glory by standing fast when it seemed impossible and in taking positions held impregnable! . . .

Stout hearts and valiant arms, the Canadians have their legend. Those of to-day are the worthy sons of those of yesterday, and blood will tell.

They shall hold fast and they shall conquer!

Mr. T. L. CHURCH (Broadview): To-morrow is Dominion day, the seventy-fifth anniversary of confederation. I thought we would have been home long ago; and I think the time has come, after we have been here since November last, when the house as quickly as possible should conclude its business. I am only filling in, as it were, to-night as one member of the opposition in order that the debate may go on to-morrow.

In Sir John A. Macdonald we have one of the main pillars of confederation; he was one of the great statesmen who were responsible for bringing about that great event. He was Attorney-General of Canada, and we did not hear in those days the strange talk that we heard in this house the other day from one other Attorney-General of Canada, because, after all is said and done, Sir John Macdonald laid down the policy of this party and of this country's long British policy. As I understand it, we are all together in this war. We do not know who will own the country before the next Dominion day arrives, because the whole empire and the dominions are being attacked now and are in very grave danger from the axis powers. As I say, we are in the war together, but sometimes some of the parties in the house seem to me to forget that particular fact. The object of some—it is not my object, but it is the object of some here—seems to be to use the great national danger in which we find ourselves to-day in order to advance what I might call the aims of their own political parties and their own political faiths. That is a great mistake, because nothing else matters until the war is won. It is our only business.

Speaking to the electors of the city of Kingston in December, 1844, Sir John Macdonald used these words with reference to the fiscal policy of the country as it was then:

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, speaking in the same city in February, 1891, in his last campaign—he was again elected—Sir John reaffirmed the same doctrine of our close relationship with the mother country. He said:

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.

In the course of half a century, Sir John never failed to make the stand of Canada known, in its relation to the rest of the empire. In those troublesome days, before the fathers of confederation had drawn up the British North America Act, they all had to give and take, with the result that confederation was facilitated and thus brought about. Shortly before the last war Canada was the chief drifter from the mother country, of all the dominions, owing to status dream, isolation and separatism. The visit in May, 1939, three months before the war, showed the great popularity of the king and queen in their visit here, but the decline and decay of our parliamentary institutions had already set in, because of the fact that we had surrendered our rights and privileges and functions to bureaucratic boards of all kinds and to the executive, especially under the present Minister of Finance (Mr. Ilsley). That is a serious mistake. To-morrow will be Dominion day and this week is called "army week." We had troops in front of these buildings to-night. I do not wish to speak with disrespect of the Minister of Finance, because I have a great deal of respect for every minister of the crown to-day in the laborious, thankless tasks they have, and whatever I shall have to say on the budget is said without any intention of giving offence to anyone and in a spirit of good-will. Indeed, I wish nothing but the utmost good-will towards every member of the cabinet and this house. It seems to me, however, that the present Minister of Finance has forgotten the duty of this country to its soldiers at the present time. I have urged for three years that there should be some readjustment and reallotment of pay to the army, the navy and the air force. The question of pay was put through the house on September 10, in half an hour one night, Mr. Speaker—you were in the house—with practically no discussion at all. The present rates of pay were then established without discussion, and they have been found to be unjust, inequitable, unfair and full of inequalities; have done untold harm to recruiting and brought real hardship and suffering on soldiers' dependents. I find this every day in a soldier city from which I come.

A month ago I referred to what had been done in Washington, whereby every soldier in the United States army is given a minimum of $50 a month, with some receiving $60, and

extra pay all along the line. I was glad to receive some support in what I said then from my good friend the hon. member for Parry Sound (Mr. Slaght), and the soldier member for the Yukon (Mr. Black). I suggested that when these three payrolls were being discussed last session and this, they should be sent to some committee. In June, 1941, the present minister would not allow me to place on *Hansard* our schedules of pay, which are unjust and unfair, and nothing was done. I revived the matter this year. I venture to say that you could not get a Japanese office boy or cook to work for $50 a month, but what are we paying our men in uniform? It is all very well to sit and talk in this house; it is all very well to refer to what is being done on the farms and in the munitions plants, but that is as nothing compared with what is being done by our boys in the camps. Go to Camp Borden and the other camps throughout the country; see how our men sweat and toil all day. Yet all across the country this government has been spending money like water in the erection of camps, vast distances apart and at out-of-the way places, on expensive plants and military buildings. The youth of the city of Toronto have been taken from their homes and scattered all across the country, while the railways have been making millions of dollars out of the taxpayers, and this carnival of spending goes on. Down to the end of 1940, according to a return tabled in the house for me, the railways had made as much money as they made during the whole of the great war; yet they charge a soldier's wife or family $2 or $2.50 to go to Camp Borden to-morrow. The railways should be compelled to give the soldiers free transportation, particularly on holidays such as to-morrow, and on special occasions. We are becoming a laughing-stock, the way we set one class of the community against another, and pay control boards and stay-at-home civilians and office soldiers in uniform, and refuse to pay those overseas and in training.

The plebiscite caused more dissension in Canada than has occurred at any other time in the history of our country. I believe the forgotten agency of the services of the government of the day is the army and one of the most necessary. It is the forgotten arm of the services. The cost of living bonus should be given to the dependents of those in the army, but it will never be given as long as the present state of affairs continues. I can tell you this, Mr. Speaker, that yes-men and nodders caused this war. The yes-men and nodders in Germany, Italy and Japan brought about the tyranny and oppression which exist in those countries, and caused the surrender and usurpation of the powers of the people to dictators, just as the House of Commons has surrendered its powers to controllers and bureaucratic boards. This House of Commons is to blame if the cost of living bonus is not given to soldiers' dependents and for Canada's bureaucracy of civil servants. Last fall a few small changes were made in the government's policy, but this added pin-money for a soldier bonus I think went to only about 204 people in military district No. 2, which at one time before the war had as many soldiers as all the rest of Canada combined. Many of these dependent people cannot pay their rent; some of them are without clothing and fuel, and this winter there will be a terrible condition. I think our schedules of pay should be brought up-to-date before we close. A committee should revise them, or I believe it can be done by the cabinet under the War Measures Act.

Then I suggest that the National Resources Mobilization Act should be enforced in regard to all classes of the community. I know of three young men in the city of Toronto, engaged in sports, who were given notice of their call last April. But they went away to a prairie town; then, against all regulations, they were allowed to join the air force, and now they are not to report to it until the end of August. In all other cases there is a thirty-day limit. How much longer are we to continue a policy of this kind, while other young soldiers who are not earning extra money in sports, but for $1.30 a day are being killed every day over Germany? If that is the policy with regard to recruiting, there is no use in having an army week. The government's stand on sports in relation to the war should be made known. When we come to this building we find armed guards outside during this army week. But one-half of this building has been vacant since last June. If the government has no real war work to give the other branch of the legislature where there are so many able men of great experience ready to help, why not rent out that part of the building for an hotel, or use it to house some of our soldiers, or let it be used by some of these bureaucratic boards. The senate has been sent home, and the "House of Gordon" is reigning in its stead. I believe the time has come when we should stop talking about soldiers and do something practical about soldiers, who are going to defend this country from our enemies and fight the axis powers wherever found.

In my opinion, the budget simply deals with spending all along the line; there is

nothing in it about retrenchment or economy. It deals with the raising of $2,000,000,000 for the war. That matter has been debated here for months; but other than that there is very little new in the budget except provision for the cost of civil government, half a billion, and all that sort of thing, and marking up revenues from direct and indirect taxation. I believe the Minister of Finance should be compelled by statute law to bring down his budget on a fixed date each year. You, Mr. Deputy Speaker, have had a great deal of business experience through your legal connections in the city of Montreal, and you know that no large business concern of any kind could carry on as we carry on here. Six months of the year have passed and we have not yet had one dollar of our annual estimates passed in committee of supply. A haphazard budget is brought down, after several interim supply bills have been put through. From now on I am going to vote against every one of these interim supply bills as causing deficits and overdrafts. They are to blame for all the deficits we have in this country, war deficits, budget deficits and deficits on civilian estimates. The estimates do not contain the details. Any banking institution or insurance company which conducted its business as the Minister of Finance conducts his business on the present plan would close its doors in short order. I believe a date should be fixed by statute for the bringing down of the budget, and I also believe that we should establish a ways and means committee like the one at Washington. There are a great many inequalities in this new income tax schedule. These matters should come before a ways and means committee, as they do in the United States, because some of the professors and others advising the minister are not trained in business. On one occasion, referring to one of the unnamed government "spokesmen" talking over the radio, I described these people who are unnamed spokesmen, as the ghosts behind the scenes, because they tell us what we must do, but we do not know who they are. At Washington they have what they call a ways and means committee; they do not leave things to a bureaucratic board of officials. They take advantage, on such a committee, of the experience and knowledge of those who are in politics, who know something about questions of public policy and are trained in some form of competitive business. I do not believe any such income tax scheme would be imposed in that country. The minister has compared our income tax with the income tax in the United States, but he forgets that in the United States they have no sales tax, and in England this year the income tax has not been raised. Also he charges too much to income and not enough to capital.

In this budget we have the highest income tax in the history of this country. I believe it is going to disrupt business to a great extent. I do not know how anyone is going to be able to pay his fixed charges for insurance, mortgage and other taxes. If a young man wants to get married, I do not know how he is even going to pay for any insurance or mortgage or keep his home. No small business man can pay all these fixed charges and the rest of the taxes out of the pin-money he will have left over after we pass this budget which has been drawn up by these bureaucratic powers over our heads. I believe the minister is taking too much from the taxpayers. There is no such thing as retrenchment in this budget. Look over the estimates, as I have looked over them four or five times from beginning to end, and can find no attempt at economy whatever. Do you see anything there about economy? Is there one word in the budget about economy? The civilian estimates have been brought before the house, but not one dollar has been passed yet—and let me point out that we have now reached the ninety-seventh day of the session. Not one dollar of estimates has been passed yet by this house.

That is the system we have in the house. If municipalities ran their affairs in that way they could not get along, and municipal governments would be beaten in their annual elections on the first of January. I say the system is all wrong, and it should be changed. This year the British budget was brought down on April 14 by Sir Kingsley Wood, and in that budget there is no increase in the income tax. The small man has his exemptions for dependants and those he has to keep. In Canada the only thing to do is to turn your business over to the state. And the state—this federal state—is taking income and corporation taxes away from the municipalities and provinces and destroying the basis of confederation.

This all arises from that celebrated document known as the Sirois report. Ontario has become the goat of confederation, and under this particular budget she is most certainly the goat of confederation. When a comparison is made between this budget and the budget introduced in Washington, it will be found that the leading principles set out in the first part of our budget and review of the year are copied from Washington largely as to details and subject matter. That is all it is; it is a copy from Washington. I shall refer to it in more detail in a few moments.

No more interim supply should be passed until conditions are remedied. Hon. members are not doing their duty. Prior to the discussion on Bill No. 80, this House of Commons might as well have met in secret. When the public realizes that the important debates of their representatives in parliament are being held in secret they will have something to say about the whole matter.

The press have done well and at a great cost have given the people the facts. I am one who all along has advocated the removal of censorship barriers which have been placed in the way of the press. The present censorship should be abolished, because it is not a censorship at all. We would have no news only for the press, and not the radio. In England press censorship has been eliminated. They have eliminated so-called information bureaux. Before the censorship was removed in England the minister in charge of the information bureau there was in hot water almost every day, just like our own minister who heads our bureau of information. The fact that we call it an information bureau affords the only bit of humour in the whole session.

I say that press censorship as we have it at the present time should be abolished. The press should be free to publish the news. This information bureau with a pamphlet of its own, which hands out information, is only a farce because it gets its news from the newspapers. I sympathize with the newspapers when they do not publish proceedings of the house. One great newspaperman told me, before he died, that the proceedings are not worth publishing. Well, I am not prepared to go that far, because I believe this is the only place where the average man on the street or woman in a bus may have his or her grievances remedied. When we fail to function, parliamentary government is at an end. After all is said and done, the private member is the connecting link between the government of the day and the electors; and when he fails to function all parliamentary government is at an end. Are we going to wait until there is a rebellion of hon. members against this bureaucratic system of budgeting and surrender of our functions to all these czars and autocratic controls and boards costing the country millions?

I do not see any of the other Toronto members here to-night, and I do not care whether many members are here or not at present. But I want to say this, that the city of Toronto is the chief tax-paying city in the whole of the dominion. At one time they were paying between 25 per cent and 30 per cent of cash taxation of the dominion. This is the first time since confederation that that great city has been without a single representative in the cabinet of the country, since 1935. We have one or two cabinet members from Ontario, but it seems to me they are not active enough to stand up for their province and prevent us from being burdened in this way. The city of Toronto has sent more recruits than any other centre, notwithstanding comparisons by tables, indexes, pamphlets and that kind of thing, and we have no direct cabinet representation as a city proper.

I am glad the Minister of Justice (Mr. St. Laurent) is in his seat, and I would suggest to him that he turn to the fifteenth chapter of St. John and refer to the thirteenth verse where it says:

> Greater love hath no man than this, that a man lay down his life for his friends.

As thousands did in this and in the last war for our empire. I have a very high regard for the minister; he is a great lawyer, and a fine gentleman; but in his references to the British empire I believe he made a grave mistake, and it was a most unfortunate speech at this time. I can tell him that if the Minister of National Defence for Air (Mr. Power) loses his seat in the city of Quebec, I believe he could get one in Ontario, or in the Toronto district, because he commanded a Toronto unit in the great war, and his name is much respected by soldiers in Ontario. I am glad to say that about him in his absence; he is not in his seat to-night. I say to the Minister of Justice and Attorney General of Canada that his speech of the other evening when he referred to the mother country was a most unfortunate one. Let him remember, on this eve before Dominion day, that 4,275 boys from Toronto lie buried in France. They went over there without compulsion; they enlisted as volunteers, and they will lie in France, where they died fighting the battles of this country, until the resurrection morning. There is no bigotry in Toronto or ill-feeling toward others in this confederation.

I believe the Minister of Justice was not in his seat when I referred earlier to Sir John A. Macdonald. Let him remember that I am a great admirer of what the French people did, along with Britain, for civilization. I respect what was done by the glorious land of France in the last war; I respect what they then did for the world and for civilization. They took part in the great war for their state, their religion, freedom and civilization generally, and Britain and France deserved a better fate than this war. I should hope that before another Dominion day comes along, that fine land of France may be rid forever of those savage barbarians who have invaded the

country, and it can be done only by Canada taking part in another peninsular war, by a total war effort.

I suggest that the Minister of Justice might go to the city of Quebec and read the inscription on the monument to the memory of Wolfe and Montcalm, an inscription which will last for all time, and which was there in the days of Sir John A. Macdonald. I have always believed in a policy for all the provinces of a confederation, and in the old Cornish battle cry: "Each for all and all for each."

This is what I said in the house on March 19 of last year:

> We in Canada should be a united country from coast to coast. Wolfe and Montcalm lie buried together at Quebec, and the inscription on their monument attests the unity of the races in this country, as described in the motto on their memorials on the Plains of Abraham. Britain and France in the last war fought for a better world and for a better fate than has befallen them. I have always believed in the principles of confederation since I have been in this house—of the old Cornish battle cry of "Each for all and all for each". There is no use in our thinking that this is going to be an easy victory. We have no divine right to victory. This is going to be a most difficult, hard and heavy task and we should face that fact before it is too late. Facts are facts, and we should take our lessons from the past. So far we have lost the war and almost every battle; we have had no successes—

And we have lost the war so far right down to our Dominion day to-morrow. I say the same to-day.

A few days ago my good friend the hon. member for Parry Sound (Mr. Slaght) referred "to my absentee leader". Let me say to him that our party polled nearly half the votes in the last election. The Right Hon. Arthur Meighen is a private citizen now. About him I would say that he is a great Canadian and Britisher, and I think he got a very dirty deal in the campaign which was conducted against him in a riding, near one which I used to represent a few years ago. In addition to that, as head of a city which had joint relations with the Township of York, it was under my regime that the municipal services were installed—roads, sewers, water, street cars and all that kind of thing there. Some of the people of Toronto and of York South did not approve the most unfair treatment given my former right hon. leader by certain people inside and outside the house. He has two sons now in England and ready to go to the continent. I regret that I do not see as much of him as I should like, and I do not believe I have had twenty words with him since he was defeated in February. But I was one of his followers here for many years, and I want to say that he is a man who speaks his mind and says what he believes to be true. He represents, I believe, a large body of public opinion in this country, even though he did not win that election. Sir Wilfrid Laurier was beaten; Sir John Macdonald was beaten, and so were many others.

Many of those who are now talking here and elsewhere about reconstruction are the very people who were responsible for our being unprepared to fight this war. They said that we could depend upon the Monroe doctrine, the League of Nations, the Kellogg note, Locarno, pacifism, Geneva, the status quo, isolation and collective security. There is collective security only when there is an armed Britain. We were told that we could depend upon notes and pacifism and Geneva. The Minister of Finance is presenting his budget, but let me tell him that last week I received a return which shows that, all told, $6,000,000 of the taxpayers money was spent, without any protest from the minister, on this sham folly of the League of Nations. He was one of those who went to Geneva a year or two before the war. He became imbued with all these kinds of pacifist ideas even after Hitler had taken the ascendency in Germany. The hon. member for Kamloops (Mr. O'Neill) also went to Geneva. I was glad to see them all go, because one of them told me after he came back that it was a wonderful trip, that it was a good cure for any ill health from which one might be suffering. Many of them made no report at all, but they said that the boats, hotels, meals, side-shows and cigars were good; that the banquets were wonderful and the wine perfect; that it was a delightful pastime attending the league and imbibing the doctrines that got us into this war.

This is the agency that caused the war, the league, Locarno, the Kellogg pact, pacifism, the Monroe doctrine, the status quo and pan-Americanism. Is it any wonder the taxpayer is groaning when he sits down and sees $6,000,000 spent on the league folly, $186,000 more this year, and that a million and a half of his money has been spent on the plebiscite mistake? If Hitler or Japan invade Canada, I said in my constituency, they would take the plebiscite and all connected with it and hang them on the sour apple tree alongside John Brown's body. The people of Canada, I find, are beginning to get quite bellicose against the present government and the House of Commons because of the plebiscite and because of the way they were led to believe that a vote for the plebiscite would be a vote for conscription and for a total war effort.

I can tell the Minister of Justice (Mr. St. Laurent), that if it were not for the mother

country, after Dunkirk we would have had the enemy in the St. Lawrence, and they would have blown down the citadel and this building long before he was sworn in. Then Quebec would have had the police gestapo, the concentration camp, the whip, the loud speaker, the tramping of feet, the taking over to Germany of thousands to work there, the burying of men, women and children alive as has happened in Russia and Czechoslovakia. They would have had the slavery which is worse than death. It behooves the people, not only of Quebec but of all Canada to pay tribute to the mother country for protecting our shores ever since we have been a nation. If it were not for the work of the British fleet and the air force after Dunkirk, long ago Washington and Ottawa would have had to sue for peace with the axis powers, and we would have had slavery worse than death.

I believe the League of Nations was largely responsible for the fact that we were unprepared when this war came. Munich was necessary because it gave us a year's respite, and a respite was necessary because Britain and France, either singly or collectively, were no match for Hitler. They purchased a truce; they had to buy a truce for one year, which later became an ultimatum. But what did we do? We did nothing all that year but spend money in the old way to send deputations to the league and all that kind of thing, and refused to see the handwriting on the wall. The Prime Minister was in Berlin in 1937, and if he had kept his eyes open he would have seen those huge tanks on the streets of Munich, Berlin and other places. He should have come back and told the people what Germany was doing. The taxpayer will not forget all these things when he pays his tax bill to the Minister of National Revenue (Mr. Gibson) and the Minister of Finance under the present budget. This confiscatory budget is going to destroy all competitive business, large and small, in this country. In England they have passed a law known as the pre-war trade practices act which will restore the wholesaler and the retailer his pre-war trade practices. We are relying on different agencies here, and the bureaucrats will, in the end, drive this country into bankruptcy. If I had time I would read the remarks of the chairman of the wartime prices and merry-go-round board in Montreal that all competitive business was at an end.

There has been a great hip-hurrah over this budget from the press of this country, also from the paid officers and press agents that the government have hired and from other loud-speakers of civil servants and of their control boards all over the country. You can-

[Mr. Church.]

not pick up a newspaper without reading of these new controls ordered over our heads. The minister of the crown responsible for them all is the present Minister of Finance. The minister told me that he could not give me the cost of the ceilings. That was before Easter, but during the Easter recess the chairman of the wartime prices and trade board said in Winnipeg that it would be $2,000,000. Inside of two weeks the same civil servant, Donald Gordon, was announcing the information, over the heads of this parliament while it was in session, that the cost of the ceilings would be $2,000,000. What kind of recognition will we get from the electors? The minister has brought down an item of $50,000,000 for ceilings for these bureaucrats over our heads, but by next year it will be a quarter of a billion without any control by parliament.

There are a lot of utopians in and out of this house who advocate various policies. As I see it, they have one thing in common. They have always in the past been mistaken; before the war they were mistaken about notes and collective security, about the Monroe doctrine, the status quo and pan-Americanism. If I had taken a stand like that, when I came to the House of Commons I would have taken the penitent's bench, because I would have felt that I was guilty and had been responsible for a budget like this, and for this war which may engulf civilization. But no, they go round the country now posing as super-patriots, and they tell us about the new utopia that there is going to be after the war. Remember the utopia we were promised after the last war—a land fit for heroes to live in—a war to end war? We all know what happened. Our heroes were forgotten. They said it was a war to end all wars, and they advocated then, as they are doing now, all kinds of nostrums and cures. They should wait to see whether we are going to win the war, because that must be done first. Nothing else matters. Although we have many domestic problems, we do not yet know to whom Canada will belong.

I wish to protest about the way the income tax is being carried out. It is going to abolish all competitive business, large and small. The small man is not treated fairly, and in other ways the budget is full of inequalities, injustices, hardships and pitfalls.

The government has appointed a horde of officials in connection with the wartime prices and trade board. I have a clipping here which says:

Ottawa, May 13.—Fred W. Jones, of London, Ontario, has been appointed director of the

management service section of the wartime prices and trade board's division of simplified practice.

The management service section plans to propose programmes that will aid the small business man to bring about economies in his operations, and re-model his methods to meet present-day problems caused by the price ceiling and merchandise shortages. Operations will be carried out by field consultants in various trade categories. Offices are located in Toronto and Montreal, advising the small man how to run his business.

We have a whole regiment of officials appointed, not many of whom ever had any connection with any retail or wholesale competitive business, or any business. I have a list of some of them here, with their names and former occupations. If the war policy of the government, as I said last year, is to control and administer every walk of life and almost every article or commodity of trade and commerce, it is going to bring this country to disaster and national bankruptcy and will not help win the war. These bureaucrats and boards have certainly got business into a huge mess in this country. The ceilings are bound to collapse, because many of them are founded only on sand. Some of the ceilings on the necessaries of life were no doubt absolutely necessary perhaps last season, if they had been properly administered. If all these bureaucrats were necessary for the winning of the war, no one would object, but we should beware of this hidden evil, the bureaucracy within our gates, with headquarters at Ottawa. From birth to death we are registered and controlled, supervised, directed and even dragooned. You can be arrested and kept in gaol without trial, on the word of a minister advised by his civil servants. We can be taken from home and our work, and sent hither and thither up and down the country, without any appeal.

The Minister of Finance has put himself in control of these men behind the scenes—professors, economists and all that kind of thing. They tried to do that in England, but there was such a rebellion in the House of Commons there that they stopped it and corrected the errors and got some parliamentary control. The idea seems to be, "a board a day will keep Hitler away". A newfangled controller a day is transforming all Canada into a serfdom and destroying all chance of the small, independent business man to exist. We have overnight become a nation run by bureaucrats, many of whom have never had any practical business experience with competitive business, and under the pretext of war they coin out their utopian economic new-deal methods and patent medicines and quack remedies for the poor, dear, suffering public and give him a knockout blow.

The budget has not one word to say about the housing situation. The housing conditions in the industrial city from which I come are simply disgraceful, and housing conditions in this city of Ottawa are also very bad. But nothing has been done about that. No doubt this question of housing and the beef control farce will be pulled out of the refrigerator by Christmas and be administered when one of the large number of bureaucratic boards we have in this country allow it. There are few walks of life which are not now supervised or directed by some department of state at Ottawa.

People want the money that is to be raised for war purposes to go for war purposes, but half of this budget is not for war purposes at all. They want the war vigorously carried out, its costs distributed as fairly as possible and the general welfare put ahead of special interests. They want a suspension of disputes and no special favours toward anyone—farmers, capital, labour, social workers or anyone else. Let me quote what Mr. Winston Churchill said in the House of Commons on April 13, 1939, with respect to bureaucracy:

> I know very well the patriotism and sincere desire to act in a manner of perfect rectitude which animates ministers of the crown, but I wonder whether there is not some hand which intervenes and filters down or withholds intelligence from ministers.

This budget is largely copied from the United States. The Minister of Finance, addressing the House of Commons a month ago, said:

> In my judgment parliament is more and more on trial at the bar of public opinion. There is something wrong with the House of Commons. I am not reflecting on the house, and I do not know what is the cause, but there is something wrong with it. I have asked myself is this the fault of the government in any way?

Following that the *Financial Post* sent me a wire for an opinion and I replied:

> What is wrong with Mr. Ilsley? Why does he not veto and apply the brakes to the orgy and wasteful expenditures and to the way a mint of money is being spent like water over parliament's head.
>
> A civil war was fought in England for nearly one hundred years to gain control over expenditures and of the executive now surrendered to irresponsible boards and bureaucrats who mostly never had any training in any competitive business. The press will not report the proceedings of parliament, who might just as well meet secretly, yet pages of paper glorify sports. I propose that the annual budget be brought down on a fixed statutory day.

Over our heads, while parliament was sitting, a subsidy was announced by Mr. Donald Gordon, chairman of the wartime prices and trade board, for fruit and vegetables. He announced to a delegation representing 25,000 Ontario fruit and vegetable growers that the

price ceiling would not be punctured to allow increased prices on produce grown for canning and jam processing industries. But he promised that the board would consider paying a subsidy on such products if processors and growers could prove to the board that the price of any one product should be increased. All that was done while parliament was in session! A huge amount has already been spent by the board in subsidies, and Mr. Gordon has surrounded himself with a lot of people who never were in business.

Mr. DEPUTY SPEAKER: I am sorry, but the hon. gentleman's time is up.

Mr. CHURCH: I am sorry, Mr. Speaker, that I had to speak without any preparation, on such short notice.

Mr. J. M. DECHENE (Athabaska): Mr. Speaker, in asking you for the privilege of the floor, may I say that I would not inflict myself upon this august assembly were it not that I am convinced that the matter I wish to discuss should be discussed in this budget debate because it relates to a part of our activities that is very much in the limelight at the moment.

First, however, I wish to congratulate the Minister of Finance (Mr. Ilsley) upon the presentation of his budget some days ago. It strikes me that it was the most courageous budget ever presented, and the presentation itself was an outstanding performance because, while it presented requirements in such staggering amounts the minister made everybody like it. But as usual in all democracies those who have been yelling the loudest for total war are reluctant to congratulate the minister upon presenting a budget which undoubtedly means total war for all the people of Canada. At the other end of the line, strange as it may appear, those who have been agitating for the conscription of wealth, whatever that may mean in the present circumstances, those who have been asking that the rich be taxed, now appear to be dissatisfied because the rich are being taxed out of practically everything they make.

I believe, however, that the Canadian people as a whole, of all classes, will agree with the tribute I have feebly tried to express to the Minister of Finance for his masterly budget in these critical times.

I notice by the tariff schedules in the *Votes and Proceedings* of June 23 that the government proposes to remove entirely the duty on machinery used to separate oil from bituminous tar sands. I am speaking from memory, but I believe the old tariff was 27½ per cent. This is being taken off entirely, showing the government's intention to help in the development of these great resources of our north country.

I have a piece of information which I should like to give to this assembly. It came to me from the far north, a part of the country which liars have not reached yet; one generally gets the truth from the people there. A large amount of material is being moved by some important company to Fort Norman, some 900 miles north of Fort McMurray, with the purpose of constructing a pipeline from Fort Norman to White Horse to supply gasoline, oil and other petroleum products for use on the new highway being constructed by the United States government through the Yukon to Alaska. But on behalf of the people of Fort McMurray, which is right in the centre of the greatest field of bituminous tar sands in the world, bar none, as has been proved by outstanding engineers of this government, and others, I wish to protest to this house against the apparent neglect of these great resources which, after all, are so much closer to the transportation system of Alberta and of Canada generally. An engineer of the Department of Munitions and Supply, in making a report to that department some weeks ago, stated it was not advisable to expend any money in developing the tar sands of the Fort McMurray and Fort McKay areas because of their inaccessibility. He expressed that opinion in spite of the fact that the railway runs through fifty miles of these sands, right to the town of Waterways, and within a few miles of Fort McMurray, and in view of the further fact that the greatest armies of the world to-day are engaged in a most murderous and costly struggle for the control of certain oil resources. Hitler is willing to go a thousand miles and wade through an ocean of blood, leaving thousands of corpses on his way, in order to reach either the Caucasus or the Iran fields, while we in Canada declare that a field like the Fort McMurray area, only 350 miles from Edmonton, is too far away for us to consider.

Through the courtesy of the hon. member for Peace River (Mr. Sissons) who is always awake to anything in the interests of the far north, my attention has been drawn to the issue of the *Canadian Geographical Journal* of June, 1942. In that magazine I find an extremely well-written article, containing information in the possession of the Department of Mines and Resources, written by S. C. Ells, an engineer of such repute that his fame has gone far beyond the confines of the Dominion of Canada. Mr. Ells was one of the first, away back in 1913, to go down the Athabaska river from Athabaska Landing, at what is now the

town of Athabaska in the constituency which I have the honour to represent, to investigate these tar sands. He went down in a scow to investigate what he had heard from the voyageurs of the Hudson's Bay company and the missionaries about these great tar sand deposits along the Athabaska and Clearwater rivers. It may not be of any great interest to the house, but some hon. members have given a certain amount of attention to this subject, and I was surprised that so little is known about it. In 1904, nearly forty years ago, I myself went down the Athabaska river in a scow as far as Fort McMurray. Even in those days, at Pelican portage, near the House river, the Department of the Interior of those days had sent some engineers to investigate the possibilities of gas and oil in that part of the country. They dug a well at House river near Pelican rapids which struck such a tremendous flow of natural gas that for a great many years it could not be capped. In those days the machinery which can now be used to stop flows of that kind had not been invented. Fire was set to that flow of gas, and one could hear the noise of it about eight or ten miles away, while at night one could see the flames burning 150 feet in the air. It continued to burn for some years, until the force was spent, allowing the engineers to cap the well.

In those days I went to Fort McMurray and saw these tar sands. In some places they were over two hundred feet high; it was an impressive thing to see them shining in the sun. Since that time Mr. Max W. Ball and his associates at For McMurray spent over half a million dollars in the construction of a plant to mine and refine these sands successfully. It was not a share-selling proposition; they put up their own money.

The reason why I present these facts to the house to-night is to try to interest the government and the people of this country in order to see whether something cannot be done, at a time when we cannot get gas elsewhere, and in view of the fact that eminent engineers have expressed themselves as so favourable to development work. Mr. C. S. Bowey, of the United States bureau of mines, a man of outstanding repute, after investigating that field declares that it is the largest field of bituminous sands in the world and contains the largest oil reserves in the world. I am not speaking merely of America. In 1937 he estimated that the known field, which extends two hundred miles along the Athabaska and fifty miles along the Clearwater river, contains deposits, which he himself saw, from which could be extracted with the machinery available in those days—and which has been improved since—two hundred and fifty billion barrels of oil, while the known resources of the rest of the world, barring what may have been discovered elsewhere since that time, are only some thirty-nine billion barrels. Yet everywhere in Canada we are cutting down the consumption of gas in order to carry on our war effort, while 350 miles by railroad and 245 miles by air from the city of Edmonton, there is an unlimited amount of gas and oil for the Canadian people to develop.

There is another aspect of this subject which I wish to mention to the Minister of Finance. I have not had time to reckon the amount; but I venture to say that during the last few years, until we recently cut down consumption, the large amount of gasoline, crude oil, and oils of all sorts imported from the United States has had a great deal to do with the adverse balance of trade which affects our exchange with that country. Besides that, we are importing millions of barrels of crude oil from south America, or at least we were doing so until the Germans stopped us. We were importing that crude oil to be refined on the east and west coasts and in Montreal. Millions of dollars were involved, while our own resources in our own country, sufficient to supply the needs not only of Canada but of America, are lying practically idle.

To-night the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) referred to the treatment of mineral companies. I do not agree with the ideas he expressed in that regard. I say that when this war is over, contrary to what he seems to have in mind, whether it be a year or two or three years from now, we shall be facing a world which has wasted billions of tons of minerals of all kinds, blown up into the air, or sunk into the depths of the sea all over the world, to such a staggering extent that no man would dare to estimate the value of it. Besides the world scarcity of agricultural products, to be supplied by the great Canadian wheat lands, there will be a world scarcity of cattle and hogs, also to be supplied by the great western provinces and by the eastern provinces as well; and the demand for those products of this dominion, to replace the stocks of starving Europe and other parts of the world, will be tremendous, because there will be nothing left in the most populated parts of the globe. The war monster of Hitler will have eaten it all up. But just consider the wastage that is taking place in steel, iron, copper, aluminum, oil and everything else. All these commodities are being wasted, billions of tons and billions of dollars' worth of them. Canada with its

vast resources, in practically all these mineral fields, and with great coal resources, some of them untouched so far, will be able to supply the needs of the world. Take the coal resources in the Peace River country and the Rocky mountains, estimated at billions of tons—the best steam coal, available in Canada, but so far from communication that they are not being developed at present. This is in addition to the fields already in operation. Take the resources of Alberta alone. The coal resources of that province are estimated to be 15 per cent of all the coal of the British empire.

Mr. COLDWELL: Of the world.

Mr. DECHENE: Yes, of the world. Then take our oil and other minerals. I suggest that if we begin now to consider the tremendous expenditures we have to make, and which I approve, in order to win the war; if we start now to organize for post-war production to replace the wastage that is at present taking place; if we develop these resources at Fort McMurray alone, for example, we shall be taking a step in the right direction. At Fort McMurray the possibilities are simply immense. According to the figures of the engineer of the Department of Mines and Resources—and he puts it lower than does the bureau of mines of the United States—the estimate is a hundred and fifty billion barrels. If we proceed to develop these vast resources, then within a few years after the close of the war the worries of the Minister of Finance will have ended. Just consider the tremendous wealth that will be produced. That is why I dare to rise in my place to-night and speak as I am doing.

Aristide Briand, the great foreign minister of the French republic after the last war, and one of the greatest men produced in that period—as hon. members will remember, he had dreams of the United States of Europe—made a remarkable statement with regard to the strategic advantage to the nation possessing the oil fields and oil resources of the world. He said that possession of these oil resources was the reason for the breaking up of peace conference after peace conference, economic conference after economic conference. He said that without these resources no nation could be great in times of peace. How much truer his words are to-day. No nation can become great, he said; no nation can go ahead and be powerful unless it possesses these vital resources so necessary to the machinery of transportation and to all the other operations of our modern age. This was one of the reasons for some serious misunderstanding between the British and French governments.

[Mr. Dechene.]

Though the French government obtained a mandate in Syria, all they saw of the oil resources was a pipeline going through the country. But do we need to have impressed upon us the fact that the possession of these oil resources is as important as Briand stated? Surely it is palpable, it is a truism, that no nation can go ahead without this possession. As he said, it has caused the breakdown of many peace conferences.

I say therefore that, no matter what other burdens we may have to carry, we should proceed with the development of these vast resources. There is no wild-catting about it. This year in the dominion, I venture to say, $1,000,000 or more will be spent in attempting to prove oil fields. Sometimes six thousand or seven thousand feet will be drilled at tremendous cost, and many times there will be a dry hole. That may be true of the Turner valley or other places, but at Fort McMurray there is no dry hole. There is the sand staring you in the face, and the statement has been made by Mr. Max W. Ball, who is operating in the field and has spent his own money, that in cutting walls through the sand, with a steam shovel, or with whatever tools they use, they strike ponds of clear bitumen. Everything that we have been importing from Trinidad and far-off places in the world we have in the far north. As a matter of fact, Mr. Speaker, it is no longer the far north, because there is a railway right through the property.

On motion of Mr. Dechene the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, July 1, 1942

The house met at three o'clock.

STANDING ORDERS

Third report of standing committee on standing orders.—Mr. Golding.

THE CANADIAN CONFEDERATION

SEVENTY-FIFTH NATIONAL ANNIVERSARY—CANADA AND THE WAR—ARMY WEEK

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, this being the 1st of July, and the seventy-fifth anniversary of confederation, I should like to give expression to some of the thoughts I believe will be in the minds of hon. members of this house. With the permission of the house I should like to make a brief statement.

This day, the seventy-fifth anniversary of Canadian confederation, falls at a time when Canada is employing the nation's energy and resources against an enemy who would destroy our very existence as a free people. At such a time, when the citizens of Canada are engaged upon one all-absorbing task, elaborate ceremonies would be out of place even in celebrating so splendid an achievement as confederation represents. We may, however, rightly pause on this anniversary, gratefully to reflect on the vision and the wisdom which enabled the fathers of confederation to bring our nation into being.

We are freely and fully associated with the other free peoples of the world in a death struggle, with an enemy seeking to remove from the earth the heritage of freedom on which our institutions are founded. A few days ago, for the first time since confederation, Canadian soil was attacked.

The fathers of confederation built this nation on a foundation of human freedom, of self-government, of religious liberty, of racial equality, and of deep and abiding attachment to a common homeland. These are the sources of the harmony and mutual understanding among our people which, in turn, is the essence of our national strength, alike in war and peace.

Our enemies seek, everywhere, to replace freedom by slavery, self-government by tyranny, religious liberty and racial equality by the pagan conception of the master race; they seek to make of the homelands of all free peoples, colonies of slaves in which the sanctity of home and family will be sacrificed to the lust and greed of the conqueror.

To meet this threat to Christian civilization, to national existence, to homes and families, Canada is mobilizing all her resources of skill and strength, of brains and energy, of farm and forest, of mine and factory, of wealth and manpower. Our fighting forces, with those of our allies, are on many shores and many seas, and in the skies over many countries, battling to make sure that victory is won before war comes to Canadian soil. Along the coasts of Canada, our soldiers stand on watchful guard. Our coastal waters are ceaselessly patrolled by vessels of the Canadian navy and planes of the Canadian air force. In all the centres of industry, men and women are labouring to make huge stores of weapons and munitions. From fields and mines and forests workers are extracting the essential supplies of war.

It is particularly fitting that the celebration of our seventy-fifth national anniversary should coincide with army week in Canada. Our national pride has deepened with the knowledge of Canada's army guarding the heart of the empire, protecting the world's greatest citadel of freedom, and prepared for action in any place, at any time. We have all been profoundly stirred by the exploits of Canadian airmen in every theatre of war; Ceylon, Cologne, Essen, Emden, now Bremen, are a witness to their magnificent daring, and to their important role. We know how great and how vital has been the work of our navy. We have been told that Canadian machines and munitions, Canadian food and Canadian money were essential to keep Britain fighting in the dark days of 1940 and 1941. But our Canadian army, because it has seen little fighting, has not thus far received its fair share of credit. This week, throughout all Canada, the Canadian people are being given a special opportunity to restore the balance by showing their appreciation of the Canadians in battle dress.

May I pause to recall the record. The first contingent of the Canadian army landed in Britain on December 17, 1939. But for the collapse of France, the first division would have come to grips with the enemy in the summer of 1940. All through that dark summer they stood waiting for the expected invasion. They were joined during that time by the second division, and at Christmas of 1940 the Canadian corps was formed. In 1941, a third infantry division, an armoured division, an army tank brigade, and thousands upon thousands of specialized troops and reinforcements were added to their numbers.

This year more units and reinforcements have crossed the sea, and others will follow. The Canadian corps in Britain has become a highly trained, hard-hitting, mobile Canadian army. Mr. Churchill has told us what the Canadian army has meant to him and to the people of Britain. Let me repeat what he said last September:

> There they stand, and there they have stood through the whole of the critical period of the last fifteen months at the very point where they would be the first to be hurled into a counter-stroke against an invader. No greater service can be rendered to this country, no more important military duty can be performed by any troops in all the allies.

There has been no glamour; there have been no great headlines. We in Canada, have not realized, as fully as the people of Britain, how greatly our army has contributed and continues to contribute to the security of the bridge-head which separates the tyrant of Europe from the western hemisphere, and which bridge-head is also our own surest defence.

I doubt, too, if we have given the credit which is their due to the men in battle dress

who have stood in ceaseless vigil at the lonely outposts of our own country. When the balance sheet of war is struck, we shall do well never to forget the long dreary months of dull, but vital routine which the army has performed with little notice, and no complaint, on our coasts, and in vulnerable areas in Canada, in Newfoundland and Labrador, and on the islands of the Atlantic.

The Canadian army is not an instrument built only to resist attack. It was planned, it has been organized, and is trained as a highly mechanized and armoured striking force. The day is coming—it may be close at hand—when it will have an honoured place in the van of attack. No Canadian doubts that when that day comes, our army will do its full part—and a glorious part—in helping to defeat and to destroy the military might of an enemy whose design and ambition is to conquer the whole free world. Canada's army is strong; it is united by a common purpose. It is the duty of all Canadian citizens to be no less strong, no less united by a common purpose. On this seventy-fifth anniversary of confederation the need is greater than ever before in our history, to let nothing divide us as a people, to compose our differences, and to throw all our energies into the task of saving our country, and helping to save the freedom of the world. If we would be worthy of our past, and the sacrifices of the past; if we would be worthy of the many brave sons of Canada who, in the present war, have given their all, and of the half million young Canadians who have offered, if need be, to die for their country, it is our supreme duty, while striving for victory, to preserve for those who may survive the frightful vicissitudes of war, and for future generations, a free and a united Canada.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I am sure that we all join in the expressions of noble sentiments which have just fallen from the lips of the Prime Minister (Mr. Mackenzie King). I desire to associate myself and the party I represent in this house, with what he has said. In less critical times, the seventy-fifth anniversary of the founding of this dominion would probably be celebrated with a fitting degree of pomp and ceremony; but in the midst of the gigantic struggle in which we are engaged, we do the greatest honour to our nation if we pause from our labours long enough only to rededicate ourselves to the herculean task of preserving those ideals and principles which the fathers of our nation sought to establish upon enduring foundations on the northern half of this continent.

We do well to pause, on the occasion of the commemoration of the seventy-fifth anniversary of confederation, and recall with pride and gratitude the example and accomplishment of those great men who founded the Canadian nation. The genius and vision of Sir John A. Macdonald, the patience and tolerance of Sir Georges Etienne Cartier, and the helpful cooperation of Brown, Tupper, Tilley, and the other fathers, resulted, as Sir John forecast it would, in the development of "a friendly nation, a powerful people to stand by Britain in north America in peace or in war." At this juncture of our history, the inspiring words spoken by Sir John in 1861 are as pertinent and important as when he uttered them more than eighty years ago. His message, like all eternal truth, retains its significance for each succeeding generation. In stressing the importance of the preservation of union between Upper and Lower Canada, Sir John used these words:

> If I had any influence over the minds of the people of Canada, any power over their intellect, I would leave them this legacy: "Whatever you do, adhere to the union—we are a great country, and shall become one of the greatest in the universe if we preserve it; we shall sink into insignificance and adversity if we suffer it to be broken." God and nature have made the two Canadas one—let no factious men be allowed to put them asunder.

In this, democracy's hour of trial, it is, as I see it, the duty of each and every Canadian to keep before him those inspiring words. If democracy is to survive, the freedom and liberties for which the fathers of confederation laboured long and well must be preserved. The preservation of those liberties depends and will be determined by the vigour and the strength of the united effort of each of the allied nations.

It is fitting that when we are celebrating the seventy-fifth anniversary of confederation we should also have the opportunity, through army week, of paying tribute to those upon whom rests, with the navy and the air force, the responsibility for the preservation of our nation. On this hill, this afternoon, in front of these buildings, is being demonstrated the gallantry, the determination, the enthusiasm, the will to victory, of Canada's youth. The hearts of those of us who must serve in more mundane fashion go out to these men. So far, the task of the Canadian army has been one rather of preparation and training than of action, but there is no doubt when the great offensive comes, without which victory cannot be achieved, the Canadian army will not only live up to the high traditions of the past but create a new and glorious record for our future history. The Canadian army will prove, as General McNaughton has said: "A dagger

pointed at the heart of Berlin." We all hope that the time is not far distant when that dagger may be plunged at its objective.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I was unaware of the fact that any recognition was to be given in the house this afternoon to the seventy-fifth anniversary of the Canadian Confederation, but I think it is quite proper that it should be done. A little less than one hour ago I was joining, through the magic of radio, in a service being held in Westminster Abbey. The Archbishop of Canterbury preached the sermon; the High Commissioner for Canada read a brief scriptural lesson, and representatives of many nations took part in the service. I listened to the tribute paid to this country by the archbishop, and to his expression of deep conviction that the British commonwealth of nations as it is to-day may be the forerunner of a development in the future of a free association of all nations all equal; none subservient to the other. As he said this afternoon, the British empire is no longer an empire in the old sense, but a new form of association, typifying something far greater and far better than any ancient empire ever was.

This afternoon we are paying a tribute not only to those who founded this dominion but also to the young men who are standing guard along our coasts and across the seas. In my opinion the greatest tribute we can pay, both to our forefathers and to those who to-day are bearing the brunt of battle, is to determine in this chamber, first, what shall be done now to make our contribution to a great cause the most effective that we can make, and, second, how best we may lay now the foundations in this country to the end that the men who are serving across the seas may return to a land in which they may live in security and in peace; in which they may build for themselves and for coming generations something better than we or they have ever known. If on this occasion I might leave one thought with the house, and particularly with the government, it would be this: Let the government come before this house without any further delay and tell us exactly what the situation is, and thus share with the members of the House of Commons, representing the people of Canada, the entire responsibility for all that we may have to do to ensure our maximum contribution to the cause of world freedom and universal peace.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, the members of the group that I have the honour of leading, and the great body of people whom we represent in this chamber, will be happy to join with those who have expressed the noble and lofty sentiments to which we have just listened. We love Canada, we love the British empire, the British commonwealth of nations, or association of nations, or whatever people choose to call it—that great body of British peoples and associated peoples who at this critical time are fighting for their existence as a unit and the right to continue to endeavour to lead the world.

I was thinking while the others were speaking how greatly disappointed the fathers of confederation must feel as they look down upon Canada from their high places and reflect upon how much unhappiness there is and has been in our country during the last twenty years. I was thinking that the finest resolution we could make here now, all of us together, would be that to the extent to which we are called upon so to do, we should consecrate our lives to the high task of making this nation what the fathers of confederation intended it should be—a great union of majestic states called provinces, each of which, while daughter in her mother's house, is mistress in her own; a union of states in which all enjoy equal opportunities. There is no reason why there should not be in Canada the greatest happiness. There is no reason why this nation should not in every sense become one of the greatest nations in the world. It is our task now to dedicate ourselves to the accomplishment of that worthy end, so that the people of all Canada shall have justice, prosperity, peace and joy, and shall be foremost in the making of that brighter and better world to the threshold of which the great Creator has manifestly led us. This, sir, would be my sentiment on this occasion.

Hon. P. J. A. CARDIN (Richelieu-Verchères): Mr. Speaker, as the rules of this house have already been broken on this seventy-fifth anniversary of confederation, I would ask your indulgence and that of hon. members while I express a few thoughts, in the French language.

(Translation) Mr. Speaker, as a representative from the province of Quebec, I think it only appropriate to add my humble tribute to those you have already heard celebrating the seventy-fifth anniversary of the founding of our Canadian confederation. I do so with all my strength of heart and mind because I am one of those who have believed in our Canadian confederation, in the opportuneness of its establishment and in the benefits to be derived therefrom by our citizens of all races and creeds. I rejoice with those who had the advantage of speaking earlier this afternoon in the remarkable success already achieved with regard to the development of our Canadian nation.

I am well content with the progress made and I sincerely hope that the results obtained to date will not be endangered by the differences of opinion and thought which are liable to divide public opinion.

Let no one forget, Mr. Speaker that the Canadian confederation does not represent the union of the majority with a minority, but rather the union on an equal footing of the two main racial groups in Canada. At the time of confederation, the main problem was that of ensuring equal rights to all citizens, whatever their mentality or language.

Let us never forget this great truth: There is no minority, there is no majority in this country. There are only brothers joined together by a common agreement for the good of the entire community; not for the advantage of a certain class or group but for the greater good of all Canadian citizens.

There have occurred in the past, Mr. Speaker, just as there occur to-day, differences of opinion and thought on certain matters which may stir up public opinion. Human institutions can never command complete unanimity of opinion in every field. There are always different views held on every question. Despite all the good faith in the world, humanity must remain divided. Such division dates from the very beginning of time and will endure till the end. The human mind is not one; it divides itself into various points of view and there are no questions on which we may really achieve complete unanimity of thought and feeling. Such an achievement would be contrary to human nature. It would be superhuman.

It even appears necessary that these differences of opinion, these conflicts of thought should exist if only as a source of that light by which nations as well as individuals are guided.

I repeat that I share the views already expressed and I hope that now as in the future peace and harmony will continue to distinguish our mutual relations on this Canadian soil. If our opinions should differ on certain points, if we should not agree on the manner and means of reaching a certain goal, this does not mean that we have opposite aims. It does not mean that we from the province of Quebec do not share the same feelings, the same aspirations, the same desires, the same love of Canada that inspires those who belong to the majority.

On this anniversary day, I pray that there may come about a better understanding between all Canadian citizens and that silence be imposed on those who, in this house and country appear inclined to sow disunity and misunderstanding which might destroy the master work of our Canadian confederation.

Let us try to understand each other, to get along better together. Granted this understanding, there is no doubt that Canada can become a great nation, without any of her different racial groups being forced to abandon their ties with the past, their traditions, in a word all that has made them great in the past and which they hold dear.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL HOTELS—WAGES OF TRADESMEN

Mr. ISNOR:

1. What were the rates of pay in effect as at May 1, 1942, at the Canadian National hotels at Ottawa, Halifax, Charlottetown, Port Arthur, Winnipeg, Brandon, Saskatoon, Edmonton and Vancouver, of the following trades, (a) carpenters, (b) plumbers, (c) pipefitters, (d) electricians, (e) painters, (f) engineers, (g) assistant engineers?

2. Have any rates been increased since the 1st May, 1942? If so, state which, and by what amounts?

Mr. MICHAUD:

1. The management of Canadian National Railways state that it is not in the interest of the national lines to publicize the information called for, and suggest that the hon. member get in touch with Mr. R. Somerville, general manager of Canadian National chain of hotels, whose office is located in the Chateau Laurier at Ottawa, who will be very glad to confer with him and give him such information as may be possible, having regard to the interests of the railway and its hotel system.

2. No.

RENTAL OF DERRICKS FROM DUFFERIN CONSTRUCTION COMPANY

Mr. FRASER (Peterborough West):

1. Does the Dufferin shipyards rent two derricks from the Dufferin Construction Company?
2. If so, what is the rental charge?
3. Are these derricks in first class condition?

Mr. MICHAUD:

1 and 2. No. However, Toronto Shipbuilding Company Limited (formerly Dufferin Shipbuilding Company Limited) does rent from Dufferin Paving & Crushed Stone Limited (a subsidiary of Dufferin Construction Company Limited) the following crawler cranes at the following rentals:

No. of units	Crane No.	Rating	Make	Model	Type	Monthly rental First shift	Monthly rental Second shift
1	18	25 ton	Koehring	601	Gasoline	$750 00	$375 00
1	10	20 ton	Dominion		Diesel	935 00	470 00
1	1	10 ton	Koehring	301	Gasoline	565 00	285 00
1	11	7½ ton	Koehring	2-A	Gasoline	510 00	255 00
1	14	7½ ton	Erie		Gasoline	510 00	255 00

The full first shift rental is payable each month; the second shift rental is paid at one twenty-sixth of the rental shown for each day the crane is operated on the second shift.

It is the intention to retain the above equipment only pending delivery of new cranes now on order, and in fact on June 5, 1942, notice of intention to release the "Erie" crane, crane No. 14, was given and this crane will be returned to its owners on July 3, 1942.

3. All the above equipment is kept in good operating condition.

MILITARY SERVICE—MARRIED MEN SEPARATED FROM OR NOT SUPPORTING THEIR WIVES

Mr. CRUICKSHANK:

Are married men of military age, separated or not supporting their wives, subject to call on the draft?

Mr. THORSON: Men married prior to July 15, 1940, are not subject to the proclamation now in force calling out men for military training under the national war services regulations.

*VICHY REPRESENTATION IN CANADA

Mr. CHURCH:

1. Has the attention of the government been called to the statement, on June 9, by Pierre Laval, the head of the French government, that "he desires to see a German victory because of the red peril"?

2. Will the government give consideration to the immediate closing of the office, here, of the envoy extraordinary and minister plenipotentiary, of the French government of Vichy?

3. Will time be afforded for the house to discuss the matter?

4. What action, if any, will be taken, in view of these new developments?

Mr. MACKENZIE KING: I will answer this question orally.

1. Has the attention of the government been called to the statement, on June 9, by Pierre Laval, the head of the French government, that "he desires to see a German victory because of the red peril"?

The statement to which my hon. friend has reference is, I think, one which was made on June 22, not on June 9 as he mentions in this question. The attention of the government has not been drawn to the statement, but I, of course, have seen the statement to which my hon. friend has referred. I might mention what I said a few days ago in this house, that the representation of Canada at Vichy is a representation to the people and country of France, not a representation to any particular government, and there is no evidence whatever that the statement which was made by Laval represents at all the sentiment of the French people. Unquestionably Laval, in speaking, has had in mind much more the effect of his utterances upon Germany than their effect upon his own country. However, apart from that, I gave reasons of a practical nature, when speaking in the house some days ago, why it was thought inadvisable to sever diplomatic relations between Canada and France, and I have nothing to add to that statement.

2. Will the government give consideration to the immediate closing of the office, here, of the envoy extraordinary and minister plenipotentiary, of the French government of Vichy?

I have just answered that question.

3. Will time be afforded for the house to discuss the matter?

When the estimates of the Department of External Affairs are before the house there will, I think, be ample time to discuss this and any other matter with regard to external relations.

4. What action, if any, will be taken, in view of these new developments?

At the present time I am unable to say what action the government may take in the future or to give any statement of policy with respect to our relations with France, but I assure the hon. member that the matter is one which is always receiving consideration.

Mr. CHURCH: It is a fine appeasement policy—while refusing to give encouragement to General de Gaulle.

INCOME TAX IN CERTAIN BRACKETS, 1938-1942

Mr. JACKMAN:

What was the combined amount of income tax, including Ontario provincial, and national de-

fence taxation, in tabular form, to which incomes of $1,500, $2,000, $3,000, $5,000, $10,000, $15,000, $20,000, $30,000, $50,000 and $100,000, were subject in the following years, 1938, 1939, 1940, 1941, and 1942, assuming that the taxpayer was married with two dependents and that all incomes up to $30,000 are 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?

Mr. ILSLEY: The information requested is contained in schedule below:

Combined dominion and provincial income tax
Married person—2 dependents
Earned income up to $30,000 and investment income thereafter

Income	1938	1939	1940	1941	1942, including refundable portions
$ 1,500	....	....	$ 7 00	$ 24 50	$ 49 00
2,000	....	....	12 00	42 00	214 80
3,000	$ 8 91	$ 10 08	74 90	182 00	668 40
5,000	118 00	133 60	381 02	672 00	1,662 00
10,000	660 21	748 45	1,833 48	2,572 00	4,546 00
15,000	1,578 62	1,790 35	3,930 80	4,996 00	7,713 00
20,000	2,945 00	3,346 56	6,258 70	7,602 00	11,063 00
30,000	6,499 37	7,383 64	11,265 32	13,183 00	18,230 00
50,000	14,635 17	16,642 96	22,534 28	25,699 00	34,337 00
100,000	39,524 41	44,973 28	54,569 48	59,811 00	78,771 00

QUESTIONS PASSED AS ORDERS FOR RETURNS

QUOTA ON CHEESE EXPORTED TO BRITAIN

Mr. LECLERC:

1. Has the government adopted a cheese quota for England in 1942?
2. What is the proportion of this quota supplied to date?
3. When the full quota of cheese has been reached, does the government intend to encourage the production of butter by raising the ceiling price or by paying a bonus on butter fat?

MILITARY SERVICE—FARM LEAVE OR POSTPONEMENT

Mr. LACOMBE:

1. At the present time when farm work requires all available labour, will leave be granted from military training to all those who are actually engaged in agriculture?
2. Will postponements of military training be accorded to farmers, sons of farmers and farm labourers who have actually been called up?
3. Have instructions of this nature already been given to those entitled to them?

MOTIONS FOR PAPERS

R.C.A.F.—CASUALTIES IN CANADA

Mr. CHURCH:

For a return showing—1. How many airmen have been killed in Canada since the present war began.

2. Whether an inquest was held in each case by, (a) a military court, (b) by provincial coroners.

3. A copy of the findings, showing the cause of the accident in each case.

4. Whether a copy of the evidence and court finding was sent to the next of kin of each deceased.

5. The pay and other allowances of these airmen paid to next of kin, pending receipt of a pension, and the practice herein.

Mr. POWER: I am prepared to agree to the passage of this order subject to certain restrictions.

With respect to question No. 1, the information will be supplied.

With respect to question No. 2, the publication of returns of inquests and courts of inquiry respecting flying accidents is not considered to be in the public interest, because this would tend to aggravate and cause unnecessary suffering to the relatives of victims of air accidents.

Question No. 3, therefore, cannot be complied with; nor can question No 4, which requests that a copy of the evidence and court finding be sent to the next of kin.

As to question No. 5, particulars will be given.

Mr. CHURCH: Civil inquests were held in similar cases in the last war.

Mr. COLDWELL: Is careful inquiry made into any death by misadventure, say in an accident or a brawl or something of that sort? I am asking the question because of word I have from Regina regarding a recent death there.

Mr. POWER: We have a special branch set up to go into all these questions of accidents. I submit to the house that it would not be in the public interest nor would it be in the best interests of the relatives of deceased airmen to publish the findings or give them to the next of kin.

Mr. LOCKHART: Are the families given some information, at least, even if of a confidential nature?

Mr. POWER: Whatever information we can.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion, subject to the reservations indicated by the minister? Carried.

CANADIAN FORCES—MEN DISCHARGED OR STRUCK OFF STRENGTH

Mr. ROSS (Souris):

For a return showing the number of persons by military districts and/or provinces who have been discharged or struck off the strength of, (a) the navy, (b) the army, (c) the air force by reason of (1) medical unfitness, (2) desertion, (3) other causes, and, in the case of military districts Nos. 4 and 5, and/or the province of Quebec, showing the number in each category (i) of French-Canadian origin, (ii) of origin other than French Canadian.

Mr. RALSTON: With regard to the portion which asks for the number in each category of French-Canadian origin, and of origin other than French Canadian, as was indicated in the house before, so far as the army is concerned the attestation papers do not show racial origin. The only thing that can be done—and I must say it is a laborious process, but if the hon. member who is making this motion thinks it will serve any real public interest we will endeavour to have it done—is to go over every attestation paper and every card in order to examine the names of those who are there and ascertain as best we can from the name itself whether that person is likely to be of certain racial origin. It certainly is a very inaccurate method of doing it, but that is the only thing which can be done. Perhaps my hon. friend would let the motion stand for a day, so that he could consider that particular part of the question.

Mr. ROSS (Souris): Will that be changed to "French-speaking" rather than "French-Canadian origin"?

Mr. RALSTON: "French-speaking" would not help us. There is nothing in the attestation papers, so far as I know, to indicate whether the soldier is English-speaking or French-speaking. I think I am correct when I say that the name is the only general method in which one can get an indication, and that has been used with regard to the return brought down last week. I am indicating to the house that it does not give the information asked for. Perhaps the hon. gentleman does not regard it as of such importance, in the public interest, as to preclude his allowing it to stand for a day.

Mr. ROSS (Souris): We will let it stand for a day.

Mr. RALSTON: Yes.

Mr. SPEAKER: Stands.

WHEAT

BRITISH PURCHASES IN CANADA—PRICES—FUTURE ANNOUNCEMENTS WITH RESPECT TO SALES

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I desire to direct two or three questions to the Minister of Trade and Commerce. I informed him that I would ask these questions, and I think he is prepared to answer. On June 8 the minister read a cable he had sent through the high commissioner's office in London asking him to get permission from the British ministry of food to divulge the price of Canadian wheat. The public are anxious to get this information—

Some hon. MEMBERS: Order.

Mr. PERLEY: —and there is no reason why it should not be given. My first question is this: Is the minister prepared to say whether he has received a reply to that cable?

Some hon. MEMBERS: Order.

Mr. PERLEY: The minister has been given notice of the question and is prepared to answer.

Mr. SPEAKER: The question is in such form that in my opinion it should be placed on the order paper. The fact that a minister is prepared to reply to such questions on the orders of the day does not alter the fact that to put the question in this form and at this stage of the proceedings is against the rules of the house. The hon. gentleman should put it on the order paper.

Mr. PERLEY: I have another question to direct to the minister. It is pursuant to a question asked the other day. How many million bushels of Canadian wheat have already been paid for—

Mr. SPEAKER: Order.

Mr. PERLEY: —by Great Britain under the one billion dollar gift fund?

Mr. SPEAKER: The same ruling applies to that question. It should be placed on the order paper.

Mr. PERLEY: A third question is this: Will the Minister of Trade and Commerce give to the house a detailed and complete statement with respect to sales of wheat under the billion dollar agreement or under any other agreement that is pending and that has already been consummated?

Some hon. MEMBERS: Order.

Mr. PERLEY: The minister is prepared to answer the question.

Mr. SPEAKER: If the minister is prepared to answer the question, he has some privileges in the house and he may do so if the mattter is of such public urgency as to warrant its being answered at the moment. In my opinion, however, in the form in which it is put, the question is one that should be placed on the order paper, because I do not think there is that degree of urgency about it.

Mr. PERLEY: I should like to direct another question to the minister, which I think he will be ready to answer. If there are any important announcements to be made in the near future with respect to sales of Canadian wheat, will he have these announcements made here in the house rather than in the Winnipeg grain exchange or some other place?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I shall overlook the last few words of the hon. member's question, and reply that just as soon as word comes from the British government that a decision has been arrived at with regard to the sale of wheat, a statement will be made in this house.

JUDGES ACT AMENDMENT

REQUEST FOR STATEMENT OF GOVERNMENT POLICY AS TO AMENDMENTS PROPOSED BY BILL NO. 67

On the orders of the day:

Mr. T. L. CHURCH (Broadview): Will the Attorney General read Bill No. 67 and give a reply as to what the policy of the government is? It is a public bill of the utmost importance, and requires consideration before prorogation.

Hon. L. S. ST. LAURENT (Minister of Justice): I understand that the hon. gentleman is referring to order No. 13 under public bills and orders. If that is so, the order should be reached in due course, I assume, under the rules of the house.

Hon. R. B. HANSON (Leader of the Opposition): I hope the minister is right, but I am afraid he is wrong. He had better ask the boss. So far no disposition has been made of these bills under public bills and orders. I wish the minister would look into this matter. Perhaps he can use his undoubted influence to have this item reached before the end of the session.

Mr. ST. LAURENT: The Attorney General has no control over the procedure of the House of Commons. When the item is reached it will be considered. In the meantime I do not think I can say more to the hon. member.

BEEF

REDUCTION OF PRICE PAID BY PACKERS TO FARMERS

On the orders of the day:

Mr. G. J. TUSTIN (Prince Edward-Lennox): Yesterday I asked the Minister of Finance what authority the packers had to reduce the price of beef, and he said he would give the matter consideration and let me have a reply. In this morning's press there are large headlines which again call attention to the falling prices of beef. Is the minister in a position this afternoon to answer the question?

Hon. J. L. ILSLEY (Minister of Finance): I am not aware that the price of beef is falling.

Mr. HANSON (York-Sunbury): He means cattle.

Mr. ILSLEY: In his question yesterday the hon. gentleman used the word "beef"; he must have meant cattle. I had only a moment's conversation with the food administrator, and he points out that the prices of cattle are not subject to ceiling regulations. They have gone up and down regardless altogether of the regulations of the wartime prices and trade board. Therefore when the hon. gentleman asks on what authority the packers in Toronto and Winnipeg have reduced prices paid to farmers for beef, I must inform him that they are not subject to the authority of the board. At least there is no rule or regulation affecting the price of cattle. If there had been, the price of cattle would not have gone up to the marked extent that it did.

Mr. TUSTIN: But the price control board rules that there must be a reduction of one cent a pound on July 13.

Mr. ILSLEY: That is in the price of beef.

THE BUDGET

DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Tuesday, June 30, consideration of the motion of Hon. J. L. Ilsley (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. Blackmore.

Mr. SPEAKER: I have been considering the amendment moved yesterday by the hon. member for Lethbridge (Mr. Blackmore). If any hon. member wishes to speak to the question I would be glad to hear him now.

Mr. MACKENZIE (Vancouver Centre): I submit that the amendment is out of order under Beauchesne's marginal rule 395; and also, because it refers to the total mobilization of resources, which is a principle already disposed of by this house during the present session.

Mr. HANSON (York-Sunbury): I have not looked into this matter at all. There may be some ground for the last argument advanced by the Minister of Pensions and National Health (Mr. Mackenzie), but clearly on its face this amendment is in order. If in a previous debate this session part of this matter was dealt with, of course that is something else to consider. I would hope that Your Honour would not rule out this amendment on the ground that it is not a proper amendment to the motion to go into committee of ways and means.

Mr. SPEAKER: On the motion of the Minister of Finance that I do leave the chair for the house to resolve itself again into committee of ways and means, Mr. Blackmore moves, seconded by Mr. Hansell, the following amendment:

That all the words after "that" in the said motion be struck out and the following substituted therefor:

"This house views with alarm the obviously decisive drift into national or state socialism everywhere in evidence in this budget, as indicated by the shackling taxation structure it erects; the sweeping trend towards centralization, bureaucracy and oligarchic regimentation which it involves and the general deterioration of morale and incentive to productive effort which it aggravates;

Further this house regrets the government's apparent inability to see the vast improvement in Canada's efficiency that could be effected by a wisely scientific use of her credit and currency potentialities;

And deplores the government's persistent failure to employ Canada's credit and currency to supplement her pay-as-you-go policy, thereby to restrict the appalling growth of debt, and to provide a means to gradually paying off Canada's indebtedness.

Therefore, this house respectfully urges the government to formulate and to introduce at the earliest possible moment such a modernized credit and currency policy as will, to the greatest degree rendered possible by our available facilities, curb inflation, control debt, mobilize Canada's resources for total war, ensure democracy and security to Canadians, in war, and then in peace."

Under standing order 48, and referring particularly to citation 395 of Beauchesne, at page 126, it is provided:

It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed. Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the house the question or amendment as amended would be intelligible and consistent with itself.

That is also borne out in May, at page 261. The amendment is framed in general terms and so phrased that it might be considered as a vote of no confidence. It expresses alarm at "the obviously decisive drift into national or state socialism" and suggests a wisely scientific use of Canada's credit and currency potentialities. But in the declaratory paragraph it urges the government:

. . . to formulate and to introduce at the earliest possible moment such a modernized credit and currency policy as will, to the greatest degree rendered possible by our available facilities, curb inflation, control debt, mobilize Canada's resources for total war, ensure democracy and security to Canadians, in war, and then in peace.

If the house adopted the amendment the effect would be that the budget proposals now before the house would be postponed until the new credit and currency policy was framed. Divested of what might be called the preamble of the amendment, the conclusion expresses the negative of the motion before the house and would be determined by a vote on the motion. Beauchesne, citation No. 400, provides that an amendment that is merely an expanded negative cannot be proposed by the Chair.

There is another objection to the amendment, in that it proposes something which has been already before the house this session on two occasions, and the house has given its decision. The amendment urges in these words "mobilize Canada's resources for total war". In *Votes and Proceedings* of 18th February, 1942, pages 56 and 57, an amendment was moved by the leader of the opposition (Mr. Hanson) on the address in reply to the speech from the throne, and in that amendment occurred these words:

And this house regrets that Your Excellency's advisers have not seen fit to recommend to parliament without delay additional measures

designed to: (a) completely mobilize the wealth and material resources and, on a selective basis, the full man- and woman-power of the nation, to the end that the nation may wage total war in any theatre of war.

A subamendment to the amendment was moved by Mr. Coldwell, and part of that amendment was in these words:

. . . in the opinion of this house no total war effort adequate to meet the present needs of the war, domestic problems, and the preparation for post-war conditions is possible without total mobilization of wealth, industry and finance as well as human resources.

The house divided on these amendments, and both were negatived. Again in *Votes and Proceedings* of 11th June, 1942, pages 380 and 381, I gave a ruling on an amendment moved by Mr. Coldwell on Bill No. 80, to amend the National Resources Mobilization Act as follows:

This bill be not now read a second time but that it be resolved that provision for the introduction of conscription of man-power for overseas, without specific proposals for the immediate use of the power conferred by section 2 of the act, to conscript war industries, financial institutions and accumulated wealth, does not meet the urgent need for total war, imposes further inequality of sacrifice and is, therefore, contrary to the peace, order and good government of Canada.

I ruled that amendment out of order *inter alia* on the ground that the house had already given a decision on the same question this session, and I based my ruling on citation 396 of Beauchesne:

An amendment on a question must not be inconsistent with a previous decision on the same question given at the same stage of any bill or matter. Thus words which the house or committee has decided to insert or retain cannot be altered, but additions may be made to them.

The amendment we are now discussing refers again to the mobilization of Canada's resources for total war, just as it did in the amendment I have just quoted. It also refers, in different terms it is true, and from a different point of view, to what was stated in Mr. Coldwell's amendment as imposition of "further inequality of sacrifice." The terms may be phrased differently, but the conclusion is the same.

For these reasons I must rule the amendment out of order.

Mr. J. M. DECHENE (Athabaska): In rising to continue the remarks I was unable to conclude last night, I do so after being deeply impressed by the nobility of the sentiment expressed in the house by leaders of all parties upon the occasion of the seventy-fifth anniversary of confederation.

For a few moments I should like to speak to this matter from another angle, and pay my tribute, not to the fathers of confederation, because that has already been well done, but to the people of Canada. I think it fitting that such a tribute should come from a man occupying my position, belonging as I do to the common peoples of Canada. I am not a professional man, nor am I a schoolteacher or preacher. I am just an ordinary fellow, belonging to that large class in the community, that numerous class of people of whom a great statesman once said, "God must have loved the common people because he made so many of them." It is to those people I pay my tribute. I pay it to the fathers and the mothers of the land. I pay it to those mothers who, since the discovery of the country, have pioneered in their settlements, and who are continuing in their pioneering spirit in my part of the dominion. I pay it to those mothers who are writing the history of Canada with a golden pen dipped in blood. I pay it to the fathers of our country who have devoted their energy, time and ability, no matter what their occupations, to the welfare of the country. I pay my tribute to the veterans of the last war, to the boys in all the arms of the services in this war. I pay it also to the women engaged in services connected with the war, and to our farmers who are carrying on under conditions more difficult than ever before because they are finding that help is growing scarcer. Still they continue to do their share to see that all the food asked for by Great Britain and our allies may be furnished. I pay my tribute to the brains, the courage and the forbearance shown by the common people of this country. I, sir, a common man, a backbencher, beg of you the privilege of humbly bowing my head in tribute to the people who have made Canada, and who will continue to make it.

Last night at the adjournment I was directing my remarks in the budget debate to the tremendous resources of Alberta, and particularly as they relate to the possibilities of development of one of the resources this or any other country must have, if it wishes to be great and prosperous. I refer to oil and its by-products.

Complimenting the Minister of Finance (Mr. Ilsley) upon the masterly budget he presented to the house, I would refer particularly to those budget provisions cutting down tariff restrictions on machinery necessary for the separation of oil from the bituminous sands found in the areas surrounding Fort McMurray and Waterways.

Aristide Briand, recognized as one of the most able men in France during the after-war period, also one of France's greatest ministers of foreign affairs, is credited with

saying that many of the conferences following the war had proven futile because of the oil question. The question as to the ownership of the oil resources of the world, whether they were in Persia or in Iraq, in the East Indies or in any other part of the world, was the main cause for the failure of many of the peace and economic conferences. He pointed out that it was recognized by the great powers that no nation could be great in war or peace unless it had oil properties, without which the operation of mechanical contrivances was impossible, whether those contrivances were for use in farm or factory, or by tradesmen in their lines of occupation. After this war it is reasonable to expect that the world will be more mechanized than ever.

It has been proved, not from my own words or from any processes of imagination, but from the reports of practical men in the business, one of whom is an engineer and an expert in the Department of Mines and Resources, that we have at Fort McMurray and at Waterways, at a point 350 miles north of Edmonton, the largest oil reserve not only in America but in the whole world.

I have before me certain pages from a report by Doctor S. C. Ells of the Department of Mines and Resources, but to save time I shall quote only the last declaration in the splendid article appearing under his name in the *Canadian Geographical Journal* of June, 1942. This, may I point out, is not an old publication.

> It would thus appear that ownership of oil in place, controlled production, and consequent economies as regards storage, are factors which should prove favourable to commercial development of bituminous sands. The writer visualizes a time when McMurray may become one of the leading oil producing centres of the North American continent.
>
> Justification for the development of important production from Alberta bituminous sand has been considered:—(a) as a war emergency measure, and (b) as a development to meet normal peace-time requirements.
>
> Many preconceived ideas and plans have yielded to changing and unexpected circumstances during the past thirty months. Whether important development of Alberta bituminous sand should be regarded as a war emergency measure will depend on circumstances which may develop during coming months, but which cannot be foreseen.

At this point may I also pay tribute to two young men who were engineers and experts in the research council in Alberta. These young gentlemen, K. A. Clark and S. M. Blair, are known to me personally. For many years they have given invaluable services both to Alberta and to Canada, in co-operation with the Department of Mines and Resources in Ottawa, by making a study of the bituminous sands, and by helping to evolve a machine which would make possible the separation of the sand from the oil, at a price at which the oil might be sold on a competitive market.

Having established that we have there a reserve estimated by Doctor S. C. Ells at 150 billion barrels, while the whole world reserve is estimated at from 35 to 39 billion barrels; having submitted to the house that Mr. C. S. Bowey of the United States bureau of mines estimates that 250 billion barrels of oil are available in the tar sands of Fort McMurray and Waterways; having also mentioned the fact that far from being inaccessible, as was stated in a report made to the Department of Munitions and Supply, this field is only 350 miles by railway from Edmonton, which railway is jointly owned by the Canadian National Railways and the Canadian Pacific Railway and therefore an application to reduce rates, if they are thought to be too high, could be made to the board of transport commissioners; having stated that by air it is only 245 or 247 miles from Edmonton to Fort McMurray and this is the recognized method of transportation in the north country, I submit to the house that this matter is well worth the interest of hon. members. Attention should be given to the development, not after the war but now, of the tremendous resources there are in Alberta.

Here in Ottawa, the capital city, many members of the house and many business men and other people cannot go beyond the city limits because they are limited in the amount of gasoline they can purchase. This limitation applies to all lines of activity, and yet we have this tremendous supply of gasoline, greater than anywhere else in the world. I do not think we are doing the right thing by this country if we do not take immediate measures to develop these tar sands. It may interest the house to know that I stand on firm ground in agitating this matter. I have been bringing it up for twenty years. I first brought it up in the Alberta legislature, and any one who is interested may look in the old files of the Edmonton *Bulletin* and the Edmonton *Journal*. They will see that year after year, in 1922, 1923 and 1924, I brought up the question of these oil resources, as well as those in the Turner valley.

It will be remembered that in 1914 the Discovery well was brought in, in the Turner valley. This well produced a small amount of oil, but a tremendous oil boom resulted. Then war broke out, and most of the companies went to the wall. Drilling was stopped, and it began again only after the war. Gasoline sold for thirty-seven cents a gallon in the city of Edmonton, and the farmers throughout

Alberta could not afford to pay that price. Prices dropped after 1921. One year I moved in the Alberta house that the Alberta government should pay a bonus of $100,000 to the company or individual that first succeeded in bringing in a well which would produce 1,000 barrels a day.

We should develop these great resources, the tar sands, the oil wells and the other resources of Alberta and the Northwest Territories. I heard the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) say that it was absurd to mine gold in Canada, to take it out of a hole, ship it to the United States and put it into another hole there, but he forgets that the mining of gold brings a great deal of money into the country and employs a great deal of labour. He is talking all the time about giving employment to labour; yet he rises in his place in this house and talks about the mining of gold which provides considerable employment. He forgets that we are not giving this gold to the United States. When it goes across the line it brings us a good price. If we could deliver from $200 to $250 million of gold a year, it would go a long way toward equalizing the rate of exchange between the United States and Canada.

I have something a little more difficult to say. A few days ago I was reading one of the best United States magazines, a magazine considered worth-while reading. This magazine contained an article by a gentleman who is recognized as being a world authority. He is a most reputable writer and has a complete knowledge of world conditions. This man has been in Asia, Singapore, Oceania and all over the world since war broke out. He was in the far east when the treacherous attack was made on Pearl Harbour by Japan. He describes some of the islands in the Pacific now held by the Japanese, and he gives details of some of the minerals which could be obtained from these islands and of which there is a great need to-day in Canada and the United States. These minerals have never been developed because the companies owning them belonged to cartels. Other resources were worked, but not these. I imagine this was done in order to keep up the price. He names the places, and he gives the estimated amounts of the minerals available. This information was given to the companies and to him by the engineers. To-day there is no access possible to these islands. The Japanese are in possession, and they will be able to develop these minerals themselves. I am wondering if there is not a possibility that a cartel exists in this country in connection with gasoline in order to stop or retard the development of the bituminous oil sands of Fort McMurray.

[Mr. Dechene.]

Mr. COLDWELL: What about the Standard Oil of New Jersey, the Imperial Oil in this country?

Mr. DECHENE: I am not a communist or a socialist; I am just a Liberal, a common man. I am one of those who has absolutely nothing bad to say about the man who makes a success. I admire such a man. I think 99 per cent of those men who amass fortunes do so because they use their brains, muscles, and everything else to the limit. They are generally thrifty and work harder than anyone else. They devote all their time to their business and make many sacrifices in order to achieve success.

Mr. COLDWELL: The Standard Oil is not a common man.

Mr. DECHENE: I believe the people of this country are going to watch developments closely in view of the fact that we have this oil; they are going to see that the development of these resources in western Canada, so needful to all, is not retarded by the action of some company interested in working other fields or in buying their supplies of crude oil from the United States and South America.

Yesterday the leader of the opposition (Mr. Hanson) made an address which I admired very much. He made a wonderful contribution to this debate, and he must have given considerable care and attention to the details of the budget resolutions. But then he ruined it all by refusing, at the request of some hon. members on this side of the house, to include in the names of those who had met in Washington the name of the Prime Minister of Canada (Mr. Mackenzie King). I am an old-timer in this country, and for a long time my ancestors made their living here. I love Canada. The United States has grown to a population of 130,000,000 people, while we have remained at only 11,500,000. For many years we have been losing our best blood to that country. Two or three millions of Anglo-Saxons and of French origin, born in Canada, make their homes in that great republic, and it benefits by their brains and brawn.

But because of that narrowness of which we witnessed an example yesterday we have not been able in this country to forget our political differences when it comes to the point of recognizing a man's ability and his services to Canada, and in that way we fail to create in the minds of our young people a pride in what is Canadian. When you look at the picture of one of the most illustrious sons that Canada has produced you cannot help but reflect that Sir Wilfrid Laurier really died of a broken heart. The hon. member from

Saskatchewan has perhaps never heard of Sir Wilfrid Laurier. Apparently he has not or we would not have heard his sneers. Such an attitude as his makes it very difficult in this country to create in our young people the pride in their country that the young people of the United States have in theirs. Sir Wilfrid Laurier died broken-hearted because on two occasions he met with the same narrowness, the same opposition from an organization of men who for political purposes refused to recognize his talents and his services to this country.

On this first of July, Canada's seventy-fifth anniversary, and in this budget debate I think it is only right for me to say that even if we should dispose of the whole of our wheat after the war at $1.50 a bushel or more; if the price of cattle and hogs should remain as it is now, and if, in addition, we exported all our surplus of gold and other minerals, we should still fail to attain prosperity in this country unless we achieved the unity of all the different elements that constitute this dominion.

Mr. J. A. ROSS (Souris): Mr. Speaker, this being July the 1st, Dominion day, and the seventy-fifth anniversary of confederation, and very appropriate sentiments having been expressed in honour of this occasion by the Prime Minister (Mr. Mackenzie King), the leader of the official opposition (Mr. Hanson) and the leaders of other groups, and thousands and thousands of our citizens being congregated on the grounds of parliament hill, one is led to wonder what has become of the spirit of the fathers of confederation. The prolonged parliamentary debate on conscription and the plebiscite, lasting for almost six months, is in my opinion an insult to the founders of this great nation. If we were to observe the true spirit of Dominion day I think we should stop wrangling over the duties of citizenship at this time. We have a truly great heritage, but it imposes also a great responsibility, and if by deed and action we would manifest our sense of responsibility, then before this nation reaches the century mark Canada could easily become a world power far greater than anything of which the fathers of confederation ever dreamed.

The Minister of Finance (Mr. Ilsley) has said that there is something wrong with this parliament, and I agree with him—after practically six months of debate, chiefly over the nonsensical plebiscite and conscription. Twenty-five years ago to-day, approximately 20 per cent of the membership of this House of Commons were overseas with Canada's expeditionary force, many of them serving in no man's land, putting in longer and more uncomfortable and more arduous hours than we have ever served in this house. Yet when the hon. member for Regina (Mr. McNiven) suggested that we should speed up the work of this house he was roundly spanked by his leader, the Prime Minister. Just this morning I attended three different committee meetings. I have probably as much work to do in this house as the average member, and I feel that our procedure could be speeded up by the government of the day.

I should like to compliment the Minister of Finance upon his presentation of the budget. While agreeing with its general principles, there are some parts of the budget with which I entirely disagree. I would also congratulate the leader of the official opposition upon the splendid speech he made, in which he pointed out a number of glaring inequalities in the budget. Certainly so revolutionary a budget, brought down in the middle of the year, upsets any systematic planning by the people of this nation with respect to their livelihood, and it is distinctly unfair to the family man on a two thousand dollar income. The increase in taxation and compulsory savings for such a man is over 250 per cent, and for the family man in the three thousand dollar bracket the increase is over 300 per cent. While the compulsory saving feature is certainly a step in the right direction, the new tax will create a great many hardships for people on small or average salaries, especially with the budget being brought down so late in the calendar year.

I am opposed to the tax on candy. I think it is unjust. I have heard many stories of taking candy from a youngster, and I think it is going too far to tax candy, especially in view of the fact that, as was pointed out yesterday, it is a food, and with such other articles as sugar, chocolate and cocoa, forms part of the emergency rations of our armed forces.

In my opinion the budget should also make some allowance for old debts, say a deduction of at least 10 per cent. A farmer may have two or three crop failures, and then a good crop. How is he going to take care of his past obligations if he is compelled to pay this increased taxation? Some system should be worked out to cover the farmer's operations over a period of two or three years, because the tax is most unfair and almost unworkable under the present set-up so far as the farmers of Canada are concerned.

I should also like to make a few observations with respect to inequalities and the lack of

parity for agricultural products. In this connection I should like to quote what the Minister of Finance said on June 23, at page 3572 of *Hansard,* in presenting his budget. He said:

In the calendar year 1941, with relatively poor crops in many localities cash income from the sale of farm products was only 17 per cent below the income of 1928, the year of the biggest crops in our history. Good crops in 1942-43, with assured prices, will bring cash farm income close to the best records of Canadian agriculture. Excluding wheat, which has been in surplus supply since the beginning of the war and has required special measures, the prices of farm products on the average are now about 2 per cent above the level of 1926 and prices of animal products on the average are relatively still higher. Farmers are assured of these prices on a wide range of this season's crops, and will receive, by government action, higher prices than those on last year's crops for wheat, flax, soy beans, sugar beets and apples; (4) price and income control are essential weapons in combating inflation. They must be used, however, in close coordination with direct control of supplies and productive equipment, with direction and management of manpower, with consumer rationing, where necessary, and with fiscal policy. No one of these instruments is itself powerful and persuasive enough to do the whole job of directing our resources to the end desired.

I wish also to refer hon. members to what the minister said on June 4, at page 3081 of *Hansard:*

Just consider the position—and if members of this committee do not remember anything else I say, I want them to remember these simple figures. During the first twenty-six months of the last war, known as world war No. 1, price levels rose 15 per cent. During the first twenty-six months of this war, world war No. 2, price levels or the cost of living in the Dominion of Canada rose by 15 per cent. During the next seven months of the first war price levels rose by 13 per cent.

Mr. McLarty: Additional.

Mr. Ilsley: Thirteen points over and above the first fifteen points, making a 28 per cent increase in the total period of twenty-six plus seven months. But during the next seven months of this war the price level has risen less than 1 per cent. I want to say that in the last war—

Mr. Ross (Souris): At whose expense?

Mr. Hanson (York-Sunbury): The expense of the producer, of course.

An hon. Member: The farmer.

I think these two arguments should be compared at this particular time. Also, in his remarks on the introduction of the budget, I think the minister should have taken into consideration the increase in the population of this country. He quoted the year 1928. The last population figures prior to 1928 were 8,787,000. The figures for 1941 were 11,420,000. That is quite an increase, and should have a bearing on the amount of money available to agriculture. Considerably over one-third of the population is dependent upon agriculture for a livelihood. Therefore that 17 per cent hardly gives a true picture of the present difficulties of agriculture in the dominion.

It has been said several times before that the base used for industry and organized labour in setting up this price ceiling scheme is the period 1926-29. Figures found in the publication of the economics branch of October 29, 1941, show that during the period 1926-29 the average prices of certain essential agricultural products were: wheat, $1·417; oats, 60·3 cents; barley 71·6 cents; rye, 97·1 cents; butchers' steers (Toronto), 9·04 cents; bacon hogs, 11·01 cents; creamery butter (Montreal), 38·2 cents; eggs (Montreal), 48·2 cents. The only article in that list which is over parity at the present time is cattle.

Mr. GARDINER: I do not want to interrupt my hon. friend, but the price of hogs, as read out there, is above parity.

Mr. ROSS (Souris): No. I believe if the minister figures it out he will find that it is slightly under parity to-day, although it is very close to parity. You have to figure out per kill on a hog-grading basis. I think it is still slightly under.

The United States government have announced that they will allow $1.14 on wheat on farms in 1942, or 16 cents above the 1941 price. That is a guaranteed price to the producer on the farm of $1.14, or approximately 40 cents above the price guaranteed to our producers at this time. While they are guaranteed 90 cents, I do not think it will amount to much over 74 cents to the producers on their farms.

Butter fat from the same cow is set, under the price ceiling, at 35 cents a pound at the creamery for butter, and 50 cents a pound at the cheese factory for cheese. In this connection I should like to refer to an article which appeared in my local paper under date September 4, 1941. It states:

For the sixteenth consecutive year, the grand championship in the Canadian butter competition at the Canadian National Exhibition, Toronto, has been won by butter manufactured in Manitoba, but the winning of this prize in 1941, is of particular interest to southwestern Manitoba for the reason that the top entry in the exhibition was that of Cy. McCallum of the Melita creamery and the high honour attained this year reflects most creditably, not only to Mr. McCallum and his fellow members of the Melita creamery staff, but to cream producers in the area served by this plant.

In that respect I do not think I have to point out to the Minister of Agriculture that those producers are being discriminated against, because they cannot deliver their cream or butter fat to cheese factories, which

are not available in that part of Canada. As has been pointed out before, it is impossible to have these factories constructed owing to the present priority system in this country.

May I now refer for a few moments to the cattle situation? A question was asked yesterday and to-day, on the orders of the day, by the hon. member for Prince Edward-Lennox (Mr. Tustin) of the Minister of Finance (Mr. Ilsley), and the minister apparently endeavoured to differentiate between beef and cattle. I feel sure he realized that beef comes from beef cattle. But I have been amazed, in following this cattle situation for the past month, that we have not had a statement from the Minister of Agriculture on this matter, in view of what has occurred in the past few weeks.

Mr. TUSTIN: It was promised weeks ago.

Mr. ROSS (Souris): Yes, questions were asked weeks ago, and an answer promised which has not yet been given.

With reference to the questions asked yesterday, I would refer to the following statements in an article in a Toronto paper of June 30, under the title:

Big Cattle Run Here, but Two-thirds Unsold. Market Staggers under $1 Price Drop—Army to Pay Civilian Price—How About Supply?

I do not intend to read all this. The first paragraph will give some idea of the condition that exists to-day.

All across Canada yesterday prices of cattle declined from 60 cents to $1 per cwt. on all live-stock markets. In Toronto, where the beef shortage has been most acute, the market opened with a very large run of 4,450 cattle, but as bids declined sharply to a greater extent than previously shown in one day's operations, trading slackened and 2,700 head were unsold at the close.

On July 1 opens another quarter when Canadian cattle can be shipped to the United States at a customs duty of only 1½ cents per pound, as compared with the regular 3 cents a pound. In the first two quarters of 1942, these quarterly quotas of 55,000 cattle were filled very rapidly, but now, with the existence of Wartime Food Corporation Ltd. to have first chance of buying before cattle can be shipped—

And so on. Elsewhere the article says:

Recently Ottawa reduced maximum prices of wholesale beef by 3½ cents a pound, to be applied 1 cent a pound July 13, 1 cent a pound Aug. 3 and 1 cent Aug. 24 and ½ cent on Sept. 14. The wartime prices and trade board has desired to change the index from time to time during the year because cattle on grass during the spring, summer and fall months gain weight at less than at any other period, whereas in winter they have to be fed at considerably increased cost.

That is an account of yesterday's market. To-day, in the same paper, is another article entitled:

Cattle Prices Falling in Swiftest Drop Known. All Watching Market to See how Farmer Will React to Lower Rates—Ottawa Begins Buying.

This article says:

With receipts of 790 cattle reported by the dominion marketing service at the Toronto live stock market yesterday, a considerable trade developed in spite of a further decline in prices to points which showed levels lower by $1 to $1.50 for the week. There were about 1,200 head unsold at the close and to-day is a holiday. Wartime Food Corporation entered into buying for the first time of cattle ticketed for export when the United States quota for the third quarter of the year begins to-day. On Monday Toronto prices had been out of line with United States prices for most cattle but the further drop in price yesterday brought more of them into line. A complicating situation is that over-all ceilings are causing as much confusion in the United States as here and that Washington also pays a few cents more per pound for the armed services. That is abandoned in Canada.

Then it goes on to say:

Market Watches the Farmer.

Most of the old hands found themselves unable to gauge what will be likely on the market in the weeks and months ahead. The week's decline is the largest some of them remember for twenty-five years.

Mr. TUSTIN: And the farmers are watching the government.

Mr. ROSS (Souris): The farmers are watching the government for some lead.

Following that, we had a return brought down in this house, on April 29 last, which gave the following information:

Total number of cattle on farms in Canada:

	Head
June 1, 1932	8,529,700
June 1, 1937	8,840,5[illegible]
June 1, 1941	8,797,000

The amount of beef in store in Canada:

	Pounds
April 1, 1932	9,088,000
April 1, 1937	15,694,000
April 1, 1942	21,894,000

Exports of cattle to United States:

	Head
1932	12,865
1937	306,958
1941	250,573

The total dressed weight of beefs and calves slaughtered in the slaughtering and meat-packing industries in Canada was as follows:

	Pounds
1932 beefs	338,545,602
1937 beefs	457,544,311
1940 beefs	454,110,866

The figures for calves are as follows:

	Pounds
1932	42,918,685
1937	86,532,559
1940	80,999,915

In answer to a question as to what recommendation Mr. Donald Gordon of the wartime prices and trade board had made to the government for dealing with the control of Canada's beef cattle export, the Minister of Finance (Mr. Ilsley) said that the question was not in order at that time. I think the impression prevailing among the producers of the country to-day is that the packers are to some extent in control of the cattle industry and of the marketing of the farmers' produce at this particular time. It is true enough that when the Minister of Finance said that beef did not mean cattle, he meant that beef came under the price control board, whereas cattle are sold by the producer and did not come under the board.

Mr. ILSLEY: What I meant was that there is no ceiling on live cattle prices. If the hon. gentleman wants one put on—

Mr. ROSS (Souris): No, I am pointing out that the statement was made this afternoon for the purposes of the record, but there might as well be a ceiling in the face of what is happening to-day.

Mr. ILSLEY: No. Take the events of the last two or three months.

Mr. ROSS (Souris): Would the minister care to explain this matter right now for the benefit of those engaged in the cattle business? —because it is confusing to the producers. I am willing to lose two or three minutes of my time now if the Minister of Finance or the Minister of Agriculture will explain the matter.

Mr. ILSLEY: Go on with your speech.

Mr. ROSS (Souris): I said I was prepared to lose a few minutes in order to get an explanation for the benefit of the producers of the country. I am satisfied that money is still in control and is considered more important in some places than the essentials of life. One sometimes wonders what a difference it would make to the farm people, in the balance of Canada's economy, if Mr. Donald Gordon had spent half his life on the farm and the other half, as he has the greater part of it, in the banking business. Tennyson once said, "I am a part of all that I have met," and I think that applies equally to the chief price controller to-day. I still think that money is in control in this country. If there is any doubt about that, hon. members have only to refer to a reply made by the Minister of Finance on June 5, at page 3114 of *Hansard*, to a question put by the member for Lake Centre (Mr. Diefenbaker). The minister was asked why interest was left out of the price-ceiling structure. His answer was:

> The reason is that the risk varies so greatly that we did not think we could put a price ceiling on it. Money is worth 6 per cent when it is lent on one class of risk and only 3 per cent when it is lent on another. You cannot do that unless you made it 10 per cent, 24 per cent or something like that. You could have a ceiling such as that, but it would completely prevent lending in many places where lending should take place.

I wonder if there is much greater risk anywhere in this land than in farming—and yet the farmers' commodities must be put under the price control board. In my opinion prices under this price control machinery are not based on equity, and I do not think the minister or anyone else will claim that they are. Here let me quote from paragraphs 4, 5 and 6 of the famous Atlantic charter:

> They will endeavour, with due respect for their existing obligations, to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity;
>
> They desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labour standards, economic advancement and social security;
>
> After the final destruction of the nazi tyranny, they hope to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want.

I believe the Prime Minister (Mr. Mackenzie King) has suggested in this house that unless some of the principles of the Atlantic charter are put into operation before this war is finished, there will be little hope for the country after the war. I would point that out to the Minister of Finance at this time, because he is responsible for this price-ceiling set-up. I think he should bring about some basis of equity. I intend to discuss some points of this budget when we are in the committee stage because they more directly affect the great agricultural population of Canada.

There is another matter that gives me a great deal of concern, which I had thought of discussing under the budget. It is a matter of considerable importance. On June 8 the Prime Minister promised to set aside a day for the discussion of the Hong Kong report. In my opinion that inquiry should not have been made in secret. I know there are those who have their doubts as to whether we should refer to the report. It has been mentioned on

the floor of the house. To clear that up I would read a short article from the Montreal *Gazette* of June 8:

During the last great war, two royal commissions were appointed by His Majesty's government in the United Kingdom to look into various military operations. Lord Cromer headed a commission investigating the Dardanelles campaign. In the second volume of his autobiography, "Memories and Reflections", the then Prime Minister Asquith thus described the way the Cromer report was received:

"The first report (of the Cromer commission) did not survive four hours' debate in the House of Commons, in the course of which it was riddled by the criticisms of (Winston) Churchill and myself."

Lord Cromer was one of the most distinguished jurists of his day in Great Britain. Yet the report he submitted on the much-disputed Dardanelles expedition was subjected in parliament not only to debate, but to such vigorous and successful criticism that the report was subsequently redrafted.

That in my opinion was the correct procedure. I submit that this is the proper place in which to discuss the report. I am satisfied if the evidence is produced, whether or not dereliction or error is found on the part of the war committee of the cabinet, of which the Prime Minister is chairman, or of the then acting minister of defence, the Minister of National Defence for Air (Mr. Power), or of members of the permanent joint defence board of the United States and Canada, and certain high ranking officers—I am satisfied that all officers of the expeditionary force and of military district No. 10 will be entirely exonerated. At a time like this, in face of the peril that now exists to the democracies, prosecution of loyal citizens under the defence of Canada regulations, such as has recently been instituted against that gallant and great soldier, Colonel George Drew, who has such an excellent record, are unjustified and are not in the interests of an all-out war effort.

Mr. THOMAS REID (New Westminster): In rising to take part in the debate on the budget may I at once pay my deep tribute of admiration to our brilliant Minister of Finance (Mr. Ilsley), whose great ability was manifested when he submitted, with such pleasing forcefulness and such clarity, the greatest financial statement ever brought down in parliament since confederation. I am also reminded, as I feel sure we all are, after listening to the inspiring words of the Prime Minister (Mr. Mackenzie King), the leader of the opposition (Mr. Hanson) and other leaders, that this is the seventy-fifth anniversary of the founding of Canada. As one of Scottish birth, I am not unmindful of the great privilege and honour bestowed upon me in my having been elected member of parliament for New Westminster. I join with the Prime Minister and others who have spoken in paying my tribute of devotion to this our great dominion. I am Canadian to the core, and in this troubled day I say with heart and soul: God bless and protect Canada.

With regard to the budget, Mr. Speaker, so far not one murmur of complaint has been heard from the Canadian people, and it is my belief that the people are truly prepared to sacrifice anything for victory, so that we shall not lose this war. They want an all-out war effort, in the fullest sense of the word, and with that desire I am in hearty accord. It is my opinion that the people of Canada are somewhat impatient with parliament. They sense a waste of time in the many speeches made here, very often duplicating other previous speeches. They feel that this is not right in time of crisis, and I believe they are watching parliament with great concern and that they resent party being placed before the welfare of the nation. The other day we listened to three very good speeches, one from the leader of the official opposition (Mr. Hanson), one from the leader of the Social Credit group (Mr. Blackmore) and one from the leader of the Cooperative Commonwealth Federation party (Mr. Coldwell). I would particularly commend the speech of the leader of the opposition, which I thought was a remarkable contribution to the debate. I would say to the hon. gentleman, however, that I do not believe he needs to apologize for taking up the time of this house on any occasion. After all, he has a duty to perform as leader of the opposition, and he knows full well that democracy is safer with a live, active opposition. Speaking for myself, I know that many times I have been critical of certain matters affecting our people, often in connection with matters on which the government did not believe I should speak. But I have dealt with those matters in the full realization that the 77,000 people of the constituency of New Westminster, whom I have the honour to represent, have no other voice in parliament but that of their elected representative. I feel that I have a duty to perform, and therefore I may have to do some criticizing in my remarks this afternoon.

At the outset I should like to join in what was said by the leader of the opposition with regard to Canada's ever-increasing liquor bill. It is appalling to realize that last year we spent on liquor and wines some $20 per capita. Our wine and liquor bill increased last year by $50,000,000, reaching the stupendous figure of something like $234,000,000. It may be true that it is not the direct duty of the

Minister of Finance to interfere with an industry of that kind, but we all agree that this is not an essential industry so far as the welfare of our people is concerned. I would say to the minister and to the government that if this increased taxation does not bring about a substantial curtailment in this business, more courageous action will have to be taken than a mere increase in the taxes imposed. I understand that so far as malt is concerned, the increase, which looks very large on paper, will amount only to something like one cent a bottle. However, we can discuss this matter in greater detail when we are in committee.

With regard to compulsory loans, this is a new departure in our budget. I think there are some splendid features in it, but I am just wondering what effect compulsory loans are going to have when the minister, as he will have to do later on, asks the Canadian people for $1,755,000,000 by way of voluntary loans. I trust this new system will not interfere with the success of the voluntary loans, but I rather gathered that the minister sensed the difficulties which might arise, because by way of encouragement he paid certain tributes to the committee which is in charge of this work.

I believe the merging of the national defence tax with the income tax is a step in the right direction. This multiplicity of taxes was rather confusing. I wonder if the minister had in mind, in taking this step, that when the war is over a demand might be made for the abolition of the national defence tax, because then people might say there was no need for a defence tax. By this step, however, it will be possible for the government of the day to continue the income tax and with it the national defence tax, if it so desires, until we are safely through the post-war period.

I listened with a great deal of interest to what the minister had to say with regard to trade between Canada and the United States. It was right and fitting, I thought, that he should pay some tribute to what the United States are doing and to the relationship now existing between that country and Canada. Then he went on to say, at page 3574 of *Hansard:*

> In effect, the agreement may be thought of as eliminating the dollar sign in our war-time transactions with the United States by providing a convenient technique for an exchange of raw materials and other components of war goods for the finished war supplies we are equipped to produce.

As I listened to those words I could not help wondering why steps have not been taken to bring our Canadian dollar to par with the United States dollar. I wondered the more when I read an address made over a United States radio network last May, on a programme called "America's Town Meeting of the Air", at which Canada was represented by the hon. member for St. Lawrence-St. George (Mr. Claxton) and Mrs. Phyllis Turner, both of whom I believe were very well received and both of whom did very well. On that programme Doctor Kindleberger, who is the research economist for the board of governors of the federal reserve system, had something to say with regard to the Canadian dollar. I trust that the minister will take note of this, so that when we are in committee he may give us some explanation of why the Canadian dollar is not at par with the United States dollar. Doctor Kindleberger was asked this question:

> I would like to ask Doctor Kindleberger why should Canadian money be worth less in United States exchange than it was formerly?

This was his answer:

> Canada came into the war faced with the problem of having to import a great many things from the United States; faced with the problem of having to cut down on non-essentials. It also wanted to increase its exports to the United States. To that end it changed the value of its money (in terms of United States money) as a Canadian act, not as a United States act. The United States did not partake in that decision at all.

To me that is a rather startling statement, and I think some explanation is due us when we get into the committee stage. Both Canada and the United States are full partners in this life and death struggle. That being so, why should our Canadian dollar be at a discount of 10 per cent? Last year we bought from the United States something like $1,100,000,000 worth of goods and exported to the United States goods to the value of about $600,000,000. In effect this meant that the Canadian people paid $50,000,000 more for the goods we bought from the United States than I believe we should have been called upon to pay. If we are partners in this war, our money should be at par with the money of the United States.

Certain statements have been made here with regard to the farmers. In also advocating their cause this afternoon I offer no apology to anyone; but before going seriously into the matter I should like first to quote what the minister had to say in this regard, at page 3572:

> . . . the prices of farm products on the average are now about 2 per cent above the level of 1926 and prices of animal products on the average are relatively still higher.

I do not know where the minister got his figures, but I do know that they do not agree

at all with the figures given by the bureau of statistics which I obtained the other day. Taking 1926 as a base of 100, farm products in 1930 reached a height of 82·3 per cent, while wages in Canada were at 105·8. Wages were away above the 1926 level, but farm products were about 18 per cent below. Then, in 1941 farm products had dropped further, to 71·2, while wages had still increased and had reached 109·7.

It is true in connection with certain lines of agricultural products that prices have gone up. To-day farm products on the average, however, are worth 80, and speaking of the month of May, 1942, we find they are worth 80·2, while industrial wages have gone up further to 120·9.

Concluding his speech, the minister said this:

> The war will not be won by disputing as to whether labour or agriculture or employer or employee should get a larger share of a swollen national income.

I say to him that the farmers are not fighting with labour for a larger portion of the swollen national income. They are asking that they, as a class, be not called upon to make a greater sacrifice than any other civilian class. And before I have finished I think I will show that they are doing just that.

Comparing 1942 with 1941, it may be shown that in some lines of agriculture increased prices are being paid. But a comparison of 1942 with 1941 does not tell the story. That is just making a statement which proves nothing. In my opinion, agriculture has been further affected since coming under the operations of the wartime prices and trade board. When I mention the wartime prices and trade board I hope the government does not consider that board sacrosanct. Anything I have to say about it is not made in the sense of casting any reflection upon the chairman of the board, who, I think, was the proper person for the job. He is very able, and is doing, I believe, a great work, a work which has been successful along many lines. But let me point this out: We had better be careful of the great powers we are conferring upon the board. We had better be diligent. Although I am not a prophet, I will prophesy that many of the powers they are taking and many of those they have at the present time they will not give up without a struggle.

Not long ago one of the newspapers stated that some members of parliament were kicking because they had lost some patronage. I will tell the house this, that most members of parliament to whom I have spoken do have a sense of frustration because they feel that, either knowingly or unknowingly, the government has set them aside and has handed certain powers over to boards. The people we represent should be in a position to approach their elected representatives when they want some redress from those who are handling the boards. The only place they can come is to their member, but when the member makes any approach to these officials he finds just how little he means to these men who are running boards. I feel sure every member of parliament knows I am speaking the truth. This is the condition which has brought about the sense of frustration among members of parliament who, like myself, feel that they have been just set aside, and that the people in their constituencies are not being represented as they should be.

With respect to agriculture, we sometimes refer in other matters to what is done in the United States and Great Britain, and we point out that we should follow their example. Why, then, did we not follow the example of the United States in connection with agriculture? The *Economic Annalist* of April, 1942, states this in pointing out what the United States have done to protect and encourage agriculture:

> The United States Emergency Price Control Act, 1942, approved by the president on January 30, 1942, provides for government regulation of commodity prices, rents and marketing margins.
>
> Farm prices—

Such as the prices which are being set up by our wartime prices and trade board.

> —are to be set by the office of price administration.

There is this proviso, however, this safeguard:

> Farm prices are to be set by the office of price administration, with the approval of the secretary of agriculture.

I maintain if the wartime prices and trade board is to go ahead setting the prices of farm products, then matters in connection with agriculture are bound to get worse. The Department of Agriculture has been, so to speak, divorced from agriculture—I was almost going to say that it had been placed in cold storage for the time being. But each one of us knows what happens when we go to the Minister of Agriculture, after an appeal is made to us by our farmers. Let me say right here and now that it is a good job for the farmers of Canada that the present Minister of Agriculture (Mr. Gardiner) is in charge of that department, because I do not know where our farmers would have been had they been left under the wartime prices and trade board. As every hon. member knows—and it

is an open secret, or at least common knowledge—the Minister of Agriculture has had a terrible fight with the wartime prices and trade board to obtain anything for the farmer.

Mr. HANSON (York-Sunbury): And still has.

Mr. REID: But it is not right. The wartime prices and trade board was set up to keep the ceiling prices down. It has no concern with what it costs the farmer to produce. Yes; it has stated just that, on numerous occasions when farmer organizations have gone to it and pointed out that farm labour is scarce, that prices of feed have gone up and that other commodity prices have increased. On those occasions the farmers have been told in plain terms, "We are not interested in what it costs you to produce. Our job and duty is to keep prices down." I say now: Is it any wonder that the farmers of this country are feeling as they do at the present time?

It was predicted by the Minister of Agriculture when the wartime prices and trade board took over, that there would be a butter shortage if they did not raise the maximum price on butter, a price which had been set at 35 cents, and was far too low. There is a butter shortage now. We are almost 10,000,000 pounds shy. What did the wartime prices and trade board say when that was brought to their attention?—"If there is no butter, you can eat more bread."

Mr. ILSLEY: Who said that?

Mr. REID: I think I can find the name of the man in the wartime prices and trade board who said that.

Mr. ILSLEY: I wish you would.

Mr. REID: I will, and I will hand it to the minister. I have a little more to tell the minister.

Mr. HANSON (York-Sunbury): It is good to hear these things once in a while.

Mr. REID: I will tell the minister more. I will give him more in connection with another matter.

Mr. ILSLEY: Give me the name and the date, and I will check it up.

Mr. REID: I will send the name and the date to the minister.

Mr. ILSLEY: I want something authentic.

Mr. REID: Any statement I make I am prepared to prove, and when I make that statement the minister should accept it. I am not rising here to voice a lot of rumours with respect to reports which have come to me.

I had pointed out that there is a butter shortage. Then, the price of new potatoes was set at five cents in Ontario. With what result? New potatoes are being allowed to stay in the ground, and we are importing potatoes from the United States because our farmers cannot pick potatoes and sell them for five cents a pound.

Then, we have a sugar refinery closed in Ontario. Oh, yes, we are told that labour is scarce. But why is labour scarce? We all know that labour is scarce on the farm, simply because the farmer cannot afford to pay wages, when he must meet the competition from shipyards and munitions factories.

Then, the British Columbia asparagus growers have lost $3,000 because of the low price set down by the wartime prices and trade board. The strawberry growers were told, "Strawberries are not essential."

Mr. MacNICOL: But they are pretty nice to eat.

Mr. REID: Yes, and good for you too. I have pointed out that the board is not concerned with farmers' costs, or with the fact that they are getting worse each day. Price control can be made to operate, and I quite realize that great distress would follow now if it does not operate. But agriculture must be thoroughly understood by the wartime prices and trade board.

Food is a munition of war. I am not sure but that there may be a scarcity of many kinds of food in this country if conditions are allowed to continue. With butter selling at thirty-five cents farmers are selling their cows to citizens from the United States who are coming across to buy them. The fact of the matter is that herds are being depleted because of the low prices set by the wartime prices and trade board. I repeat, they are not interested in the farmers' costs.

I am going to make another complaint about the wartime prices and trade board. While I am at it, I might just as well say what my people believe; I might just as well utter the thoughts that are in my mind as a member. I have no complaint to make about the chairman of that board. I think he is a splendid man and the right man in the right job, but I wonder just how the people of this country are looking at the appointments that are being made to that and other boards. If they are, they will be asking us members, "Why in the name of heaven are there so many bankers and industrialists obtaining positions when agriculturists and labour have been ignored and are not considered at all in these appointments?"

There is a movement in progress toward a new era, toward the implementing of the Atlantic charter. What is taking place in some countries to-day? Certain persons in some countries are viewing with alarm the onward march of the common people for a better life. I wonder how many hon. members know the details of the committee that was set up in Great Britain, called the 1922 Committee, and is still functioning. I have not the time to read all of one report made, but one paragraph is of interest. This committee is really the power behind the throne in Great Britain, and lately its chief function has been to safeguard the rights of private enterprise and big business against the advance of socialism. It is described as the mouthpiece of vested interests and an extension to parliament of the activities of the Federation of British Industries.

Mr. MARTIN: Is that a parliamentary committee?

Mr. REID: It is a voluntary parliamentary committee, acting without any authority from parliament itself. It is an arrangement among a certain group of members of parliament whose powers, shall I say, come from the vested interests. The hon. member will know what I mean when I say that. I am not saying that there is a similar committee set up here, but I warn the members of this house that they have a duty to prevent any such movement here, even though they are on the government side. After they are elected they do not represent Liberals, Conservatives, Cooperative Commonwealth Federation or Social Credit; they represent all the people. That is what I am endeavouring to do this afternoon in saying what I have said.

Past history has shown that social legislation has made more headway during periods of war than at any other time. We are doing well now to give some thought to the post-war period. The Atlantic charter has been mentioned often since that historic meeting of Prime Minister Churchill and President Roosevelt, and it is to be hoped that the provisions outlined in that charter are not merely idle or empty words. When we speak about some new world order after the war, I suggest that we put into effect now some of the provisions of the Atlantic charter, particularly in connection with two worthy classes of our citizens.

One class I have in mind is made up of the great number of soldiers' widows in this country who have been knocking on the door of parliament for many years and whose plight is known to every member of the house. How about trying out some of the provisions of the Atlantic charter on these worthy people? Then how about trying it out on our old age pensioners? Is nothing further to be done for them? True it is that we have on our statute books an Old Age Pensions Act which provides the small allowance of $20 a month for those who have reached the age of seventy years. This amount will hardly keep body and soul together. I wonder how many hon. members realize that the allotted span of life on this earth as laid down by God is seventy years? In psalm 90, verse 10, you will read:

> The days of our years are threescore years and ten; and if by reason of strength they be fourscore years, yet is their strength labour and sorrow; for it is soon cut off, and we fly away.

With the full knowledge of that before us, how can we call the granting of a pension at seventy years of age an old age pension? I am going to designate it from now on as a death-bed allowance. The great sums being provided by the Canadian people show that we can do anything, and refutes the statements which have been made by former ministers of finance who had always the one stock answer, "Where will the money come from?" when representations were made advocating further social legislation on behalf of our people. I remember one minister of finance holding up his hands in holy horror—I can visualize now the challenging look in his eyes—as he said, "Where can I get $100,000,000 to put these things into effect?" Yet we are budgeting to-day for close to $4,000,000,000, a sum which staggers the imagination, a sum the magnitude of which few members of parliament can fully grasp.

Since my time is short, the last subject which I have to bring before the house has to do with the protecting of the Pacific coast. The people out there, and the people throughout Canada, are greatly perturbed over events these days. They are more perturbed because there is a feeling among the people that they are not being told the truth of the war situation. I am one of those who believe that our people can take the truth, but once they realize that they are being fooled it will be too bad for those in authority. I think it is fair to say that since this war started the average citizen has been further ahead with his views than many of the high military authorities. On so many occasions they have been wrong.

The Japanese have landed on the Aleutian islands. To back up my statement that the people have not been told the truth, I should like to quote from an article which appeared in the United States press and which was copied by the Ottawa *Citizen*. I shall read only one paragraph of this article, which

first appeared in the New York *Times*. Dealing with the fact that the Japanese had landed in the outer Aleutians, they say:

First we were assured that the enemy had landed in no "inhabited" area. Then it was suggested the islands were too rocky and forbidding to be of much value to the enemy. Later it was admitted enemy ships had entered Kiska harbour and that troop barracks had been erected on the shore. Now we are informed there cannot be more than a few hundred Japanese soldiers there.

I wonder how many people of this country and how many members of parliament are really aware of the significance of the toe-hold which the Japanese have obtained on the Aleutian islands? Even some of our own people do not seem to realize the significance of it. Lieutenant-General Kenneth Stuart, chief of the general staff, who has just taken over the Pacific command, referred to the landing of the Japanese on the Aleutian islands as being "only a little invasion". He suggested that we should pay no attention to it. I suggest that it is more than a little invasion and has more significance than he realizes or most people perhaps realize. I think the Vancouver *Sun* set this out very well in an editorial, which reads in part:

The Japanese are not yet into Alaska. They have not taken Dutch Harbour. But how can any sensible person believe that the Japanese will pause, for our convenience, in the outer Aleutians? Of course they must attempt, at all costs, to neutralize the bases of Alaska, which will be used against them as soon as Russia is at war with Japan. And the fact that Japan is moving so early in the north indicates clearly that the Japanese are getting ready for an early attack on Russia.

I should not be at all surprised if the Japanese moved forward and made a desperate attempt to attack Alaska. How many hon. members realize that Germany and Japan have put an encircling movement into effect and are attempting to divide the allies one from the other? We all wish to help Russia, but I say that if Alaska is taken by the Japanese, the one great outlet for munitions into Russia from this country will be blocked off.

Where the Japanese have a toe-hold is only 580 miles from Kamchatka in Russia, and that is only 600 miles from Japan. The Japanese are not going to sit back when they have a foothold on the Aleutian islands, and if they should attack Alaska it will be a serious thing for Canada as well as the United States. We sometimes talk of an invasion. An invasion may or may not take place, but the object of the Japanese in taking Alaska and the Aleutian islands would be to stop aid going to Russia from outside countries before war between Japan and Russia takes place.

I have one word to say regarding the Alaska highway. For ten years this country has been surveying routes from Canada into Alaska. We had the routes laid out, the estimates made and the plans worked out. We knew the best and easiest route to get in there, and I believe this country made a mistake when it allowed the United States to go ahead and build a road over a very nebulous route into Alaska. We are just as much interested in Alaska as they are, and we should have taken a firm stand, instead of showing a colonial mind, and said: "Here, Mr. United States, we have gone into this thing, and here is the proper route you should take." Some people are already beginning to doubt whether the United States will be able to complete the road they have started and whether they will not have to come back and build over one of the routes we have surveyed.

Mr. HANSON (York-Sunbury): Did the hon. member never hear of the word "appeasement"?

Mr. REID: I have, many times.

Mr. HANSON (York-Sunbury): There is another illustration of it.

Mr. MacKINNON (Edmonton West): Nonsense.

Mr. ILSLEY: As near nonsense as anything could be.

Mr. REID: I have just one more word to say regarding the Japanese in British Columbia. Only a few days ago a Japanese submarine fired shells into Estevan. Some have said that the Japanese must have been poor marksmen because they did not hit anything. But does anyone know what their real object was? No one can tell. They may have been looking for supplies that could have been cached there earlier. In British Columbia in January of this year, and even before, the Japanese were buying gasoline, not by the gallon but by the drum, and buying stumping and blasting powder in great quantities. We from British Columbia raised our voices many times and asked the government to move the Japanese out of the province, but this was delayed. The latest information I have is that there are as many Japanese seen around the city of Vancouver now as ever there were. Those who come from British Columbia know that the situation is serious, but we have had a terrible fight to make the authorities here believe it. It has been flung in our teeth: "Do not listen to those men from British Columbia because they have not the milk of human kindness in them." Well, Mr. Speaker, I hope we are wrong; our own people come first. We who

have lived among the Japanese know something of their methods, and I would not be surprised if they had cached gasoline and blasting powder in different areas along the coast. The Japanese it was stated landed men surreptitiously at night in the Charlotte islands before the war; when the war started three hundred Japanese disappeared and the authorities could not get hold of them at all. I have no doubt that some of them were those who came in surreptitiously. I would ask the Minister of Justice (Mr. St. Laurent), if it comes under his department, or the Department of National Defence, to watch the bays and coves of the coast of British Columbia, and, if possible, do a little searching there to find out whether there are any caches which the Japanese have made of supplies for submarines and other vessels to pick up when needed.

In conclusion, Mr. Speaker, it is realized that the war situation is serious, but do not let us forget that Hitler's plans are not going well. His attack on Russia was a mistake, and we can thank God for that mistake. Second, he never dreamed that the United States and Canada could turn out aeroplanes and tanks and ships and munitions and food in such huge quantities as we are doing. Canada's record in that respect is one of which we can justly be proud.

It is not often, Mr. Speaker, that I quote poetry in the house, not that I have not been in a position to do so, but on this seventy-fifth anniversary of our dominion I may be pardoned if I quote four stanzas from a poem called "Canada's Call—1942," by John of "The Lilacs," Prince Edward Island.

The pipes are sounding far across the water,
Across the lakes and dells comes their refrain;
The pibroch strains are calling from the distance—
O bonny lad, guard well thy great domain.

Guard well thy freedom! flower of Canada's greatness,
Far o'er the ocean waves thy help is needed still;
"Lest We Forget," these words live in our memory
From out the past—from Flanders' field and hill.

Ours is no empty boast, nor words vain-glorious
Of flattering tongue, or craven servile race;
Upon the undying page in deeds immortal;
There Canada's sons have won a glorious peace.

No pen however great could write the glory,
Of Canada's heroes who braved war's awful hell;
"Their names shall live forever;" through the ages,
Where history's chronicle of valorous stories tell.

My final word is this. We the members of this house have a duty to perform during these trying days. I trust that when the history of this crisis is written those who read the pages of Canada's great deeds will find a sentence something like this dealing with our parliament: During those days none was for the party but all were for the state.

Mr. F. W. GERSHAW (Medicine Hat): Mr. Speaker, in rising to make a brief contribution to this debate I should like first of all to say to the Minister of Finance (Mr. Ilsley) that the writing of the budget and the manner in which he delivered it are accomplishments that will stand out brilliantly in the political life of Canada for many years to come. I have noticed that the British people have commented favourably on this budget, and I believe that the people of Canada have accepted it, not with joy and shouting, but with the seriously firm conviction that it is fair, that it is just and that it is necessary in order to meet the very difficult circumstances with which we are faced. It is an outward indication that the economic life of Canada has changed from a peace-time to a war-time basis. But to me, Mr. Speaker, it means something more, because I believe it means the end of that phase of capitalism which has allowed poverty and want to exist side by side with great wealth and waste. As I go into the homes of the people of the country I find that there is one problem which faces them all, and that is the problem of making a bare living. I find that during the thirties there was demoralizing unemployment, when many of our young people were denied the chance to work and make a decent living. I believe that the sentiment of the people of Canada and the sentiment of the soldiers who will return to Canada will be never to permit such conditions to recur within our country.

Speaking before, earlier this session, I advocated the giving of larger pensions for the aged and for the blind. I have also advocated that this very high taxation be kept up after the war so that the plans which the various reconstruction committees are making can be carried out. I believe that those plans can so adjust things that no one who has gone overseas will lose for having done so and that no one who has stayed at home will gain for having stayed at home.

I believe that on this Dominion day we might well not only give lip-service in honour of our fighting forces but also convince them that when they return there will be positions for them, that there will be preference for them

in the positions they had before, including the civil service, and that they will be re-established as they should be.

I believe that during and after this war we should all be on the same level in respect of whatever sacrifices are necessary. I see in this budget a levelling-up process which, I believe, will have a great effect; that level should be the one which will give the maximum health to the people of this country.

There was a day when certain people in Spain knew that they had four columns coming against them, and then they had the traitors in their midst, making a fifth column. We in Canada are faced with more than that. We are faced with what might be called the sixth column. I refer to the devitalizing effects of ill-health and undernourishment. Never since the beginning of time has the morale of an army been high when the civil population was not well fed. No army was ever at its best; no army had the necessary sustaining energy unless it also was well fed. So we must see to it that the boys who have gone from these shores shall be the best-clothed, the best-equipped and the best-fed army that our resources will provide, because—

> Vain mightiest fleets of iron framed;
> Vain, those all-shattering guns;
> Unless proud England keep, untamed,
> The strong heart of her sons.

Health and life are the most precious possessions of any mortal. Before this war is over, many of our bravest and best young men will lie beneath wooden crosses; many, too, will lie in foreign lands without crosses, or in the depths of the ocean. Others will return broken in spirit and in body. We cannot prevent those violent deaths and injuries. But we can prevent deaths on the highway. We can do much to prolong the span of life. Just to illustrate, I should like to mention some things which have been done.

Research up to the present has discovered means of combating previously rapidly fatal diseases as diabetes, goitre and pernicious anaemia. Sulfanilamide has been discovered, and, with its allied drugs, has been a real elixir of life, because it has done so much to inhibit and destroy the effects of the invading germs which are always present. Drug addiction in this country is almost unknown, owing to the vigorous action of the Department of Pensions and National Health. Workmen's compensation boards in the different provinces not only pay compensation but have a department studying the cause of accidents and trying to prevent those accidents from happening, and putting in measures for the protection of the workmen. Yet we find that, with all those precautions, there are still some things which have not until recently been given much attention, and for a few moments I wish to speak on the deficiency particularly as it applies to diets.

Anyone who is working hard needs a substantial diet. A cigarette and a cup of coffee are poor nourishment to support the body. On the other hand, a full stomach is not by any means an assurance that there is not partial starvation and deficiency. There are many men who have been in good health while they were in humble circumstances, but when they started to indulge in the rich diets and the worry and the stress and the strain and probably the night life of the affluent, their health has been broken.

During the days of Washington the average age of life extended to only thirty-eight years. During the days of the first Roosevelt it was forty-nine years. To-day a male child can look forward to living sixty-one years, and a female child to sixty-four years. That great improvement has been brought about chiefly by better care of infants, better protection against contagious diseases, including tuberculosis and typhoid. There are still many—too many—sudden deaths coming in the most active period of life. Many of these deaths have definite causes; the causes can be learned and precautions taken in time. Sometimes dietary excesses have a good deal to do with it—eating the wrong foods, drinking the wrong fluids, and a body-softening and nerve-debilitating method of life. From a study of 200,000 insurance reports it has been found that, for every hundred men who die at the age of forty-five at normal weight, one hundred and thirty-nine die at that age who are overweight, because every cubic inch of flesh and every extra pound impose a great strain on the vital organs. That, together with the high-tension lives which we live, has been the cause of many sudden deaths. This budget seems to provide very good reasons for people to improve in that respect, because the high taxes and the restrictions which this budget has brought forth will tend to cause people to walk more and ride less and live a much simpler life.

In Great Britain, rationing has brought about an improvement in the health of the people. During the last war people waited in long queues to get their food. The result was that the strong and the rich got too much, and the poor and humble were often told, "There is nothing more to-day." In this war, ration cards are given to the people, so that everyone gets his share. In Great Britain to-day and every day about a million meals are served, mostly to the children, and the government pays for 90 per cent of them. Coal miners,

who are subject to cold and damp, are given extra supplies of Canadian bacon because of its heat-producing qualities, and those who work strenuously for long hours in the docks receive extra supplies of cheese because of its calcium content. Fruit juices, milk and the fish liver oils are supplied chiefly to children and to expectant mothers. The cargo space which is available to take food to the people of Britain is limited, and they must put essential foods in that space and deliver them where they are most needed. This has resulted in an improvement in the health of the people.

I come now to the second class. Deficiency affects those who have too much to eat and to drink, too little exercise and too little sleep; but it has a much more varied, serious and complicated effect upon that other class of people who have too little to eat, too much to do, and too much anxiety and worry. Poor food, poor clothing, poor housing conditions are companions of ill-health and dejection. Why? Because these unhappy conditions lower the resistance which each of us has to germs which are ever ready to attack us, to invade our systems and destroy our lives. These things result from our economic activities failing to keep up with the light and knowledge gained by medical research and medical experience. Our hearts go out to the old person, to the aged man or woman who has not ordinary comforts, but perhaps much more are we touched by the pale, drawn face and lean body of the undernourished child. We know that these physical deficiencies can be evaluated and that the necessary proteins or minerals can be supplied in the proper quantities and qualities.

For instance, there is vitamin B. We are all interested in vitamin B because it is the youth-preserving vitamin. Deficiency of it in childhood causes decrease of growth, and in adult life fatigue, neuritis, nervous depression and so on. This substance is found in a number of foods but particularly in the whole grain cereals and in milk, liver, and such products as eggs in particular.

Take vitamin C. A deficiency of this causes poor bones and teeth, and scurvy in advanced cases. This vitamin in found abundantly in tomatoes, oranges, unpeeled potatoes.

One more vitamin comes to mind, vitamin A. A deficiency of this causes a decrease of growth in childhood and aching eyes, eye weaknesses and diseases of the eye. This vitamin is found abundantly in green vegetables, spinach, carrots, apricots and, of course, particularly in butter and in fish liver oils.

The absence of a small quantity of these important essentials does not cause total disablity or complete sickness, but it does tend in that direction. It causes partial disability. It retards the person in the strenuous struggle for life. As Doctor Thomson put it, it takes us to the nutritional twilight. We do not enjoy the bright midday sunshine of an adequate diet, but yet we are not altogether consigned to the night of definitely diagnosable disease or starvation. Doctor James recently visited some places in the east end of London. He went to Bethnal Green to a school there and found that the government was providing one meal of protective foods for the children in that school every day. He found that the children of thirteen years of age weighed eight pounds more and were one and three-quarters inches taller than their predecessors in 1938. Not only that, but that particular part of London had been hit by enemy action and they have often had to go into shelters. Then in a boys' school the diet was considered to be adequate, and yet it was found that a large number of boys, when compared with an equal number of other boys, showed that in the first class, where one pint of milk a day had been given to each boy, at the end of a certain period of time each of these boys had gained 6·98 pounds in weight and was 2·63 inches taller, whereas the average of the other boys had gained only 3·85 pounds and 1·84 inches in height. Their school work and their sports activities showed the difference.

In Canada surveys have been made. In four Canadian cities expert dietitians went into the homes of people who were making about $1,000 a year and weighed and measured the food which was taken by each member of the family at each meal, and a surprising deficiency was discovered. It was found that the total amount of heat units was 15 per cent below normal; that iron was deficient as was also calcium. The vitamins were very deficient, and some were receiving only half what they should have been getting. These people were taking too much food made from white flour, from which valuable constituents had been extracted; there was probably too much sugar in their foods, and they were woefully deficient in whole grain cereals, fresh vegetables, dairy products, and possibly tomatoes or citrus fruits. Most of these products are not very expensive. It was worked out then that the average family of five could have an adequate diet if they had $7.50 for food each week. This means that they would have to have an income of about $100 a month. I am glad that the Minister of Finance has said that no married man receiving $1,200 will pay income tax, nor will income tax leave him less than that amount. But one-quarter of the people of Canada have not sufficient income to provide

that adequate diet, and perhaps another quarter have not the special knowledge of how to prepare the diet. I am sure that if the rural homes were checked up, it would be found that many of them have not sufficient money to provide a really adequate diet.

Most of these foods can be provided by Canadian farms, and the future market for farm products is not predictable. It has been said, however, that if every person in the western hemisphere, including the British empire, could, with public aid and education, receive an adequate diet, all the farm products of the farming communities would be used, so that what we should do is to get the farmers to produce food which will provide an adequate diet and fully pay them for it. Great strides have been made in the army along the lines of providing a balanced diet. The people of Canada are becoming nutritionally conscious. Difficulties are met with —economic difficulties, difficulties of indifference, of education and so on—but the solving of these problems is not beyond the ability of the Canadian people, and their solution would accomplish something that would be permanent and enduring. That would be a great step toward victory, by doing away with the danger of a sixth column; and the reward would be the disappearance of despair and the bringing of sunshine to many Canadian homes.

On motion of Mr. Fraser (Peterborough West) the debate was adjourned.

On motion of Mr. Crerar the house adjourned at 5.52 p.m.

Thursday, July 2, 1942

The house met at three o'clock.

HONOURS AND DECORATIONS

First report of special committee on honours and decorations.—Mr. Macmillan.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN FLAG

Mr. LaCROIX (Quebec-Montmorency):

What is the obstacle which prevents the government from adopting a national Canadian flag?

Mr. MACKENZIE KING: If by "obstacle" is meant "legal obstacle," there is no obstacle to His Majesty, on the recommendation of the Canadian government, authorizing the creation of a national Canadian flag. The government would not make such a recommendation without the prior approval of the House of Commons. It is the view of the government that, with war conditions what they are, it would not be justified in asking the House of Commons to debate the matter at the present time.

SASKATCHEWAN SURVEY PARTIES

Mr. PERLEY:

1. Have any investigation or survey parties been working in the Qu'Appelle river valley and its tributaries east of Lumsden in the province of Saskatchewan since March, 1942?

2. If so, (a) what is the personnel of each party; (b) what is the purpose of the work or surveying being done; (c) what has been the cost of such surveying parties to date?

Mr. GARDINER:

1. Yes.

2. (a) Engineer, L. D. McMillan; draftsman, E. Nixon; engineer, H. G. Riesen; instrumentmen, E. O. Wood, E. Shienfield, T. R. Stuart; rodmen, M. J. Peace, H. F. King, W. M. Huddleston, D. A. Kennett, R. G. Ellis, D. Halliwell, C. Mohr, R. M. McWalters, T. W. Whitworth, A. Rowand, T. S. Farquharson.

(b) To determine the location and extent of irrigable areas and to locate sites for water storage for the same.

(c) $2,719.15 (April 1, 1942 to May 31, 1942).

WARTIME PRICES AND TRADE BOARD—VANCOUVER OFFICES

Mr. MacINNIS:

1. What is the name of the building, and the street address in which the offices of the wartime prices and trade board is located at Vancouver?

2. How many square feet of floor space is occupied?

3. What is the rent per square foot?

4. Before offices in the said building were taken, did the government investigate the accommodation available in other buildings?

5. If so, (a) what buildings were considered, and (b) what was the rent per square foot in each instance?

6. Could other adequate accommodation have been secured at a lower rental?

7. If so, why was it not taken?

Mr. ILSLEY:

1. Marine building, 355 Burrard street.

2. 10,000 square feet.

3. $1.50 per square foot. Other tenants in this building pay $2 per square foot.

4. Very exhaustively.

5. (a)	(b) Per sq. ft.
Royal bank building	$2 00
Stock exchange building	1 60
Rogers building	1 50
Hall building	1 50
402 Pender street west	1 40
Pacific building	1 21
Vancouver block	1 13
Merchant's exchange building	1 05
Crown building	1 00
Northwest building	1 00
Davis chambers	0 85
Fairfield building	0 75*
Holden building	0 75

* Without janitor service; 90 cents per sq. ft. with janitor service.

6. No.

7. In most of the buildings listed above there was not sufficient space for our offices. Some second class space was available at lower rental, but it was definitely not suitable for the board's purposes, either as to location, efficient lay-out, services supplied, money spent by the owners of the building to fit the premises up for our requirements, or accessibility.

In the Marine building, the owners spent approximately $10,000 to fit the space up to provide efficient working conditions. Working conditions in the cheap space would have been so bad on account of inefficient lay-out, lighting services, etc., as to have been more expensive in the end than the space taken.

STONEY POINT INDIAN RESERVE—PURCHASE OF LAND FOR MILITARY PURPOSES

Mr. COLDWELL:

1. Has land been acquired on the Stoney Point Indian reserve for military purposes by the government?

2. If so, what amount of land has been acquired?

3. What amount remains to the Indians on this reserve?

4. Under what authority was the land acquired?

5. Were the Indians consulted in the matter?

6. If so, was a vote taken?

7. With what result?

8. How much per acre was paid for this land?

9. Was this part of land ceded to this band of Indians under treaty in 1827?

10. Did this treaty expressly reserve to this band of Indians and their posterity for all time to come, the exclusive use of the land?

11. Was the opinion of the Department of Justice obtained as to the right of the government to supersede as solemn a treaty by order in council?

12. If so, what was the opinion?

Mr. CRERAR:

1. Yes.

2. Two thousand, two hundred and eleven point two hundred and twenty-five acres (2,211·225).

3. The Chippewas of the Chenail Ecarte and St. Clair band of Indians to which the Stoney and Kettle Point Indians belonged retained under the surrender of 1827, 12,343 acres. Of this area 5,873 acres were surrendered or disposed of through enfranchisement at various dates and times leaving 6,470 acres. From this amount was taken 2,211·225 acres for military purposes.

4. Department of National Defence.

5. Yes.

6. Yes.

7. Negative 59 to 13.

8. $15 per acre plus value of improvements at appraised value. (Land $33,168.75—improvements and moving costs $16,831.25—total, $50,000.)

9. Yes.

10. Yes.

11. Department of Justice expressed opinion that the government had the right to acquire property under War Measures Act.

12. Answered by No. 11.

NATIONAL FILM BOARD—RENTAL OF CAMERAS FROM EMPLOYEES

Mr. FRASER (Peterborough West):

1. Does the national film board make a practice of renting either still or motion picture cameras from employees of the board?

2. If so, what are the names of each employee from whom a camera is or has been rented since March 31, 1941?

3. What is the total rental which has been paid to each such person since March 31, 1941?

4. What is the total annual salary received by each such person?

5. When did each such person purchase the camera which he rents to the board?

6. When did each such person first rent the camera to the board?

Mr. THORSON:

1. No. On four occasions the national film board has employed temporary camera men with cameras for the production of particular films.

2. The temporary camera men referred to in answer to No. 1 are: Roger Barlow, Leo Seltzer, LeRoy Robbins, Douglas Sinclair.

3. Total rental paid to temporary camera men referred to in answer to No. 1: Roger Barlow, $222; Leo Seltzer, $117.60 (rental for camera and equipment); LeRoy Robbins, $225 (rental for camera and lights); Douglas Sinclair, $11.

4. Total remuneration for services paid to temporary camera men referred to in answer to No. 1: Roger Barlow, employed with camera September 22 to November 17, 1941. Total fee, $769.06. Leo Seltzer, employed January 20 to February 17, 1942. Fee $333. LeRoy Robbins, salary rate, $260 per month. Douglas Sinclair, salary rate $108 per month.

5. No information.

6. Date of first rental of cameras referred to in answer to No. 1: Roger Barlow, September 22, 1941; Leo Seltzer, January 20, 1942; LeRoy Robbins, April 1, 1942; Douglas Sinclair, May 15, 1942.

QUESTIONS PASSED AS ORDERS FOR RETURNS

NUMBER OF WOMEN IN GOVERNMENT SERVICES

Mr. FRASER (Peterborough West):

How many of the employees in each different department of the government and each different board are women?

MILITARY SERVICE—FAILURE TO REPORT

Mr. SHAW:

1. How many Canadians of military age have been prosecuted under the War Service Act for failure to report for military training or for alternate war service?

2. What sentence was imposed in each case?

3. What is the government policy with respect to the handling of those who have served sentences for failure to report, following the release of such persons from jail?

JUDGES ON COMMISSIONS OF INQUIRY

Mr. CHURCH:

1. How many judges of the county courts, and what are their names, who have been engaged on provincial and federal commissions, under the federal and provincial public inquiry acts, respectively, and at what cost to the dominion, for any federal inquiries, and details of the cost of each such inquiry?

2. How many judges of the Supreme Court of Canada, and of the supreme or high courts of the provinces, have acted similarly, and where, and at what cost to the dominion, with a statement of the total cost thereof?

3. What are their names, and length of absence from the bench, and what has been paid for these special services?

4. Who looks after their judicial duties while they are absent?

HOUSING

INQUIRY AS TO OPERATIONS UNDER EXISTING ACTS—SITUATION IN OTTAWA

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): On April 30 the Minister of Finance (Mr. Ilsley) in reply to a question asked by the hon. member for Broadview (Mr. Church) stated that he expected to be in a position to make a statement to the house with regard to the housing situation within a week. That is over two months ago. On June 1 I drew this matter to the attention of the minister, and he stated that he would comply with my request that the statement be expedited as much as possible. Another month has passed, and we have had no statement of government policy on this very important matter. May I urge upon the minister that he make a statement at the earliest possible opportunity.

At the same time I hope he will deal particularly with the difficult local housing situation in Ottawa, to which reference was made during the course of a debate in this house not so long ago, when I made the suggestion that some authority should be set up immediately to study the situation. Will the minister deal particularly with the suggestions which have been made regarding the construction of hostels?

I think this problem must be attended to, and government policy on both the larger matter and the particular matter should be made clear as soon as possible.

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, as far as I am concerned my responsibility as Minister of Finance is with the national housing administration. A great many requests were received for the continuation of the National Housing Act, and it was suggested that we should vote more money because the amount already voted is just about or quite used up. I think it is just used up at the present time. For many months a great many letters have been coming to me and to the other members of the government requesting that the housing act be continued. It was on that matter that I had hoped to be able to make a statement long before this, but I felt that at the time I made a statement I ought to give some indication of what the government's general policy was with regard to housing. It must be remembered that this is not by any means the main part of the housing activities of the government. The main part of those activities at the present time I should say are those carried on by Wartime Housing Limited, under the Minister of Munitions and Supply (Mr. Howe). Those programmes are going ahead in numbers and with great rapidity in various parts of Canada.

Mr. HANSON (York-Sunbury): And with great expense for what you are getting out of it.

Mr. ILSLEY: Housing costs money, no matter who does it. I decided a little while ago that before I made any statement on housing

I would wait until the subcommittee of the war expenditures committee had their report ready, if that did not take too long. If I did not do that I would be in this position, that the members of the committee would think I had disregarded them completely. They have been taking evidence, formulating proposals and giving a great deal of time and conscientious attention to the matter, and I did not want, just on the eve of their report, to make a statement which might be greatly at variance with their recommendations; but whether it was at variance with their report or not, such a statement before they had made their report would make it appear that their duties were entirely useless and not appreciated by the government. I have been in touch from time to time with the chairman of the subcommittee relating to that matter. I do not know whether they will be in a position to make their report immediately or not; but I hope so, and as soon as they do I will take into account their recommendations. Whether they can be followed or not, I do not know. But then I will make a statement to the house.

Mr. HANSON (York-Sunbury): What about the situation in Ottawa?

Mr. ILSLEY: I was coming to that. The situation in Ottawa is not the responsibility of the Minister of Finance or of the Department of Finance. The situation in Ottawa is that a great many people are urging that further accommodation should be provided for female civil servants, and it was arranged some time ago that that matter would be considered and gone into by another minister, my hon. friend the Secretary of State (Mr. McLarty), under whom the civil service comes.

Hon. N. A. McLARTY (Secretary of State): Mr. Speaker, might I add that that matter is receiving very active consideration at the present time.

Mr. HANSON (York-Sunbury): That is just a stock answer. What the people want is some action.

AIRCRAFT PRODUCTION

APPOINTMENT OF RALPH P. BELL AS AIRCRAFT CONTROLLER

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I regret that the Minister of Munitions and Supply (Mr. Howe) is not in his seat because I wanted to ask a question of him, but with the consent of the house I will ask the question and it will serve as a notice.

There has reached me to-day an order in council, P.C. 5387, passed on the 25th of June, establishing regulations respecting aircraft production which appoint Mr. Ralph P. Bell aircraft controller, and by the regulations enacted thereunder he is given all the powers of a czar. I do not question the power of the government to create this new authority and endow the controller with the very wide powers bestowed upon him. Undoubtedly, that power exists under the provisions of the War Measures Act and of the Munitions and Supply Act. Mr. Bell has been acting as director of aircraft production, and I had thought he was already possessed of almost unlimited power. What circumstances have arisen which make it imperative to create this new authority and to clothe the controller with such wide and unlimited powers? Has any situation arisen which makes this step imperative? If so, what is that situation?

Mr. MACKENZIE KING: Stands as a notice.

WHEAT

NEW INTERNATIONAL AGREEMENT—DRAFT CONVENTION ON PRODUCTION AND EXPORT CONTROL AND MINIMUM PRICES

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I would like to direct a question to the Minister of Trade and Commerce. According to this morning's papers some agreement has been reached with regard to wheat. Can the minister make a statement to the house, since one has already been given to the press?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, I have nothing to add at the moment to what has been published in the press in connection with finality, for the time being, in the wheat discussions at Washington. It was agreed that an announcement would be made from Washington for all the nations participating in the discussions, and my comment was based on the statement which has been published.

Mr. COLDWELL: Does not the minister think it wiser that any statements of that kind should be made to the house when it is sitting rather than to the press?

Mr. MacKINNON (Edmonton West): I take it that the hon. gentleman is referring to the announcement regarding the wheat agreement?

Mr. COLDWELL: Yes.

Mr. MacKINNON (Edmonton West): It was originally arranged that the announce-

ment would be made simultaneously from the various countries concerned, and had it been possible to do this, the announcement on behalf of Canada would have been made in this House of Commons, but it was found that the hours in the different countries did not tally sufficiently closely to make that possible, and it was finally decided that one announcement would be made on behalf of all countries and that it would be made from Washington, where the conference was held.

CANADIAN ARMY

ACCIDENT TO CADETS IN BATTLE EXERCISES IN OTTAWA

On the orders of the day:

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I think I ought to mention to the house an incident which occurred to-day regarding which I feel very deeply, and as to which I should like to give the house such facts as I can.

I deeply regret to inform the house that two cadets of the officers' training centre at Brockville are in a very grave condition as a result of an accident which took place in the course of an exercise which the cadets were putting on here this afternoon. Part of the exercise was the crossing of the Rideau canal in battle order. These two cadets could not make the crossing and were rescued with considerable difficulty. When I left the scene only a few minutes ago resuscitation efforts were being continued, but up to that point without success, although all hope had not been abandoned. These two cadets are both non-commissioned officers recently returned from overseas to take their commissions.

Two other cadets were overcome in the crossing. They were taken to the hospital, and the report I have is that their condition is not serious. The names of the cadets are withheld pending receipt by the next of kin of notices which are being sent out in accordance with the regular practice.

I may say for the information of the house that two of the three officers in command of the party were officers who had come back from overseas for instructional work, including instructional work in battle drill.

I want to say further—this is information I got when I was on the scene—that all these cadets had been through this practice in water-crossing, only last week, and had practice of this kind as part of their regular training. The adjutant-general has already undertaken a thorough investigation, which will be made to-morrow.

[Mr. J. A. MacKinnon.]

I am sure that we all join in the deepest sympathy for the next of kin, and I also feel that the cadets of the school should also have our sympathy and interest because they have entered most keenly and enthusiastically on exercises of this kind, which are regarded as a necessary part of the preparation for training in present-day warfare.

BATTLE OF EGYPT

PRESENT POSITION—MR. CHURCHILL'S STATEMENT IN BRITISH HOUSE OF COMMONS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the house no doubt will desire to have the latest word with respect to the battle of Egypt. I am not, unfortunately, in a position to give information based on official reports which have been received to-day, but through the courtesy of the Canadian Press I have received the Associated Press report of what was said by Mr. Churchill in the House of Commons to-day. In the course of his remarks Mr. Churchill said:

> The battle of Egypt has brought the allies face to face with a disaster in the middle east equalled only by the fall of France, but the issue is not yet decided and "very considerable" reinforcements have reached or are approaching the battlefield.

Mr. Churchill also said:

> Military misfortunes of the last fortnight in Cyrenaica and Egypt have completely transformed the situation, not only in that theatre but throughout the Mediterranean.
>
> At any moment we may receive news of grave importance.

The press report states:

> Mr. Churchill's sombre portrayal of the war in Africa was relieved only by his statement that "very considerable" reinforcements have reached or "are approaching" the battlefield.

And in indirect quotation:

> I do not consider the struggle as in any way decided.

The Prime Minister also stated that the war, he thought, was likely to be a long one.

In that connection I should like to repeat what I said in the house the day after my return from Washington, as follows, as reported at page 3722 of *Hansard:*

> There can be no doubt at all that the situation at the moment is one of the most critical with which the united nations have been faced, one of the most serious that has arisen in the course of the whole war. To get the true perspective one has, however, to recall the very critical situations which have arisen in the past, and to remind oneself that the forces of the united nations have been able to rise superior to any temporary reverse, and that to-day there can be no doubt that the united nations are stronger and better organized than they have been at

any time since the war began. . . . My own view is that the present conflict will have more to do with the probable duration of the war than with any question of its ultimate outcome. It may be that as a result of the present conflict the struggle will be much longer than up to the present we have hoped and expected it might be.

One thing is quite certain, that every country that is a member of the united nations will have to put forth its utmost effort in helping to overcome the enemy.

BUSINESS OF THE HOUSE

INQUIRY AS TO DISTRIBUTION OF FRENCH TRANSLATION OF BUDGET RESOLUTIONS

On the orders of the day:

Mr. CHARLES PARENT (Quebec West and South): Mr. Speaker, I should like to direct the attention of the house to the fact that the ways and means resolutions have not yet been distributed in French. We have been asking for copies since the speech was delivered by the Minister of Finance, and we have not been able to get a single copy in French. This is one of the most important documents which should be available to hon. members, and we are entitled to read it in our own language. The question is one of primary importance, and I do not know why we should not have these documents in time, as for *Hansard*. We are now called upon to rush this budget through at full speed. How can we judge the importance of the budget until we know the items which will be fought out, or amended if it is possible, without having knowledge of the budget in itemized form? I believe this situation should be remedied without delay, and for my part I am not prepared to support the budget until I have read what is in it. Until that time I must be counted as against the budget as a whole. When it comes into committee of ways and means, I reserve my right to discuss the items after I have been able to read them in my own language.

Hon. J. L. ILSLEY (Minister of Finance): May I ask the hon. gentleman if he is referring to the translation or to the French version of the resolutions which appear as a part of the budget speech, at the end of the budget speech, on June 23, 1942?

Mr. PARENT: Exactly.

Mr. ILSLEY: Well, I assumed that they would be translated just as the budget speeches are, the next day, or within the next day or two.

Mr. PARENT: The budget speech has been translated. We have, however, not been able to get a single copy of the ways and means resolutions in French. About fifteen hon. members have asked for it from the messengers at the distribution office, and they told us that copies in French were not available.

Mr. ILSLEY: I will make inquiries. I certainly put the resolution on *Hansard,* assuming that they would appear in both French and English within a day or two.

Mr. HANSON (York-Sunbury): The *Votes and Proceedings* of that day have them, and I think they are translated.

Mr. ILSLEY: I think they will be in *Votes and Proceedings.*

THE BUDGET

DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Wednesday, July 1, consideration of the motion of Hon. J. L. Ilsley (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, during the few years that I have been in this House of Commons I have heard many speeches—some good, some bad, some indifferent. Some speeches demanded this and that from the government; other speeches were very pleading; but the speech delivered by the Minister of Finance (Mr. Ilsley) on June 23, was the most "touching" speech ever delivered in this house, in fact, ever delivered since confederation. I know that statement of mine will not be contradicted, because that speech and the effects of it will touch not only every taxpayer but everyone in Canada, and the coming generation as well. The taxes therein set out affect "rich man, poor man, beggar man, thief", and I can rightly say that if this rate of taxation continues for a few years there will not be any rich men in this country. To-day many men who are in the higher and the middle brackets have found that, in order to adjust themselves to these new taxes and the new modes of living they involve, they have to draw on their capital, and we can rest assured that if that state of affairs continues for a few years we shall have no rich in this country; there will be a wonderful levelling off process.

This budget has put a tax on practically everything in Canada except the air, and the Minister of Justice (Mr. St. Laurent) has the power to put a ban on that with the defence of Canada regulations.

Mr. HANSON (York-Sunbury): Even a tax on your wife.

Mr. FRASER (Peterborough West): Yes, even a tax on your wife. And I might say that they do not value wives very highly, because we are only allowed $150 for them.

Through the defence of Canada regulations even the right of free speech is taken from us. To-day the people of Canada are not only taxed to death but restricted in every way, manner and form. With the defence of Canada regulations and the wartime prices and trade board, our people are virtually in straight-jackets. Some know it and some do not, but eventually they will. These wartime prices and trade board regulations are regulating the small business man out of business and are depressing the farmer so that he will be deeper in debt at the end of the war than he was before. In fact, the farmer is really the forgotten man, as I said in my budget speech of 1940. The Minister of Finance has gone very far this time because he has even taken the candy away from the babies and, by taxing one-cent candy 30 per cent, candy which is the poor child's delight, he is taking away the extra nourishment that some of these children get, nourishment that is needed by them. I know he will find that the health of these children will be affected to a great extent. It will add to the work of the welfare societies and the children's aid societies throughout the country. I was quite pleased last night to hear just before the adjournment the hon. member for Medicine Hat (Mr. Gershaw) speak on nutrition, and I am sure he will agree with me that some children in the poorer families do need the extra nourishment from these one-cent candies. I have here a letter in which the writer says:

> A great number of my customers are quite concerned with the new 30 per cent tax on penny candies. With the increase on bulk candies, packages, chocolate bars, et cetera, it can be immediately added on, but with the penny line it cannot be raised so easily, for if it is made 30 per cent smaller there just won't be any candy left.

He goes on to say:

> A young child who has done a few good deeds or helped his mother is very often rewarded with a penny and in 99 cases out of a 100 he goes to his favourite store to spend it on one-cent or some other confection. I am afraid that if he is deprived of this privilege there is nothing else in the world that will drive home in his mind the stern reality of war and its sacrifices, and surely none of us want these young children to have this brought upon them any sooner than it is necessary.

Some people might say that candy should be kept away from children. That is all right in some intances, if they are overloaded with it, but these poor children are not overloaded with candy as some others are, and they should enjoy the right to have some candy. I think it would be proper for the minister to exempt this one cent candy and leave the tax on the higher priced confectionery, because otherwise the children's health will be affected.

As I listened to the Minister of Finance the other night delivering his budget speech, a story I read in the first book over forty years ago came back to me, the story of King Midas. Everything he touched, even his food, turned to gold. As the Minister of Finance ran his fingers through his golden locks, in the same breath he said that we expect a revenue this year of $1,481,000,000, or $609,000,000 more than last year; that is, more than half a billion dollars more than last year. It seems like a fairy tale that Canada can raise that amount of money, but the Canadian people are willing and ready to pay it and will pay to the last cent without grumbling or making any row about the matter, so long as the government gives them a lead and economizes and stops waste in governmental activities. The people want the government to feel the pinch as much as they do, and it is only fair that they should have this feeling.

Yesterday I received an order for a return in regard to the Toronto Shipbuilding Company Limited, the former Dufferin Shipbuilding Company Limited, and Dufferin Paving and Crushed Stone Limited. The shipbuilding company is renting from the Dufferin company a 25-ton Kochning crane or derrick, a 20-ton crane, a 10-ton crane and two 7½-ton cranes. The 25-ton crane is rented at $750 for the first shift per month, plus $375 for the second shift per month, or $1,125 a month. That crane, I believe, could be bought to-day, brand new, for $15,000, so that in a year the government will almost pay for it.

Mr. HANSON (York-Sunbury): Per day.

Mr. FRASER (Peterborough West): No; that is per month. The 20-ton crane is rented at $935 for the first shift and $470 for the second shift, or $1,405 a month. The 10-ton crane is rented at $565 for the first shift and $285 for the second, or $850 a month. The two 7½-ton cranes, which operate on gasoline, are rented at $510 each for the first shift and $255 for the second shift, or $765 a month. The government paying the sum of $4,910 a month to this firm, the Dufferin Construction company, which I understand is run by the Franceschini outfit.

The other evening I was very much surprised to hear the hon. member for Kamloops (Mr. O'Neill) speak of the wonderful work that

the government is doing in turning out tanks and munitions of all kinds. He gave no credit at all to the people of Canada, and it is the Canadian people who are responsible for this production, not the government. The government had to be absolutely pushed into it by the opposition, who gave them the lead. Canada has done wonderful work in production. This dominion has done a good job, and the Minister of Munitions and Supply (Mr. Howe) has also done a good job, but he can do a better job and so can we all. What we want is more production, and right away.

I have a few suggestions to make which I believe are constructive. To-day the Minister of Finance mentioned the National Housing Act, and I wish to refer to it because it is of vital importance at the present time to a great number of municipalities throughout Canada, especially Toronto, Peterborough, St. Catharines and Ottawa. What I am asking for—and I am sure the people in these municipalities are asking for it—is not only that this act be continued but that the government lend up to 90 per cent of the appraised value of all homes of $3,500 or less instead of just 90 per cent on homes of $2,500 as at present.

I have here a resolution which I am sure the Minister of Finance has already received:

City of Peterborough
City Clerk's office,
June 2, 1942.

Mr. G. K. Fraser, M.P.,
Parliament buildings,
Ottawa, Ontario.

Dear Mr. Fraser:—

I beg to advise that the municipal council of the corporation of the city of Peterborough passed the following resolution at its meeting held last evening:—

"That whereas the housing situation in Peterborough is becoming more serious every day;

"And whereas it is the opinion of the council that this condition can be substantially alleviated by the continuation of the dominion housing loan facilities, particularly if a 10 per cent down payment requirement can be established;

Be it therefore resolved that this council petition the government of the Dominion of Canada, asking it to give serious consideration before deciding to suspend the provisions under the Dominion Housing Loan Act and, if possible, to extend the provisions whereby the 10 per cent down payment could be applied to homes of $3,500 and less; and that a copy of this resolution be sent to the Hon. J. L. Ilsley, Minister of Finance, and Mr. G. K. Fraser, M.P."

Yours sincerely,
E. A. Outram,
City Clerk.

I feel, and I know the people feel, that the workingmen of this country should be given a chance to build, to create, to have something to show for their work. Since the government have lost less than one-half of one per cent on this national housing plan there is no reason why it should not continue, because these homes are permanent, not temporary, makeshift affairs like those put up by Wartime Housing Limited. These war-time houses are supposed to be torn down within six months after the end of the war, and houses will be needed for these workers and other people to go into.

I was surprised to see in the paper the other day that the government had issued a permit, to the Ontario government evidently, to build a $50,000 home for the quints. That is not a right thing to do at this time. It will mean large upkeep; and if other people cannot afford it, or if the government does not want other people to spend money in that way, there is no reason why this residence should be built.

In regard to compulsory savings in connection with income tax, I am pleased that this has been brought in, but I believe that when the resolutions come before the committee of ways and means there will have to be many changes and clarifications in regard to this provision. I have here a letter from a real estate man, in which he says:

There is a point in the new budget under the compulsory savings plan which permits deductions up to a certain point when principal repayments are made under a registered mortgage. This seems clear enough.

However the budget has not apparently dealt with the payments of principal by purchasers of houses purchased under agreement of sale. This of course also includes those buying houses under the National Housing Act.

I have been to see one of the officials of our local income tax department, and they, too, are in doubt as to the interpretation of this item.

It would seem to me unfair and discriminatory to acknowledge the reduction of principal in the case of a registered mortgage, and to ignore the reduction of principal in the case of a purchase made under an agreement of sale. This latter reduction would affect far more workingmen than those reducing principal under a registered mortgage.

Then, under this compulsory savings tax, if a man wants deductions for his mortgage payments, his insurance or anything else, he has first to pay that amount to the government and then put in an application for refund, which may take months. That man would not only have to pay to the government but have to pay perhaps to the loan company also, a double payment. These people cannot afford that. Therefore the government should have some plan whereby cases like that could be checked monthly, so that there would be no hardship on the taxpayer. Take a doctor's account or a hospital bill for an operation; it might come to $200, which might be the full amount that the man is compelled to save by this new tax. When he pays that account and

produces that bill, automatically that should be taken off and should be allowed to extend over the full year, so that he would have nothing else to pay to the government. The receipt from the hospital or the doctor should be enough to cover the whole compulsory saving.

In connection with this—and I give this to the Minister of National Revenue (Mr. Gibson) before he leaves the chamber—if the national revenue department would use some common sense and forget the red tape, I know perfectly well that this can be carried out, but you have to forget the red tape and use your brains, and then everything will be perfect.

In regard to insurance premiums, according to the budget they are to be allowed only on insurance already in effect. But what about a young couple getting married now or next week or next year? The young man will feel that he is not doing his duty unless he takes out life insurance to protect his wife and future family. Therefore I believe that insurance policies should be included even if they are taken out after this date. The Minister of Finance could draw up a schedule to take care of this, especially in the case of a small wage-earner, with an income of, say $2,000 and under, or $3,000 and under. Insurance policies of $1,000 or $2,000 that he might be allowed to take out should be included in this plan.

The same thing should be done with regard to victory bond purchases. There are many men and women in factories buying victory bonds by payments out of their wages to the company for which they work. Those payments also should be taken from this compulsory saving. Otherwise they will have to lose their victory bonds; there is nothing else for it. I have one example of a man who has a salary of $2,000 a year; he pays $22 a month to the insurance company, $20 a month on the principal of a mortgage and, on top of that $40 rent. That makes $82 a month, or $984 a year. In addition to that, he will have to pay this new income tax, $215, of which $108 is compulsory saving. That makes $1,199 a year that this man has to lay out in fixed charges. If the government on top of that says he must pay his compulsory savings to the income tax branch at the end of the year, it will mean $1,307 he will have to lay out, leaving him only $693 to feed and clothe his family and for doctors, education, church, et cetera. That is for a man with a wife and two children. I believe men in that class should have a little better break, perhaps a little lower tax and a little better on the saving. This man would have less than $2 a day to keep his family, to build decent bodies on his children and put clothes on them. It cannot be done. If he is compelled to pay that amount, it will mean just so much extra work for the welfare societies and the children's aid societies.

This year these welfare societies are going to feel the effect of this tax very severely, because people who up to now have made donations will have to cut down such donations from now on. They will not be able to help it, much as they would like to continue to contribute. So I think the government should make some provisions for these charities. Only this morning I met one gentleman who told me what his income was, what his tax would be, and the amount of his donations to various societies last year. If this year he donates one-quarter of the amount he gave last year, he will have to dip into his capital, which is very small. The same situation applies right across Canada. Every day these societies are doing more work; they are overloaded now. They are doing a great deal of the work of the dependents' allowance boards, and making a good job of it, and with all these war babies their work has been increased tremendously.

Under the compulsory saving provision, these savings are not required to be deducted from the income of any person over sixty-five years of age, if that income is not in excess of $3,000. I believe that age limit should be reduced to sixty years, for many who reach sixty-five may never live to see sixty-six. For instance, I understand that in many municipalities female schoolteachers are retired at the age of sixty, and I also believe that in many businesses female workers are retired at the same age, so I believe this should be taken into account. In fact, I honestly believe that it will not be more than a few years until the Old Age Pensions Act is readjusted so that every man and woman in Canada over sixty years of age will receive not $20 a month but $40, which will not be charity but rather a refund on account of the taxes they have been paying all their lives.

Some hon. MEMBERS: Hear, hear.

Mr. FRASER (Peterborough West): Do not applaud yet, because I have something to say which may hurt. In Canada the railways issue thousands of passes each year. I do not see why those who travel on passes, other than for business, should not be required to pay the 15 per cent tax on transportation. The wives of members of this house travel on passes. There is no reason why they should not pay the tax. Only yesterday a railway man said to me, "I ride on this pass, and my wife rides on it, but Mrs. Jones next

door, whose boy died in Thorold, had to pay a 15 per cent tax on the cost of her ticket, and she even had to borrow the money with which to buy the ticket." I believe that if this tax were collected on passes not used for business purposes, many dollars would be brought into the treasury, and it would act as a check on the number of passes being issued. I believe we should start right here in the House of Commons, because "what is sauce for the goose is sauce for the gander".

A few weeks ago I heard an announcement over the radio on behalf of some finance company, whose name I have forgotten. It went something like this: "Why worry about your income tax? Why not let us look after it?" I believe the minister should see to it that these finance companies are not permitted to advertise in this way, because they only encourage people to spend their money. There must be a day of reckoning, and when that day comes, the people have to pay through the nose.

In conclusion, let me say that on the night of June 23, after the minister had delivered his budget speech, I met him entering the elevator outside this chamber. I said, "It must have taken a great deal of courage to make that speech." I do not know whether or not the minister agreed with me, though he shook his head as though to say he did not; but again I congratulate the minister upon his courage, because I know the people of Canada will congratulate him. The people are willing to pay; but for goodness sake let this government give us the lead in saving.

Mr. G. A. McLEAN (Simcoe East): Almost all the speeches that have been delivered so far in this debate have dealt with the ways and means of raising money announced by the Minister of Finance (Mr. Ilsley) in his budget speech. I am not going to refer to those ways and means, but I should like to make a few remarks with regard to the expenditure of some of the money that is to be raised by the methods announced by the minister. The great bulk of that money is for war purposes. I am not going to have anything to say about that, but I should like to refer to that very much smaller portion of the money which is devoted to ordinary government expenditures that go on year after year.

War is a very wasteful business. War organizations are built up under conditions of great urgency. If sometimes the necessity of subordinating every other consideration to that of speed, in order to provide against a threat to our national existence, results in waste, there may be some grounds for excuse in connection with that waste but, no such grounds can be found for lack of the strictest care in the expenditure of money for ordinary government purposes. On the contrary, the fact that by these very proposals we are taxing people high and low, rich and poor, to a degree that we have never before contemplated; the fact that many of the citizens of our country have been or before the end of the war will be compelled to modify their standard of living very materially in order to meet our taxation demands, makes it imperative that the care which should be exercised at all times by those charged with the responsibility of spending public funds should be intensified fourfold in time of war.

In at least some departments of government I submit that this is not being done. I am not going to range over the whole field of government expenditure, of course, and I hope that I may not give any grounds for being accused of vague and ineffective generalizations, such as those with which the leader of the opposition (Mr. Hanson) was charged, I think quite properly, by the Minister of Finance some six weeks ago, when the first supply bill was under discussion. In fact, I shall be painfully specific. I make one submission, and one only, based upon my obesrvations during six or seven years in this house. I submit that there is due; there is past due; and, in fact, there is long past due a drastic curtailment in the cost of government services here in Ottawa. I shall confine myself to still narrower limits; I shall confine myself to only a small branch of the service in Ottawa, namely, the legislation branch.

We are dealing with thousands of millions of dollars and I know I am running the danger of creating the impression that I am one of those men with a small mind who can deal only with small matters, who cannot see the large items, who can see only the petty things. It may be that some hon. members will be impatient and ask: When we are dealing with a budget of hundreds of millions of dollars, why spend time in discussing a comparatively small matter? My answer is that often there is a danger that in looking at the forest one is so blinded that he cannot see the trees. These vast sums of money that are being raised and spent are, in the last analysis, made up of small items. Any attempt to bring about economies will be absolutely futile if we remain up in the clouds, if we deal only with generalities and refuse to come down to earth to discuss the details of the smaller items which inevitably make up the larger totals. As I say, I am limiting myself to a small branch of the government service, but I do not say that what I have to say about this branch is not true in a greater or lesser degree of the

other larger departments in Ottawa. What I have to say about this branch will occupy all the time I feel free to take.

In connection with this department there is costly and unnecessary duplication and indefensible overstaffing. There is lack of business-like organization. There exists the vicious practice of nepotism which is so destructive of morale, efficiency and cooperation. There is waste of material, waste of man-power and waste of woman-power. Some of the salaries paid are entirely out of proportion to the qualifications required and the nature of the services rendered. There is lack of supervision and direction which should correct these abuses. I shall give a few examples of duplication.

In the basement of this building there is a post office for the House of Commons equipped with a permanent staff. Close to it in the same basement there is another post office for the other house. On this floor there is the House of Commons reading room, staffed with permanent officials and supplied with magazines and newspapers; there is a duplicate for the other house, similarly staffed and equipped. In the basement there is a stationery distribution room for the House of Commons with a full-time staff; there is a duplicate for the other house. In the basement there is an accountant's office for the House of Commons with a full-time staff; there is a duplicate for the other house. If we want to get down to really small things, we find that there is a barber shop in the basement for this house and a duplicate for the other house. These are just a few of the costly and unnecessary duplications that come to my mind. It may be argued that these duplications are unavoidable, but I submit that even if they were unavoidable the cost of the services are unnecessarily expensive and some of the services cannot be justified at all.

Let me give an example in connection with the reading room. The House of Commons reading room is a most convenient luxury, but it is used very little. It is open only while the house is in session and is not open to the public at all. It is used by only a few members. Go into the reading room of the House of Commons and you will find a much larger number of the paid staff of the house there during working hours than you will members of parliament. This is just another evidence of my charge of overstaffing. The salaries paid to the staff amount to $8,780, and the cost of the magazines, periodicals and newspapers is $3,800. This item for the other house amounts to $2,500, which gives a total for the two reading rooms of over $15,000 a year. We have a magnificent parliamentary library with salaries paid amounting to about $55,000 a year. Can any hon. member defend the retention of the two reading rooms at a cost of $15,000 a year?

I am giving figures to be put on the record, some of which will probably be challenged. I do not guarantee that they are correct for to-day or yesterday or a month ago. It is not easy to keep these figures up to date. It may be said that such and such an officer has retired, that a certain position has not been filled, but my answer will be to turn to the estimates before the house and say that no such reductions are reflected in them.

The post offices are not under the Postmaster General (Mr. Mulock) as they ought to be; they are under the legislation branch. There has been some reduction in this particular service. About a year and a half ago protests were made about the staff of nineteen handling the mail for this house, and the staff was reduced by six. At the present time I believe there are eight permanent employees and five sessional employees, employed at a cost of between $19,000 and $20,000 a year. If these two post offices were amalgamated, put under the Postmaster General and handled in the efficient and economical way that post offices throughout the country are handled, I feel sure that this cost would be cut in two.

As I say, there is the stationery room for the House of Commons and another one for the Senate. Surely that is a stupid idea. The salary list for these two offices amounts to $11,256 a year. This is to pay a staff to handle the requisitioning, storing and distributing of stationery. The cost of stationery for the House of Commons is $35,000 a year; the same item for the Senate is $9,000, making a total, including salaries, of $55,000. This one branch needs looking into most carefully. In the stationery branch of the House of Commons there is an inventory of some $40,000, made up of articles numbering about 1,200. A large number of those articles ought not to be there at all. The waste in stationery is simply shocking.

I am sure hon. members are familiar with the wasteful attitude of the staff of this house in connection with stationery. This may seem a small item, but it is indicative of an attitude that must be corrected. These wasteful methods would not be tolerated in private business for one day, and they should not be tolerated here.

A fruitful source of waste is the lack of modern, businesslike organization in the branches. I realize that as soon as you try to

correct this you will be confronted with traditional methods and attitudes that will be most difficult to change and correct. The very architecture of the buildings is an obstacle, but not an insuperable one.

I am sure members have noticed that there is on the part of a great many civil servants and officials a tendency to make their own office the centre of a distinct organization, with a secretary, a stenographer, a messenger and so on. I do not want to detract from the dignity or the prestige of any civil servant or of any official, but I suggest that that dignity be consistent with modern ideas of efficiency and economy.

Again, let me be quite definite. Let me give an example. One group of the offices of this house, of which there are many—and I will take the offices with whom the members are most familiar, the offices that are closest to this house—consists of that of the Speaker, the Deputy Speaker, the Clerk, the Assistant Clerk and the Sergeant-at-Arms. The functions of these officers are closely related, and any private organization having officers whose functions were similarly related would have their offices together. I doubt very much if in any private organization they would all have separate offices, but even if they did they would be grouped together and would have a common staff. But what have we here?

I am not suggesting for a moment that this is a condition which is only a present condition; it is a condition which my investigation into the records shows has gone on for thirty or forty years. Let us look at these offices. The staff of these five officers of the house consists or did consist last year or the year before—I do not know what they are at the present moment—of six secretaries, a stenographer, a steward and a messenger. The salary cost to the country was $22,600 a year. This does not include the sessional staff; it does not include assistance from the stenographers of the sessional staff or of the messengers of the sessional staff, who are available to these officers. These are the salaries of the staff which are paid all the year round to people whose duties are confined entirely or almost entirely to the offices of these officers of the house.

I could go on and give other examples in connection with other offices and groups of offices scattered under this roof.

I want to say just a word or two about the sessional staff of stenographers. I have only time to touch on a very few items which come to my mind. We have a staff of sessional stenographers numbering 129. That staff was reduced this year by about thirteen. There is a great lack of supervision and direction of the work of that staff. A great many of these stenographers, as members know very well, work very hard and efficiently. Some of them do the work of three or four or five members. But I will assert without fear of contradiction that there is extreme unfairness in connection with the distribution of the work. If that work were properly and fairly distributed, we could cut out one-third of these stenographers, with a saving of thousands of dollars to the country, and with a great deal better feeling among members of the staff.

Take the messengers. I do not suggest for one moment that any efficient organization should not have a sufficient number of messengers to facilitate its work; but let me point out that while we are sitting here during the session there are employed on the messenger staff, in temporary or permanent capacities, forty-eight employees and, when the house adjourns, thirty remain on the staff all through the year. The total cost of this messenger service is $64,500 a year. Is it not a fact that either one of two things is true: Either half of these men are sitting down doing nothing but drawing their pay, or else they are engaged in work for which we have no right to ask the public to pay. I think a great many members will say that both these things are true.

I said there was nepotism. In Ontario, if one member of a family is engaged in the service of the province, no other member of that family is permitted to be engaged in the provincial service. I do not suggest for one moment that we should go to anything like that length, but I do say that nepotism is a pernicious system. It is destructive of cooperation; it is destructive of efficiency, and no officer, high or low, should be permitted to have in his office under him a son or daughter or brother or sister. But that is practised here, and it should end and end at once.

I mentioned something about salaries but I cannot take the time to deal with that at any length. When I speak of salaries I do not wish to be misunderstood. I am not one of those who object to high salaries. We have some men in the employ of the government who are paid what would be considered high salaries, but in my estimation those men would be cheap if they were paid twice the amount. We have members of the cabinet who, in my opinion, would be cheap if we paid twice what we are paying them. But if members will closely examine the salaries that are paid here in Ottawa and consider the qualifications required and the services rendered, they will find some very grave defects.

I have this further to say about salaries. I am making what may be considered a reckless statement but I am making it deliber-

ately. There are in our employ under this roof men whose salaries run between $3,000 and $4,000 a year whose work, measured by the performance of similarly qualified men in private industry or commerce, or in any well-ordered municipal office in our towns, spread over the working days of the year, would not amount to two hours' work a day, and some members have said to me that I would be nearer the mark if I said one hour a day. There was a time when there were positions that were called sinecures, and we sort of took them as a necessary evil, but in these days, Mr. Speaker, sinecures should be out, and out for good.

I suggest that in this one comparatively small department of which I am speaking, $150,000 a year would be a very, very conservative estimate of what could be saved if we exercised the same care in the supervision of the work of this branch that any member would exercise in his own private business.

I think the members will recognize that it is not a pleasant task that I have undertaken this afternoon. I do not like making this kind of speech. I am not fond of making speeches at all. I think this is the second speech I have made in six years, but I know from my conversation with a good many members that they feel just as keenly about this as I do. My practice has been, whenever I saw what I thought were abuses, not to air them on the floor, but first to go to the minister concerned, or preferably to the officer or official concerned, and in that practice I have had considerable success. I have followed the same, reasonable, decent procedure for the last two years in connection with this matter, with indifferent success. I am now bringing it to the attention of the house because I want the support of hon. members who feel the way I do; I want the support of hon. members who, perhaps, have not looked into these things as they might, in order to bring about a state of feeling whereby this blot on our government service can be corrected. I am not making an attack on the government, or, particularly, on this parliament.

Mr. HANSON (York-Sunbury): It is on the system.

Mr. McLEAN (Simcoe East): As the leader of the opposition (Mr. Hanson) says, it is on the system which has been going on as long as I can find in the records. It is the system I want to see changed. This is not an attack on the administration. Certainly the last thing I would have in mind would be to criticize the Minister of Finance. There are things that should be changed, and to do so will require the support of hon. members of all parties. I must say—and I do so in all kindness—to my friends of the opposition, from whom I have received nothing but kindness, that the indifference with which they have viewed what has been going on, as their leader said the other day, under their very noses—though he was indefinite—fills me with amazement.

Do not misunderstand me. I do not say that it is not the duty of a government supporter to bring these matters to light. It is. But surely it is a duty of the opposition. What is the opposition for? They know these things have been going on. They were going on when my hon. friends opposite were in power. Some hon. members now in opposition filled cabinet positions, and one, Mr. Speaker, occupied the honourable position which you hold. I have waited for years; I have looked at members of the official opposition, business men who know what efficiency means in business and understand the necessity of it, some of them have sat in this house continuously for twenty years or more, and never once have I heard any one of them attack this waste and these abuses which have been going on for years and years.

I am a great believer in the system of a government and an opposition. But the successful working of that system presupposes an industrious and alert opposition. We have heard a great deal about complacency, lack of leadership. I think we have had complacency deep and slumberous for years, complacency on the part of the opposition in refusing to say a word about these abuses.

I do not want to say anything unkind. I know that the leader of the opposition is filling a difficult position. Perhaps it is rather unfortunate that he does not happen to be the gentleman who, if and when his party comes into power, will place men in cabinet positions, because that would give him a little more disciplinary power; he would be able to issue orders to his followers and put them to work at this, that and the other task which he knows very well should be done and is not being done.

As for my hon. friends further to the left, I have heard them on one or two occasions single out some salary of $15,000 or $20,000 or $30,000 for a very ineffective attack, without giving grounds for it. But we have heard nothing from them on this matter, perhaps because of that magic system by which they are able to pull money out of the blue like rabbits out of a hat; apparently it does not matter much to them what is spent. But my hon. friends of the official opposition do not hold these views; they have not been

bewitched by the oratory of our hon. friends to the far left. Like myself, they realize that when the government imposes taxation, in the last resort the money is paid for by the sweat of the brow of people high and low throughout the country, or else out of savings which have been earned by the sweat of their brow and have been accumulated by habits of frugality and thrift.

My only motive in speaking to my opposition friends is that I want their support. I want the support of all hon. members, and I believe that nobody will be more pleased to have it than the man who to-day occupies the position of Minister of Finance. I feel the more free to speak as I have done because I have the utmost confidence that in the Minister of Finance we have a man who feels keenly about these matters, perhaps more keenly than any other man in the house, and I do not think for one moment that he will resent the criticisms and suggestions I have made this afternoon. Probably no man in many years has risen so rapidly as he has in the estimation of the people as a man of courage, a man who has his feet on the ground and who is doing a wonderful job in the Department of Finance; and it is in order to help him in the good work he is doing that I am bringing these matters before the house.

I do not want it to be supposed that I am making an attack on the civil service. I am not. I am simply trying to remove what they know much better than I do is an impediment to them in their progress to the highest and best in the profession to which they have given their lives. I want to pay tribute to our civil service. I am never done telling service clubs and others whom I address that the civil service of Canada is second to none. I know the Minister of Finance and other ministers have men of the very highest ability and devotion to duty in their departments. Many of them are working long hours and are not limiting themselves to their ordinary duties, but are giving themselves unstintedly to war work. We have a civil service of which we may be proud. It is no reflection on and no criticism of them that we remove the deadwood that is clogging their progress and sapping the strength of the organization to which they belong. "Deadwood" is the word. You know the effect of deadwood on an otherwise healthy tree. If some tree like an elm has a branch which dies, it may remain for many years and it does not hurt the tree a bit. But let a branch of a hard maple die; in a very short time it becomes dozy and forms a channel through which rain and frost and heat and insects and fungi enter the trunk, the heart of that tree; rot sets in at the heart, and the tree becomes weakened and dies. But the careful husbandman, as soon as that branch dies, will cut it off clean and close to the trunk, so that the healing processes of the inner bark will very quickly spread a living layer of clean, fresh wood over that wound, until hardly a scar is left. That is all I am asking to be done with the civil service.

I was discussing a very small branch of the service, namely the legislation branch; but I am not suggesting for a minute that the conditions I have described do not apply to other and much larger departments, such as public works, agriculture, the post office, mines and resources, national revenue, the Department of the Secretary of State and so on, with their hundreds of offices and their thousands upon thousands of employees. I am not going to make any categorical statements regarding them, because I have not here any definite information to substantiate anything I may say. But if we were to go through these departments and examine them as we examined this one, I doubt whether any hon. member would be so optimistic as to think that the conditions I have described here do not obtain in greater or lesser degree throughout these departments.

Now is the time when we ought to correct this situation. While we were paying millions of dollars in unemployment money, it might have been said that the time was not opportune to turn people out of their jobs; but to-day we are building up organizations with thousands of employees, and if there is overstaffing and waste of man-power and woman-power, the natural thing to do is to work these people into these other organizations that are being built up temporarily. Now is the psychological time to do so. As I have said, these things are hard to correct, but I am quite sure that the civil service generally is not of a state of mind different from that of the rest of the people, and by taking steps to bring about this reform now I am sure we would find them responsive and ready to give such cooperation as would be impossible at any other time.

My time is up. I was going to make some suggestions as to how we ought to set about correcting the situation. Corrected it ought to be, and corrected without delay. My time will not permit me to make these suggestions, but I will say this. I hope no one thinks I would suggest something that was suggested some years ago, that in order to cut down overstaffing we should employ another large highly paid staff of experts, civil servants, to go through these departments and tell us what

ought to be done. I throw out this hint, that if there are not among the private members of the house men of business experience, men with a sense of responsibility to the taxpayers in their ridings, men with ability who could be of assistance in this work, then our people have picked the wrong persons to represent them as members of parliament.

Mr. ANGUS MacINNIS (Vancouver East): We have all listened with interest to the hon. member for Simcoe East (Mr. McLean). He spoke about small things, but in the aggregate they are not unimportant. I do not suppose that any member of this house, particularly if he comes here with a background similar to mine and maybe also that of the hon. member, being brought up in the hard way, taught to turn a copper over two or three times before we decided to spend it, will fail to appreciate what the hon. member has said. Personally I hate to throw away a sheet of paper unless both sides of it have been used. The condition to which the hon. member has referred can be rectified, but it can be rectified only if members are prepared to allow the administration to undertake the work without bringing pressure to bear when some individual is interfered with. This is the first thing that has to be recognized, and in the last analysis improvement in the matters will depend upon the members of the house. The situation here is a tradition that has developed out of the beginnings of our parliamentary institutions, when parliament was considered to be the best club in the country, a place where gentlemen met to talk over the affairs of the nation and not to do anything much in particular, with a staff of servants to wait on them. That day is past. Parliament to-day is a huge administrative establishment, and it should be run on that basis.

In saying a few words on the budget, I wish first, in common with members who have already spoken, to congratulate the Minister of Finance (Mr. Ilsley) upon his performance of a very difficult task. I hope the minister will not take any criticism I make as indicating a lack of appreciation of the time, the thought or the study he has put into the preparation of the budget. I hope he will not take any criticism I make as a doubting of his sincerity in wishing to deal equitably with all concerned.

This is of necessity a war-time budget. The minister was dealing with Canadian conditions as affected by our war activities. The economic consequences of the war are more keenly realized now than they were in 1940 or 1941. The minister had, therefore, two main tasks before him in preparing his budget: first, to find money to meet the costs of the war, and, second, to prevent prices from rising by taking money out of the pockets of consumers about as fast as it gets there. Whether we like it or not, this last point has to be recognized, and the importance of it can be realized from the answer to a question in the house on June 17. The question was asked by the hon. member for Antigonish-Guysborough (Mr. Kirk) as to what amount of money was in circulation in Canada as at March 31 for each of the years from 1929 to 1942, both inclusive, and what was the amount of the same, per capita, during each of the above-mentioned periods. This can be found at page 3407 of *Hansard*. I will not repeat all the figures given. I will give them for two or three years. At March 31, 1929, the amount of money in circulation was a little over $222,000,000, and the per capita amount of circulating media in the hands of the public was $22.21. At the depth of the depression, March 31, 1932, the total amount of circulating media in the hands of the public was a little over $176,000,000, and the per capita amount was $16.77. At March 31, 1939, the total amount of circulating media in the hands of the public was almost $236,000,000, and the per capita amount was $20.85. This was the last pre-war month given in the statement. On March 31, 1942, the total amount of circulating media in the hands of the public was almost $523,000,000, with a per capita circulation of $45.79. During the depression there is no doubt there was a shortage of money in circulation as compared with the goods available. I shall not go into the reasons for that now; they are obvious. The money that has now come into circulation came in because of increased production. War production, that is the production of war goods, is increasing, and the production of consumers' goods is decreasing. In view of this condition, it is the height of folly to suggest that the production of consumers' goods can be increased so as to raise the over-all living standards of the people during the war. Later I will come to a point which I think should be made in this connection.

I believe, however, there is a third task which the minister did not undertake. Possibly it does not come altogether within his department; it may come under a number of departments, but the financial planning for it would have to be done by the Department of Finance. This third task would be planning to utilize the services of everyone in essential production of either war or ordinary consumers' goods, with only luxury production excluded.

There are three points in the budget which I wish to discuss briefly. The first has to do

with the effect of the increase in the income tax on the lower and middle incomes. This was mentioned by the hon. member for Rosetown-Biggar (Mr. Coldwell) when he spoke on Monday. He pointed out the enormous increase in these taxes over last year, and that the percentage of increase decreases as the income goes up. I have tables showing how the tax affects an income of $2,400 in a family consisting of a man and wife and two children, also how it affects a married couple with children numbering one to eight. For a married man with a wife and two children and an income of $2,400, the tax as proposed in the present budget, the normal tax, that is at 7 per cent, would be $168, less allowance for two dependents at $56, making $112. The graduated tax on an income of $2,400 less $660 would leave $1,740 to be taxed. The tax on that would be:

First $500 at 30 per cent		$150 00
Second $500 at 33 per cent		165 00
Balance $740 at 37 per cent		273 80
		$588 80
Less allowance for the wife	$150	
Allowance for 2 dependents	160	
		310 00
		$278 80

To which would be added $112 of defence tax, making total tax $390.80 of which the compulsory saving would amount to $195.40, or half the total tax.

The same tax applied with the same deductions as we had last year would make the total tax only $232, with compulsory saving of $116.

What I want to point out is that even if the exemptions for dependents had been reduced to $300 in the present budget, a family in this income range would pay $95 more than was paid last year.

If we take an income of $4,000—I am not making any objection to it as it affects single persons or married persons without children or even married persons with one dependent—it will be noted that as the number of children increases, the per capita residue for each dependent becomes less; so that when we reach persons with five children the residue is only $453.60 each, and when we reach eight children it is only $349.96 each.

These tables were prepared very carefully, and if the house does not object I should like to put them on *Hansard*:

INCOME $4,000

1941	Tax	Residue	Per Capita Residue	Residue less $1,200 allowance for married couple	Per Capita residue for dependents
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Single	875 00	3,125 00	3,125 00		
Married	615 00	3,385 00	1,692 50		
Married and 1 dependent	501 00	3,499 00	1,166 33		
Married and 2 dependents	402 00	3,598 00	899 50		
Married and 3 dependents	308 00	3,692 00	738 40		
Married and 4 dependents	219 00	3,781 00	630 17		
Married and 5 dependents	145 00	3,855 00	550 70		
Married and 6 dependents	71 00	3,929 00	491 12		
Married and 7 dependents	42 00	3,958 00	429 77		
Married and 8 dependents	28 00	3,972 00	397 20		

1942	Tax	Compulsory Saving	Total				
	$ cts.	$ cts.	$ cts.				
Single	1,274 40	320 00	1,594 40	2,505 60	2,505 60		
Married	964 40	400 00	1,364 40	2,635 60	1,317 80		
Married and 1 dependent	816 40	440 00	1,256 40	2,743 60	921 80	1,543 60	1,543 60
Married and 2 dependents	668 40	480 00	1,148 40	2,851 60	712 90	1,651 60	825 80
Married and 3 dependents	520 40	520 00	1,040 40	2,959 60	591 92	1,759 60	586 53
Married and 4 dependents	466 20	466 20	932 40	3,067 60	511 27	1,867 60	466 90
Married and 5 dependents	412 20	412 20	824 40	3,175 60	453 66	1,975 60	395 12
Married and 6 dependents	358 20	358 20	716 40	3,283 60	410 45	2,083 60	347 27
Married and 7 dependents	304 20	304 20	608 40	3,391 60	376 84	2,191 60	313 09
Married and 8 dependents	250 20	250 20	500 40	3,499 60	349 96	2,299 60	287 58

What I want to point out is that we should not penalize people for raising a family. Walter Nash, in an address made in Ottawa recently, told us of the mothers' allowances act in New Zealand, which has been in effect I think since the Labour party came into office, although I am not sure of that, and which provides that if the family income falls below

a certain amount, the state pays directly to the mother a stated amount per child. Mr. Nash said that because of that provision the birth rate in New Zealand had increased by some four points since the time the legislation came into effect.

As I said before, I am not complaining about the effect of the income tax on single persons or married persons without children, or even married persons with one child, but we should be careful not to allow the income tax to reduce family incomes unduly. I have heard statements in the house on occasions that corporations might have to draw on their capital. If the family income is unduly reduced, the family also may be compelled to draw on its capital, and its capital is the health of the family. I should like to impress that point upon the minister. There is also the fact that it costs more to keep children at certain ages, particularly when they are fourteen, fifteen and sixteen, when they are going to high school or perhaps to university. Sometimes it becomes very difficult to keep children at school because the parents cannot give them any spending money, which I think members will agree is not a good thing.

There is something else in the budget I should like to bring to the attention of the house. Section 13 of the Income War Tax Act provides for the taxation of the undistributed profits of corporations in the hands of the shareholders or set aside for the shareholders. I do not know whether this section of the act is being applied; my impression is that it is not.

Mr. ILSLEY: Not very much. I can remember one case in which it was applied, but that is about all.

Mr. MacINNIS: In any event I believe the minister should take into consideration the freezing of these surpluses as of August 31, 1939, or some other date, and that all increases since that time be taxed as personal income.

I wish to commend the minister for having introduced the principle of deducting the income tax at the source. I believe this will make it much easier for persons with small incomes, who because of necessity live very close to the limit of their incomes, so that at the end of the year there is very little, if anything, set aside to take care of the payment of a lump sum. I would suggest also that some method be found to provide that too many deductions are not made from the pay envelope at the same time. Because of unemployment insurance contributions and other contributions, a great many deductions are made from the pay envelopes of the workers these days. Those who recall the trouble at Arvida last year will remember that one cause of that trouble was the deductions which were made on a certain date, without the employees having been notified that such deductions were to be made.

In this regard I would suggest to the minister that the pressure and coercion in connection with the buying of war savings certificates should be discontinued, particularly in the case of persons receiving low incomes. In this connection I have in my hand letters which passed between an employer and an employee, which reveal a situation that in my opinion is nothing less than scandalous. We have heard in this house some strong opposition to the conscription of wealth. I am going to read something that will show conscription of wealth with a vengeance; compulsory conscription of wealth, as applied to a wage-earner. First, I have a letter signed by the general manager of the Canadian Western Lumber Company, Limited, Fraser Mills, British Columbia. I imagine this was a form letter sent to all the employees of that company, since the name of the employee and his clock number are typed in, while the rest of the letter is a carbon copy. I am not going to read the whole letter; this is the important paragraph:

> The minister—

That is, the Minister of Finance.

> —has issued instructions to all employers that they must contact each employee personally, and, as far as possible insist on their subscribing to this scheme, but I am quite sure you do not want any undue pressure made in order to have you join in a voluntary way.

Can anyone harmonize "undue pressure" or pressure of any kind with voluntary action? Well, one employee wrote back to say that he was not buying war savings certificates, and later on I will give the house his reason. He was sent another letter, and he replied once more saying that he was not going to buy them. Finally, on April 25, 1942, this letter was addressed to the employee, Mr. T. Hebert, clock No. 1698.

> Fraser Mills, B.C.
>
> Dear Sir,
>
> I have for acknowledgment your letter of April 20 in further reference to war savings certificates.
>
> For your information, you are the only employee of this company who is not now buying these certificates.

Seemingly, the "undue pressure" for voluntary participation worked satisfactorily.

> We have now received instructions from the president of the company that owing to the Minister of Finance having made it abundantly clear that it is the duty of employers to see that all employees subscribe, we are obliged to see that these instructions are carried out.

Accordingly, this will be your final chance to immediately commence subscribing to the war savings scheme, and if you are not prepared to do so, then we have no alternative but to ask you to resign from our employment.

Very truly yours,
Canadian Western Lumber Company.

That is signed by James R. Murray, assistant manager. I will not read the whole of the letter written by the employee in reply, but it included these words:

The above-mentioned received to-day. In reply I beg to inform you that I intend to carry on as I have been doing, by giving financial assistance in the war efforts as I see fit best. . . .

But as for me to buy war savings certificates, not for a long time to come, because it would be capitalizing on the lives of the boys in the army, including my own boy. . . .

From the tone of your letter above-mentioned, it sounds to me as if Hitler had dictated the letter, at least it's tactics that was used by his storm troopers for nazi propaganda, and I always understood that the war was for the purpose of destroying such principle of interference in the private lives of the citizens of the country. Apparently it is being applied in this country.

Unless I hear from you before five p.m., April 30, 1942, I will punch the clock for the last time, after seventeen years, four months and five days of continuous service. . . .

This man has the courage of his convictions, for he adds:

Please have my pay cheque ready for me at that time.

I wrote this man asking for particulars in regard to his economic condition, his family affairs and so on. He wrote me a fairly complete reply, from which I will read just one paragraph:

In case of the possibility of my reinstatement to my former position, I wish to make this point clear for you in case it might come up in the discussions. As I left the job for the principle of freedom of action, I will go back on the same job when the imposition in dispute is lifted, as I have handled that job for seventeen years, four months and five days. I still can do it again. . . .

You can coerce people who are not much good, people without spirit; but it is the man who will not follow the crowd, the man with some spirit, who has to take the rap. I think coercion in this connection should stop.

I mentioned conscription of wealth, and I should like to say a word or two about that. Until this budget came down, evidently no one knew what conscription of wealth was, but the moment it came down they recognized what they had not known immediately. This budget is not conscription of wealth as we understand that term. I do not think I can do better than to read to the house some paragraphs from a speech made by Sir Richard Acland, an outstanding Liberal in the British House of Commons. Speaking on the address in reply to the speech from the throne on November 12, 1941, he said:

We are to have a debate on production. I wonder whether in that debate anybody will mention the root cause of the difficulty. The root cause does not lie in ministerial incompetence, or in absenteeism, or in managerial inefficiency, or in the overlapping of departments, or anything of that kind. It lies in the fact that you are trying to get the maximum production of the whole, through the instrumentality of men who must have one eye resting on the post-war capital value of the particular part which they control. I want to keep a sense of proportion. I am not for one moment supporting those exaggerated statements which hold up every shareholder as being a conscious and deliberate saboteur of the war effort for his own individual cash benefit. Of course not. But there is an association of ideas in the minds of those who take for granted that the old system will go on after the war which leads to a conflict of interest altogether too great to be tolerated throughout a long war. It may not matter if there is to be a collapse of Germany in twelve months, but it does matter in a long war.

Let hon. members think of these points. It is in our interest to postpone every postponable repair; it is in the interests of the owners to get every repair done and have it charged up to the excess profits tax. It is in our interest to work the good seams in the coal mines now; it is in the owners' interests to postpone work on the good seams until after the war. It is in our interest to share trade secrets; it is in the owners' interests to preserve them. It is in our interest to concentrate output in every factory on one or few products; it is in their interests to keep the factory flexible by making as many different products as possible. It is in our interest that skilled men should spend part of their time teaching their skill to unskilled men; it is in the owners' interests that skilled men should be kept on direct production all the time. It is in our interest to save paper by cutting down advertising; it is in their interests to spend money which belongs to us—because otherwise it would go in excess profits tax—in advertising things like aeroplane parts.

That is what we consider as conscription of wealth. The government of this country should direct, for the purpose of winning the war, the resources of the country without interference from private owners.

About a week ago when I was absent from the house—I think I have lost two days since the session began, and that was one of them—mention was made of the Japanese evacuation from the coastal area. The only reason why I mention this matter now is that I would have spoken at that time had I been here. Possibly before the session ends, although I am not hoping for it, I may have occasion to differ from and disagree with the Minister of Labour (Mr. Mitchell). Therefore I want to say now that I think his department has handled a most difficult job in an efficient

manner. The removal of the Japanese is one of the biggest war jobs that any department has had to handle since the war began. We uprooted and removed a population of nearly 25,000 people. Someone referred to it in a letter to me as the "expulsion of the Acadians". The removal of these people began in a strained atmosphere with a population that was almost hysterical, sniping at those carrying out the operation.

The point that should be remembered is that a great many of these people are Canadian citizens no matter what the colour of their skins may be, and they are entitled to the treatment that would be accorded to a Canadian citizen whose skin is white. We should also keep in mind that when the war is over, we shall have to continue to live with these people, as we shall have to continue to live with our enemy nations unless we are going to be continually at war. This is not a British Columbia problem alone. The people of the other provinces should have recognized this as a national problem and been more cooperative. They are coming somewhat to their senses, and I hope the matter will be adjusted from now on.

I should like to draw attention to the unreasonable lengths the Canadian people have gone in their treatment of Canadian-born persons of Japanese origin. I have in my hand copies of two letters that were given to me by a young Canadian of Japanese origin who had made application for admission to the bar of Nova Scotia, which application was refused. I should like to put these two letters on the record. As I say, he was refused admission to the bar, and then he tried to get into the Canadian army. The military authorities would not tell him either that he was accepted or that they would not take him. His application has been in for months, and I do not know yet whether he has been informed as to acceptance or rejection.

Mr. MacNICOL: Is he Canadian-born?

Mr. MacINNIS: Canadian-born. The first letter is signed by Vincent C. MacDonald, dean of the faculty of law, Dalhousie university, and it reads:

To whom it may concern:

This is to certify that according to our records Mr. George T. Tamaki was born in New Westminster, B.C., and was awarded the degree of Bachelor of Arts with honours in economics and political science by the university of British Columbia in 1938. Mr. Tamaki graduated from this university with the degree of Bachelor of Laws in 1941. He led the classes of his first year and also of his third year and in his third year was awarded the Sir Joseph Chisholm essay prize.

I regard Mr. Tamaki as a very able and industrious student of wide interests, and as a young man of excellent character.

Vincent C. MacDonald,
Dean.

That letter is dated April 10, 1942. The next letter which bears the same date, is from the president of the Nova Scotia barristers' society, and reads:

George Tamaki, Esquire,
Halifax, Nova Scotia.

Dear Mr. Tamaki:

With reference to your application for admission to the bar of Nova Scotia, I wish to advise you that the matter has been very carefully considered at three different meetings of the council of the Nova Scotia barristers' society. Finally, a decision was arrived at yesterday. This decision was that it would be unwise for you to be presented to the court for admission at the present time. And I was, as the one who should present you to the bar of the court, instructed accordingly.

I may say that no member of the council had anything to say against you personally. It is a matter of deep regret that the international situation is such that it should be deemed advisable to reach the decision arrived at by the council.

You will be free to make application again when conditions have changed.

What has the international situation to do with a loyal Canadian citizen born and educated in Canada—that is, if he is dealing with reasonable people, people who have the least spark of British traditions in their makeup?

I see, Mr. Speaker, that my time is up, and I will close by joining in the sentiment expressed by the leader of this group yesterday in speaking on the anniversary of confederation. The hon. member for Rosetown-Biggar asked the government to take the house and the members into its confidence and let us know, not what it may do, but what its actual plans are. When we know these plans I am satisfied that the members of this house will be willing to cooperate as, in fact, we have cooperated with the government ever since the war began.

Mr. ROY: Mr. Speaker,—

Mr. ROWE: Mr. Speaker,—

Mr. LIGUORI LACOMBE (Laval-Two-Mountains) (Translation): Mr. Speaker, I rise to a point of order. Under section 35 of the standing orders of the house, I request that you give the floor to the hon. member for Gaspé who has just risen for the fourth time to address the house.

Mr. HANSON (York-Sunbury): Mr. Speaker, on the point of order, does your honour not think...

The ACTING SPEAKER (Mr. Fournier, Hull): I will call on his honour the Speaker to rule on the point of order.

Mr. LACOMBE (Translation): Mr. Speaker, may I ask that you give a decision on the point of order raised?

Mr. FOURNIER (Hull) (acting Speaker): (Translation): If I may be permitted to do so, I shall ask the Speaker to take the chair and render his decision.

And Mr. Speaker having taken the chair:

Mr. SPEAKER: I am informed that there is some misunderstanding with regard to who has the floor. The Acting Speaker has informed me that he saw the hon. member for Dufferin-Simcoe (Mr. Rowe), and therefore, I would ask him to proceed.

Hon. W. E. ROWE (Dufferin-Simcoe): Mr. Speaker, the Minister of Finance, (Mr. Ilsley) has presented to parliament a budget more extensive in scope than any other budget that has ever been presented to this house. This is necessitated by the grave and difficult times through which we are passing. I am sure it will bring a realization to the people of this dominion of the magnitude of the task that lies ahead and the gravity of the crisis in which we find ourselves. Reference was made to that by the Prime Minister (Mr. Mackenzie King), and indeed every day we receive news of ever-increasing gravity which should make us all ready to shoulder the burdens and sacrifices and obligations involved in this budget. But I do feel, Mr. Speaker, that as the people of Canada accept the tremendous burdens which this budget imposes, they should have full confidence that the vast machinery of government which we are now creating will be our servant instead of our master; for otherwise the morale necessary to achieve victory will not be sustained.

In that event I am sure we can make a total war effort in this country and meet all the obligations which this budget imposes, though sometimes it seems that it will take all the vast resources of this dominion, of the factory, of the farm and every other productive facility, to meet the great challenge that is now ours. It is true that the effort we shall make will not actually consume all this tremendous store of wealth, but this budget and the other necessary measures that will be brought down to provide the money required will encumber the vast resources of this country and place an open-end mortgage upon them, the extent of which can scarcely be appreciated yet, and the maturity of which is indeed unknown. It is not a mortgage on any particular government, but a mortgage on the Canadian people, that we must assume. A gigantic task lies before us.

Before dealing briefly with the ways and means proposed in this budget for raising the amount of money required, I feel we must consider the purposes for which we are raising the money, and that is the maintenance of the productive capacity of this dominion. In that connection I wish to refer to one particular phase of production which I think is in jeopardy at the present time, namely, our agricultural production. It is not in any spirit of pleading for a particular class of people, or of emphasizing equality of service and sacrifice, that I say that the farmer in this country has been the one who has been more or less forgotten. It is most essential, viewing the broad picture, that we have a planned economy and that we maintain our productive capacity as a vital necessity for the war.

Some time ago, Mr. Speaker, I advocated in this house that we should establish a food production committee for farm products. It is true that we have many special committees at work now, but I have long felt that we should establish a food production committee, representative of producers from all the different parts of this dominion and of consumers as well, to meet the challenge that is flung to-day at the great basic industry of agriculture. I would again urge upon the government that even at this late day they give careful consideration to the establishment of such a food production committee. No longer can we leave the agricultural economy of this dominion in a haphazard condition. It must be organized for the future and planned now, if we are to meet the requirements of the war and what will follow the war.

I do not believe that we shall cope successfully with this important aspect of our war effort by the hand-to-mouth policy which has been followed thus far. It seems to be a month-to-month policy to face a year-to-year war obligation. We have our own troops to feed; we shall have to send much more food to Britain as the years pass. We have been told to-day that we are facing a long war, and there is not one of us who is now so optimistic as to believe that victory can be won in a short time. We must at once do some long-range planning. We must organize the agricultural economy of this dominion on a basis which will create more certainty and less uncertainty for the producer. If I were to apply the term "equality of sacrifice" to any one class, as working harder than another, I know there is not an hon. member within sound of my voice who knows anything about the farm-

ing communities of this dominion, whether i Quebec or Ontario or the west, but will agre that no class of our people is struggling hard and enduring more difficulty, so far as securin help is concerned, than the farmers. The have to compete against the higher price which are offered for labour in manufacturin plants—all essential, it is true, to our effort But I do feel that the government must give careful consideration to the position in which the farmer finds himself to-day. I know many farmers who are paying at least twice as much for hired help as they paid prior to the war.

It is true that the prices of some of the commodities the farmers are selling have risen to some extent. I am not pleading that the farmer should make a lot of money out of the war. Neither is he. He is waiting, he is willing, he is desirous of giving his war service at home, as his boys are giving them overseas. He is not asking for a large profit, but merely for the assurance of some security, for the opportunity—which I submit he has not now —to make both ends meet. It is all very well to say that he should carry on with production from the point of view of patriotism and loyalty. There is not a more loyal and patriotic class of people than those who inhabit the open spaces of this country, and who by the nature of their toil have the time and opportunity to meditate upon the issues involved.

Very little consideration has been given to the position in which the farmers found themselves when this war began. We have seen no sign of a plan to rehabilitate the farmer after the period of low prices so that the needed production may be had when prices are somewhat higher. The farmer has been the victim of periods of deflation, and he is now to be the martyr of a period of inflation. In view of the fact that ceiling prices have been placed on the products he has to sell, without any ceiling on the cost of the labour he has to buy, is it any wonder he feels he is being asked to produce more for less?

Some may say that the ceiling is placed higher than the prices of some years ago. To my mind that is only an empty gesture, and is so understood by practically every farmer. He pays one hundred per cent more for his labour; he finds a ceiling price is put on the products he has for sale—and he is singled out in that respect. Not only that, but the ceiling is going lower, and promises to go yet lower and lower, as is the case at the present time with the price of beef.

I am not pleading the cause of the individual farmer who, as probably some have done, put $5,000 into a number of feeder cattle and is now likely to take a real trimming, and robably is in a difficult financial position ith the bank. I say I am not pleading for ndividual cases of this kind, although I know ome who are going to lose half the money they wn, because the farmer to a certain extent s a gambler. He is a gambler on the weather. f he buys five or six carloads of cattle, and has some pasture to put them on, he hopes that the selling price of his commodity will be more than the price he pays for it. But I am pleading for consideration by the government of the effect on our whole war effort, in respect of our production capacity; because when you fix a ceiling price on beef, and then lower it a cent in July, another cent in August, and a cent and a half in September, someone might figure out for me how a man who bought stocker cattle in March and April and May is going to make any money when he has to sell them in the fall.

I do not know who is advising the government. I know that the wartime prices and trade board, having fixed a ceiling, is reducing it month by month, making it possible for the government to place a ceiling and invite the packers to place the floor. There is no floor placed by the government on the price the farmer will take. I understand that the government contract price for beef to the government has been about 21½ cents, but we were warned that after July 13 it will not be more than 19¼ cents dressed; then it will be reduced to 18¼ cents; then to 17¼ cents; then to 16¼ cents. I know it has been said by no less an authority than the Minister of Finance that there is no fixed price on cattle; there is only a fixed price on beef. But the situation is more ridiculous than that. The government fixes a ceiling for the beef and the packer fixes a floor for the cattle, and there is no reason why he has to pay more than 7 cents, if he can buy them. When they are butchered eventually they will be sold I assume, at 3½ cents less than 19¼.

Mr. GARDINER: Why say 7 cents when he did pay 13?

Mr. ROWE: Because you have done nothing to prevent him from paying 7 cents if he can buy them at 7 cents. You have made it impossible for him to pay 13 cents, and you have so ordered things now that he must reduce the price to the farmer at least a couple of cents, and if he wants to reduce it more he can do so.

I say again that I am not pleading that the farmer should make more money. I am not even urging in this instance equality of sacrifice, though I think it would be a fair plea to make. I realize that the situation is grave. I realize what the government are endeavouring to do, but I do not agree with

the methods they are employing. I say that they are unfair to the farmer and equally prejudicial to the war effort of this dominion, because no person can tell me—dozens have already told me the reverse—that this will improve agricultural production.

Mr. EVANS: On what basis would the hon. member set a floor on the price of cattle?

Mr. ROWE: I would say it was just as fair to set a floor on what the farmer has to sell as to set a ceiling on what the packer has to buy.

An hon. MEMBER: How would you place a ceiling on beef?

Mr. ROWE: The ceiling is now set, and the floor could be set as well. It will simply mean that, as regards the man who bought his cattle last spring, he will not buy any next spring, and he will sell cattle that are half-fattened now and take a loss of one cent a pound rather than endure a loss of two and a half cents or more. There will be thousands of pounds of beef that would otherwise have been produced this summer that will not be produced. I am not pleading for a reckless rise in prices. It is true we had a rise in prices in the last great war; but I am wondering, from the point of view of the war effort, whether the setting of a ceiling will help our war production when there will be thousands of starving people in Europe, when our troops will be wanting foodstuffs, and when our own people are doing without beef now in certain parts of the country. Imagine the pass we have come to when our own people are looking for beef and cannot buy it. That is the climax to the lopsided development of agriculture which we have had in this country for a number of years, and now we have this fantastic method that will definitely result in lower production. The people will be discouraged, and why not? The farmers are faced with a great many uncertainties at any time, but this uncertainty is the greatest with which any industry has had to cope. There is not an industry in Canada that has been told, "Your product will go down a cent a pound one month, a cent a pound the next month, and will keep on going down until next winter". High prices were maintained when the farmer was buying; low prices are imposed when he has to sell. The government should give careful consideration to these novel methods in connection with its agricultural policy, instead of looking for advice from men who are not practically engaged in agriculture.

We have eight boards. We have a book full of them. There is not one single practical farmer on any one of these boards; that is, any farmer who is actually dependent upon agriculture for his living. I am urging upon the government a policy that will meet this situation squarely, because we might as well face the facts, and the outstanding fact is that we are likely to be in this war for a long time. There are thousands of acres of land now lying idle in my own county and thousands lying idle in counties all around. There will be thousands of cattle turned on the market unless the government establishes a floor. The floor will be placed by the buyer at a point away lower than farmer's cost. What is being done now will put a damper on cattle feeding right across the dominion, and not only as regards grass-fed cattle. There will be fewer cattle fed next winter. The same principle applies all the way down the line.

I realize that the purpose is to avoid inflation. Someone will say that we must not allow runaway prices to control our commodities, because that will be the beginning of inflation. Again I urge the government to reconsider the whole matter and to take stock of the farmer's position. His farm was mortgaged when the war began, and he is now paying double and, in some instances, three times the price for his help which he was paying at that time. I know one farmer who is paying $1,000 to his man besides providing a house, a cow and a garden. He knows this is a high price; he knows it is two and a half times what he paid the man before, but he had no alternative except closing his gate. He says, "I cannot make money, but with my boys overseas I feel that I owe it to my country to keep the farm functioning and I cannot do it myself".

Members of this house are receiving letters from men working from four o'clock in the morning until twelve at night, struggling with large dairy herds, ploughing hard and difficult summerfallows, and still they are behind. Indeed, many of them will be unable to get their wheat in because of a shortage of labour. If these men want to continue operating, they have to pay wages commensurate with the competitive prices offered by industry. I have made the statement before, and I repeat it now, that even with the high prices that farmers are now paying for labour, they are not as high as industry can and does pay under present union wage scales. There is not, with present prices, a single farm commodity that would give the farmer a higher return than would represent a reasonable profit on his investment, maintaining the wage scale he has to pay in competition with the market, interest on his investment and a reasonable wage for himself and his wife.

The reason for this novel type of policy is that we have not one practical farmer representing agriculture on any of the boards we have in Canada, either agriculture or any other. I maintain that the industry which we have talked about as the backbone of the dominion, the industry that is now depended upon to produce commodities that are, we are told, as important to the country as shells and guns, should be better represented. Hon. gentlemen told the farmers in their campaign of the importance of agriculture to the dominion and urged them to keep on producing. Well, if the farmer belongs to such an important class of citizens, it is passing strange that we cannot find among the hundreds of thousands of them one farmer who is fit, if not to represent some other important branch of our natural resources, at least his own industry. The steel producers have representatives on boards; the pulpwood people have their representatives; the timber men have their representatives, and so have the merchandisers, the drygoods men and the Canada Packers. It is high time that the farmer in Canada got a square deal, and a square deal not only in a period of crisis but normally.

Mr. EVANS: Is not Mr. Taggart a representative of agriculture?

Mr. ROWE: He is an ex-minister of agriculture, but he is not dependent on farming for his living—no more dependent upon it than the present Minister of Agriculture of Canada.

Mr. EVANS: He operates a big farm, though.

Mr. ROWE: Yes, but he has not been close to farmer problems in the last many years, as other men have been who have been dependent upon farming and upon farming alone.

Mr. ILSLEY: There are many farmers on advisory committees. I will get a list of them.

Mr. ROWE: Yes. I have a list of them, but they are not trusted on the main committee. They are on advisory committees, and their advice is not listened to. I could point to a thousand who are on advisory committees; you will meet them in the country later. The farmers are up in arms because of the novel policies that are carried out by men who are merely theorists without practical experience.

Mr. ILSLEY: No representative of any industry is on the wartime prices and trade board. They are all civil servants. They are not representing any industry.

[Mr. Rowe.]

Mr. ROWE: What about your dollar-a-year men? I have no objection to the dollar-a-year men. There are some excellent men—

Mr. LACROIX (Beauce): You should have objection to dollar-a-year men.

Mr. ROWE: My hon. friend perhaps has had some experience with some of them which I have not had; but I believe, despite what the hon. member for Beauce (Mr. Lacroix) says, that there are some able men who are giving their service to the country. Perhaps there are some who are not as good as might be desired. But I do not believe that these boards are any better off, so far as agriculture is concerned, for having civil servants on them. I do not know that a civil servant who has been receiving from $6,000 to $8,000 a year, while farmers have had mortgages on their farms in the last ten years, is as well qualified to meet the problem of production at the present time, as the man who is going through the sweat and toil of actual experience, without help, and who has had to put up with these difficult years. From the point of view of our war production it is high time the government listened to the men who know what it costs to produce a bushel of wheat or a pound of butter rather than say haphazardly when beef goes a little high, "we will put a price on it." Butter is now fixed at 35 cents a pound—

Mr. GARDINER: It is not fixed at that; that is the ceiling.

Mr. ROWE: Yes, and it can go as low as it likes.

Mr. GARDINER: There is a floor under it too.

An hon. MEMBER: Now the minister is going to bonus it.

Mr. GARDINER: No, I am not going to bonus it.

Mr. HANSON (York-Sunbury): He was against bonuses in 1935.

Mr. GARDINER: There is a war on now. I was against a lot of things.

Mr. HANSON (York-Sunbury): The minister had a political war on then.

Mr. GARDINER: My political wars have been about as successful as yours.

Mr. HANSON (York-Sunbury): Probably more so.

Mr. ROWE: I do not intend to pursue the issue further. I warn the government, if they do not want the most important branch of our production to go down in

dismal failure, to beware of fixing prices, while the farmer has rising costs which, by the very nature of the industry, the government cannot fix. I am not asking the government to fix the hired man's wages when he can get more money at the factory, but while the farmer has that uncertainty, do not impose on him another uncertainty which will cripple his ability to produce what is so essential to victory and equally important in peace.

The minister has a difficult task. Probably the most painful thing a minister has to do is to impose more taxes. I realize that the government must give some consideration with regard to taxing enterprises to the limit of what they can stand, or even "killing the goose that lays the golden egg". I am alarmed at the amount that is being spent for ordinary services, despite the war requirements. It is necessary that the nation be assured that the money is spent honestly. I am not charging that it is not, but the next thing to dishonest spending is reckless and extravagant spending for civilian purposes and services that we could do without at this time.

I give this suggestion to the minister in all sincerity as a solution of the problem of avoiding diminishing returns, namely that in the taxation of industry there might be some exemption made for post-war rehabilitation, research and so forth, so that they can be ready to give employment to the thousands of returned men after the war. Such action would go a long way to warn enabling industry to equip itself to compete in post-war markets and provide openings for our returned men, many of whom will be skilled mechanics.

I compliment the minister upon the compulsory savings feature. I mentioned it in the house some time ago. He did not think as much of it when I mentioned it as I did when he put it into effect. But I give the minister a further suggestion. I urge him to give further consideration to the exemption of life insurance premiums. I compliment him upon exempting the premiums of those who are of more mature years, but I urge and plead that he give consideration to the young men getting married now. In these days of uncertainty, surely if you, Mr. Speaker, and I are entitled to exemption, what about the boy who has not a home to live in, who cannot find one even if he could afford to pay for it, especially in Ottawa, and who takes to himself a wife? He has to pay all the income tax we have to pay and, if he wants to put $3,000 on his life in order to give his wife a little security, he does not get the same privilege as those who have carried insurance for years. I do not think we should be exempted if the same privilege is not extended to him. I think upon further consideration the minister will include that. I realize that he might be afraid of people taking out large policies, but that could be overcome by regulation, limiting the amount or limiting it to men of a certain age.

Mr. ILSLEY: Does the hon. gentleman think there would be any objection on the score that the government would be giving a tremendous impetus to the life insurance business by such a measure as he suggests?

Mr. HANSON (York-Sunbury): That is not the point.

Mr. ILSLEY: That would be the result.

Mr. ROWE: I understand the minister perhaps being alarmed or feeling that he was doing almost a favour to the life insurance companies. But what sounder way is there for a man to save? What better security and what better provision can a man make in case anything should happen to him? Succession duties bring most of it back to the treasury anyway. It makes a liquid asset when a man dies, so that the estate does not have to sacrifice assets on account of market fluctuations, and I believe that any slight advantage it gives to the life insurance companies is not hurtful because if we strengthen the insurance companies of this dominion, we strengthen the economic and financial fabric of the dominion. I am not speaking for any insurance company; I have paid them more than they have paid me so far, fortunately. But if the government is going to restrict rigidly the income of individuals by taxation, it should go a long way also to encourage thrift among our people, and I do not know any way that it can better encourage thrift than by that process.

I also urge the minister to consider exempting, to the extent of the compulsory saving tax, war savings certificates that may be purchased during the year. I have had some experience with the sale of war savings certificates, and I know the minister knows, without admitting it, that thousands upon thousands of war savings certificate holders are selling them rapidly at the present time.

Mr. HANSON (York-Sunbury): Is that true?

Mr. ROWE: Yes, and they are going to sell them. I do not criticize the minister for not including it—

Mr. ILSLEY: The hon. member does not mean selling them?

Mr. ROWE: Yes, selling them; thousands are selling them and refusing to buy more.

Mr. ILSLEY: They are not transferable.

Mr. HANSON (York-Sunbury): The hon. member means cashing them in.

Mr. ILSLEY: Redeeming them.

Mr. ROWE: They have to cash them in. I urge the minister to give consideration to exempting war savings certificates. I think the result would be almost the same to the treasury. Deduction could be made at the source as now, thus avoiding a tremendous amount of additional detail work. The compulsory savings are repayable two years after the cessation of hostilities, whereas war savings certificates are redeemable after seven and a half years. The adoption of this suggestion would encourage people to buy even beyond the amount they now buy, and leave it as a voluntary operation.

I leave that thought with the minister. He may have the matter well in hand, but I would also suggest that in maintaining a balanced economy it is essential that every effort be made to place new bond issues outside the banks. In the first place it is an essential check on inflation, and in the second place the responsibility now on the banks is tremendous and will become greater as the war progresses. To meet this requirement, consideration should be given to issuing, in the future, securities that will be more attractive to non-banking lenders and less attractive to banks. I think that could be arranged. The minister might also give consideration to issuing registered bonds, non-negotiable for a period of time, to which commercial banks would be forbidden to subscribe or to hold for a stated period. These bonds could be kept on sale continuously, like war savings certificates, and subscriptions applied for could be fully allotted at all times. I am not going to enlarge on these suggestions; I had not intended to speak at this length. I believe, however, that an issue of this kind would check further expansion of bank deposits and would be particularly attractive to insurance companies and other investors outside the banks. I believe borrowing from bank credits as an alternative comes close to outright inflation, and as such is a hazardous course to follow unless it is considered absolutely necessary. Borrowing from the banks does not reflect itself in direct sacrifices by the people, with the result that huge expenditures are made without an actual realization by the people of the seriousness of the situation.

In conclusion, Mr. Speaker, let me say that I am not at all discouraged or pessimistic about this country being able to meet the obligations placed upon it by the minister. We are going to win this war. Our national determination, together with our great resources, will enable us to carry forward our war effort if only we have full equality of sacrifice and opportunity for service. In that regard I again urge the government to be careful to see that the agricultural producers of this country are given a square deal, not only in fairness to these people themselves, but for the more important consideration of the victory that is ahead.

Mr. J. SASSEVILLE ROY (Gaspe): Mr. Speaker, I should like to thank you for the decision you rendered a short time ago, ruling that I should be allowed to speak at this time. I want to congratulate the Minister of Finance (Mr. Ilsley) upon his presentation of the budget. One can well imagine the tremendous amount of work that had to be performed in carrying out his thankless task, which is to provide the money required by the government.

It is not my intention to undertake a survey of the budget. In that regard I feel as a man might who had reached the foot of the highest mountain in the Rockies. He would not feel like trying to put that mountain on his shoulders, to carry it to some place where the surface was more level. This matter is too important for me to try to cover everything, but I should like to add a few remarks to what has been said by those who have already spoken. I think the leader of the opposition (Mr. Hanson) made an admirable speech, in which he brought out some of the weak points of this taxation scheme. In the course of his remarks he touched upon the income tax as it affects married people with children, and dealt with its effect upon those with more than three dependents. I shall not repeat all his arguments, Mr. Speaker, since I understand it is your desire that we should not speak at great length, but anyone looking over the speech of the hon. gentleman can see how he dealt with these measures of taxation. He had this to say, as reported at page 3793 of *Hansard*, with regard to large families:

> People cannot afford to have children. If Canada is to be a great nation in the future she must have greater population, and the most satisfactory way to achieve an increase in population is to encourage the raising of children steeped in Canadian tradition rather than through immigration of persons steeped in the traditions of other lands.

Surely that is a good principle. Moreover, I should like to point out that it is from these large families, which are ordinarily found in Quebec, where they have ten, twelve and fifteen children, we find as many as five or six brothers in the army. I could name, offhand, several

families who have contributed several sons: the Guertins, the Lemieuxs, the Chenels, the Fourniers, the Reeders, the Pattersons and the Keaneys. So we realize the importance to the nation of large families such as these; and I do not think there is any fairness in taxing the father of ten or twelve children to within a few hundred dollars of the amount we tax a single man. I believe the government should look into this taxation scheme and see if greater fairness could not be achieved in connection with those of our people who are heads of large families, and who constitute more than one-half of our population, and the most important capital of a nation.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. ROY: Mr. Speaker, when the house rose at six o'clock I was about to make a few comments on the speeches of the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Lethbridge (Mr. Blackmore). However, since I have agreed with the hon. member for Laprairie (Mr. Raymond) to be as short as possible, I shall defer my remarks for the time being. Those speeches were truly Canadian and should prove an inspiration to the population of Canada. I should like to refer also to the speeches made yesterday, the 75th anniversary of confederation, by the leaders of the different groups. I think those speeches should also prove an inspiration to the whole of Canada and I hope they will do some good. I had intended to make a few remarks about the inequalities of the sugar rationing system, but I may have an opportunity to make them on the resolution stage. The importance of the budget has been stressed by the leader of the opposition pretty well in this phrase. The leader of the opposition generally speaks quite well when he gets away from the conscription of men for overseas. He said this, as reported at page 3789 of *Hansard:*

> Just imagine a total budget expenditure of almost four billions of dollars for this little nation of less than twelve million souls—more than $333 for every man, woman and child in Canada! What a task to raise by various means, this vast sum of money!

This matter has been so well stressed that it does not call for any comment from me. I wonder if there is going to be anything left out of these vast sums to provide for the equipment and the defence of our two coasts which are threatened by invasion? Half of it is destined for England, and a considerable proportion of the rest is to be used to equip, maintain and increase our armed forces overseas with volunteers and conscripts as well. There will not remain much for the defence of Canada, and to take care of the most imperious need in our national economy. I shall probably have further opportunity to discuss the defence of Canada on the committee stage of Bill No. 80.

I should like to say a few words in connection with the important problem of supplying oil for our own needs and the needs of our allies. I refer hon. members to the speech made yesterday by the hon. member for Athabaska (Mr. Dechene). He demonstrated our need for oil and the importance of the government discovering new sources. Although I have great esteem for the Minister of Munitions and Supply (Mr. Howe); I appreciate the great task he is doing, but I do not agree with him when he answered, as he did on June 8, a question put by me and also one put by the leader of the Social Credit group about the necessity of securing some oil. His answer was that the government had no tools or would not be doing any drilling to discover oil.

There is no reason why the government should not make an effort to discover new sources of oil. The supply of oil will have a bearing upon the survival of the allies. I think everyone will admit that oil is the most important factor in victory. The government had no tools to build ships and tanks or to make guns and many other articles, but government companies were formed and the same thing could be done here. It would appear that the allies are about to lose their last sources of oil in Iraq and Iran, so it is about time that something should be done. In 1941 Mr. Cottrelle, the oil controller, is reported by the newspapers to have said that there would not be one cent of government money spent in prospecting for oil as long as he was in that position. Where does that gentleman get his authority to control this house and the government? I do not think we should listen to him. We should take immediate steps to provide new sources of oil. For this reason, I move, seconded by the hon. member for Laval-Two Mountains (Mr. Lacombe):

> That all the words after the word "that" in the motion be deleted and the following words substituted therefor:
> "It is expedient that proper measures be taken in order to secure new sources of oil from all possibilities offered by petroleum areas that Canada may have."

Mr. MAXIME RAYMOND (Beauharnois-Laprairie) (Translation): Mr. Speaker, the hon. Secretary of State (Mr. McLarty) recalled last

Monday that the figures quoted by the Prime Minister (Mr. Mackenzie King), the ministers of the various defence departments and the Minister of Munitions and Supply (Mr. Howe), established that our country, taking into account the size of its population, was furnishing a greater effort in this war than any other of the united nations. That is a statement we should do well to ponder when the Canadian people are being asked to make new sacrifices totally out of proportion with their means. Indeed the new budget calls for such an increase in taxation that a large number of families will be unable to meet their obligations; and if we compare it to the budgets of other allied countries, we must conclude that our war effort is increasing in a much greater degree than any other.

I demonstrated to the house last year, not without scandalizing a certain few, that the fiscal demands made on the Canadian taxpayer by the war were greater than those made on the English taxpayer. At the risk of scandalizing the same few, I now intend to show that the present budget further augments the Canadian taxpayer's burden to an extent not yet reached by the English taxpayer.

The hon. member for Joliette-L'Assomption-Montcalm (Mr. Ferland) quoted certain figures showing that the single man is more heavily burdened in England than in this country, but to arrive at such a conclusion he had to deduct from the Canadian tax the amount representing the minimum savings requirement, a deduction he omitted in the case of the English tax. The parallel he drew is thus fundamentally wrong and proves nothing. The figures I shall quote include those released by the Chancellor of the Exchequer, Sir Kingsley Wood, in his budget address of April 14 last and in the accompanying white book, as well as those furnished to the house by the Minister of Finance (Mr. Ilsley) on June 23.

In order to determine the extent of the fiscal demands made upon us by the war both in England and in Canada, let us first examine the situation that obtained in the fiscal year which preceded the conflict, noting the sum total of the taxes levied in both countries in the year 1938-39 and comparing them with those of the following periods. I wish to place on *Hansard*, if I may be permitted to do so, a comparative table of national or federal taxes for the years 1938-39, 1939-40, 1940-41, 1941-42 and 1942-43.

TABLE OF NATIONAL OR FEDERAL TAXES

BRITAIN (in millions of £)					NATURE OF TAX	CANADA (in millions of $)				
(1938-1939)	(1939-1940)	(1940-1941)	(1941-1942)	(1942-1943)		(1938-1939)	(1939-1940)	(1940-1941)	(1941-1942)	(1942-1943)
226	262	305	378	805	Customs	79	104	131	142	135
114	138	224	325		Excise	51	61	89	112	135
21	17	14	14	15	Stamps and other excise taxes	40	29	41	116	123
–	–	–	–	–	Exchange	–	–	62	101	95
399	460	600	845	991	Income tax (national defence tax for Canada and surtax for Britain included)	142	134	248	510	768
22	27	96	270	425	Excess profits tax (British national defence tax included)	–	–	24	135	440
Included in Excise tax					Sales tax	122	137	181	236	218
36	34	38	38	38	Motor vehicle duties	Collected by the provinces				
77	78	80	91	90	Succession duties (in Canada the major part of these duties are collected by the provinces)	–	–	–	7	15
4	1	1	1	1	MISCELLANEOUS	2	2	2	2	16
899	1,017	1,358	1,962	2,365	TOTAL	436	467	778	1,361	1,945

Please note that this table refers solely to Canadian federal taxes and the British national taxes, the only ones related to the war effort, although we have in Canada various provincial taxes which have no counterpart in Britain.

The table shows that British taxes have climbed from £899 million in 1938-39 to £1,962 million in 1941-42, an increase of 118 per cent, while Canadian taxes have risen from $436 million in 1938-39 to $1,361 million in 1941-42, which represents an increase of 212 per cent. Now a comparison between the tax revenue estimated for the current year, 1942-43, and that of 1941-42, the last fiscal year, shows that the increase in fiscal charges for Britain is 20 per cent, while for Canada it

stands at 43 per cent. With the consent of the house, I shall place on *Hansard* another table showing the gradual increase in taxes both in Britain and Canada, in the form of index figures based on taxes paid in 1938-39.

Index of Gradual Increases in Fiscal Charges

	Britain	Canada
1938-39	100	100
1939-40	113	107
1940-41	151	178
1941-42	218	312
1942-43	263	446

The comparative increase of budget expenditures charged to the taxpayer also shows a higher rate of progression in Canada than in Britain.

We often hear that income taxes are steeper in Britain than in Canada, but it must be kept in mind that such taxes are Britain's main source of revenue, while there are in this country a great number of additional fiscal charges unknown in Britain.

Now a glance at the table I have placed on record shows that the income tax in Britain is at present only two and a half times what it was before the war, while in Canada it stands at five and a half times the pre-war figures.

With the permission of the house, I shall place on record another table showing the amount of income tax payable in Britain and in Canada during 1942.

COMPARATIVE STATEMENT OF INCOME TAX PAYABLE IN CANADA AND BRITAIN FOR THE YEAR 1942

Revenue	Single person		Married, childless		Married with three children	
	Britain	Canada	Britain	Canada	Britain	Canada
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
£ 120 or $ 534	33 37	Nil	Nil	Nil	Nil	Nil
300 or 1,335	294 26	301 20	188 01	135 00	Nil	Nil
400 or 1,780	494 51	484 00	361 01	334 00	101 24	10 00
500 or 2,225	694 76	702 05	605 76	529 80	231 80	205 80
800 or 3,560	1,295 51	1,374 40	1,161 91	1,153 20	828 26	829 20
1,000 or 4,450	1,696 01	1,845 50	1,562 51	1,606 50	1,228 76	1,282 50
2,000 or 8,900	3,809 76	4,400 00	3,720 76	4,072 00	3,342 51	3,748 00
5,000 or 22,250	12,626 32	13,361 00	12,492 82	12,866 00	12,159 07	12,542 00
10,000 or 44,500	30,537 57	30,618 00	30,404 07	29,728 00	30,070 32	29,404 00
50,000 or 222,500	202,140 69	192,514 00	202,007 19	188,914 00	201,673 44	188,590 00

It will be seen that in the case of unmarried persons the income tax, contrary to what was said by the hon. member for Joliette, is higher in Canada than in Britain, except in the case of a small income of $534 and of very large incomes exceeding $200,000.

The same situation obtains as regards married persons without children. Generally speaking, the average income is more heavily taxed in Canada than in England. From $3,500 to $25,000 the Canadian tax is higher. That also applies to married persons with three children.

It should be especially noted that the income tax rate has not been increased in Britain while it has been substantially raised in Canada. According to the Chancellor of the Exchequer, the income tax for 1942-43, computed at last year's rate, would have yielded £915,000,000 while it will only yield £913,000,000 at the rate set in this year's budget—a decrease of £2,000,000. On the same basis of comparison, tax revenues will be much higher in Canada.

The brief survey I have just made of the British and Canadian budgets clearly shows that the increase in the tax burden is much greater in Canada than in Britain; that the Canadian taxpayer is much harder hit than the British; that while British taxpayers are called upon by their government to bear a 20 per cent increase in taxation, Canadian taxpayers must bear a 43 per cent increase due to the fact that the balance sheet submitted by the British Chancellor of the Exchequer included, under the head of revenue, an item of one billion dollars as a contribution from the Canadian government, while on the debit side of the Canadian ledger there appears the same item of one billion dollars as a gift to Britain.

As a result of that gift, the income tax rate was not raised in Britain while it is substantially raised in Canada. As far as I am concerned, and I know that I am voicing the feeling of many members of this house who did not want to delay proceedings at this stage, I am not prepared to support a further increase in the all too heavy burden which the Canadian taxpayer has to bear, so that a gift of one billion dollars may be made to an allied nation which is now lending money at interest to other allied countries. And I feel obliged, Mr. Speaker, to voice my disagreement.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, we meet to-night in the greatest crisis that has visited this empire at any time in our history. We are discussing the largest budget which has ever been presented to a Canadian parliament, in order to ensure that Canada's contribution shall be all that it should be in the battle for the survival of freedom.

It is a tremendous budget. I congratulate the minister upon the courage he has shown in introducing this budget, bringing home to the Canadian people the awfulness of the prospect before us unless victory is ours. I congratulate, too, the Canadian people upon the reception they have given to this budget which will mean so much to them.

But this evening I am not going to discuss or to make any recommendations or suggestions in connection with the budget as such. That I shall reserve until the matter comes into the resolution stage. I intend to discuss a trend which is gradually becoming more pronounced as the war goes on and is against the full operation of our parliamentary institutions and all that they stand for in the democratic way of life.

Parliament has a serious responsibility. This parliament represents the people of Canada; it is the repository and trustee of their hopes of survival. Economic freedom is very important, but important, too, is the matter of our political and personal freedoms, and these things must not be lost sight of during these trying days of war. I have no apologies to offer for speaking on this subject; for this is the only place, the only forum, where one can express one's views, where one can make one's criticisms, where one can advance constructively such ideas as one believes are in the interests of the country as a whole.

To-day, in the British House of Commons, the Prime Minister of Great Britain, referring to the debate which has gone on there during the past two days, said that he was "in favour of freedom of expression" in the commons, and he pointed out that "no other country would use or dare to use such freedom in times of mortal peril" such as those through which we are passing. We hear too often that parliament is not living up to its responsibilities, and I think that we who enjoy the privilege and responsibility of being members have the right to place before the country our views in regard to the necessity of the retention of those rights—rights for which this empire fights—so long as thereby the war effort is not impeded. I believe it will be agreed by all hon. members that the progress of Canada's war effort has been in large measure due to criticism offered in this house and by the press, resulting in the formation of public opinion.

Churchill to-day received an overwhelming vote of confidence in the British House of Commons. He has always appreciated and welcomed criticism and has often stated that one of the salient differences between the axis nations and countries belonging to the united nations is that the former fear and the latter invite criticism. Parliament is being criticized in the press and throughout the country for failing to appreciate the responsibility which rests upon it. I think in this parliament we have the right to the expression of our ideals, our conceptions of those freedoms for which we fight, so long as we do not thereby impair the war effort or give benefit to the enemy.

To-day the government exercises a greater control over parliament than ever before in the history of this country. It exercises a greater control over the freedom of expression of the press and public men throughout Canada than ever before. But if there is one thing which we as members must demand, it is that criticism shall continue, that criticism shall not be curtailed so long as it is designed to spur on the government to greater effort; and we have the right to demand that in so far as conditions permit, legislation passed in respect of matters particularly domestic shall be passed by parliament and not through the instrumentality of orders in council.

There is a tendency on the part of this government not to give the attention to parliament that it should, and we are approaching a state where parliament need not be called together except for the purpose of voting supply.

In support of my statement that there is a trend away from true parliamentary government, I refer once more, what I have referred to at other times, to the attitude of the government in continuing in ever-increasing measure to govern by order in council, with the result that we in this parliament are denied the opportunity of debate on matters which affect the welfare of the people as a whole.

As an example of this trend, the wartime prices and trade regulations which were introduced by order in council while parliament was sitting. Many difficulties have arisen in connection with the administration of these regulations, all because of the fact that parliament was and is denied the opportunity of debating them. Only to-day the hon. member for Dufferin-Simcoe (Mr. Rowe) drew

attention to the effect of arbitrary regulations passed by boards and commissions on the agricultural industry. When one considers that while parliament is in session, orders in council are being passed with ever-accelerated regularity, I think the time has come when we as members of parliament should ask the government to give more consideration to parliament in the passing of legislation.

There is not a lawyer who is able to advise a client as to what the law is in reference to any statute in Canada without looking into the matter of orders in council. When only the other day I asked a question of one of the departments of government as to what orders in council had been passed that affect the statutes under its jurisdiction, the answer was that many of them had been placed in the *Canada Gazette,* which implies that many have not received publicity in that publication.

Further, as indicating the trend, I would point out that we as members are gradually having our rights curtailed through the denial to us of private members day. I realize the need for action and for immediate action in many matters. I do think, however, that if the rules of parliament which permit forty-minute speeches are found difficult of operation during war time, then there should be a revision of the rules; but the right of private members day should not be denied, and it should be recalled that it was not denied in the last war except, in part, until the last six months.

The denial of the right of those who do not belong to the government to utilize the radio of this country in order to place their points of view before the country is another matter. It is true the situation in this regard may not be as serious to-day as it was a few months ago, but the withdrawal of that restriction came about only in consequence of criticism in parliament. The government, when asked questions, many of which by no stretch of the imagination can be interpreted as being contrary to the public interest, in increasing measure relies upon the excuse that it is not in the public interest to reveal information. What does that mean? It means that the government can deny members of parliament information upon the basis of which criticism might be levelled against the administration as a whole.

Then there is the further attitude, displayed more particularly recently by the government, of being allergic to fair and constructive criticism. It has seen fit to prosecute various newspapers in Canada under the defence of Canada regulations, and the reason has been the fact that these newspapers have been criticizing the government in a manner that did not appeal to it. In connection with the investigation into the Hong Kong expedition the attitude of the government in refusing to table the evidence has resulted in preventing discussion in parliament, thereby preventing criticism based on the facts as revealed by the evidence, although I do realize that in time of war it is necessary to exercise discretion and not to permit the publication of evidence that might in any way injure the war effort of the country or be of benefit to the enemy. The position of the Canadian people so far as that report is concerned is that they are denied the opportunity of seeing all pertinent parts of the evidence, while they are permitted to see a part of the evidence that bears out the decision of the commissioner in charge.

A further example might be mentioned in passing. There has been a change in this respect since the present Minister of Justice (Mr. St. Laurent) took office. It is that of men who were interned after having their cases brought before committees set up by the minister, and although no wrong doing was established against them, yet in certain cases the minister refused to carry out the recommendations of the committee. On the other hand in Great Britain, Sir Norman Birkett has stated that the practice is that no man has been interned or proceeded against for merely criticizing the government, for words spoken, but that such proceedings are taken only for overt acts. I realize that in war time censorship is necessary; criticism should not be made which might in any way impair the war effort. That is why the defence of Canada regulations were passed by order in council under the powers contained in the War Measures Act. Those regulations were intended to cover dangerous men and their activities and to permit the government to act quickly without having to have recourse to the ordinary channels of the criminal law. Under the criminal code there is provision for the prosecution of men who endeavour to undermine the country in time of war. There is provision to deal with treasonable offences, and with sedition, which require proof on the part of the prosecution of circumstances from which the wrongful intent of the accused may be deduced. The defence of Canada regulations give to the government of the day, through the Minister of Justice, the power to proceed by way of action against men, however honest their purpose, however patriotic their desires, who say anything that the government does not consider in the public interest; and the only defence they have is the right to prove to the satisfaction of the court that what they have said was said in good faith and merely to

criticize or to point out errors or defects in the conduct of the government. I now draw attention to the two pertinent sections in our regulations and compare them with the corresponding sections in England. Section 39A reads:

No person shall—
(a) act in any manner, spread reports, or make statements or utterances intended or likely to cause disaffection to His Majesty or to interfere with the success of His Majesty's forces or of the forces of any allied or associated powers or to prejudice His Majesty's relations with foreign powers.
(b) act in any manner, spread reports, or make statements or utterances intended or likely to prejudice the recruiting, training, discipline, or administration of any of His Majesty's forces;

The question of intent does not enter into the matter at all. The mere making of a statement or a criticism, however honest and honourable it may be, permits of the prosecution of the man who makes such statement or criticism. By reason of the fact that it is an extraordinary power to deny to the accused the right to be proceeded against under the criminal code, there is a prerequisite which the prosecution must be able to establish. I quote:

A prosecution for an offence against regulations 39, 39A or 39C of these regulations shall not be instituted except by, or with the consent of, counsel representing the Atorney-General of Canada or of the province: Provided that this paragraph shall not prevent the arrest or the issue, or the execution of a warrant for the arrest, of any person in respect of any such offence, or the remanding, in custody or on bail, of any person charged with such offence.

In other words, the position is this, that any man in this dominion to-day, any man in this parliament, any loyal citizen of this country, can be proceeded against, brought before a court of law and found guilty if the statements that he made are "intended to or likely to" have resulted in a diminution of recruiting. There is not a member of this house or a member of a legislature anywhere in this dominion who voices, inside or outside this house, a criticism, the effect of which might be likely to interfere with recruiting, who might not be convicted under these regulations. It does not require any intent.

Let me call attention to a judgment based on a similar section of the regulations. The reason why I do this is to say to the government that they should never use these regulations unless there is no other means open to them, unless to proceed by way of indictment under the criminal code is not available because of the dangerous nature of the acts committed by the accused. In a judgment of the court of appeal of Ontario in Rex v. Stewart in 1940, a judgment of the chief justice of Ontario concurred in by the other judges, the judgment indicates that a man with an honest motive, a desire to help, a wish to contribute to the war effort, would be guilty of an offence under this section even though he had no intent or guilty mind, and the chief justice of Ontario said:

(The regulations) were made in the emergency of war then threatened and now in progress. They prohibit, in terms that are absolute, certain acts that may interfere with or prejudice the preparations and efforts made for the successful carrying on of the war, or that may be prejudicial to the safety of the state. It would seem plain that both the subject matter and the purpose of the regulations, as well as the terms in which they are expressed make it necessary to hold that their prohibitions are absolute, and that it is not a defence in a prosecution for their breach to say that what was done was done in ignorance or without intending any harm. The acts prohibited are to be stopped.

That judgment shows that if the Minister of Justice of Canada in his capacity as Attorney General, or the attorney general of a province, looks into the matter and decides, by reason of what a certain man has said, that he is dangerous, this particular section, far from being a protection in time of war, can become an instrument of tyranny against those with whom the government disagrees.

They have no such provisions in England. The provisions there are that:

No person shall—(a) endeavour by means of any false statement, false document or false report to influence public opinion . . . in a manner likely to be prejudicial to the defence of the realm or the efficient prosecution of the war.

In other words, in England there must be an intent, in that there must be falsity in the statement made by the person accused.

I wonder how many hon. members realize that under the defence of Canada regulations to-day a man might make a statement that was absolutely true and yet be guilty of an offence if in the estimation of the attorney general of the dominion or an attorney general of a province he should be prosecuted if the statement made was "intended to or likely to" impede the war effort. I think the time has come when we as members of parliament should protest against the use of these sections for the prosecution of persons other than those who seek to undermine the government of the state or the war effort. However high-minded and patriotic the accused or his purpose, he is guilty if certain results flow therefrom or are "likely to".

These are extraordinary sections. They were never intended to be used for the prosecution of political opponents. Their use should be circumscribed within the limits of the section itself. There is not a member of this house, there is not an honourable,

patriotic citizen anywhere in Canada who may not be convicted of an offence under these sections if they are used against him and provided the Minister of Justice sees fit to consent to proceedings being taken against him. I say the time has come for hon. members to stand up for their rights and the rights of loyal citizens all over this dominion, and to secure from the government the assurance that these sections will no longer be used against loyal citizens of proven patriotism. If we do not do that, the day of freedom of political speech and the independence of patriotic citizens and newspapers throughout Canada in voicing fair criticism in order to improve conditions and to spur on the war effort of this dominion is past. I think we as a parliament should take a decided stand that we will not give approval to possible future political prosecutions, and that stand must be taken now. These sections are necessary in order to assure that our war effort shall not be undermined; but as members of parliament, irrespective of party, it becomes our duty to tell the government now and finally that we will not tolerate their use in order to proceed against members of this house or honourable citizens outside the house whose purposes in making criticism are high-minded and patriotic.

I make no suggestion that these sections are being so used, but I do point out the danger of their being used against political opponents in time of war. I suggest that even the appearance of the government playing politics in matters such as this is dangerous to the unity of the war effort and will of the Canadian people. I further say that political prosecutions—or persecutions if you will—whether of members of parliament or of public men are dangerous to public morale when the public, or a large portion of the public, believe, whether rightly or wrongly, they are being used for that purpose. This is the only place where these things can be asserted; and as members of parliament irrespective of party we should take our stand and say to the government, "So far you may go in the interests of the safety of the state, but in proceeding against citizens of proven honour, patriotism and integrity, if an offence has allegedly been committed, the proceedings should be under the criminal code". Surely parliament is not to be denied the right; surely members of parliament are not to be denied the right, to criticize the possible use of these sections for improper purposes. A government that indicts an honest, patriotic citizen under these sections indicts itself as being fearful of criticism. I ask hon. members in all parts of this house to take the attitude that has been taken in England since the beginning of the war and now, so well epitomized in the words of the Prime Minister of Great Britain, speaking in the House of Commons on January 22, 1941, when he used these words:

> His Majesty's government welcome all the impulse which the House of Commons and press and public opinion of this island can give to us in driving forward our war effort and trying to gain an earlier inch or a more fruitful hour wherever it may be possible. But I have no doubt that the house, in its overwhelming majority, will wish to give its tribute of encouragement, as well as its dose of correction, and will lend its own heave of loyal strength to the forward surges that now have begun.

We meet here in difficult and trying times. If ever there was a time when we should be united in a common purpose, that time is now. If ever there was a time when the provisions of these sections should not be invoked against citizens who are known for their loyalty and devotion to their country, it is now and in the trying weeks that are to come. I have pointed out the trend. I think as members of parliament we have a right to insist that the trend away from true democratic principles shall end, except where the public interest and the safety of the state demand a departure therefrom.

Mr. GORDON B. ISNOR (Halifax): Mr. Speaker, I fully realize the awkward position in which I find myself, having to follow such a brilliant speaker with the legal training of the hon. member (Mr. Diefenbaker) who has just resumed his seat. I do not propose to try to follow his reasoning; I am going to stay as closely as a business man can to the subject before the house and deal with the budget, and only the budget.

As a background to what I have to say may I give a little of my own history. From 1928 to 1935 I was a member of the Nova Scotia legislature. For five years I sat in the opposition there, facing, among others, the hon. member for Cumberland (Mr. Black) who now sits in this house as a member of the opposition. In 1935 I resigned my seat to become a candidate in the federal general election, and have been here since that time endeavouring to represent the constituency of Halifax, along with my colleague from that city. I well recall that during those seven or eight years, as a business man I was interested in financial matters, and particularly in the budget; and during the whole time I was in the legislature, both as a member of the opposition and while sitting on the government side, I took an active part in the budget debates. They were quite

different there from those that are carried on here to-day. As the hon. member for Cumberland will remember, it was a matter of the opposition criticizing the government in power over the amount of the funded debt; pointing out the extravagant expenditures, as all opposition members do, and so on. At the same time I believe I did offer some constructive suggestions, and I believe the government of the day appreciated that fact. I am sure the hon. member for Cumberland would say that in my remarks I always endeavoured to be fair.

Mr. BLACK (Cumberland): That is quite correct.

Mr. ISNOR: So with that background I approach the present budget, but before discussing it I should like to go back and look at some budgets previously presented in this house. I have in mind the budgets presented by such outstanding ministers of finance as the late Hon. W. S. Fielding, Sir Thomas White, Hon. E. N. Rhodes, a former premier of Nova Scotia, and Hon. C. A. Dunning, as well as by our present Minister of Finance (Mr. Ilsley). I should like to direct attention to the figures contained in those budgets. I well recall that in 1897, the year after Sir Wilfrid Laurier's government came into power, the Hon. W. S. Fielding presented a budget amounting to $38,000,000. The budget presented by Sir Thomas White in 1913 was for $112,000,000. There was a gradual increase in the revenues, until in 1932 the Hon. E. N. Rhodes presented a budget amounting to $311,735,000, while in 1936 the Hon. C. A. Dunning presented a budget amounting to $452,123,000. Just last week the present Minister of Finance, another Nova Scotian, presented a budget amounting to $3,900,000,000. That is a staggering figure, one hundred times the size of the budget presented only forty-five years ago.

I should like to refer briefly, perhaps not as eloquently as the last speaker might, or as many others would, but nevertheless as sincerely as any hon. member could, to the hon. gentleman who presented this budget. Last week the *Financial Post* referred to the Minister of Finance as tall, sandy-haired and serious; a Nova Scotia lawyer, forty-seven years old; first elected to the federal parliament in 1926, becoming a member of the King government in 1935. I recall 1935, Mr. Speaker; we in Nova Scotia knew the present Minister of Finance, and we were not at all surprised when the Prime Minister of Canada (Mr. Mackenzie King) selected him as his Minister of National Revenue. I believe it was because of the thorough, sound judgment displayed by the minister then that when it came time to select a minister of finance the Prime Minister put his hand on the minister's shoulder and said, "Carry on in the same able manner as did Mr. Fielding," that esteemed, highly regarded Nova Scotian, "and the Hon. E. N. Rhodes," who made such a name for himself as Minister of Finance.

The other evening the Minister of Finance outlined a comprehensive scheme to not only provide money but to expend it. When he was speaking I looked round at the faces of hon. members on the government side; I looked at the faces of hon. members of the opposition, and I allowed my eyes to wander toward the galleries. I could not help but be impressed with the serious manner in which the words of the Minister of Finance were being received and the close attention that was being paid to his remarks. Everyone was following him most intently. I know the same feeling was evident throughout Canada the following morning when the people read the speech of the minister and appreciated the informative material contained therein.

At the close of the presentation by the Minister of Finance the leader of the opposition (Mr. Hanson) rose in his place, and as one maritimer to another complimented the minister in that generally fair manner of his. He stated that he hoped the people of Canada would read, digest and take to heart the words of the Minister of Finance. I believe the leader of the opposition was sincere at that time, and I regretted that he could not have followed immediately with his own remarks. Had he done so, I believe his speech would have been different from that presented a little later when he found fault with certain provisions of the budget. Even at that the leader of the opposition approved in a large measure the general principles and provisions of the budget. I believe the people of Canada appreciated that attitude, and I think it is the attitude of all members of the opposition as well as of all other members. It is necessary to have the wholehearted support of all Canadians if we are to accomplish the results that we desire in raising the $3,900,000,000 required under this budget.

I was interested to know where this money was coming from, and I believe the people of Canada also are anxious to know. I wish to give credit to the *Financial Post* for the figures that I shall give. I find that in 1938 we received 26 per cent of our revenue from the income tax, and in that year it was necessary to go to the country and borrow only 9 per cent. In 1939 we borrowed 17 per cent; in 1941, 31 per cent, and to-day I understand the minister to say that we shall have to borrow

something like 50 per cent. With a budget of $3,900,000,000, we shall have to go to the country and borrow $1,850,000,000 in the next nine months or so.

In addition, I was anxious to know where the money went to. I recall that in 1928 or 1929 the then Minister of National Defence (Mr. Ralston), who is once again the minister of that department, introduced in his defence estimates an item to take care of the Royal Canadian Air Force. Then came that period of depression and another government came into power. This item was completely forgotten; it was completely done away with for reasons of economy. In 1938 our total defence estimates amounted to only 6 per cent of our revenues; in 1939, when the clouds of war were on the horizon, those estimates increased to 17 per cent; in the following year they increased to 60 per cent; last year they increased from 60 to 74 per cent, and this budget calls for war expenditures of 88 per cent. Think what this means. I should like every Canadian to realize that out of every dollar that goes into the treasury of the Dominion of Canada, 88 cents is spent to carry on the prosecution of this war to a successful issue.

Last year our revenues amounted to $2,400,000,000. This meant that every Canadian family was paying to the government at the rate of $16.80 a week in order to carry on the war. This year, with an increased need of $3,900,000,000, each and every family will be paying each week for war expenditures a total of $23. With a budget of $3,900,000,000, I can appreciate why newspapers and individuals refer to it as a staggering amount. But I believe we will raise this amount. A short time ago, the New York *Times*, referring to the successful prosecution of the war by the united nations, said:

> Every one of the united nations will have to yield in non-essentials if the one essential of peace is to be made secure.

That is the reason why each and every family will do its part to carry on this war to a successful issue. The leader of the opposition and others have referred to the hardships that this budget will impose upon the working classes. If I remember correctly, the leader of the opposition referred to three classes upon whose shoulders this burden would fall most heavily, the working classes, the middle classes and the small retailers. While this budget will entail real sacrifices and impose a great burden, I do not think we need worry about the two latter classes of our people. They will take care of themselves. I think the leader of the opposition had in mind the difficulty of a workingman carrying out his monthly payments.

If the same budget had been placed before Canada two years ago, there would have been some justification for worry on the part of the leader of the opposition and others. In fact, I would have doubted if Canada could have carried a budget of this kind at that time. It will be recalled that from 1930 to 1936 great numbers of workingmen were unemployed, but at the outbreak of the war employment increased to a marked extent, by 22 per cent if I remember correctly.

It increased by leaps and bounds so that practically every employable man who had a trade and every skilled labourer was given employment at a very fair wage, and the result was that during the period from the commencement of the war up until a year ago they were able to take care of all their bills which had accumulated and were outstanding; to refurnish their homes and provide themselves with clothing and other essentials, and, generally, to reestablish themselves upon their pre-depression level. Now that they have done that, they can meet what I am sure they will consider are their just obligations under this budget.

What I have said about the rehabilitation of the working classes applies equally to the stores. Like the workingmen, the stores also went through a period of depression for five years. Their stocks became depleted, and they had customers owing bills, but with the increased spending power brought about by the war the stores were able to increase their stocks on hand, take care of their bills, and come back to their pre-depression level. But they suffered from one handicap. Because of the increased business that was offering they had to fill up their stocks to a very much larger extent than before, and because of the increased business they were compelled to carry a larger amount of credit. Their bills receivable grew to almost alarming amounts, and I venture to say that if the Minister of Finance had attempted a year ago or two years ago to tax the retail stores as he is doing to-day, it would have been almost impossible for them to carry on. But they had this period of readjustment during which their bills receivable were paid. Now, owing to the very wise business planning by this government, and the monthly instalment plan, they are able to meet their obligations under this budget, and while it will mean some sacrifice, they will be able to carry on and will not, as the leader of the opposition stated, be driven out of business.

I should like to refer briefly to the price ceiling brought into effect by the government, the wage-freezing order and the instalment buying regulations. These regulations for the

ordinary storekeeper doing that kind of business were a godsend, and I believe they were a blessing in disguise also to great numbers of people who were subject to high-pressure salesmanship which had been spreading throughout the whole country. The credit regulations whereby purchases made in one month had to be paid for the next month were also beneficial both for the store and its customers. All these regulations have, I believe, made it possible for the businessman or storekeeper to carry on and meet his obligations under this budget.

I was rather surprised at the criticism made by the leader of the Cooperative Commonwealth Federation party (Mr. Coldwell) and by the hon. member for Gaspé (Mr. Roy) in regard to the effects of the change in exemptions for dependents. I shall only touch upon that briefly because the Minister of Finance will deal with it much more fully and clearly than I can; but from what study I have been able to give it, the wage-earner in the $2,500 income bracket, a married man with one or two children, is in a much better position under the new exemption provisions than he was under the old. Under the old provisions he had an exemption of $400 for each child, which at 15 per cent meant an exemption of $60. That is $20 less than under the present arrangement, which allows a deduction of $80 for each child, and I am not taking into consideration the deduction under the normal or national defence tax which may also be coming to him.

I wish to congratulate either the Minister of Finance or his advisers or the government —it really does not matter to whom the credit is due so long as the plan is a good one and brings the desired results—upon introducing the compulsory savings feature in connection with the income tax. I believe it is an extremely fine plan which will be helpful to both the businessman and the average wage-earner, and I congratulate the minister upon introducing this provision in his comprehensive plan of budgeting.

There was a doubt, I think, in the minds of one or two speakers as to the effect which this compulsory saving might have on savings bank deposits and the purchase of war savings stamps and war savings certificates. Naturally the compulsory saving will be reflected somewhat in these other directions; but whatever effect it might have had upon bank deposits and the purchase of war savings stamps and certificates a year ago, I believe that the benefits to-day will more than outweigh any disadvantages.

I want to say a word about tax deductions at the source. I have had experience in dealing with deductions in connection with the national defence tax, and I have also had to make deductions from the pay of employees for the purchase of war savings stamps. This tax deduction feature has, I believe, been welcomed by all classes of our people who have to pay taxes. It is just one more step in the direction of facilitating and systematizing the collection and payment of taxes. Only a few days ago I noticed in the press that a survey had been made and a large number of persons interviewed and asked their opinion with regard to this question: Would you prefer having your income tax deducted regularly from income at the source? As I looked over the long list of those interviewed, I found that without exception everyone favoured such a plan or scheme. I was particularly impressed with the interview granted by J. W. Berry, general manager of the Guaranty Trust Company of Toronto. Mr. Berry said:

> I would prefer to have my income tax deducted regularly at the source. Personnally, I recognize the necessity of providing for income taxes and would welcome an orderly progressive discharge of this obligation.

He goes on:

> From the national viewpoint, I think income tax deduction at the source equally preferable in that such a plan would firstly, provide the government with a continuous flow of revenue to be used in its pay-as-you-go plan; secondly, would simplify collection methods and eliminate the possibility of arrears and loss. Thirdly, it would help curb purchasing power which is vitally necessary if living costs are to be controlled and income directed into those channels which provide the sinews of war.

That statement expresses my view in as concise and definite a manner as I could express it were I to spend a week in trying to compress it into a paragraph or two. Mr. Berry in this interview strikes at the root of this whole budget scheme when he remarks, "It would help curb purchasing power which is vitally necessary if living costs are to be controlled"; and that, I think, is a feature which the Minister of Finance had in mind when he introduced this budget plan.

Will this budget prove a success? I believe it will. I believe so for the reasons already outlined, namely, that general employment is up 22 per cent and employment in manufacturing is up 30 per cent over last year. I understand that general manufacturing employment has gone up something like 80 per cent since the beginning of the war. Retail sales as I have already indicated, went up 20 per cent last year, and since pre-war days have increased by something like 50 per cent.

All-over control by the government of prices and wages, as I have already mentioned, is the third feature of it.

I might mention another important factor which the Minister of Finance brought to our attention when he presented the budget, namely restrictions in connection with travel. He stated—and I was astonished at the large amount—that in the two years in which the foreign exchange control board has operated, it has saved to the country something like $100,000,000.

Mr. HANSON (York-Sunbury): He does not say how much was lost.

Mr. ISNOR: It is not so much what you lose as what you save that helps you to pay your bills.

Mr. ILSLEY: There was not much lost by that.

Mr. HANSON (York-Sunbury): Ten dollars for one saved.

Mr. ILSLEY: No. no.

Mr. ISNOR: In times such as these, with heavy war expenditures, heavy taxes naturally follow. No one should complain about them if the money is to be used to win the war. Speaking of my own province, I think I can say we realize that there is a war on. From the very outbreak of war members of the various branches of the service were seen in numbers on our streets. We have watched them come by train and leave by ship for overseas. We see our ships entering and leaving the harbour. I believe that the people of Halifax, and of Nova Scotia in general, realize to a greater extent than other people just what this war means, and that is why I say I believe that in so far as Nova Scotians are concerned, the Minister of Finance need not worry about their taking their part in carrying the load and shouldering their portion of this budget.

I should like to mention my interest in social security. I do not know whether this is the time to do so. I had to face that question; I debated in Halifax whether this is an opportune time to bring in unemployment insurance. I think the main argument which convinced me that now is the time was the fact that there is a large amount of money in circulation, that wage-earners are earning steadily and in large amounts, and that, therefore, this is a good time to set up a reserve to take care of needs which may arise following the close of the war or if we should again be visited, which I hope we never shall, with another period of depression.

For the same reason I would suggest to the minister that he and his government give serious consideration to the matter of old age pensions. I do not know whether I care to define at this time a particular age to which they should be lowered, but I believe it should be not more than sixty-five years, with a broadening of the provisions to take care of unemployables even at the age of sixty. Throughout the country there is a number of persons, suffering real hardship, who are unemployable. Not being returned soldiers, they do not receive any special consideration. I think that this class, though its numbers may not be great, should receive favourable consideration in this regard, and I hope the minister will take the matter into consideration for action at some future time.

May I also suggest that he should reconsider the amount paid. I believe that $20 a month is too low; and of course everybody does not receive $20; in Nova Scotia, I believe, the average is only $14.86 or $14.87. I think the minister should consider increasing the amount to $30. I know that the provinces, particularly those which have not now recourse to certain sources of revenue which they formerly could tap, may strenuously object to any such increase in so far as their contribution is concerned. For that reason I suggest that the federal government assume 85 per cent of the payment and that the provinces' share be reduced to the remaining 15 per cent. In other words, of a grant of $30, the federal government would contribute $25.50, and a province, $4.50, instead of $5 as at the present time.

I have one other suggestion to make, relating to retirements. In times like these, when young men, or men in certain age brackets, are required for active service and other duties of a strenuous nature, we should retain in the government employ those who are capable of carrying on their duties efficiently instead of permitting them to retire, as under the civil service regulations, at the age of sixty-five. I was particularly surprised the other evening to read in the paper that the Department of National Defence had retired a colonel at fifty-six years of age. I do not wish to give his name. I do not know the reason. I do not know the gentleman. But on general principles it struck me that this was not a time to retire men at the age of fifty-six. Surely the government could find some useful place in another department for any man of that age.

I commend the minister for the action he has taken in exempting all pensions of ex-service men both of the last great war and of the present war. That is the proper thing to do and it has been well received. Several members who have already spoken have complimented the government in that regard. I

suggest that he enlarge that a little to include all persons receiving pensions for total disabilities. I have particularly in mind the victims of the Halifax explosion, a large number of whom lost limbs—a leg, an arm, a hand or an eye. I do not think it is fair to tax such a person on the pension he or she receives. That is a special case which deserves special consideration.

I should like to have quoted, in closing, the last paragraph of the minister's speech, but time will not permit my doing so. However, I might call to the attention of the house the words of Mr. G. W. Spinney, chairman of the national war finance committee:

War is never cheap, but surely it is a thousand times cheaper to win than to lose.

If I have been at all convincing to those who have listened to me, whether in the opposition or in other parts of the house, I shall have done my duty if I have induced in them that frame of mind which will incline them, instead of being critical, to cooperate and to make known to the people of Canada the magnificent effort which the Minister of Finance has made in placing before the Canadian public a budget built along such comprehensive lines. I believe that with the cooperation of all it will be carried through to a successful issue. I am reminded of the words of J. Mason Knox:

> It is not guns or armament
> Or the money they can pay,
> It's the close cooperation
> That makes them win the day.
> It is not the individual
> Or the army as a whole,
> But the everlastin' teamwork
> of every bloomin' soul.

Mr. SPEAKER: I have been considering the amendment moved by the hon. member for Gaspe (Mr. Roy). The motion before the house is:

That Mr. Speaker do now leave the chair for the house to resolve itself again into committee of ways and means.

The amendment moved by the hon. member for Gaspe, seconded by the hon. member for Laval-Two Mountains (Mr. Lacombe) is:

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

"It is expedient that proper measures be taken in order to secure new sources of oil from all possibilities offered by petroleum areas that Canada may have."

Standing order 48 provides:

When a question is under debate no motion is received unless to amend it; to postpone it to a day certain: for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; or for the adjournment of the house.

Citation 395 of Beauchesne's Parliamentary Rules and Forms reads:

It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed. Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the house the question or amendment as amended would be intelligible and consistent with itself.

If the house agrees to the amendment, it denies the right of the government to provide ways and means, or it postpones that period. The amendment is not relevant to the question before the house now, and there is a further objection to its relevancy. In its form the amendment is a substantive motion. At page 420 Bourinot states:

The ordinary rules of debate are applicable on this occasion—

That is, with regard to an amendment on going into supply.

—for instance, a matter already decided by the house, or of which notice has been given, or which stands upon the orders of the day, cannot be discussed.

The same rule is stated in May, 13th edition, at pages 525-26, and in citation 398 of Beauchesne's Parliamentary Rules and Forms, which states:

An amendment cannot anticipate a notice of motion on the order paper.

I find on perusal of the order paper that, under "notices of motions", there is a motion standing in the name of the hon. member for Athabaska (Mr. Dechene), which reads:

Whereas the largest known supply of gasoline and petroleum products in Canada, perhaps in the world, is procurable from the tar sands of the McMurray, Waterways and Fort McKay areas along the Athabaska and Clearwater rivers, in the constituency of Athabaska, Alberta, some three hundred and fifty miles from the city of Edmonton.

Therefore be it resolved,—That, in the opinion of this house, for the carrying on of our vital war effort, and supplying the needs of our farmers, manufacturers, transportation systems and tourist trade, the government should take into immediate consideration the advisability of assisting, by way of financing or otherwise, greatly increased production in this area of the gasoline and petroleum products so necessary to the people of Canada.

It is true the resolution on the order paper refers to a particular area, but the discussion of that resolution would, of course, involve the discussion of other oil areas of Canada, and the house would be asked to act accordingly. For the reasons I have given, and on the authorities I have cited, I must rule the amendment out of order.

Mr. ANTHONY HLYNKA (Vegreville): The 1942-43 budget is only a new edition of

another debt-creating and tax-draining document. The only difference between this budget and those which the government has brought down in the past is that this one is much larger and heavier. It calls for greater expenditure than did the budgets which have preceded it, but in principle the present budget is framed identically along the same lines that all other budgets were, which were brought in by this government.

I must say that there are three good features about the present budget before the house. In the first place it will authorize the government to raise the necessary amount of money to carry on the war and to take care of all other governmental expenditures. I do not believe there is one hon. member in this house who will not agree with this particular feature of the budget, because we are providing the money necessary to carry on the war.

In the second place, by means of this budget the Minister of Finance will, in my opinion, induce many Canadian people to study the monetary reform economics more than anyone else has done for a long while, with the one exception, the greatest man in this field in Canada. I refer to the Hon. Mr. Aberhart, Premier of Alberta. The minister should be congratulated upon this, even though it was perhaps his intention to guard against this very thing.

In the third place the budget, by its very construction, underlines the faulty principles of the present outlived financial system. It is only six or seven days since this budget was brought down, but I have already been approached by a number of civil servants and a great number of members of this house, who in the past have been deaf to everything this group has said about monetary reform. The civil servant class have in the past been drifting from day to day; all they had to worry about was to adjust themselves to the new party when a new party came into office, but I believe this budget will wake them up. In fact, there is evidence of this already. I believe that many of the thinking and progressive people of Canada will from now on explore every feature of the monetary reform proposals that this group has been placing before the country for the past seven or eight years. I cannot believe that the people of Canada will accept this budget in the best of spirits, even though I do not doubt their sincere willingness to carry the greatest of burdens in time of peace and much more so in time of war. But it seems to me that the financial institutions are taking advantage of the loyalty of our people. I mean to say that they are taking advantage of this weakest moment in our entire history, in this the greatest crisis that the British people have ever faced, and through the medium of this budget they are saddling the people of Canada with a debt which, as it is predicted, will rise to the amount of twelve billion dollars before the war is over.

This document should not only be termed "a budget," "an orthodox budget," but it might as well be called a mortgage upon every man, woman and child in Canada for generations to come. I understand that a number of hon. members are anxious to have this debate close to-night. I would not hold up the closing of this debate at any cost if I felt that this budget were less important than was the political stunt called the plebiscite. The debate on the plebiscite took three or four weeks and, in reality, it simply meant nothing, but this budget proposes to impose upon our people heavy taxes and a debt that they will carry for generations. So it seems to me that a measure of this kind should receive more consideration than it seems to be getting in this house.

One cannot fail to appreciate the efforts of the Minister of Finance to make the old cart, the old money system, keep on working, but I am afraid that his effort will result in bitter fruit for the people of Canada after this war is over. I am of the opinion that had the minister pursued a different course, he had a chance of becoming one of the greatest men in Canadian history. He has the makings of a great man; he has the ability. But at this moment, when this nation and, indeed, the entire British commonwealth of nations are faced with this great crisis in their history, the minister chooses to bring in a budget which places a mortgage upon the nation. He had an opportunity of scrapping this budget and, throwing it in the waste-paper basket; he could have brought in his own budget before this house and he could have told hon. members and the people of Canada that we have come to a point where the life of the nation is more important than all the financial considerations put together. Had he brought down a budget of that sort, I am sure the people of Canada would have supported him, and we would then have been sure to do our part in this crisis in a much better way than we may now be able to do.

I am afraid that it is the old financial system which has placed this nation and the rest of the British Commonwealth of Nations in the position in which we find ourselves to-day; and if we get any set-backs in the future, I believe it will be the fault, not of the people of the British Commonwealth of Nations, but of those who are in control of the financial system and

who have reduced our standard of living to the lowest possible point, so that at the present time in the province of Quebec only forty-eight per cent of those who are called up for military training are found medically fit for training. Is that not something to think about? If we take Canada as a whole, I believe the figure is 63 per cent. Only 63 per cent of our young men are physically fit for military training; yet this government has the audacity to bring in a budget which will impose upon this nation an additional debt of $1,850,000,000, and the people will be taxed year in and year out to pay the interest on that mortgage. It is about time we woke up, and I feel that I would not be doing my duty as a member of this house if I did not protest against this imposition in the strongest possible terms.

I should like to deal with a few of the points in this budget that seem to me to be of the greatest importance. I do not believe that the people of Canada would object to these taxes, heavy as they are. They have indicated their willingness to cooperate, and I believe they have been cooperating magnificently since the beginning of this war. If any trouble has developed, it has been caused by the politicians. Generally speaking, the taxes have been increased on all classes of people, but the minister has not forgotten, as usual, to impose additional taxes upon the wage-earners in the lower income brackets. That is a specialty of the old-line parties; they never forget the man earning the lower income.

As I have said, the people of Canada do not mind the imposition of additional taxes. They would not object to having much of the purchasing power siphoned away from them, so long as their standard of living was not reduced too greatly. But since this government is so ready to withdraw this purchasing power from the general public, because it believes it may cause inflation, I would suggest that in the twelve years perceding the war this same government should have seen to it that wherever there was a shortage of purchasing power, additional purchasing power should have been funnelled into the hands of the people. That is the point I wish to impress upon the house in this connection. It is not enough to withdraw purchasing power from the people and give the people the excuse that it is done to avoid inflation. You must also give them sufficient purchasing power in times of stress, times such as we had before the war and such as we certainly shall have after the war, to enable them to get along. I suppose the government will say that this situation will be remedied after the war. Then I would ask this question. If the situation is to be remedied by our employing the same system that we have employed in the past, why, then, was it not remedied during the twelve years preceding the war? Why did we let our boys down, those young chaps who were riding the rods from Halifax to Vancouver? Why did we forget them? That is something we should think about now. Would anyone seek to convince the house that the system which failed these young men before the war will carry them through the war successfully and take care of the post-war situation when it develops? I fail to see how that will be possible, with the same system and the same men at the helm, in reality in control of this government.

To drive home this point as firmly as possible as I should like to do, I wish to read from a clipping taken from the Edmonton *Bulletin* of October 13, 1931. The clipping of newspaper articles happens to be my hobby; I save a number of these clippings, and, believe me, they are of great value. This is something we should consider when dealing with the question of money, or when speaking of remedying the situation when the war is over. This clipping reads:

> Ottawa's ban on rod riding is too severe.
>
> 32 harvesters trying to get home with stake are sent to jail.
>
> A problem fast becoming a national issue and perplexing local courts and law enforcement, subject to dictation from Ottawa, was graphically brought to the fore Saturday morning when thirty-two hard-working harvesters, homesteaders and farm labourers who have rustled all summer to stake themselves off the winter bread lines, came before Magistrate Colonel P. C. H. Primrose in police court and pleaded guilty to breaches of the Railway Act.
>
> The penalty was $4 fines for each man with the alternative of ten days in jail for those who had under $5 and thirty days for those with more.
>
> These men were not drifters, bums and tramps that rod-ride in the summer, but workers who had made a little money and were trying to get back home with the least expense, saving their stakes for winter food and clothing. They were taken off Canadian National and Pacific freight trains around Edmonton Friday night by Canadian mounted police.
>
> Total assets of the thirty-two accused, the majority of whom were English-speaking, was $390.06. Some were on their way home, others seeking further employment to swell their meagre rolls.

Mark this:

> One man, an ex-army officer, a married man with a family in British Columbia, had worked in the harvest fields and saved $60.75. He was trying to get back to his family with his stake intact. "I can't pay $4," he told a city policeman, "I need every cent. My family needs the money. The fine would buy a week's groceries.' Another, single, and a homesteader,

carried $4.10 on him when mounted police frisked him. "What will I have left after paying $4," he asked the reporter. Still another homesteader who in the past few months has gathered in a $56 grubstake for winter, was equally reluctant to part with any portion of his hard-earned money.

I am not going to quote further from this clipping, but it portrays the conditions that existed in the past, and it is up to us to see that these conditions do not occur in the future. As I pointed out, an ex-army officer was among these men, and that was not the kind of treatment he should have received. We are being told that immediately after the war everything will be taken care of; "be a good boy and we will do it". It is our job now to see that these things are not repeated.

I should now like to deal with the forced loan feature of the budget. In his speech the minister said, as reported at page 3579 of *Hansard:*

> We can and must rely upon other than economic motives to a large extent these days.

By that he intimated that the chief purpose of imposing these forced loans upon the people of Canada was not to raise money. The government will raise about $95,000,000 by this method, which is only a small portion of what will be raised by other means. The purpose of imposing these forced loans is to withdraw purchasing power from the people. In the last victory loan campaign the government called for $600,000,000, and when the quota was raised there was no difficulty in reaching it. If I were not convinced that the imposition of these forced loans would impose a hardship upon some people I would not have mentioned them. The government proposes to pay 2 per cent interest on these loans. Where is the government going to get the money with which to pay this interest? It will tax the same people and pay the money back to them. That is called a wonderful business.

There is another point which I should like to bring out, something that was mentioned the other day by the hon. member for Lethbridge (Mr. Blackmore) when speaking in this debate. I should like to compare this rate of 2 per cent with the rate of more than 2 per cent which was paid by the Alberta government on bonds held by people throughout Canada. When Alberta was forced to reduce the interest rate on bonds, the same men who approve this 2 per cent rate criticized Premier Aberhart because he would not pay more than 2¼ per cent or 2½ per cent on the bonds purchased in that province. They wanted to see Alberta pass from the "bond age" to "bondage"; they wanted to join the two words together. The premier and the government of Alberta woke up to the issue and reduced the interest rates. In my opinion, these interest rates were excessive. It also surprises me now that we agreed to pay 5 per cent on bonds issued during the last war when in this war we are able to get money at 3 per cent. If these gentlemen were so patriotic, why did they not let the country have the money at 3 per cent during the last war? But they will always try to get as much out of the people as they possibly can, even in the most tragic times.

There is another psychological aspect to these forced loans. The government has raised the tax which the people must pay, and they were naturally bound to feel a little downhearted. But when they realize that they will get back some of this money, plus 2 per cent interest, that makes them feel much better, and they are not so apt to complain about the heavy burden being imposed upon them.

There is another psychological aspect to this matter. The people will have an investment in these forced loans, and after the war they will almost be compelled to perpetuate the present debt-creating system. It was in the interests of the financial institutions to see to it that the people made investments in these forced loans so that after the war they will be compelled to defend the old system. This forced loan business is also designed to serve as a shock-absorber after the war. It is expected that a depression, or whatever you may call it, will result in the change from war time to peace time production. The government carefully planned this matter so that a certain number of people will have savings put away which will enable them to pull through for a time immediately after the war. Then the financial institutions will again go ahead and tie up these people to more debt and continue the present system. I feel I need not say much more on this point.

I come now to the cost of the war. In 1938-39 we spent for defence 6 per cent of our total expenditure; in 1939-40, 17 per cent; in 1940-41, 60 per cent; in 1941-42, 74 per cent, and in 1942-43 it is estimated we shall spend at least 88 per cent. I wish to commend the government for appropriating this large portion of our national expenditures for war purposes. After all, we must make financially possible what is physically possible. But I protest against the method by which this money is raised, particularly the raising of money by loans. Of the money budgeted for in 1938-39, 9 per cent was raised by way of loans; in 1939-40, 17 per cent; in 1940-41, 31 per cent; in 1941-42, 22 per cent, and this year it is expected that over 50 per cent will

be raised by loans. There will be raised by loan, $1,850,000,000 this year. This means that there will be imposed upon the people of Canada a mortgage of $1,850,000,000. In other words, as the hon. member who preceded me said, the war expenditure alone will cost the people of Canada $6,300 per minute or $23 per family per week, as compared with $16.80 per family per week last year.

Some hon. members and certainly members of the cabinet will say: "But we cannot possibly change from the present system in the middle of the stream, so we must continue with this borrowing and we will take care of everything when the war is over. After the war we will give the people a new deal." But how can they give the people of Canada a new deal, when they are using the same old deck of marked cards and the same old tricks are being employed? It may be a new deal, but, believe me, the common people of Canada will not be any better off.

Mr. JOHNSTON (Bow River): The same old deck of cards!

Mr. HANSELL: And they are stacked against us!

Mr. HLYNKA: Yes. I should like to be optimistic and feel that this young nation of perhaps as fine a people as one can find anywhere in the world will emerge from this crisis to live comfortably in the future and build up a strong and a powerful nation. It is not merely a matter of getting by, because in the present world we must build a nation that will be powerful enough to compete with other nations, and be able to fight against them for its life. Unless we develop our resources, our aggressiveness, our educational capacities, and unless we are prepared to fight, we cannot possibly survive among the other nations of the world. We must either fight or die. That is the law of life, and we must realize it.

Before the war we could not distribute the goods of which we had an abundance, of which we had more than we ever needed for ourselves, because the financial system did not work, and now these same gentlemen come to us and tell us that they can take care of the money mechanism which controls the very lives of the people of this nation. They tell us they can carry along with the same old system and get us through. But again I say I should like to feel optimistic about that.

This war should not place any debt burden whatsoever upon the people of Canada. The Prime Minister of Great Britain, Mr. Churchill, has spoken of "blood, sweat and tears," and he has written a book under the same title. He might have added "the material resources of the country." Beyond the blood, sweat and tears and the material resources of the country which are spent, this war should not cost the people of Canada anything. After the conclusion of the war, Canada should not owe a cent to anybody. This idea of telling the people of Canada, or of any other country for that matter, that they must be subjected to heavy taxation and the heaviest of debts—and we do not mind taxation as much as the debt—in order to pay for the war is all hay-wire. There is no need at all for this debt pyramid. Let me illustrate.

A farmer decides to build a log house for himself. He has all the logs on his own farm. He supplies his own labour. Perhaps he has to sell some of his farm produce in order to buy nails and shingles. Then, with everything necessary to build the log house, he goes ahead and completes it. After he has completed it, there is no reason in the world why he should owe anybody anything, having built it out of his own materials and by his own labour.

Similarly, the Dominion of Canada in this war is using her own natural resources, her own materials and her own labour, and with that she is building aeroplanes, ships and tanks. Yet every year we are going into debt. Why are we going into debt? What are we going into debt for? I should like to know. Of course, if we have to buy a certain amount of needed materials from the United States, we must pay for them, and in that one instance we would be incurring a small debt. But paying even for these things which we buy from the United States we pay with the exchange of goods. It follows, then, that the whole debt structure narrows down to an exchange of goods between the two countries in order that we could get the materials we require. Therefore there is no reason in the world why this government should be mortgaging the people of Canada to-day and the future generations for years to come.

Mr. DEPUTY SPEAKER: The hon. member's time is up.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, this budget clearly shows that the government is not deepely concerned about the difficulties experienced by our farmers in hiring the help they need. The government gives no indication of the means it intends to take in order to secure for agriculture the labour supply it needs. Agriculture feeds our armies and our civilian population, and it remains our first line of defence. What is the administration doing in order to maintain and stimulate that essential source of supply, that powerful factor so essential to the triumph of our arms? I cannot

find in the entire budget a single resolution providing against the shortage of farm labour. I have searched in vain for such provision. How can we explain such indifference concerning a situation as alarming as the shortage of farm labour? Is the government blindly leading the country to decay, starvation and defeat? When will they open their eyes to the unfortunate lot of our farmers whose production is falling off daily and to such an extent that, in a country like ours, rationing even of farm products has already become necessary for the army and the civilian population? How often have we not pointed out to the government one of the essential duties they must fulfil, that of maintaining agriculture as our first line of defence? How often have we not urged them to stop calling up for military service young men whose labour is essential on the farm? It was a waste of time. However, no one can charge us with neglecting our duty in that connection.

There is another restriction which could easily have been avoided in Canada. I refer to the rationing of oil and gasoline. Our country's oil resources have scarcely been developed. Governments of every political stripe have shown the same lack of foresight in that respect. Why is it that our oil fields are almost untouched in many areas of the country? Who has prevented the development of such an asset as valuable in peace time as in war? We are reaping to-day the results of the culpable negligence of men whose prime duty was to ensure the development of our raw materials. And now the restrictions placed on oil and gasoline threaten the very life of our industries and our trade. They will soon affect our agriculture as well. The shipment of farm products will be greatly hindered by all those restrictions. Agriculture itself will be placed under a severe handicap. And has any thought been given to our mechanized army? The future is far from reassuring in that respect. Such are the reasons impelling me to vote against this motion.

I shall certainly not vote for this measure which is, on the whole, a challenge to the most elementary principles of political economy. Never in the history of Canada have taxpayers in the lower brackets been so cruelly and so unjustly burdened. Nor does the government give the slightest indication that it intends to prepare the people for this war's terrible aftermath? That is undoubtedly of importance to the administration at the moment. Such, however, is not our opinion, and we are determined to recall the government to reality as often as we deem it necessary. Before concluding my remarks, I shall move an amendment to the motion before the house.

Mr. Speaker, concluding my remarks, I beg to move, seconded by the hon. member for Gaspé (Mr. Roy), the following amendment:

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

"This house is of the opinion that, owing to the difficulties experienced by farmers in securing farm hands, the food production will be decreased as a consequence of the compulsory service to such an extent as to endanger the victory of the nations who are fighting the axis powers."

Mr. T. V. GRANT (Kings): Mr. Speaker, I do not intend to follow the remarks of the last speaker, the hon. member for Laval-Two Mountains (Mr. Lacombe), because he has no followers, but I should like to put a question to him. The question is, what was the cause of the fall of France? As far as I can find out, the cause of the fall of France was, "too many political parties".

I happen to belong to an ever-increasing majority of the Liberal party; I belong to a group which seldom has a chance to speak in this house. We instinctively feel that we should allow the government to get on with the war. But the tragic part of it is that, if we happen to articulate while some of those with the gift of the gab are talking, we are told that we are not fit to represent the district which sent us here. In fact, the leader of the opposition (Mr. Hanson) himself has been guilty in that regard. But I would point out to him that if he will look up the main estimates, he will find therein that more money is provided for the little constituency of Kings which I represent than for the whole province of New Brunswick.

Mr. HANSON (York-Sunbury): What an accomplishment!

Mr. GRANT: I did prepare a speech on the draft address, and I read it over so many times that I got sick looking at it. But I did not have an opportunity of delivering it.

I wish now to congratulate the Minister of Finance (Mr. Ilsley) upon the manner in which he presented the budget to this house. I think he is a philosopher, because he knows that God gave him a brain which is adequate to overcome all such difficulties as are connected with matters of that kind. In other words, he knows that it is just a case of mind over matter. Personally I feel rather like the poor cripple who once attended a revival meeting. All the people were getting up and telling what the Lord had done for them. Finally it was this poor cripple's turn, and he said, "Well, he may have done a lot for you people, but he darn nigh ruined me."

An hon. MEMBER: Oh, oh.

Mr. GRANT: An hon. member in this part of the house suggests that the hon. gentleman laughs like an Indian, and he is right. My hon. friend laughs like Lord Haw-Haw. I agree with the budget in principle, but I do not think the people are taxed quite equitably. For example, take a married man with four of a family in institutions of learning. Three are over twenty-one, and he is exempted only for the one under twenty-one. This family cost that man a great deal of money, but he has no exemption in regard to three of them. Take another family, all under eighteen. Perhaps their parents did not endeavour to send them to school; perhaps they are earning a little money and bringing it into the home; yet that father is exempted for all of them.

I think the timely action of the government in controlling prices, profits and wages was well received by the people, especially the labouring classes. We are told now that the annual revenue from taxation is three times greater than it was before the war, and I believe that the lower and middle classes, although they are taxed three times as much as they were before, are more than three times better off.

Some hon. MEMBERS: Oh, oh.

Mr. GRANT: Yes, and they are living more prosperously and more comfortably in their homes. We are told that our farmers are being asked to produce for patriotic purposes. That is not so. Our farmers are not producing for patriotic reasons alone, because they are receiving as good prices as they ever received at any time between 1920 and 1930. They are sending their sons overseas for patriotic reasons, and that is sufficient.

In the budget, we are told that the Canadian National Railways would have had no deficit this year were it not for the cost of upkeep of the Prince Edward Island terminals and car ferries. I think I could make a suggestion that would relieve the government of the deficit at these terminals, and I am not going to follow the argument used by the leader of the opposition. I do not suggest that we should immediately build a great car ferry costing perhaps $5,000,000, equal to the one that was lost. My suggestion is that when the war is over, the government should continue this taxation for a week or ten days longer and build a tunnel from New Brunswick to Prince Edward Island with the money thus accumulated in those few days. I believe that will be done if we all stick together and see that it is done. The project has already been engineered, and the cost would not be too great. The little province of Prince Edward Island has led the whole of Canada in sending her sons to the war. In the navy, the air force and the army she has led. Prince Edward Island has led the whole of Canada in Red Cross work. Prince Edward Island has led the whole of Canada in subscriptions to victory loans. The sons of Prince Edward Island have measured up in the fighting forces; the physically fit are 71·5 per cent, whereas in the rest of Canada they are only 44 per cent physically fit—even including Alberta where the interrupters come from. I think the leader of the opposition will agree with me that the first thing to be done after the war is to build a tunnel from New Brunswick to Prince Edward Island, so that we shall not be hampered for hours daily and people will be able to cross to and from the little island without so much trouble and delay.

Mr. JOHNSTON (Bow River): Win the war first.

Mr. GRANT: Yes, win the war. But this has been brought up before, and I want to settle it right now. Prince Edward Island is the cradle of confederation, the million-acre garden of Canada. It is a province that could support, instead of 80,000 people, half a million people in comfort.

The leader of the opposition would have made a fine speech on the budget if he had not taken so much trouble in trying to belittle the Prime Minister (Mr. Mackenzie King). When he was speaking I knew, as everyone else knew, that he was not speaking for himself. I do not believe that, when he referred to the two great statesmen who were at the conference at Washington, he was speaking for himself. Members around this part of the house, especially from Quebec, reminded him that there were three great statesmen at that conference, but he would not admit it. He would not say there were three. He was speaking, not for himself, but for Arthur Meighen. The voice was the voice of Jacob, but the hand was the hand of Esau—and the hand of Esau was hairy. I would remind the hon. member that the Prime Minister has the confidence of the people as well as of his party. Examples of this will be found in the recent by-elections and in the plebiscite. I would also remind the hon. gentleman that he has not the confidence of his party; he is there because they are not able to elect a man in Canada to put in his place.

Mr. GRAYDON: The plebiscite had nothing to do with confidence.

Mr. GRANT: Had it been a "no" vote, the hon. member would have said it was no confidence.

Mr. HANSON (York-Sunbury): Have another glass of water.

Mr. GRANT: The leader of the opposition is here only until another man can be found to take his place; by that time he will not be there, and I do not think it becomes him to try to make out in his speech on the budget that the Prime Minister is hindering the war effort.

The leader of the Cooperative Commonwealth Federation party (Mr. Coldwell) made a very fine speech. He went to a great deal of trouble to tell the house that he had nothing to do with placing the Russian flag on parliament hill. I just thought at the time that "a guilty conscience needs no accuser."

Mr. JOHNSTON (Bow River): Do you object to it?

Mr. GRANT: I object to his, or the C.C.F. party, trying to persuade the people of this country that they are not socialists—

Mr. JOHNSTON (Bow River): Do you object to the flag on the hill?

Mr. GRANT: —because that is the policy on which they tried to win the last election.

Mr. JOHNSTON (Bow River): We were at least honest about it.

Mr. GRANT: The leader of the Social Credit party (Mr. Blackmore) is in his seat. He made his annual stump speech on the budget. It is always getting better; he is always adding to it. It reminds me of a plant; there is first the root; then the stem and the branches, and then the dollars for leaves, and the Bradburys for fruit. But the dollars dry up and blow away, and the Bradburys are "canned."

It appears to me that it is not the Conservative members of this house, but a certain element of disgruntled politicians out of office, who are urging the leader of the opposition and his followers to try at all costs to discourage the Prime Minister of this country, to make him lose confidence in himself and the people to lose confidence in him. The slogan is, "Destroy King first and then win the war." It is no laughing matter. The public know it and we know it. They say he had no right to put the country to an expense of $1,500,000 for the plebiscite. Well, I think the people of this country, and even the Conservatives and the other groups on the other side of the house, should be proud to have a prime minister whose word is worth a million and a half dollars. I believe the Prime Minister of Canada would rather be in his grave to-day than break such an important promise to the people of Canada.

Hon. members opposite admit that the Prime Minister was a good peace-time leader, but they say he declared war on Germany and Japan too soon—in too much of a hurry.

Some hon. MEMBERS: Who said that?

Mr. GRANT: You said it right over there. We have heard it several times, that he was too hasty in declaring war on Germany, Japan and Italy. But in years to come it will be said of the Prime Minister, even by his opponents, as was said of George Washington, that he was "first in war, first in peace, and first in the hearts of his countrymen."

I see the Social Credit party are amusing themselves. I did not have time to reply to the speech made by the hon. member for Vegreville (Mr. Hlynka), but, Mr. Speaker, he put such physical energy and such convulsive effort into his speech that I was reminded of John Hay's description of a steamboat which he once saw stranded on the shoals of one of the great lakes. He said:

> She hove and set and hove and set
> And high her rudder flung;
> And every time she hove and set
> The worser leak she sprung.

The leader of the opposition has spoken of two great statesmen, but when the history of this country comes to be written the names of two other great statesmen will be closely linked in connection with responsible government in Canada. First, I refer to the name of William Lyon Mackenzie, who fought and suffered for responsible government in Canada and afterwards sat in a duly elected parliament; and second, sir, I refer to his illustrious namesake and grandson, the present Prime Minister of Canada (Mr. Mackenzie King), who has spent the greater part of his life in seeking to maintain and improve responsible government in Canada.

We are told that we should have a national government in Canada, and that then everything will be peaceful and harmonious. What is the state of affairs in Britain to-day, where they have a national government? Are they not every day asking the Prime Minister of England to resign, and offering votes of want of confidence in him? Of course, we all want to win the war, and I believe we shall. But let us not depend upon Providence; let us not depend upon the slogan that England always wins the last battle. In the words of John Bright, as nearly as I can remember, I would say, "Let us not lay all our difficulties at the door of Providence; man must do his part". We must do our part. We must retrace our steps; we must shun the blunders.

and then and not until then we shall see in this country an enduring edifice of victory and peace.

Mr. SPEAKER: I have been considering the amendment moved by the hon. member for Laval-Two Mountains (Mr. Lacombe), which was:

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

"This house is of the opinion that, owing to the difficulties experienced by farmers in securing farm hands, the food production will be decreased as a consequence of the compulsory service to such an extent as to endanger the victory of the nations who are fighting the axis powers."

This amendment is on the same lines as the amendment which I have already ruled out of order this evening. It is an amendment which cannot be moved on going into committee of ways and means; it is a substantive motion, and it has no bearing upon or relevancy to the question before the house.

I also think this amendment is subject to the same objection which was taken to the former amendment, namely that the amendment moved by the hon. member is along lines similar to the notice of motion which appears on the order paper in his name, and which reads as follows:

Mr. Lacombe—The following proposed resolution: Whereas agriculture is essential to the upkeep of the armies and the welfare of the civil population.

Therefore be it resolved: That, in the opinion of this house, farmers, farm employees and all persons engaged in industries connected with agriculture or with war industries, should be exempt from military service and that exemption tribunals should be set up in each constituency in the country to investigate each case on its merits.

The same subject matter is contained in that notice of motion, and in accordance with the rules of the house already quoted—Beauchesne, citation No. 398; May, 13th edition, pages 525 and 526, and Bourinot, page 420—I must rule the amendment out of order.

Hon. T. A. CRERAR (Minister of Mines and Resources): Mr. Speaker, I understand there is a general feeling that the debate should be concluded this evening, and that we are near the end of it now. I therefore move, seconded by the Minister of Finance (Mr. Ilsley):

That the house do not adjourn at 11 o'clock p.m. this day.

Mr. HANSON (York-Sunbury): I shall be glad to support that motion, Mr. Speaker.

Mr. E. G. HANSELL (Macleod): I believe this motion is debatable, and I wish to say just one word. I am one of those who have given up their place on the list of speakers, in order to save time. I have done so with the understanding that we shall have the widest latitude in discussion when we are in committee.

Motion agreed to.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): I intend to be very brief, Mr. Speaker. I am sure every hon. member will join in applause when I say that the mantle of Ulysses Grant has evidently fallen upon the shoulders of his namesake who has just spoken in this debate.

This is a budget so considerable in scope, sir, that it deserves close study, and it is impossible to say in a few words all we have to say in a debate such as this. Everyone realizes that with the country at war we have to assume obligations that are out of the ordinary; but when we are told that we must bear sacrifices it should be understood that the sacrifices which are made or are to be made must always be useful to the community. It was said again and again during and after the last war that one-third of the moneys voted for that war was stolen, one-third was wasted and only one-third was spent for real war purposes. At that time there were detailed estimates and public accounts. At the present time there are no detailed estimates, and the public accounts give very little information. I complained about this situation last year and was promised that there would be an improvement. There was none. I was told by the leader of the opposition (Mr. Hanson) that the limit below which the details were not given was $35,000. Later this statement was corrected by the Minister of Finance (Mr. Ilsley), who said that items of less than $25,000 were not appearing in the public accounts.

This is an abnormal situation, and the war is not an excuse for it. Even if no one reads the public accounts from the first line to the last, they provide security for the state in that the figures are given to the public, and everyone has an opportunity to learn what is being done with regard to the spending of public money. Recently I read an article which appeared in the *Monetary Times* of May 30 of this year, the title of which might be taken as the text of the few remarks I have to make:

When Deceit is a Virtue

The art of camouflage flourishes during war time until it becomes exotic trickery, flinging

the cloak of invisibility over once visible objects. It is as ancient as war itself and just as difficult.

We live in times when things are not called by their own names. It seems there has been a shake-up of the dictionary, and it is most difficult for any one of us to know exactly what is going on behind the curtain. Members of parliament are not consulted; their advice is not sought before policies of great importance are drafted and submitted to this house. We have the feeling of doing nothing, while we are willing to do our very best to help the government; and those who are substituted for us are men without contact with the people, men whose heads are filled with theories that may bring this country to disaster. I remember that the day after the Prime Minister (Mr. Mackenzie King) announced that this country was to make a gift to Great Britain of a thousand million dollars, a dispatch appeared in either the morning or the afternoon newspapers to the effect that the news had been received very coldly in Great Britain. It was only after this that the newspapers published the cablegram which was sent by Mr. Churchill.

That is not all, sir. It is the poor who have to pay to the rich. This was the policy enunciated by Mr. Bennett, who thought those who should be taxed were not the rich but the poor, in order to make them realize the importance of raising public money and of taxation in government business.

That gift of one billion dollars is an absurdity. There is no precedent for it. I have no objection to helping Great Britain, but why do we not have a recognition of that gift? It would have put Great Britain to no embarrassment, and it would have given us an opportunity to discuss peace with Great Britain and the other countries on business terms. I should like to quote from the great English financial weekly, *The Economist,* of April 25, 1942. A report from their Ottawa correspondent, dated March 19, reads:

> At the present rate of British procurement in Canada, this sum will last for something less than twelve months. An extension of the gift policy can be foreseen when the amount is exhausted, unless in the meantime an arrangement by which pooling of production surpluses of the united nations is then in operation. Conceivably, the Canadian surplus might then be pooled and drawn on by the United Kingdom and other allies under terms not yet executed. Other heavy customers of Canadian war materials at present are Egypt, India and Australia in the sterling area and Russia and China outside it. The new Canadian proposal is designed to avoid the growth of an unmanageable war debt between Canada and Britain. Logically it should apply to other allies who share access to Canadian war output. There is a growing sentiment at Ottawa that an allied pooling arrangement should be effected speedily. Negotiations with Washington and London are leading to some such arrangement.

It is a yearly instalment, and we shall have to expect more of that absurd policy. It is suggested that it should be extended to other countries. Have we the means to do that? My answer is "no." What was the purpose of doing it? It was to redeem securities held in Great Britain. I should like to remind the house of what the Minister of Finance (Mr. Ilsley) said on March 20, 1941, as reported on pages 1868 and 1869 of *Hansard.* He said:

> My hon. friend—

That was myself.

> —refers to Sir Edward Peacock and to the mission on which he is engaged in the United States. There has been no suggestion that his mission will be extended to Canada, nor have I any expectation that it will be so extended.

In the Montreal *Gazette* of June 25 I noted that the great financier, Sir Edward Peacock, was here along with Sir Arthur Salter; that both were at the Ritz Carlton in Montreal. A number of questions asked by me were answered in return No. 290 of May 23. The question I asked was:

> Did Sir Edward Peacock come to Canada on or about June 25, 1941? If so, did the Honourable Minister of Finance meet him? If not, was he met by other members of the cabinet?

The Minister of National Defence (Mr. Ralston) reported no information. The Minister of Munitions and Supply (Mr. Howe) reported that Sir Edward Peacock was met by the minister himself. I would not be surprised if the Minister of Munitions and Supply met Sir Edward Peacock when he was in the United States and when he was doing some business with him regarding the amalgamation of the railways.

Mr. ILSLEY: I am authorized by my colleague, the Minister of Munitions and Supply, who is not present, to say that he had no discussion with Sir Edward Peacock on any occasion with regard to the amalgamation of the railways or the repatriation of the Canadian Pacific Railway stock.

Mr. POULIOT: The answer is given by Mr. Sheils, the deputy. I asked:

> Did Sir Edward Peacock come to Canada on or about June 25, 1941?

And the department answered "yes". My next question was:

> If so, did the Honourable Minister of Finance meet him?

The answer given was:

> To be answered elsewhere.

The next question was:

If not, was he met by other members of the cabinet?

The answer given was:

Yes, by the Minister of Munitions and Supply.

Did Sir Edward Peacock come to Canada just to meet the Minister of Munitions and Supply and say, "how do you do?", and hear him say in reply "how do you do?" When I asked if Sir Edward Peacock would come here, the Minister of Finance (Mr. Ilsley) told me that he did not believe he would, and yet we have the statement that the Minister of Munitions and Supply met him. That statement is more authoritative than hearsay evidence from the Minister of Finance. The Minister of Finance cannot speak from his own personal knowledge because he was not in Ottawa at the time.

Mr. ILSLEY: That is correct.

Mr. POULIOT: There was a reply from the Department of Transport that they had no information regarding the visit in question. There is also a memorandum dated May 5 and addressed to Miss Breen, which reads:

Referred for the desired information, please, so far as questions 3 and 4.

That is signed by A. J. Maingot, for the deputy minister. Then there is a note to Mr. Maingot which reads:

The minister did not meet Sir Edward Peacock on or about June 25, 1941.

That is signed by L. Breen. Why was the Minister of National Defence appointed Acting Minister of Finance? How is it that the Minister of National Defence has enough spare time to be Acting Minister of Finance in times like these?

Mr. ILSLEY: The Minister of National Defence is always the Acting Minister of Finance in the absence of the Minister of Finance and has been since he was Minister of Finance. He is always the Acting Minister of Finance when he is here.

Mr. POULIOT: It is worse than I thought.

Mr. ILSLEY: That is a long standing arrangement.

Mr. POULIOT: It is absurd. The Minister of Finance should look after the Department of Finance and, if he is absent, he should have an acting minister who is not as busy as the Minister of National Defence. The Department of National Defence is the most important department in this war, and I do not see how the Minister of National Defence has the spare time to look after the Department of Finance, the wartime prices and trade board, and all the other things that come under the finance department. There is something else I should like to ask the minister. If he likes he may answer me after I am through, or he can take a note of it. How is it that the Minister of National Defence was appointed Acting Minister of Finance precisely at the time when Sir Edward Peacock was in Montreal?

Mr. ILSLEY: He was appointed as soon as I became Minister of Finance; he has always been the Acting Minister of Finance in my absence, and was long before Sir Edward Peacock came to Montreal. It was in the summer of 1940.

Mr. POULIOT: Both got two degrees later on at Lennoxville; they got two mortarboards, one for each head. Why was the Minister of National Defence the Acting Minister of Finance at that very moment? The Minister of Finance knows very well that it is not the practice of the Prime Minister to appoint an Acting Prime Minister unless he leaves the country. When the Minister of Finance was in this country, in his native country, I do not see why the Minister of National Defence was appointed as his deputy while Sir Edward Peacock was here. There is no record in the Prime Minister's office or in the Department of External Affairs about this matter. I wonder if there is any record about it in Laurier house—but I shall not go as far as that. I am really concerned about this whole business of the amalgamation of the railways, which is being done in the dark. I am sorry to see the Minister of Justice (Mr. St. Laurent) smiling, because the bank of Montreal, of which he was a director, is greatly interested in this amalgamation of the railways also in the Canadian Pacific Railway. I shall not go further on this occasion, but I may on some other occasion.

The reasons why I have always been opposed to national government or union government or any government of the kind are three. It is that in the first place I do not want the opposition to be destroyed. Under our system of government an opposition is necessary, provided it is not composed of yes-men to every measure of the government, and provided also that, instead of making absurd suggestions to the government, they make constructive suggestions.

The second reason why I have always been opposed to national or union government is precisely that I am opposed to conscription for overseas. The third reason is that I am opposed to the amalgamation of the railways, for I know very well that if that is done, it will be done not for the public benefit but

for the benefit of private individuals who desire to make lots of money at the expense of the Canadian public.

I read in the Montreal *Gazette* of yesterday—and this shows the absurdity of the billion-dollar gift to Great Britain—"United Kingdom treasury income rises £235,000,000 during first quarter." The dispatch reads as follows:

London, June 30 (CP Cable)—Exchequer returns isued to-night showed a net increase of more than £235,000,000 ($1,045,750,000) in total ordinary revenue during the first quarter of the current financial year as compared to the same quarter a year ago.

Receipts advanced from £319,157,988 to £554,710,654.

Of the total net increase, £98,000,000 came from the Canadian government, which is contributing £225,000,000 to Britain's treasury during the year.

The total ordinary expenditure during the period was £1,295,390,988 against £1,074,280,716, with the supply services taking £1,198,277,500 against £985,444,300.

In Great Britain the revenues are, of course, much greater than ours. Here our deficit reaches the astronomical figure of four billion dollars in this budget.

I do not have the time to say all I have to say respecting the boards that have been created by this government. My idea of government is that the government shall act as a pendulum between the people and big business, and between labour and capital. At the present time the men who are on these boards are men who are engaged in private business and who have not enough public spirit to determine the policies of this country. In my humble view, no policy should be enacted before the members of parliament, who do not suffer from agoraphobia, have had an opportunity to explain it to their constituents. The members are in close touch with their constituents and can listen to their views and afterwards inform the government what they think should be done.

I hold in my hand a weekly from Winnipeg. It is a most interesting article entitled "Big Business and the Wartime Prices and Trade Board". What is known is that the rulers in that board at the present time are E. G. Burton of the Robert Simpson Company, Toronto, and George Young, of Eaton's. They are the men who decide upon the retail trade policies that are followed by the government. Do you know what is my experience, Mr. Speaker, with this board with very few exceptions? When I desire to get some information from one of these so-called big men, I have to call at least ten persons. When I reach the tenth one, the expert, the one who knows all about the matter, his answer is, "I know nothing about it. Ask my secretary", and the secretary sometimes knows more than he does.

What is done in other countries? As soon as any other country does anything, even Germany, it has to be copied here. There is a complete lack of imagination, which I think is most unfortunate. Once when I was addressing a group of Canadian mayors here in Ottawa I was asked by a mayor from one of the maritime cities this question, "Are you ready to suggest that everything that is done in the United States shall be copied by Canada?" My answer was, "No, we should copy only what is the very best." But here is a thing that was done in the United States that should be done here. It was done by a man whom I am proud to have met and who, with General MacArthur, is one of the great soldiers of the day. I refer to Lieutenant-General Brehon Somervell, who made a success of the WPA in the city of New York, and who was the engineer responsible for the building of LaGuardia field in the vicinity of New York. I quote from the New York *Times* of June 21, an article headed "'Curse of Army' Scrapped—Rubber Stamps go on Pile", and reading as follows:

Washington, June 20.—Lieutenant-General Brehon Somervell looked on approvingly to-day as workmen threw hundreds of rubber stamps on the rubber scrap pile, collected from the war department's thirty-two Washington buildings.

"There goes the curse of the army," he remarked.

Holding a rubber stamp between thumb and forefinger, General Somervell, commander of the army's services of supply, posed for photographers with the 15-ton pile as a backdrop. He asked that the picture be captioned, "Rubber Stamps Going into Discard."

Would it not be a good thing to have the same thing done in this country? But who would have the courage to do it? I urge upon the Minister of Finance the necessity of following the example of that great man. If he does so, he will surely be approved by the Canadian public.

I want now to refer to a front-page article in the five o'clock edition of the Ottawa *Evening Journal* of July 3, 1940, two years ago to-morrow. The article is entitled: "Want Canadians to Halt Nazis if they Land—Dominion Troops have 'More Novel Conception of Warfare'." The article reads:

London, July 3.—Lord Mottistone, who as "Jack" Seely commanded the Canadian cavalry in the first great war, suggested in the House of Lords to-day that Canadian troops should be chosen to engage the enemy if he lands in Britain because of "their more novel conception of warfare".

He recommended the Canuck soldiers not because he served with them in the last war for

three and a half years and so knew their value, but because amongst these Canadian divisions—and this also applies to other divisions overseas where there are wider spaces—there are people with more novel conceptions of warfare.

Lord Mottistone said he had made the suggestion to a Canadian officer with a distinguished record, who had replied, "that just suits me".

He was introducing a motion in the upper house asking the government to take prompt action to increase the offensive power and equipment of the citizens of Britain. Equipment had been greatly increased, he declared, but the method of meeting an invasion needed more consideration.

This was said by Lord Mottistone. What did Herbert Morrison say in London? It is reported in the morning press of July 1. I have a Quebec paper in my hand, I do not have an English clipping; but this is what Mr. Morrison stated:

He declared that if a second front is opened it will be the Canadian troops who will constitute the spearhead of the allied armies that are to invade Europe.

The word "spearhead" is just the expression which was used by General Crerar a month and a half ago.

I was very sorry to read in the press yesterday and to-day what the Prime Minister said in the house. It was a hint that the time for action in Europe was closer for the forces of Canada. Plenty of water has been running under the mill from July 3, 1940 to July 1, 1942. Now we see the effect of the propaganda which has been made by paid agents with this government and other influential people to induce them to forget that Canada is their country, and to put to shame Canadians who desire to stress the necessity of defending this country. We have the lesson of all other countries in the world, and I find it most illogical that the nearer the danger is to us the more men are sent overseas. What was the solemn promise which was made to the British government by the Minister of National Defence in the first winter of the war? He never told this house. I asked him once, and he did not answer me; he just mentioned a promise, without telling what it was, at a meeting which was held in the committee room, after the adjournment of one of the sessions, and at which were present the two hon. members for Ottawa. But we as members of the House of Commons had no details about it. At that time the number of recruits that were to be called up was only one-half of the number that we have now. Therefore I wonder whether a second promise has not been made by some member of the government to send all our men overseas and to keep nobody here to defend this country or to operate war industry. Can you expect, sir, men coming out of the Lady Grey hospital here in Ottawa, sufferers from tuberculosis, or from the Lake Edward sanatorium in the province of Quebec, to act as brakemen or firemen on the railways? Railways are a war industry. That was admitted by the Minister of National Defence himself in the railways and shipping committee. Therefore, sir, that work should be done by men who are fit, and this is the more necessary because of the tremendous amount of traffic that we have now. What about the other industries in which we need able-bodied men to do work which is to help the army as well as the civilian population? But this, sir, does not count. You cannot put men who suffer from tuberculosis, men over the military age, men unfit for military service, in these very responsible positions. And this is the idea of sacrifice! One day I said that the "Isaac" atmosphere of sacrifice was all wrong; and the reporter put "Isis", but that is not what I said. We should not consider these matters from the sentimental point of view. Everything should be reasoned precisely in war time. Military science is just the application of common sense to the realities of life.

What I fear, is not what is done openly but what is under camouflage, what is hidden because one is afraid of telling "the truth, the whole truth and nothing but the truth" to the Canadian people, who deserve to hear nothing than that.

I regret that I am very miserable in the house since I have lost a very dear friend, one who was most unselfish, who was a friend of every hon. member and the sanest adviser the Prime Minister ever had. At times I did not agree with him on certain matters, but it was possible to discuss things with him, although I did not abuse the privilege. He was a big brother to me, and he was the right hand of the Prime Minister. I know the Prime Minister feels his loss very deeply. He will remember also that during the Christmas season when he went to Washington to meet Mr. Churchill as well as President Roosevelt, I sent him a telegram of good wishes, and I added to it, "Please, sir, when you get to Washington do not forget the memory of Ernest Lapointe, who was your best friend as well as mine." There is a saying to the effect that the dead go fast, but in my view, sir, if Mr. Lapointe had been alive, there are many difficulties which we would not now have to face.

There is another thing that I want to say. At home I have a picture of the first cabinet of Sir Wilfrid Laurier, taken in the council room, and on the wall there is a painting representing Our Lord among the doctors of law in the temple. I wonder if that painting

is still there or if it has been removed. At any rate, it was an inspiration for the ministers of the day to have a reminder of Christian ideals while they were discussing national problems. I hope that if the picture is not there, the idea which it portrays has not been forgotten, and that in all the policies that are to be submitted to this house the first consideration will be, not of any other country, but of Canada first. I have never said this so loud, but it is time now to come down to earth. What is the difference between a statesman and a politician? A statesman is such a great man that his head is above the clouds and he does not see what happens on the earth; a politician is a smaller man, with his head under the clouds, who sees what is going on. I suggest to the ministers that they be not influenced by the flattery of interested men who want jobs, contracts or favours. Let them not forget that quotation from the scriptures that "the wounds of those who love are better than the kisses of those who hate".

Mr. ST. LAURENT: As a matter of privilege, Mr. Speaker, I wish to state for the information of the hon. member for Témiscouata (Mr. Pouliot) that I was for a few months a member of the board of directors of the bank of Montreal; that I resigned therefrom when I became a member of this government; that I never at any time discussed any matter, relating directly or indirectly to amalgamation of the Canadian railways, with anyone connected with the bank of Montreal, nor did I at any time hear any matter, relating directly or indirectly to any such amalgamation, discussed by any person connected in any way with the bank of Montreal.

Mr. POULIOT: I would not have said it if the minister had not smiled when I was speaking seriously.

The house divided on the motion (Mr. Ilsley), which was agreed to on the following division:

YEAS

Messrs:

Abbott
Bence
Bertrand (Laurier)
Bertrand (Prescott)
Blackmore
Blanchette
Bonnier
Cardin
Casselman, Mrs. (Edmonton East)
Castleden
Chevrier
Claxton
Cleaver
Cloutier
Coldwell
Corman
Coté
Crerar
Cruickshank
Dechene
Denis
Donnelly
Dupuis
Durocher
Edwards
Emmerson
Eudes
Evans
Fair
Farquhar
Fauteux
Ferland
Ferron
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fraser (Northumberland, Ont.)
Fraser (Peterborough West)
Gardiner
Gershaw
Gibson
Gillis
Gingues
Gladstone
Golding
Graham
Grant
Graydon
Gregory
Hansell
Hanson (Skeena)
Hazen
Henderson
Hlynka
Hurtubise
Ilsley
Isnor
Jackman
Jean
Johnston (Bow River)
King, Mackenzie
Kirk
Kuhl
Laflamme
Lafontaine
Leduc
Leger
Little
McCann
McCubbin
McCulloch
Macdonald (Halifax)
Macdonald (Kingston City)
McDonald (Pontiac)
McGregor
McIlraith
MacInnis
MacKenzie (Neepawa)
MacKinnon (Edmonton West)
McKinnon (Kenora-Rainy River)
MacKinnon (Kootenay East)
McLarty
MacLean (Cape Breton North-Victoria)
McLean (Simcoe East)
Macmillan
McNiven (Regina City)
MacNicol
Marier
Marshall
Martin
Matthews
Maybank
Mayhew
Michaud
Mitchell
Mullins
Mulock
Noseworthy
O'Neill
Perley
Picard
Poirier
Pottier
Reid
Rennie
Rhéaume
Rickard
Roebuck
Ross (Calgary East)
Ross (St. Paul's)
Ross (Souris)
Ryan
St. Laurent
Shaw
Sissons
Soper
Stirling
Stokes
Taylor
Telford
Thauvette
Thorson
Tripp
Turgeon
Turner
Vien
Ward
Weir
Whitman
Winkler—130.

NAYS

Messrs:

d'Anjou
Gauthier
Lacombe
Lacroix (Beauce)
LaCroix (Quebec-Montmorency)
Pouliot
Raymond
Roy—8.

WAYS AND MEANS

The house in committee of ways and means, Mr. Vien in the chair.

Progress reported.

On motion of Mr. Mackenzie King the house adjourned at 11.50 p.m.

44561—247

Friday, July 3, 1942

The house met at three o'clock.

REPORTS OF COMMITTEES

STANDING ORDERS—CONCURRENCE IN THIRD REPORT

Mr. W. H. GOLDING (Huron-Perth) moved:

That the third report of standing committee on standing orders, presented to the house on July 1, be concurred in.

Motion agreed to.

VOCATIONAL TRAINING—SECOND REPORT

Second report of special committee on vocational training.—Mr. Donnelly.

HONOURS AND DECORATIONS—CONCURRENCE IN FIRST REPORT

Hon. CYRUS MACMILLAN (Queens) moved:

That the first report of special committee on honours and decorations, presented to the house on July 2, be concurred in.

Motion agreed to.

PRIVILEGE—MR. RALSTON

REFERENCE TO STATEMENT OF MR. POULIOT IN DEBATE ON JULY 2

On the orders of the day:

Hon. J L. RALSTON (Minister of National Defence): Mr. Speaker, on a matter of privilege I should like to make reference to a statement which was made by the hon. member for Témiscouata (Mr. Pouliot) last night about a matter to which he had previously referred but to which I had not paid any attention because a return had already been brought down in the house with respect to it.

Some time ago the hon. member indicated that I had met Sir Edward Peacock in Montreal in June, 1941, and discussed with him the amalgamation of the Canadian National and Canadian Pacific railways. That reference is at pages 3211 and 3212 of *Hansard*. The member had also intimated that I had met Sir Edward Peacock on that occasion in my capacity as Acting Minister of Finance. A memorandum from my office was quoted by the hon. member at page 4209 of *Hansard* indicating that I did not meet Sir Edward Peacock on or about June 25, 1941. Notwithstanding the statement made in the memorandum which he himself read, the hon. member brought up the matter again last night and asked the question:

Why was the Minister of National Defence appointed Acting Minister of Finance? How is it that the Minister of National Defence has enough spare time to be Acting Minister of Finance?

Later he said:

I do not see why the Minister of National Defence was appointed as his deputy—

That is, deputy to the Minister of Finance.

—while Sir Edward Peacock was here.

The implication is that by some kind of skullduggery I was appointed acting Minister of Finance in order that I might discuss with Sir Edward Peacock the amalgamation of the railways. I think it best once and for all to deal with all these matters together.

I want to say to the house that I was not appointed acting Minister of Finance for any purpose connected in the remotest particular with any discussion of the amalgamation of the railways. My appointment as acting Minister of Finance was made in 1940 and took effect automatically in any case in which the minister was absent; that I never saw or had any communication directly or indirectly with Sir Edward Peacock in June, 1941; that I never at any time saw him, or anyone representing him, in my capacity as acting Minister of Finance; and that I never at any time, either as a member of the government or personally, discussed with Sir Edward Peacock, or anybody representing him, the amalgamation of the Canadian National and the Canadian Pacific railways or anything relating to the railways.

VANCOUVER ISLAND

ENEMY ATTACK UPON ESTEVAN POINT TELEGRAPH STATION ON JUNE 20

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I wish to direct the attention of the Minister of National Defence to representations which have been made to me which indicate that residents on the west coast of British Columbia are disturbed over the length of time it took the military command there to send planes to Estevan Point at the time of the recent shelling of that locality by an enemy raider. Could the minister make a statement which would allay any existing doubts or fears as to the adequacy of our defences to meet such situations as the one mentioned?

Hon. J. L. RALSTON (Minister of National Defence): My hon. friend gave me notice that he would ask a question of this kind. In the absence of my colleague the Minister of National Defence for Air (Mr. Power) I had inquiries made with regard to the messages which were sent on the night in question, and I have satisfied myself that they were sent

promptly. I would not care to give the house details of all that took place, because I am advised that the information is secret and would be useful to the enemy. But I can say that the messages were sent and were received and that the matter was considered on the spot. The flying conditions were unsuitable at air bases nearest to Estevan Point at the time of the attack, but aircraft were out at dawn next morning and searched the ocean areas off the west coast of Vancouver island, without detecting the enemy ship. A bomber was dispatched from an air base more distant from the point to which the hon. member refers, but it crashed in taking off. The officers advise me that it is doubtful if it could have arrived in time to locate the raider.

ARMING OF VANCOUVER ISLAND VOLUNTEERS

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): In that same connection, may I make an inquiry of the minister? I have had a communication from a prominent gentleman of Courtney, which I believe is on Vancouver island, regarding the arming of the Rangers, which is a volunteer establishment set up, I believe, for home defence, and especially against invasion. May I ask the minister if any arrangements are being made to issue arms in the nature of, say, rifles and the like, to the Rangers?

Mr. RALSTON: Arrangements are being made to issue arms in as great quantities and just as fast as possible. I may say that special arrangements were made the other day with regard to some special arms, in that connection.

GASOLINE

USE OF TRUCKS BY FARMERS ON SUNDAYS

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): On June 12, I asked the Minister of Munitions and Supply what attitude the government intended to take regarding the removal of the discrimination against farmers with regard to the use of their trucks for transportation purposes. On the same day the Minister of Finance finally stated, as reported in *Hansard*, page 3307:

> The matter will be looked into, and in so far as there is discrimination that it is practicable to remove, it will be removed.

The same state of affairs still prevails and is causing a great deal of trouble among farmers all over the country—

Mr. HANSON (York-Sunbury): And dissatisfaction.

Mr. DIEFENBAKER: And dissatisfaction as well. Is the minister now in a position to say whether the removal of this discrimination has been considered, and if so, whether an order has been made, or will be made at once, to remove this source of annoyance and difficulty?

Hon. J. L. ILSLEY (Minister of Finance): Well, Mr. Speaker, just after the hon. gentleman discussed the matter in the house I made inquiries, and I was informed that an order had been issued authorizing certain regional officials to make provision for certain cases, and that that order was outstanding at that time. The hon. gentleman's remarks were brought to the attention of the proper officers, and I was told that provision had already been made for attending to particular cases. The rule was not changed, as far as that goes, but certain discretionary powers were vested in the regional officers.

Mr. HANSON (York-Sunbury): Well, that is not good enough.

Mr. DIEFENBAKER: If I may be permitted, the only order I know of is that a farmer may apply, for instance, in any one province, to an official at the capital of that province, for permission to use his truck on a particular Sunday for transportation purposes. That is quite an impossible situation. I again ask the minister to bring to the attention of the authorities the difficulty experienced by farmers through the failure of the government to remove this regulation.

BUSINESS OF THE HOUSE

STATEMENT AS TO DISTRIBUTION OF FRENCH TRANSLATION OF BUDGET RESOLUTIONS

On the orders of the day:

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, the hon. member for Quebec West and South (Mr. Parent) yesterday, before the orders of the day were called, complained about the failure of the government to make available in the French language the ways and means resolutions. His words were these—*Hansard*, page 3865:

> How can we judge the importance of the budget until we know the items which will be fought out, or amended if it is possible, without having knowledge of the budget in itemized form? I believe this situation should be remedied without delay, and for my part I am not prepared to support the budget until I have read what is in it. Until that time I must be counted as against the budget as a whole. When it comes into committee of ways and means, I reserve my right to discuss the items after I have been able to read them in my own language.

I find that all the ways and means resolutions were printed in the French language on

June 23 or June 24, as part of my budget speech, in *Hansard*, and I find also that they were printed in French on June 23 or June 24 in *Votes and Proceedings*. It is true that subsequently they were again printed, separately, for convenience of hon. members; the separate printing in English was made available about Tuesday of this week, and I was informed yesterday that they would be available in French to-day.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 69, respecting change of name of the Saskatchewan Life Insurance Company to Fidelity Life Assurance Company.—Mr. McNiven (Regina City).

Bill No. 20, for the relief of Eleanor Adele Rea Barrett.—Mr. Bercovitch.

Bill No. 21, for the relief of Eleanor Edith McKechnie Barlow.—Mr. Whitman.

Bill No. 22, for the relief of Dorothy Agnes Henrietta Russell Cantlie.—Mr. Whitman.

Bill No. 23, for the relief of Irene Coadic Murphy.—Mr. Hill.

Bill No. 24, for the relief of Lester Lewis Catchpaw.—Mr. Davidson.

Bill No. 25, for the relief of Annie Ruth Fisher Allen.—Mr. Hill.

Bill No. 26, for the relief of Alice Adelia LaFleur Johnston.—Mr. Bercovitch.

Bill No. 27, for the relief of George Webb.—Mr. Boucher.

Bill No. 28, for the relief of Edith Morgan Black.—Mr. McIlraith.

Bill No. 29, for the relief of Betty Leah Bregman Beloff.—Mr. Whitman.

Bill No. 30, for the relief of Malca Levitt, otherwise known as Atty Malcy Levitt.—Mr. Bercovitch.

Bill No. 32, for the relief of Marie Louise McCarthy Smyth.—Mr. Boucher.

Bill No. 33, for the relief of Marie Glenna Grace Thomas Reynolds.—Mr. Hill.

Bill No. 34, for the relief of Isabel Jessica Black Jolley.—Mr. Abbott.

Bill No. 35, for the relief of Margaretha Elisabeth Buck Peereboom.—Mr. Bercovitch.

Bill No. 36, for the relief of Ethel May Marshall James.—Mr. Bercovitch.

Bill No. 37, for the relief of Anastasia Tkaczuk Wojtkowycz.—Mr. McIlraith.

Bill No. 38, for the relief of Phyllis Wilda Valentine Park Evans.—Mr. Abbott.

Bill No. 39, for the relief of Louise Mehliss Jackson.—Mr. Bercovitch.

Bill No. 40, for the relief of Bertha Beatrix Berlind Ripstein.—Mr. Boucher.

Bill No. 41, for the relief of Lola McIntosh.—Mr. Macdonald (Brantford City).

[Mr. Ilsley.]

Bill No. 46, for the relief of Stella Kathleen Marguerite Winnall Barwick.—Mr. Hazen.

Bill No. 47, for the relief of Joyce Elizabeth Blackburn Gordon.—Mr. Hanson (Skeena).

Bill No. 48, for the relief of Kate Elizabeth Laidlaw McNiven.—Mr. Abbott.

Bill No. 49, for the relief of Margaret Livingstone Turnbull Woodard.—Mr. Boucher.

Bill No. 50, for the relief of Dorothy Sunsheine Steirman Cooke.—Mr. Bercovitch.

Bill No. 51, for the relief of Doris Golt Rosner.—Mr. Bercovitch.

Bill No. 52, for the relief of Anna Pohopoluck Yacobchak.—Mr. Hazen.

Bill No. 53, for the relief of Myer Levine.—Mr. Hazen.

Bill No. 54, for the relief of George Sutherland Cameron, junior.—Mr. Bercovitch.

Bill No. 55, for the relief of Fred Catlow.—Mr. Hill.

Bill No. 57, for the relief of Mary Celina Broadhurst LaRose.—Mr. Macdonald (Brantford City).

Bill No. 58, for the relief of Elsie Epstein Cohen.—Mr. Casselman (Grenville-Dundas).

Bill No. 59, for the relief of Gertrude Pelletier Patenaude.—Mr. Boucher.

Bill No. 60, for the relief of Marieatt Venditello Diano.—Mr. Gray.

Bill No. 61, for the relief of Edna Annie Heazle Constable.—Mr. Boucher.

Bill No. 62, for the relief of Dorothy Reed Cushing.—Mr. Boucher.

Bill No. 63, for the relief of Sarto Desnoyers.—Mr. Bercovitch.

Bill No. 70, for the relief of William Milroy Davidson.—Mr. Bercovitch.

Bill No. 71, for the relief of Audrey Meredith Mann Harrison.—Mr. Bercovitch.

Bill No. 72, for the relief of François Henri Drack.—Mr. Bercovitch.

Bill No. 73, for the relief of Gladys Irene Dale Weston.—Mr. Hazen.

Bill No. 74, for the relief of Ruth Ufland Fishman.—Mr. McIlraith.

Bill No. 75, for the relief of Norma Brown Stevenson.—Mr. Claxton.

Bill No. 76, for the relief of Mary Cummings Bullock.—Mr. Whitman.

Bill No. 77, for the relief of Elizabeth Gertrude De Serre Gould.—Mr. Bercovitch.

Bill No. 78, for the relief of John Clifford Stanley Darbyson.—Mr. Bercovitch.

Bill No. 79, for the relief of Celia Reynolds Schellenberg.—Mr. McIlraith.

SECOND READINGS

Bill No. 82, for the relief of Annie Miriam Scott.—Mr. Bercovitch.

Bill No. 83, for the relief of Marguerite Elsie Ramsay Murdoch.—Mr. Claxton.

Bill No. 84, for the relief of Elizabeth Molnar Schneider.—Mr. McIlraith.

Bill No. 85, for the relief of Max Kaback.—Mr. Bercovitch.

Bill No. 86, for the relief of George McDonald Joseph Carew.—Mr. Bercovitch.

Bill No. 87, for the relief of Wandless Joseph Henry Verdon.—Mr. Abbott.

Bill No. 88, for the relief of Mary Eileen Scott Warrington.—Mr. McIlraith.

Bill No. 89, for the relief of Joseph Bergman.—Mr. Whitman.

Bill No. 90, for the relief of Marie Martha Hermine Browne Peters.—Mr. Bercovitch.

Bill No. 91, for the relief of Ethel Gerson Kalmanovitch.—Mr. Abbott.

Bill No. 92, for the relief of Freda Sweet Simon.—Mr. Gray.

Bill No. 93, for the relief of Phyllis Mary Alice Verrinder Horrell.—Mr. McIlraith.

Bill No. 94, for the relief of James McKinna Wood.—Mr. Bercovitch.

Bill No. 97, for the relief of Leah May Jarvis Traver.—Mr. Hazen.

Bill No. 100, for the relief of Barbara Patricia Strange Wolfe.—Mr. McIlraith.

Bill No. 101, for the relief of Bella Miller Keller.—Mr. McIlraith.

Bill No. 102, for the relief of Effie Euphemia Shannon Monette.—Mr. Boucher.

Bill No. 103, for the relief of Elsie May Cape Newman.—Mr. Bercovitch.

Bill No. 104, for the relief of Bella White Wolfe.—Mr. McIlraith.

Bill No. 105, for the relief of Alan Swabey.—Mr. Bercovitch.

Bill No. 106, for the relief of Jean Walker Creighton King.—Mr. Bercovitch.

Bill No. 107, for the relief of Alice Beatrice Armand Roberts.—Mr. Hanson (Skeena).

Bill No. 108, for the relief of Frederick William Merchant.—Mr. Hanson (Skeena).

Bill No. 109, for the relief of Irma Kern Ulrich.—Mr. Hanson (Skeena).

JACK SIMON

The house in committee on Bill No. 31, for the relief of Jack Simon—Mr. Bercovitch—Mr. Fournier (Hull) in the chair.

On section 1—Marriage dissolved.

Mr. HANSELL: Mr. Chairman, since you are on Bill No. 31 I wish to make a few remarks in connection with these bills in general. I might have done so before Mr. Speaker left the chair, but I simply choose this bill, not because it is in any way particularly distinct from the others, but because the evidence submitted is so voluminous that it attracted my attention. Usually when I receive the printed evidence in these cases I immediately consign them to the waste-paper basket, on the assumption that if you read one of them you have read them all. This particular case, however, is fatter than the others; it takes 140 pages to cover the evidence.

I have taken the trouble to read every bit of the evidence in this case, and I find nothing in it which could be taken as a reason for the granting of a divorce. As we all know, in Canada the only ground upon which a divorce can be granted in any province or by this parliament is proof of adultery.

An hon. MEMBER: That is not the only ground.

Mr. HANSELL: If I am not well informed in that regard, I stand corrected, but that is my understanding of the matter. I have tried to be a bit of a student of this subject. How successful I have been is of course a matter of opinion, but I claim that the survival of a nation or a race is dependent very largely, if not entirely, upon the moral character of the people. Conversely, the downfall of a nation is caused, I venture to say, entirely by its loose character, its loose living, its disregard for the divine prerogatives of God our Creator and Father.

I am not alone in my alarm at the extent to which divorce is becoming a subject of meagre concern to the people of this country, and, as the hon. member for Bow River (Mr. Johnston) interjects, to this House of Commons. I agree. I noticed when you were reading these bills, Mr. Chairman, it was as though you were reading a book. It is all a matter of routine. We have approximately eighty-nine divorce bills to pass this afternoon. We regard it as a matter of routine, a matter of course; all we have to do is to read the names, call the sections, and presto! the man or woman is separated from wife or husband as the case may be.

That is not good enough. We have to regard things a little more seriously than we do. I believe I am right in saying that practically all British law is based upon the laws given by the greatest of all law givers, and the laws given by Moses were not merely the product of human thinking. In my opinion at any rate, very largely the ancient Jewish race was the race used by Almighty God through which he might deal with the world, and in the giving of laws through Moses there was the basis upon which the Creator of all mankind was thenceforward to establish a properly constituted government of the human race.

I claim that the laws of Moses in respect of the matter of divorce are, shall I say, a reflection of the mind of the Creator. Of course I shall be open to question in respect

to that interpretation. But the laws of Moses regarded the matter of divorce as so serious that the penalty imposed for adultery was none other than death by stoning. Of course I am not recommending that. My friend interjects that there would be a lot of dead men in Canada if that were done. Nevertheless that is the basis of it all. It is a crime against the human race, and I say again that I am alarmed at the loose way in which this entire subject is handled. I shall come back to that in a moment.

I have chosen this case because it seems to be outstanding in its lack of evidence that adultery was committed. The woman of course was seen alone with a man. What man among us has not at some time or other been seen alone with a lady friend? This lady happened to drive this man home several times while her husband was out of town. That was all brought into the evidence. Now, that sort of evidence is pretty scanty. While the bill is not based entirely upon that, it is based partly upon it. I will read some passages that show that point.

Mr. CLEAVER: Give us the Saturday night and Sunday morning episode.

Mr. HANSELL: I do not know what my friend is talking about.

Mr. CLEAVER: I am asking the hon. member to give us the evidence on which this divorce application was founded.

Mr. HANSELL: I will read some.

Mr. CLEAVER: Yes, you will leave out the important part.

Mr. HANSELL: My hon. friend can speak if he wishes and bring out further evidence if he thinks it necessary. It is some time since I read this, and I have not every page at my finger tips. An hon. member says, "Don't waste our time." I am not concerned about that remark. I have as much right to sit at my desk or stand and speak as any other hon member. I did not waste any time last night when I gave up my place in order that the budget debate might be concluded.

I have been unable to find any specific evidence in this case which could be regarded as proper ground for divorce. This lady drove a man around alone—she admitted it. I think it was about five times in the course of three months.

The divorce committee sized up this evidence in a very peculiar way. That is what I am more or less taking objection to. I like to weigh a case on grounds indicated by evidence, but in this case I do not find any. I could read a lot of little pieces from the evidence that might be regarded as spicy, but I am not going to do that. But any hon. member can go through this case and I declare he will not find any evidence of the ground upon which we in this country grant divorces.

Let me read something from page 122:

Q. Did you at any time—I am sorry to put this question to you—

I will not read that. The woman denies the accusation.

The Hon. Mr—perhaps I better not read the name; call him Mr. X. It is one of the gentlemen on the committee in the other house.

An hon. MEMBER: A senator?

Mr. HANSELL. Yes. It is page 122:

Hon. Mr. X.:
Q. Did you kiss Charlie?—A. No.
Q. Ever?—A. No.
Q. Did Charlie kiss you?—A. No
Q. Put his arms around you?—A. No.
Q. I should like to ask a question about something that puzzles me. Why did you keep going out to the race course and giving Charlie rides? You were a married woman and you knew your husband would object to your meeting Charlie and taking him. Why did you do it?—A. I didn't keep giving him rides. I mean, it happened on two occasions.
Q. You met him quite often at the race course?—A. Twice.
Q. And you went to the Pot-au-Feu and had meals twice?—A. Those were the only two times.
Q. And the policeman caught you. That was three times. And you picked him up and drove him down the road, and you admitted you were driving when you were followed by the green car. That was another time. That sort of thing extended over a couple of months. Why did you do that? You were a married woman, with a baby. Why did you do that?—A. I knew him, and if I was driving that way I stopped and picked him up.
Q. But you made it convenient to be always there when Charlie needed a car. Why did you do that?—A. I imagine he needed a car at other times.
Q. Yes, but every time you had a chance you were there. Why did you do that? You gave Charlie how many rides altogether, from the date your husband left until July 25?—A. About five times.
Q. You are sure not more than that?—A. Yes.
Q. Why did you do that? Did you write your husband and tell him you were doing that?—A. No.

The woman was perfectly honest in what she was answering.

Q. You never told you husband until long afterwards, did you, about Charlie? Did you ever tell your husband about him?—A. Yes, I told my husband about Charlie.
Q. When?—A. In fact, I asked him if I could not play golf with him.
Q. When?—A. Some time in June, I believe.
Q. After he came back from the coast?—A. Yes.

I do not know how much of this I should read.

Q. The thing that puzzles me, as one of the judges here, is why you kept giving this man rides, why you went to the Pot-au-Feu and had meals with him, why you were worried about that green car following, and why you were worried when you were caught by the policeman. Why did you do those things? Your brother-in-law was ready to go driving with you, and —— was ready to go driving with you. But you took Charlie. Why did you do that?—A. It was in the day time. If he had any place to go, I gave him a lift, that was all.

Q. That does not satisfy me. You knew that your husband would not like it, your driving Charlie like that, because you had been discussing this divorce business before, you had been discussing it over three or four or five years?—A. Well, my husband had been discussing it.

Q. You knew it; you had taken part?—A. Yes.

Q. And you deliberately went out with Charlie, after those troubles with your husband. You have to satisfy me on that before you get my vote.

Before she could get the vote of one of the members of the committee she had to satisfy him as to why she drove out in her car with Charlie. That had nothing whatever to do with any evidence of actual adultery.

You have not done it yet.

That is, she had not satisfied him.

Supposing your whole story is true, I am not satisfied about those incidents. You and your husband had discussed this divorce business over a period of four or five years, and yet you deliberately took Charlie out on four or five occasions. . . . Why did you do that?

Hon. Mr. Y: And the detectives swear it was many times more.

Hon. Mr. X:

Q. Yes, the same detective agency that you mentioned, which confirms their story that they were following you.—A. Yes, I knew they were following me.

Q. Then why did you keep picking up Charlie, with those facts before you? That is what you have to explain to this committee.

I claim that was not proper evidence to be brought out before that committee.

You have to get rid of that onus.

That is, the onus of driving that man around.

Hon. Mr. XX:

Q. Were you doing it for pure cussedness? Some women would. Were you?—A. No.

I shall conclude with just a few more lines. Listen to this:

Hon. Mr. X:

Q. I cannot imagine Charlie getting in that car so many times and not kissing you. My senses say that this cannot happen.

Imagine that going into the evidence.

A. Why can't it happen?

Q. I do not see how it could happen. But, leave that out. You knew in June you were being followed?—A. Yes.

Q. And you still persisted in those drives with Charlie?

Hon. Mr. Y: We cannot understand why Charlie would be so different from the members of this committee in the same circumstances.

Well, Mr. Speaker, I do not suppose I shall ever be a Liberal; in fact I know I never shall be. I do not suppose I shall ever be a Conservative. Therefore I do not suppose I shall ever reach the senate. But if I do reach the senate I trust I shall not be placed on a committee such as this, if they have to weigh evidence of this kind and make statements like these.

Hon Mr. XX: Mind you, Charlie is twenty-seven; don't forget that. Pardon me for interrupting. I want to give the woman a chance and tell her the difficulty that is in my mind. She was warned.

The difficulty that happened to be in that hon. gentleman's mind was not the question of whether or not this woman had committed a crime, and I call it a crime regardless of whether it is so regarded in the criminal code; the difficulty this committee member had was that she was going out for rides with some other man twenty-seven years of age. That, Mr. Speaker, is the sort of thing that is inflicted upon this honourable house when we grind through the mill some ninety divorce cases, as we are asked to do this afternoon. I appeal to the house—I should not say in order to show this country that we are not simply a divorce mill—to take some of this evidence into consideration and turn down these bills where adultery has not been absolutely and positively proved. I for one am going to vote against this bill, as I will vote against most of them. If adultery has been committed, however, then I believe divorce is the proper thing.

Just one further word before I sit down. I believe most of these bills give those concerned the right to remarry, a matter which has been discussed in this house previously. Some time ago I referred to the laws of Moses, under which the penalty for this crime was death. I need not say to this honourable house that the Creator of all mankind desires to have in existence a pure and unadulterated race; notwithstanding that, some of these persons who are granted divorces reek from head to foot with social disease. We give them the right to marry again; yes, and as an hon. member suggests, they can be divorced the second or third time, if they wish. I say that sort of system is entirely too loose for a nation which expects to enjoy the smiling countenance and approval of Our Father and God.

Mr. LaCROIX (Quebec - Montmorency) (Translation): Mr. Chairman, we are being asked to consider ninety divorce bills. I

listened attentively to the speech delivered by the hon. member for Macleod (Mr. Hansell) and I protest vigorously against the wholesale passing of these measures.

Who are those called upon to judge the evidence given in these divorce cases submitted to the Senate and the House of Commons? Senators who have reached a certain age, old fizgigs who for the most part have a certain decorative value but who are in no way qualified to interpret the laws of evidence and treat with contempt the testimony they hear, as the hon. member for Macleod pointed out a moment ago. They assemble in Ottawa where they sit for a very few days before returning home and, presto, we have about ninety divorce bills dumped into our laps, all to be passed within the space of fifteen minutes or so!

Mr. Chairman, the House of Commons is not a divorce mill. It is true that the province of Quebec has no divorce courts and we desire none, for the sanctioning of divorce goes against the principles of our religious faith. Personally I oppose divorce, but if the law makes such a procedure mandatory let us at least entrust to a qualified agency the consideration of these divorce cases.

Since I have been here in Ottawa, I know for a fact that the House of Commons has passed as many as 200 divorce bills in a single session. Mr. Chairman, it is high time that something were done. That is why I intend to move that a vote be taken on each of these bills and particularly on Bill No. 31, the evidence concerning which has just been submitted to us and appears most insufficient to my mind.

I may say in passing that I regret to see certain hon. members accept, thoughtlessly I am sure, the chairmanship of house committees of this nature. I note that it is the custom to pass these bills in a wholesale fashion, more often than not without discussion. That is a mistake and we should have started long ago to vote against these divorce bills.

Mr. LALONDE (Translation): I wish to join the hon. member for Quebec-Montmorency (Mr. LaCroix) in protesting against the wholesale passing of the divorce bills now before us. Last year, and this year again I believe, I was appointed to the divorce committee of the House of Commons but I never sat there. I have always refused to sit on that committee and I will not change my mind. I have no wish to sanction decisions that exemplify the deplorable conditions prevailing in our Christian society. I agree with what the hon. member for Macleod (Mr. Hansell) has so aptly said, and I shall vote against this bill. I take this opportunity to point out that the time has come for all hon. members, whatever their race or religion, to do something for the improvement of our society. There is an urgent need for the reconstruction of Christian society on a sound basis despite the fact that, owing to some differences on matters of principle, divorce is recognized in certain provinces while Quebec opposes it on many grounds.

As I said, I wish to join in the protests that have been voiced this afternoon and I repeat that if a vote is taken I shall register my opposition to the bill.

(Text) Some hon. MEMBERS: Carried.

Some hon. MEMBERS: Vote, vote!

The ACTING CHAIRMAN (Mr. McCann): Those in favour of section 1 will please say "aye."

Mr. LaCROIX (Quebec-Montmorency): We are asking for a vote.

An hon. MEMBER: Only four are standing.

Mr. LACOMBE: Take a registered vote. We are asking for a recorded vote.

Mr. REID: Not in committee.

Mr. LACROIX (Beauce): A standing vote.

Section agreed to: yeas, 36; nays, 18.

Section 2 agreed to.

Bill reported, read the third time and passed.

CANADIAN DENTAL ASSOCIATION

The house in committee on Bill No. 42, to incorporate the Canadian Dental Association —Mr. McIlraith—Mr. McCann in the chair.

On section 1—Incorporation.

Mr. STIRLING: I wonder if the sponsor of the bill would be good enough to make an explanatory statement? My recollection is that he did so on a previous occasion, on the second reading, I think, but I am unable to turn it up in *Hansard*.

Mr. McILRAITH: On May 29. To save time I might give the explanation again. The bill is very simple. The Canadian Dental association has been in existence as an unincorporated body since the year 1902. The dental profession have incorporated bodies or associations in each of the nine provinces, and these provincial associations have been consulted and have consented to the present bill. The membership of the association is in the neighbourhood of 4,000. The scheme of the bill follows exactly the scheme used in the Canadian Medical Association Act, which act will be found as chapter 62 of the statutes, 8-9 Edward VII.

The objects are set out in detail in section 2 of the bill. It will be seen from these objects that the licensing and control of qualifications and the practice of the dental profession are not covered by this act but are left with the provincial associations. I think that is perhaps all that I can usefully say at the moment, but if there are any questions I shall be very glad to answer them so far as I can.

Mr. STIRLING: Will the passage of this act mean the setting up of a body to pass on the qualifications required by this association?

Mr. McILRAITH: No; this association will have no control over the licensing or over the qualifications of the profession. The real object behind the incorporation arose from practical difficulties in connection with the publication of their magazine. This magazine has a wide circulation, but when it came to making contracts for advertising and other matters in connection with the magazine it was necessary to have the contracts signed by each of the nine provincial associations or incorporated bodies. This involved a great deal of delay and many practical inconveniences, and it was because of these difficulties that incorporation was sought.

Mr. FRASER (Peterborough West): Is this body to deal in real estate? Section 6 provides that the association may:

(i) acquire by purchase, lease, gift, legacy or otherwise any real and personal estate and property,—

And:

(iii) sell, manage, develop, lease, mortgage, dispose of or otherwise deal therewith in such manner as the association may determine:

Provided that real estate held by the association shall not exceed in value at any one time the sum of five hundred thousand dollars.

Mr. McILRAITH: That section I believe is copied from the act of 1909 incorporating the Canadian Medical association. I know that it is not the intention of this association in any way to deal in real estate, but it is the practice in these acts to enable the association to hold real estate for its own purposes as incidental to the main purposes of the organization, and that top limit of $500,000 is put in as the limit for any real estate the association may own. That is my understanding of the purpose of the section.

Section agreed to.

Sections 2 to 7 inclusive agreed to.

Bill reported, read the third time and passed.

SAGUENAY TRANSMISSION COMPANY, LTD., SAGUENAY ELECTRIC COMPANY AND ALUMINUM POWER COMPANY, LTD.

Mr. J. E. A. DUBUC (Chicoutimi) moved the second reading of Bill No. 99, respecting certain transmission and distribution lines of Saguenay Transmission Company, Ltd., Saguenay Electric Company and Aluminum Power Company, Ltd.

Mr. D. A. McNIVEN (Regina City): I wish to make a few observations with regard to this bill—not, I may say, with any desire to oppose it. I understand that the companies named in the bill have from time to time constructed their electrical transmission lines over certain streams or rivers which are now declared to be navigable, and the object of the bill is to remove any doubt as to their right so to construct them. I understand that the applicants are subsidiaries of the Aluminum Company of Canada, which in turn is a subsidiary of the Aluminum Company of America.

Power has been developed on a big scale in that part of Quebec's hinterland known as the Saguenay river basin. Owing to the demand for aluminum in the construction of aeroplanes, power construction has been stepped up very considerably, and within the last year or year and a half, a million horsepower has been developed in that area, making a total development of approximately 1,750,000 horse-power of electrical energy.

The 1941 production of aluminum at the Arvida plant was 500 million pounds. It is estimated that 1942 production will be between 700 million and 800 million pounds, and that this amount will provide all the aluminum that is required for approximately 80,000 planes.

There are huge dams, reservoirs and power stations stretching from lake St. John right back to James bay. For this undertaking there were shipped into northern Quebec some 1,900 tons of equipment, approximately 750 men, and a large number of horses and oxen, by aeroplane. It is probably the largest aeroplane movement of freight ever undertaken in Canada. From this it will be gathered that it is a tremendous undertaking. In recent months the aluminum company was searching for additional power which it endeavoured to obtain in Manitoba. Arrangements could not be made there, and I was surprised to find within the last couple of weeks an announcement in the *Financial Post* that the aluminum company had decided to develop a site at Toronto covering some 48 acres and had started construction of office and other buildings at a cost exceeding $500,000.

The area involved indicates another huge undertaking of a war character being developed in eastern Canada. May I emphasize the fact that already one million horse-power have been developed in the Saguenay area, and there must be some close association between the location of this new plant at Toronto and the recent announcement of the Ontario government that it proposes to develop the Carillon site at a cost of $40,000,000.

This parliament is being asked to approve the use of a natural resource for the development of power in an area which four years ago had a surplus of power which the producers sought to export, because we were told that hundreds of thousands of horse-power were annually going to waste. If that is so, then I suggest, and I suggest it forcibly, to the Prime Minister (Mr. Mackenzie King), the Minister of Mines and Resources (Mr. Crerar), and the Minister of Munitions and Supply (Mr. Howe), that some direction should be given to these companies which are being heavily subsidized, to the end that future construction will serve some useful purpose in post-war development. It is but another step in the perfecting of that industrial Frankenstein which we are rapidly building up in Ontario and Quebec in war industries.

I am not critical of the Minister of Munitions and Supply, whose responsibility it is to obtain war production in the quickest way possible. But while that was true a year or two ago, it has not the same force to-day as it had then. War has broken out on the western front, and I suggest that the transportation of goods east or west and the possibility of attack on either the west or the east coast would justify the installation and establishment of some of these war industries in the prairie provinces, and particularly in Saskatchewan.

What relation has this request to the subject matter of the bill before the house? We have in Saskatchewan unlimited coal deposits that could be used to develop a very large head of power if an enterprise such as the aluminum company or some other company would undertake its development. There is no large head of power developed in Saskatchewan at present. It would have a post-war use, because the power could be transmitted to the farms and the small towns; it would be a means of inducing small industries to come into the province to supply the demand of its million people, and it would help as nothing else would to correct the badly balanced economy of the prairies. Everyone who has given the matter any thought has stated in the most emphatic terms that some development of that kind must take place, otherwise the plight of the people on the prairies, in Saskatchewan particularly, is going to be an unhappy one for years to come.

I ask pardon for intruding that thought upon the introduction of this bill, but I did want to bring it to the attention of the Minister of Mines and Resources and the Minister of Finance.

Motion agreed to and bill read the second time.

WAR RISK INSURANCE

PROVISION FOR COMPENSATION FOR WAR DAMAGE TO PROPERTY

The house resumed, from Thursday, May 28, consideration in committee of Bill No. 56, to make provision with respect to insurance of property against war risks and the payment of compensation for war damage—Mr. Ilsley—Mr. McCann in the chair.

On section 2—Definitions.

Mr. GREEN: When this bill was before the committee on a previous occasion hon. members on all sides of the house urged upon the minister that the bill be extended so that fishermen on the two coasts of Canada might be able to get coverage. The section stood at that time with the understanding that the minister would look into the situation. We were all hopeful that he would be able to work out some plan whereby these fishermen could be protected. Is the minister in a position to make a statement?

Hon. J. L. ILSLEY (Minister of Finance): Yes. We are on section 2, and some points came up when the section was before the committee last. The main point was the protection of fishermen. It was urged that the bill be amended so that fishermen could insure under it. I expressed my opposition to that suggestion on the ground that the bill is designed to cover property within the country, not property outside the country, because different considerations apply, different rates and so forth.

But I thought and, I believe, intimated that some plan might be worked out independently of the bill which would give a reasonable degree of protection to fishermen. I have conferred with my colleague, the Minister of Fisheries (Mr. Michaud), and we have worked out an order in council which I think fairly well covers the situation. That order in council has been passed, and my colleague will either read it to the committee or make some statement about it after I resume my seat.

That was not the only point which arose. Another matter which was discussed under

section 2 was whether ships generally, any ships, should be covered by the bill. Certain hon. members pointed out the apparent discrimination between treatment accorded ships on inland waters and that accorded ships on the high seas. I found it difficult to justify the discrimination. From one point of view, of course, the coverage of ships on inland waters is defensible, because the degree of risk is certainly comparable with the degree of risk to buildings and personal property on land. At the same time I have said several times that it is not the object or intention of the government to supply coverage which can be obtained in a commercial way, and ships on inland waters can be insured with the insurance companies. In view of the fact that it is very hard to explain to a person operating a ship on the coast why he will be unable to get insurance under this bill, while a shipowner operating a ship on the great lakes can, I have decided that the best thing to do is to take ships, whether on inland waters or outside the country, out of the bill altogether. That does not apply to ships in course of construction, but it does apply to ships which have been launched. I shall propose an amendment accordingly.

The definition of "inland waters," the extent of the area covered by that term, has been reconsidered. The government has already made its selection of the advisory committee which is provided for under one of the sections of the bill, even though the section has not been passed by the house, because of the urgency of advancing the scheme. I have therefore had the benefit of the advice of the members of the advisory committee, which advice has been very helpful on a number of points, and as a result of discussions with them and consideration of the matter generally it has been decided to draw a line farther up the river than the line found in section 2 (f). I will propose an amendment in that sense.

When we come to the other sections of the bill—perhaps we shall not reach them this afternoon, though I hope we may—there are two or three other points I shall have to lay before the committee. I will do so after having given them all very careful consideration, and I hope the views of the committee will coincide with my own views. One suggestion relates to the question of taxation. Since the bringing down of the budget the reasons for leaving the section in the form in which it was originally drafted appear to me very much stronger even than they were before. Although the banking and commerce committee rejected that section, I am going to urge in committee of the whole that the section be restored in exactly or at least substantially its original form, because I think anything else under the present taxation provisions would be indefensible. I will propose one or two other amendments to the bill as we come to the various sections; but with regard to personal property on ships in inland waters it has not been deemed advisable, and I do not deem it advisable, to remove those provisions from the bill. Very awkward situations will arise if they are removed. For instance, grain is sometimes stored in ships. Grain will be insurable in elevators on the great lakes, and I consider it desirable that this coverage of grain should continue after it is loaded into boats on the great lakes. Therefore there will be provision that while ships in inland waters are not insurable under this bill, cargoes of ships in inland waters will be insurable.

I think that gives the committee a fair idea of the result of the thought that has been given to the bill, and perhaps now it would be advisable to have the Minister of Fisheries state to the committee the provisions of the order in council having to do with the protection of fishermen.

Hon. J. E. MICHAUD (Minister of Fisheries): Mr. Chairman, when this bill came before the committee some weeks ago, several hon. members representing constituencies in which there were numbers of fishermen, made requests to the effect that those fishermen should be given protection against war damage. It was then stated to the committee that the persons of the fishermen were protected against war risks, if they met with accident due to enemy action; or, if they met with death, that their dependents were protected. In addition, their personal belongings are protected by virtue of a special order in council under the War Measures Act, because all these matters are really war measures.

Mr. NEILL: Would the minister give the number of the order in council?

Mr. MICHAUD: I have not the number in mind at the moment, but if I have not already sent a copy to the hon. member I shall do so. It was also intimated that the boats owned by the fishermen should be protected, and it was suggested that they should be covered by insurance.

Mr. GREEN: That was only one of the suggestions I made.

Mr. MICHAUD: I then stated that the Department of Fisheries had contemplated some protection against damage resulting from enemy action to fishing boats of a class owned by people who could not well afford to insure them or of a class that would not be insurable

against war risk. Since then as the Minister of Finance mentioned a moment ago, we have considered the matter and have recommended to council additional provisions for the payment of compensation to fishermen and others for the loss of boats and gear as a result of war damage. This was done because fishermen generally are not in a position to pay the very high insurance rates against war damage, and in most instances the boats that we intend to cover are not of an insurable class. That is, the companies that carry on marine insurance do not care to insure such small boats against such great risks. For that reason we have made provision for the compassionate relief of fishermen who, as a result of the state of war, suffer war damage to their fishing boats, vessels or gear, in order that these people may be enabled to continue with their calling and resume their operations as soon as possible after the damage is inflicted. They are a class of people who are engaged in an important primary industry, and it would be in the public interest to keep them producing as much as possible for as long as possible, with the least possible interruption through war damage to their fishing gear and boats.

For these reasons an order in council has been passed under the War Measures Act empowering the Minister of Fisheries to pay compensation to any person in an amount not exceeding $2,000 on each diminution of value caused by war damage in any fishing boat of which such person is an owner, provided that if any such person is a joint owner, his compensation hereunder shall be limited to his proportionate share of the amount of $2,000.

Mr. REID: That is free insurance.

Mr. MICHAUD: That is not free insurance; it is free compensation.

Mr. NEILL: As interest may appear.

Mr. MICHAUD: Yes. That is compassionate relief, by way of monetary compensation, to fishermen for the loss of their boats through enemy action. The limit is $2,000 per boat.

Mr. NEILL: What about the nets?

Mr. MICHAUD: There may be $400 paid for the nets, but no compensation shall be paid for any claim amounting to less than $25.

Mr. NEILL: In either case?

Mr. MICHAUD: In either case; because minor claims would be difficult to adjust and would be so numerous. They would not prevent people from carrying on their calling, even if they met with such minor damages.

No compensation under this order shall be paid in respect of diminution of value caused by war damage in any fishing boat or fishing gear, unless such diminution in value in either case exceeds $25. No compensation shall be paid in respect of diminution of value caused by war damage in fishing boat or fishing gear in respect of which the owner is indemnified against war damage otherwise than under this order.

That is, there would be no duplication. If a fisherman can afford to insure his boat he can collect from the insurance company. But he cannot at the same time expect to receive compassionate relief from the public treasurer.

Mr. NEILL: What about the excess? Can a man insure beyond $2,000?

Mr. MICHAUD: Certainly, he can insure beyond $2,000, but he will not receive $2,000 if that insurance is paid.

Mr. NEILL: Does the minister think that is fair?

Mr. MICHAUD: I think it is—

Mr. NEILL: I do not.

Mr. MICHAUD: —because it is compassionate relief provided for people who cannot afford to insure.

Mr. GREEN: Why should this be called compassionate relief—

Mr. NEILL: Hear, hear.

Mr. GREEN: —any more than the provision in the act for home owners? The home owner can get free insurance up to $3,000, and then he can insure at his own cost for a higher amount. Apparently the fisherman cannot do that. Anything he gets from the insurance company cuts down the free insurance that may be provided.

Mr. MICHAUD: It is not free insurance, at all. Fishermen are not asked as a class or individually to contribute to a fund out of which they will be compensated. Under the insurance scheme the public generally are being asked to contribute to the fund. And out of the general fund a certain class of owners are going to be compensated without contributing. But the public generally is making up the fund out of which they will be compensated.

Mr. GREEN: If fishing boats were included in the act it could be treated as free insurance which, I submit, is what should be done.

Mr. MICHAUD: No compensation shall be paid any person under this order in respect of diminution of values caused by war damage at any one time, of any more than one fishing boat owned by such person.

That means that a person who owns more than one fishing boat cannot collect compensation for each and every boat, or in other words for more than one boat.

Mr. NEILL: Why not?

Mr. GREEN: Yes, why not?

Mr. MICHAUD: Because he can carry on his business with one boat. If he owns more than one boat, he is carrying on a business in which he is supposed to be deriving enough profit to provide for replacements to his fleet of boats.

Mr. NEILL: You cannot carry on a cannery with one boat, and many of the canneries have to provide boats.

Mr. MICHAUD: But if a person who is operating a cannery depends upon a fleet of boats, he must make provision for insurance for this fleet of boats, or have a fund provided for the replacement of the fleet.

Mr. NEILL: That is putting the individual, whether he be a fisherman or a canneryman, who must have more than one boat to run his business, in a position where he must take the entire loss, which we have already agreed should fall upon the nation as a whole. It is pointed out in Mr. Leonard's report, and we were told on the last occasion the bill was discussed it was the view of the government, that a loss of that kind caused by war should not fall upon one individual, but that it should be spread over the nation. Now it is going to be pinned down to one man.

Mr. ILSLEY: I completely disagree with that. If that were the principle we had adopted, we would not have any bill at all; we would just compensate everybody. There would be no policy and there would be no premium. This is the only class of capital as to which there is free compensation—the only class.

Mr. NEILL: The only class of what?

Mr. ILSLEY: The only class of capital assets in respect of which there is free compensation. I refer to these fishing boats.

Mr. NEILL: Is not an elevator capital?

Mr. ILSLEY: Yes.

Mr. NEILL: Is not grain in a ship, which we are going to take care of, capital?

Mr. ILSLEY: Yes.

Mr. NEILL: And is not the whole of this Bill No. 56 intended to protect the grain man?

Mr. ILSLEY: Yes, that is the point. In those cases premiums will be charged. There will not be one dollar of free compensation. There is free compensation to home owners for the residences in which they live, and fishermen will get that protection under this bill.

Mr. NEILL: No, they won't; they will get it only up to $2.000. Many of those fishermen live on their boats.

Mr. ILSLEY: The fisherman will get the protection for his home and his chattels under the free compensation provision, like any other people in the country.

Mr. NEILL: Yes, if the fisherman has a home ashore. But that is not so if his home is his boat, as is often the case.

Mr. ILSLEY: I am talking about his residence. If there were fifty thousand fishermen in Canada I am sure over forty-nine thousand of them would have residences ashore.

Mr. NEILL: No, not on the west coast.

Mr. ILSLEY: Oh, yes, of course.

Mr. NEILL: Not on the Pacific coast.

Mr. ILSLEY: I do not wish the hon. member to apply the provisions of home protection to this class of case. This is a capital investment; and the owners of boats, or fleets of boats, will be expected to take out insurance—not get free insurance. If that were so, I do not know where we would stop.

Mr. NEILL: Will the minister answer the point I made? Did not Mr. Leonard say in his recommendation that it was desirable that these war losses should be shared by the nation as a whole, and not put upon one unhappy man? We compensate our soldiers' widows because they have suffered something for which we are all responsible.

Mr. ILSLEY: I do not think Mr. Leonard said that, and certainly I never said it. I wish my hon. friend to understand that if that were the principle we would not have the bill. We would have free compensation for everybody, from the aluminum company, down.

Mr. NEILL: And why not? It is a debt of war.

Mr. ILSLEY: No. If the committee wishes to challenge the principle on third reading, well and good. It may, if it wishes, challenge the principle of war risk insurance premiums.

Mr. NEILL: We cannot do it. It would be out of order, because it would involve an expenditure of public money.

Mr. ILSLEY: The hon. member may vote against it, if he wishes to.

Mr. NEILL: That does not do any good.

Mr. ILSLEY: There is nothing out of order in connection with voting against it. But I thought we had passed that stage of the matter, and had adopted the principle, not of free compensation but of insurance.

Mr. NEILL: Here is the paragraph in the report to which I have reference:

For reasons which I could set out more fully I think the government should accept the principle that the loss ought not to be left to lie where it happens to fall, because the particular person damaged is but the casual victim of a general peril which the state is doing its utmost to resist and counteract.

Then he goes on to say that the country as a whole should accept it, and not the lone fisherman.

Mr. ILSLEY: The country as a whole should furnish insurance privileges; that is what it means.

Mr. NEILL: But that is not what it says.

Mr. REID: Is it not a fact that fishermen are in a class by themselves? Here we are insuring homes. Homes are anchored to the soil, and we protect them up to $3,000. On the other hand, ships go out into the open, into dangerous zones. If there were no compensation, these fishermen might very well say, "We are not going out into the danger zone." Therefore I say they should be treated differently. We are told that if a man has two boats and loses both of them, he will be compensated for only one. If he wishes to insure for more than $2,000, he will get no insurance at all from the government.

Mr. ILSLEY: That is correct.

Mr. REID: It cuts him out completely.

Mr. ILSLEY: Correct.

Mr. REID: I also say it is not fair to the fisherman, because he may not want to go into dangerous waters to fish.

Mr. ILSLEY: The Minister of Fisheries will argue the point, but I may point out that the ground upon which the request was made was that this particular feature had reference to fishermen whose boats are their all. If a fisherman's boat is gone, he cannot fish. It certainly was put up to us that we must not let that happen. It was pointed out that we must not let that prevent his fishing. But when the fisherman moves into the investment class or into the business class I say he should be treated like other persons. We will protect him to the extent of $2,000 on one boat. That will take care of the great majority of them. Certainly I would not like on behalf of the government to assume the obligation of further compensation to some fishing companies that own boats and are insuring them at the present time, and that can insure them, and expect to insure them. This is a matter of looking after the small man.

Mr. NEILL: But they cannot insure their boats at the present time. That is the trouble. I quote from sessional paper No. 245, which is a return tabled by the Minister of Finance. It is a copy of the report on war risks and bombardment insurance by Mr. T. D'Arcy Leonard. He says in section 6:

Accordingly—

That is, after having stated his case:

—we ought to endeavour to distribute the loss or damage as far as possible among our people as a whole in the fairest and most equitable manner.

Mr. ILSLEY: What about section 8?

Mr. NEILL: They took various views and advanced various schemes of compensation such as 10 (a):

Schemes of compensation, whereby the damage in whole or in part is repaid out of the general revenues of the state;

That was the first recommendation. And then (b):

Reinsurance, whereby ordinary commercial insurers reinsure a portion of the risk with the government.

But then look at section 4:

Up to December 7, 1941, there was available in Canada insurance against war risks to property. Since that date the insurance companies and underwriters have stopped writing new policies and therefore at the present time citizens and commercial concerns cannot protect themselves against the hazard.

That makes it quite evident that it is up to the government. We are at war, and we are protecting our men and women and children against risks, but when it comes to protecting the fishermen against this particular risk we say "no". But in Britain they have compulsory insurance, and here you are insuring the fishermen's boats in safe waters in the middle of the country in the great lakes. As this man says, the risk ought to be borne by the nation as a whole. But you are insuring the fisherman's boat only up to $2,000, which is from one-third to one-tenth of what they are worth, and that applies to only one boat. Bill No. 56 was introduced originally for the purpose apparently of giving a tremendous advantage to the owners of grain on the great lakes, and it has still to be provided that they can get payment for their wheat when it is stored on these boats. One of the objections that we took to the bill originally was that only the vessels of the fishermen on the great lakes were protected. That is a huge

expanse of water where, if anywhere, a boat ought to be safe; yet the man who operates his boat in dangerous waters in British Columbia and the maritimes is ignored. I can quote half a dozen instances where the minister said that he did not visualize that. Now pressure is brought that he ought to do something. If he is going to do it, for heaven's sake do something; do not just make a vague gesture.

The minister has read portions of the order in council; but here we are going to pass this thing, I presume, in twenty minutes, and we shall have to rely only on something of which we have heard extracts read. That is not satisfactory to me. I want to see it down in black and white. These boats run up to $25,000 in value. A good seine boat with net will cost more than that. They have to have powerful engines because the boats go out from thirty to fifty miles to sea, and they are very valuable boats. There was the case the other day where a fisherman bought one of these boats for $26,000. And all you are offering him is $2,000. You want the fish; Britain is crying for the fish, but you will protect the fishermen only up to $2,000, and you will not let him insure beyond that. A submarine can come along and attack a fleet of 150 of these boats and clean the whole lot out. Perhaps the fisherman has a mortgage on the boat, and he has to protect himself. If he does, you will not give him even this paltry $2,000 compensation.

Mr. ILSLEY: Let me set the hon. member straight. In the first place Mr. Leonard in his report was not reporting on sea risks at all, but on land risks. He expressly recommends that we do not go into the sea risk business.

Mr. ROSS (St. Paul's): Not by this bill.

Mr. ILSLEY: Not by this bill, and the reason is that marine risk insurance is available.

Mr. NEILL: Marine risk is not available.

Mr. ILSLEY: Not under this bill, but it is available commercially.

Mr. NEILL: He says "no."

Mr. ILSLEY: Where?

Mr. NEILL: I have just read it. For some time it was available, but now it is stopped.

Mr. ILSLEY: That is the land risk.

Mr. NEILL: It does not say so.

Mr. ILSLEY: Read the whole report. Marine insurance is available. I thought my hon. friend understood the principle of the bill. Let me read section 8 of Mr. Leonard's report:

> In the second place, it is my considered view that the property owner is not entitled to compensation out of the ordinary general revenues of the country beyond an amount which would represent provision for essential shelter and necessary household goods; and that in order to receive compensation in excess of that amount, he, along with other property owners, should make a special contribution proportionate or related to the indemnity he would get.

With regard to a man's business premises, anything in the nature of capital assets, there is no free insurance to anybody except the fisherman. The request of the members of the committee was that the small man—not the man owning a $25,000 boat—be protected. I did not hear anything about that when this matter was up before. I know that some of these schooners on the east coast will run up to $75,000 in value.

Mr. REID: And they can get insurance?

Mr. ILSLEY: Yes, and they do get insurance, and can pay the insurance, but the small man cannot, and therefore we are giving him up to $2,000 compensation.

Mr. CRUICKSHANK: What about the owner of a $25,000 boat?

Mr. ILSLEY: He will take out insurance himself.

Mr. CRUICKSHANK: He cannot get it.

Mr. ILSLEY: Yes, he can from the company.

Mr. CRUICKSHANK: What company?

Mr. ILSLEY: I am informed that the insurance is available.

Mr. CRUICKSHANK: On the last occasion when this matter was up the minister said that the only company that was writing marine insurance was a San Francisco company and that they had stopped issuing insurance. Those were the minister's own words; I am speaking from my memory.

Mr. ILSLEY: Your memory is bad.

Mr. CRUICKSHANK: I do not think so.

Mr. MacINNIS: It seems to me that the discussion has altogether changed since the last time we were considering this bill. I am sorry I was not in when the Minister of Fisheries was discussing the matter. What we objected to when the bill was previously under consideration was that the fishermen on the east and west coasts were excluded from the insurance that was given

to shipowners on inland waters and on rivers. I have the section before me. Section 2, paragraph (i) says:

"property" means buildings, machinery, fixtures or other structures erected or placed upon, in, over, under or affixed to land, and all movable corporeal property in Canada, but shall not include:

(i) land, exclusive of any structures aforesaid;

(ii) growing crops, plants and trees;

And then:

(iv) ships, other than vessels used solely in docks, ports, rivers or other inland waters or inland waterways;

I understand the suggestion was that fishing boats be included in the bill. I did not hear anything the last time about free insurance for fishing boats, and I cannot understand how it has come in. If the fishing fleet can get marine insurance at reasonable rates, I do not think we are on sound ground in asking that they be given free insurance under this bill, because no other commercial property receives free insurance.

Mr. ILSLEY: That is true.

Mr. MacINNIS: But if fishing boats cannot get marine insurance at reasonable rates, they should be brought in under this insurance scheme. I think that is all that the fishermen can reasonably ask for and all that their representatives can reasonably ask. They should not receive special treatment under the bill, but I can see no reason why the fishermen on the west coast, where there is great danger, should be treated differently from the fishermen on the great lakes.

Mr. ILSLEY: The hon. gentleman came in after I spoke. Under the proposal no ships are to be insured on the great lakes. That will eliminate the discrimination. There is something in what the hon. member says; there is an argument for his position that free insurance should not be given to anybody. But the fact is that unless we provide free compensation for the owners of small fishing boats we know that they will not insure. That is the reason for making special provision, up to a limited extent, for this great number of small fishermen. It does not apply to the man who has a fairly substantial investment. He will go to the commercial agency where insurance is available.

It may be said that insurance is too expensive. If a situation arises where marine insurance generally is too expensive, perhaps the government could give consideration to the setting up of a different scheme. But I have the most deep-seated objection to mixing a marine insurance scheme with a land insurance scheme. They do not do it anywhere, so far as I know—neither in Great Britain nor the United States nor anywhere else. The two kinds of business are different. Everything about a marine insurance scheme is different from a land insurance scheme, and I must stand firm on that—that we shall not run these marine risks in with land risks. What is proper for a certain rate on land is different from a rate on water. The risk is different, the nature of the business is different, the adjustment is different, the rules are different. For one thing, losses on land are adjusted on the basis of actual loss. It is like fire insurance: if I take out $10,000 insurance on my house, and it burns down, and the house turns out to be worth only $6,000, then I get only $6,000. The reverse, I am told, is true of marine insurance; the value is determined in advance and adhered to regardless of what the actual loss may be. That is a vital distinction. I cannot mix up these two plans.

We have no Canadian government plan of marine insurance, but commercial insurance is available. They have, I believe, a plan in Great Britain: I think they have a plan in the United States; but nowhere do they mix up the two, and I cannot run these fishing boats into this scheme. I have met the thing in what I thought was a very much better way. I have provided for the small man. I have no intention of providing free insurance for men who are heavy or substantial investors. We made inquiries and found that $2,000 would reasonably meet the great majority of these people. You cannot provide for everything, unless you just open the doors wide and say, "Whatever you lose we will pay"; but I think we have gone a reasonable distance in making this provision.

Mr. GREEN: The Minister of Fisheries was in the middle of his explanation of the order in council when these interruptions took place, and I fear we are hardly giving him a fair chance. The situation seems to me to be this. The danger on the sea coasts of Canada is greater at the present time than the danger on land. In other words there is greater urgency for some protection against marine risks, and yet, as the minister has just said, Canada has no scheme whatever to cover ships, although both the British and the United States have such schemes. I do not think it makes much difference just how the situation is met, but it must be met, and quickly, by the government. I understand that in the United States the policy of the government is to make marine insurance available at reasonable rates if it cannot be obtained at reasonable rates from the commercial companies. That sums up the policy,

as I understand it, as carried out by the United States maritime commission. Why can we not have some such commission set up in Canada?

The minister has said several times this afternoon that this insurance can be obtained now. My information is that it cannot be obtained in Canada—on the west coast, at any rate—at reasonable rates.

I have here a press dispatch from New York dated June 25, which reads as follows:

A 50 per cent increase in premiums for cargo war risk insurance on shipments moving along the Pacific coast north of San Francisco was made by marine underwriters to-day.

That is about ten days ago. There is the position that we are met with on the coast. Our merchant ships are being sunk, our coast is being shelled by submarines, yet the government calmly sits back and says, "We have no plan for marine insurance; we will give it consideration"—which means that perhaps a year from now we may have some scheme. Steps should be taken at once to provide war risk coverage for all boats on the two coasts at reasonable rates.

So far as the order in council which the Minister of Fisheries was reading is concerned, it has several of the earmarks of a cheese-paring officialdom, may I say, as regards some of the restrictions—for example, restricting it to a boat in which there are not more than two persons, and restricting it to one boat only, although a man may own two, and not allowing a man to insure for anything over $2,000, in that if he does so, he is penalized by the deducting of what he gets from the insurance company from what he would get from the government. But it does help out. However, I want to emphasize the urgency of some action by the government to provide for war risk insurance against marine risks.

Mr. ILSLEY: Most of the insurance on marine risks taken out in Canada is obtained in Great Britain and the United States.

Mr. GREEN: At very high rates.

Mr. ILSLEY: Yes, rates which are competitive with the government schemes in those countries. What my hon. friend is asking the Canadian government to do is to supply a low land rate, lower than the rates which are set for us by Great Britain, and—

Mr. GREEN: The minister must not put those words in my mouth. I did not say a low land rate; I said reasonable rates. That is the basis, I believe, which is adopted in the United States. I have here a quotation from the *Commercial Fisherman's Weekly* of June 12, 1942—

Mr. ILSLEY: Do we not get the benefit of those United States rates and of the English rates as well?

Mr. GREEN: This quotation reads:

Machinery to provide war risk insurance and reinsurance on American ships, including fishing craft, was set up by the United States maritime commission, which announced January 15 last that a $40,000,000 fund established for such a purpose was open to ship owners unable to obtain adequate insurance for their vessels at "reasonable terms and conditions" from commercial underwriters.

We maintain that on the Pacific coast we cannot get that coverage at reasonable rates, and we say that the government should provide a scheme whereby insurance can be obtained at reasonable rates.

Mr. ILSLEY: My hon. friend has no idea of what reasonable rates would be? He has no figures?

Mr. GREEN: There are no figures here.

Mr. ILSLEY: The government's scheme in the United States is the regulating factor with respect to commercial rates, which are available to Canadian ship owners. That is the whole thing. I hesitate to say that there is no demand that the government go into marine risks, but there is not. It may be that if property owners generally thought that by making a demand they could get a rate lower than the English or the American rate there might be a demand. But what obligation is there on the Canadian government to supply a specially low marine rate? The reason we make this provision for fishermen is that we know that no matter what the rate is, whether low or high, if there are thousands of fishermen—ten thousand, twenty thousand, thirty or forty thousand—having small boats worth $200 or $400 or $1,000, they will not take out insurance, and perhaps they could not get insurance, because the companies would not want to be bothered with writing these very small amounts.

Mr. GREEN: Why leave it all to the companies? Why give them so much power? Why put the boat owners in the hands of two or three commercial companies?—which is the situation on the Pacific coast. Is that fair?

Mr. NEILL: I have a suggestion to make which may meet with the approval of the committee, but before I offer it, perhaps I might make this statement. It has been put up to us to-day that this bill has nothing to do with fishermen, and we have been asked why we should bring in the fishermen. The answer is that fishermen were spoken of the last time the matter was under discussion,

because the word "ships" is actually used in the bill. We talked about the great lakes. That was when the subject first came up. We were discussing an enormous body of water large enough to take in Great Britain, and the subject naturally extended to fishermen. There is no question that fishermen were brought up. This will be found by reference to section 2. The hon. member for Vancouver South (Mr. Green) quoted the statement that had been made by Mr. D'Arcy Leonard. This is what Mr. Leonard said:

> I do think however that we should canvass the possibility of making an arrangement with either the maritime shipping commission of the United States or the British war risks insurance office to make sure that cover is available at reasonable rates to Canadian hulls and on cargoes in which Canadians are interested.

That is a definite report, submitted after careful study, and that has not been done. All that we get is something read from an order in council which we have not seen. How did the minister expect this bill to go through when he knew that there were a number of members interested in the subject? He did not let us have a chance to read the order in council, but on the strength of certain extracts from that order in council we are supposed to accept the bill and keep quiet. That will not satisfy me. I suggest that in order to get some harmony, and so that we may have an opportunity of knowing what we are doing, the minister should read the whole of the order in council and have the committee adjourn until Monday. This would give us a chance to look into the order in council. Perhaps the matter is not as bad as it appears and perhaps it is worse, but at any rate we want to see exactly what it is that the order in council says, and to what we are committed.

Mr. ILSLEY: I cannot object to that. I knew I was going to be held up on this bill until provision was made for fishermen, and hon. gentlemen can hold me up as long as they want to—

Mr. NEILL: I rise to a point of order. It is not fair to say that we are holding up the minister. We have not spoken an hour, and all we have received is the suggestion that we are holding up this legislation. God knows we have sat here long enough and we do not want to hold up anything.

Mr. ILSLEY: I do not take it back, and I do not make the statement resentfully. I said that I knew, what is a fact, that I would be held up on the bill until provision was made for fishermen. If hon. gentlemen want us to wait in order that they may see the order in council, that is all right. I do not say that they should refrain from talking; I do not expect it. That is their right and privilege. We have tried to make reasonable provision for fishermen, and if hon. members do not think it is sufficient and would like to exercise their privilege of talking on the subject for any length of time, I cannot help it. I have given my reasons why I think this is the best we can do. With regard to marine insurance generally, the demand was for land insurance. There was an insistent demand beginning from Pearl Harbour, not for marine insurance, because that was available—

Mr. CRUICKSHANK: Where?

Mr. ILSLEY: From any commercial agency.

Mr. CRUICKSHANK: At what rate?

Mr. ILSLEY: I cannot give rates.

Mr. GREEN: You should know them.

Mr. ILSLEY: I do not know whether I should or not. They are the prevailing rates, and they are available to hon. gentlemen.

Mr. CRUICKSHANK: Are they subject to war-time price control?

Mr. JACKMAN: Yes; that is very important.

Mr. MACDONALD (Halifax): I was a member of the committee that considered the bill, and no representations were made to the committee on the part of the ship owners. The first time any demand has been made on the government for the protection of ship owners on both coasts is to-day in the house.

An hon. MEMBER: No.

Mr. MACDONALD (Halifax): On the last occasion—

Mr. CRUICKSHANK: You ought to attend the house more often.

Mr. MACDONALD (Halifax): On the last occasion there was some reference to fishermen, and remarks were made on their behalf; but if there is one class in this dominion who do not require any special protection it is the ship owners. Everyone knows that the price of shipping has gone away up, but there is insurance available and shipowners can take advantage of it. Naturally they have to pay a higher rate as the war risk increases, and I say that both on the Atlantic and on the Pacific coasts there is no difficulty getting that insurance. The hon. member for Vancouver South has quoted certain rates—

Mr. GREEN: The minister's plan covers only very small fishing boats. I was referring to fishing boats as well as other ships.

Mr. MACDONALD (Halifax): Insurance is available to-day for fishing boats. The Lunenburg fishing fleet and the trawlers that operate out of Halifax are insured. Not a single representation, so far as I know, was made to the committee that considered this bill on behalf of that class of people. Representations were made by members of the committee on behalf of small fishermen, but not fishermen of the class referred to by the hon. member for Comox-Alberni (Mr. Neill), with boats worth $55,000. The government is protecting the small fisherman, the man who is not able to pay premiums on insurance in order to protect himself. The government makes provision for such men, and instead of this provision by order in council being at once accepted, the Minister of Fisheries (Mr. Michaud) and the Minister of Finance (Mr. Ilsley) are criticized by members from the west coast. Insurance is still available and always has been so far as marine risks are concerned. I can appreciate the point made with regard to discrimination between ships in coastal waters on the Atlantic and the Pacific and ships on the great lakes. Now whatever discrimination there was, is being removed.

Mr. GREEN: By chopping off the heads of the great lakes fishermen, taking something away from them. We were not trying to do that.

Mr. MACDONALD (Halifax): It was the suggestion of the hon. member for Comox-Alberni.

Mr. CRUICKSHANK: No.

Mr. MAYHEW: Part of our difficulty seems to be due to the fact that in this bill we have failed to give a definition of a ship. Some are thinking of cargo ships, but in the house and in the banking and commerce committee we were referring to them as fishing boats. Here we refer to them as ships. As I understand it, the purpose of the $3,000 on the house was to ensure shelter to the people. In this case you are providing $2,000 for shelter for the fisherman in his boat, but you are taking it away again if he is able to get insurance above that amount. I think he is entitled to free insurance at least up to the $2,000, and I would say up to the $3,000.

Mr. NEILL: The latter sum would be reasonable and fairly satisfactory.

Mr. MAYHEW: I think he should be insured up to the $3,000 on the same basis.

There is another aspect of the matter that should be considered. The bill makes it possible for a man with an investment of half a million on shore to get additional insurance at his own expense at a reasonable rate. In your marine bill you are not making it possible for him to get it. If what the hon. member says is correct, that there has been a 50 per cent increase in cargo war risk insurance rates, if would mean, according to Mr. Leonard's statement in the banking and commerce committee, that fishing boats in the Prince Rupert area would be paying 45 per cent premium. He said that there were three different sections: 12 per cent at the southern end of the island, 20 per cent about the centre and 30 per cent at the northern part, so that adding 50 per cent would mean that a boat out of Prince Rupert would be paying 45 per cent. That is hardly a reasonable rate. The government should endeavour to provide enough competition so that the private enterprise will at least come to a reasonable base and not overcharge a man who is trying to earn a living.

There is another reason why I think the fishermen should be encouraged. They have made very good money up to date in the fishing; many of them have made as much money this year already as they made all last year. They are not going to continue to risk their boats without any insurance and pay practically 100 per cent of their earnings to the government. That is human nature, but it is a fact that must be taken into account.

Mr. POTTIER: If they are making so much money that they are going to stop working, it seems to me the least they could do is to stay at work a little longer and pay an insurance premium and save the government from having to dip into the treasury in order to provide more money for them. I am not objecting to the order in council referred to by the Minister of Fisheries, because I think it is a great step in behalf of the small man, who is the one we have to protect. Let me give an idea of the number of boats by counties. In Shelburne county in my riding we have 708 fishing boats and 100 larger fishing boats. In Yarmouth county we have eighty-eight fishing boats and ninety-three larger fishing boats. That is the picture of the state of affairs along the shore of the maritime provinces. For these fishermen, their total assets, their livelihood, what they educate their children on, their working capital, are represented by these small boats. And they are not insured. They each own a boat worth perhaps $2,000 to $3,000. The operation of large numbers of boats to the value of $75,000 or $80,000 each, which apparently is the style in British Columbia, is something we do not know anything about. We have a few, not many.

I hope we do not get to the radical point—the "gimme's" such as we see from western

Canada. That is apparently what this is developing into—"give us this", "give us that". I am willing to back them up in what is reasonable, but we cannot adopt a policy of digging into the treasury to support this and that and extend this and that luxury to this and the other; we have to be reasonable. Under this order in council we are trying to keep alive the man who is not insured at the present time. And as a matter of fact while the insurance companies would insure the small boat, they say—I have had experience of it—that they do not want to be bothered, that it is too much trouble, that there is too much bookkeeping and detail. The result is that these small boats are not insured. Under the order in council such a man would be protected to the extent of a reasonable amount. I think $2,000 for these small men is a fair amount; it goes a long way toward taking care of a situation that needs to be taken care of, and I hope none of the remarks made to-day will cause any retraction of the order that has been announced.

Mr. MAYHEW: I did not ask that the man with a fleet of fishing boats should get free insurance. He should be considered on the same basis as the man with that amount of capital on shore; I quite agree with my hon. friend on that. The only point I raised was whether a man who uses his boat as a shelter on the sea should not get the same privilege as the man who uses his home for shelter on land.

Mr. CRUICKSHANK: I want to ask a couple of questions. I represent fishermen—I do not know how many boats, but from Vancouver north I have no doubt as many as the hon. member for Shelburne-Yarmouth-Clare. I quote the words of the hon. member as reported on page 2855 of *Hansard:* "I think we should leave it as it is now."

Mr. ILSLEY: Leave what?

Mr. CRUICKSHANK: The hon. member said:

> I rather agree with the last speaker. I do not think that just because you cannot get what you happen to want you should take anything away from anyone else. It seems to me that if there is any chance at all of fishing boats getting any protection it will be because somebody else has somewhere similar protection. If we take out of this bill the road leading half way to where we want to go we abolish our only chance, and there never will be any opportunity for fishing boats to be insured. I think we should leave it as it is now, . . .

If that is satisfactory to the maritimes it is not to British Columbia. We are accused of saying "gimme" all the time, but the only place where Japanese submarines are active to-day is on the west coast, so far as Canada is concerned. We are accused of having the "gimme's". I should like to ask any hon. member from Nova Scotia what subsidy the fishermen of British Columbia got when the lobster fishermen of the maritimes were even having their advertising paid for, and now you cannot buy a tin of lobster because it is not available. But we and the rest of Canada paid the cost of advertising that part of their lobster catch that had to be canned.

The question I desire to ask the minister is this. He referred to fishing boats costing from two to four hundred dollars. So far as I know there are no boats of that class operating in my constituency. I do not class myself as an expert with regard to fishing, like the hon. member for New Westminster or the hon. member for Comox-Alberni, but I believe that in British Columbia they fish with either gill nets or seine nets.

Mr. MICHAUD: And trolls.

Mr. CRUICKSHANK: Yes. I may be corrected if I am wrong, but I believe the gill net is the least expensive net, costing at pre-war prices from $600 up. I should like to know of any boat used on the west coast of Canada, costing from two to four hundred dollars and making use of a gill net costing $600 at the very least.

Mr. ILSLEY: I have no knowledge of the value of gill nets on the British Columbia coast, nor did I purport to be expressing any opinion in that regard.

Mr. MARTIN: Possibly this discussion between the salt water fishermen of the Pacific and the Atlantic should be balanced by someone speaking for the fresh water fishermen in between. The minister has said that ships on the great lakes have been taken out of the provisions of this act because it was felt that there would be discrimination against ships operating on the Atlantic and Pacific coasts. Surely that is no argument for denying to the ships on the great lakes the advantages offered by this legislation, and which they would have received if they had been allowed to continue under its provisions. This is not a case of the "gimme's" as far as the great lakes are concerned. The government would still get the money paid in by the ship owners on the great lakes, who I believe would pay a smaller premium. I do not see why hon. members either from the east or from the west would wish to have this discrimination operate against the great lakes fishermen, and certainly the minister has not yet satisfied me that the mere fact that there would be a discrimination is sufficient reason for excluding

shipowners on the great lakes from the operation of this legislation. In effect he is saying, "We cannot give you what we think you are entitled to, because we see no reason for according a similar privilege to those on the two coasts." I suggest to the minister that if there is any stronger argument he should give it to the committee.

Mr. ILSLEY: I think that is the main argument, but I believe it is a strong one. I do not think we would ever hear the last of it if we provided a government scheme at what would be represented as bargain rates for marine insurance on the great lakes, and did not make the same provision on the coast. From the governmental point of view, the parliamentary point of view, that is an excellent reason. I was impressed by the argument advanced by the hon. member for York South in that regard. He took an interest in the debate; and while I do not think he had any interest from a constituency point of view, he did raise the point of discrimination the other day, and I found my own answers to him not quite as convincing as I should have liked them to be. My answer was that there was no reason why we should not extend the same rates to ships on lake Ontario, for example, that we extend to buildings in Toronto. Nevertheless I have stated repeatedly that it is not our aim to supply insurance facilities for persons to whom commercial facilities are available. Commercial facilities are available to ships on the great lakes; and I think we would be accused, and justly accused, of discrimination if we provided insurance for them and not for ships on our coasts. I have taken the matter up with the members of the advisory committee; it has been fully discussed, and I have come to the conclusion that we should take those ships out. The hon. member for Comox-Alberni moved an amendment the other day, to have those ships taken out, and now I think I shall agree with him on that.

Mr. ROSS (St. Paul's): If you take away the opportunity for war risk insurance on ships I do not see why you should not also take away the opportunity for war risk insurance on cargo. I do not think the two things should be mixed up in this bill at all.

Mr. ILSLEY: There might be some demand for that, I do not know; but from the point of view of cargo, particularly grain, the flow is so continuous—it goes from the elevators into the boats, where it is sometimes stored—that I think we had better leave in cargoes on inland waters. We could never get this so that someone would not accuse us of discrimination. Just as soon as we become too generous in one line, that is used as an argument why we should be generous in a number of other lines, and we are pushed from one point to another. I cannot have a light regard for demands on the treasury. I must have some sort of control or rein on such demands, and I think we have gone as far as we should be asked to go in this matter.

Mr. GREEN: Has the government given any consideration to the setting up of a Canadian maritime commission, or some other organization which could handle marine insurance in Canada?

Mr. ILSLEY: No.

Mr. GREEN: Has any consideration been given to the suggestion made by Mr. D'Arcy Leonard, which is contained in paragraph 19 of his report, as follows:

> I do think, however, that we should canvass the possibility of making an arrangement with either the maritime shipping commission of the United States or the British war risks insurance office to make sure that cover is available at reasonable rates to Canadian hulls and on cargoes in which Canadians are interested.

Has any attempt been made to come to some arrangement with either the United States maritime commission or the British war risks insurance office?

Mr. ILSLEY: There has been no demand. As I say, we might stimulate a demand, or the members of this house might create a demand for it, but up to the present there has been no demand. Let hon. members just think of the situation. We are not going into this business for the fun of it; we are going into it to meet an urgent, pressing, almost desperate demand that arose after Pearl Harbour, for a class of insurance which was disappearing, because it was being cancelled right and left. That is war risk insurance on property on land. That did not apply to property at sea; and we get the benefit of the government schemes in Great Britain and the United States, because the competition of those schemes brings down the commercial rates in those countries, and it is insurance granted by companies in Great Britain and the United States, to a large extent and almost entirely, that is taken out by insurers in this country. Just as the hon. member for Halifax says, they can get insurance. I do not want to set up a bargain rate on marine insurance, nor do I want to go into a scheme of marine insurance if I can help it. It is going to be difficult enough, goodness knows, to operate the scheme we have here, which we have to operate because of the terrific demand for it, but I do not want to go into that other scheme.

Mr. NEILL: Would the minister allow that order in council to be placed upon *Hansard?*

Mr. ILSLEY: Very well.

Mr. MacINNIS: About twenty minutes ago the hon. member for Comox-Alberni suggested that the Minister of Fisheries should be allowed to read the order in council so that we might be able to examine it over the week-end. Then we would know what it is all about and would be prepared to act accordingly when next the bill is under discussion. I believe the house will be adjourning in a few moments, and I suggest we might have the order in council read. I do not believe hon. members from the west wish to be at all unreasonable; certainly I do not. I have no doubt we shall be prepared to cooperate with the minister, because we appreciate that where there has been no past experience in such matters the minister has a difficult task. If the order in council were read, we would know at our next meeting what we have to deal with.

Mr. MICHAUD: The order in council will be in to-day's *Votes and Proceedings,* and hon. members will have ample time to familiarize themselves with its provisions. However, I would call their attention again to the fact that the purport of the order in council is to bring compassionate relief to people who might lose property because of war activities, and who could not afford to insure or would have no means of insuring such property. That is the underlying principle of the order in council. It is compassionate relief to fishermen who own fishing boats or fishing gear but who cannot afford to insure, or whose property is not insurable.

Mr. NEILL: Is the word "compassionate" in the order in council?

Mr. MICHAUD: "Compassionate relief."

Mr. McIVOR: I should like to support the plea on behalf of shipowners on the great lakes. Their risk is coming into prominence because the great lakes are now included in the term "high seas." Anyone who has sailed lake Superior will know that the risk is just as great there as it is on either the east or west coast. I am sure the minister will take that point into consideration.

Mr. POTTIER: The hon. member for Fraser Valley quoted my observations at page 2855 of *Hansard,* as follows:

I think we should leave it as it is now.

True, the hon. member quoted at some length following that, but he did not explain the point to which I was referring. I was pleading on behalf of the fishermen so that they would have insurance. I was objecting to an amendment the hon. member for Comox-Alberni had suggested, in which the word "ships" would have been stricken out altogether. My contention was that the word should be left in, because if it were we might have a chance to have fishing boats insured. That was the time I said, "I think we should leave it as it is now." Certainly I did not say that we should not get insurance for the fishermen, or that I was satisfied with the bill, as it was, without insurance for fishing boats. I thought the retention of the word "ships" gave us a chance of securing that kind of insurance, and that was when I made the statement. I should like to correct the impression which might have been left from the interpretation of my remarks given by the hon. member for Fraser Valley.

Mr. HAZEN: We have not made a great deal of progress, and I would suggest to the minister that the bill be brought before the committee again at as early a date as possible. I have received letters from business men in my constituency who say that their policies with Lloyds are now expiring, and that it will be impossible to get more insurance until the bill becomes law. For that reason I believe it is essential to many people that further discussion be held at as early a date as possible.

Mr. ILSLEY: I am just as anxious as the hon. member to get the bill through, and it will be brought up again as soon as possible.

Mr. MARTIN: There is one point which should not be overlooked, and which possibly might come more correctly from hon. members on either coast. However, it should be said that there seems to be a disposition to hold up passage of part of the bill, and that that part should be held over for further refinement. But why should we delay passage of that portion of the bill to which there could be no objection. If those uncontentious parts could be accepted, we would avoid a continuation of risks which are now most serious, in the light of the world situation.

The ACTING CHAIRMAN (Mr. McCann): Shall the section carry?

Mr. NEILL: No.

Mr. GREEN: Could not section 2 stand?

Mr. ILSLEY: Yes, it certainly will.

Section stands.

The ACTING CHAIRMAN (Mr. McCann): Section 3, insurance against war damage.

Mr. NEILL: Well, there is no use debating that at this time of day. It is almost six o'clock. Surely it is not proposed to enter into an extended debate at this time, because that is the main part of the bill. Surely it is not intended to pass the rest of the bill in three minutes.

Progress reported.

On motion of Mr. Crerar the house adjourned at six p.m.

Monday, July 6, 1942

The house met at three o'clock.

VACANCY

ELECTORAL DISTRICT OF CHARLEVOIX-SAGUENAY

Mr. SPEAKER: I have the honour to inform the house that I have received a communication from two members, notifying me that the following vacancy has occurred in the representation, viz.:

Of the Honourable Pierre F. Casgrain, member for the electoral district of Charlevoix-Saguenay, by acceptance of an office of emolument under the crown.

I accordingly issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

THE CANADIAN CONFEDERATION

SEVENTY-FIFTH NATIONAL ANNIVERSARY—GREETINGS OF THE ARGENTINE CHAMBER OF DEPUTIES

Mr. SPEAKER: I have the honour to inform the house that I have received a copy of a communication addressed to the federal parliament of the Dominion of Canada, from the President and Secretaries of the Chamber of Deputies of Argentine, congratulating the Dominion of Canada on the seventy-fifth anniversary of confederation.

(The communication was read by the Clerk Assistant, as follows):

Buenos Aires, July 2.

The Chamber of Deputies of the Argentine nation has resolved in a session of to-day's date to send a cordial greeting of friendship to the Federal Parliament of the Dominion of Canada on the occasion of the seventy-fifth anniversary of the act of 1867 which gave birth to the political government of the noble Canadian people whose organization, intellectual and material progress, and lofty spirit of American solidarity constitute an outstanding example of neighbourliness and continental fraternity. I salute the Speakers of the Senate and of the House of Commons and, through them, the worthy members of parliament, with my highest respects.

Jose Luis Cantilo, President of the Chamber of Deputies of the Argentine nation; Secretaries Carlos G. Bonorinl, L. Zavalla Carbo.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WARTIME HOUSING LIMITED—L. SCOTT

Mr. CARDIFF:

1. Is Mr. L. Scott employed by Wartime Housing Limited?
2. If so, when was he appointed and what is his salary?
3. What travelling expenses has he incurred?
4. Is he doing publicity work? If so, what is the nature of publicity required by Wartime Housing Limited?
5. What has been the total amount spent by Wartime Housing Limited for publicity to date?

Mr. HOWE:

1. Yes.
2. September 10, 1941. $260 per month.
3. $1,055.86 to date.
4. No.
5. Nil.

INDUSTRIAL COUNCILS IN WAR INDUSTRIES

Mr. NOSEWORTHY:

1. In what major war industries have industrial councils representing management and organized labour been set up to date for the purpose of securing maximum production in these plants?
2. In what government-owned war industry plants are organized trade unions recognized as the bargaining agency between workers and management?

Mr. MITCHELL: Mr. Speaker, question No. 1 is answered, as follows:

Shipyards in Vancouver; four operators on Queen Charlotte islands; coal mines, Vancouver island; Victoria Machinery Depot, Yarrows; aircraft factories in Montreal under Mr. Ralph P. Bell's scheme.

The whole matter is receiving active and immediate study. Selective service is trying to follow up, indicating different methods as to how this can be done and is working to enlist the support of both manufacturers and labour to accelerate the formation of these committees.

Question No. 2 will have to stand as an order for return, to be answered by my colleague, the Minister of Munitions and Supply.

Mr. HOWE: Supplementing the answer of my hon. friend, we have no record in the

Department of Munitions and Supply as to what plants have a unionized bargaining agency between workers and management.

Mr. COLDWELL: Are there no records regarding the conditions in the government-owned plants directly under the government?

Mr. HOWE: Oh, government-owned plants.

Mr. SPEAKER: No. 1 answered; No. 2, order for return.

UNEMPLOYMENT

Mr. DIEFENBAKER:

1. How many men between 16 and 69 were unemployed at the time of the recent enumeration by the Department of Labour?

2. Of these, how many are considered to be unemployable?

3. What are the numbers by provinces of, (a) unemployed, (b) unemployable?

Mr. MITCHELL:

1. and 2. The Minister of Labour dealt with the subject matter of these questions on June 25. See *Hansard*, pages 3683-3684, stating in part "At the close of business on June 11, 1942 . . . . the total number reported as being unemployed in Canada was 59,933 men." It was pointed out that this was a preliminary return and that it appeared that some 50 per cent of the number of men registering were totally or partly unemployable.

3. Subject to the foregoing the number of men registering in each province were:—

Prince Edward Island	234
Nova Scotia	1,715
New Brunswick	1,033
Quebec	11,965
Ontario	22,285
Manitoba	6,279
Saskatchewan	3,808
Alberta	4,156
British Columbia	8,458
	59,933

LABOUR CONDITIONS—STRIKE AT VILLE LASALLE PLANT OF DISTILLERS' CORPORATION

Mr. COTE:

1. Has the government taken any steps to bring about a settlement of the strike at the Distillers' Corporation, Limited, Ville LaSalle, Verdun county, Quebec?

2. If so, what steps have been taken?

Mr. MITCHELL: The distilling industry does not come within the purview of the Industrial Disputes Investigation Act. The dispute is therefore within the jurisdiction of the province of Quebec and no steps looking towards a settlement have been taken by the dominion Department of Labour.

DEFENCE OF CANADA REGULATIONS—CHARGES AGAINST RENE CHALOULT AND COLONEL DREW

Mr. McGREGOR:

1. Has a special counsel been retained to prosecute Mr. René Chaloult?

2. If not, who is directing the prosecution?

3. Why did the government appoint special counsel to prosecute Colonel George Drew?

Mr. St. LAURENT:

1 and 2. Yes.

3. In pursuance of the usual practice of the department.

LABOUR CONDITIONS—PARRY SOUND SMALL ARMS AMMUNITION WORKSHOPS—WAGES

Mr. LaCROIX (Quebec-Montmorency):

What wages per hour are paid to the following groups employed at the small arms ammunition workshops, Parry Sound, Ontario: toolmakers, leading hand, second class, third class (specialists); stationary engineers, first class, second class, third class; machinist, first class, second class, third class (helper machinist); oiler; blacksmith, assistant blacksmith; plumbing, plumber, pipe fitter, welder; saddle maker, assistant saddle maker; tinsmith, assistant tinsmith; welding, oxide and electrical welder, assistant; settler machinists (machine hand); garage, garage hands, garage mechanics, truck driver (explosives), assistant, truck driver (non-explosives), assistant; foundry work, painter, moulder, chauffeur, weigher, day labourers; painters, plasterers, day labourers for general work, charwomen: lead shop department, antimony, press operator, junior lead machine operator; department No. 32 A.B. cordite, labourers (general), labourers (shop); millwright, assistant millwright, armourer; small arms artillery department, leading hand, chronograph operator, machine gun operator, cleaners, labourers, drum washers, cooks, assistant cooks, waitresses; mixing department, loaders, powder pressers, tinfoil and small press operators, department cleaners, cleaners of 25 A and B, inspectors, male and female, inspectors of production, male and female, carpenters, seamstresses, laundry workers; gas mask department, eye adjusters, mouth adjusters, examiners, cutters, shippers; stores, clerks, shippers.

Mr. MITCHELL: There is no small arms plant at Parry Sound. I assume the hon. member has reference to a small arms plant elsewhere, and if he will indicate the location the reply will be made by my colleague the Minister of Munitions and Supply (Mr. Howe).

Mr. SPEAKER: Question stands.

QUESTIONS PASSED AS ORDERS FOR RETURNS

TRADE UNIONS AS BARGAINING AGENCY BETWEEN WORKERS AND MANAGEMENT IN WAR INDUSTRIES

Mr. NOSEWORTHY:

In what government-owned war industry plants are organized trade unions recognized as the bargaining agency between workers and management?

AIRCRAFT INDUSTRY—MORALE BUILDING CAMPAIGN

Mr. MacINNIS:

1. Has an order in council been passed regularizing the appointment of E. G. Hirst of Toronto as morale building organizer in aircraft and allied industries?

2. If so, what was the date of the order?

Mr. HOWE: Return tabled.

MECHANICAL MILKERS

Mr. CARDIFF:

Will the government give consideration to having mechanical milkers removed from the restriction placed upon them by an order in council dated January 19, 1942?

Mr. ILSLEY: Return tabled.

BOVINE TUBERCULOSIS, PROVINCE OF QUEBEC

Mr. LaCROIX (Quebec-Montmorency):

1. How many cows have been slaughtered on account of bovine tuberculosis in the counties of Quebec-Montmorency, Portneuf and Charlevoix-Saguenay, since the adoption of the "zoning" system in these counties?

2. How many cows were slaughtered under the jurisdiction of the health department of the municipality of Quebec?

3. What are the names of the owners of these herds and how many cows were healthy or how many affected in each herd?

LABOUR CONDITIONS—HOURS OF LABOUR

Mr. COTE:

1. What companies, associations or public bodies, if any, have made representations to the federal government since the outbreak of war, for the adoption of a six-day working week in all war factories in Canada, or certain of them?

2. Will the government give consideration to such representations with a view to abolishing the seven-day working week without seriously affecting management and production?

3. Has the government taken steps to reduce to a minimum the number of war work shops in which the employees are required to work seven days weekly?

MILITARY SERVICE—ENLISTMENT AND ATTESTATION FOR ACTIVE SERVICE—POSTPONEMENTS

Mr. CORMAN:

1. What percentage of men called for military training report in each military district as trainees?

2. What percentage of these men enlist with the active forces before reporting?

3. What percentage of these men enlist for active service after reporting?

4. What percentage of these men are granted postponements?

MOTIONS FOR PAPERS

COURT MARTIAL OF MAJOR H. C. SINGER

Mr. BLACKMORE:

For a copy of all documents, letters, telegrams, etc., pertaining to the court martial which, on May 2, 1941, dealt with the charges preferred against Major H. C. Singer, of the 2nd Canadian Anti-Tank Regiment in England, including the following:—

1. The application for Major Singer's court martial.

2. The convening order for his court martial.

3. The subpœna of each of the witnesses who gave evidence in the court martial.

4. The first summary of evidence taken under Major S. McQwirter, April 14 to 18, both dates inclusive.

5. Major-General Victor Odlum's letter, 2 D.C./5-4, April 15, 1941.

6 The complete copy of the proceedings of the court martial.

7. The shorthand notes taken by the court recorder at the trial.

8. All details as they appeared in the application for the court martial, including character, correspondence, court of inquiry, etc., etc.

9. The letter sent to the Secretary of State concerning the dismissal of Major H. C. Singer from the services.

10. Part I orders 2nd Cdn. Div., February 20-28, 1941; Part I orders No. 1 Base Depot, February 20-28, 1941; Part I orders 2nd Cdn. A/T Regt. R.C.A., ct. 30-Nov. 8, 1940, Dec. 15-27, 1941, Dec. 28-Jan. 5, 1941; February 20-28, 1941.

11. Declarations to suspend, (a) Rule 8, officer present at investigation; (b) Rule 14, officer sent to inform accused of charges, etc.; (c) Rule 17, undue delay in convening court martial. Open arrest April 9. Trial May 2, 1941.

Mr. BLACKMORE: Stand.

Mr. RALSTON: I asked my hon. friend the other day to consider either dropping this motion or proceeding with it. I have no objection to his dropping it and putting it on the order paper again if he wishes to renew the motion, but it should not stand on the order paper week after week.

Mr. BLACKMORE: I will take the matter into consideration and decide in two or three days.

Mr. RALSTON: My hon. friend said that the other day.

Motion stands.

CANADIAN FORCES—MEN DISCHARGED OR STRUCK OFF STRENGTH

Mr. ROSS (Souris):

For a return showing the number of persons by military districts and/or provinces who have been discharged or struck off the strength of, (a) the navy, (b) the army, (c) the air force, by reasons of (1) medical unfitness, (2) desertion, (3) other causes, and, in the case of military districts Nos. 4 and 5, and/or the province of Quebec, showing the number in each category (i) of French-Canadian origin, (ii) of origin other than French Canadian.

Mr. RALSTON: My hon. friend said he would consider whether he would wish to go ahead with this motion in its present form.

Mr. ROSS (Souris): I wonder if the same procedure could be followed with regard to this matter as was adopted on June 17, as reported at page 3407 of *Hansard* with respect to a question that appears there.

Mr. RALSTON: That is to say, using names as giving some indication of origin? So far as the army is concerned, that could be done.

Mr. ROSS (Souris): If it is worked out on that basis it will be satisfactory to us.

ACCELERATION OF MEDICAL COURSES BY SHORTENING OF SUMMER VACATION

Mr. HAZEN:

For a copy of all letters, telegrams, and other documents pertaining to the scheme for accelerating medical courses by reducing the normal summer vacation to a minimum, that passed between the dominion government and Dalhousie university, the faculty of medicine of Dalhousie university, the province of Nova Scotia, and the province of New Brunswick.

CROWSNEST PASS FLOOD CONDITIONS

Mr. HANSELL:

For a copy of all letters, telegrams, communications and other documents exchanged between the government and the town of Blairmore, Alberta, and/or any other person or persons in respect to flood conditions in the Crowsnest pass during 1942.

WARTIME PRICES AND TRADE BOARD—BAKING INDUSTRY

Mr. COLDWELL:

For a copy of a report or reports by J. D. Woods of the wartime prices and trade board, regarding the baking industry.

[Mr. Ralston.]

Mr. ILSLEY: I cannot agree to this motion, because this is a privileged document, a confidential document. It relates to reports of conditions existing in certain private enterprises or businesses, and I object to making it public.

Mr. COLDWELL: Before it is dropped I want to point out that I asked for this from the wartime prices and trade board. It was understood at the beginning that it was a confidential document, but a member of the advisory council of the board circulated it among the employers, and if the employers have seen it, then surely the employees, who are also vitally concerned, should see it. I am taking the only course that seems open to me in asking that the report be tabled, since it has been made public to one section of the people concerned.

Mr. ILSLEY: I was informed that it was not made public with the authority of the board, if it was made public. I have no knowledge that it was, other than what the hon. gentleman has just said. I did gather from what was said to me by the board that one copy may have got out—

Mr. COLDWELL: That is right.

Mr. ILSLEY: —but it was not with the authority of the board. However, I will make inquiries and see whether, in view of that fact, there is any way in which it can be made available to my hon. friend. But I have taken the stand on a question of principle that reports of this kind are not producible in the house.

Motion stands.

PRIVILEGE—MR. RALSTON

REFERENCE TO NEWS DISPATCH IN "L'ACTION CATHOLIQUE" OF JULY 4

On the orders of the day:

Hon. J. L. RALSTON (Minister of National Defence): My attention has been called to the fact that in the issue of *L'Action Catholique* of July 4 there is a news dispatch from Ottawa under the date line July 4, marked (DNC), which I understand means "from our own correspondent". I will read the translation:

Ottawa, July 4 (F.O.C.) (D.N.C.) Hon. J. L. Ralston, Minister of National Defence, announced yesterday in the House of Commons he had discussed—when he was acting Minister of Finance—the amalgamation of Canadian Railways in the course of an interview with Sir Edward Peacock, English director of the Canadian Pacific.

An accusation along that line had been made against Colonel Ralston the day before by Mr. Jean François Pouliot, Liberal member for Témiscouata.

I wish to point out that what is herein stated is directly contrary to the facts, as appears from *Hansard* itself. I assume that the dispatch appears as it stands either through a misprint or through an unintentional misreading, because I am sure that no responsible correspondent or publication would publish an incorrect statement of that kind. What I did say will be seen in *Hansard* at page 3910. I said—

. . . that I never at any time, either as a member of the government or personally, discussed with Sir Edward Peacock, or anybody representing him, the amalgamation of the Canadian National and the Canadian Pacific railways or anything relating to the railways.

METALS AND MINERALS

PRESS REPORT AS TO ARRANGEMENT TO INCREASE PRODUCTION

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I wish to ask the Minister of Munitions and Supply (Mr. Howe) a question based on a press dispatch of this morning's date which reads:

An arrangement has been made to increase Canada's production of war metals and minerals, which will probably result in the opening of certain marginal and sub-marginal deposits, the munitions and supply department announced last night.

The question I should like to ask the minister is this: What is the arrangement; will the government finance the investigation and development of mineral areas; and is it intended by the government to encourage production of war metals and minerals in all provinces in which they are procurable?

Mr. SPEAKER: Order. This seems definitely a question for the order paper.

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT TO SERVICE OVERSEAS

The house resumed from Monday, June 29, consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940, and the amendment thereto of Mr. Roy.

Mr. J. A. BONNIER (St. Henri) (Translation): Mr. Speaker, to resume the thread of my remarks at the point where they were interrupted by the closing hour last Friday, I was speaking at the time of the former Minister of Public Works and Transport (Mr. Cardin) and of the stand he adopted when he saw that the government, following a change of policy, intended now to pursue a course of action diametrically opposed to that which the Liberal party had followed for over twenty-five years. Despite the gravity of the situation, he unhesitatingly obeyed the dictates of his conscience and resigned from the cabinet. This act alone took on considerable import, and the address he delivered on June 11 was not of lesser moment.

As Minister of Public Works and Transport and as a member of this house, Mr. Cardin rendered countless services to members from all parts of the country during a period of thirty years. He was the most popular of the Prime Minister's colleagues, especially since the passing of Mr. Lapointe. His speech was thus listened to respectfully and, I might even add, with admiration by the entire house. No one can gainsay the sincerity of his decision.

What we have been unable to do throughout the country, the former minister may be able to achieve in the house. We have failed to reach the people of the country at large but, in the commons, Mr. Cardin and those who share his views will be heard by that country's representatives. Shall we succeed in convincing the majority of our colleagues of the merits of our cause? Let us hope so, yet we cannot be sure of it.

Now more than ever the unity of all men of good will is urgent not only in Ottawa, not only in Quebec, but in the whole of Canada. We rejoice in the fact that our province is no longer divided against itself as it was in the past.

I hope, Mr. Speaker, that the speech delivered by the former Minister of Public Works and Transport has made the Canadian people think and that they will realize the French Canadians have done everything in their power to promote friendly understanding throughout the country. For the last thirty years, the former Minister of Public Works and the late Mr. Lapointe have preached unity and mutual understanding in our province and throughout Canada, in order to increase the strength and prosperity of the nation. To attain this ideal, each one of the parties to confederation must do its share and be tolerant towards the others. It should not always be the duty of the minority to be tolerant, and the privilege of the majority to use what may be termed strong-arm methods. In the present circumstances, if the English-speaking part of the population were really desirous of attaining that unity of which they speak so much, they would avoid the ever-recurrent issue of conscription. At every election, conscription has been damned up by our various governments and yet, as soon as Britain declares war, the issue always crops up again. It is well known

that French Canada is opposed to the principle underlying such a method of raising men, for we have always been led to think that conscription would never be enacted and that enlistments would be voluntary. Why bring up then, every time our country goes to war, this issue of conscription which the French Canadians cannot endorse? They are willing to do everything possible through the voluntary system but are irrevocably against conscription. I wonder whether the advocates of conscription are quite sincere. If they want unity in this country, let them stop talking about conscription and we shall accept everything else for victory and the efficient administration of Canada. As everyone knows, we have no wish to stir up trouble but we do not want conscription. Why this persistence in trying to foist it upon us?

Besides, the voluntary system has been satisfactory so far. The Minister of National War Services (Mr. Thorson) has emphasized, after his colleagues, that there is no possible comparison between the voluntary system and conscription as regards military efficiency and quality of personnel. In the air force especially, coercion would give poor results, a remark that also applies to the navy. It is therefore preferable to stick to the present methods of recruitment which have so far proved more than adequate in bringing the active army up to strength and have afforded the required supply of labour for agricultural and industrial production.

The government, led by the Right Hon. Prime Minister (Mr. Mackenzie King) is endeavouring to balance and coordinate our war effort as much as possible, which is the best way to ensure its complete success. Conscription for overseas service would be a harmful measure and, in placing their trust in the Prime Minister, the Canadian people no doubt wish that its enactment will never become necessary, however grave the situation.

On April 27 last, the province of Quebec voted "no" on the plebiscite while the other provinces gave an affirmative answer. The results in my constituency were as follows: 9,851 ayes, 22,071 nays and 690 spoiled ballots. I left my constituents free to vote as they thought best and, abiding by their verdict, I must now voice my opposition to Bill No. 80 which we are considering and which is but a further step towards conscription.

Much is made of the fact that eight provinces voted in the affirmative, but a close analysis of the results shows that the "no" votes in Quebec cancel out the "yes" votes in Prince Edward Island, New Brunswick, Nova Scotia, Manitoba and Saskatchewan. Which reduces to a great extent that impressive majority of eight to one. Moreover, the plebiscite vote was not taken on the direct issue of conscription. On the contrary, our leaders emphasized time and again in their radio addresses that its purpose was not the immediate enforcement of conscription but merely to obtain release for the government of commitments made before 1940. The picture might be different if the enacting of such a measure appeared necessary, but the voluntary has been fully adequate until now and that is why the province of Quebec voted in the negative. Indeed all the reverses our allies have suffered can be traced to the lack of artillery and motorized units and not to their need of man-power.

The advocates of conscription claim in every one of their speeches that they wish to maintain harmony and unity in this country. Now is it fair to expect the province of Quebec to knuckle down every time there is a sacrifice to be made? Let our friends from the other provinces who never stop talking about Canadian unity lead the way to a better understanding and cease all this chatter about conscription. That would be the best evidence of the fact they are willing to make some sacrifices for the sake of national unity.

Mr. Speaker, the cabinet has a new member who seems determined to run the whole show. There was a man down our way named Aubertin, who called such people who cannot refrain from throwing their weight around in any group they belong to "the man in the straw hat." I think this new minister should drop his managerial attitude and withdraw from the stand he has taken on conscription. Perhaps he is actuated by some hidden motive. Perhaps he wishes to step into someone's shoes. Let him beware. After the death of Sir Wilfrid Laurier, one of his lieutenants, the Hon. Mr. Fielding, endeavoured to take over as leader of the Liberal party. However, you may remember that a convention was held to find a new party leader. What happened? Delegates were appointed. I was requested to appoint one myself. After the meeting our delegate was instructed not to support anyone who had voted against Laurier on the conscription issue. When the time came to select the leader, the Hon. Mr. Fielding seemed to have a clear field. However, at that time, the Right Hon. Ernest Lapointe was living and very active in political circles and so was the former Minister of Public Works (Mr. Cardin). They pointed out that in 1917 Mr. Fielding had favoured conscription and had forsaken Sir Wilfrid Laurier. Mr. Fielding was put aside and the present Prime Minister

was chosen as leader of the Liberal party for his devotion to Liberal traditions and his stand on conscription.

Let the Prime Minister keep that in mind lest the same thing happen to him. The province of Quebec has a long memory.

In conclusion, I repeat that there should be an end to these requests for all-out sacrifices on our part during this war. We are not opposed to the budget in spite of all the sacrifices it will mean for us. Our people are by no means in affluent circumstances. Most of my constituents are working men but they nevertheless accept every sacrifice necessary to win the war. However, a matter on which we disagree is the method of conducting this war. On that point, we disagree with our English-speaking fellow citizens. We support the voluntary system of enlistment while they favour conscription.

In every victory loan and Red Cross campaign launched in the country, we have exceeded our quotas. We can surely not be accused of having failed to contribute our share. The former Minister of Public Works has always done everything he could, and he remembers the pledges he gave in the province of Quebec. He has waged many political campaigns in every part of the province. Everywhere he was scheduled to speak, the people were eager to hear him. The same could be said of the Right Hon. Ernest Lapointe. Were he still alive, he would speak along the same lines. His words are sacred and no one can overlook his statements. Lapointe and Cardin had both promised that there would be no conscription. The former Minister of Public Works did not hesitate to resign when he saw that the enforcement of conscription was advocated. We are fortunate in having Mr. Cardin to uphold our cause. We are prepared to follow him, and all my constituents have intimated to me that they are pleased by the stand taken by the former Minister of Public Works.

Not long ago, Mr. Speaker, I heard the hon. member for Laval Two-Mountains (Mr. Lacombe) and the hon. member for Gaspé (Mr. Roy) criticize the former Minister of Public Works. Such criticism is regrettable. People who have the same purpose in view should try to get along with each other. Mr. Cardin has given up his portfolio and I would ask those two hon. members to maintain a friendly attitude toward a man who thinks as they do, who has one wish and one purpose in common with them: opposition to conscription.

Hon. GROTE STIRLING (Yale): Mr. Speaker, it will not take me very long to state my position with regard to the bill now before the house for second reading. Its purpose is to amend the National Resources Mobilization Act of 1940 by repealing the restrictive section which stands in the way of posting a trained man to a unit which is to serve overseas, which restriction was placed in that act because of a commitment the government had previously made and which it found was an obstacle in the path of a total war effort. To rid itself of that commitment it held a plebiscite. We did not agree with the holding of the plebiscite; we argued against it, and stated our objections. However, those objections were overruled and the plebiscite became law. We threw ourselves with considerable energy into the campaign, which was to endeavour to facilitate the getting out of the vote all through Canada so that the electors might state their answer to the question being asked them. As everybody knows, the result of that plebiscite was a strong affirmative vote. We still believe that the government did not follow the right course in not energetically and courageously taking the steps which it considered should be taken, and, if necessary, asking parliament for its opinion thereon.

Certainly I support the bill. But the situation does not seem to be quite as simple as that. Speaking on the plebiscite bill in February the Prime Minister (Mr. Mackenzie King) stated that in the opinion of the government it was not necessary to introduce conscription, that if that time did come the government proposed to state the facts to parliament and let parliament decide. On introducing this bill a month ago, however, the Prime Minister, although stating again that the government felt that conscription was not necessary, went on to say that in his opinion this was the time and certainly this was the place in which the question of conscription should be debated, and that as he did not want conscription to be twice debated, perhaps in the same year, now was the time to debate it. It has been debated to some extent. Debates culminate in votes. Therefore this vote, which will be taken perhaps to-morrow, being a division on the second reading of the bill, will have to be used by hon. members to answer two questions. It will not be an entanglement for me because I am prepared to support the bill and all that the bill entails, but I can well imagine that there may be hon. members who desire to support the bill which removes the commitments of the government but who are not prepared to vote for conscription.

It is a matter worth recording that ever since the beginning of the war the government

has proceeded nervously and haltingly toward a total war. The extent to which Canada's war effort has been magnificent does not appear to me to have been due so much to the effort of the government as it has to the strident expressions of public opinion which have reached us from the country. It will be recalled that on May 22, 1940, the date on which in the parliament of the United Kingdom an emergency bill containing very wide powers was introduced, passed through all its stages, and received the royal assent, the leader of the opposition (Mr. Hanson) asked the Prime Minister whether the government had considered the advisability of doing likewise. The Prime Minister replied that consideration had been given to measures of a sweeping character, but that he could not say more until he had seen the United Kingdom legislation.

Four weeks passed and then at an interview with the Prime Minister, sought and obtained by the leader of the opposition, somewhat detailed proposals were made to the right hon. gentleman that the government should bring in a measure which would give it very wide powers indeed to cope with the alarming situation. By the signal mercy of God alone the British and allied troops had been evacuated successfully from Dunkirk, but Britain then stood alone faced by a powerful enemy drunk with success, and the only assistance then forthcoming—France was tottering to a fall—was from the dominions, which were gradually gathering in force. I was present at that interview, and a discussion ensued between the Prime Minister and his colleagues and the leader of the opposition. The leader of the opposition pressed upon the Prime Minister the desirability of creating for his government far wider powers than they then had.

The Prime Minister suggested that the matter might be allowed to rest for twenty-four hours before the Leader of the Opposition made any public statement thereon, and that was acceded to by the colleagues of the Leader of the Opposition after he had discussed it with them. On the following day, June 18, 1940, the Prime Minister introduced the national resources mobilization bill, and the house gave it first and second readings. It was printed and distributed; the house gave it third reading on June 20, and it received the royal assent on June 21. The official opposition had proposed it to the government. A month later it had pressed it on the government and only then was it introduced; and, warmly supported by the opposition, it became law.

The first notable action under the mobilization act was the holding of a national registration, a numbering of the people, an effort to find out just exactly what people there were and what they might be able to do best. It was announced by the Prime Minister on his introduction of the bill, in these words:

> A national registration of Canada's manpower will accordingly be instituted at once. Let me emphasize the fact that this registration will have nothing whatever to do with the recruitment of men for overseas service.

The registration took place on August 19, 20 and 21 of 1940. But it must be remembered that just about a year before, that is a day or two after Canada entered the war, the hon. member for Broadview (Mr. Church) advocated just such a numbering of the people. This was his phraseology:

> A general survey of all skilled labour and man-power in order to throw light on the adequacy or inadequacy of Canada's resources and to plan in advance the proper allocation of our man-power between the ages of eighteen and sixty-five.

That was on September 9, 1939. Eight months later, nothing having been done in that direction, he placed a question on the order paper asking whether such a registration would be undertaken, to which the Prime Minister replied that "it was not customary to announce government policy in answer to specific questions on the order paper".

On the 27th of May, the hon. member for Waterloo South (Mr. Homuth) again emphasized the necessity for such a registration, for the reasons already given, but also for another reason, namely, to enable the government to tackle the question of the fifth columnists, which at least in some parts of Canada was causing considerable alarm to the people. And he also would have liked to have the registration include all men and women above the age of sixteen.

On the same day the leader of the opposition appealed to the Minister of National Defence asking for a comprehensive survey of the availability and suitability of industrial activity to help win the war, to which the late Hon. Norman Rogers replied that national registration "had received the careful study to which it was entitled".

Thus again the official opposition, carrying out its expressed determination to do all in its power to help the government in its war effort, proposed in detail action which, months later, was effected.

The registration was the basis for placing young men of chosen ages and of certain medical categories in training camps, and the first period of that training was a thirty-day period. It must be remembered that the

Prime Minister now refers to the placing of the men in training camps under the 1940 act as an acceptance of the policy of conscription. The first phase was for thirty-day training periods; that was in October of 1940. Almost at once a clamour arose in the country that a thirty-day period for training was utterly inadequate, that these young men after but a few days of actual training work would slip back into civil life and that their work would largely be lost.

On November 12, a month after the camps started, the leader of the opposition asked that the training period be extended to four months, half of which should be training of a preliminary character and the other half training of a more detailed nature, graduation being required from the one to the other. That suggestion also was adopted, and the four months training period began in February of 1941. But at the end of the period, whether it was thirty days or four months, the trained men would return to civil life and a good deal of the training work that had been accomplished, costing time and money on the part of the taxpayers and the men and the instructors who were appointed for that purpose, would largely be lost; and once more it was the leader of the opposition who first drew attention to the necessity of retaining the services of these trained men, and who put it into words in this form when he was speaking in the house on March 14, on the war appropriation bill:

> Under these regulations in a limited sense that is true; but the country has no right under these regulations to use these men to defend this country abroad, and that is the weakness of the whole position. The country has the right to utilize the services of these men in the event of an invasion of Canada. But time and again we have had it explained in this house by the ministry that the first line of defence in this country is not here but over there. Why, then, has the government not had the courage to go the whole way and retain the absolute right to utilize the services of these men for the defence of Canada over there, after giving them four months' training and spending the huge sums of money that have been spent on military education? That is going the whole length and putting the thing in a nutshell.

Two months after the camps started on a four-months basis the announcement was made that the trained men would be retained in the active army for the duration of the war.

There are four occasions on which the official opposition pressed on the government schemes and suggestions, some detailed in extent, and urgently demanded in the country, and which, after a lapse of months, were adopted and put into operation by the government. And they were not the only suggestions made to the government. The official opposition was by no means the only body of thought in this country which was pressing suggestions on the government for a more rapid mobilization of all that Canada had and could use. Those manifestations were growing before 1941 particularly, and hon. members will not forget the statement put forward by the Canadian Legion, which seemed to pick up all those thoughts which were raging through the country and bring them under one head. Let me read one phrase which occurs toward the end of that call, so well-known throughout the country as the Canadian Legion's statement:

> Canada needs and is seeking a courageous, a moral and a spiritual lead. You yourself, sir—

The statement was addressed to the Prime Minister.

> —have forcibly and repeatedly made known your own clear knowledge of the issues at stake and of the terrible dangers which lie ahead. Canada wants you to implement to the full your inspired pronouncement: "There is only one way to meet 'total war' and that is by 'total effort'—effort not for a day, or a week, or a month, but every day until victory is won."

I have no doubt that I am not singular amongst hon. members in having been literally deluged with resolutions from societies and associations of every description, who seem to have been impelled, after that call from the legion was put forth, to add their support, by resolution, by letter, by postcard, by word of mouth. They came in every form and description of manifesto that could possibly be used, and indeed another eruption of postcards is taking place at the present time, all emphasizing the same note—total effort for total war. The pressure that the people of Canada have brought to bear on Canada is the measure to-day of Canada's war effort.

Now I come to occasions when greater activity was urged upon the government to provide more materials for war.

On May 28, 1940, the leader of the opposition (Mr. Hanson) asked for a statement from the government on the production of tanks. On the same day the hon. member for Parkdale (Mr. Bruce) alluded to the shortage of tanks for training. He also asked a question on the order paper, followed a few days later by a question by myself, for the relevant papers connected with the correspondence between the manufacturers and the government on the subject of tanks, to which the minister a few days later replied that search was being made but that so far no relevant documents had reached him. The following day the hon. member for Parkdale returned to the subject and gave details of firms capable of undertaking such work if directed to proceed, remarking—so truly—that there was no manufacture that Canadian

industry could not undertake if it was directed so to do. That is a fact which Canadian industry and Canadian labour have proved up to the hilt. The gist of the minister's reply was that it was not so far the policy of the government to proceed with the manufacture of tanks; that Canadian industry was becoming increasingly busy in making things which it had never made before; that the difficulties connected with obtaining the necessary raw materials and the designs, tools and machines, were very great, but were gradually being overcome. But Dunkirk had been evacuated; France had fallen; the United Kingdom had lost $2,000,000,000 worth of equipment. The policy of the government changed, Canadian industry was directed to make tanks, it was assisted to make tanks, and Canadian industry and Canadian labour to-day are making tanks. I read in the Montreal *Gazette* of June 30:

The cruiser tank, made in Canada, is of Canadian design. Its cast steel welded armour plate, which makes the use of rivets unnecessary, presents no flat surface. The rounded contour renders it less vulnerable to direct hits.

Not only is Canadian industry being directed and assisted to make tanks; Canadian industry and Canadian labour are making tanks which are being used on many fronts to-day, and those tanks are actually made to the design of Canadian designers who, making use of the information and knowledge gleaned so far, have been able to adapt their special knowledge to the furthering and the proving of design of these instruments of war.

I go a little further, with regard to shipbuilding. Hon. members will remember that, not so very long after the outbreak of war, Canada embarked on the making of corvettes for Britain and for us, also the making of mine-sweepers, patrol ships and a great variety of smaller craft. But she did not get busy with the building of freighters. The toll of sinkings rose, and every now and again became so intense that it was a larger figure than the output of the shipbuilding yards of the allied countries. The Canadian government did not seem to be ready to go into the building of freighters. The hon. member for Vancouver South (Mr. Green), speaking in this house on June 14, 1940, said—*Hansard,* page 785:

I would ask the minister if it would not be possible for Canada now to enter upon a programme for the construction of ships up to, let us say, 10,000 tons.

On March 10, 1941—the question was still open after ten months—the leader of the opposition used these words—*Hansard,* page 1391:

I believe that the genius of our people and their desire to see a rehabilitation of this industry in the maritime provinces is sufficient to overcome what are insuperable difficulties in the minds of some persons, but which fade into insignificance when one gets down to realities.

The following day the hon. member for Davenport (Mr. MacNicol) said—*Hansard,* page 1450:

In my judgment . . . the minister will find shortly that the whole shipbuilding programme will have to be revamped with the objective of perhaps making it one hundred times bigger than it is to-day.

It would not be so very much bigger, seeing that practically none were being built at that time. On April 1, 1941, the hon. member for Cumberland (Mr. Black), said—*Hansard,* page 2077:

If shipbuilding is as urgent as we believe it to be, the number of ships being built in Nova Scotia should be manyfold the number being built to-day. The minister says that the shipyards of Nova Scotia should be humming. Why are they not humming? Because there is no humming on the part of the minister and the government and those associated with them.

There are four instances, over nearly two years, of endeavours on the part of members of the opposition to get the government started on the building of freighters, against the day when the submarine menace—and it has unfortunately come true on the west side of the Atlantic—would be sinking ships at such a rate that the shipbuilding powers of the allies would not keep up with it. Again the minister made his defence. He stated that the difficulty so far was to find the necessary labour to keep the repair yards going, and that until that difficulty had been met it would not be possible in his opinion to proceed to shipbuilding. But that difficulty was surmounted, the registration had taken place, and if it was possible then and in subsequent months to find and adapt the necessary labour, I maintain that it would have been possible a year beforehand to do so.

I do not place these things on record at this time in a spirit of belittlement of what Canada's effort has amounted to—not at all—but because there seems to be surrounding this government a mutual admiration society of supporters who do nothing but nauseatingly stroke the back of the government and place it on record that the government and the government only is responsible for what Canada has accomplished. I do not put this on record for the purpose of patting the opposition on the back—the opposition was merely carrying out its distinct statement to the government of its desire to help—but

because through this country there are organizations in great numbers, besides individuals, who from the beginning have endeavoured to bring pressure to bear upon the government to get busy and busier than they had been up till then. And now the government wants to remove the hindrance.

In approaching the question of an amendment to the mobilization act we have listened to speeches from three service ministers and several of their colleagues—most interesting speeches—and the comparing of the one with the other gives food for a great deal of thought. But I notice that in the speech of the Minister of National Revenue (Mr. Gibson) he was expressing some dissatisfaction with what he called the conscript. He used the illustration of the commanding officer of a unit in need of reinforcements who would certainly choose the volunteer before he would choose the conscript. But does he shut his eyes to the fact that in this country to-day units of the Canadian active army are composed in just that way? They are composed of volunteers, augmented by compelled men; and if it is a difficulty in the one case it is certainly a difficulty in the other. The hon. member for Vancouver South (Mr. Green) the other day called the attention of the house to difficulties that were arising in the units within Canada with regard to their training, with regard to their relations the one to the other, with regard to the duties to which they are put. It certainly is not a happy condition and there is but one way in which it can be overcome, and that is by the use of the policy of conscription, which the Prime Minister says was included in the 1940 act at the time of its passing.

I now come for a few moments to the question of what the electors of Yale, whose mouthpiece I am in this house, meant by their vote. The Prime Minister had asserted again and again that they were not asked to decide on conscription, but just whether they were ready to free the government from its commitments. I wonder how many times I was asked: "What does this question mean?" I wonder how many times I was asked "What will the government do if the answer is 'yes', or if the answer is 'no'?" I wonder how many times it was said to me, "Well, I know what I mean by voting 'yes' on this plebiscite". To all these queries there was only one answer I could give; I could only quote the sphinx. They had to take the answer as best they might. But they went to the polls, and they went to the polls in greater numbers than I had expected, in greater numbers than in recent general elections. I had certainly been afraid of the apathy that might have been shown by the people of Canada with regard to this plebiscite, but in all Yale 77 per cent of those who could vote did vote. In the city in which I live, 92 per cent of the people who could vote did vote, and 84 per cent of them voted "yes". In Vernon, to the north, 85 per cent voted "yes", in Penticton to the south 88 per cent, and in all Yale 83 per cent voted "yes".

What do I take it that they meant by their "yes", vote? Judging by conversations, correspondence, resolutions, representations through their press, I take it without any doubt whatever that Yale voted five to one "yes" because it was desirous of releasing the government from anything that stood in its path, so that it might proceed to make use of the very wide powers contained in section 2 of the act, powers so wide that the government is empowered thereby to make use of men and women, their possessions, everything that Canada has and can use, which can be adapted to the purposes of total war. That is what they meant by voting "yes". It is quite true that a certain proportion of those who voted "yes" wanted something more than that. They wanted compulsion for service anywhere. How large that fraction is neither I nor anybody else can say, but I know something of the reasons why those who held that view did hold them.

I do not think it was for the purpose of increasing the size of Canada's military forces overseas. I do not think they knew the facts sufficiently. They have no opinion with regard to that. What the government had undertaken to do on Canada's behalf, and how far they had succeeded in doing it, nobody knew. We did not know it in this house. We have been listening to the speeches of service ministers and others for months past, interwoven with figures of man-power, and I know that they have baffled me. We asked supplementary questions, and answers were not always given, but those that the ministers considered could be given were frequently for some period which did not fit into the general picture. We could not fit them into the picture of those who had been discharged from the service, those whose medical category had been changed, those who were placed in certain work which it was not proper to divulge to us. So we could not get, at least I have never been able to get, a clear picture in my mind as to how the Canadian military forces are divided, where they are, and in what numbers they are proceeding overseas. I do not think, therefore, that that was the reason why the people of Yale so largely voted "yes."

There were three other reasons. One was that they were looking at what they believed to be their best men going and their less worthy men remaining behind, and vacancies in labour being filled by those who in their opinion might have gone. In the second place, they were listening to the stories of their men on leave, their men in their correspondence from active service units, describing just what the hon. member for Vancouver South described of what was going on in the active service units within Canada doing their training here. And they even went so far in many cases as to allege that the presence of these compelled men in a unit, who would have to be removed before that unit could be sent overseas, was having the effect of preventing that unit from being included in overseas contingents. The third reason was perhaps the strongest of the three. They did not know the extent of the commitment of Canada's military forces overseas, but they read, and they are proud to read, that it is perhaps the finest and the best trained and best equipped force that modern warfare has ever seen, and they know that when the time comes it will be used in the forefront of the battle. Sadly do I remember that that means casualties, and I wonder how you can possibly fill the vacancies caused by casualties if you do not start now to do the training. If you wait until too late to train these men for modern mechanized war we shall but have a repetition of some of the saddest incidents in Canadian military history. I think there is no doubt, if I read the minds of those in Yale constituency who voted "yes," that the majority of them desired conscription, although I am not in a position to say how large that number is.

There is another phase of this matter to which I want to devote the closing minutes of my time. Some week or two ago in this debate I listened to a speech by the hon. member for Pontiac (Mr. McDonald). It was a bitter speech, and I imagine that the old-fashioned way of answering would have been for a similarly bitter speech to be made from this side of the house. Alas! there is ample material for such a speech—but it would have done no good. It would but add another handful of fuel to the flames of controversy. The hon. member told us that seared into his mind there were utterances of his opponents. Does he think he is alone in that? There are certain phrases seared into my mind which were used by a prominent Liberal French leader in the by-election in Rimouski, which was followed a few months later by the by-election as a result of which I found myself a member of this House of Commons. I do not repeat those dreadful words. I shall not repeat them; they would do no good. But if I am ready to endeavour to forget such things and to move forward on a better road, may I not appeal to the hon. member for Pontiac that he also should endeavour to forget such things as he remembers were spoken by his opponents, so that together, and supported by what I believe to be a tremendous number of people of this country, we should move along a road which will lead to better things?

I listened with great interest to the hon. member for Richelieu-Verchères (Mr. Cardin), who left his seat in the government because be believed his leader had misled his people. He spoke of the French Canadians having made concession after concession. He surely does not think that they were the only ones who made concessions. He spoke of the accident of nature whereby my blood is apt to tingle when British institutions are in danger, whereas by another accident of nature he has to make use of his reasoning powers before he can express his admiration for British institutions. As he spoke I wondered whether, being no less intelligent than I, he had made use of all his powers in endeavouring to withstand those awful inaccuracies used among his compatriots, that the great war was an imperial war. An imperial war? With British troops, supported by troops from the dominions, endeavouring, shoulder to shoulder with French troops, to repel the invaders of France—and that this war is an English war! Did you ever hear such nonsense? An English war more than an American war, more than a war for the allied countries, every one of those countries that wants above all else to return to a condition under which they may have liberty to think and worship as they will?

On Saturday the United States commemorated their great day. There arrived in Ottawa 200 of their soldiers, and their band, to take part with us in army week. Did they come up here with an idea that this war, in which we and they and seventeen other nations are engaged, was an English war? Surely the hon. member and those other great leaders of French-Canadian thought on whose words his compatriots hang, surely if they had made in the twenty years before 1938 speeches such as some have made since 1938 we should not be face to face with such a conglomeration of falsehood as apparently rules in some quarters of this country. I make an appeal to him—

Mr. SPEAKER: I am sorry to inform the hon. member that his time has expired.

Some hon. MEMBERS: Go on. Finish.

Mr. STIRLING: May I finish that sentence?

Mr. SPEAKER: If there is unanimous consent.

Mr. GARDINER: I object. The hon. gentleman cut three minutes off my time the other day.

Hon. J. E. MICHAUD (Minister of Fisheries): I feel impelled to offer you, Mr. Speaker, my apology for injecting myself into a debate which has been protracted beyond reasonable limits. If I do so, and crave your indulgence for a few minutes, it is not for the purpose of throwing any new light on the subject, because I feel that all that could be said pro and con on the question now before the house has been said. If I take the privilege of placing my views on record it is more for the purpose of preventing my silence from being misinterpreted in the future.

In the few moments which I shall take I shall use the English language. I would much prefer to use my own mother tongue; I would feel more at ease and I would have at my command a much broader vocabulary with which to express the shades of my thought. However I realize that were I to speak in French only thirty per cent of the members of the house would follow my remarks, while by using the English language I am presumptuous enough to hope that all those who are within the sound of my voice will be able to understand what I have to say. The fact that if I use my mother tongue in this instance I would not be understood by seventy per cent of the membership of this house is, under the present circumstances, not without its significance. And it is for the purpose of answering the appeal made a few moments ago by the hon. member for Yale (Mr. Stirling) that I will try to convey my thoughts in a language which is not my mother tongue, but which I have adopted and which I delight to use even in the poor manner which is at my command.

I want to make plain at the outset that I am not speaking for any particular section of the country or any particular group in the country. What I have to express are my own personal views, which I believe are shared by many Canadians, wherever in this country they may happen to live or whatever may be their ancestral origin.

The question now being debated, which has been discussed in this parliament and out of it for many days, has, more than any other matter that has arrested public attention within the last twenty-five years, served to emphasize how difficult it is to administer a country like Canada, so diversified from the point of view of geography, so diversified from the point of view of the different racial elements composing it, and so diversified because, being a young country, it has not yet attained the full maturity of nationhood and the various component elements have not yet been melted into one nation, thinking alike from coast to coast throughout an area extending for more than three thousand miles. It has also emphasized how difficult it is for anyone to undertake to lead a government such as the government of Canada; to mould and bring together different shades of opinion, the views expressed by different elements in the country, and to arrive at one expression which will be the expression of the whole Canadian nation. Nothing more emphasizes this difficulty than a question such as this. Even in connection with a matter of life and death for the nation, we find people professing to be united as to the object desired, but so divided as to the means of attaining that object that one is led to believe that sometimes the end is lost sight of in the mass of details with regard to methods and means of attaining that end. In order, therefore to indicate fully my conclusions I want again to place the question on record, because one is apt to forget what this discussion is all about if once in a while the real question is not brought back into focus before the eyes of those who have to consider it.

We are asked to approve legislation amending an act of parliament assented to on June 21, 1940, and entitled The National Resources Mobilization Act, 1940. Section 2 of that act, which contains the substance of it, reads as follows:

> Subject to the provisions of section three hereof, the governor in council may do and authorize such acts and things, and make from time to time such orders and regulations, requiring persons to place themselves, their services and their property at the disposal of his majesty in the right of Canada, as may be deemed necessary or expedient for securing the public safety, the defence of Canada, the maintenance of public order, or the efficient prosecution of the war, or for maintaining supplies or services essential to the life of the community.

Section 3 of the same act, which we are now asked to remove from the statute, reads as follows:

> The powers conferred by the next preceding section may not be exercised for the purpose of requiring persons to serve in the military, naval or air forces outside of Canada and the territorial waters thereof.

The reasons for which we are asked to remove this section were enumerated by the Prime Minister (Mr. Mackenzie King) on

June 10, when he moved the second reading of Bill No. 80, which is now under discussion. At that time the Prime Minister referred to the speech from the throne, in which are found the following paragraphs:

> My advisers believe that the magnitude and balanced nature of Canada's war effort is being obscured and impaired by controversy concerning commitments with respect to the methods of raising men for military service which were made prior to the spread of the war to all parts of the world.
>
> The government is of the opinion that, at this time of gravest crisis in the world's history, the administration, subject only to its responsibility to parliament, should in this connection and irrespective of any previous commitments, possess complete freedom to act in accordance with its judgment of the needs of the situation as they may arise.

Then the right hon. gentleman went on to say, at page 3227 of *Hansard* for June 10:

> You will observe that there were three purposes in holding the plebiscite. The first was that nothing should be allowed to obscure or impair the magnitude and balanced nature of Canada's war effort; the second, that the administration, subject only to its responsibility to parliament, should possess complete freedom to act in accordance with this judgment of the needs of the situation as they may arise in the prosecution of the war; and the third, which has a direct bearing upon the first two, that the government and parliament should not be bound by past commitments, but be free to discuss and to decide, on its merits, the extent of the use of conscription.

Apparently there is unanimity in this house and in the country with regard to the necessity of the government having a free hand and being in a position to take whatever steps are necessary to conduct the war and clear the way for our march to victory. Nevertheless, when we come to consider the means to adopt to attain that end, we find that various opinions are offered and that the nation is apparently divided not simply into two factions but into half a dozen factions at least. May I indicate and underline the main points on which the people of this country, through their spokesmen in the House of Commons, are divided?

First we have a group which suggests that nothing should be done, that section 3 should not be eliminated, that the government should not be given a free hand until finance and industry have been mobilized and conscripted.

We have another group which holds the view and advocates that the government should have no right or power to mobilize man-power for overseas service until industry and finance have been mobilized and conscripted concurrently with man-power.

We have a third group which holds that man-power only should be conscripted, and mobilized by compulsion now.

As between these three sets of opinions there is much difference. There is no one view which commands a strong enough body of opinion in the country to justify its adoption by the government as the expression of the will of the majority of the Canadian people. If the government were to predicate the mobilization of the army upon mobilization of all the other resources in the country, I am sure that would not meet with the approval of the majority of public opinion, because, whatever may be the merits of such a policy, public opinion is not yet ready to accept it. On the other hand, as to total mobilization of man-power now for service anywhere, it has not yet been demonstrated that the need is urgent or that this step is necessary to make the war effort total.

In the face of these divergent views what is the Prime Minister to do? Before going any further, may I refer to another set of views which is held by a large percentage of our population—complete opposition to compulsory service for overseas. In order to understand fully this attitude and these views which are held by Canadians of French origin in this country, let me open up the background and show where these views have their origin and where this opposition to conscription for overseas service takes its root.

It cannot be said that Canadians, whether of French or of British origin, are unalterably opposed to conscription, because they are favourable to compulsory service for the defence of their country. They have approved it in the mobilization act, and they still approve it so far as compulsory service is applicable to the defence of our own country. They are in favour of conscription for the defence of Canada. On the other hand, they are opposed to conscription for overseas.

What does "overseas" mean? To the French Canadian, to those whose racial roots have grown in the soil of Canada for over 300 years, to the descendants of those who came here from 300 to 400 years ago from the land of their forbears to which they never returned and have never shown any inclination to return, overseas means the land of the French revolution with all its terrors, the land of perpetual war and social upheaval, the land whence came their conquerors, the land of the imperialists, whether British, French or German. For a people like the French Canadians, not internationally minded, overseas wars have never had any appeal. French Canadians have never thought that it was

their national duty to enlist to fight overseas wars, whether they be for the support of British, French or German imperialism. The French Canadian has never considered it a part of his national duties to accept any obligation to fight in a war beyond the territorial limits of his own country.

In order to indicate the opinion of those who write and are in position to speak for the Canadian people, in order to show how little internationally minded are the French Canadians, I should like to quote an excerpt from an article by the Abbé Arthur Maheux, published in a booklet entitled "Food for Thought", put out by the Canadian association for adult education. I quote:

From the beginning the French Canadians were far from being internationally minded. The first settlers who came from France in the seventeenth and early eighteenth centuries were mostly craftsmen who became farmers in new France. Even in the homeland their outlook had been local rather than national. They were more interested in Normandy, Perche, Anjou, Poitou, Aunis, Saintonge, than in France as a whole. Other countries were of little concern to them.

In new France they virtually lost sight of Europe. For them Europe meant only wars into which they were forced against their will and against their immediate interests. France controlled their life, dictated policies, and forbade the development of desired industries. The result was that the settlers soon became North American in outlook. That spirit grew stronger with the cession of Canada to England in 1763. Then they were really Canadians in name as they had been in feeling and tradition since perhaps 1698 or the treaty of Ryswick.

That serves to show some of the background of the French Canadian and explains his objection to fighting either overseas or beyond the limits of his country. Canadians of French origin have always been willing to bear arms for the defence of their country. In 1760 they fought against the British and lost, but sixteen years later they fought with the British in order to prevent the invasion of Canada by another branch of the British family living to the south. In 1812 they again took up arms for the defence of their country and to support the British crown and British authority in Canada. This has happened all down through history. Perhaps I may be permitted to mention another instance where Canadians of French descent fought to uphold the British crown and British traditions in Canada. I refer to the incidents which preceded the signing of the Webster-Ashburton treaty on August 9, 1842.

On August 9 of this year one hundred years will have elapsed since the last regretful incident between the United States and Canada. The Ashburton treaty settled many questions, but one important one from the Canadian standpoint was the dispute over the international and the north-eastern boundary between the state of Maine and the province of New Brunswick. In 1820 Maine was made a state in the union. A large wooded territory extended to the Quebec border and to what was then New Brunswick, but the exact line of demarcation between the three countries had never been clearly established and located.

United States citizens from Maine came north to settle upon what French settlers, who had been there for several years, considered to be their land. For fifteen years United States citizens tried to take possession of this territory by hoisting the United States flag on the north side of the St. John river. This land was inhabited and settled by French fugitives from old Acadia, by people who about twenty-five years previously had seen their lands and property destroyed. They had had to take refuge in the hinterland in order to escape the persecutions of British bureaucrats who thought it profitable to take possession of their lands and scatter the owners through the forests. For fifteen years this territory had been defended by people of French origin, by people who not long before had been looked upon as rebels, by people who had been chased over the ocean and who had found their way through the forests and had tried to take possession of land which they thought belonged to them. In 1842 this part of New Brunswick and Quebec was saved to the British crown by the loyalty and persistent determination of the French settlers of that country who protected it against the invaders, against the Bostonians as they were called.

It cannot be said that the French Canadians are not loyal, are not true to their land and are not ready to defend their country. Like many others, Canadians of French origin have not yet fully realized that this war is no longer a British or European war, but has become a Canadian and world war. To support this statement I should like to quote not a Canadian of French origin but an article written by Mr. Leslie Roberts and which appeared in the Toronto *Saturday Night* of January 17, 1942:

From its inception, the war has been hammered home to Canadians as an empire war. We are far less Canadian than we were in 1939. The words "British" and "empire" occur in almost every sentence of the war news and the newscasts. Practically nobody has stressed the fact that this is a Canadian war, which Canadians are fighting in order to save the Canadian way of life for the people of Canada.

We have facing us, and we have to contend with, four different suggestions as to what should be the policy of the government in waging total war to save the Canadian way of life. There are those who suggest that material, financial and industrial resources should be mobilized first, and next, human resources. We have the suggestion that all resources, whether material or human, should be mobilized concurrently but that the mobilization of man-power should not take place before the mobilization of material resources. We have the suggestion that the mobilization of man-power should be compulsory and immediate. On the other hand we have the suggestion that man-power should not be mobilized for overseas or for service outside the territorial limits of Canada.

In the face of such a jigsaw puzzle, what is the duty of the leader of the government? What is the duty of the government? It is to find a place for each piece and a piece for each place; and that has been the policy pursued by the Prime Minister. Notwithstanding the fact that he has been attacked from within and without, he has persistently and consistently tried to mould and integrate each set of views so that each should fit in its place and a place should be found for each, so that it would be possible for the Canadian nation to offer to the enemy a picture which would spell in bold letters Canada's total war effort. In the working out of this puzzle the Prime Minister has proceeded on two basic principles: unity and balance. The war effort of Canada cannot be total and complete unless it is properly balanced, unless each department having to contribute to the effort is properly balanced both in materials and in men. The war effort of Canada cannot be said to be total and complete if it is not the expression of the wish and the will and the work of all sections of this country and all elements composing the Canadian nation.

Therefore, Mr. Speaker, I feel that, notwithstanding the difficulties which have to be encountered, notwithstanding the fact that the Prime Minister and the government have been criticized and vilified for not adopting, to the exclusion of all others, one set of views, by those who are preferring them, I feel that he has followed the right policy. He has followed the policy which has characterized the Canadian statesmen who have achieved something and who have their names on the roll of history. He has pursued the patient, reasonable and tactful way which was followed on occasions not as difficult as the one we are going through, but nevertheless, difficult according to the times, by Sir John A. Macdonald, by Cartier, by Sir Wilfrid Laurier, and also by Sir Robert Borden until he made the mistake of yielding to an element which caused him to bring about during the last war a policy which inflicted such a deep wound in the side of the nation that after twenty-five years it is not yet healed.

So long as our Prime Minister continues to follow such a policy of prudence, of trying to get all the different viewpoints and to induce all elements to unite in the war effort, I shall give him my full support.

So far as I am concerned, Mr. Speaker, conscription, to me, is neither a fetish, a symbol, nor an article of faith; it is merely a method of levying men and goods required to support the war needs of Canada. Whether or when this method should be resorted to depends on circumstances which may exist at a given moment. So far we have been fortunate enough to have carried on our war effort without having recourse to compulsory measures for overseas service. We have raised an army which is a credit to our country without having recourse to compulsion, and it is my hope and wish that we shall never have to resort to compulsory measures to fill the ranks of our army. Were such a method instituted at the present time, before the Canadian public fully realizes how difficult the situation is, how necessary it is to do everything possible to defend our country, it would be suicidal instead of being helpful; it would impair our effort rather than help it. Nevertheless, in time of crisis, I feel—

The ACTING SPEAKER (Mr. Fournier, Hull): The hon. gentleman has spoken forty minutes.

Some hon. MEMBERS: Go on.

Mr. MICHAUD: In time of crisis, I feel the government must have full and unlimited authority to work for the security of the nation, and the security of the nation should be the ultimate law. That is why I support the measure which the government has presented to the house, in order to give the government, the Prime Minister, whoever may be at the head of affairs, full and complete authority to do the best under the circumstances when they arise.

I regret, Mr. Speaker, that the time is so limited. I had a few more remarks to add, but I will reserve them until we sit in committee.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, this group has not taken a very

great part in this debate between two wings of the government party, but an amendment has been moved and we thought we should make our decision on this amendment clear. The amendment was moved on June 18 by the hon. member for Gaspe (Mr. Roy), and it reads:

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

"This house is of the opinion that the policy of the government respecting mobilization, instead of drawing closer the union of the two races in Canada has fostered dissensions which might cause an internal war, thus destroying the ideal set forth by the fathers of confederation."

This group endeavoured to move an amendment to the motion for second reading which would indicate our attitude to the bill, but in that we failed. However, we must say that we cannot support this amendment because, though we disagree with the bill as it now is, we cannot give our support to the idea that any section of the Canadian people is entitled to oppose legislation that has been brought into being by the will of this parliament. When we do not agree with legislation we state our position here; but when parliament has passed it, then we feel bound to accept such legislation. So we cannot oppose this bill on the basis that it might cause strife within Canada. If any measure is administered equitably, then the will of the majority must always prevail.

As I mentioned, we tried to state our position in relation to the bill as it now stands, and we failed. One of our reasons for opposing the bill is our belief that a conscription measure of this nature is of sufficient importance that all the regulations incidental to it should be placed before this house before they become law.

Within the last few weeks there has come to my notice a scandalous misuse of the national war services regulations in Canada. So, in addition to stating our position on the amendment already mentioned, I wish to draw these matters to the attention of the house because I do not believe that such procedure should be allowed to continue.

During the discussion on the war appropriation resolution I drew to the attention of the Minister of National War Services (Mr. Thorson) what at that time I believed to be a misuse of the regulations for the purpose of removing a labour organizer from his functions as such. The minister investigated the matter and found that in his opinion the national war services regulations have been used for that purpose; and, acting on what he found, he sent the following telegram to the person indicated therein. I am quoting from a return to a motion moved by myself in this house on June 19. I am reading a copy of a telegram from the Minister of National War Services to the Hon. A. M. Manson, chairman of the national war services board, division K, Vancouver:

Re Alan C. Wright: Your telegram dated yesterday received and contents noted. I confirm directions contained in my telegram re this man. Please comply with directions contained therein immediately. Notify all persons concerned that notice to report for military training has been cancelled with cancellation effective morning May 21.

J. T. Thorson,
Minister of National War Services.

I also wish to read from a letter addressed to Major-General L. R. LaFleche, D.S.O., associate deputy minister of national war services, Ottawa, Ontario, and signed by A. M. Manson, national war services board, Vancouver. I will not read the whole of the letter because it is rather long. I will quote two paragraphs which would indicate that if what the boards are doing in other parts of Canada is the same as what the board is doing in Vancouver, it is time the boards were changed and people put in charge of them who have some idea of proper democratic British procedure in such matters. Referring to Alan C. Wright, I quote:

Some nine months ago this board arrived at the conclusion that there were several hundred young men in this province who had come in from other provinces and had not notified the registrar of the fact that they were resident here. We were firmly of the opinion that they had not in all probability notified the registrar of the administrative division from which they had come that they had moved to British Columbia. We have been in touch with the employment service of Canada with a view to rounding up as many of these nomads as possible. We were of the opinion that they were a disorderly element and that the situation was not satisfactory.

I did not know that, if someone considers a person "disorderly" that is sufficient reason to notify such persons to report for military service. It is not even in the order in council that being disorderly is a reason for being called up for military service. There are other remedies, and the chairman of the national war services board is not the man to put these remedies into effect. It is none of his concern; it is none of his business.

Early in this year we called in the Vancouver chief of police for a conference and asked his assistance in cleaning up the situation; he had had considerable trouble with young men who were at loose ends.

That is, young men who were out of work.

We suggested to him that in all such cases he should have his officers ask men of this class

to produce their registration cards and furnish information from these registration cards to our registrar. The chief thought the idea was an excellent one and has been cooperating with us along these lines. I would just add that all through the depression—

To justify his action the chairman goes back to the depression from 1930 on.

—and subsequently Vancouver city has had hundreds of drifters come in from other provinces as far east as Quebec, and they have been a source of great trouble.

Why have they been a source of great trouble? Because the government of this country could not or would not find for them the wherewithal to live.

The letter continues:

I gathered from the press that the Royal Canadian Mounted Police approached the above named Wright some weeks ago and asked for the production of his registration card. That was not done on instruction or suggestion of our registrar or of any member of this board. However it was reported to us that Wright was of callable age and had been in this province for some time and that he had come here from the east. It was further reported to us that he was engendering trouble in our war industry. Upon being assured that we had no record of a change of address, I personally requested that his registration card should be sent from administrative division B to this registration division; that was done in April and his card disclosed that he was of callage age.

I submit that is not the business of the chairman of the national war services board to ask that any card be moved from one district to another. There is a procedure for that, but it does not lie with the chairman of the national war services board in any division.

The Hon. Mr. Manson was rather peeved at the attitude of and the action taken by the Minister of National War Services. I wish here to congratulate the minister upon the action he took; I doubt whether there is another minister in the cabinet who would have taken the same action upon finding the same condition. So the chairman of the board sent a long telegram, three foolscap pages—I suppose this is an example of war economy—to the minister, justifying his position. I shall not read the whole telegram. It is dated May 22, 1942, addressed to Hon. J. T. Thorson:

Re Alan Chamberlain Wright, K 2683. Respectfully draw attention facts following information given me April 21 last that above-named had been here some time and that he was registered electoral district 166 B division. I requested B division transfer card here which done April 27. Found callable and I then requested my registrar send notice medical which done April 29. Doctor reported May 2 category A and Wright called May 6 for camp May 21. On May 4 registrar received letter from Wright requesting postponement for at least three months and stating resident of Toronto and here temporarily on organization work for steel workers organizing committee and stating reasons postponement. Day or two later board heard two gentlemen who requested permission make representations on Wright's behalf. Day or two later again Wright with four others attended before board for an hour. Board formed very unfavourable opinion Wright as obviously bitter hot-headed and temperamentally unsuited for work on which engaged.

I should like to tell the chairman of the national war services board that perhaps there are two people who are unfit for the work on which they are engaged. Mr. Wright may be, but Hon. Mr. Manson definitely is, and nothing could more definitely show that than his own statement.

The telegram continues:

Later board ascertained this man's activities definitely subversive.

Something had to be found on this man. They called him up so that he could not carry on his work as organizer, and so something had to be found to justify the action taken.

Later board ascertained this man's activities definitely subversive industrial peace in two or three plants. In the first two the government and particularly the admiralty had demanded top-speed production. Later information disclosed that in plant which is one of two in the world producing a weapon which the admiralty regards as the most effective defence weapon available against aerial attack this man's activities had resulted in 25 per cent slow-down of production and some sabotage of tools and materials which almost irreplacable and certainly irreplacable for some considerable time. My board realized this slow-down and sabotage would cost the lives of our own and allied men and might easily cost the loss of the finest ship in the British navy. The board unanimously concluded no sound reasons for postponement put forward and request was refused on eighteenth. With this decision representative of national defence department and representative of national labour supply board attached to our board were in entire accord.

But it was not until after they had called up this man and after all the preliminaries had been gone through and after he had been told to report for military service that they found all this out. If this is true as stated in this telegram, Wright's place is not in the army; he should have been arrested and tried in a court of law.

Now I have the minister's reply to Hon. Mr. Manson. I shall not read the entire letter; I shall read just the pertinent paragraphs:

Ottawa, May 23, 1942.

Hon. A. M. Manson,
Chairman, National War Services Board,
Vancouver, B.C.

Re Alan C. Wright

My review of all the facts with regard to this matter which have been brought to my atten-

tion has led me to the conclusion that it may reasonably be inferred from the facts that this man's card was transferred from division B at Toronto to division K at Vancouver for the purpose of giving your board jurisdiction to order him to report for military training and thereby to remove him from the labour activities in which he was engaged.

I say again that I congratulate the minister upon his courageous action. The minister goes on:

I do not dispute the statements that this man has been troublesome nor do I have any doubt that you and the members of your board were actuated by motives that commended themselves to you.

On the other hand I am of the opinion that there is grave doubt as to the regularity of the proceedings that were taken in this man's case. The national war services regulations are of great importance at the present time and it is essential that they should be administered with such regularity and uniformity as is possible. Moreover, they must not be administered for any purpose other than the purposes for which they were designed. They must not be made the instrument of settling disputes. They must not, for example, be made an instrument for interfering with or attempting to settle labour disputes. Indeed they must not be used for any purpose which is ulterior or foreign to the true intent and spirit of the regulations.

In my opinion it may reasonably be inferred from the chain of events in this particular case that a definite plan of action was conceived in Vancouver to remove the above from his activities as a labour organizer by the expedient of using the machinery of the national war services regulations for the purpose and that you, as chairman of the national war services board, took an active part in this plan.

I submit that after the minister sends a letter like that to the chairman of a national war services board with an accusation of that importance, the next step for the minister to take is to ask that chairman to resign, because he has demonstrated by his own words that he is unfit for the position he holds. The people, the fathers and mothers of the young men who are called for service in this country and who have the misfortune to come before Mr. Justice Manson, should insist that he resign that position and give his attention to some other work that comes within the measure of his intellect and understanding.

Mr. THORSON: Would my hon. friend think it fair to allow one incident, one error, let us say, to offset the excellent service that the chairman of the board has given under very difficult circumstances?

Mr. MacINNIS: The minister suggests that this is just one case, one instance. How do I know it is only one instance?

Mr. THORSON: It is the only one I have heard of.

Mr. MacINNIS: Yes, it may be the only one. In his letter to Major-General LaFleche, I think it was, Mr. Manson said that on this particular occasion they had called up 126 men. Those were perhaps men who did not have the intelligence, the drive and the initiative that Alan Wright had, and consequently did not make an issue of it. But the whole tenor of Mr. Manson's action was to get rid of Wright, as the minister very properly said, because of his labour activities.

Mr. SLAGHT: I should like to raise a point of order, if the hon. member will permit me.

Mr. MacINNIS: I cannot prevent it.

Mr. SLAGHT: I came into the chamber on purpose to listen to my hon. friend discuss Bill No. 80, because I have regard for his views on many matters. But while the subject with which he has occupied his time may be of interest and may be of importance, it does seem to me that it has nothing whatever to do with Bill No. 80, which proposes to strike out section 3 of the National Resources Mobilization Act, which section places a restriction on where men who are called up may be sent to serve. Surely we are far afield in this discussion.

Mr. MacINNIS: Well, Mr. Speaker, surely this short bill, No. 80, cannot be taken by itself. It must be taken in connection with the bill it amends; and the bill it amends gives the government the right to do anything mentioned therein. The calling up of men for military service is mentioned in the bill, and surely the way in which these men are called up is a proper subject for debate when this bill is under discussion.

Mr. SLAGHT: Again on a point of order, I appreciate what my hon. friend says; but under the present law men are capable of being called up, and the case in question occurred under the existing law, which it is not proposed to disturb at all by Bill No. 80. I still think my hon. friend is out of order.

Mr. MacINNIS: Until you rule otherwise, Mr. Speaker, I am going to carry on; but if I am out of order, the hon. gentleman is rather late in drawing that fact to your attention, because a great variety of subjects has been covered during the discussion of this bill.

I have another matter to which I want to refer, one which was brought up here the other day, and which is much further removed from this discussion than the matter I have been considering. If this bill passes, the Minister of National War Services will have to administer the National Resources Mobilization Act. I am drawing attention to what

is happening under his administration now. I might quote just two other short paragraphs from this letter.

> The quick succession of events with regard to this man seems to indicate a definite plan to dispose of him under the national war services regulations, and so remove him from a field in which it was considered he was creating trouble. This, in my opinion, casts grave doubt upon the regularity of the proceedings taken in this matter.

I think that is sufficient to show that there is something seriously wrong. I have a great deal of material here in the same connection. Mr. Wright was trying to organize the employees of the ordnance plant of the Dominion Bridge company, in addition to some others. I have before me a copy of a notice sent out to all foremen and chargehands in the plant, signed by the manager or superintendent, and reading as follows:

> Although apparently it has generally been felt that apart from finish machining operations it has not been a serious matter if the tolerances were exceeded, this is not the case, as in most instances subsequent operations are dependent on the previous operation for their own accuracy.
>
> Our apparent success in persuading the inspectors to accept material not strictly to drawing may have given the impression that the tolerances given are unnecessary. This is not so, and now we are working on many components on the finishing operations, is reflected in the fact that our rejection percentage is sharply increasing now we are having to work to closer limits.
>
> Will you all, therefore, do your utmost to impress upon your men that these tolerances must be maintained and that a much more rigid inspection must be expected from now on.

Possibly that was what interfered with production, rather than Wright's activities. I have drawn this matter to the attention of the Minister of Munitions and Supply (Mr. Howe), who has informed me that he will have it investigated.

Mr. MITCHELL: You have not the dodger that Wright circulated among these employees, saying that they had brought the government to terms in the National Steel Car matter? These things work both ways.

Mr. MacINNIS: Is that a crime, to say that it was this organization which brought National Steel Car—

Mr. MITCHELL: No; the government.

Mr. MacINNIS: —to time? Possibly that is why the chairman of the national war services board made the statement he did in his telegram.

Mr. MITCHELL: What I want to point out is that my hon. friend knows something about industrial organization, and he knows that these things work both ways. Sometimes things are said on both sides which should not be said.

Mr. MacINNIS: Quite right; but that is no reason to grasp a man by the collar and shove him into the army.

Mr. MITCHELL: I am not talking about Wright; he can take care of himself. He is in the service now.

Mr. MacINNIS: Quite so. That is "British principles" again. The Hon. A. M. Manson is a judge, and he should know better. In the last part of his telegram to the Minister of National War Services to which I have already referred, Mr. Manson says:

> Respectfully urge you reconsider your wire and discuss with Howe and Mitchell or if need be in council. Meantime shall wait further word. Might be wise consult justice department as to powers under latter half of regulation twenty-two sub one in light of what is now *fait accompli.*

"Fait accompli"; wonderful words to come from the lips of a judge; the thing is done, so why bother about it. I wonder why the Minister of National War Services should have to discuss a matter of this kind with the Minister of Labour and the Minister of Munitions and Supply.

Mr. THORSON: I did not have to.

Mr. MacINNIS: The minister did not have to, but evidently Hon. A. M. Manson discussed it with the Minister of Labour and the Minister of Munitions and Supply.

Mr. MITCHELL: I suggest to my hon. friend that his sense of fairness is running away with his discretion, because it was never discussed.

Mr. MacINNIS: I can only draw my own conclusions, and this smells so strong that anyone can draw conclusions with regard to it.

Mr. MITCHELL: Then I would add that my hon. friend's case smells at the moment.

Mr. MacINNIS: We have insisted, during this debate, that all regulations putting conscription into effect should be brought before the house. In that connection I believe we are on very sound ground. Many quotations from *Hansard* have been read here against us in order to show that during the last few years we have changed our opinions. Well, it is no crime for a person to change his opinion; it shows that he has an opinion to change.

I have in my hand an extract from *Hansard* of June 17, 1920, which I think is apropos of

the matter we are discussing, namely, that the regulations should be a part of the bill and passed by this house. On that occasion the house was discussing the third reading of a bill respecting the director of coal operations, confirming a series of orders in council and orders of the coal director, and the present Prime Minister (Mr. Mackenzie King) on that occasion said, as reported, at page 3691 of *Hansard:*

> Mr. Speaker, I should not like the third reading of this bill to pass without once again stating my objections to the measure. In the first place, as I mentioned on the second reading of the bill and in committee, it seems to me that parliament is acting blindfolded in this matter . . . It is beneath the dignity of parliament—indeed, it is bringing parliament into contempt—to ask us to enact as a law a code of regulations that we have not even perused. I hope I shall never see the day when as a member of this parliament I shall be prepared to consent to any legislation without knowledge of the particulars to which it is proposed to give the force of legal enactment.

Surely, Mr. Speaker, no one could more strongly support the position which this group has taken than the Prime Minister did by that statement! He said he hoped he would never see the day when as a member of this parliament he would be prepared to consent to any legislation without knowledge of the particulars to which it was proposed to give the force of legal enactment. All I can say is that the right hon. gentleman must have lived too long, because not only has he lived to see that day but he has lived to propose that very thing to this house himself—legislation by orders in council which, as the hon. member for Richelieu-Verchères (Mr. Cardin) said the other day, would be kept in a drawer after they were passed.

I wish to say a few words about another matter which was mentioned in the house the other day by the hon. member for Kamloops (Mr. O'Neill), when there was an exchange of words between him and me across the floor. The hon. member said that this group in 1934 voted for a privately-owned central bank as opposed to a publicly-owned central bank. I disputed that statement, and now I want to substantiate what I said. I said there was no Cooperative Commonwealth Federation group in the house at that time; and I still maintain that, because this group did not come into the house as a group until after the elections of 1935. The position that confronted us when the Bank of Canada bill was before the house was not the choice of voting for a privately-owned bank as against a publicly-owned bank or for or against an amendment that would make it a publicly-owned bank, but of voting for a bank over which the people of Canada would have some control as opposed to the chartered banks, and the hon. member for Kamloops and his friends voted to leave all banking to the chartered banks.

Mr. O'NEILL: The hon. gentleman said, "the hon. member for Kamloops and his friends." I was not in the house then.

Mr. MacINNIS: Then I will say, my hon. friend's friends. I am glad of the correction. It was not the first time that he made this assertion. He made it several times in his constituency where the people have not the same access to the facts that we have in this house. When the central bank bill came before parliament in the first instance, the then member for Macleod, Mr. Coote, was at that time with the party known as the co-operating groups in this house, and he moved an amendment to refer the bill back. His amendment read:

> That all the words after "that" in the main motion be struck out and the following substituted therefor:
>
> In the opinion of this house the government should give further consideration to the matter of providing that the stock of the proposed central bank should be owned by the government and that the governor and directors of said bank should be appointed by the governor in council.

Mr. Rhodes, who was piloting the bill through the house, took exception to the amendment and was supported by the present Prime Minister, who was then leader of the opposition. Mr. Rhodes said:

> I am sorry that I am not in a position to say the same to the hon. member for Macleod (Mr. Coote) who has, I respectfully submit, failed to appreciate the distinction between a debate upon the principle of a bill and the question of the details of a bill, however important or vital they may be, because the fact remains that at the moment the principle which we are discussing is: shall we have a central bank?
>
> Mr. Mackenzie King: And that is the only principle.

Evidently, to the leader of the opposition at that time and his party, whether the bank should be privately or publicly owned was merely a matter of detail.

Mr. O'NEILL: Mr. Coote voted against you, though, and with the leader of the opposition, the present Prime Minister.

Mr. MacINNIS: Quite so. Now I want to—

Mr. DEPUTY SPEAKER: The hon. gentleman has spoken for forty minutes.

Mr. COLDWELL: No, Mr. Speaker, I think the hon. member has another five minutes.

Mr. DEPUTY SPEAKER: I took the time when the hon. gentleman began. When I called the Minister of Fisheries (Mr. Michaud) to order, it was exactly ten minutes past five o'clock.

Mr. COLDWELL: But the minister spoke for a few minutes after you had called him to order. I think I am right in that.

Mr. DEPUTY SPEAKER: The hon. gentleman may proceed only by unanimous consent.

Mr. MacINNIS: I am in the Speaker's hands, but surely my time should begin from the time I began to speak, and not from the time Your Honour called the Minister of Fisheries to order.

Mr. DEPUTY SPEAKER: The hon. gentleman may proceed by unanimous consent.

Some hon. MEMBERS: No.

Mr. O'NEILL: I think he should be allowed to proceed. There are only a few minutes left before six o'clock, and that time is no good to anyone else.

Mr. F. P. WHITMAN (Mount Royal): Mr. Roosevelt, our good neighbour, has referred to this war as a war of survival. He did not mean the survival of England or of Norway or of Canada, but the survival of the United States, and men are being conscripted in the United States to-day to fight for the survival of their own country. If and when conscription comes in Canada, it will be to fight for the survival of Canada and the right of Canadians to evolve to a better and a more efficient civilization.

The term "equality of sacrifice" has been much used in this house of late. Except for political advantage the term is, I think, hollow and meaningless. Many young men have gone overseas from my division and have given their lives, and the same is true of all Canada. Can anyone go to their fathers and mothers and say that there is any such thing as equality of sacrifice? Or can anyone in this chamber go to a man in uniform who has volunteered to go overseas and say there is any such thing as equality in effort? No, Mr. Speaker, I believe that instead of using the term "equality of sacrifice" as we do in this house, we should adopt a different slogan for Canada. I suggest that we adopt the slogan of a maximum individual effort. If we adopt that slogan and work for it, we shall then have an approach to total war that will be satisfactory.

I was surprised and disappointed at the speech made a week ago to-day by the leader of the opposition (Mr. Hanson) when he referred to only two of the three statesmen who had gathered recently below the boundary line to discuss a united war effort. Presumably he deliberately omitted his own Prime Minister (Mr. Mackenzie King). Further on in his speech he referred to the lack of leadership in our Canadian war effort. I should like to ask the leader of the opposition if he is prepared at this time to assume the office of Prime Minister, and does he suppose that the people of Canada will be willing to entrust that high office to him? I say to the Prime Minister: do not be too perturbed over this criticism. Mr. Churchill is criticized, President Roosevelt is criticized, and our Prime Minister has been criticized by men smarter than the leader of the opposition. Many of those who have criticized our Prime Minister in the past have been relegated to the discard. Some with ability have even been given responsible positions by this government.

On April 27 last the plebiscite was held. In Mount Royal constituency, which I have the honour to represent in this house, there was a total poll of over 82½ per cent out of a possible 54,235 votes. Of that 82½ per cent, over 81 per cent were "yes" votes. This result is significant when it is realized that only about 60 per cent of the total vote were English-speaking or of English extraction. On February 10 of this year I asked the government to enact any powers that were necessary to provide a maximum war effort. This Bill No. 80 will permit the government to provide a maximum war effort. This bill will give them the power to enforce conscription of Canadian soldiers, if and when necessary, for service anywhere in the world. In my opinion it will become necessary. I believe that if and when conscription for overseas service becomes necessary, and when the people of Canada including Quebec realize that conscription is necessary, there will be very few, if any, who will not accept it willingly. I know that Mount Royal will accept it 100 per cent. I am speaking as a Canadian with four generations of Canadian ancestors lying in the cemeteries of Annapolis county, Nova Scotia. I speak as one who was privileged to serve in the last great war. I am a Canadian speaking English, not an Englishman or an English Canadian as some of my hon. friends refer to me.

I should like to pay a tribute to our fighting ministers, the Minister of National Defence (Mr. Ralston); the Minister of National Defence for Air (Mr. Power), and the Minister of National Defence for Naval Services (Mr. Macdonald). I do not like calling them ministers of national defence; I would rather call them minister for the army, minister for

the air force and minister for the navy. The navy is in the unique position of not requiring great numbers of men for its service. The number of men required is governed principally by the number of ships available. Likewise the air force does not need great numbers of men. The men in that service must be technically trained; they must understand motors; they must be navigators; they must be qualified to use machine guns, and so on. On the other hand, the army must train men to be proficient in the art of self-defence with rifle and bayonet. When a man is in a corner with a rifle and a bayonet he learns very rapidly.

Canada is fortunate indeed in having three ex-servicemen as her fighting ministers. I should like to say a word about the Minister of National Defence. I met an officer who served with him in the last war, and his description of our minister was, "Ralston's battalion would go through fire and water for him." I think I am echoing the sentiments of this house when I say to the Minister of National Defence, "This house will go through fire and water to assist you in the job you have undertaken to do."

In connection with conscription I should like to suggest to the Prime Minister that possibly conscription could be enforced to bring men into the cabinet. That is as far as I want to go on that particular subject.

In conclusion, I wish to make my position absolutely clear. I shall support Bill No. 80 because it gives the government the power to send Canadian troops anywhere in the world for the defence of Canada. I think the government should have had that power from the beginning of the war.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. E. O. BERTRAND (Prescott): Mr. Speaker, in rising to speak briefly in this important debate, which has lasted already very long and in which so many things have been said, my only desire is that my contribution should be of some help to render our war effort more nearly unanimous, and stronger than ever before, if this is at all possible.

In this country of ours, Canada, all of us, I am sure, desire to build a great nation. To whatever race we belong, our aim is to make Canada the best place in which to live in the whole world. To accomplish this it is necessary to win the war, and to do so we must keep Canada united in its population and its territory.

French Canadians have been on this soil for over 400 years. Two hundred and twenty-five years after their arrival the Anglo-Saxon race took possession. These races have lived side by side ever since, each having its own history, traditions and aspirations, and in order to build a nation in our country these privileges must be preserved to both and to each.

If this is the fact, let us consider the reason for the differences of opinion which have been expressed in the present debate. But before doing so, I wish to make a few comments on the result of the vote given on the plebiscite. The population of Canada was assured that this vote was not an expression for or against conscription, but simply to relieve the government of certain past pledges; that the question of conscription for service overseas would be studied only when circumstances justified that such action be taken, and that then parliament would decide. For that reason I supported and campaigned in favour of a "yes" vote on the plebiscite. We now find that this is the last opportunity which this parliament will have to discuss conscription for service overseas during this war.

To accept the proposed amendment to Bill No. 80, by deleting section 3 and otherwise amending the act, is to open the door to conscription for service overseas, said the Minister of National Defence for Air (Mr. Power) on Friday, June 26, when speaking in this debate. So this is the time to express one's opinion on this far-reaching measure.

The conscription issue is for the French Canadian a false issue, for this reason. The real point about which French Canadian leaders have been worried and have the right to be worried is the question of the survival of the French Canadians as a group with distinct characteristics. Only when French Canadians face a national policy which threatens their existence have they the right to oppose it to the point even of threatening to break confederation. Are they now justified to do so? Let us examine the question.

British people everywhere would do well to reflect on one fact which this war has brought strikingly to light, namely, that the non-British people who are supposed to enjoy the blessings of the British empire do not seem to appreciate those blessings as much as we have been taught that they did. The Irish underwent British rule for over 800 years, and in this crisis they prefer not to fight or to

fight hardly at all on the side of Britain. The Boer leader Hertzog advocated neutrality for south Africa in 1939, and though Smuts found enough support to defeat him there is still a very dangerous anti-war element in that dominion. The great Indian leader Nehru was in gaol for a long time because he refused to fight for India on British terms, and he recently rejected the Cripps offer of dominion status as inadequate. The Burmese, after a hundred years within the empire, seem actually to have fought with the Japanese invaders. I would ask you, Mr. Speaker, not to be scandalized if French Canadians in this instance are inclined to oppose conscription for overseas in this war.

Since confederation, and before, the spirit of equality between the two groups, French and English, should have inspired all Canadian policies. But that spirit has not existed. Difficulties were found in every phase of life—in language, in education, as well as in business, and in the economic field, as well as in the governmental services. At present many French Canadians seem to aim at securing appointments in the civil service numerically equivalent to their proportion of the population—that is, about thirty per cent—and English-speaking Canadians are not lacking who are willing to take much more than proportionately is due them, and leave the remainder to the French Canadians if that is unavoidable.

Mr. FRASER (Peterborough West): Will the hon. member read a little louder, please?

Mr. BERTRAND (Prescott): I thank my hon. friend for his good advice.

On the part of the French Canadian there has been the pressure of an inferiority complex, and also a lack of proper vocational training, especially in the natural and social sciences. Now that the French Canadians are making good some of their past deficiencies, their English-speaking compatriots must be ready to trust them further than they have done and to accept them as partners. That is the need—really to accept the French Canadians as equal partners in confederation, no more and no less.

In certain quarters we hear of French Canadian domination. It is a myth, Mr. Speaker. If the French Canadian wanted to dominate, he could well do so in the province of Quebec; there, he could very well try to impose his views and his ways upon his English-speaking and Protestant fellow-countrymen. Yet it is a fact that these people are left entirely free in their manner of religion, education, language and ways of life. All the French Canadian is asking for is to enjoy, in this province and elsewhere in the dominion, the same treatment that English-speaking people enjoy in the province of Quebec.

Some English-speaking groups express the fear that the Catholic religion will dominate in the Dominion of Canada, and that Canada should not risk domination by Roman Catholicism, particularly of the brand practised in the province of Quebec.

Such fears or such derogatory remarks are certainly quite out of place. It was the same derided Roman Catholicism which effectively advised its adherents to stand by the British empire at the time of the Pontiac rebellion in 1764, again during the American revolution, in the war of 1812-15, and against the "patriots" in the rebellion in 1837-38. Its voice was clear and firm during the great war of 1914-18. It is no less clear and firm when it speaks through the mouth of His Eminence, Cardinal Villeneuve, and the whole Roman Catholic hierarchy in the present war. Simply to make good my words, I would quote from the pastoral letter of the Roman Catholic bishops published on the 31st day of May of this year. My quotations will be rather short. One passage reads:

> One has only to study the anti-Christian doctrines and principles of nazism in the light of the encyclical "Mit brennender Sorge" of Pope Pius XI, and of the statements of the German hierarchy, and of the record of oppression and destruction in every country which has come under the yoke of nazism, to realize the extremities of barbarism, persecution and irreligion to which it would reduce all nations in the world, conquest of which it dreams and towards which it strives.

Is this not a strong statement against our enemies? Again:

> Consequently, dearly beloved in Christ, we were not surprised but sincerely and deeply elated at seeing you, from the very beginning of the conflict, generously respond to the call of your country. Truly a glorious page in our history will recall the devotion, courage, and heroism aroused in our people by this present war.

Is this not an appreciation of what our armies are doing in this war? Again I quote:

> Our heart with holy and great expectation; generous courage in defence of the fundamentals of Christian civilization, and confident hope in their triumph.

Yes, "confident hope in their triumph". Therefore, in spite of what is being said and written in many parts of the country, the cry and appeal of the Roman Catholic clergy to-day is, first, against our enemies, second, appreciation of our armies, and third, prayers for victory.

In my opinion, had the French Canadians given an affirmative vote on the plebiscite on April 27, the unity of this country and the survival of French-Canadian culture would have been assured for all time; for real national unity is born, not out of eloquent orations but in the utmost collaboration in the common struggle for survival. That is why I was so strongly in favour of a "yes" vote on the plebiscite. But my French compatriots chose to vote "no".

I understand that it is a source of irritation to observe that certain powerful minorities may seem to thwart the wishes of the majority and hamper them in the performance of what they consider their national duty and their national mission. I also agree that this war is not primarily a war for the defence of the tight little island in the North sea. It is essentially a war for the survival of civilization itself, a war to maintain the liberty and dignity of human beings. To help to fight this war, Mr. Speaker, there are two of my sons in the forces—Guy, a pilot in the air force, and Rene a coder in the navy. Both are in the active service without commissions, and both volunteered. I am proud of them, but I am also proud of thousands and thousands of other French Canadians who have volunteered to do the same job. May I also say that I am proud of hundreds upon hundreds of men of all races who have volunteered from the constituency I represent. Among them I want to call attention to one name in particular, the name of Jean Paul Sabourin, of St. Isidore de Prescott, who enlisted at the beginning of the war. He became a pilot in the air force and was sent to England. He fought over Germany and again in Libya, and in both places he bagged numerous enemy planes and was decorated. He is still in Libya as pilot-instructor to teach new pilots who are going to the hot sands of north Africa. He deserves our appreciation.

This is a war which everyone of us as a Canadian citizen must see through to a successful end. But to-day there is need of the best understanding of our problems in this country. I speak of problems which we have to face, but probably I should change that expression and say that we have to face a situation in Canada as disclosed by the result of the plebiscite. It is true that the vote gave an immense majority in favour of "yes," but it is also true that the vote in the plebiscite was 2,900,000 "yes," in round figures, and 1,600,000 "no," in round figures. In other words, more than one-third of the total vote was "no." Eighty per cent of the "no" vote was given by French Canadians. I want to emphasize this: they were French Canadians not only from the province of Quebec but from all over Canada, no matter in what section of the country they are living.

This was not an accident. I say also that it was not the result of the campaign carried on by the league for the defence of Canada for a "no" vote. This result has far deeper roots than that. I said something of what might be the cause in other countries, when a moment ago I mentioned Ireland, South Africa, India and Burma where there are also difficulties. In this plebiscite French Canadians were not voting to choose between two parties or two or more candidates in their constituencies. They were going to the polls to vote according to their national conscience, and according to their past history, traditions and aspirations. They want no conscription for service overseas, although they are willing to cooperate and collaborate to the fullest extent for a full effort in this war. They have good reasons for that.

May I be permitted to quote briefly from the speech of the Minister of Justice (Mr. St. Laurent) in this debate? On June 16 he said, as reported at page 3391 of *Hansard:*

> Though some would volunteer to fight for France for sentimental reasons, no one would dare to say that it was a national duty for Canadians to fight for France.

I agree with the statement of the minister, for France is no longer our homeland.

I also wish to say that I agree with the hon. member for Richelieu-Verchères (Mr. Cardin), speaking in this debate on June 11, when he said, as reported at page 3278 of *Hansard:*

> Mr. Speaker, yourself and most hon. members of this house belong to the British race. You are proud of it, and I compliment you upon it. You have many reasons to be proud of being descendents of the great British race. But it is not your fault; it is an accident of nature. I am a descendent of the founders of Canada, those who first discovered and established this country as a civilized country. I am proud of my race. It is not my fault; it is an accident of nature. But when we come to consider problems such as the one confronting us at the present time, immediately any man who has any elementary knowledge of psychology will understand that your response is going to be much quicker than mine. Why? Because I have to reason in my mind why I have to support the British flag and spend my energies for the defence of British rule in this conflict, or perhaps elsewhere. It is the result of thinking, the result of reasoning, if I come to that conclusion; with you it is the impulse of the heart. Your heart becomes inflamed as soon as the name of England, of the British empire, is mentioned. It is quite natural, it is in your blood; it is your blood that makes that impulse. It cannot be the same with me. It would be against nature. I have to reason why I should take that step or not take it. I hope that my position is understood

from that point of view. My position being understood, the position of the French Canadian is also understood.

Why? Because England is not our homeland. The same reason applies to France. Our homeland, our native land, our country, is Canada.

When His Majesty the King was making an address to the cadets last Saturday he said that it was the duty of a citizen if necessary to die for his country and his compatriots. I hope no one will claim that this is not a declaration on which we stand, to say that we are not going to participate in this fight. But if, due to their past history, French Canadians do not want to participate upon compulsion, their viewpoint should have attentive consideration. The two quotations I have made explain clearly why French Canadians do not want conscription for service overseas.

Is conscription for service overseas necessary at this moment? Well, the Prime Minister and eight ministers of the crown all said in this debate that there was no urgent need at present, and that it may never become a necessity; so why amend a law that would so greatly disappoint one-third of our whole population? Are we short of men for military service? The figures given so far in this debate would indicate that we have all the men we can clothe and train in the navy, in aviation, and we have enough men through voluntary enlistment in the army. Our sailors will be found wherever they are needed, our aviators anywhere on the battle fronts of the world, and our French Canadians are willing to do their share under the voluntary system in any of the three services.

When section 3 is deleted from the mobilization act it will stand deleted not only for this government but for any government that may replace this one. It is to be the law of the land, as was said by the hon. member for Richelieu-Verchères; and any government succeeding the present one, any prime minister succeeding the present Prime Minister will be in a position to apply the principle of conscription simply by order in council. That is the position; so has spoken the hon. member for Richelieu-Verchères. I approve his attitude on this bill, and I shall vote against the amendment to the act. In the last war conscription for service overseas was considered an error by Sir Robert Borden, as stated in his memoirs. It has been the cause of discord and misunderstanding; so why take this risk again?

French Canadians are willing to do their share voluntarily. Why not let the leaders of French Canada be in a position to appeal with force and success to their compatriots in favour of an all-out war effort? Why not continue the good work done by our Roman Catholic French clergy in that magnificent appeal made in their pastoral letter of May 31, 1942?

The war will prevent the celebration of the seventy-fifth anniversary of confederation this year. One thing we can do. We can concentrate our minds on the problem of a better understanding between French and English, between Roman Catholic and Protestant. Our main objective must be to rid our minds of at least some prejudices. Once the ground is clear of bias it will be possible to erect the solid framework of national unity. For this I appeal as strongly as I can to my French compatriots to join the army, navy and air force in large numbers, in order to defend the liberties of mankind threatened in this war. I also appeal to those in favour of conscription for service overseas to scrutinize carefully the point of view of the French-speaking population. I appeal for better understanding and unity between the two great races in this country. I appeal for the building of a nation in Canada, a nation with its own flag, with its own national anthem, a nation where the two great races will have equal rights and privileges all over Canada. Then, for my French compatriots the word "conscription" will no longer be a symbol which means, forced to enrol, to train, to fight and die in some other land for some other cause than that of their own country.

Mr. SARTO FOURNIER (Maisonneuve-Rosemont): This is the second time within a period of twenty-five years that the Canadian parliament has been called to decide upon a measure involving compulsory military service for Canadians overseas. The first occasion was in 1917, in the same circumstances and for the same purposes. Therefore we have a test case of brutal historical fact, a precedent that took place twenty-five years ago, which is a rather short period in the history of a nation, so that no dust has yet accumulated on the memory of this calamitous event. You, Mr. Speaker, know the meaning of "precedent' 'in a British parliament. How is it that through all the speeches delivered by those advocating or supporting a similar proposal to-day no one dared to suggest the repetition of that phase of our history? The reason for this is most simple; it is that we remember, and we know that the people of this country remember. That explains why the supporters of this bill are creating something like a new type of precedent, which consists in ignoring another precedent. By the fact that the whole nation is at war, the

conduct of the war is a Canadian affair; and those upon whom is placed the burden of the responsibility of framing the national policy are bound to be logical and true with themselves as well as with the facts. It would be a crime on their part to forget that great principle of wisdom and common sense, which is as old as the civilized world, that the same causes always have the same effects. What in former times was already recognized by the unanimous consent of the nation as a bad, useless and harmful experience both for the prosecution of the war and for the post-war development of the national life of this country, is still bad to-day; it cannot be otherwise.

Here, sir, experience meets and joins with reason to condemn Bill No. 80, as it is presented by a government which seems to be frightened by the blackmail and the threats of a little group of money makers and blackmailers, to whom the national welfare of the population of this country is the least of their cares; and who, by dint of manoeuvring and bargaining, have succeeded in forcing the hand of the government to the point of inducing them to introduce into this house a measure of legislation which, according to the testimony of the Prime Minister (Mr. Mackenzie King) himself, according to the evidence given by almost every one of his ministers, according to the testimony of past experience and common sense, is not necessary.

That is the position; but whether we like it or not we have to consider the question properly, upon its merits, in the light of circumstances prevailing in Canada, and take the best possible decision in the interests of the country. Since this question of conscription of men for military service overseas is a war measure closely and intimately connected with the whole problem of the man-power of the nation, it becomes *ipso facto* a problem of the highest importance. The problem is common to all the nations at war. It is the beginning and end of a nation's war effort. Because of the new aspects created by the unexpected magnitude of the conflict, this question, as never before, has attained a high degree of importance in itself, and of danger and difficulty in discovering a proper solution. No greater organizational problem has ever been faced than the marshalling, the direction and the conservation of all this human effort. In dealing with such a tremendous question, we must remember that we are not simply juggling with figures; we are trying to find a solution as to the best possible use that can be made of the very human capital of the nation. In this connection no error is permitted. Man-power is the number one raw material of war, the only resource for which no substitute can be found; and it has to be utilized, accordingly, to the fullest capacity and, I repeat, in the light of circumstances prevailing in the country.

These circumstances are not the same everywhere. In Great Britain they differ from the circumstances in Australia; and there we all know to what extent they are contrary to the methods prevailing in Germany, where they have a particular way of dealing with the question, which way does not resemble the methods prevailing in the United States. Here in Canada the very nature of the problem is such as to make it first and last a Canadian problem. Since we have entered this war by the exercise of our own free will, in order to preserve the survival of our Christian, civilized and free way of living, the conduct of the war is a Canadian affair, just as it is a Russian problem in Russia, and different things in the different nations. We cannot be too prudent and take too many precautions in analysing the real conditions prevailing in the country. If we want to do that in a proper and honest way, we must make a necessary distinction between the real conditions as they exist, and some new, artificial conditions shining in the light of statistics newly obtained under false pretences by the holding of a plebiscite which has cast its sense just as at this season of the year the foxes shed their coats.

To take advantage of such artificial circumstances, which do not reflect either the feeling or the will of the nation, is the use of a power which has not been given or authorized by the people but is furnished by statistics only. The figures are there to help the government lead the nation properly; but if the government should decide to give up its duties and its responsibilities and call upon Mr. Symbol, who has no soul and no brain, to lead the nation, where are we going? After all, Mr. Speaker, who is running this country; who is carrying on this war on behalf of the Canadian people? Symbols? Statistics? Newspapers? Political parties? Arguments? The government? No, sir. All these are more or less useful and necessary elements which are supposed to make their contribution to the winning of the war; but this Canadian war effort is actually and really made by the Canadian people; and we have no right to forget its will, because it is the will of the nation.

We could undertake the responsibility of declaring war, organizing our war effort, prosecuting hostilities, and transforming the

economy of our country until to-day she is rightly considered the arsenal of the united nations. We could raise by way of loans and taxation the enormous sums of money required to meet the expenditures necessitated by our magnificent war effort. We could raise all the men required for the three different branches of our armed forces. We could do all that and excel in many other splendid achievements which have been duly praised both in foreign countries and here in Canada by everybody who knows what he is talking about, and we could achieve all that because behind the action of the government there stood the will of the nation.

For nearly three years we have got along successfully under the voluntary system. But to-day, for reasons that have never been made clear, and in spite of the most solemn pledges given repeatedly time and again to millions and millions of Canadian citizens, the government proposes to repeat the shameful action, the great mistake of 1917, while at the same time stating that it is not necessary. Of course, it is not necessary and it never would be necessary provided the government had the courage to master that big-name, high-pressure, imperialist propaganda campaign which was started two years ago in this country by a little group of people whose patriotism is nothing but the heroism of others. That disaster can be avoided provided the government stands to its initial position and keeps the Canadian war effort geared to the will of the nation. So long as the nation refuses to accept voluntarily the principle of compulsion for military service overseas, any attempt on the part of the government to overthrow or crush this legitimate desire of the people constitutes an act of tyranny, a deplorable abuse of confidence, and the official recognition in this free country of that basic principle by virtue of which slave nations are governed. What adds to the danger is the fact that some people are going to be enriched by getting and filling contracts to equip those who are being compelled to die. As one of that younger generation, and on their behalf, I urge upon the government, before it decides to cross the Rubicon, to consider well the consequences of the act which it is on the point of performing. When Canada is now writing another great chapter in her splendid history, why should we blot a fresh page with the ink of infamy, while those who did this once before, are yet living, buried under the contempt of two generations? When all of us know these things from past experience, surely we should not repeat the same mistake and hazard again the future of our nation for many years to come.

[Mr. S. Fournier.]

I wish now to deal with the same problem considered from the angle of actual war reality. Modern technical warfare is based on three main principles which have conditioned and determined the outcome of every battle which has taken place since the outbreak of the war. They constitute the basis of the value of an army. They are horse-power, man-power and brain-power. Since all these three are equally essential and, therefore, absolutely necessary, it is the duty of the government to see that our armies are sufficiently provided with them in adequately balanced proportions in order that we may have an effectively and intelligently directed effort down to the last unit of man-power that can be mustered.

(Translation): Mr. Speaker, future historians of this war will rightly point out that the reverses suffered by our allies were due to a lack of equipment and machines, to insufficient horse-power. We have never possessed until now the physical power, the necessary requirements in horse-power. If I may be allowed to do so, Mr. Speaker, I would like to give you an idea of a modern army's requirements from the point of view of horse-power. I shall take the liberty of quoting an excerpt from an address delivered last December, in Detroit, by Mr. Paul Garrick, vice-president of the General Motors Corporation:

> War now is a war of horsepower. In 1918 an infantry division had equipment of 3,300 horse-power. Now an armoured division has 400,000 horse-power.

Mr. Speaker, we are short of horse-power. So far, our armies have lacked physical power or strength. That explains the downfall of France. France did not lack men; she had all the soldiers she needed; neither did she lack courage or patriotism. She fell, vanquished by twenty thousand German soldiers. At that time she had at her disposal two million soldiers. But France fell because she lacked the necessary equipment, because she did not have the required machinery, because she was short of the horse-power without which modern armies have no chance of success.

If Italy has lost so many of the battles she has fought since the beginning of the war, the explanation is not that she lacked horse-power, that her forces were inadequate, that she was short of machinery, or that she lacked men—in these respects she was amply provided with everything she needed to vanquish her opponents. Italy has suffered humiliating defeats because the Italian nation lacked brain-power, because her soldiers would not shoot at British or French soldiers, because

never, or at least for quite a number of years, the Italian people never had any serious differences with the French or the British. But horse-power and brain-power can neither be conscripted nor coerced. Conscription measures written into the statute books of our country cannot increase the effective power and horse-power of any army sent overseas or elsewhere; such legislation cannot inspire our fighting men with the essential virtues of valour, courage and dauntlessness. The passing of a measure such as is now submitted to the house had already been forecast for a later date at the time of the plebiscite, as was so ably pointed out by my colleague the hon. member for Chambly-Verchères (Mr. Cardin). It was to come later! That apparently meant, in the minds of those who made the statement and in the explanations which were given to us, when it should become "necessary", when new events should occur to render it absolutely necessary. Now these events have not come to pass, Mr. Speaker. Circumstances have not changed and yet this bill is upon us, this measure will be adopted, and "later" has become "to-day". On a matter such as we are now discussing, when the government is asking for power to adopt conscription, to enforce conscription in the country at any time, I fear that the word "later" when used during this debate offers no safer guarantee than it did at the time of the plebiscite. When one considers, Mr. Speaker, a modern army's great need of proper equipment, how it has to be in the pink of condition, it seems there is need and great need for increasing, improving and adding to the equipment supplied at present to our armed forces both at home and overseas, whether they are made up of volunteers or not.

The word has long gone around: Remember Hong Kong! We shall not fail to remember Hong Kong, but wishful thinking can be of no avail, even though coupled with a desire for vengeance. We shall not forget that disaster due to the insufficient training and especially to the lack of equipment under which our men laboured unsuccessfully at Hong Kong.

Do we realize, Mr. Speaker, that in addition to equipping our own forces we must equip the British and Russian armies, send men and equipment to Australia and that over and above what we have to give to our own allies we shall probably have to send equipment to still other allied nations? Let us not be astonished at the disaster of Hong Kong. Let us not be surprised at the quick defeat which met our troops there. Should we send troops elsewhere, in any part of the world, under the same unfair conditions, with the same training and with the same equipment; should the same conditions prevail in the future, fresh disasters await our Canadian armed forces. It is not the number of soldiers that counts, it is brains and brawn, whether that army be large or small. But what is needed above all is equipment.

Now, Mr. Speaker, what number of men can we reasonably contribute to this war, whatever our system of recruiting, whether conscription or voluntary enlistments? What is the potential capacity of the Canadian nation as regards man-power for our armed forces? Mr. Speaker, the problem of a nation's man-power has this in particular that it may be accurately appraised, accurately determined and calculated, and it may be defined in a practical way. No one can tell what the limit to our production of raw materials may be nor to what extent our soldiers may be courageous, but it is possible to determine the number of men it is convenient for us to raise. With regard to army requirements our maximum contribution may be determined. Mr. Speaker, in so far as our soldiers are concerned, we cannot go beyond certain limits.

Our American friends are a practical people. They started by taking a national census on the basis of their war needs. The census indicated a total population of 134 million inhabitants. Then they went about it logically, properly asking themselves how many men, how many women out of the total population must produce something for the immediate needs of the war. They left out children under sixteen years of age and persons over sixty, they left out married women whose duty it is to remain at home and look after the education and health of their children; they eliminated those living in hospitals, the weak and gaoled criminals.

After all these deductions, they found that the man-power, the effective strength of the American nation is about 71,700,000, or 54 per cent of the whole population. Canada has a population of about twelve million. If we take the American basis—and we can safely take it—if we take 54 per cent of the whole population of our country, we find that we have in man-power an effective strength of 6,500,000. How many of these people shall we send on the battlefields? How many shall we take into the army? We have to employ some in the mines, in the workshops, in the industries and all the other activities which are essential to our national life. Of these 6,500,000 men and women, how many shall we induct into our army as fighting strength?

I have before me, Mr. Speaker, a circular letter issued by the Royal Bank of Canada which no one has yet taxed with ultra-nationalism. The officials of the Royal bank analyse in that booklet published in May, 1942, a certain aspect of the man-power problem in a nation. I quote:

> We are often told of the highly technical nature of modern warfare, and of the necessity for organization of the home front to support the fighting services. Calculations have been made, showing that every man on active service must be supported by the efforts of eighteen men at home, in industry, agriculture and transportation, while only five workers were required for every fighting man in the world war of 1914-1918.

According to the Royal Bank of Canada, eighteen men are needed on the home front to maintain and reasonably equip a man on the fighting line. Others suggest that eight would be sufficient. I believe that both these figures represent extremes. It would seem to me much more fair and reasonable to strike off an average, to use a middle term, and say that thirteen persons are sufficient to maintain a soldier fighting for our defence on the field of battle.

Our effective man-power of 6,500,000 people should therefore enable us to have an army of 500,000 men. But we have that army, Mr. Speaker, or we should have it. However, according to the figures quoted the other day by my hon. friend the Minister of Munitions and Supply (Mr. Howe) our actual man-power is inferior to what it should be; instead of having 6,500,000 people to draw from, we have only five millions. Where are the others? Where are the missing 1,500,000 persons? I would like to know. No one yet has been able to give us the answer. Yet, the health of our people cannot be inferior to that of our neighbours. The figures given by the Minister of Munitions and Supply indicate that we are below the average, and those given by the Minister of Agriculture (Mr. Gardiner) reveal a still worse condition.

It is stated by the Minister of Agriculture that we soon shall have 750,000 men under arms. On the other hand, the Minister of Munitions and Supply states that our available man-power, as regards our war needs, amounts to five million persons.

It is plain, Mr. Speaker, that we have not very many more persons behind each soldier than we had during the war of 1914-1918. We must have a full war effort in every sense of the word. We must therefore use common sense, intelligence and justice. It is a mistake, a terrible blunder and an injustice to send our fellow citizens to the front without giving them the full guarantee that the country will provide them with all they need to accomplish their purpose.

Our cause is just; we must defend it and it must triumph by fair means. In all justice to our soldiers we must guarantee that behind each one of them stand at least thirteen of his fellow citizens who spend their days and nights to support him, to feed him, to provide him with the necessary tools and the mechanical power he needs to fight with a reasonable chance of success against a powerful enemy.

The courage of our soldiers and the superiority of their equipment alone will give them victory. No legislation will give us that. And, in that regard, Bill No. 80 is unfair, useless and humiliating to the Canadian people.

Several members have tried to explain why Quebec objects to conscription; many theories have been expounded; it was even claimed that the province of Quebec was against conscription because her political leaders had deceived her for over twenty-five years.

Yet, Messrs. Lapointe, Dandurand and Cardin were always honest with the people of Quebec. Those who would have us believe that we were deceived are precisely the ones who are trying to mislead us to-day.

The province of Quebec was not deceived before, but it is being deceived right now. It is not being deceived by its own representatives, but by people who are interested in doing so. We have always been and still are against conscription for overseas service, because our reasons for opposing conscription still exist. This piece of legislation is unjust, useless, stupid, and it will prove just as disastrous as ever.

We are against conscription because we do not suffer from megalomania, because we have retained a sense of proportion and because we know it is useless to ask the people to give an effort so violent that it will prove impossible to sustain should the war last a few years longer.

It has been stated that everything we have we owe to the mother country. Indeed, we share that opinion. But the mother country, as we understand it, is nowhere but in Canada. There is our only and our true mother country. This land is where we wish to live even as did our forefathers before us. As Russian soldiers fight for Russia, the English for England and Americans for the United States our fellow-citizens in the province of Quebec fight for no other country than Canada. For the defence of Canada no more devoted, no more understanding and no more enthusiastic citizens are to be found than those who live in the province of Quebec.

We have voluntarily entered this war for the defence of our country, that of all Canadians, and not to service as tools for the enemies of our race, our faith or of our religion. Our disdain for them is equal to theirs for us. We know their mentality is not characteristic of the majority of our English fellow-citizens. They talk of a show-down against us at the very moment when the nation is fighting the most redoubtable foes it has ever known. Quebec, for them, is Canada's first line of defence in this country. It entails no danger for them, they are not risking one cent. Theirs is a special brand of courage! they seek for a fight which will not take place and they know it beforehand. May history be kind to them.

Mr. Speaker, in concluding these humble remarks, I would like to quote a few lines of a speech made by Sir Wilfrid Laurier in this house on July 24th, 1917:

> I oppose this bill because it has in it the seeds of discord and disunion; because it is an obstacle and a bar to that union of heart and soul without which it is impossible to hope that this confederation will attain the aims and ends that we had in view when confederation was effected.
>
> All my life I have fought coercion; all my life I have promoted union; and the inspiration which led me to that course shall be my guide at all times, so long as there is a breath left in my body.

This explains perfectly the sentiment of the people in the province of Quebec and the position they have taken on the bill that the government now asks us to pass.

Mr. F. G. HOBLITZELL (Eglinton): Mr. Speaker, before proceeding with my remarks on the issue before the house, may I express my appreciation of and the gratitude of my constituents for your indulgence in permitting me to speak at this time, because every normal avenue and procedure to do so was obviously purposely barred to me by the Liberal whip appointed under democratic parliamentary rule to facilitate the opportunity for a representative of the people to speak before this honourable assembly.

May I say at once without any doubt or hesitation that I support Bill No. 80, repealing section 3 of the National Resources Mobilization Act. The Prime Minister (Mr. Mackenzie King) has told us that support of the bill now before the house does not mean conscription for the present—that it may never mean conscription. The people of Canada thought they were voting in favour of conscription, no matter what statements may be made to the contrary. The constituency which I have the honour to represent, Toronto-Eglinton, polled the largest percentage of "yes" votes of any constituency in the dominion. From the hundreds of letters I received I know the vote meant only one thing to them—the immediate application of conscription. The people of Quebec were sure they were voting on conscription, and posters throughout that province asked them to vote "no." For that reason our allies and our enemies believed that we were voting for conscription, and in friendly countries the press announced that we had voted overwhelmingly in favour of an all-out effort. I opposed the holding of a plebiscite because I believed it was the duty of the government of Canada to adopt the one fair course and to assure equality of service and of sacrifice in every field of our war effort. Everything that has happened since has convinced me more and more that it was a sorry day for Canada when the government decided to side-step its responsibility by adopting this device. Now we are going through the last stages of the colossal confusion.

During the plebiscite itself the people of Canada were exhorted to vote "yes" as a national duty so that the government would have a free hand toward an all-out war effort. A second group were demanding a "no" vote to make sure that there would be a definite limitation to our effort. Not being told definitely what the vote was intended to mean, the people made it clear what the vote did mean to them. When the people voted "yes" by a huge majority in most of Canada they left no doubt about the things they said, that they were instructing the government that they wanted no further delay in dealing with conscription.

We have now before us a bill to remove any limitation on the field of service of those who are drafted under the National Resources Mobilization Act, and at the same time we are told that if the bill is passed it means nothing for the present and may never mean anything at any time. We have been told by the Prime Minister that the passing of this bill does not mean the adoption of conscription; in other words, the debate is not to decide conscription. Nevertheless we are asked to debate conscription so that the issue will be decided once and for all. The course we are now following is just as indecisive and just as far from reality as was the plebiscite itself. We are asked to debate conscription and then to vote on something else. We are asked to say when and how compulsory service should be adopted, and at the same time we are told that what we say and our vote on the bill itself will have nothing whatever to do with, when and how it is adopted.

That sort of indecision and uncertainty in parliament has destroyed democracy before

and it can destroy democracy again. It is time this parliament realized what effect this is having on our people and on our friends. We have been told that conscription is not needed to supply man-power for our forces already overseas, and that it is possible it may never be needed. But if we wait until it is needed it will be too late. We must not blink facts any longer. A Canadian army has been created in England. If that army is engaged in direct contact with the enemy, we might need 100 per cent in numbers of the total force as reinforcements in one year. We have not that number of trained reinforcements outside of the units now in other divisional formations in Canada. It is possible that I have far underestimated the requirements of reinforcements. But it is certain that we cannot go on assuming that our land forces are going to suffer no substantial casualties. Wars are won by fighting, and in the fighting which will lead to victory the unhappy truth is that we cannot avoid heavy casualties.

But there is another point which is not being considered sufficiently in the discussions which are taking place. Even if it were certain that we would not need to send another man overseas for a long time to come, there could still be no excuse for not putting conscription into effect without any limitations. We have now a draft system which invites a form of compulsion which I think is a disgrace to every Canadian. Talk to any young men in the training centres and they will tell you of the methods that are adopted to force men drafted for home service to enlist for service overseas. I do not suggest that this is done under instructions from national defence headquarters. It is the inevitable result of placing young men side by side, some of whom are available for service anywhere and some who have been drafted under a system which limits their field of service.

That creates a sense of unfairness in the minds of those who may be called upon to go anywhere, and they adopt methods which young men find easy to devise to persuade other young men to do their will. We have even heard the strange doctrine voiced in this debate that conscription for service anywhere on the north American continent is acceptable, but not conscription for overseas. It would indeed be a shameful day for Canada when it became the accepted policy that we were quite prepared to conscript our young men for service in foreign lands but were not prepared to apply the same principle to our partners in the British empire.

We are not fighting only for Britain when we send troops to Britain. We are fighting for that partnership of free men to which we belong as a sovereign nation. It happens that Britain is the bastion of freedom which is holding back the armed forces of Germany from our shores. Where better can we fight for the defence of Canada than there? When the time comes to launch the offensive to crush the hated hun, where can our men start that offensive better than from that line of freedom on the British coast?

It is time for us to stop talking apologetically about our men being in Britain, as though we were ashamed of that partnership. Every Canadian who has helped to maintain the freedom on the soil of Britain has helped to maintain our freedom in Canada; and even if we were not fighting for ourselves, why should we not fight side by side with Britain when they have fought side by side with us to give us that place in the world which we hold so proudly to-day.

There is another thing we must not forget in this debate. Our Prime Minister himself has told us of the value of our friendship with the United States, and how important it is that we should be held in high regard by the people of that great country. He has told us that it has been possible for him to be of special service to Canada because of his friendly contact there. How, then, can we ignore the attitude of the people of the United States? Surely no one is any longer in doubt about what they are saying there. They do not understand all these fine arguments about the advantages of voluntary service. They are very proud of their own institutions, and they believe that their freedom and their way of life are second to none.

Mr. FLEMING: The hon. member is reading his speech.

Mr. ROSS (Souris): The member for Humboldt (Mr. Fleming) read his speech, too.

Mr. DEPUTY SPEAKER: I must point out to the hon. member that it is against the rules to read speeches.

Mr. HOBLITZELL: I am just following some notes very closely the same as some other hon. members, and I hope the same privilege will be extended to me.

Mr. DEPUTY SPEAKER: If the hon. gentleman states that he is only consulting his notes, I must accept his statement.

Mr. HOBLITZELL: How do you think, Mr. Speaker, the people of the United States regard the suggestion that there is something shameful and improper about compelling young men to serve their country anywhere at any time that the enemy may be destroyed?

The people of the United States know that they have been at war for six months and more, and that their men are drafted for service anywhere at any time. They cannot understand why we are not willing to put aside our prejudices. All these distinctions between compulsory service for the defence of our own country and for service elsewhere are meaningless to them. Their young men are being drafted without any limitation upon the field of service. Already large numbers of them are in Australia, in Alaska, in Ireland, in England, in Africa and the far east. It is only necessary to read the press of the United States to know what they think about the matter.

Mr. DEPUTY SPEAKER: Order. I do not believe I can accept the view that the hon. member is only consulting his notes; I think he is consulting them very assiduously.

Mr. HOBLITZELL: All the speeches that have been made about the value of Canadian contracts, the number of men in arms, and what these would mean if multiplied by the number of times their population exceeds ours, fall on deaf ears. Let there be no mistake about it; we have a very poor press in the United States at the present time. That will not be cured by high-paid agents writing stories about Canadian industrial production and what our men will do when the time comes. This one issue of conscription hangs like a cloud over everything.

Mr. DEPUTY SPEAKER: Order. The hon. gentleman should deliver his speech, not read it.

Mr. HOBLITZELL: Yes, Mr. Speaker, I am following my notes. It is not fair that the flower of our youth should answer the call of duty—

Mr. DEPUTY SPEAKER: Order. The hon. member has heard the ruling?

Mr. HOBLITZELL: —while others who do not hear the call of duty so clearly remain at home to take over the jobs of those who have gone. We are told that man-power is needed. Of course it is. But the way to assure man-power is to have a uniform system of compulsory service that will place every man in the job that he can do best.

Mr. DEPUTY SPEAKER: Order. I shall have to ask the hon. member to resume his seat unless he obeys the ruling of the Chair. The hon. member may not read his speech.

An hon. MEMBER: Unless he supports the government.

Mr. J. LEO K. LAFLAMME (Montmagny-L'Islet) (Translation): Mr. Speaker, the bill now before parliament calls for the repeal of section 3 of the Mobilization Act, 1940, which limited to Canada the mobilization of man-power. It is under this act that the authorities have already called to the colours a considerable number of young men.

According to the report of the Minister of National War Services (Mr. Thorson) 312,649 men have answered the call to report for medical examination. With the exception of those who enlisted voluntarily, we may say that almost every young man of military age has been called up.

The reason put forward for the repeal of that section is that as a result of the plebiscite we must remove any limitation in the government's power to mobilize all the country's resources, particularly its man-power. Even if the plebiscite has given a majority of "yes" votes, the government, in my opinion, is not justified at this time in moving this amendment. Since the affirmative majority vote is construed in most places as a vote in favour of conscription, we may wonder if the majority vote given in the province of Quebec against the plebiscite was not cast against this method of recruitment, against conscription for overseas service.

There is no gainsaying, Mr. Speaker, that when war broke out, a part of our population favoured immediate participation in foreign wars, especially under a system of conscription for overseas service, while another part opposed such participation and the recourse to conscription. We were told by our leaders that both groups had come to an agreement and that this agreement should be respected. May I quote, among other statements, that uttered in a radio broadcast on October 9, 1939, by the late Mr. Lapointe who said:

> I am opposed to conscription now as I was then. I stated in the house that I would never be part of a government which would impose conscription and that I would never support such a government. The Prime Minister has stated that the present administration would never resort to conscription. My colleagues and I enjoy the respect of our colleagues from the other provinces and I feel justified in saying that I enjoy the confidence and regard of my English-speaking fellow citizens throughout Canada, and I believe I have been successful in convincing them, and that we have convinced them, that Canadian unity demands that there be no compulsory service overseas.

I feel, Mr. Speaker, that this statement of the former leader of the province of Quebec is sufficiently explicit and worthy of belief. He said: "We have convinced them, we have

managed to convince them, that Canadian unity demands that there be no compulsory service overseas.

Inasmuch as our section of the population fulfilled its end of the bargain, I wonder why the other section should fail to do the same. If there are serious reasons for a change of attitude in that regard, it is fitting that such reasons be divulged. So far, everything has shown that the voluntary method of raising men for overseas service has been highly successful. It does not appear necessary, under the circumstances, that the method be changed; nor does it seem imperative, since the voluntary system has been successful, that we undertake new commitments with our allies.

Recent events have shown that the enemy does not want our country, any more than the United States, to be used as an arsenal for our allies fighting on other continents. It follows that our country can play a very important part in this war by steadily producing the tools of war, as Mr. Churchill requested that we do when he visited us, and especially by steadily supplying man-power under the voluntary system of enlistment. A close study of figures showing the number of men called up and of those likely to be so, enables us to state without exaggeration that, at best, coercion or conscription of man-power would enable us to raise a force of some 50,000 men. Is such compulsory contribution worth while under the circumstances, endangering as it does the country's unity? Is not national unity really much more valuable than this enforced contribution of man-power for military service?

One of the reasons put forward for drafting men for service overseas is that there must be equality of sacrifice. Mr. Speaker, I respectfully submit that there can be no equality of sacrifice when sacrifices are made under compulsion. Sacrifice is the voluntary renunciation of liberties and privileges which we hold dear, in order to give anmple proof of courage and self-denial. It is not through coercion that we can induce men to agree to equality of sacrifice, and I believe that the generous offer to serve made by our volunteers cannot be compared to the spirit of those who might be forced to do likewise.

There is another argument set forth by some people and, although it may lack cogency, it is nevertheless worth looking into. Questions put on the order paper, Mr. Speaker, clearly show an ever-recurrent desire to criticize the province of Quebec in connection with the country's all-out effort. Some seem to complain about our province not supplying men in sufficient numbers under the voluntary system, and this is being used as an argument in favour of conscription. I sincerely believe that those who hold this view are greatly mistaken and that they entirely disregard certain facts which show that the effort made by our province has no doubt been important and genuine and that if it is not as great as one might have wished, this is because a very important factor is being ignored in this effort.

Let us remember that most of our young men from the city as well as from the country speak only French. It is hard for them to be enthusiastic about the army especially when military training is given in English. Our young men who don't know a word of English feel lost among the rest. Moreover, as the great majority of our people speak only French, discipline seems very irksome to us when orders are given only in English. I am positive that if the authorities took pains to consider seriously that situation, it could be improved and that they could establish staffs of officers comprising only French Canadians. It would be easy to teach military discipline to my compatriots through the medium of their language, if care were taken to train bilingual officers and non-commissioned officers able to transmit the orders given by the higher authorities. If that were done, I am convinced that this important section of the Canadian army where French-speaking Canadians would form the majority, would play a great part and would certainly show itself worthy of those who preceded it at the different war fronts. I wonder if certain people do not apprehend a repetition of the glorious history of the 22nd French-Canadian regiment.

No one can seriously claim that it is impossible to do this. Do our friends, our allies, the Free French not receive their training in their own language and do they not perform in this conflict a praiseworthy and enviable effort. Do our Norwegian, Polish and Dutch allies not have their separate units? Yet their effort is second to none. Therefore, I believe it is possible to improve the voluntary system and, without making any other pledges to the allies, we can establish a truly Canadian army by giving even more consideration to the French-speaking element.

The Right Hon. Prime Minister (Mr. Mackenzie King) has devoted his life to the establishment of national unity in this country. His constant efforts are an example and it would certainly be unfortunate should present circumstances destroy all the good work that has been done. One cannot conceive national unity without understanding between the different groups and particularly

between the two main ones, the English-speaking and the French-speaking groups. Events prove to those who wish to see that the British empire, as some still call it, cannot survive the serious blows it is receiving.

Nevertheless, one forgets that there exists at present, especially since the Westminster statute, an association of free peoples which is a commonwealth of British nations composed of England and her crown colonies as well as the various autonomous and independent dominions. Even though they are associated, the latter have the right and the duty of remembering that should history repeat itself and should the British empire disintegrate, they must ensure their own security and organize the defence of their own territory for the very purpose of constituting anew, after the war, that same association of autonomous nations under the British crown. There is no lack of loyalty but rather a true manifestation of it in giving material and financial aid by every means at our disposal, and in contributing volunteers, while attending to the protection of each country.

In any country, if the citizens are to share in a common conception of the nation, one way to attain this result is to have a flag representing the country in the eyes of each citizen. So long as our country proves incapable of having its own flag, so long shall we find it difficult to reach unity of thought, a common conception of country and a common view concerning its defence. Let our English-speaking fellow-citizens seriously ponder this point, and let them remember that when our American neighbours invited the French Canadians to join them at the time they were seeking to achieve their independence, our people turned them down. Let them also remember that in spite of the vexations to which they have been subjected, our people have rejected the subversive ideas which have been spread in this country during the last few years. We have done that because our country, Canada, is the prime object of our love. We are proud to live in it and we claim for others as well as for ourselves freedom of thought, freedom of speech and freedom to act in accordance with our conceptions, our traditions and our racial characteristics.

Some day it will be possible to assign the responsibility for the situation now existing in this country. There is no doubt that statements made to the Quebec people, especially since 1917 when the Liberal party was represented, at least with the implied approval of Liberals from other provinces, as being opposed to conscription for overseas service, will weigh heavily in the balance when the time comes to assign such responsibility. Those who have fostered the separation idea, especially for some time past, will also have to bear a considerable share of that responsibility. But it should not be forgotten that our English-speaking fellow citizens will also be held responsible for having consistently refused to recognize the French-speaking group in Canada.

The decision I have taken is based on my personal conviction that compulsory service outside our borders should not be enforced in this country; that the voluntary system, properly organized, will yield all the men we need to help our allies. Realizing those facts, I cannot agree to vote for the amendment, that is for Bill No. 80 amending section 3 of the mobilization act, because it would mean endorsing the principle of conscription for overseas service.

Personally, I believe the majority of Canadians oppose this method of raising men for military service outside of Canada. I find it impossible to consider that conscription will help us win the war, but I remain convinced that national unity, realized through the observance of pledges given at the outset of war, will contribute to an allied victory and I believe my attitude is the best under the circumstances.

War will always be the most terrible scourge visited on the human race. The conflict we are now engaged in is accompanied by confusion and disastrous contradictions. An instance of this is evident in our own country at the present time. Were we really imbued with the Christian principles for which we claim to be fighting, we would first apply them in our own country. Our national life is a denial of the very principles we aspire to uphold. All things considered, we should not hope for victory without reparation and without relying on divine Providence.

Mr. JOSEPH LAFONTAINE (Mégantic-Frontenac) (Translation): Mr. Speaker, the bill now being considered by the house is of such grave import and its consequences are so far-reaching that I believe it my duty to voice here, at this time, an opinion which is shared by almost every one of the constituents whom I have the honour to represent.

My decision to participate in this debate on Bill No. 80 was not arrived at with a view to delay the proceedings of the house. Last week, certain hon. members, and particularly the leader of the opposition last Tuesday, showed signs of impatience at the length of the discussion on this measure. Still, Mr. Speaker, there have been lengthy debates on other matters and we from the province of

Quebec have sat through them without complaining, or at least without overtly alluding to their tediousness in the house.

This is the first time I have taken the opportunity granted to each member of expressing his views as well as those of his constituents, and in doing so I intend, Mr. Speaker, to comply as far as possible with the rules of the house.

We are free to disagree on the subject of this measure which, if passed by the house and subsequently enforced, may undermine the very foundations of our constitution and even bring about serious changes in our national life. We are free, I repeat, to disagree without being for all that hostile to the cause of the united nations.

If such differences of opinion were not respected in this house and country, the sacrifices already made and those we are about to make in support of the effort Canada is putting forth to ensure the survival of all freedom-loving peoples, would be to no avail.

On the ultimate goal to be reached, there is and can be no discussion. Certainly no one in this house dares to imagine that any member, whatever his views on this question, may be pulling for an Axis victory. No, Mr. Speaker, we all want to win the war although we disagree at the moment on a measure whose purpose would be to uphold our war effort, in view of the needs of our allies and especially of the trend of present day events. Yet we must bear in mind the peculiar position in which Canada finds herself, give special attention to the essential problem of national unity, and remain true to the principles of our federal constitution as well as to the pledges given the Canadian people on more than one occasion.

Any discussion is idle unless we admit that those who are against Bill No. 80, as I am myself, are just as sincere and honest as those who are in favour of it, and that we are seeking as loyally as they do a solution to the difficult problems which confront us in this period of our history.

Since the beginning of this debate I have followed the discussion closely; I have listened attentively to the numerous speeches delivered, many of which I have read over several times. I have weighed the arguments advanced in favour of this measure, and I regret to say, Mr. Speaker, that these have not shaken the opinion I had formed at the time the first reading of this bill was moved in the house.

I still feel that I should oppose this amendment to the National Resources Mobilization Act because Bill No. 80 involves the principle of conscription, because this amendment grants to the present government or to any future government powers so vast that it may, simply through an order in council, send overseas not only our volunteer troops but every man who has been called under the 1940 mobilization act and to whom that act was a guarantee that he would be compelled to serve only in the defence of Canada and her territorial waters.

This would mean a breach of the pledges given by the Liberal, the Conservative and the Cooperative Commonwealth Federation parties during the 1940 election campaign.

The only party whose platform included conscription was the Social Credit party, one of whose members, the hon. member for Red Deer (Mr. Shaw), told us on June 23rd how proud he was that his party had taken such a stand and that it should have advocated ever since 1937 the enforcement of conscription for overseas service in case of war.

Mr. Speaker, once this bill is adopted, if the present government or any other government avail themselves, as was done in 1917, of the powers granted by this act, we shall have conscription. Whether it be in 1942, 1943 or 1944, if the measure is enforced it will still mean conscription.

If I were to support a measure such as the one now submitted to the house, if the powers requested were to be exercised, that is if conscription for overseas service was adopted by order in council, my electors and fellow citizens would consider me as an imposter. I do not hesitate at times to take an attitude that does not meet public approval. I have done so more than once, but I will not take up the time of the house in recalling those instances. I will say though that on such occasions I always strove to fulfil my duty as I saw it. Such has been my line of conduct in the past and I intend that it shall be so in the future. Moreover, if I stand opposed to this measure embodying the principle of conscription and also to the enactment of such legislation, selfishness or personal interest have little to do with it for, as the hon. member for Prescott mentioned a moment ago, I have two sons in the armed forces. I am only fulfilling a pledge and honouring commitments made to my constituents.

It has been said time and again that the present amendment is the logical result of the affirmative vote of April the 27th last, and some hon. members even claimed that the electorate voted then for conscription.

Mr. Speaker, I cannot accept such statements because in none of the speeches delivered during the plebiscite campaign were the

voters told that an affirmative vote would mean the striking out of article 3, nor were they told that an affirmative vote would mean conscription for overseas service. I look upon this matter in the same light as the Minister of Agriculture (Mr. Gardiner) and the hon. member for Algoma-East (Mr. Farquhar) who in their speeches had the courage to point out to the house that the results might have been different if the issue had been put squarely, if the voters had been asked to say if they were for or against conscription. In my constituency, although only a few affirmative votes were cast, I can assure you that the number of such votes would have been much smaller if the question had been squarely put, because those who voted "yes" were not voting for conscription, far from it, or for the cancellation of article 3.

The minority, some claim, must not be allowed to dictate our course of action. All the minority in this country desires is the honouring of the pledges it has received. It has been said too that the opinion of the majority must prevail in this country. The report of the director general of the plebiscite is very interesting in that regard. It appeared in a special edition of the *Canada Gazette* dated June 23.

The report shows that, with the exception of Quebec, the other provinces were more or less indifferent. Here is the percentage of the votes in each province compared to the number of voters appearing in the list:

	Per cent
Ontario	63·9
Quebec	75·75
Nova Scotia	45·46
New Brunswick	62·9
Prince Edward Island	57·2
Manitoba	67·0
British Columbia	68·7
Saskatchewan	59·9
Alberta	64·9
Yukon Territory	61·9
Percentage in all provinces	66·5
With the exception of Quebec	62·87

Am I not right in saying that outside of the province of Quebec the voters remained more or less aloof from the question? Although the leader of the opposition and the members of his party say that they made a vigorous campaign in order to get a "yes" vote, which I do not doubt for a moment, let me tell them that theirs was not a wonderful success if we take into consideration the total number of voters on the lists. For example, the leader of the opposition, in his own constituency of York-Sunbury, succeeded in bringing to the polls only 15,474 voters out of a total of 25,603, which means that more than 10,000 did not heed his pressing appeal.

What about Nova Scotia where the votes numbered only a little more than 45 per cent of the names entered on the lists. Mr. Speaker, taking into account the total number of voters entered on the lists, we find that the "yes" votes represent only 41·44 per cent. Consequently the "no" votes added to the number of electors who did not vote represent 48·46 per cent of the total. Which shows that even if all the affirmative votes were given to approve conscription for overseas service or to amend the mobilization act, they do not represent the majority of the voters listed. I think we should cherish no illusions concerning the meaning of the plebiscite vote on April 27 last, notwithstanding what has been said. If the question had been squarely put, a goodly number of yeas would have turned into nays, and a large number of those who abstained from voting would have replied in the negative.

I maintain that Canada has magnificently done her duty since the declaration of war. She has done as nobly as any other country of her size. Has it ever occurred to you, Mr. Speaker, to draw a parallel between Canada's war effort and that of the United States, with due regard to the population figures of both countries? Granting that Canada has about 12 million inhabitants and the United States approximately 140 million, the latter should have 1,200,000 men under arms for every 100,000 that Canada can muster. Now since the Canadian armed forces, army, navy and air force, numbered 502,340 men on June 1 last, the United States should have 6,000,000 men in its armed forces at the moment.

This comparison gives a true picture of our war effort and shows that the United States still has far to go before surpassing it, although it is still voluntary.

Since then, certain statements have been made contrary to the principle involved in Bill No. 80, suggesting that circumstances have now changed and that events have occurred which require new measures. But these changes have not taken place outside Canada only; some have occurred also in our own country. What I find astonishing and quite disconcerting is the number of people who seem to have eyes only for what is happening outside this country and who are blind to everything that goes on here at home. I am of the opinion that Canada's effort to date far surpasses anything that would have been thought possible at the beginning of the war and this effort is constantly increasing as time goes on. There are nevertheless people to be found who are still unsatisfied, who judge our effort insufficient. Pity the blind!

On June 10 last, the leader of the opposition (Mr. Hanson) when speaking on this bill stated that this legislation merely stood for a policy of appeasement. I wonder whom this legislation has managed to appease. Indeed, if one can judge by the tone of the hon. member's speech on June 10, this measure did not succeed in appeasing him but achieved quite the contrary. I can think of no measure which could appease the leader of the opposition (Mr. Hanson) and his supporters. The only appeasement policy which could satisfy him would be the formation of the union government he desires so ardently, provided of course that he be included in it and the present Prime Minister (Mr. King) were sacked. That would be the only way to appease him. God forbid that such an event should come to pass and I appeal to the Prime Minister to remain deaf to his pleadings and to his hysterical entreaties.

It would be highly desirable that certain members of this house, that certain newspapers and individuals should cease their insulting remarks, their false and biased statements concerning the Canadians of French descent in this country, and particularly the French Canadians of the province of Quebec.

It is true that the province of Quebec has her own extremists, while the other provinces, and especially Toronto, have theirs. The French Canadians love their country, their native province, their homes, and respect their clergy. Thus when a certain magazine attacks their priests, representing them as fifth columnists and declaring that the Catholic religion stands for exploitation and organized robbery, the French Canadians become indignant; such statements make them bitter and are certainly harmful to national unity.

During his speech of June 16 last, the Minister of Justice read into *Hansard* certain documents which clearly indicate that the clergy of Quebec is not at all what certain people have tried to make it.

I would like to add to the minister's remarks certain words spoken neither by a Liberal, nor by a French Canadian, nor yet by a Catholic from the province of Quebec, but by a non-catholic Christian; the gentleman I am referring to is none other than the Chinese generalissimo Chiang-Kai-Shek. Lecturing to the younger members of his staff on the duties they would be called upon to fulfil, he said:

> I propose to speak to you to-day on what should be the personal conduct of every man of honour, and I know of no better models for you to emulate than the Catholic missionaries in China. They are truly magnificent men, in the fullest sense of the word.

[Mr. Lafontaine.]

Such impartial testimony avenges the grossly untruthful accusations levelled against our clergy by the individuals I mentioned a moment ago.

After the results of the plebiscite had been made public, a certain Toronto newspaper, in an editorial entitled: "What is the Matter with Quebec", had nothing but contempt for the French-Canadian element. I should think the author would have the common sense to realize that every citizen was free to vote as he wished.

(Text) Mr. ROSS (St. Paul's): Mr. Speaker, may I ask what the hon. gentleman is reading from?

Mr. DEPUTY SPEAKER: Is the hon. gentleman raising a point of order?

Mr. ROSS (St. Paul's): Yes, I would like to know what the hon. gentleman is reading from.

Mr. DEPUTY SPEAKER: That is not a point of order.

Mr. POULIOT: He is quoting from a speech by the hon. member for St. Paul's.

Mr. DEPUTY SPEAKER: If the hon. member is raising a point of order will he kindly state his point of order?

Mr. ROSS (St. Paul's): Mr. Speaker, the hon. member must state what he is reading from.

An hon. MEMBER: Chiang Kai Shek.

Mr. LAFONTAINE (Translation): The Quebec people voted according to their convictions and their conscience as they always do. But in 1939 when the premier of Quebec, anxious as he was to hide the shameful abuses of his administration and in his desire to trick the people into renewing his mandate, announced a provincial election under the pretext that the province of Quebec should have an opportunity of protesting against Canada's participation in the war, as approved by the Canadian parliament, our ministers in the dominion government took a very active part in that campaign. They explained to the voters of our province that our participation was voluntary and that compulsion for military service overseas would never be enforced in Canada.

At that time there were no editorials with the caption "What is the matter with Quebec?" There were no such editorials when the Quebec electors turned out of office the leader of the "Union Nationale" because of his isolationist policy. No, there were no editorials asking "What is the matter with Quebec?" Mr. Speaker, Quebec was then lauded for its good work. Let this underground effort to pit the

English element against the French Canadians come to an end, and national unity will strongly benefit therefrom.

The French Canadians do not oppose the sending of Canadian troops overseas as suggested in certain quarters. No, Mr. Speaker, they have supported that policy and they will continue to support it, but they are opposed to conscription for overseas service believing as they do that if they must fight, shed their blood and die on foreign soil overseas, they should do so voluntarily.

Before I conclude, may I say to the advocates of conscription that such a measure would not speed up our war effort but would rather tend to hamper it, that it would endanger national unity which is so essential in these critical times.

I have a last word to say, Mr. Speaker, before I resume my seat. I wish to tell the Prime Minister how sincerely I sympathize with him.

While I must vote against this bill, I still trust that with his tact, his skill and his sound judgment, he will be fortunate enough to lead us safely through the perils which now beset Canada.

Mr. T. P. HEALY (St. Ann): Mr. Speaker, as I rise to express to this house my views regarding the deletion of section 3 from the mobilization act, I do so realizing that the remarks I am about to make are of a most serious nature affecting the present and future of our dominion.

The Quebec riding which I represent in this house is one of the oldest on the island of Montreal. Close by my home stands a schoolhouse which the good Sisters of Notre Dame, founded by the revered Marguerite Bourgeoys, erected over 244 years ago and in which were instructed Indians and French Canadians, the original settlers of our country.

We had migration to our land of many nationalities, and to-day my riding is composed of 50 per cent English-speaking, 40 per cent French, and the other 10 per cent Polish, Italian and Ukrainian.

During the plebiscite campaign I asked the people of my riding to vote in the affirmative. I explained to them that it was not a vote for or against conscription. It meant exactly what was marked on the ballot, "Are you in favour of releasing the government from past commitments?" Those commitments, it will be recalled, were made by both parties during the last election campaign in the year 1940.

I should like to be permitted to read a letter which I had published in the French and English press of Montreal on April 25. The heading is:

Healy urges "yes" in St. Ann division.

Mr. HANSELL: Who is Healy?

Mr. HEALY: The member for St. Ann. The letter reads:

Monday the people of Canada will go to the polls to register their decision on the appeal of the government for a release from commitments made during the election campaign of 1940.

As your elected representative in the House of Commons, I urge you as true Canadians to give this matter very serious consideration and to cast an affirmative vote.

In the last general election the people of Canada by an overwhelming majority placed their confidence in Right Hon. W. L. Mackenzie King and the Liberal party to guide the country in its war effort. Since that time the whole aspect of the security of the entire world and especially that of our country has undergone a great change and our shores on the east and west coasts are in grave danger from enemy aggression.

If at that time you had confidence in your leader the same should apply in a greater measure today as our country together with the allied nations are in greater peril than ever before in our history.

I appeal to you, ladies and gentlemen, electors of St. Ann's division, regardless of your political belief or of race, creed or religion to go out and vote on the 27th and to see that all the members of your family also do their duty as citizens of our dominion by exercising the franchise—a privilege denied to so many people in Europe because of nazi aggression. I know that in voting "yes" you will show Hitler and his satellites that Canada is united with the other allied nations in the determination to defeat him and to bring peace once again to the world.

The future of this country depends to a large extent on the result of this vote and I feel that the people of St. Ann's division will join with the rest of the dominion in voting an overwhelming "yes" and giving to our government a free hand in the prosecution of our war effort.

I am anxious to see the people give an answer worthy of our glorious past. We are all sons and daughters of the same country. This war is our war. We must be united.

The government has stated that the voluntary system has been successful so far and that under that system we are getting enough men to satisfy the quota needed for our armed forces, and it has been repeated by our Prime Minister (Mr. Mackenzie King) and other members of the cabinet that conscription is not necessary and that the voluntary system is the best method.

It will be noted that in the speech delivered by the Minister of National War Services (Mr. Thorson) in this house, he said that after the next call for men for the army there will not be many more eligible men who can be spared from essential activities in connection with the war effort to the armed forces.

In my riding I received a majority for the "yes" vote on the plebiscite, and I feel that I am expressing the wishes of the majority of my people in voting in favour of this bill to give the government a free hand in helping to conduct our war effort and join with the allied nations in bringing this war to a successful conclusion.

Our worthy leader and other members of the cabinet feel that conscription is not necessary at present, and I am prepared to accept their word. I am sure that the compulsory method would not accomplish a great deal in my riding, because thousands of the young men have joined either the army, the navy or the air force, and many more of them are engaged in essential war industries. French Canadians and those of English-speaking races work in harmony, and I would not want to see any dissension among them after all the efforts that have been expended to create the unity which now exists.

As the hon. member for Parry Sound (Mr. Slaght) stated, conscription in the last war did not accomplish anything like the voluntary system is doing at present.

Our worthy Prime Minister and his cabinet also know what it accomplished. That is the reason why it will not be put into force unless it is absolutely necessary for the protection of our dominion, and I am sure that no hon. member would object to have our boys protect our Canadian homes, and our women and children.

Canada's contribution to the war has been acknowledged as an outstanding one, and, as Winston Churchill said in this House of Commons, "Canada is doing a magnificent job". Also, quoting Mr. Balfour, he expressed the sentiment that Canada's war effort is wonderful. In every manner we are helping the allied nations, and for a young country with fewer than twelve million people we are doing everything possible to help to win this war. We have at present over half a million men in the armed forces and 800,000 working in essential war industries supplying guns, tanks, boats, planes, and other war machinery and dispatching these commodities to the places where they are most needed.

When our Prime Minister and his government kept their promise to ask the people, through a plebiscite, to release them from commitments made by both parties in 1940, it was an assurance to me of the sincerity of the government, and I am prepared to accept their word that the compulsory method is not yet necessary. The long record of our leader in public life is sufficient assurance for me, and I am prepared to support the bill.

[Mr. Healy.]

May I conclude with a plea for national unity and for a united effort of all Canadians and a sympathetic understanding of the problems of all.

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker, conscription is the result of our participation in the war outside of Canada. On September 9, 1939, I moved the following amendment to the address, as reported at page 73 of the debates of the second session of that year:

> That this house regrets that the government did not deem it fitting to advise His Excellency the Governor General that Canada should refrain from participating in war outside of Canada.

At that most critical moment I declared, as reported at page 70 of the debates of the second session of 1939:

> Does anyone really believe that our contribution will be limited to voluntary enlistment? Should the war be a long one we shall inevitably have conscription.

My first vote was cast against any participation by Canada in war and against the odious conscription act of which I was an unfortunate victim along with the men of my own generation. Twenty-two years will soon have elapsed since the day I began to fight against the compulsory Military Service Act, which unfortunately was adopted after a desperate fight in which deceit and falsehood vied with the pathetic seriousness of the hour.

In the fall of 1917 I put forth all my small ability and the ardour of my youth—God knows that one has plenty when one is twenty years old—to ensure the triumph of a Canadian mentality and to contribute as far as possible to the safeguarding our young men, who soon afterwards were to be ostracized, pursued, tracked down, and torn from their homes, to be thrown into barracks by conscription. Even when hostilities had ceased, prison terms were imposed on young men whom the government were unable to force into service—shameful reprisals, unworthy of a power that had boasted of having contributed to the triumph of liberty and civilization. However, like the youth of to-day, young men of twenty years ago were loyal to their king; but, likewise, they believed that they could best serve him in no other place than Canada, their only country.

As happened twenty-five years ago, the young farmers of this country are being tracked down now and torn from their homes, after having made an application for postponement which was very often unjustly refused them. Agriculture being essential to the upkeep of the armies and the welfare of the civil population, why not create exemp-

tion tribunals in each constituency in the country to investigate each case of a young farmer on its merits?

The actual events constitute a solemn confirmation of my position. They show that I was right on September 9, 1939, when I asserted:

> Should the war be a long one, we shall inevitably have conscription.

I was right also on June 18, 1940, in stating in this very chamber, during the debate on the mobilization act, as reported at page 874 of the debates of the session of 1940:

> This parliament has no right to order the mobilization of man-power and wealth because it lacks the necessary mandate. The Canadian people whom we represent in parliament never endorsed such mobilization. On the contrary, they voted on March 26, 1940, for a moderate voluntary and free war policy. Consequently I am strongly opposed to such a mobilization so long as the Canadian people have not endorsed it. Besides, has it been shown that voluntary enlistment is not sufficient for the defence of the country? Until such time as proof to the contrary has been adduced to the people I shall have the feeling of discharging a sacred duty towards my electors and my country in opposing that policy with the utmost vigour.

Moreover, on the same day I moved the following amendment, as reported at page 874 of the debates of the session of 1940:

> That all the words after the word "that" in the bill be struck out and replaced by the following words:
> "The war policy of the Canadian government must remain free, voluntary and moderate."

The day after, on June 19, 1940, I moved a second amendment, as reported at page 924 of the debates of that year:

> That all the words after the word "whereas" in the preamble of the bill, be deleted and the following substituted therefor:
> "The government's war policy must be free and voluntary."

This amendment was ruled out of order as was the other. I appealed from the ruling of the Chair, and the ruling was confirmed by the following vote: yeas, 202; nays, 2.

Mr. Speaker, it was the so-called generous help which we received in connection with our opposition to that measure, which was exceedingly serious. My hon. colleagues in the Liberal party will permit me to call their attention to a statement made by the Prime Minister (Mr. Mackenzie King) in this very chamber on June 19 last. He asserted that conscription had existed and exists in this country since June 21, 1940. Once more the Prime Minister's statement and the actual events constitute the solemn assertion that I was right in opposing the mobilization act with the utmost vigour. However, it is a most deplorable fact that in these extremely serious times I receive from my hon. colleagues, who have asserted time and time again that they are opposed to conscription, such poor support. On June 17 last I made an appeal to them. I repeat my appeal at this moment: Join our ranks without any further delay. Join the Canadian party now, in the best interests of Canada. I know my hon. colleagues are all true Canadians; that is why I implore them, because they assert very often in this parliament their anti-conscriptionist feelings, to join our exclusively Canadian party.

I seconded the amendment moved by the hon. member for Gaspé which reads as follows:

> That all the words after the word "that" in the motion be deleted and the following substituted therefor:
> "This house is of the opinion that the policy of the government respecting mobilization, instead of drawing closer the union of the two races in Canada, has fostered dissensions which might cause an internal war, thus destroying the ideal set forth by the fathers of confederation."

In the name of national unity which must survive in Canada I beseech my colleagues to support that amendment, because the welfare of Canada and our people demand that we do so.

I should now like to refer to the speech of the hon. member for Mercier (Mr. Jean) on June 18 last. My hon. friend asserted that we voted unanimously for participation in the war. Such a statement is absolutely contrary to the facts. The hon. member cannot deny that on September 9, 1939, I moved an amendment, seconded by the hon. member for Quebec-Montmorency (Mr. LaCroix) that Canada should refrain from participation in war outside of Canada. The people of this country have the right to know the truth, all the truth concerning this capital question of participation in war outside of Canada. The population has been betrayed long enough with false statements regarding past and present political events.

(Translation): When Sir Wilfrid Laurier died in February, 1919, disowned by a group of conscriptionist Liberals, the present Prime Minister (Mr. Mackenzie King) was chosen as leader of the Liberal party. Hon. members recall the convention which was held in this capital city in the early summer of 1919. The Hon. Mr. Fielding was a candidate to Laurier's succession, but was defeated by the majority of the delegates for his opposing his leader on Borden's conscription policy. The present Prime Minister was elected against Mr. Fielding and so, by their condemnation of Mr. Fielding's anti-Canadian attitude, the majority of the delegates then and there proclaimed their unalterable opposition to conscription. How ironic fate can be! To-day,

we see Laurier's successor himself endeavouring, at a single stroke, to do away with our last legal protection against conscription. This from the man who, between 1919 and 1939, unfailingly repeated that never again would Canada take part in any external wars. Needless for me to recall his many solemn promises so often quoted in this house. Here is the very same man who, with the help of the late Right Hon. Ernest Lapointe, was the choice of the 1919 convention, ready to trample down the sovereign right of parliament of which time and time again he declared himself the protector. It is the present Prime Minister who will deal a fatal blow to responsible government by the repeal of section 3 of the mobilization act of 1940, thereby vesting in the cabinet the right to send willy-nilly our soldiers overseas, far away from our first line of defence.

What extraordinary event has happened? How can one explain the Prime Minister's cynical reversal of form? It can be explained by the predominance in Canada of military and financial imperialism. Our foreign policy is dictated by London and Washington. The government of Canada is a mere puppet in the hands of foreign powers. We are no longer self-governing. In less than three years, our nation has lost all the privileges it had acquired after years of struggle. The Westminster statute is nothing more than a joke to our Prime Minister who sacrifices day after day a portion of our right to self-government. The so-called administrative commissions and an invidious bureaucracy have everywhere replaced the representatives of the people. Responsible government has all but vanished under the leadership of William Mackenzie's grandson.

The repeal of section 3 of the mobilization act will empower a servile cabinet to conscript our sons, not for the defence of Canada, but for the protection of wealthy and powerful nations and their colonies all over the world. The repeal of section 3 is equivalent to sacrificing the very nation for the benefit of foreign countries to the detriment of our own defence. Never shall my name be associated to such a betrayal. I have always condemned such a vile policy, and I can never have too much contempt for it. The imperialists have brought Canada to the brink of ruin. The conscriptionists will give her the "coup de grâce."

All true Canadians must unite to crush the head of the conscriptionist viper which hides under the green foliage of civilization and liberty, ready to dart forth its poisonous fangs into our constitution and our rights.

[Mr. Lacombe.]

The amendment proposed by the hon. member for Gaspé (Mr. Roy) is the solemn warning given by Canadians worthy of the name to all those who believe they would better serve Canada by emasculating her own defence. On this seventy-fifth anniversary year of confederation, we declare that millions of Canadians will never consent to compulsory service for overseas. I say that confederation would not survive such disregard of the liberty of this country conquered, developed, settled, civilized and evangelized by our people. We are masters in our own house and we will not emigrate to a wretched Europe with our last cent, our last son and the last shred of our Canadian country.

These politicians who have gained power by hatefully deceiving the people had better resign themselves to the inevitable: the unity of the country will survive only if all races are assured equal rights. Proud of their respective pasts, the Anglo-Saxon and the French races have but one sacred heritage to defend. It is the spiritual and material heritage of a united nation. It is the constitution, the religion, the language and the rights of a nation and not of a vassal in the tow of the empire. It is the only country we have, Canada.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, the amendment moved by the hon. member for Gaspé (Mr. Roy) reads:

> This house is of the opinion that the policy of the government respecting the mobilization act, instead of drawing closer the union of the two races in Canada, has fostered dissensions which might cause an internal war, thus destroying the ideals set forth by the fathers of confederation.

This debate has been rather lengthy, and I intend to say only a few words on this amendment, which has been supported by the hon. member (Mr. Lacombe) who has just spoken. We have heard a great deal about national unity from various corners of the house. That expression was discovered by Mr. Bennett; once when he had nothing else to say, he declared that we should have national unity in Canada. I remember that speech, which went into the waste-paper basket some time ago. But later those words became a slogan. Everything was to be done for national unity. Everything was to be done on account of the province of Quebec, because the feelings of the province of Quebec were supposed to be different from those of the rest of the country. That was a great mistake. The feelings of the province of Quebec are exactly the same as those of any

other part of Canada. The only difference is that the people of Quebec sometimes stop to think and reach their own conclusions, which would be the conclusions of the good farmers of western Ontario, the prairie provinces, the maritimes and every other part of Canada, if they did the same thing.

The trouble is that we live in atmospheres. To-day we have the atmosphere of sacrifice, while during the plebiscite campaign we had the atmosphere of treason. All those who were not supporting the government were supposed to be traitors, as those who do not agree with the government here are not supposed to be generous enough to make sacrifices to win the war. I find it all wrong. All things should be considered objectively. We all realize the atmosphere that exists in this house. It requires someone with the armour of determination to rise and disagree with any government measure here. It also seems to be bad manners to disagree with the government, though what we tell them is for their own good; and even though they do not listen to us, later on they recognize that we were trying to help them. It was the same during the last plebiscite campaign; and I do not think this bill will do any more to destroy what is called national unity in this country than was done during the plebiscite campaign, when committees which were subsidized by the government were picturing those opposing the plebiscite as friends of Hitler, who had medals pinned upon their lapels by Hitler himself. That was done by the government; it was paid for by the government, but it was destroying national unity. I remember the lady member for North Battleford (Mrs. Nielsen) comparing the French Canadians to Quislings. Later she tried to make love to us, but without success. That is the way we were spoken of; and even a minister of the crown said that Hitler would vote against the plebiscite, meaning that those who voted against it were friends of Hitler. That was the propaganda which was used, the propaganda which was subsidized by the government. It was just as bad as that of Ti-noir Desjardins twenty-five years ago, when he tried to blow up Lord Atholstan's house at Cartierville. They were agents provocateurs.

Mr. McCANN: On what does the hon. member base his statement that this propaganda was subsidized by the government?

Mr. POULIOT: I can tell the hon. member that there were national committees, and if they were not subsidized by the government they were not disapproved by any minister of the crown.

Mr. McCANN: That is entirely different.

Mr. POULIOT: The hon. gentleman, who is fair-minded, knows very well that a minister of the crown said that Hitler would vote against the plebiscite.

Mr. McCANN: If the hon. gentleman will allow me another question, would he not agree that the word "subsidized" presupposes the payment of money; and was any of this propaganda paid for by the government?

Mr. POULIOT: Yes; and I will quote another example, one that I have already mentioned here. It is the case of one of the men paid by the government, who is in the information bureau and was on the plebiscite committee, who tried to give some explanation to the effect that he was addressing himself to those in the province of Quebec who did not love England, meaning that the French Canadians of Quebec do not love Great Britain. I complained about that.

Mr. MACKENZIE (Vancouver Centre): Who said that?

Mr. POULIOT: It is on record, and I can give it to the hon. member if he wishes. It is in a publication which I received under the frank of the Secretary of State. Later the wording of it was changed.

Mr. MACKENZIE (Vancouver Centre): I should like it now. Who said that?

Mr. POULIOT: If my hon. friend will be kind enough to wait until the house adjourns, I will give it to him. It is no secret. It was published and later changed by replacing "England" with "empire", or something like that, after I complained about it. But when I mentioned the name of the man concerned there was no contradiction by anyone. I mentioned that name in public, and it was reported in several newspapers. I know very well my hon. friend the Minister of Pensions and National Health (Mr. Mackenzie) would never use language like that. I know him as a fair-minded Canadian citizen, who does not like or appreciate things like that, which are beneath him. But those things should never happen in this country. They create ill-feeling between those who should live together like brothers. One may disagree with someone else and both may remain friends, provided they discuss the matter objectively.

My idea on rising to-night is precisely to discuss these matters objectively and to address myself through you, sir, to all hon. members who are open-minded and who have not already formed an opinion on the matter. The province of Quebec has been misjudged from beginning to end. We are all in the same boat. If Canada wins the war, we all

win the war; and if Canada loses the war, we all lose the war. Therefore we all have a common interest in winning the war. But in trying to win the war there is one thing we must not lose—we must not lose our heads. A pertinent remark was made by the leader of the opposition (Mr. Hanson) in 1940 when he said that we should discuss everything relating to the war with calm and with clarity of mind. That was indeed a very good suggestion. We should not get excited over any matter which comes before us, because that may have a bad effect on our judgment and decision.

During the plebiscite campaign we heard speeches that were like the overture to Tannhauser. Some speakers talked one way, while others at the same time said something entirely different, although both were pleading for the same answer, an affirmative vote. But to some people a "yes" vote meant no conscription, while to others "yes" meant conscription. I admit that even some speakers may have been deceived by the explanations given to them; but nevertheless the Canadian people were greatly embarrassed how to answer the question. I am told that an old gentleman who was in the inner councils and who died not so long ago said that the question asked in the plebiscite was purposely ambiguous to give the speakers an opportunity to say everything about it. It reminds me of the conundrum, "what is round like an egg, has a shell like an egg, has a yolk and a white like an egg, and barks?" The answer is "an egg." "Oh," you will say, "an egg does not bark." Quite so, but putting that in makes the conundrum a little harder. That is the way in which the question was put to the people in the plebiscite.

Here is something that is very interesting. It is a report of the Prime Minister's speech over the radio on April 8, 1942. The heading in the Ottawa *Journal* says, speaking of the Prime Minister:

> Pleads for affirmative answer to the plebiscite question—Mackenzie King declares it essential that Canada send an army overseas.

The headline across the top of the page reads:

> Final battles may be fought in Canada.

I have another headline from the Montreal *Gazette* of April 25:

> Premier King makes plebiscite test of confidence.

He said in that speech that the draft is not an issue in the plebiscite campaign. That speech was given wide publicity and was made over a national hook-up on the Friday before the plebiscite was taken, and the report of the speech appeared in every Canadian newspaper on Saturday, two days before the voting. Of course, a correction was made of the statement that the plebiscite was a test of confidence, but the statement was distinctly made by the Prime Minister that the draft or conscription was not the issue.

Here is a headline from the Montreal *Gazette* of April 28, the day after the vote was taken:

> Premier states will of majority prevails—says plebiscite was "national expression of view on national issue," and should be viewed in all its aspects. Declares vote was taken in democratic fashion.

The vote was taken in democratic fashion, if by that is meant merely the polling of the vote. The people, I presume, went to the polls and put their ballots in the boxes, and in that way may be said to have voted in democratic fashion. But the appeal to the people to vote "yes" on the question submitted was most undemocratic, because the people were told that it was in their own interests to vote "yes", and publicity was spread all over the country to inform them that if they did not vote "yes" they would be traitors and would be voting just as Hitler would have voted had he been a Canadian citizen. That was pretty hard, and the consequence was that English-speaking Canadians were biased and prejudiced by such appeals. The campaign was not waged at all in accordance with real democratic traditions. I regret that, sir. It was to my great sorrow; I have never been as sorry over anything else that has been done in politics as I have been over this matter.

The question is now before us to repeal section 3 of the mobilization act. Section 3 reads:

> The powers conferred by the next preceding section may not be exercised for the purpose of requiring persons to serve in the military, naval or air forces outside of Canada and the territorial waters thereof.

The marginal subtitle is as follows: "Limitation in respect of service overseas." In addition to the propaganda that was used during the plebiscite campaign, I know there were lobbies by propagandists of almost every description who tried to make the members of the government forget that Canada is our country and that in war we should have as our policy, Canada first, which of course does not exclude any help being given to our allies in this war.

The mobilization act, part of which we are being asked to repeal, is legislation which was not absolutely in accordance with the traditions of the Liberal party, for this reason, that all the leaders and all the members of the Liberal party, including myself, had said during

a quarter of a century that with the Tories in power we would have conscription, but with the Liberals in power we would have none.

There was no distinction made between conscription for overseas service and conscription for home defence; it was conscription that was objected to by the leaders of the party as well as by their followers. In spite of that, after the capitulation of France when the government came out with a measure of conscription for home defence, I supported the measure, because in my view, as in the view of French Canadians, Canada was my country. We are not different when we express a view like that. The defence of country is a national duty. No one can be accused of being narrow-minded or parochial when he says, as the French Canadians have said, that the shores of British Columbia and the maritimes as well as any part of central Canada shall be defended at the cost of his life. That is their understanding. Propaganda to lead the Canadian people to believe that anyone is parochial because he is opposed to conscription is wrong. Such propaganda has been inspired by nefarious paid agents who want to destroy patriotism in the hearts of Canadian citizens?

What is patriotism? Patriotism is love of country, the country in which one was born or the country which one has adopted to make it his own, and which must be considered in the first place when making any important decision. The view is expressed at times that the duty of legislators is to lead the people. However, a distinction should be made, because one of the most notorious leaders of men is Hitler. He does not give his people an opportunity to think; they must follow him and abdicate entirely their personal views. If they do not do so they are considered guilty of a crime, the penalty for which at times is death. Under the democratic system everybody is supposed to be free to express his own opinion; everybody has the right to say what he thinks.

If the plebiscite had any meaning, it was a confirmation of the theory that the people are at liberty to give their own views to the government. If the government desires to ask the views of the people, it should take advantage of the answer only when the question asked is clear enough to be understood by all. If that is done, then you get the real opinion of the majority of people in a democracy. If this question had read, "Are you in favour of conscription for overseas?" and if there had been a majority of "yes" votes, I would not be speaking to-night. I would consider that the people had spoken and I would respect their views. But it is because the plebiscite campaign was carried on as it was that I must protest. The result of that plebiscite does not give the real opinion of the Canadian people about conscription for overseas service.

I admit that opinions are free, but there are some that cannot be expressed without thinking of a certain decency. There are some men who have a right to say that they are in favour of conscription for overseas service, but I contend that that right does not belong to all citizens of the country. It belongs only to those who served in the last war or in this war in a theatre of war, or to those all of whose children of military age are now in active service in a theatre of war, and a theatre of war includes the navy. A bachelor who did not serve during the last war or who is not serving in this war in a theatre of war, or a married man who did not serve in the last war or in this war in a theatre of war, or a married man all of whose children of military age are not at present fighting overseas or on the high seas is not qualified to say that others should be conscripted for overseas service. The greatest preaching is by example. Most hon. members will probably remember the Latin poet who said *suave mari magno*. It is a pleasure to look at those who are on the high seas when a storm is raging, provided that you yourself are under shelter safely on the shore.

On motion of Mr. Pouliot the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, July 7, 1942

The house met at three o'clock.

REPORTS OF COMMITTEES

Second and third reports of special committee on canteen funds.—Mr. Macdonald (Brantford City).

Second report of special committee on radio broadcasting.—Mr. McCann.

Third and fourth reports of special committee on land settlement of veterans of the present war.—Mr. Macmillan.

THE WAR IN CHINA

FIFTH ANNIVERSARY OF JAPANESE ATTACK—TRIBUTE TO CHINESE RESISTANCE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Five years ago this evening, Chinese and Japanese forces clashed in a skirmish which marked the beginning of a war which has brought as much devastation

and death as was witnessed in the first world war. This house will, I believe, wish me on this anniversary to pay some slight tribute to the indomitable spirit of the Chinese people and their brave leaders. The five years that have elapsed have shown that nothing can daunt their courage or shake their resolution.

On November 3, 1941, I remarked in this chamber that "the uncomplaining courage of the Chinese has not been surpassed in the annals of human resistance", and that "the Chinese continue to die in staggering numbers in defence of their humble habitations and the good earth which for countless generations has given to the ancestors they revere and to themselves their scanty sustenance." Another eight months have passed, and the courage and resolution of China are as fresh as ever.

Most of the great industrial centres, and most of the fertile land of China, are now occupied by the invader; the principal supply routes have been cut off; the loss of Burma has increased Chinese difficulties in obtaining the weapons and munitions of war; bombings are a part of the expected daily routine in the Chinese capital; death or slavery has been the lot of uncounted millions of the Chinese people.

Out of all this suffering and anguish China has given and is continuing to give to her allies an example which serves as little else possibly could to sustain their hearts in these dark days. It is the example of a nation endowed with an ancient and splendid culture, and devoted to the arts of peace, defending itself tenaciously, skilfully and boldly against a barbarous foe which has no thoughts except those of ruthless aggression. Such is the spirit of China in this hour.

Chinese resistance is a proof of the moral stamina of democracy. China may be assured that her resistance will not be in vain, and that no matter what the cost, or what the duration of the ordeal, the united nations will continue at her side until freedom again becomes the portion of all.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, just a word in commendation of the remarks of the Prime Minister. The people of Canada will join with the Prime Minister and the members of this house in expressing admiration of the indomitable spirit of the Chinese people. Those of us who have had occasion to read the history of China know of their contribution to civilization. It is the prayer of every one of us that that noble nation will survive.

[Mr. Mackenzie King.]

MILITARY SERVICE

CALLING UP OF SINGLE MEN AND CHILDLESS WIDOWERS FROM TWENTY TO FORTY YEARS OF AGE

Hon. J. T. THORSON (Minister of National War Services): I desire to lay on the table copy of order in council P.C. 5840, extending the application of the national war services regulations to unmarried men or widowers without child or children who are twenty years of age.

I also desire to lay on the table copy of order in council P.C. 5841 providing for the issue of a proclamation under the national war services regulations calling out men who were on July 15, 1940, unmarried or widowers without child or children and who were born in any of the years from 1922 back to 1902, but that persons born in the year 1922 shall not be called out until they reach the age of twenty years.

WAR MEASURES ACT

TABLING OF ORDERS IN COUNCIL PASSED BETWEEN APRIL 1, 1942, AND JUNE 30, 1942

Right Hon. W. L. MACKENZIE KING (Prime Minister): On April 21 last I tabled copies of orders in council passed under the War Measures Act between January 16, 1942, and March 31, 1942. I now table copies in English and French of the orders in council passed under the same act between April 1, 1942, and June 30, 1942.

AIRCRAFT PRODUCTION

APPOINTMENT OF RALPH P. BELL AS AIRCRAFT CONTROLLER

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): On Thursday last when the Minister of Munitions and Supply was absent I asked certain questions with respect to the appointment of an aircraft controller, as reported at page 3863 of *Hansard*. The matter was by agreement allowed to stand as a notice to the minister. I desire now to direct his attention to the three particular questions which were asked: Has any situation arisen which makes it imperative to create this new authority and to clothe the controller with such wide and unlimited powers? If so, what is that situation? I should be glad if the minister would answer this inquiry.

Hon. C. D. HOWE (Minister of Munitions and Supply): The necessity for a controller in that particular field arises from the fact that as the volume of production grows there is a tendency for one contractor to move in on the supplier of another contractor. In other words, one factory may be making parts for one aircraft, and without any knowledge of the department in Ottawa a second contractor may place work in that factory beyond the capacity of the equipment, which results in the work slowing down for both contractors. Such cases have arisen, and it is with the desire to make sure that contractors are protected to the extent that their subcontractors are not overloaded that the appointment has been made.

Mr. HANSON (York-Sunbury): And these are the only reasons?

Mr. HOWE: That is the only reason.

Mr. HANSON (York-Sunbury): Was there not full power in Mr. Bell, as director of aircraft production, to take care of any such situation?

Mr. HOWE: No, Mr. Speaker; Mr. Bell as director of aircraft production had no authority over a plant that did not have direct contract with the government.

LABOUR CONDITIONS

ORDER IN COUNCIL CONFIRMING EMPLOYER-EMPLOYEE AGREEMENTS IN BRITISH COLUMBIA SHIPYARDS

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I understand an order in council has been passed confirming certain agreements between the employers and employees in the shipyards of British Columbia. Would the Minister of Labour table a copy of the order in council?

Hon. HUMPHREY MITCHELL (Minister of Labour): I shall be glad to do that to-morrow.

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT TO SERVICE OVERSEAS

The house resumed from Monday, July 6, consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940, and the amendment thereto of Mr. Roy.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, I hold in my a hand a clipping from the newspaper *L'Evenement-Journal* of Quebec city, under date of October 30 last, in which the leader of the opposition (Mr. Hanson), who had just returned from abroad, is quoted as comparing the Prime Minister (Mr. Mackenzie King) to Hitler and blaming him for a lack of energy. According to that clipping the hon. gentleman, who had just arrived from England, said that he had been requested to ask for conscription. Then, sir, I have another clipping from the Ottawa *Journal* of June 12 of this year, in which it is stated that the Conservative vote will be cast to save the government. We see what quantities of water ran under the bridge during that period of time. Now, sir, I hold in my hand a copy of the *Canadian Mining Reporter* of January 16, 1942, published in Toronto, in which appears an editorial headed "The Pro-Conscription Banquet", in which these words appear:

> It was a meeting largely composed of people too old to fight and, therefore, exempt from military service, called for the purpose of making military service outside of Canada compulsory upon those who are not too old to fight.

Then it continues:

> It is one of the strangest things that a group of men and women—

That is, the committee of two hundred.

> —so highly placed as are the people attending this banquet to promote conscription (to use the exact name) should be so blind to the unethical import of their action in urging the government of Canada to violate its solemn pledge to the people of Canada not to introduce conscription without first consulting the people of Canada. One of our chief taunts at Hitler is levelled at his breaking of pledges and violation of treaties. Yet this honourable company of citizens, too old to fight, sees no inconsistency in seeking to bring sufficient pressure to bear upon the government as will compel them to betray the people of Canada who voted for them on the understanding that conscription would not be introduced without a mandate from the people.

Sir, I obtain my inspiration from what was said by the Prime Minister himself in this house on June 19, 1940, at page 922 of *Hansard:*

> An hon. member on this side of the house made the statement publicly this morning that he felt he could go into his constituency and, by making it known to his constituents that this measure had to do with the protection of Canada and our own Canadians soil—

That was the mobilization act.

> —bring forward in a very short time men from the forests, from the fields and from the factories, all prepared immediately to join the Canadian forces to resist any possible invasion, and that he would be prepared to guarantee that that could be done in constituency after constituency throughout the country, once it was understood that there was the necessity of defending our own Canadian shores. I

pointed out to him that in doing that he might be making the greatest mistake possible with respect to the national interest; that, to win this war, we might wish to keep at work in the forests the men who are now working in the forests, to provide the timber which will be required for docks and wharves and required immediately; that the men who are working in the factories may be a thousand times more useful to the government of this country in giving their skilled labour to the manufacture of aircraft, munitions, or other weapons of war than they could possibly be in lining up and presenting themselves for military service; equally, that on the farms, if we are to perform what will be expected of us, we shall need all the production that can be effectively and rapidly carried out on the farms of our country.

This part of it should be completed by reading a letter which I wrote to the Minister of National Defence (Mr. Ralston) on May 16, 1941, when he asked us to help him in the recruiting of volunteers for service abroad.

Ottawa, May 16, 1941.

The Honourable J. L. Ralston, K.C.,
Minister of National Defence,
Ottawa.

My dear Minister,

Referring to your letter of May 11, there is something that I do not understand.

Eleven months ago, the Prime Minister pointed out to me that in doing voluntary recruiting for the defence of Canada, I might be making the greatest mistake possible with respect to the national interest.

Would there be no mistake possible with respect to the national interest in doing it for overseas service? In other words, how can I do, at your request and for another country, what I had been precluded to do by the Prime Minister for our native country?

Then at page 1905 of *Hansard* for April 23 of this year another hon. member of this house quoted what was said by General Browne:

"The reserve force may have to fight and it must be ready to fight as soon as possible," he said.

"After all, there is no more war overseas than there is here now, and we may have some here sooner than they have, in view of the threats to our coast."

Then Hon. Mr. Godbout, premier of the province of Quebec, on February 20 stated that Quebec was open to attack from the Atlantic. That view was supported by Rear Admiral G. C. Jones, commanding officer of the Atlantic coast, who with Rear Admiral P. W. Nelles does not rule out the possibility of German submarines and a supply ship penetrating into the gulf of St. Lawrence this summer. Everyone knows that submarines have come very close to my constituency. Unfortunately they caught the navy napping at the time, because I understand they were chased by a boat that was not sufficiently speedy. Then there is something else of the utmost importance; it is a question that I directed to the Prime Minister in this house on February 16, 1942, appearing at page 598 of *Hansard:*

Mr. Jean-François Pouliot (Témiscouata): Mr. Speaker, as a private Liberal member of this honourable house, may I ask the government if the Canadian people, following the deplorable fall of Singapore and the notorious escape of a German naval squadron from Brest, can secure a definite guarantee that this country will not be invaded before the end of the war; and if so, what is it? If not, is it the policy of the government to create a large number of mobile units and to improve at once all means and ways of communication throughout this country?

Right Hon. W. L. Mackenzie King (Prime Minister): Mr. Speaker, on these questions of strategy and war policy, questions that affect other parts of the world as well as Canada and other nations as well as our own, I do not think any question should either be asked in a form which is likely to cause embarrassment, or answered, or attempted to be answered, if there is the slightest possibility of either the question or the answer being misunderstood in any part of the world. I am afraid that my hon. friend's question has been asked on the spur of the moment, and I for one would certainly not wish to reply without due consideration.

The question was put on February 16, and I have received no reply.

Then, at Selkirk, the Minister of National War Services (Mr. Thorson) said that Canadians were the most mobile of all allied armies. Surely they are; they are all outside of Canada. What is needed, sir, is a decentralization of the army in this country. We need good military roads and we need men who are fit to defend our own country.

Here is another question, which I put on June 20, 1940, two days after the mobilization bill was brought up. I said—*Hansard,* page 1053:

Mr. Pouliot: I want to make myself as clear as posible, I am speaking only of mobilization for home defence, and I want to know if a man not in the class that may be called for military service in connection with home defence may enlist just the same, without being obliged to agree to overseas service.

Mr. Mackenzie King: The answer is yes.

Well, now, what appears in the enlistment form? Here is the declaration to be made by a man on attestation:

I, ... do solemnly declare that the above particulars are true, and I hereby engage to serve in any active formation or unit of the Canadian Army so long as an emergency, i.e., war, invasion, riot or insurrection, real or apprehended, exists, and for the period of demobilization after said emergency ceases to exist, and in any event for a period of not less than one year, provided His Majesty should so require my services.

We are told that Canada is just lacking in draftees; that is the news which appeared in

the press on June 3. On the first page of the Ottawa *Evening Journal* of yesterday I see that men of special ages will be drafted for the reserve—"Government to follow call-up plan made by George McIlraith." All the cream of our youth is sent overseas, and all we have to defend this country is just the skimmed milk, men who have passed the military age or who are unfit for military service when the distance to be covered by Canadian units is so great.

Mr. RALSTON: Mr. Speaker, I want to interrupt and say that this statement is just as untrue—

Mr. POULIOT: That is all right. I have no time, and he will answer afterwards. I have only two minutes left, and I do not want to be interrupted when I have something to say. If that is not so, the minister had only to deny it on the orders of the day.

Mr. RALSTON: I am denying it now. It is just as untrue as it is mischievous.

Mr. POULIOT: What I want at the head of the Department of National Defence is not a negative minister as much as it is a positive minister.

Mr. McNEVIN: Well, you haven't the say in this matter.

Mr. POULIOT: I will ask my hon. friend to keep quiet. He represents the county of Victoria, Ontario, which was Sam Hughes' constituency. We should exhume or resurrect Sam Hughes, to improve the department.

In the *Journal* we find an article about ministers who are favourable to conscription. They are all named, and there are nine of them. Do they forget that it is time now to look after the defence of our own country? But they are the victims of propaganda. I pity them. We have their names here, in an editorial on June 13: they are all for conscription. Sometimes they say they are for voluntary enlistment, and sometimes they say that conscription will be required if voluntary enlistment is not sufficient. Well, at the rate it is going on, voluntary enlistment will not be sufficient for a long time, because after our resources of men are exhausted what can we do for the defence of this country?

There is only one other thing I will say now, though I shall say something more afterwards. I hold in my hand a newspaper of November 10, 1917, with a report of a meeting held in Quebec city, addressed by Sir Wilfrid Laurier, the one leader who can be compared with Sir John A. Macdonald. We are just as proud of Sir Wilfrid as we are of Sir John A. Macdonald. He said at that time that conscription for overseas was not necessary.

What we need is to proceed according to the act that we have on the statute book. Nothing has been done for the defence of Canada under the mobilization act which we are about to change, but pressure has been exercised on the trainees in the camps so that they shall enlist for overseas. And we call it voluntary enlistment—voluntary enlistment! Farmers who have joined up have in many places no opportunity of getting leave. In many cases it has been denied to them when it should have been given to them. What will happen to the army and to the civilian population if the farmers cannot work on the land?

Mr. HANSON (York-Sunbury): On a question of privilege, if I understood the hon. gentleman correctly he stated that on one occasion I compared the Prime Minister to Hitler. I should like to say that at no time, at no place, on no occasion did I ever compare the Prime Minister to Hitler.

Mrs. DORISE W. NIELSEN (North Battleford): I had not intended to speak again in this debate, but I felt that it was very necessary to correct a statement made by the hon. member for Témiscouata (Mr. Pouliot) who has just taken his seat. When he was speaking last evening he said that I had compared French-speaking Canadians to quislings. I take great objection to that remark. I wish very much that the hon. member for Témiscouata would have a little more regard for the truth when he makes statements to this house.

Mr. POULIOT: The hon. member is not a gentleman!

Mrs. NIELSEN: No, I do not happen to be. It is true also that I have spoken in other places besides this chamber on the question of conscription, but never have I made any statement which would lead people even to infer that I regarded French-speaking people as quislings. I have said, and I will repeat, that unfortunately there are a few among the French-speaking people of Quebec who are playing a quisling role. But that is a very different thing from grouping all French-speaking people together. That has never been my intention. At a time like this, when we read in our daily papers of the fall of Sevastopol and how the Libyan campaign is going, any person or any group of persons in this country who does one thing to retard or to impede the total war effort of our people is playing a quisling role. I would not say that those playing this quisling role come only

from among our French-speaking people or from the province of Quebec, because that would be incorrect. I say most emphatically that there are others in this country who are trying to impede and restrict the war effort of our people. I was not prepared to speak this afternoon, but I would mention just casually that I regard the Toronto *Telegram* as being among this class. For a year or more it has been carrying on subtle propaganda calculated to impede and to retard our war effort and to divide our people. There is no doubt about that.

There is a great difference between the attitude of many French-speaking people and the odd one or two among them who are seeking to create prejudices and to confuse their own people.

Since I am on my feet I should like to say a word or two about the amendment moved by the hon. member for Gaspé (Mr. Roy). With reference to the policy of the government it states:

—instead of drawing closer the union of the two races in Canada has fostered dissensions which might cause an internal war, thus destroying the ideal set forth by the fathers of confederation.

In my opinion any hon. member of this house who would intimate that the two great races of this country might be led to internal conflict is playing a role which I cannot call by any other name than a quisling role. This whole amendment is decidedly against any increased collaboration or unity and against improvement in the feeling between the two peoples, and for that reason I strongly condemn it.

Mr. VINCENT DUPUIS (Chambly-Rouville): Mr. Speaker, John Stuart Mill wrote somewhere that even when there is apparent unanimity in the world on any subject, it is probable that the dissentients have something worth listening to and that something would be lost by their silence. I shall be satisfied if after I have finished some hon. member believes that I have said something worth listening to. Beyond that my ambition does not go.

I had prepared with great care a written speech in English which I thought in my naivete to be fairly good, but because of the stern determination of the Chair that hon. members shall abide by the rules, I decided to throw the whole thing into the waste-paper basket. I know your sincere desire, sir, to have representatives from Quebec speak more frequently in this house, and I am rather ill at ease in meeting that desire unless I am able to obtain the indulgence of hon. members. In order to urge that indulgence, I do not think I can do better than to quote the immortal Burns and say to you:

Thou know'st that God has form'd me
With passions wild and strong;
And listening to their witching voice
Has often led me wrong.
. . . .
Where with intention I have err'd
No other plea I have
But thou art good; and goodness still
Delighteth to forgive.

I do not think it is enough to consider this conflict only as a Canadian. In order to have a complete and perfect view of this world conflict one must consider himself a citizen of the world. After careful study of the world situation if we want to maintain our standard of life, if we want to survive, if we want to preserve our human personality, if we want to prevent slavery and paganism, in my view our duty is simple. We must do everything and we must give everything. As Canadian people we must cooperate with the other nations of the world who believe in democratic principles. We must unite and fight our common enemies wherever we can reach them.

In order to be enthusiastic about our activities in connection with our war effort we must first convince ourselves that this war is a Canadian war, that it is not a war of imperialism against another form of imperialism. We must convince ourselves that when we as Canadian people are contributing to this war to our limit we are fighting for our own liberties. So far as I am concerned I am firmly convinced that if there is any part of the Canadian nation which reveres liberty, which cherishes these attributes, it is the race to which I belong. We have many reasons to cherish those liberties. I have not the time to go into details in that regard, but it is well known to every good citizen of the French race in this country.

Having said this, Mr. Speaker, I should like to discuss the measure now before us. The effect of the passage of this amendment of the mobilization act will be to adopt the principle of compulsory service for overseas. I have asked myself, is this a wise measure? Is it necessary to adopt such a measure now? Many times I have asked myself why the Canadian government should force this measure upon us. I am not among those who would impute motives to the ministry, nor am I among those who would charge the ministry with sombre designs. I know perfectly well that every one of them is a good Canadian, just as sincere and just as patriotic as I am myself, and that each of them desires the

success of our cause and the ultimate prosperity of our common country. There can be no doubt about that, and if they have seen fit to present this measure, while they might be wrong in their judgment—because as human beings we are all apt to err—neither their sincerity nor their motives, I submit, can in any way be questioned.

Some sections of this country are strongly opposed to conscription for overseas service, and may I repeat what many other members have said, that those who oppose conscription for overseas service are not to be found in the province of Quebec alone. We from Quebec do not like this measure, for certain reasons; but in other parts of the country there are other people who do not like this measure for other reasons. What I resent very much, Mr. Speaker, is imputing to the people of Quebec sentiments which are foreign to our nature. I fancy that some would say—I should like to be wrong—that Quebec is against the bill because the people of Quebec are against our war effort, because they are slackers, cowards and quitters. It is useless for me to hide my thoughts; it is just as well that I should speak openly and frankly in this house. Unhappily, sir, it is true that some of our fellow Canadians share the sentiments I have just expressed, and when they are so strong for putting this measure upon our statute book it is because they want to get these slackers, these quitters and these cowards into uniform. I resent that very much, and I am sorry that it becomes necessary for me to raise my voice to answer such an attack upon the people of Quebec.

The people of Quebec, slackers, cowards and quitters? Just look around this house, Mr. Speaker, and put that question to any member of the province of Quebec who has children of military age, and you will find that the majority of them will rise at once and reply that their children of military age have answered the call.

Quitters? Just go into my province. Go into the parishes, see and speak with the families and ask their views, and you will discover that if there are any people in this country who are anxious that we should win this war, they will be found in the good old families of Quebec.

Slackers? Mr. Speaker, I hate to speak about my own humble person, but I may be pardoned for saying that in my own families I have over twenty relatives serving under the flag. My great grandfather, a captain of militia in my own home town, joined de Salaberry in 1812 and was there at Chateauguay to repulse the invader. Slackers? His son, also a captain of militia, formed a company in my own district and fought against the Family Compact and the bureaucrats of 1837. Slackers? Quitters? No, Mr. Speaker. God be praised, you will not find them in the province of Quebec. There might be, as the lady member (Mrs. Nielsen) suggested a few minutes ago, a few exceptions, but God knows exceptions prove the rule. While there might be a few exceptions, I read not later than last week an open letter to the Minister of Justice (Mr. St. Laurent), written by the Reverend Doctor C. E. Silcox, and what did he say? He said in part:

> The majority of the English-speaking people of this dominion were born in Canada.

And he continues:

> Not a few of them are loud in their denunciation of imperialism; many others have imbibed the "isolationist" attitudes. . . .

Quitters to be found only in the province of Quebec? No, Mr. Speaker. They are to be found in any democratic country. They are to be found even within the one family. It might happen that one member of the family has not been favoured by providence to the same extent as other members of the family. If such exist, I do not blame them; I pity them.

Let me for the purpose of my argument try to give the relationship of our nation towards the world and towards the united nations in this conflict. The whole world is now divided into two conflicting groups. On the one side there are the axis powers, with a total population of 196,000,000 people. They have already conquered, either in a diplomatic way or by force of arms, countries with a total population of 157,000,000, who are now under Hitler's heel.

On the other end there are in the united nations 1,294,000,000 people, and excluding from this huge number those who for one reason or another are not available, we have left, as a reservoir of man-power, a population of 600,000,000. That is to say, the comparison is 600,000,000 people in the united nations as against 196,000,000 in the axis countries. That means that as regards man-power we are now three to one. What is our relationship to the united nations as regards population? The population of Canada, in round figures, is 12,000,000; that is, 12,000,000 to 600,000,000 now fighting against the axis. In other words, comparing our population with that of the united nations, we are as one to fifty.

Now, we have in the active service, having enlisted voluntarily, over 505,000 soldiers, airmen and sailors, and I understand that the object of the Department of National Defence

is to have about 600,000. To reach that goal would take approximately 100,000 more men. Let me point out to hon. members the uselessness, the futility of the measure now before the house, from the point of view of its results. And by the way, I may digress a moment to say that the member for Parry Sound (Mr. Slaght) gave the other evening forcible evidence of this futility when he compared what is going to happen, if this bill is put on the statute book of the country, with what happened in 1917.

By this measure the country is threatened to be divided for many years to come. What for? Merely to obtain by force the enlistment of about 100,000 men, when we know that in 1917, at a cost of many million dollars, and over a period of a year or more, the Canadian government of that day obtained not many more than 60,000 men by force, whereas, during the same period, 101,000 young men enlisted voluntarily. One has only to read the daily reports to be convinced of what I am saying.

Just read the reports in the newspapers and listen to the radio and what do you find? What is the urgent need? Not men. They are telling you that we are short of equipment, short of tanks, short of ships; we are short of guns, aeroplanes and munitions. We are not short of men. Just one of our allies, the Union of Soviet Socialist Republics, according to an official report, has 17,000,000 men enlisted. Do you mean to say that these 17,000,000 men, brave and gallant soldiers, if they were properly trained, equipped and fed, would not be able to do better than they are doing to-day?

This is not a mere academic argument; it is a very serious one. It is sufficiently serious for hon. members and even for members of the government to pause and ponder the question. Otherwise it may happen that we might fail in our duty in the matter of production. We on this continent have been called the arsenal of democracy, and while we have been so described, have we been doing our full duty in the production of armaments and of every form of equipment possible to help our allies? I do not think we are doing our duty. We are spending our time discussing the question of raising a few more men by force, but the worst result will be not the raising of a few more men but the raising of prejudices of one race against the other, one religion against the other, one class against the other; and in so doing we are doing what German propaganda is so anxious to see in any country before the Germans take over. This propaganda, as shown by Doctor Karl Hanshofer in his treatise, is the propaganda used by the enemy to conquer the nations of the world. I have seen with my own eyes and have read letters from Hitler and Mussolini to their agents in this country and in the United States, advising them to be skilful, to use all their tact and their refinements, to insinuate themselves into high social circles in order there to stir up prejudices—the English against the French, the French against the English, Catholic against Protestant, Protestant against Catholic, and everybody against the Jews. That is the order they have given to their agents. And, mind you, notwithstanding the great and important work done by our Royal Canadian Mounted Police, one of the best police corps in the world, there are still in this country German agents who are doing that work to hamper our war effort. And we are to-day, with this measure, doing exactly what Hitler desires—dividing each other on a silly matter like this. It is our serious, our sacred duty to stop helping the enemy in that way, and to proceed, as a real arsenal of democracy, to build more ships, more submarines; to make more guns, produce more food, and supply these to our allies overseas. This, I submit, is our sacred duty.

I sincerely believe that this measure should be abandoned. I do not say this because I am afraid of conscription. Let me repeat here what I have said in my own riding, that if ever this country were threatened, if ever such a state of emergency arose that we should be convinced that conscription was the last recourse to save our democracy, I would be for it and my people would be for it. It is not that I am afraid of conscription; it is not that the people of Quebec are afraid of conscription. They are enlisting in thousands freely to fight anywhere in the world, and they will continue to enlist.

Might I give a piece of advice to the Canadian government. I was speaking a few minutes ago of German propaganda. Among the worst kinds of propaganda in this country are the slogans which are whispered by the agents of the enemy and then unwittingly taken up by otherwise good, but not well-informed people and spread among our families and on the street and everywhere. One of the statements, for instance, which I know to be untrue is that "England is sending her young boys to Canada while we have to enlist to fight the wars of the empire." That is one of those slanders spread by Hitler. If our Canadian government does not stop that kind of thing, does not get the official evidence with authentic facts and documents to repel such false information, it is very severely to be blamed.

Another slogan, another whisper, is that Canadians are put in the first rows whenever

there is danger in an encounter between the united nations and the enemy. This is absolutely false, and it is the duty of this government to give the evidence of its falsity through authentic facts and documents. I am going to say something about Hong Kong. I am proud to say that among those brave Canadians at Hong Kong are to be found two officers from my riding. Their parents, who live in Marieville, have never heard any news from them; they do not know whether they are alive or dead. But German propaganda is spreading in this country the information that at Hong Kong there were only colonials—not a single British soldier. This is completely wrong. To help enlistment in Canada we ought to repel and deny with official documents this false information.

We are all of us sincere Canadians; irrespective of party allegiance, irrespective of religion or of race we are all for an all-out war effort. Our ultimate and sincere desire is for victory. Nothing but victory over our enemies will bring peace and harmony and prosperity in this country; otherwise we are doomed to destruction; we shall go back a thousand years to the days of paganism. Our supreme ambition, our sole purpose, is victory. But if the victory is to be complete, effective and fruitful, it must be a victory of justice over injustice, of lofty sentiment of the soul over the lower instincts of human nature, of genuine responsible government over bureaucracy and nepotism. To summarize, it must be a victory over ourselves. Every one of us will gladly make every possible sacrifice for freedom; but when the storm is over, when the sunshine in the sky of liberty reappears, the man who went through these terrible times, gratified with that inestimable gift of regenerated Christian freedom, adorned with living charity, will turn his back on the past, and with his eyes fixed on the infinite where faith never vanishes, with indomitable courage, sustained by legitimate ambition, he will undertake anew to climb the hill of success and to reach the horizon of his dreams.

During the war of 1870 a great writer and patriot, Paul Déroulède, had a vision which was never realized. May I be allowed to quote his dream which he wrote in his immortal poem:

Lorsque nous aurons fait la guerre triomphante,
Et que notre Patrie aura repris son rang,
Alors, avec les maux que la conquête enfante,
Disparaîtra l'horreur qui suit le conquérant.

Alors notre Patrie aimante et sans rancune,
Semant ses jeunes blés sous ses lauriers nouveaux,
Fêtera le Travail, père de la Fortune,
Et chantera la Paix, mère de longs travaux.
Et notre Nation lasse de funérailles,
En exaltant ses morts calmera ses vivants,
Et nous ne voudrons plus qu'on parle de batailles,
Et nous désapprendrons la haine à nos enfants.

May I be allowed to paraphrase him and say:

Oh oui! puisse aujourd'hui, tout à l'heure, à l'instant,
Le Canada s'élancer de victoire en victoire,
Puisse—son fier triomphe à jamais établi—
Mon nom être englouti dans ce torrent de gloire,
Et mon discours inconnu se perdre dans l'oubli!

Mr. H. R. JACKMAN (Rosedale): After listening to the many admirable sentiments expressed by the speaker who has just resumed his seat (Mr. Dupuis), I find it difficult to arrive at the same conclusion as he does. He speaks of the part which this country is playing, and the great man-power of the united nations, which he calculates in hundreds of millions; then he goes on to make a comparison, dividing our population into the total and multiplying our contribution in armed services by the dividend. It shows that we are indeed making an admirable contribution to the war effort, but we cannot take that as our guide; it is fallacious, for many reasons, if one examines the facts—the fighting qualities, if you like, of the people who go to make up the united nations, and the industrial contribution which those nations individually can make to the common cause. I agree with him that French-speaking Canadians are second to none in the many admirable qualities of courage, fortitude and bravery; the history of this country is evidence of that fact. But it is difficult for English-speaking Canadians to understand how the contributions of French-speaking and English-speaking Canadians can be considered to be equal. It is surely the war of both peoples who make up this common nationality, but according to a return recently tabled in this house we find that enlistments in the province of Quebec since the war began total 74,415, of whom 36,235 are considered to be French Canadians. I do not know the exact relationship which the English-speaking population bears to the French-speaking population of the province of Quebec, but when the figures indicates that slightly over one-half of the enlistments in Quebec are from the English-speaking minority, it surely does not do credit to our French-Canadian compatriots.

There must, of course, be a cause for this. Looking at the individual qualities of the French-Canadians, the cause cannot be found there, so that it must be in the leadership which they have been receiving and to which

they have been subjected for the last twenty-five years. On February 5 when I had the privilege of speaking on the plebiscite, I had no hesitation in committing myself to the principle of the conscription of wealth, industry and man-power for service wherever those materials or that man-power could be most effectively used. To-day, however, we have seen the result of the plebiscite vote; and we find that the Prime Minister is still counting noses and determining the course of action that will be followed according to his count. The Prime Minister endeavoured to tell the house that the plebiscite was not a vote "yes" or "no" on the question of conscription for overseas. However, in discussing this simple amendment now before the house the Prime Minister has asked that we include the discussion of the whole principle of conscription. The two are utterly indivisible, and so they were in the minds of the people on April 27. That vote undoubtedly was a vote either for or against conscription, and we know how the people of this country expressed their will at that time.

An analysis of the vote on the plebiscite reveals that the leadership which Canada has received from the Liberal party has not been the leadership which is required when we are fighting for our survival. The hon. member for Mount Royal (Mr. Whitman), speaking last night, referred to the fact that there was no one who could replace the Prime Minister of this country, certainly no one in the ranks of the official opposition. Be that as it may—and we may have different opinions on that question—certainly so far as representing the will of the people is concerned there can be no question that the Conservative party to-day stands for the will of the people in a way that the Liberal party does not. I do not suppose, sir, that ever before in the history of the world has any nation been faced with national peril, even the possibility of extinction, and at the same time suffered a government so lacking in leadership and in preparation for defence, as has Canada. Nothing better exemplifies this lack of leadership than an analysis of the result of the plebiscite vote on April 27. Of the 245 constituencies across Canada, 182 returned a "yes" vote and 63 a "no" vote. No constituency represented by a Conservative member returned a "no" vote. All the constituencies which voted "no" were represented by members of the government party, which government with all its strength advocated a "yes" vote. But its sudden conversion and realization of the necessities in regard to Canada was too late to be of avail. In making a belated appeal to the highest sentiments of both national honour and self-preservation the Prime Minister indicated in no uncertain terms what he believed and knew to be in the best interests of the people; and the response to that appeal is an indication of how these sentiments of honour and self-preservation were considered in various parts of the country. The record, therefore, shows that of 185 Liberal constituencies, 63, or more than one-third, voted "no". In the province of Quebec, where 64 of the 65 seats are represented by Liberals, 57 constituencies voted "no", including three represented by ministers of the crown. What retribution for the false political leadership which the Liberal party has given that province for over twenty-five years!

Now the Quebec Liberals refer to the bargain, the contract, the promise which allegedly was made at the time of the declaration of war in 1939, at the time of the Quebec provincial election and again at the time of the general election in 1940. Did the Prime Minister authorize the making of a bargain with French Canada to the effect that Canada would wage only a free, moderate and voluntary war? And did he do that at the same time he was telling the rest of Canada that we were waging total war? It is little wonder that to-day the Liberals in French Canada have no trust in the word of the Liberal party. Knowing the intentions of Germany, as they were known to everyone after the invasion of Poland, how could the Prime Minister have believed that the democratic world was not faced with the greatest struggle for its existence that it had ever known? Having watched the course of international events, the seizure of Austria, the Munich agreement and the violation of Czechoslovakia; having personally visited Hitler in Berlin and seen how Germany had been waging a total but undeclared war for five years prior to the firing of the first shot, how could the Prime Minister not realize that we were faced with the bitterest and most sacrifice-compelling struggle of all time? But what do we find? In his opening campaign speech over the radio he said to the people of Canada that a national government would bring about conscription. Well do I remember when those fateful words were uttered. As one who had tried to keep abreast of international developments and to understand their significance, my heart sank within me that anyone, for base purposes, political purposes, would trifle in this manner with the destiny of our nation.

The most immature politician knew that the people of Canada, after two decades of peace talk and of pacifism, were not prepared to accept in those days, when the false

security of the Maginot line was uppermost in their minds, the bitter necessity of conscription. There was always the hope that economic strangulation of Germany might bring about an early termination of the war. Nor am I proud of the record of other political parties in regard to the issue of conscription, which issue was forced upon them by the Prime Minister.

Let me continue, sir, with an analysis of the plebiscite and the effect on the national spirit where Liberalism prevailed.

In the province of Ontario, out of 84 seats only 2 voted "no"; these two constituencies were represented by Liberals. As regards the Ontario constituencies of Cochrane and Nipissing, we find, in the first one, 15,536 "yes" votes and 11,730 "no" votes, and in Nipissing 22,252 "yes" and 17,468 "no" votes. Only by a slight margin did they come into the "yes" bracket. We find that the province as a whole voted 84 per cent "yes". In Hamilton West, represented by the Minister of National Revenue (Mr. Gibson), we find a vote of 21,531 for and 3,937 against. Compare this with the constituency of Lincoln, represented by a Conservative, and similar in many ways to the other; there the vote was 23,702 for and 2,771 against. Take two other constituencies which are closely parallel and represented respectively by a Liberal and a Conservative. Waterloo North, represented by a Liberal, gave 13,077 "yes" votes, 7,055 "no" votes; Waterloo South, represented by a Conservative, 13,297 "yes" votes, 2,334 "no" votes—about the same number of "yes" votes but less than one-third the number of "no" votes.

I go across the country to Manitoba and point to the "yes" votes recorded in the Conservative constituency of Souris—8,046 "yes" to 479 "no"; the second highest percentage in Canada, as compared with that represented by the Minister of Mines and Resources (Mr. Crerar), with 8,829 "yes" against 1,870 "no" votes. Contrast either of these with that of the Minister of National War Services (Mr. Thorson): 11,873 "yes" to 5,860 "no". Truly, Mr. Speaker, leadership counts in this country.

Then we go on to Saskatchewan. There we find that Lake Centre, so ably represented in this house by a Conservative, polled 8,673 "yes" votes to 2,165 "no"; while in the constituency of Melville, represented by the Minister of Agriculture (Mr. Gardiner), the voting was 8,599 "yes" and 6,470 "no". About the same number voted "yes", but three times as many voted "no" as in the other constituency to which I have referred, in the same province. Then we find at Prince Albert, represented by the Prime Minister, 9,884 "yes", 3,195 "no"; Saskatoon City, represented by a Conservative, 16,710 "yes", 2,074 "no". In an area adjacent to Saskatoon City, that of Rosthern, represented by a Liberal, we find 3,527 "yes" and 3,988 "no"—the only constituency in Saskatchewan failing to come under the "yes" banner.

In British Columbia we find the same thing. In Vancouver Centre, represented by the Minister of Pensions and National Health (Mr. Mackenzie), the result was, 21,961 "yes" and 4,922 "no", whereas in Vancouver South, so ably represented in this house by a Conservative, there were 31,986 "yes" against 4,680 "no"—about the same number of "no" votes in both constituencies, but the Conservative member polled 10,000 more "yes" votes.

It is the same story from one end of the country to the other, and nothing is more indicative of the lead which a party or a member can give to the people than is the vote on the plebiscite.

Let me take the results in my own city of Toronto. There the same tendency is shown. The highest "yes" vote in that city, as well as in the whole of Canada was recorded in the riding of Eglinton, represented by a Liberal, but by a Liberal, as we found out last evening, to the chagrin of every right-thinking member of this house, who has found it necessary, on this nation-saving principle of conscription, to differ from a government which refuses to give voice to the will of the great majority of the people. He has given a leadership equal to that which has been forthcoming from Conservative members who refuse to put party before principle. The constituency of Eglinton adjoins on the north my own constituency, and in the north end of that constituency, I am glad to report, there was at least one polling subdivision where not a single "no" vote was recorded.

The other two ridings in the city of Toronto which are represented by Liberal members are Trinity and Spadina. The hon. member for Trinity (Mr. Roebuck) made a speech in this house on the plebiscite which was the most perfect example of mugwumpery that I have ever seen. It was in two parts, one being a high-class exposition of the merits of conscription, and the other an equally high-class exposition of the merits of the continuance of the voluntary system. The people of Trinity, however, returned a vote of 90 per cent in favour of the affirmative. The hon. member has seen fit to be led by rather than to lead his people. How typical of the whole attitude of the Liberal administration. As a result of such leadership, Trinity and the

neighbouring riding of Spadina returned the two lowest "yes" votes in the great city of Toronto.

Although apparently the need is still great, time does not permit me to appeal to some quarters of this house on the reasons why we are at war and what we have at stake. With the enemy knocking at the gates, there is time only for action. As I said in the plebiscite debate on February 5, 1942, the Prime Minister and the other ministers of the cabinet failed, without even trying, to inform the people of Quebec of the true issues at stake in this struggle for survival, and the effect on them personally should we not carry the war to a successful conclusion.

Why are the ministers of the crown not telling the people of Quebec what the issues are and what defeat will mean to every one of us? I do not think this government has failed in any more signal instance than in its refusal, its complete failure, to tell the people of Quebec just what are the issues at stake—just as the hon. member who preceded me made a perfectly splendid case not only for Quebec but for the war, and then went on to show that the war is still not Canada's war, and that we are better off in building up an army to defend ourselves on the shores of Canada. I could quote a memorable passage from a speech of the hon. member for Richelieu-Verchères (Mr. Cardin) to the effect that we cannot possibly defend ourselves on the shores of Canada against an enemy if that enemy breaks through the line either in Great Britain or on the Pacific.

The leadership which the Prime Minister has given has been far short of what the people as a whole expected. Certain elements in the community have been appeased by the result of the government's incredibly slow and unrealistic policy which has brought about a feeling of complacency and dampened the ardour even of the most loyal and patriotic citizens. This slowness of action and the policy of playing for time recalls one of Pope's great verses, which I shall quote with the substitution of one word:

> Complacency is a monster of so frightful mien,
> As, to be hated, needs but to be seen;
> Yet seen too oft, familiar with her face,
> We first endure, then pity, then embrace.

On the other hand, the Conservative party has not only given leadership to the people but it has not hesitated to advise its supporters, as well as all the people of Canada, in connection with what it believes and knows to be in their best interests, no matter what the sacrifice may be. And the Conservative party does this, not on a single occasion when the enemy is already knocking at the gate, but even when the enemy is far off and there is still time to protect our country with a minimum of loss and full assurance of victory.

I wish to draw attention to the statement of the Minister of Justice (Mr. St. Laurent), who said that Canadians of French origin had to think out the reasons why they should support this war by fighting the enemy wherever the enemy was to be found, whereas Canadians of British origin rose spontaneously to the aid of Great Britain. In support of his argument he quoted an editorial which contained the following reference to the Prime Minister:

> If he had tried to keep this country out of a war in which the safety of Britain was at stake he would have been swept out of office by a tide of anger which neither he nor his government could have withstood.

He quoted that editorial as being descriptive and typical of the mood and thought of English-speaking Canadians. Without considering the time, September 10, 1939, the events leading up to the declaration of this war, the attempts of Great Britain to keep the peace of the world, and the well-recognized German aim of world domination with its herrenvolk, second class peoples and bartered slaves, his deduction would be quite correct. In the light of the surrounding circumstances, however, his deduction is wholly unwarranted.

Well I remember returning from a tour of Great Britain in 1937 with the reflection that in that country there was too much champagne at the top and not enough milk at the bottom, a condition which is happily being rectified. English-speaking Canadians have had no concern with British expeditions in Waziristan and elsewhere where it was necessary to suppress foreign-inspired and foreign-supported wars against Britain's far-flung possessions. This world war, in contrast, is a war for our survival and the survival of our children. A little later in the same speech the Minister of Justice recited how the French-speaking Canadians had on more than one occasion helped to save Canada from outside aggression. At the same time he pointed out how in 1849 a group of Montreal merchants showed so little loyalty to Britain that, when that country withdrew a preference on Canadian wheat and butter, they signed a petition for annexation to the United States. Almost in the same breath he speaks of the strength of the blood attachment of the English-speaking Canadians to Great Britain and then points out that such sentiment does not exist where there are economic interests at stake. Of course, there is an attachment to Great Britain, because Great Britain has in the modern world been the mother of democracy, the mother of parliaments, and the

protector of the small nations and minorities. But no one has given a better demonstration than he of the fact that English-speaking Canadians fight not only for their economic welfare but for their right of survival as a free nation.

The ministers of the crown in the debate on this bill have given us a series of speeches on the subject of conscription for overseas service which are utterly confusing. Some argue against the very principle of conscription while we already have conscription of wealth, industry and man-power for everything except overseas service. There is no uniformity of opinion or of sentiment in the administration of this land. While the outcome of the vote on this matter is not in question, the time of the implementation of conscription for service wherever the enemy is to be found is still in the lap of the gods, as long as the Prime Minister refuses to heed the will of the people and prefers to play politics, always in the hope that time will be in his favour. Time and our preparations for survival are fast running out.

I wish to draw particular attention to the statements of one of the ministers of the crown, as well as of several private Liberal members, all of whom are in their hearts right-thinking individuals, but endeavour to excuse their lack of forthright attitude by arguing that a voluntary army is better than a conscript army, and by pointing out that the volunteers who were serving in the front line in the last war did not look with favour upon the conscript reinforcements. Do they not know that before this war is over, every available man who can be spared will be required to fight the enemy? By their own reasoning, therefore, is it not far better that Canada have one army of soldiers who are selected because of their fitness, rather than two armies, one of volunteers and one of conscripts? The sooner Canada gets away from this invidious distinction the sooner the difference which they themselves brought up will disappear in its entirety. Let us do as the United States does and have universal selective service, where every man and woman will be told to serve in the field, in the factory, or in the forces, according to his or her ability to best serve his or her own country.

The Prime Minister has said that the Canadian army overseas, composed entirely of volunteers, is the finest fighting force in the world. I hope it is, for there are no finer fighting men on the face of the globe, but can we yet say that it is superior to the British or American armies, where the men are selected by a just and equitable law? The Prime Minister's statement is an affront to the American nation, which is a true democracy, the people of which believe in the elementary principles of justice and equality. I have not heard the point raised in the present debate, but any member who does not believe in the principle of selective service might ask himself whom he is endeavouring to protect. Is he protecting those who have already volunteered to keep the enemy away from our shores, and who, when the fighting starts, will require reinforcements unless they are to bear the brunt of the battle without rest and without relief? Or is he, on the other hand, seeking to protect those who do not feel the call of duty to protect themselves, their parents, their brothers and their sisters; those young men who are content that others should die that they may live? When such a question arises I thank God that my heart and my head both cry out for justice and equality. This inequality is not confined to any one section of our country. It exists in greater or less degree in all parts, and for various reasons. But to-day there is one reason for compulsory selective service which dwarfs all others, and that is the preservation of our nation from a vicious and so far victorious enemy. Inequality is the greatest cause of disunity.

Where there is a difference of opinion, everything must be done to bring about an understanding of the different points of view. But there are some principles and some laws which do not admit of compromise, and one of these is the law of self-preservation. As the Minister of National Defence (Mr. Ralston) stated, "We can pay too high a price for national unity." I think he might have added that if we must choose between having a nation or national unity, we must choose to preserve the nation.

I should like to ask the following questions, which I have asked before but to which I have received no answers. What does the hon. member for Témiscouata (Mr. Pouliot), from whom we hear so much, report now as the present opinion "of the entire rural population, where there exists a strong sentiment in favour of annexation to the United States, or at least of a formal alliance with our powerful neighbours?" That was his statement to this house on June 18, 1940. Are his constituents who were willing to join the United States willing to be led by their laws now, just as are the million or more French Canadians in the New England states?

And I wonder what is the opinion of the hon. member for Quebec-Montmorency (Mr. LaCroix), who stated on the same day, "Why not continue with our voluntary participation and wait at least until the United States

enacts conscription of men?" He was then taking shelter under the Monroe doctrine. Is he now willing to fight for it? It is only in the province of Quebec that one hears the expression "national unity". Elsewhere it is accepted as a fact.

Mr. SPEAKER: I must draw the hon. gentleman's attention to the rule against reading speeches. The hon. member is reading his speech, and I would ask him to refrain.

Mr. JACKMAN: I am glad, Mr. Speaker, that you drew my attention to the rule, because we find that the ministers read their speeches in the house, and it is a very bad example for private members.

There is no one who strives more heartily than I do for the principle of national unity. I believe that those who raise contentions against it do not have that principle at heart as much as I have myself. Certain members who raise this question would do much to destroy national unity; they exercise an influence out of all proportion to their true worth in this house, and members of their party, all of them being on the government side, do little or nothing to offset the influence which their contentions exert.

If there is one thing which the debate on this amendment to Bill No. 80 has brought out, it is this: It has given the lie once and for all to the contention that it was because of the Military Service Act of 1917 and the method of its enforcement that conscription to-day is a subject abhorred by the French Canadians. The French Canadians are now represented in the government party to the extent of sixty-four out of their sixty-five seats. It is their own Liberal ministers who have the enforcement of conscription if this bill passes, and yet we find on their part the same reluctance and the same complete lack of confidence which they claimed followed from the policy of the Union government in 1917 with respect to the enforcement of the Military Service Act. The fact is that the French Canadians as a whole have so far been against conscription and are unwilling to have it, no matter which party, no matter whether a national government or a union government, brings it into being. The reason for that, of course, is that they are willing to fight for their country once they realize the necessity of doing so. Once they come to the belief that the war overseas or the war in the Pacific is about to approach Canada, or that if we fail there it will approach Canada, then they are quite willing to have conscription. But surely they must know that if we do not stop the enemy abroad we cannot stop him on the shores of Canada.

Let everyone in every part of this great partnership, this great Dominion of Canada, go forward hand in hand and shoulder to shoulder to face the common aggressor. Let no one falter or fail. Let each strive who can do the most, not who can do the least. We owe it to others that the road is still open. Let us with honour keep that road open and defend it with our united might, so that no enemy, east or west, shall traverse it to devastate our land and our homes.

Mr. R. W. GLADSTONE (Wellington South): Mr. Speaker, we are nearing the close of the debate on the bill to amend the National Resources Mobilization Act. There can be no doubt about my supporting the bill. The problem of man-power will then pass from parliament to the cabinet. My remarks to-day will be directed, sir, specifically to what in my opinion should be done after the act is amended.

I wish to assure the house that my argument in every particular will give the strongest possible support to a programme of action for immediate maximum preparations to destroy the enemy where he is, in Europe and elsewhere, before he can reach our shores.

Some persons look to the past for direction, some have confidence in the methods of the present, while others feel that we should try to redouble our efforts in anticipation of a situation that will become more desperate in the future. I shall consider, briefly, the past and the present, but in the main my remarks will be directed to our policies for strengthening our war effort in the future.

The past. Some look to the past for excuses, some for inspiration. Here, at this time, we find the no-releasers. They say the government is bound, and by their votes it will continue to be bound.

The present. Here we find the reservationists. They will support compulsory service should the necessity arise. They give reasons for delay. One is that Australia voted against compulsory service in the last war. But Australia then had Japan as an ally and France as a formidable ally. To-day our two most powerful allies, Great Britain and the United States, have compulsory service. The reservationists say that men who are called up for service may not make good soldiers. Does anyone ever question the valour of the soldiers of John Bull and Uncle Sam, of Tommy Atkins and the Doughboys? What is the attitude of the Canadian Legion towards military service?

These are the men who served voluntarily in the last war. Do they fear that Canadians called up for service will falter? Surely not, when they passed resolutions at Winnipeg and at Drummondville, Quebec, demanding conscription of money, materials and manpower.

The future. I come back to the reservation respecting compulsory selective service to be resorted to only when the necessity arises. These very words presuppose a situation more critical than the situation we are facing to-day. These words carry the implication that when the war situation is more hazardous, more terrible, then we will do more. Let me urge, let me implore, that whatever more we can do we do to-day while yet there is opportunity. Could the situation be ever more critical for Canada than it is to-day, unless the enemy landed on the British isles and the whole world, not excepting this continent, was overrun by the axis powers? Then we would be throttled and strangled commercially into serfdom.

The Minister of National Defence (Mr. Ralston) is right in saying that our only safe line of defence is the English channel. Let us be realists in this dire situation. Let us do to-day what in utter defeat we would do if we still had the opportunity. Let not the day come when in the agony of regrets we may cry, "Alas, too late!"

This brings me to the question: what more can we do? The first step should be to eliminate internal diplomacy. That is cabinet responsibility, and I fear that too often the cabinet refuses to listen to the voice of parliament and to the urgings of the majority of the people. Internal diplomacy dampens the fighting spirit of our ministers of defence for army, navy and air. Nor is it approved by others of our aggressive ministers. They are frustrated in places by the waiting policy —"We will do more when the necessity arises."

My constituents are expecting to-day in their government the courage and determination of Marshal Foch when at the Marne in 1918 he said, "My centre is giving way; my right is pushed back. Excellent! I will attack." Are we blind to our fate if the English channel is lost? Can we not be a unit, exerting all our strength right now to stop the Hun where he is? Shall we risk further the destruction, the rapings, the wholesale murders of Czechoslovakia, Poland, Norway, Denmark, Holland, Belgium, France, and in turn on to Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario and the west?

The blessings of freedom were precious to those peoples. Shall we turn a deaf ear to them and pray that through some miracle we may be permitted to exist in isolation? I have referred to Poland. What about that desolate land? What is the appeal of their leaders who still survive and struggle in exile, as represented by the Polish national council in London, England, of which the chairman is Professor Stanislav Grabski? It can well be recorded in a motion tabled recently in the British House of Commons. I quote:

> German atrocities in Poland—that this house, having learned with indignation and horror that during the occupation of Poland the authorities of Hitlerite Germany have, for no crime other than that of being Poles, officially executed more than 140,000 men and women, tortured many more in prison and concentration camps, deported 1,500,000 to slave labour in Germany, robbed more than 2,000,000 in the western provinces of all they possessed before expelling them to central Poland, thus in every way outraging both international law and the laws of humanity itself, expresses to the Polish people its heartfelt admiration for their inspiring example of continuous and unflinching fortitude, protests in the name of civilization the policy of deliberate extermination of the Polish people, and pledges its word to heroic Poland that her sacrifices will not be in vain and that due retribution for all these crimes will unfailingly be exacted.

The plight of the Polish people will, I am sure, enlist a similar response in this part of Canada. Knowledge of such heartrending conditions ought to sink into the consciousness of any here who would falter, and strengthen their determination to assist the people of that persecuted nation.

Democracy entrusts government to parliament, and parliament delegates administration to the cabinet. There the curtain is drawn, and we know not of the cooperation, the domination and the diplomacy. What we do know is that tens of thousands of civilians have been brought to Ottawa for all manner of service in capacities administrative, expert and clerical. It ought not to be an offence to say that the hugeness of some departments makes it utterly impossible for the minister or his deputy to become aware of any weak spots with anything like the speed that war demands. It ought not to be an offence to say that the Prime Minister (Mr. Mackenzie King) is so burdened with responsibilities in a large way that he cannot possibly check on the many things that disturb our people and undermine their morale. If ever there was a time for Canada to follow the time-tested practice of the British parliament in creating parliamentary secretaryships, surely it is now when this nation is in peril.

The Prime Minister in 1936 proposed adopting this system, but apparently one or two

of his ministers of the day dissuaded him against his will. He will meet similar opposition to-day from at least one of his ministers who undoubtedly needs such assistance. I do not propose to argue the point further, except to say that there is growing discontent among private members that the service of more members is not utilized to a greater extent, at least in order to ferret out inefficiency.

The army is being made the subject of attack just now. The outstanding minister and his capable deputy must shoulder the blame, if any. In passing, may I comment on the notable efficiency of the minister's secretary. I urge upon the minister that as a war measure he take steps immediately to get the help of two parliamentary secretaries, one for Ottawa and one with freedom to visit anywhere. There needs to be some uprooting of the armouries' officialdom of peace days. This is no social picnic; we are at war.

It has been my privilege to serve on the war expenditures committee. We had before us as witnesses some dynamic men; we had others who are wrongly placed in the service. When this committee was set up again this session the various opposition parties stressed that the committee and its successors should sit continuously for the duration. They sat for a few weeks last year and then adjourned, against the better judgment of some of the members. The same course appears to be in prospect for this year. The committee is divided into three subcommittees. One of the subcommittees effected savings of several million dollars as a matter of ordinary business adjustment. The entire cost for the whole committee was $17,713.46. In my opinion the committee should take up continuous work when parliament adjourns, and remain at it until the opening of the next session of parliament. The work has been barely scratched.

I have been offering suggestions for improving our war effort. My suggestions and criticisms have been given merely as examples. Suggestions to some extent carry the flavour of criticism. I have spoken with restraint in order not to injure the war effort in any way. The task of the government to-day is so tremendous that errors and shortcomings on the part of individuals are inevitable. It is utterly impossible for the Prime Minister to pass upon or even have knowledge of many things that are done or left undone. That is why I feel strongly that the cabinet should recede from the seemingly immovable stand they have taken, and delegate some greater responsibility to hon. members who are elected by the people and who must answer to the people. I hope the Prime Minister will pay heed to the admonitions of private members and thereby obviate the necessity for more plain speaking and hurt feelings or worse.

It would be unfair for me, in my desire to help our war effort, to overlook the bright side of the picture. Canada has a record of achievement in many fields of which we all should be and are exceedingly proud. Some critics are ignoring this and doing very great damage. Our Prime Minister and all his cabinet have planned and worked unceasingly during these critical years. It is amazing how well they have stood up under the terrific strain. We are deeply grateful that the Prime Minister appears to be in such good health at present. We realize to-day more than ever before the value of his leadership in pre-war days in knitting together the English-speaking nations for the preservation of civil and religious freedom. History will accord to our present Prime Minister a high place among world statesmen who have striven to promote peace and good-will among nations.

I have already paid tribute to our three ministers of national defence. May I be permitted to single out one or two other ministers for much merited praise. Our Minister of Finance (Mr. Ilsley) has given a demonstration of accomplishments possible only through a combination of high qualities. His pioneering in controls has become the example for similar action in the United States. Our Minister of Munitions and Supply (Mr. Howe) surely was born and trained for the great undertaking which is his responsibility. Who will say he has any superior anywhere for his great work? I pay tribute to his administrators, his technicians and his great, loyal organization.

I pay tribute also to the men and women of the war industries, whose skill I have seen in many factories. He who would belittle our war effort needs only go through one of our great war industries to be convinced of the amazing contributions Canada is making. The same applies to agriculture, with its phenomenal increases in the production of bacon, cheese and foodstuffs generally.

A few minutes ago I said that internal diplomacy dampens the fighting spirit of our ministers of national defence for army, navy and air. I said that the consideration should not be and must not be, "we will do more when the necessity arises"; it should and must be, "we will do immediately all that can be done."

The question is, what more can we do? Surely it will not be sufficient to amend the National Resources Mobilization Act and then dismiss parliament, possibly until 1943. Something more is needed to uplift the morale

of the people. If reverses continue, the people's confidence in eighteen ministers who are waiting for the necessity to do more will be shattered. What may have been sufficient in administration before the war cannot be regarded as sufficient for the present herculean ordeal. As a humble member of this parliament I appeal to the Prime Minister to replace his proneness to overcaution by a policy of greater boldness and greater trust in the people whom we represent. Scarcely a week passes without an election being called by Prime Minister Churchill. We would be better with frequent by-elections in Canada. Many elections are needed now in connection with a dozen or more vacancies in the other house, and to bring new and more persons into the administrative circles of government. The country will welcome some assurances in this regard. The other house should be used or disbanded. There are highly qualified and experienced men in that house who should be given an opportunity to render service to Canada. We are paying them and letting them die of dry rot.

This is a programme that I lay on the conscience of every cabinet minister. The only alternative, in my estimation, is that parliament do now prorogue to be called in extra session in September. I beseech the Prime Minister that extraordinary measures be taken for the greater assurance of the men and women of Canada who trust him, who pray for him, and who feel that, with the billions being expended, there should be a broadening and strengthening in administration.

I must now commence to shape my remarks toward a conclusion. I have spoken frankly my views as to the inadequacy of our administration respecting the volume of detailed responsibility during this crisis. I am much concerned about future days and what I have chosen to describe as internal diplomacy. Make no mistake about it; Canada will be saved only by the men behind the guns, shooting outside Canada, on the warships, in the bombers and fighters, and with the shock troops.

Shall we place limits on our gratitude to Greece for her heroic delaying action? Shall we place limits on our efforts to bring relief to Russia before she is crushed? These nations and many others have become martyrs for our freedom. We draft men for service in Canada and territorial waters; shall it be said that we limited our compulsory service to the last area, where we hoped there would never be any fighting? No; that spirit can never win on the fighting fronts, nor can it maintain respect for Canada among free nations if freedom survives. Moreover, it will be heartbreaking to our brave men on the fighting fronts.

Maximum strength in this war is our imperative duty to ourselves and to our allies. That maximum strength may well be the strength of eight provinces united, rather than of nine provinces with reservations. Is Canada to be in the position of saying to the nations who are defending us all round the world, "We cannot send more men until they volunteer to go, but we will sell you food and guns and bombers and ships." Or shall we, as a soldier said to me in a smoking-car, "use the sneaking way of pressing the lads to go active?"

Russian women are shouldering guns to destroy the enemy, whose plans call for our destruction in order that he may possess our fair land. The Prime Minister, the Minister of National Defence and others have emphasized that the matter of compulsory service for overseas has been magnified beyond its real importance. I agree that it represents but a fraction of the great contribution Canada is making in this war; but it has been seized upon by some as a focal point for attack upon the government in a way that reflects upon Canada's whole war effort. The ill effects of this criticism have spread to the United States. Editorials are being published in that country, one of which I have in my hand which appeared in the Arizona *Daily Star* of Tucson, Arizona, and which constitutes an undesirable reflection upon Canada as a whole and upon one of our provinces in particular. This ought not to be. Our airmen, our sailors, our soldiers, and the men and women of all services created a great and glorious record for Canada long before our great neighbour and ally came into the war. But we must guard against any recession from the high place we have earned in the eyes of the world.

My original plan in preparing this speech contemplated concluding at about this point, but happenings of recent days impel me to emphasize a suggestion I have already made. Some days ago a lady wrote me protesting against certain expenditures for advertising. I replied, giving the best explanation I could obtain from the department concerned. The lady wrote me again, and I will quote one paragraph of her letter:

> I appreciate your courtesy in replying to my letter, but your explanation left me cold. All the more so after Mr. McLean's exposure of a day or so ago. Is there no way of ending this sort of thing which I feel, during war time, is absolutely criminal.

This brings me again to my suggestion that parliamentary secretaries should be appointed, at least during war time. A similar plea was

made by the hon. member for Parry Sound (Mr. Slaght) in a speech in this house on February 12, 1942, after his visit to the British isles a few months earlier. As reported at page 539 of *Hansard* the hon. gentleman said:

I was in Mr. Herbert Morrison's room, and there was with him a young gentleman, a member of the house, whom he introduced as his private secretary. Mr. Morrison turned to him at times for verification of certain figures, and this young gentleman was very helpful. I said to Mr. Morrison, "I don't suppose you could carry on without your private secretary." He answered, "Carry on? I could not possibly. I have three private secretaries, and with them I find it difficult to do all the work I have to do."

Then let me quote one paragraph from the speech of the hon. member for Simcoe East (Mr. McLean), in this house on July 2, 1942, as reported at page 3872 of *Hansard:*

I suggest that in this one comparatively small department of which I am speaking, $150,000 a year would be a very, very conservative estimate of what could be saved if we exercised the same care in the supervision of the work of this branch that any member would exercise in his own private business.

This saving in one department alone would more than pay all added costs in connection with the necessary parliamentary secretaries. But seemingly the protests of hon. members are to be of no avail, nor have they been under previous governments. There is no existing legislation providing for the appointment of parliamentary secretaries, but I suggest that, if the government so desired, the authority could be obtained before this parliament adjourns. Or, I repeat, are we to adjourn in a few days, possibly until 1943, without any strengthening of the administration? The time of some key ministers is so occupied with details, to their distraction from major planning, that they are unable to take long range views and make preparations to keep the enemy from shooting us down on our very doorsteps. Should there not be ministers without portfolio, who would be free to substitute for ministers who might be absent through illness, or on government business, possibly outside Canada? What is the situation to-day in two departments, namely those of transport and public works? We all regret that the hon. member for Richelieu-Verchères (Mr. Cardin), who occupied the two portfolios, was seriously ill for several months. Some months ago the deputy minister of public works died, and as yet no permanent appointment has been made. All this has occurred during a period of much needed, rush construction for war purposes. The Minister of Fisheries (Mr. Michaud) is the Acting Minister of Public Works. The vacant position of Minister of Transport is placed on the overburdened Minister of Munitions and Supply (Mr. Howe). Why should all this be, during a period when ministers are so hard driven? Why should the Minister of Agriculture (Mr. Gardiner) have had to become Minister of National War Services for many months while this important department was being organized? Why do we continue to add to the tens of thousands of civilian employees and minimize supervision by the elected representatives of the people?

Mr. Speaker, the need for compulsory selective service for overseas is not chiefly or solely for men for our fighting forces overseas; it is for the highest efficiency anywhere and everywhere. Ernest Bevin said, "We can recreate wealth but we cannot recreate liberty". If we place reservations on our assistance to the allies now, how can we expect them to do otherwise with us should the enemy reach our shores?

The constituency which I have the honour to represent bears the historic name of Wellington. We voted 90 per cent "yes" in the plebiscite. In the matter of enlistment we are standing united for total war, regardless of ancestry or religion. I must hold high the torch thrown to us by the men who fought in the last war. I must see that we do not fail or falter in the support of the men who have fallen in this war and others who are now pledged, if needs be until death, that liberty and justice shall not perish from the earth.

Mr. J. A. BLANCHETTE (Compton): Mr. Speaker, last Wednesday, the first of July, this country celebrated the three-score and fifteenth year anniversary of the founding of its federal union. It was only fitting that we should have done this in times of crisis, as it is always proper that we do so also in ordinary times. It is fitting and proper that the reverence due our forefathers for this confederation act should be reflected not only in our words but, even more, in our thoughts and actions.

Shall the confederation of 1867 remain, what it was intended to be by our forefathers, a federated union of all Canada? Shall the confederation of Canada be preserved and revered as it has been in the past? Shall confederation continue to be the *modus vivendi* of the citizens of this great dominion? The answer, Mr. Speaker, remains with each and every one of us, depending upon the stand we take whenever questions of importance, such as the present bill, shall come before us.

There is not an hon. member or a Canadian worthy of the name who does not believe and wish that Canada and the allied nations shall achieve victory. Being all agreed upon the aim we have in view, the division or difficulty, at least as I see it, is rather one of means.

It seems to me that, if national unity in time of peace is not only necessary but indispensable, as I believe it is, in time of war it should not be thrown to the four winds in the presence of an immediate danger or of such calamities as the present war has brought to our very doors. On the contrary, I maintain that the greater the danger, the more unity should be enhanced, for it is in danger that fortitude and strength are needed and should be marshalled; and, just as force is the result of a series of weaknesses joined together, likewise as a corollary is weakness the resultant of disunited forces of strength.

Had I not had occasion to express my views oftentimes on the floor of this chamber on the subject of conscription, I would deal perhaps more lengthily with it at present. I will, however, content myself with merely summarizing the reasons which I mentioned on September 8, 1939, while having the honour of seconding the address in reply to the speech from the throne on that occasion, reasons which I reiterated on February 16 last on the floor of this house.

I have been opposed to conscription in the past, just as I am to-day, because I do not believe that it is conducive to Canadian unity, because it proved almost a failure during the last war, and because present enlistments show that it is not needed at this time. In making my assertions in opposition to conscription, I feel that I am in rather good company, since, of the ministers who have spoken thus far, the large majority have expressed themselves as being of the opinion that conscription is not at present necessary; some of them, and not the least of the members of the government, going so far as to say that it may never be necessary.

That conscription is subversive of our national unity I shall not labour lengthily to prove. We have had most positive proof of this in this very house since the debate began, just as we have had all the testimonials for which one could wish from the press of the country. If conscription is proposed at the present time, be it by this or any other government, a total war effort in its true sense will be but vain words, a thing of the past, an effort which we possessed and which we threw to the four winds, a mirage which we may always see before us, but which, try as we may, we shall not attain.

The charge is sometimes made that Quebec wishes to dictate to the rest of the country by the attitude which it has taken on the plebiscite, in giving a majority "no" on that question. Quebec does not wish to dominate the rest of the country any more than Ontario or some of the other provinces did when they refused to consider the findings of the Rowell commission when all the provinces gathered together here in Ottawa a few months ago to discuss this important matter. Ontario, through her leaders, signified her opposition to this report. I do not believe anyone could have justly accused Ontario of wishing to dictate to the rest of Canada. In like manner, I do not think it can be truly said that Quebec by voting "no" wishes to dominate the rest of Canada. It is true that the holding of the plebiscite cost a lot of money, but likewise the Rowell commission cost an enormous sum of money. There is this distinction. Whereas in Ontario the "no" in connection with the Rowell commission was given by the leaders, in Quebec the "no" was given by the people themselves.

When the framers of confederation established English and French as the official languages of the Dominion of Canada, it was a great step toward national unity. Since 1867 this fact has played no small part in contributing toward national unity. A few days ago I had occasion to attend the graduation exercises at a French institution in Ottawa, and it was with great satisfaction that I heard the announcement made that La Société St-Jean-Baptiste had put up a prize for the student of that institution who had shown the greatest progress in the study of English during the year. That was a contribution toward national unity. On June 22, 23 and 24 last there was held in Montreal in the Sun Life auditorium a conference of different groups which put on a programme under the title of "Pull together, Canada." This was a complete success, and at the end of the conference all the actors, who were Anglo-Saxons, came before the curtain and sang "O Canada" in perfect French. The audience rose at the first note and properly stood at attention. That also was a step toward national unity. Trivial things, trivial tsetimonials you may say, but was it not Daniel Webster who stated so correctly:

> Great events happen seldom, and affect few; trifles happen every moment to everybody; and though one occurrence of them adds little to the misery or happiness of life, yet the sum total of their continual repetition is of the highest consequence.

Did not another author ably and truly state:

Think naught a trifle, though it small appear;
Small sands the mountain, moments make the year.

And trifles, life. We have, and rightly so, certain weeks of the calendar devoted to certain purposes, such as victory loan week, Red Cross week and, recently, army week. All of these are most efficacious in bringing about a certain awakening of our efforts in a given direction, and help to intensify our war effort. At times I ask myself whether it would not be advantageous to the unity of the country for us to set aside a national unity week, when efforts could be made to cement more closely the unity of the country and to destroy the agencies of disunity which are gnawing at our existence. During this proposed week of national unity programmes and functions could be arranged which would perhaps help greatly to bring about a better understanding. Perhaps a golf game could be arranged with the editor of the *Globe and Mail* and the editor of *Le Devoir* of Montreal on the one side, and the president of La Société St-Jean-Baptiste and the grand master of the Orangemen on the other. I feel certain that once such a contact was established and continued, there would result a better understanding and a greater tolerance of one another's views upon national questions, whether they be political, racial or religious.

As I see it, national unity can exist only if there is perfect harmony between the natural and historic rights of one group and the political rights of the other group. Rights, duties and obligations are not necessarily dependent upon a majority-minority norm, unless we have a leaning toward nazi philosophy. These same rights, duties and obligations are based upon the more sacred law of justice. Let there be equal rights for the co-partners who have made this nation, equal rights in language, in the benefits and advantages of confederation in all its spheres and domains. This must be predicated upon the logical deduction of equal rights and sacrifices. As Mr. Leslie Roberts has so truly said:

Canada has not been truly represented as to whether she is fighting this war as a British colony or as one of the united nations, and it is the continuing element of colonialism in Canada's war effort, real or apparent, that is causing so much trouble.

Frank R. Scott, commenting upon this attitude, states:

We have not made up our minds to be an independent nation in world affairs and consequently everything we do looks as though it were done for somebody else and not for ourselves. We have failed even to provide ourselves with the symbols of nationhood. Service across the Atlantic represents the imperialist time and looks like defence of the British empire rather than the defence of Canada or Canadian interests. Who will decide the use of Canadian troops overseas? Who will decide when they are to go and where they are to go? These questions touch the realities of the problem in Quebec. The more Canada insists on having a voice of her own in the joint allied councils, the more she gets away from the old military tradition that her part is just to offer troops for Britain to use where Britain wants them, the easier it will be to bridge the gulf between Quebec and the other provinces. This is not a new issue in Canada; it dates from 1763. All that Quebec means by the "no" vote is that she does not wish her children to die for any country other than their own. This is nothing very startling.

We have throughout the world, in many countries, many who desire the realization of Tennyson's dream of "the parliament of man, the federation of the world". This is a highly altruistic view to take, and would that it could be realized. Any system or plan that may be formulated, however, either as a world plan or as one for our own country, which does not take account of the historic, cultural and political differences of people will fail.

The June, 1942, "Fortune Survey" speaks of Canada's divided loyalties and states:

Question some Canadians, and you find them more royalist than the king. Talk with others, and if you interpret them shrewdly, you find them more American than Chicago.

Although there may be a great deal to be said for such an attitude, I feel that the loyalty which we owe ourselves first and foremost is that due to Canada, if we wish this country to continue to progress as it has done in all its fields and endeavours.

Coming to the second division of my remarks, namely, that conscription was not a success in the last war and that it is not at present needed, I will not annoy this house with arguments already presented in this sense by previous speakers. It is a well known fact that the last conscription measure in the great war brought us at the most some 25,000 men, and I am one of those who believe that were conscription resorted to at this time, the results obtained in additional men would be more than offset by the disadvantages of the measure in other domains and fields of our war effort. No matter what government may pass and enforce a conscription bill, there will be numerous exemptions, as there should be, of those engaged in agriculture, fishing, necessary basic war industries, munitions works and shipbuilding, so that when all is said and done, the additional men brought in by the enforcement of such a measure may again, as was the case in the last great war, compel all those who were in its favour to affirm that,

after all, this measure was not necessary and that it was a terrible mistake to have had recourse to it.

As stated by the hon. Minister of National Defence (Mr. Ralston) present plans are to have under arms by next March some 600,000 men. Under date of May 7 last the Ottawa *Evening Citizen* published the following item which most hon. members have undoubtedly seen. It is entitled, "Recruitment jumps sharply with 609 enlistments in a day", and goes on to say:

A total of 609 men, the highest figure in any one day since the outbreak of the war, with the exception of some days during the recruiting campaign of last summer, enlisted Tuesday in the Canadian active army, the defence department announced last night.

Speaking of military district No. 5, including Quebec city and taking in quite a number of the counties in the province of Quebec, the Montreal *Gazette* as late as June 29 last published a news item headed, "Quebec district becomes one of the best". It goes on to say that this has been accomplished under the direction of Brigadier Vanier, soldier and diplomat, and that Lieutenant-Colonel J. P. J. Godreau has been appointed head of the recruiting office, a man of extraordinary initiative and activity, who has made of his new appointment a great success. It further states:

Day after day recruits come to give their voluntary services. Recruiting in the month of May, 1942, doubled that of 1941.

With reports such as these undoubtedly coming in from all the military districts, I cannot fathom, Mr. Speaker, why there should be any need for conscription. At the present rate of enlistments, surely there will come a saturation point in the number of men that Canada will be able to furnish for overseas service, and we do not know at what time we may need an active defence force for our own shores. I heartily agree with the Minister of Labour (Mr. Mitchell) when he stated last week that he is asking himself if we are not doing too much for a country of our population and our resources. That was also referred to by the Minister of Munitions and Supply (Mr. Howe).

A few days ago I had the opportunity of meeting on the train on which the leader of the opposition (Mr. Hanson) often travels, a member of the Canadian munitions board during the last war, and I believe he is acting in the same capacity to-day. This gentleman in conversation with me stated that three years after the last war a cable was sent from London to Canada advising us not to send more men but to send more food, and we may again find history repeating itself in that respect. In view of the number of men we already have in the service, I am wondering whether we should not concentrate most of our efforts now on the supplying of food, munitions and equipment to the allied countries.

At times I ask myself whether some of those outside this house who demand immediate conscription have not motives other than military as their reasons for asking for conscription now. I also ask myself whether, if this measure were passed, they would cease their agitation. Already we have heard and read statements as precursors which indicate that they will not cease the agitation that has been made but that it will continue to be made against this government.

Although I feel that the present government has given us a balanced war effort such as no other government could have given us, and having at all times had confidence in its leader, I sincerely hope that in the event that this bill is passed its principle will not be applied.

For my part I am not able to reconcile the syllogism that conscription is not at present necessary, that it may never be necessary, and that, therefore, we should vote for conscription. I have received an express mandate from my constituents with regard to the matter, and my intentions are to respect what the hon. member for Trinity (Mr. Roebuck) has termed, and rightly so, the supreme wish of the majority of the electors of the constituency.

My intentions are to vote against the bill as it is at present drawn.

Mr. DEPUTY SPEAKER: Before the house adjourns I should like to point out the difficulty that arises in determining whether a member is reading or delivering his speech. The desire of the Speaker is always to apply the rule. Remarks have been made to me as to why I was not calling to order certain members who appeared to be reading their speeches. The reason lies in the difficulty of determining whether a member is consulting his notes or reading, and the Speaker sometimes refrains from intervening before being certain of an obvious violation of the rule. Our desire is, at all times, to impartially apply the rule, to which we repeatedly draw all hon. members attention. These remarks are made now because my attention has been drawn to an apparent inequality of treatment meted out to hon. members. I want to correct that false impression.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. M. J. COLDWELL (Rosetown-Biggar): I intend to make to-night only a few brief remarks. The debate has already been somewhat prolonged, largely by the amount of discussion that has been undertaken by members on the government side of the house, which indicates the disagreement there is in the government party and which, I presume, reflects to some extent some difference of opinion in the government itself.

Since I last spoke in this house, when I had the privilege of outlining a detailed total war policy, the military situation has become very much worse. In our opinion this demands immediate action on all fronts, in our own dominion and elsewhere; and I would suggest that this house should not adjourn without taking all the action necessary to meet the critical situation which now faces this country as one of the united nations. To leave the matter to some subsequent decision of the government, by order in council, is, as I said on June 11, something of an abdication of the rights of this parliament and of the responsibilities which we owe to the Canadian people who sent us here.

The Prime Minister (Mr. Mackenzie King) himself on more than one occasion has condemned the practice of doing by order in council what should be done in this parliament. My colleague the hon. member for Vancouver East (Mr. MacInnis) yesterday quoted from a speech which the Prime Minister made in this house on June 17, 1920, as reported at page 3691 of *Hansard*, and which I recommend to the attention of the house at this time:

> It is beneath the dignity of parliament—indeed, it is bringing parliament into contempt—to ask us to enact as a law a code of regulations that we have not even perused.

That is precisely what we are asked to do now. If we support the amendment contained in Bill 80, we give to the government the right by order in council, by regulation, to bring into effect something which may affect the lives of hundreds of thousands of young men, and without any reference to this house at a subsequent time. The Prime Minister went on:

> I hope I shall never see the day when as a member of this parliament I shall be prepared to consent to any legislation without knowledge of the particulars to which it is proposed to give the force of legal enactment.

To-day we are being asked by the Prime Minister, and by the government of which he is the head, to enact legislation which gives that government the right to pass regulations which shall have the force of every kind of legal enactment without any reference to this house. That, I say, is wrong. To postpone the decision and the formulation of a definite and adequate policy at this time would also, in my opinion, be a betrayal of the urgent and immediate needs of this war.

It has been said that the war will be won or lost by the campaigns this summer. I do not believe that to be altogether true, but I do believe that the campaigns of this summer will have a profound effect, at least upon the duration of the war, and that we in this house at the present time should take upon ourselves the responsibility of seeing to what extent we as a nation can make our best contribution to this great struggle.

What are the compelling needs of the situation at the present time? The situation in the middle east, which we have been following with almost bated breath during the last two weeks, again indicates that the primary need in relation to the war in that area is the right kind of equipment in the right place at the right time, and those of us who this evening listened to the news as it come over the British broadcasting system at a quarter to seven will have noted that the Russian papers to-night reported, as did the Russian government, that the situation was one of extreme gravity as far as Russia is concerned. The crying need of Russia is, and will be if the railway line is cut between Moscow and the south, more and more of the right kind of equipment and supplies to assist the armies of the gallant Russian people.

This afternoon in the house the Prime Minister lauded the efforts of the Chinese republic, which for five years has been withstanding the most dreadful kind of invasion and the most dreadful kind of war. During those five years China has cried aloud, not for men, for she has many millions of them ready to fight, but for guns, for tanks, for aeroplanes, for everything and every sort of equipment in order that she may wage the modern kind of warfare. We say that in this country we ought to have mobilized our industrial strength to a greater extent than we have done no matter how well we may have done up to the present time.

We require now, it seems to me, a complete mobilization to make the supreme effort this year. I am not forgetting, of course, that this means that we require transportation, both to transport the equipment and the weapons of war and to transport the men who will use those weapons. So to-day we need to speed up our shipbuilding industry. Let us not forget that while we are doing much now in

the way of shipbuilding, yet for a considerable time we did not do nearly what we might have done. We need, too, a planned use and conservation of raw materials.

The statement of the Minister of Munitions and Supply (Mr. Howe), reported in the press—I think it was yesterday—brought that very forcibly home to us all. He warned industry that the shortage of raw material might in all probability mean that some industries would have to close down. We have been using these raw materials at a prodigal rate. We have been using them not for our war effort but for all kinds of peace-time needs, because in most instances it was more profitable to make peace-time goods than to produce war equipment. The vital need to-day which is recognized by everyone, I believe, and projected by the President of the United States and the Prime Minister of Great Britain, is that something shall be done to relieve the pressure on the eastern front in Europe by an attack on Hitler's armies in the west. For this we have men trained for many months, trained, indeed, for years; but we are told that up to now we have lacked the ships and the equipment in order to make such a project successful. For this ships and equipment and men are needed, and I believe I have placed them correctly in the order in which they are needed.

What should this house do? In our opinion, this house should decide now, at once, without further delay, for total mobilization of industry, of wealth and of man-power. But what are we doing under this bill that we are discussing? We are merely allowing the government once more to postpone its decision on one phase of the mobilization that I have mentioned, and that not the most important. This, it seems to me, is distinctly an abdication of the responsibility of this parliament; it is undemocratic, it is unworthy of our tradition. This is the place where these grave decisions should be taken; this is the place where the policy should be laid down; this is the place where every regulation to be used under that policy should be carefully scrutinized by members of this house.

I know it was suggested recently that the government should not act finally under the powers it now seeks, until it makes further reference of its policy to this parliament. Then why this debate? Why this debate which has engendered across this country a great deal of bitterness, a great deal of unnecessary bitterness, sowing seeds perhaps of further bitterness? Let us do what it is necessary to do now, in the light of the circumstances which confront us. The course proposed by the government of getting the power now, of waiting and of coming back again perhaps to this house at some future date to discuss the issue anew, is a course, in my opinion, of procrastination born of political expediency, with further bitterness in the offing, and future unnecessary debate.

I want to make it very clear, as I said on June 11 when this measure was under discussion then, that we do not propose to be parties to this kind of political manoeuvring, for such it clearly is. We shall make our protest to-night by casting our vote against this measure. As I have said, we need definite measures placed before this house for the scrutiny of parliament and for the total mobilization of all our resources now; placed before this parliament now, while it is in session, and then the guarantee of immediate action following whatever we decide to do. I am sure that this would inspire our allies, would help to confound our enemies and would give our people that dynamic and that challenge to go forward which they desire. It would show that we are aware of the critical condition of our common cause, and would enable us to hammer out in this house a policy that would suit the peculiar needs of the country in which we live. It would enable us to maintain our unity, to pull our maximum weight and to help to turn the tide decisively in the direction of early victory for the allied nations. If the government will not give such leadership to the country at this time, let it make way for a government that will.

Mr. CHARLES E. FERLAND (Joliette-l'Assomption-Montcalm) (Translation): Mr. Speaker, Bill No. 80, which we are now considering, involves the principle of conscripting men for service overseas by order in council, without the approval of parliament. Since I have always opposed the drafting of men for service overseas and since the citizens of my constituency of Joliette-l'Assomption-Montcalm, whom I have the honour to represent, are equally opposed to such a measure, I wish to state from the very outset that I cannot support this bill and shall vote against the government. However, it is with the deepest regret that I find myself obliged to take issue with our leader, for the Right Hon. Prime Minister of Canada (Mr. Mackenzie King) has always enjoyed my trust as he still enjoys the respect and general confidence of all the provinces in confederation. The Prime Minister, I am pleased to say, is an honest man, a perfect gentleman, a sincere and far-sighted statesman. He is easily one of the greatest premiers in

the British commonwealth. On an issue such as this, however, I regret that I cannot follow his leadership.

Hon. members will recall the famous reply of Aristoteles, that prince of ancient scholarship, who, although filled with a pious admiration for Plato, his revered teacher, refused to endorse his every pledge and error: "Amicus Plato, sed magis amica veritas!" I love Plato, but I love truth even more!

Mr. Speaker, the truth is that this bill opens the door to the adoption of conscription for overseas service; the truth is that, once this measure is passed, we shall have conscription for overseas service in 1943, if not by the end of 1942. The truth is that the government seem to be too easily influenced by the conscriptionists, the Anglo-Canadian press, the minority who, in this country, have been clamouring since the outset of the war for conscription for overseas service.

I supported the plebiscite bill last February. At that time, the government promised that if they were released from past commitments, from their anti-conscription pledges, parliament would be consulted if conscription of men for overseas service ever became necessary; the question would be decided on its merits, not by the government or through orders in council, but by parliament. The government must have changed its policy in the matter since plebiscite day. It now seeks from us a power of attorney. Under the Bennett regime, our leaders and the Liberal members were scandalized because the administration had obtained a blank cheque in connection with the distribution of unemployment appropriations. To-day, Mr. Speaker, it is a matter of distributing our man-power outside of Canada, on all theatres of war. Is this not of greater national importance than the distribution of a few million dollars? I repeat that the government has changed its stand. On April 7 last, the Prime Minister made the following statement over the radio:

> The question of conscription, properly viewed, is a military question. The place to discuss it is in parliament. What the government now seeks for itself and for parliament is freedom to consider and debate and decide this question, like all other questions concerned with the war, unrestricted by any pledge and in the light only of the needs of national security.

And he went on to say:

> The only place it can satisfactorily be decided whether a particular step is necessary or a particular measure needed, is in parliament. In parliament, the government can state its case and provide the information on which a wise decision can alone be made.

We all recall, Mr. Speaker, the words spoken in this house on February 27 by the right hon. Prime Minister, on the question of the plebiscite. We recall his asking us in whom we could trust during these critical times, if not in our government and in our parliament?

And so before the holding of the plebiscite, parliament was to make the decision. Consequently I wish to state once again that the government have changed their attitude and their policy, that they are adopting a new policy, that they are even adopting conscription, contrary to the decision they had taken in January last, namely, that this vital question, this question of national importance would be dealt with, judged on its merits and approved or rejected, not by order in council but according to the expressed will of parliament.

I have always opposed conscription, Mr. Speaker, and I feel that I am in good company in maintaining such a stand. Indeed as I review the policy of the Liberal party since 1914, I find that all the great leaders of that party in the province of Quebec have always opposed conscription. Sir Wilfrid Laurier himself, in July, 1917, expressed the true doctrine of the Liberal party when he stated:

> I oppose this bill because it has in it the seeds of discord and disunion; because it is an obstacle and a bar to that union of heart and soul without which it is impossible to hope that this confederation will attain the aims and ends that we had in view when confederation was effected.
>
> All my life I have fought coercion; all my life I have promoted union; and the inspiration which led me to that course shall be my guide at all times, so long as there is a breath left in my body.

Sir Wilfrid Laurier was not alone in teaching that doctrine. It was endorsed by Sir Lomer Gouin, by the Hon. Rodolphe Lemieux, a former Speaker of this house, as it is nowadays by the Hon. Adelard Godbout, premier of Quebec, and by our revered leader the Right Hon. Mr. King, who has spent the last twenty-five years expounding it. No one should be surprised if the province of Quebec, subscribing to the political doctrine we have advocated in the past and to a policy which barred conscription for overseas service, remains unalterably opposed to this war measure.

I feel that in view of the Liberal party's teachings during the last twenty-five years and especially in view of the plebiscite vote, I would not be worthy of sitting in this house as the representative of my constituents, if I were to support this conscription measure. The legislation now before us is entitled "The National Resources Mobilization Amendment Act, 1942." It strikes out of the National Mobilization Act, 1941, section 3, which reads as follows:

The powers conferred by the next preceding section may not be exercised for the purpose of requiring persons to serve in the military, naval or air forces outside of Canada and the territorial waters thereof.

Henceforth the government will be empowered by this measure appearing in our statute books, once clause 3 has been deleted, to enforce conscription by order in council. They will be empowered to send outside Canada and her territorial waters, anywhere, on all theatres of war, our recruits and soldiers who have been mobilized for military service since June, 1940, under the legal and solemn guarantee that they would never be called upon to serve outside this country.

As we are about to vote on this important measure, it is fitting to draw certain conclusions. We are now aware of the attitude of most hon. members of this house and we have to admit that it has been shown conclusively, in the light of actual requirements, that conscription of men for overseas service is not yet necessary. The Right Hon. Prime Minister (Mr. Mackenzie King) has often stated during the last few months, as he did only a few days ago, that conscription of men for overseas service is not yet necessary and that it will perhaps never become necessary. Have not most of his ministers taken the same stand and made the same statement? All of them have told us that for the time being the voluntary system is satisfactory, that we have sufficient volunteers to meet every requirement and that conscription is unnecessary.

Faithful to their age-old policy, the Conservatives told us that immediate conscription for overseas service was necessary. It is their creed and a favourite theory of theirs. They are being logical since they have taught and advocated this theory for the last twenty-five years.

As for the Liberal members from the province of Quebec, they have logically continued to respect the traditions and the consistent teachings of their leaders, against which no protest has arisen during the last twenty-five years. They have continued to oppose conscription. What about the English-speaking Liberal members? If we except a few who could be numbered on the fingers of one hand, most of the English-speaking Liberal members have supported the present policy of the government concerning the voluntary system of recruitment and most of them have acknowledged and stated that, at the present time, the conscription of men for overseas service is unnecessary. Thus has it been proved and recognized by the great majority of the members of this house that the measure we are requested to pass to-night is unnecessary. It is generally admitted that this measure of conscription for overseas service is not neeeded. Nevertheless, it will be adopted and a consription bill will be introduced in the statutes of Canada.

Mr. Speaker, although I do not wish to take up too much time, I would like to refer to the statements made by certain members of the cabinet. The Minister of Munitions and Supply (Mr. Howe) stated in the course of this debate that numerous and strong reasons existed for our country to concentrate on the supplying of allied nations with war materials, instead of neglecting this field for the purpose of sending an insignificant number of men overseas, when the total strength of the opposed armies is taken into account. Canada's task, he said, consists in maintaining a proper balance between the production of munitions and supplies and the mobilization of recruits.

The Minister of Agriculture (Mr. Gardiner) stated that under the present system of voluntary enlistments, it would be possible to raise an army of 750,000 men without conscription and that, by the end of the year, 600,000 soldiers would already have enlisted. What did the Minister of National War Services (Mr. Thorson) have to say? Together with the Minister of Munitions and Supply, the Prime Minister and the Minister of Agriculture, he made one of the strongest cases against conscription ever heard in this house. Here are a few of his statements: all the arguments of the imperialists and the tories are conflicting. Especially do these arguments mistake total war for conscription. I feel he said, that the adoption of conscription at the present time would not constitute a step toward a total war effort.

I could quote others. I could quote the Minister of Justice (Mr. St. Laurent) who, in a splendid speech, ably stated the views of French Canada; clearly showed not only that conscription is unnecessary at this time but that it would hamper our war effort and endanger national unity. And did we not hear yesterday the Minister of Fisheries (Mr. Michaud) tell us that conscription at this time would mean suicide for the Liberal party? Mr. Speaker, I have no intention of joining the suicide squad and I am quite determined to vote against this conscription measure.

I submit that in this measure the government is unfortunately departing from the principle adhered to by the Liberal party for over twenty-five years. I consider that this

measure is anti-Liberal, anti-democratic and anti-national, and that the decision on such an important matter should be left to the people, through their representatives in parliament, rather than to the cabinet. Canada is putting forth a total war effort which is satisfactory in my opinion. I support the government in their general policy of participating in this war, of helping our allies and of providing for the defence of Canada. But our country cannot be both the greatest granary and arsenal of the British empire and the best provider of soldiers for the allied armies. Our population is only 12,000,000 in round figures. Our neighbours to the south are 134 million strong and the Minister of Munitions and Supply stated in the course of this debate that the United States would equal Canada's war effort only when they have placed six million men under arms and in service on every allied theatre of war.

Our resources are limited. There is no limit to the good will of the Canadian people, it is true, still it does seem to me that certain of our opponents are desirous of forcing the government to put the whole country to fire and sword and thereby cause among the Canadian people great resentment against the Liberal party once the war is over.

There will be antagonism as between the English-speaking and French-speaking provinces. Racial strife and disunion will be rampant. National unity will be disrupted by this measure of coercion and all because the government will have listened to a minority in this country which is urging without respite, as without necessity, the passing of a conscription measure. I have purposely referred to a minority. During this debate, we have heard hon. members state that the affirmative vote given by the Canadian people on the plebiscite meant their acceptance of conscription. Whatever interpretation may be given to this measure, Mr. Speaker, I claim that the affirmative vote on the plebiscite was given by a minority only.

The voters' lists contained 6,800,000 names of men and women, and only two and a half millions out of that number voted "yes". Even at that, these two and a half millions did not specifically tell the government by their vote that they were in favour of conscription. It was a plebiscite and not a referendum on the question of conscription as the Right Hon. Sir Wilfrid Laurier requested in 1917. The right hon. Prime Minister, and a great number of other speakers told the people that by answering in the affirmative they were not voting for conscription but simply showing their confidence in the government, in the Prime Minister and in parliament which was going to discuss this matter and decide on it.

Mr. Speaker, I must conclude my remarks so as not to prolong this debate further. It was Napoleon I who, although he had re-established the law corporations which had been suppressed during the French revolution, was in favour of cutting off the tongue of any lawyer who criticized the government. In closing, let me say that I am opposed to this measure and that I shall oppose any other conscription measure, even if my tongue should be cut off.

Mr. J. H. HARRIS (Danforth): I appreciate the opportunity, Mr. Speaker, of again voicing my sentiments, on behalf not only of my constituents, but of the Canadian people, in asking, pleading, yes, and demanding that those in authority over us give us more and more of an all-out war effort. I was privileged on armistice day some nine or ten months ago to make that plea. I did so in no uncertain terms, and I should like to be privileged to do it again to-night. My sentiments were reiterated in February, March, April, May and are again to-night.

I am not so much concerned about the amendment as I am about the main motion. I feel disposed to vote for the main motion, but before I cast my vote I want to hear from the lips of the Prime Minister (Mr. Mackenzie King) that he will carry out his pledge to the Canadian people and give us action on the motion which eliminates section 3 as well as action on the mobilization act while we are here. He should not wait until parliament prorogues. To my mind, the travesty of the whole situation is that for six long weeks or more we have listened to the pros and cons of an issue which has stirred up our people in different parts of Canada. A vote is to be held toward the close of the session; recess will be declared; and then, because of the procrastination of our leaders, the country will dilly-dally along for another two, three or four months before some action is taken on something which is vital to our country. The hon. member for Wellington South (Mr. Gladstone) intimated that it might be 1943 before we, assuming our duties as members representing constituents, shall have an opportunity of voicing our opinion upon whether the government is going far enough, and perhaps some of us passing our opinion that the government is not going far enough.

I am sorry to say that Hitler has made some progress with an all-out effort on

behalf of his people. Anything less than that on our part, any half way measures will place this nation in a position similar to the positions of those other nations of which we have read. We can hardly imagine that what has happened there could happen here. To read the press is like reading ancient history, like reading of something that did not happen in our time. I wonder if we are not going to know what is going on in this world until the enemy comes up the St. Lawrence and bombards those shores, or comes up through the lakes to Kenora. Are we not going to wake up to the situation until that time? Are we going to sit and argue about what happened hundreds of years ago, as the Minister of Justice (Mr. St. Laurent) was trying to tell us a few days ago? Should we not be realists and realize what is going to happen? The Aleutian islands have been attacked and the Japs now have a base there. If we do not attend to the situation along with our cousins to the south, the Japanese will be able to make an entry there.

What are the people of British Columbia thinking? They are thinking as they have always thought, that we as part and parcel of a section of the civilization of this world should, side by side with Britain, protect ourselves. Many of these people came from Great Britain, but many others are of the race represented so well in this house by the hon. member for Skeena (Mr. Hanson). They are ready to do their part to serve this general cause. They did not vote "yes" on the plebiscite because they were afraid, because they were nervous; they voted "yes" because they had red blood running through their veins. I was going to say "red corpuscles", but they have red blood running through their veins. These people have assimilated the ideas of Canadianism, and they see a great future for everything that Canada holds dear. Not only are they ready to fight and work 100 per cent for the cause, but they feel that the elimination of section 3 should make it possible for all of us to do that. They look to us for help on that particular coast.

The people in the three prairie provinces voted "yes" on the plebiscite for a similar reason. In my opinion, they voted "yes" for conscription. There is not a list of casualties overseas that does not contain the name of someone from Alberta, Saskatchewan or Manitoba. If the records are searched it will be found that the people of these three provinces have come to the front, particularly in connection with their defence, perhaps quicker than any others. My hon. friends in front of me come from down by the sea, the maritime provinces. I do not know whether they have in their hearts and minds the ideas that were given last night to this honourable chamber by the Minister of Fisheries (Mr. Michaud). I feel that I know these people because I know some of their history. I think of them as the sons and daughters of those who came over on the ship *Hector* many years ago. Running through their veins is the blood of the highlanders who fought on the Plains of Abraham. When they voted "yes" for the plebiscite, in my opinion they voted for conscription.

We all know what the answer was in those two keystones of the arch of confederation—Ontario and Quebec. We have heard it said as to how Ontario feels. I hesitated to participate earlier in this debate because I felt that the house was getting too much of a feeling from Ontario, particularly the central part. I deprecate with all the intensity I can put into my words some of the utterances which have been made in this honourable chamber with regard to Toronto. Toronto is no mean city. The citizens of Toronto are no mean people. They contribute much. Even some Ontario members criticize the one-tenth of Canada's population which happens to be in that particular centre of Toronto. There are others who may have a little more cause to criticize because of press statements and other utterances which have emanated from that particular centre. But to them all I say, "you are doing an ill service, a disservice, when you criticize the effort and energy that the Toronto people are putting into the war effort".

The hon. member for Eglinton (Mr. Hoblitzell) has been favoured with a seat behind the treasury benches. Of course he could not put across his full message last night, but we all know where he stands. When the hon. member for Eglinton rose in his place to make his speech, in his first sentence he gave credit to you, Mr. Speaker, for finding a place and giving him time in which to speak. But before that sentence had come to a full stop, there was a suggestion that he was not having the full accord of the whips of the Liberal party who are at present charged with the responsibility of arranging the list of speakers. My point is that he represents a large body of Toronto electors, as I do, who voted "yes" on the plebiscite by twenty to one, and they also thought they were voting "yes" for conscription. So much for the people of Ontario.

I feel, Mr. Speaker, that I know my good friends in the province of Quebec. I challenge anybody to produce any sentence of mine in a period of two decades which casts any reflection on their Canadianism, on their fixity of purpose, or on their anxiety to serve this country in every field in ordinary peace time.

At the same time I make this general observation that the leadership they have been getting has not been of a kind which would tend to let them come to their own conclusions in a quiet way. True are the words of the hon. member for Bellechasse (Mr. Picard) when he said that it is the 10 per cent, these demagoguges, who are the ones that are saying things and giving leadership of a kind in the province of Quebec; but the sound-thinking people of that province—and that takes in, he said, 90 per cent of its people—have a love and admiration for British institutions and are devoted to the constitution and to British ideals, but the leadership they have been getting across the whole of Canada has not given them much to look up to.

What has the Minister of Pensions and National Health (Mr. Mackenzie), who was leading the house a few moments ago and who is not in the chamber at the moment, to his credit in the matter of leadership in the matter of unity in this whole dominion? Where does he stand in this debate? Of course he is going to vote for the elimination of section 3. But how does he stand on conscription? How does he stand on the plebiscite? We have yet to learn whether he is of the right blood and the right stuff. He has not given the leadership we would like to have, and I feel badly for the people of his province for the leadership they are getting in these difficult and trying days.

I might almost join the three prairie provinces. I did not like to hear the Minister of Agriculture (Mr. Gardiner) say from his place in the house the other day that any party in this country which would impose conscription must have no political past and would certainly have no political future. I wonder whether he would pin his faith and his action and his war effort on a political sentiment of that kind.

There is quite a diversity of opinion when one comes to Manitoba. What is the Minister of National War Services (Mr. Thorson) doing to make sure we get an all-out war effort? I would like to let the women of Canada answer that. What do the Canadian Women's Voluntary Services think of the effort he is making on behalf of Canada at this difficult time? When they of their own free will and by their own efforts were organizing the women of Canada as best they could to carry on patriotically in this war, suddenly they found themselves bereft of their name, and their objectives taken away from them, through the formation of the Women's War Services of Canada. The Canadian Women's Voluntary Services were doing all their work voluntarily, free of cost to the government, at their own expense; yet they were supplanted overnight by an organization that pays some $4,800 for a chief, $3,600 for an assistant chief, and salaries to many others. It may have been necessary to put that work in some sort of order, but would not the better way have been to use the Canadian Women's Voluntary Services, which was already in existence?

Again, referring to a committee on which I have the privilege to serve, I find that in the division which has to do with national salvage and which was under the supervision of a dollar-a-year man, one Mr. Mark Cohen, who was doing a real service to the country in that position and knew something about the business, he has been supplanted by a Mr. Laferle, at $5,000 a year. He was transportation manager for one of the large companies, but I have not yet been able to find out whether he knows a great deal about the job of work he is now doing.

The idea I want to leave with this house is that the Minister of National War Services, with his past history and his isolationist speeches in this house, and by his very make-up, is not of a kind to stiffen the backbone of the Prime Minister so that he may give us the all-out war effort that our people demand.

The Minister of Mines and Resources (Mr. Crerar), who served in the last Union government, a valuable man of great experience, has been in many grooves of thought, politically speaking, and has hopped from one to the other faster than a grasshopper out west can hop. I think one more hop from him would be a good thing for Canada, and that is if he were to hop across the Hall of Fame to the senate chamber and allow another minister to take his place. I say that with all kindliness, because I have a great deal of admiration for him, but he lacks the push and drive needed in a minister in war time. He is not as young as he used to be.

I come now to my hon. friends who twin up as the exemplification of youth in this cabinet, gallant and honourable men, the Minister of National Revenue (Mr. Gibson) and the Postmaster General (Mr. Mulock). Let them rise in their places and show their youth; let them not only show that they have running through their veins the white corpuscles of famous grandsires, but let them try to dig up a few red corpuscles also. So far in this debate we have only had manifestations of the white atom in the ministerial blood stream. I should like to see, especially in this time of stress and strain, the red corpuscles, diatoms

or dyads, coming to the surface in these two youthful ministers to prove that they are worthy sons of worthy grandsires.

My hon. friend the Minister of Labour (Mr. Mitchell), gallant gentleman that he is, served in the navy and shows some independence of thought. He has a grip on his department, but let me tell him, Mr. Speaker, that he is not simply operating a department in these serious days but is helping to decide policy on behalf of a nation that is in peril. When he put out to sea as he did in his fine speech the other day, so far, so good. It was too bad that he had to limp back to port. He did not stick to his guns, But he has a chance to redeem himself yet and to come out for an all-out war effort.

My hon. friend (Mr. Howe) who operates the greatest spending department of all in the government should have more help and assistance. I am not going to say very much about him. I would hesitate to harass any minister of the crown, and anything I do say I hope will be of a constructive nature. If it is not of a constructive nature, I trust at any rate it will be of the kind that will rouse hon. gentlemen from their complacency and impel them to more and more concerted action.

From the province down by the sea comes the Minister of Finance (Mr. Ilsley), who is doing a good job in his department, though whether or not he is more of a tax collector than a Minister of Finance is something we have yet to find out. If I could be as modest as he looks in carrying that portfolio, I would feel that perhaps modesty was a blessing under every circumstance. I say to him that he should carry out the ideals of a Minister of Finance, the ideals that he has in his mind and heart, so far as the conduct of the war is concerned. If he does, the Prime Minister will be greatly assisted in observing the pledge which he gave to the Canadian people when he spoke on this particular measure, declaring that he wished to be free. As I remember his words, he said that in the light of the discussions which would take place in the house in this debate—and he invited speeches from all hon. members—he was determined to give us action.

My leader (Mr. Hanson) on June 9 made a statement which was repeated to-night by the leader of the Cooperative Commonwealth Federation (Mr. Coldwell), and when the Prime Minister makes his statement in closing the debate I would ask him to reiterate what he said with regard to such action as would be taken after the casting of to-night's vote. I have still an open mind, in view of all these discussions, as to the way in which I am going to vote. I feel like voting for the elimination of the section, and supporting the main motion, but as regards the amendment I am not quite so sure. Once this discussion is out of the way, I hope that we shall have some action on the part of the government, which will result in revitalizing the people throughout Canada and inspiring them with the confident belief that we have an active government that will support the war effort in every possible way.

I have a couple of minutes to spare, and I will therefore come back to the Department of Munitions and Supply. I made a suggestion to the minister in charge of that department and coupled it with a suggestion to the Minister of National War Services (Mr. Thorson). The condition that obtains to-day with respect to those employed in munitions and supply is that they are taking young men of military age for the production of commodities we need in the war—munitions and supply. But old men are not wanted. On Saturday morning last a man named Francis Wilmot, about fifty years of age, applied to the John Inglis company for a position, but he was rejected on the ground that he was too old. To-day in my mail comes a letter dated July 4, from a young man. I will give the letter to the minister in confidence, because I do not want this young man to be prejudiced in his position with the John Inglis company. This letter will explain the point I am trying to make. In the course of it this young man says:

> The John Inglis Company where I am employed in . . . division, under . . . has taken notice of my application for postponement of my military duties.

This young man is twenty-two years of age, and he was called on June 30. He has eight days from June 30 in which to appear. He wants a postponement and he is of military age, but an older man of fifty years cannot get a job in the plant. The munition plants are filled with young men who should be serving in the ranks in the army. Can you build an army with men of forty to forty-five? To a degree, yes. At twenty-five I could swim a mile, but at fifty I can swim only a quarter of a mile.

An hon. MEMBER: Can you prove it?

Mr. HARRIS (Danforth): I can prove it. In your salt water, with the buoyancy, I might be able to manage a little more. However, my point is that the Prime Minister could not run one hundred yards as fast to-day as he could twenty-five years ago—

An hon. MEMBER: You don't know the Prime Minister.

Mr. HARRIS (Danforth): I could say something rather unkind but I will not. It might depend on who was chasing him. The house has the sense of what I am saying.

An hon. MEMBER: No.

Mr. HARRIS (Danforth): The older men, I contend, should be put into the munitions plants, and the younger men should be serving in the defence of their country.

Going down again to the province by the sea, we find the Minister of National Defence (Mr. Ralston), who knows pretty well the conditions that exist there, and his views with regard to the plebiscite and conscription are well known. They are not quite as clear, concise and powerful as I should like to see them driven home to his colleagues in the House of Commons. They are not quite as clear, concise and powerful, or as well driven home, as the views of the Minister of National Defence for Air (Mr. Power) who gave the honest and frank statement of a statesman. They are not as clear, concise and powerful, either, as the views of his colleague (Mr. Macdonald, Kingston City), who comes from down by the sea. He gave a frank statement and, as I understood it, he expressed himself bluntly with regard to the question of conscription. We have three more ministers, hon. gentlemen from the province of Quebec. There we have a review of the situation; there we have a picture of the Liberal party in action. So much for the treasury benches; so much for the picture of the Liberal party in action.

Then we had the speech this afternoon of the hon. member for Wellington South, and other speeches mostly from hon. members from Quebec. We had one from the hon. member for Humboldt (Mr. Fleming), and a few from hon. gentlemen from other parts of the country who were not quite sure which way they ought to jump.

I like the rugged honesty of the ex-Minister of Public Works, the hon. member for Richelieu-Verchères (Mr. Cardin). He told us in precise terms that he had divorced himself from every other consideration in his older days in the determination to stand by his people. He said he would translate to the house the ideas which actuate the people of his province. In other words, he was the mirror image and reflection of his people. I do not agree with the sentiments he expressed. I like far better the courageous attitude taken by the Minister of National Defence for Air. He is a Canadian from the province of Quebec, as is the ex-Minister of Public Works, but he also remembers that he is a Canadian first and a Quebecker second.

Where does the Minister of Justice (Mr. St. Laurent) stand? What is he? I listened and tried to understand his position, but I could not form a conception of just where he stands. I wonder what attitude he will take with regard to the defence of Canada league, or some such organization, which is at present working in the province of Quebec. The people in that province have subscribed to four principles, one of which is that they will not stand for conscription. As to the other three, hon. members will find them set out in the press. I will not trespass on my own time in order to recite them.

I wondered when I read those four clauses which it is suggested might be read from the church steps on Sunday whether the Minister of Justice will take them under review and see if they are not much more of a hindrance to recruiting than anything that fell from the lips of Colonel Drew. I am using that only as a parallel. The solid thinking people of Quebec have no leadership, have no head; they have had twenty-five years of listening to leadership of a kind that has made for disunity in this country. I think on mature reflection, after a little more experience in the Canadian House of Commons, the Minister of Justice will not carry us back to 1849, to two or three hundred years ago, as he did. That will not help in any way the unity of this country. To my mind it does not help at all; it hinders recruiting; it hinders Canada from going forward in the way she ought to go. I hope the good people of the province of Quebec will frown these resolutions down:

1. Firm determination never to accept conscription for overseas service nor any measure which leads thereto or renders its application possible;

2. To demand of the government that it do not amend article 3 of the mobilization act;

3. To recall to the government that the adoption of any such measure of conscription will forever compromise the unity of Canada; that it may perhaps lead French Canadians to doubt the accuracy of the allied war aims because the government will assume an attitude contrary to that defined in the Atlantic charter by Roosevelt and Churchill;

4. To give to the present resolution the greatest possible publicity in order to inform the public, either by reading the resolution at the doors of the church on Sunday or by distributing copies or by publishing it in the local and parochial press or by means of posters.

I hesitate to mention the church of any denomination, but I take my lead from the Minister of Justice when he referred to the church in this chamber and what the church thought about things.

I ask, who is the King of Canada at the present time? King George. When the oath of office is taken, hon. members who occupy a seat in this chamber swear allegiance to King George. Whom then are we fighting for? Are you going to fight for your king, or are you going to go back on your oath of allegiance? Listening to some of the speeches in this house or reading the translation of some of them, I say with due respect to my colleagues that in the heights of eloquence to which they rose some of them forgot the oath of allegiance which they had taken. They forgot where they are heading. These leaders who will make these speeches on the church steps about these four resolutions, where are they going to lead you? Can you go to the United States? You do not want to go to the United States; your church does not want you to go there. The Minister of Justice will remain here in Canada; he is of Canadian birth. Do my hon. friends from Quebec want to have an independent republic within the confines of Canada? By no means. We can work together, but we cannot do so if a leading minister of the crown states from his place in this house in effect that, "we are impossible of assimilation". That is not so. I know it is not so. From the very depths of my soul I say, after twenty years here and after doing business for over thirty years with people of Quebec, that assimilation is possible. Some of my best business associates and friends are French Canadians. If, Mr. Speaker, you will pardon a personal reference, an associate of mine earns a salary by teaching the French language. That is the way we can get along together. I say to the Minister of Justice, do not speak about the possibility of separation. I am glad to see the minister shaking his head, saying "no". I exhort all my fellow members when making speeches to remember that they swore to be faithful and bear true allegiance to His Majesty King George VI, but bear that allegiance and do that work side by side with your fellow Canadians of English-speaking origin and side by side with Britain in an all-out war effort. Hitler trampled on the nations which were giving a half-out effort. Do not let it be said that we Canadians in our day and generation in like manner gave only a half-out war effort and found ourselves trampled under his feet. When Mr. Churchill spoke to us in this chamber, his last words were, "Hitler asked for total war; let us give it to him."

Mr. SPEAKER: The question is on the amendment. Those in favour of the amendment will please say "aye."

Some hon. MEMBERS: Aye.

Mr. SPEAKER: Those against the amendment will please say "nay."

Some hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the "nays" have it.

Mr. ROY: I ask that the vote be registered.

Mr. SPEAKER: It requires that five members shall stand in order to have a recorded vote, and since only two are standing, I declare the amendment lost. The question now is on the main motion.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in bringing to a conclusion the debate on the second reading of the bill which is before the house, I do not intend to review in detail the arguments which have been presented from different sides. In all that has been said, I have found no reason to alter any of the statements or opinions I expressed in introducing the bill on May 11, and in opening the debate on the second reading on June 10.

I believe the debate itself has more than justified the wisdom of the course the government has adopted in bringing before parliament for consideration, the methods of raising men for service overseas.

It has been recognized from the outset that the question is highly controversial. Had its controversial character been the only factor of which the government was obliged to take account, the task would have been comparatively simple.

In opening the debate, I stated that changed conditions in the character and scope of the war were sufficient of themselves to make necessary at this time the fullest consideration of the question by parliament. I carefully refrained from saying anything of other factors which had forced the issue in a manner which has served to emphasize rather than to lessen its controversial character. I still propose to refrain from saying anything about this particular aspect of the controversy beyond drawing the attention of hon. members to how wholly unnecessary and misleading it has been.

In the present war, the issue of conscription for service overseas was first raised, not in parliament by the responsible spokesman of any political party, but outside parliament altogether. The effort to make it a political issue became evident a little over a year ago in the course of my visit to western Canada.

On each occasion when the issue was pressed to the fore, the method adopted was the same.

An attempt was made to identify the single question of the method of raising men for service overseas with "a total effort". It was asserted that the need was an immediate one, and would have to be met immediately.

Conscription for overseas service was certainly not necessary when the agitation was started in Calgary, over a year ago. At that time, those who were responsible for the agitation asserted that conscription for overseas service had become imperative. It certainly was not necessary at the time the new leader of the Conservative party issued his manifesto for National government and an all-out effort. It certainly was not necessary when, as a part of the same campaign, the committee of two hundred in Toronto sought to identify "total effort for total war" with the immediate introduction of conscription for overseas service. It certainly was not necessary at the time the government's intention to hold a plebiscite was announced in parliament. Nevertheless we were told by hon. gentlemen opposite that, considering how long the plebiscite would take, the government should be censured, and the plebiscite itself condemned. It certainly was not necessary at the time of the by-elections in Welland, in York South, in St. Mary's, Montreal, and in Quebec East, though we were told, at the time, by its advocates that conscription was the real issue of those campaigns. It is now clear that conscription for overseas service was not necessary at the time the result of the plebiscite was announced.

In the present debate there are two things which have been proven beyond all shadow of doubt. The first is that the use of the method of compulsion for raising men at any time up to the present, has not been necessary to obtain the men required for overseas service in any of the armed forces of Canada; in the air force, in the navy or in the army. The second is that the totality of Canada's war effort would not have been, in any particular, increased, through an extension of the principle of compulsion to service overseas. Indeed, by resulting dissension, it might have been considerably reduced.

I mention these facts first of all to make perfectly clear that the government has meant what it has said when it has stated, as up to the present it consistently has, that conscription for overseas service was not necessary, either on the ground of obtaining the necessary recruits, or to enable the government to meet its objective of a properly balanced total war effort.

I mention these facts, also, to make perfectly clear that in asking, as is being done by the present bill, that, subject only to its responsibility to parliament, the government should possess complete freedom to act in accordance with its judgment of the needs of the situation as they may arise, the government is doing so not in response to political pressure or popular clamour in any part of the country. The government is asking for this freedom solely because it is of the opinion that, at this time of gravest crisis in the world's history, it is in the national interest that the power should be possessed by the administration.

There is nothing to which some of my political opponents have devoted more of their time and attention than in seeking to make the public believe that, as the head of the administration, I have been actuated primarily by considerations of party interests. It is represented that my aim, above all else, has been to maintain the unity of the party which I lead, in order that I may retain office at the head of a party administration. I do not deny that I have, at all times, striven to maintain the unity of the party which has honoured and entrusted me with its leadership. I owe that duty not only to the party but also to the country, more particularly as my following in this House of Commons is the foundation of the administration which was entrusted by the people, in war time, with the task of government. However, I deny most emphatically that, at any time in the course of my public life, I have ever placed any interest of party above the national interest. Least of all have I had any such thought in conducting the affairs of the country at this time of war.

It surely cannot be said that, in asking by means of a plebiscite for release from any obligations arising out of past commitments, I was acting from motives of party advantage. Nor can it be said that in introducing the present bill at the time it was introduced, I was seeking, as some hon. gentlemen opposite and their press continue to say of me, to appease the large following I have in the province of Quebec, and in virtue of which, they like to say, I am able to keep myself in office.

In the last general elections, I did win the support of the province of Quebec to the extent of all but one of its entire representation in this house. Perhaps this might not be an inopportune moment to remind hon. members and the country that apart altogether from the political support obtained from the province of Quebec, I was accorded, in the other provinces of Canada, a considerable majority over and above that of the combined representation in this House of Commons of the Conservative party, the Cooperative Commonwealth Federation and the Social Credit party. Indeed the supporters of the

government from the provinces other than Quebec number all but half of the total membership of this House of Commons. Secure as I have felt in the confidence thus accorded me by the Canadian people as a whole, I have considered that it increased my obligation to endeavour to see that all questions of national importance were determined solely in the national interest. This, I have felt, was a special obligation of the Prime Minister at a time of war.

I have had no more trying experience in my political life than the realization that the course which I believed it was in the national interest for the government to follow at this time was one which would occasion a division in the ranks of my loyal followers. On the other hand, realizing Canada's position as I see it in the present world crisis, I should have felt as false to the interests of every member of my own following as to the country itself, had I not sought from parliament at this time the powers which the bill asks should be given to the administration.

I have no doubt whatever that the events of the war will more than justify the course which the government has thus far pursued, and is pursuing to-day. I know that the government's present course is already justified in the eyes of the very large majority of the citizens of Canada who have expressed the view that the government should have complete freedom in meeting the different situations of the war as they may arise. I believe that the wisdom of the government's course will become equally apparent to most, if not to all, of those who have been unwilling, or still hesitate to trust the administration with so wide a measure of discretion. The results of the plebiscite showed that, as respects the application or non-application of conscription for overseas service, the vast majority of the people of Canada were prepared to trust the judgment of the present government. I should not like the debate to conclude without expressing, on behalf of my colleagues and myself, our appreciation of so great a trust.

It is true that the present bill is a logical sequence of the plebiscite, but its origin is not to be found in the results of that measure. Because the results of the plebiscite have, by some, been represented as a mandate for conscription for service overseas, the significance of the present bill has, as a consequence, been distorted in the eyes of others. Both the plebiscite and the bill have, in fact, a common origin. Each owed its existence to the policy of the government as set forth in the speech from the throne at the opening of the present session of parliament. Each was a necessary step, but only a step in the accomplishment of that policy.

This is the statement of policy as it appears in the speech:

> The government is of the opinion, that at this time of gravest crisis in the world's history, the administration, subject only to its responsibility to parliament, should . . . possess complete freedom to act in accordance with its judgment of the needs of the situation as it may arise.

The one and only particular in which the administration was not free to act in accordance with its judgment was with respect to the methods of raising men for military service.

So far as the government's policy as expressed in this bill is concerned, it is not a new policy; it is identical with the government's policy as set forth in the speech from the throne, which parliament approved by the adoption of the address. Because of prior commitments regarding the methods of raising men for military service overseas, the necessary freedom could only be secured in two stages.

The one stage was to seek from the people release from a moral obligation arising out of past commitments, and the other stage, to seek from parliament the removal of a limitation expressed in existing legislation. The former—the release from the moral obligation—was sought and obtained by the plebiscite; the latter—the removal of the legal restriction—is being sought, and I hope will be obtained, by the present bill. But while the second step—the bill which is now before the house—was a logical sequence of the results of the first step, namely, the plebiscite, it does not owe its origin to that measure, but to the policy of the government as set forth in the speech. And may I say to my hon. friend and former colleague the ex-Minister of Public Works (Mr. Cardin) that he was with me and with all of my colleagues at the time when the policy was settled, and he agreed with all of us at the time that it was a desirable policy for the government.

The government's policy as set forth in the speech from the throne was due not to any political pressure or popular clamour but to what the government, as a result of the changed conditions of the war, had come to recognize as the only sound policy "at this time of gravest crisis in the world's history."

In all sincerity, may I ask would any other policy be justifiable in the face of conditions as we have seen them develop from month to month, and from year to year since the commencement of the present war, and as we know them to-day? If after almost three years of conflict, the course of the war had been different; if, for example, Germany, after

overrunning the most of Europe, had been driven out of some, or even one of the countries she has subjugated; if Germany was now more concerned with her own defence than bent, as she continues to be, upon further conquest; if Japan had remained out of the war, instead of challenging the might of the United States, as well as that of the British commonwealth and other of the united nations, there might have been reason to question the need for removal of any limitation upon the complete freedom of the administration to act in accordance with its judgment of the needs of situations as they may arise. But when the very opposite is the case, when the war, instead of remaining upon a single continent has become a war which is world-encircling, embracing all continents as well as all oceans, a war in which all of the great powers of the world have either been partly destroyed, or are fighting for their very existence, and in which the survival of civilization itself is at stake, would it not have shown a lack of responsibility had the government not sought from parliament, in plenty of time, the widest possible powers to cope with any and every situation as it may arise?

A government is responsible not only for what it does, but for what it fails to do. A like responsibility, it seems to me, rests upon the parliament of the country, once its members are appealed to by the government to assist the administration in helping to accomplish the defeat of the enemy, and thereby to preserve the nation's security, and it may be its very existence.

On June 11, the former Minister of Public Works, objecting to the introduction of the bill at the present time, exclaimed, as reported in *Hansard* at page 3277:

> In the name of heaven, what is the use of having a dead principle in our statute books?

My hon. friend, in asking that question, was thinking only of the application of conscription for service overseas. He entirely overlooked one very important aspect of the bill. The present bill seeks to remove the limitation on compulsory military service outside Canada and its territorial waters. It will not only remove the statutory limitation on compulsory service overseas; it will equally remove the restriction on compulsory service elsewhere in this hemisphere. In so far as service in other parts of north America and the adjacent islands is concerned, the amendment of the mobilization act, once it becomes law, will in no sense be "a dead principle in our statute books."

At any moment, its application may become an urgent necessity. Recent events, no less than a glance at the map are enough to disclose that, in a tactical sense, the defence of our east and west coasts is inseparable from the defence of the adjacent territories of the United States. We have recognized from the beginning of the war that the same is true of Newfoundland and Labrador. To strengthen our own immediate defences, it will be necessary to extend the scope of compulsory service to these areas. In the event of actual hostilities on any considerable scale in this hemisphere, any restriction on the movement of troops back and forth between Canada and neighbouring territories would be intolerable.

It is true that before the plebiscite was held, I said that the government, in an emergency, would authorize such action by order in council under the War Measures Act, and would later ask parliament to amend the mobilization act. But that surely is an undesirable method to employ if parliament has the time to give to the government the necessary authority in advance.

Moreover, the government has equal power to follow the same procedure in the case of compulsory service overseas. It is because of its deep sense of its responsibility to parliament, that the government is seeking, for the one case as for the other, the requisite authority from the present parliament.

The debate has shown that objection to the present bill is due in the main to one of four reasons. There may be others, but they have not been set forth in a pronounced way in any of the speeches which have been made.

The first two of these reasons for opposition represent the extremes of widely divergent points of view. At the one extreme are those who object that the bill does not go far enough. At the other extreme are those who say that the bill goes too far. Those who hold to the first of these extremes wish to have the principle of conscription applied immediately to service overseas, regardless of whether or not compulsion is needed to obtain the necessary enlistments, and regardless as well of prejudicial consequences which might arise from an unnecessary application of conscription to overseas service. Those who hold to the opposite extreme are unwilling to have the principle of conscription applied to service overseas not only immediately, but at any time, and this regardless of the consequences whatever they might be.

In referring to those who take this extreme view, I wish to differentiate sharply between hon. members who are in accord with the government's policy of a total war effort, but who honestly and sincerely believe that conscription for overseas service will not increase our total effort, and might even

serve to prejudice that effort, and those others, happily very few in number, who have indicated clearly by their attitude, not only in the present debate but in the past, that they are prepared to see Canada risk defeat rather than accept conscription for service overseas. In 1937, in 1938 and in 1939, some of these hon. members opposed the preparations for the defence of Canada because they maintained that Canada was in no danger. If I interpret their words aright, they are still prepared to overlook the designs of the enemy, and to discount his strength, despite the fact that his design of world conquest is increasingly clear, and despite the continued success of his arms. They are prepared to leave to others to do for Canada, for their homes and their families what they are unwilling to do not only for others, but even for their own country, and for themselves. They refuse to see the need to bring about the destruction of the enemy as speedily as possible, and as far as possible from Canada. They are prepared to risk subjecting the Canadian people to the fate of those countries which, in such numbers, have already experienced the terrors of invasion, and of conquest, by a ruthless and relentless foe.

The members who are thus unwilling to look beyond the shores of Canada have referred repeatedly to Australia which country, at an earlier stage in the war, sent troops overseas, and has since been obliged to recall some men for her own defence. But why did Australia send her troops overseas if it was not that she recognized the need of a collective defence? Why, may I ask, was the United States so ready to send an army and naval forces to Australia in her hour of need? Was is not because the United States realized that unless the enemy were defeated overseas, he would have to be defeated on American soil; and was it not also because Australia had earned the respect and help of other nations by sending her armed forces overseas against the common enemy?

And here let me protest equally against the deliberate misrepresentation of Canada's position which continues to come from many who represent the other extreme. Some hon. members opposite have said, and the press which supports them keeps repeating the statement, that the government is unwilling to send men overseas. They seek to create the impression that, because Canada has had no occasion to resort to conscription for overseas service, that no Canadian troops are being sent overseas. This obviously is being said solely for political purposes, for they know full well that such is not the truth, and that a false impression is thereby being created.

Mr. HANSON (York-Sunbury): Will the right hon. gentleman point out a single speech by any member of this party to the effect which he has just now stated.

Mr. MACKENZIE KING: Yes. The hon. gentleman, sitting I think two seats behind my hon. friend, said the other day that I was not willing to have men sent overseas. His speech was quite clear on that point, and he made the statement in this house.

Mr. DIEFENBAKER: If the Prime Minister is referring to me, such a statement was never made by me, directly or indirectly.

Mr. ROSS (Souris): Or by any other member.

Mr. MACKENZIE KING: I was going to quote what my hon. friend had said to-night, but I refrained from doing so, not wishing to bring any hon. member's name into the discussion. But when the leader of the opposition (Mr. Hanson) asked me to name any one member of this house who had made a statement of the kind, I was obliged to make the reference I did.

Mr. STIRLING: That does not make it right.

Mr. MACKENZIE KING: I shall give my hon. friend the quotation.

Mr. ROSS (Souris): Put it on *Hansard*.

Mr. MACKENZIE KING: I shall put it on *Hansard* to-morrow.

Mr. ROSS (Souris): Put it on *Hansard* to-night.

Mr. DIEFENBAKER: I ask the Prime Minister to withdraw his statement or to produce the statement alleged to have been made by me.

Mr. HANSON (York-Sunbury): On a point of order, the Prime Minister must accept the member's statement or quote that statement which he alleged was made. I heard the Prime Minister's statement with the greatest surprise. I have followed this debate most intently, and I do not recall any such statement on the part of anybody in this house.

Some hon. MEMBERS: Withdraw.

Mr. MACKENZIE KING: If I might be permitted to proceed.

Mr. HANSON (York-Sunbury): I think we ought to have a ruling.

Mr. MACKENZIE KING: I do not propose to do other than proceed with my speech at the present time.

Mr. HANSON (York-Sunbury): Then I suggest that the right hon. gentleman—

An hon. MEMBER: Sit down.

Mr. HANSON (York-Sunbury): Who said "sit down?" I have the right to rise on this question, and no member of the government or anyone else has a right to tell me to sit down. The Prime Minister must accept the statement of the hon. member for Lake Centre (Mr. Diefenbaker) or produce the evidence upon which he bases his assertion. I do not recall anything of that sort from any hon. member on this or any side of the house.

Mr. POULIOT: An hon. member is supposed to withdraw any language that is unparliamentary. When a statement is made in parliamentary language by an hon. member and it is denied by another hon. member, the matter is closed.

Mr. SPEAKER: A point of order has been taken, and the Prime Minister has indicated that he would like to continue his speech. I suggest that the Prime Minister be allowed to complete his statement, and then the matter can be taken up.

Mr. HANSON (York-Sunbury): With great respect I suggest that that is not good enough. The Prime Minister made a statement and, when challenged to name the hon. member concerned, he indicated the hon. member for Lake Centre. The hon. member for Lake Centre denies specifically having made any statement such as that attributed to him. The Prime Minister must accept that statement and withdraw.

Mr. POULIOT: That is not according to the rules of the house.

Mr. MACKENZIE KING: If the leader of the opposition will allow me, I shall now read the statement to which I made reference. It will be found on page 3329 of the House of Commons debates of June 15, 1942, in the first paragraph of the hon. member's speech. He said:

> Up to the present time the only two ministers who have spoken in this debate on behalf of the government have been the Prime Minister (Mr. Mackenzie King) and the Minister of Agriculture (Mr. Gardiner), both of whom have consistently opposed military service overseas, and from whom, having regard to the speech to which we have listened to-day, we cannot ever expect in my opinion to have military service overseas regardless of what the people may demand.

Mr. ROWE: That is not at all what the Prime Minister said.

Mr. MACKENZIE KING: May I say—

Mr. DIEFENBAKER: There is no such inference in that at all.

Mr. MACKENZIE KING: This statement that I have consistently opposed military service overseas is made in the face of the fact that I have since the beginning of this war done all that lies within my power to see that the largest possible number of men were sent overseas in the navy, the air force and the army; and the numbers of men who have enlisted for service anywhere in the world to-day is the answer I make to the member who has just interrupted.

Mr. DIEFENBAKER: Mr. Speaker—

Some hon. MEMBERS: Order.

An hon. MEMBER: Apologize later.

Mr. SPEAKER: Order.

Mr. DIEFENBAKER: There is nothing to apologize for. On a question of privilege, Mr. Speaker, the context shows that the reference was entirely to compulsory service for overseas.

Mr. MACKENZIE KING: But what is the result? False impressions are thereby also being given to other countries. This is most detrimental to Canada, and is most unfair to Canada's magnificent army overseas.

No one can object to the honest advocacy of conscription by those who believe sincerely that it will advance the country's war effort. But surely there are better ways to advocate conscription than by belittling the Canadian army, and seeking to create the impression that because the men who are steadily going forward have offered their services voluntarily, Canada is not sending troops overseas.

Both extremes, for opposite reasons, are helping to create the wholly false impression that Canada is not sending or is not willing to send her men to meet and defeat the enemy overseas. Both, for political ends, are prepared to discredit their own country in the eyes of the world.

These two extremes can never be reconciled. The debate must have made it wholly clear even to those who support either extreme, that the adoption of their views would only serve to weaken, and perhaps to destroy, the national unity which all should wish to see maintained. It would be equally destructive of an effective war effort.

Were this House of Commons, on grounds of national necessity, or for any other reason, obliged to yield to either extreme, many hon. members might well find their present position one of considerable embarrassment. Their embarrassment, however, both in the present and in the future, is more likely to arise, indeed, is, I believe, certain to arise, should they fail to lend their support to a policy which avoids extremes, and which, at this time of war, alone gives hope for the preserva-

tion of national unity. National unity, it seems to me, can best be preserved by hon. members giving to the government charged with carrying on Canada's war effort, the support which the government must receive from parliament, if its great responsibilities are to be discharged in a manner which will truly serve the national interest.

If, in reference to the very difficult question of service overseas, anyone can conceive of a policy which is better calculated to serve the national interest than the one the government has formulated, and which is clearly and concisely expressed in the words: "Not necessarily conscription, but conscription if necessary", I shall be first to advocate its acceptance. I can only say that nothing of the kind has been proposed by any hon. member in the course of the debate. Nor do I believe that anything better can be suggested. Indeed, the events of the war, as well as all that has been said in the course of the debate, should have made it wholly apparent that, all circumstances taken into account, it is the only sound policy.

We are not dealing with theories, either of government or of war, upon which, without grave risks to themselves and others, men can afford to continue to differ. We are faced with conditions which actually exist, and which have to be met. They must be met with as large a measure of general consent as may be possible, if both Canada and our allies are not to suffer. It is from this point of view that, regardless of any position thus far taken with respect to the present bill, I now ask all hon. members to view their obligations alike to their constituencies and to Canada.

I said that objection to the bill had been raised on four grounds. I have dealt with the first two. Those who oppose on other grounds do not differ fundamentally with the policy of the government with respect to service overseas: "Not necessarily conscription but conscription if necessary". But they assert that, if the bill is to receive their support, something more is required. The assurance demanded, in the one case, is that if provision is to be made for the conscription of men for service overseas, then provision must equally be made for what is generally termed "the conscription of wealth"; that the two must go together. That, as I understand it, was the purport of the amendment proposed by the leader of the Cooperative Commonwealth Federation group.

First of all, may I say to my hon. friend the leader of the Cooperative Commonwealth Federation group, and to those who share views similar to his own, that the power to conscript wealth at whatever time, and to whatever extent may be deemed advisable and necessary, is already in the act which the government is asking parliament to amend, not by further limiting its provisions, but by extending their application.

The power to conscript wealth will remain unrestricted. There are no limitations upon this power other than such as may result from the judgment of the government in exercising its discretion. The legislation itself as I have pointed out is enabling legislation, and as respects both the conscription of wealth and conscription of man-power will, if the bill is adopted, remain enabling legislation. The government in both particulars will be free to exercise its discretion as the needs of the war may demand.

I need not, I know, remind hon. members that the ground on which, on its second reading, a bill merits support or rejection, is one of principle. It is not a question of additions to or subtractions from its provisions. These are matters to be dealt with when the bill is in committee. What, so far as principle goes, the government is seeking by the bill is exactly what the leader of the Cooperative Commonwealth Federation implies the government should have, namely, complete freedom, subject to its responsibility to parliament, as respects the application of conscription in any direction. To impose conditions of any kind upon the exercise of the government's discretion, other than such as attach to its responsibility to parliament, is to destroy altogether the all-out freedom of action by the administration which it is the principle of the bill to secure.

If this year's budget does not serve to convince hon. members and the people of Canada generally of the government's readiness to conscript whatever wealth is necessary to distribute the burden of Canada's war effort as equitably as possible, it is difficult to imagine what more in the way of assurances to this end would be regarded as adequate.

I come now to the last of the reasons which have been urged by some for not supporting the bill, and by others for hesitating to give their support until the government's exact intentions are more fully known.

From both sides of the house, objection has been raised to the possibility of resort to conscription for overseas service at some future date without a further reference to parliament. When, however, hon. members speak of coming again to parliament, some appear to have one thing in mind; and others quite another.

All are agreed that the present bill, if enacted, will give to the government the

power to make conscription applicable to service outside Canada, whenever and to whatever extent in the judgment of the government it is necessary and advisable. Some contend that should the government decide that conscription for overseas service has become necessary and advisable, the government should before any action is taken, announce its decision to parliament, and, at that time, by further legislation, define the terms and conditions of such service, or at least permit a second debate on the question of its immediate application. There are others who do not advocate a second debate on conscription, much less further legislation, but who maintain that a due recognition of the ministry's responsibility to parliament demands that, as soon as possible after the government's decision has been reached, it should be communicated to parliament, and before effect is given thereto, that opportunity should be given hon. members for an expression of their views.

May I say, as emphatically as I can, that in no case would I wish to countenance a second debate on conscription.

In setting forth the reasons why the government had not proceeded by stages, in removing the limitation in the mobilization act with respect to service outside Canada, I made the statement that such a course would not have met the purposes of the plebiscite as outlined in the speech from the throne, one of which was to ensure to the government complete freedom of action, subject only to its constitutional responsibility to parliament.

I gave, however, another and very important reason. I said that to amend the act in any particular would necessitate a debate in both houses of parliament—a debate moreover which would inevitably be a debate on the question of conscription; that this would mean going all over the same ground again. Speaking on this aspect of the matter on June 10, I said:

> Unnecessary discussion and prolonged debate in parliament at a time when our country is hourly being drawn into greater danger would not serve to place Canada's war effort in its true light, either before our own people, or before the people of other countries, nor would it gain respect for parliament.

Whatever may have been said or thought of the truth of this statement at the time it was made, after all that has since been said in the course of the present debate, for and against conscription for service overseas, it will, I think, be agreed that on this question little more, if anything of value, could possibly be added. It must now be wholly apparent that this House of Commons itself, not to speak of the country, would be impatient of any attempt to traverse the same ground anew; and that public opinion would strongly resent any such procedure.

It is well, therefore, that it should once again be clearly stated that while this bill does not, regardless of circumstances, commit the government to conscription for overseas service, parliament, by enacting this bill, is placing it within the discretion of the government to impose conscription for service overseas, if, in its judgment, the needs of the situation as they may arise should so demand.

This is one of the reasons why the government has been ready to allow to hon. members on the second reading of the bill, the fullest latitude to discuss from all possible angles, and on all possible grounds, the question of the application of conscription to service overseas, and has not sought, in any way, to curtail the debate. It would be unreasonable to suppose that a like opportunity could be afforded at any other time.

If, at some future time, it became necessary in the judgment of the administration to apply conscription for service overseas, that step, it is to be presumed, would be to meet a situation which would permit of little, if anything, in the way of debate. Debate would involve delays at a moment when time had become a vital factor. Knowing that this is likely to be the case, had the government sought to postpone debate on overseas conscription until the hour of an emergency, hon. members might well have complained that on so controversial a question they were not being treated with the consideration to which the representatives of the people were entitled. It might have been said that their hands were being forced.

There is an additional reason why the debate on conscription for service overseas should take place upon the present bill rather than at a time—should the situation so demand—that the government may have reached the decision that the application of the compulsory method to military service overseas has become necessary. That reason is that the need would almost certainly arise in circumstances in which military considerations would prevent the disclosure in open debate of the factors on which the decision of the government was based. The government's judgment in the matter will necessarily depend, in very large part, on military information of the highest degree of secrecy. There is nothing more important in the movement of troops at a time of war than that all matters pertaining thereto should be surrounded with the utmost secrecy. Moreover it is not only Canada's position, and considerations of

special interest to Canada, that have to be taken into account. Very careful account has to be taken of the hostile use the enemy may make of information disclosed, and of how far any disclosures on military matters may affect the position of every one of the united nations.

It has, I think, been made abundantly clear that, so far, at least, as the present administration is concerned, any decision respecting conscription for overseas service will not rest solely with the military authorities, but that any action taken under the present bill must and will be authorized by the Governor in Council. In other words, the decision will be the decision of the cabinet, subject always to its responsibility to parliament.

I have also already given to hon. members an assurance that all relevant factors would be taken into account by the cabinet in reaching a decision.

In speaking in this house on the purpose of the plebiscite, I said as reported in *Hansard* of February 25, 1942, at page 830:

> What we shall do at any particular time will depend upon the course which we think at the time is necessary and advisable, and most effective in Canada's war effort. That decision is not going to be made in the light of any one factor. It is going to be made in the light of all conditions as they exist, and as they are known to the government at the time.

And later:

> The government is going to do the thing that it believes is going to further to the uttermost Canada's war effort, all circumstances considered.

I added:

> May I say that when I say "all circumstances considered", I have in mind the conditions as they exist in respect to the war in different theatres, and the conditions as they may exist in Canada itself.

It is perhaps well that I should remind hon. members that these statements were made as early in the present year as February 25. They were repeatedly referred to in the course of the campaign on the plebiscite in explanation of its objectives, and of how the government proposed to exercise its power, if given a free hand. It cannot therefore be said that the government's policy, as it finds expression in the present bill, was not fully known both to parliament and the public, before and during the time the plebiscite was held.

As to the right thing being done by the government at the right time, and in the right way, that, it seems to me, as I said in opening this debate, necessarily comes to be a matter of the degree of confidence which parliament and the people have in the administration charged with the responsibilities of carrying on the war. This does not constitute a reason for a second debate on the conscription issue. It is, however, the strongest of reasons why a government, once it has reached a decision that the needs of a situation demand a certain course of action on which opinion may be divided, should take the earliest possible opportunity of making perfectly sure that it enjoys the confidence of parliament, and that it may rely with certainty upon the support of parliament in giving effect to the decision reached. Especially is this the case where widely divergent views have previously been expressed in the country, and also in parliament, on the wisdom of any discretionary power being given the administration; and where it is to be expected that differences will still exist concerning the wisdom of the decision.

A second debate on conscription is one thing. A vote of confidence in a government before it undertakes to enforce a particular course of action is quite another and wholly different thing.

If an administration is to begin to carry out its duties in the prosecution of a war, it cannot afford to be left in any doubt, at any time, as to the adequacy of its support by parliament, and least of all in a time of peril. The assurance of the confidence of parliament is particularly necessary to the leader of a government where there is the slightest reason for him to doubt the extent to which he may be able to rely upon the support he will receive in the House of Commons.

In the speech from the throne, it was stated that the government was of the opinion that, at this time of gravest crisis in the world's history, the administration, subject only to its responsibility to parliament, should possess complete freedom to act in accordance with its judgment of the needs of the situation as they may arise.

As to the importance to be attached to the words "subject only to its responsibility to parliament" as they appear in the speech from the throne, there may well be differences of view. The responsibility of the ministry to parliament would be the same whether these words were there or not. Their presence in the speech would seem, however, to endow them with special significance.

How important may be the significance to be attached to them, each hon. member will necessarily decide for himself. For myself, and in this I speak only for myself, holding the views I do, and the views I have always held concerning the responsibility of the executive to parliament, I do not believe that this House of Commons would feel it had been shown the degree of confidence it had

a right to expect from the ministry, if, in a matter of so great concern to the whole of Canada, the government were to act before so important a decision had been made known to the house.

While it is true that if the present bill becomes law, the administration will possess complete freedom to act in accordance with its judgment, I can imagine what would be said by some hon. members opposite, and indeed by many hon. members on this side of the house as well, if, with parliament in session, and before acquainting hon. members with the decision of the government, I were to sign an order in council putting into effect conscription for service overseas, and immediately thereafter were to come to this house and inform hon. members of the action the government had already taken.

If the need should arise for sending overseas as reinforcements men called up under the National Resources Mobilization Act, the procedure should be as open and above board as it can possibly be made. Unless it is understood that parliament will be informed in advance, all kinds of suspicion will be aroused and all sorts of rumours will be in circulation from day to day.

The right of the public to be informed of the decision of the government before it is enforced was set forth clearly in the address I made in opening the plebiscite campaign on April 7. Speaking on this very matter in a nation-wide broadcast, I said:

> The people of Canada are not going to hesitate to take any steps which they believe to be necessary for the preservation of their freedom. They are certainly not going to hesitate to adopt any measure needed to preserve their national existence, but they will wish to know, and they have a right to know, that before any step is taken, that step is necessary. This is particularly true in the case of a measure which has been the subject of bitter controversy and the source of disunity in the past.

I intend, therefore, if the time should come when the government decides that it has become necessary to send overseas men who have not volunteered for general service, and I should be in office at the time, to ask my colleagues to join me in seeing that parliament is immediately informed of the government's decision. If parliament is not in session, I would do whatever lies within my power, to see that parliament is informed as soon as possible after the decision has been reached.

I intend, at the same time, to see that, before the administration assumes the additional responsibility of enforcing its decision, hon. members are given an opportunity, not for any second debate on the question of conscription, but of showing their confidence or want of confidence in the administration.

In following this course, I hope it will be agreed that I am fulfilling the spirit of an earlier undertaking given to parliament on February 25, that "when we find that we cannot raise the required numbers of men for enlistment overseas by the voluntary method, and it is absolutely necessary to raise more men by other methods, then we will make our decision, present it to parliament, and have it discussed on its merits". The debate on the merits of conscription has, of necessity, come on the present bill. What really is important hereafter is that the government's decision should immediately be presented to parliament, and that the government should be prepared to stand or fall on its decision.

It may be said that such a course will involve a delay; and that what is needed is action. It will quite rightly be said that if action had not become imperative, the government would not have reached a decision. Such an objection might justifiably be raised if a second debate were to be permitted on the question of conscription. It is not, however, an objection to the course proposed. If the government decides that it is necessary to apply conscription for overseas service, there need be no delay in enforcing that decision. And unless it became apparent that the ministry had ceased to enjoy the confidence of this House of Commons, there would be no delay.

Even if parliament is not actually sitting, it can be brought together in a few days. Under our war-time practice of adjourning rather than proroguing the session, there would be no opening formalities. There would be no need of further legislation, merely an expression of confidence in some form. It is virtually impossible to conceive of a situation in which the lapse of a week will affect sending reinforcements overseas, since arrangements to that end could proceed concurrently with the reassembling of parliament. As the former Minister of Public Works himself suggested on June 11, as reported in *Hansard* at page 3277:

> In seven days, conscripts are not going to be sent overseas. . . . Nothing would prevent the government from preparing the machinery the moment they decide to have recourse to conscription.

Debate of course would have to be curtailed. Following precedents established at Westminster, I would feel that, if any, at most a very short time should be allotted for discussion.

No matter how drastically discussion might have to be restricted, every member by his

vote would have the opportunity to express his confidence or lack of confidence in the government. There need, in fact, be no debate.

Within the past week, a resolution of non-confidence in the government was debated in the British House of Commons. It arose as a result of criticism directed against Mr. Churchill on account of his continuing to hold the office of Minister of Defence in addition to that of Prime Minister. The debate was definitely limited in time. In less than two days, hon. members found ample opportunity for an expression of their views.

As to the means by which this house, with respect to the government's decision, could be given the opportunity to express its confidence or lack of confidence in the administration, hon. members are well aware that it is possible at any time for any hon. member to move a vote of want of confidence on a motion to go into committee of supply. Should the government deem it advisable to proceed by that method to ascertain the opinion of the house, the government would so arrange. If, at the time, there were no estimates before the house, the government could bring in a special supplementary estimate, and immediately move to have the house go into committee of supply. Any hon. member who wished to do so, could then move a vote of want of confidence.

There is another, and a more direct method of procedure. That is the method which was followed in the parliament at Westminster in January last, after Mr. Churchill's return from his earlier visit to the United States and Canada. On January 27, Mr. Churchill expressed to the House of Commons his desire to be sustained by a vote of confidence.

The following day, Mr. Attlee moved:

> That the proceedings on the motion relating to confidence in His Majesty's government be exempted, at this day's sitting from the provisions of the standing order (sittings of the house).

This was agreed to.

Mr. Attlee then moved:

> That this house has confidence in His Majesty's government and will aid it to the utmost in the vigorous prosecution of the war.

Debate took place on January 28 and 29. At the end of the latter sitting, the house divided: ayes, 464, and noes, 1.

Hon. members will, I believe, be interested in Mr. Churchill's own appreciation of the importance and significance of the vote he was asking from the House of Commons. On January 27 he said:

> From time to time in the life of any government, there come occasions which must be clarified. . . .

Since my return to this country, I have come to the conclusion that I must ask to be sustained by a vote of confidence from the House of Commons. This is a thoroughly normal, constitutional, democratic procedure. A debate on the war has been asked for. I have arranged it in the fullest and freest manner for three whole days. Any member will be free to say anything he thinks fit about or against the administration or against the composition or personalities of the government, to his heart's content, subject only to the reservation which the house is always so careful to observe about military secrets. Could you have anything freer than that? Could you have any higher expression of democracy than that? Very few other countries have institutions strong enough to sustain such a thing while they are fighting for their lives.

I am unable to indicate, at present, which procedure will be followed in the event of the government reaching the decision that it should have recourse to conscription for service overseas. That must depend upon the circumstances at the time. In a matter which relates to a future decision of the cabinet, and so immediately to the confidence which others may have in my judgment and my fidelity, I obviously can speak only for myself. No one can say what the course of the war will be, or what, at any time, conditions may be in our own or other countries. In seeking to free the government from one commitment, I do not wish to be drawn into making another. I wish, however, to leave no doubt in the mind of any hon. member that, if I am at the head of the administration when such a decision is reached, I shall ask to be assured of the confidence of the House of Commons before the government proceeds to enforce the decision.

This is not a new attitude on my part. It is one that I have repeatedly expressed, and to which I intend at all times to adhere. I so expressed my attitude in this very matter to the Canadian people, on April 24. In my final broadcast in the plebiscite campaign, I said:

> This is not an ordinary time; it is a time of war. The whole world is in a state of rapid change. At any time the responsibilities of government are heavy enough. They are greater to-day than they have ever been. For my part, if I did not believe that as head of the government, I continued to enjoy the confidence of the people, who, time and again, have returned me to office, I would not wish to remain in office an hour longer.

I might point out, that in January last, when Mr. Churchill sought a vote of confidence in his administration, none of his critics had even suggested that he should resign, and that someone else should take his place. He felt, however, that criticism of himself and of certain aspects of his administration had reached the point where he required the assurance that he was sustained by the

support of those from whom in parliament his power was derived. I believe that the leader of a government charged with great responsibilities in a democratic country feels, at all times, the need of such an assurance, and at no time more than on the eve of embarking upon added responsibilities.

Mr. Churchill, I think, had this very much in mind when, answering his critics in the House of Commons at Westminster on Thursday last he said:

> Everything that can be thought of or raked up has been used to weaken confidence in the government. . . .

And later, referring to himself as the prime minister, he added:

> . . . and then to undermine him in his own heart, and, if possible, before the eyes of the nation.

But there is another reason why Mr. Churchill has felt from time to time the need of being sustained by a vote of confidence of fellow members in the House of Commons. Parliamentary responsibility is twofold. Members as well as ministers have their responsibilities. Mr. Churchill felt that the people of the United Kingdom had a right to know where their representatives stood, and what support they were prepared to give to the administration in its grave task of carrying on the war. He felt the people of the United Kingdom were equally entitled to know what support was being withheld from the administration, and why it was being withheld. The same I believe to be true at this time of war of the parliament and people of Canada.

As I conclude, may I repeat what I said to the people of Canada in appealing, on April 7, for an affirmative vote on the plebiscite:

> To those who, beyond the events of to-day, are able to look into the future, it is no longer the unity, it is the very existence of our country as a free nation which they see is in danger to-day. We are no longer in a world where even the most powerful nation is able, by itself, to save itself from the ambition and greed of the aggressor nations. For the preservation of its very existence, each free country is going to need all the help that other free countries can give. It will require the utmost cooperation on the part of all free countries to save them from becoming victims, one by one, of the gangster nations whose undoubted aim is world conquest. With our immense territory, great resources and small population, no country may come to need the help of the other countries more than our own. Unless we continue to do all we can to help others, we shall have no right to expect them to do all they can to help us. Until the present tide of conquest is turned into overwhelming defeat for the enemy, no country —and assuredly not Canada—can consider itself secure.

I did not use those words lightly. I appeal to every hon. member to ponder their significance in the light of what has since occurred and of the situation as we know it to-day. Who can doubt that our security, that the security of this hemisphere depends upon holding the German and Japanese forces in check in the old world until, from the new, sufficient strength can be gathered to overcome their terrific power.

The machines and weapons of modern war have annihilated space; they have all but destroyed time. Remoteness and distance provide no protection. In this war "overseas" has in reality lost its meaning. The conflict is one, single and indivisible, whether it is fought on the sands of Egypt, on the steppes of Russia, in the depths of China, on the islands of the Pacific, in the arctic wastes, or in the skies over Britain and Germany and the conquered countries of Europe. There can be no security for us, for our homes, and families, until the forces of the enemy are defeated and crushed.

The government and people of Canada have a heavy responsibility to the half million young Canadians who have offered their all for our safety. We owe them all that we can give. Wherever they are fighting, they are fighting for Canada, for their own country, for its safety and for its future as well as for freedom for other lands. That future is in our keeping; and we, in this parliament, owe it to our gallant young men, when the war is won, to hand on to them, so far as it lies within our power, a free and united Canada.

The house divided on the main motion (Mr. Mackenzie King) which was agreed to on the following division:

YEAS

Messrs:

Abbott	Crerar
Anderson	Cruickshank
Bence	Dechene
Bercovitch	Diefenbaker
Bertrand (Laurier)	Donnelly
Black (Chateauguay-Huntingdon)	Douglas (Queens)
Black (Cumberland)	Edwards
Black (Yukon)	Emmerson
Blackmore	Esling
Blair	Evans
Boucher	Fair
Bradette	Farquhar
Breithaupt	Fleming
Bruce	Fraser (Northumberland, Ont.)
Casselman, Mrs. (Edmonton East)	Fraser (Peterborough West)
Casselman (Grenville-Dundas)	Fulford
Chevrier	Furniss
Church	Gardiner
Clark	Gershaw
Claxton	Gibson
Cleaver	Gladstone
Corman	Golding
	Graham

Grant
Gray
Graydon
Green
Gregory
Hansell
Hanson (Skeena)
Hanson (York-Sunbury)
Harris (Danforth)
Hatfield
Hazen
Healy
Henderson
Hill
Hlynka
Hoblitzell
Homuth
Howe
Hurtubise
Ilsley
Isnor
Jackman
Johnston (Bow River)
King, Mackenzie
Kinley
Kirk
Kuhl
Leader
Leduc
Leger
Little
McCann
McCuaig
McCubbin
McCulloch
MacDiarmid
Macdonald (Brantford City)
Macdonald (Halifax)
Macdonald (Kingston City)
McGarry
McGeer
McGibbon
McGregor
McIlraith
McIvor
MacKenzie (Lambton-Kent)
MacKenzie (Neepawa)
Mackenzie (Vancouver Centre)
MacKinnon (Edmonton West)
McKinnon (Kenora-Rainy River)
MacKinnon (Kootenay East)
McLarty
MacLean (Cape Breton North-Victoria)
McLean (Simcoe East)
Macmillan
McNevin (Victoria, Ont.)
McNiven (Regina City)
MacNicol
Marshall
Martin
Matthews
Maybank
Mayhew
Michaud
Mills
Mitchell
Moore
Mulock
Neill
Nielsen, Mrs.
Nixon
O'Neill
Perley
Pinard
Pottier
Purdy
Quelch
Ralston
Reid
Rennie
Rickard
Roebuck
Ross (Calgary East)
Ross (Hamilton East)
Ross (Middlesex East)
Ross (Moose Jaw)
Ross (St. Paul's)
Ross (Souris)
Rowe
St. Laurent
Sanderson
Shaw
Sissons
Slaght
Soper
Stirling
Stokes
Taylor
Telford
Thorson
Tripp
Turgeon
Turner
Tustin
Veniot
Vien
Ward
Warren
Weir
White
Whitman
Winkler
Wood—158.

NAYS

Messrs:

Authier
Bertrand (Prescott)
Bertrand (Terrebonne)
Blanchette
Bonnier
Bourget
Brunelle
Cardin
Castleden
Cloutier
Coldwell
Coté
Crète
d'Anjou
Denis
Dubois
Dubuc
Durocher
Eudes
Fauteux
Ferland
Ferron
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gauthier
Gillis
Gingues
Jean
Lacombe
Lacroix (Beauce)
LaCroix (Quebec-Montmorency)
Laflamme
Lafontaine
Lalonde
Lapointe (Lotbinière)
Leclerc
Lizotte
McDonald (Pontiac)
MacInnis
Marier
Mullins
Noseworthy
Parent
Poirier
Pouliot
Raymond
Rhéaume
Roy
Ryan
Sylvestre
Thauvette
Tremblay
Wright—54.

Mr. FOURNIER (Hull): I am authorized by the hon. member for Matapedia-Matane (Mr. Lapointe) to say that he was paired with the Minister of National Defence for Air (Mr. Power). Had he voted, he would have voted against the motion.

Mr. COTE: I am authorized by the hon. member for Bellechasse (Mr. Picard) to say that he was paired with the hon. member for Rosthern (Mr. Tucker). Had he voted, he would have voted against the motion.

I am authorized by the hon. member for Brome-Missisquoi (Mr. Hallé) to say that he was paired with the hon. member for Winnipeg South (Mr. Mutch). Had he voted, he would have voted against the motion.

Mr. DUPUIS: I was paired with the hon. member for London (Mr. Johnston). Had I voted, I would have voted against the motion.

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

On section 1—Short title.

Mr. MACKENZIE KING: I move, Mr. Chairman, that the committee rise, report progress and ask leave to sit again.

The CHAIRMAN: Mr. Mackenzie King moves that the committee rise—

Mr. HANSON (York-Sunbury): Before this motion is put, Mr. Chairman, if I may, I should like to make this statement. Because of the speech that was made by the right hon. the Prime Minister to-night concluding the debate and at a time when no one else could reply, a speech in which it was indicated that the government has looped the loop three times—

Some hon. MEMBERS: Order.

The CHAIRMAN: Order. The motion has been put to the committee.

Mr. HANSON (York-Sunbury): Before the motion was put, Mr. Chairman, I was on my feet. I take exception to your statement, Mr. Chairman. The motion was not put to the committee.

The CHAIRMAN: The hon. leader of the opposition is too old a parliamentarian to challenge the authority of the Chair when the Chairman is standing.

Mr. HANSON (York-Sunbury): It is a question of fact.

The CHAIRMAN: Order, please. I have put to the committee the motion made by the Prime Minister.

Mr. HOMUTH: No, it is not put yet.

The CHAIRMAN: My ruling from which the hon. member may appeal is that the question was put to the committee and that it is not debatable.

Mr. HANSON (York-Sunbury): I leave it to the judgment of the house whether the motion was put to the committee. I was on my feet before the Chairman put the motion.

The CHAIRMAN: Order.

Mr. HANSON (York-Sunbury): Then I desire to appeal from your ruling, Mr. Chairman.

Mr. BENCE: It is a political gestapo.

Mr. ROY (Translation): Mr. Speaker, with your kind permission, and with all due respect, I should like to ask you what stage of the proceedings we have reached. The noise that is prevailing has prevented us, in this part of the house, from hearing anything. Would you please tell us what stage of the proceedings has been reached?

An hon. MEMBER: We are taking a vote.

Mr. Speaker resumed the chair, and the Chairman of the committee made the following report:

Mr. Hanson (York-Sunbury) was addressing the committee when the Chairman called him to order on the ground that a motion that the committee rise had been made and was not debatable. Mr. Hanson claimed that the question had not been put and appealed from the Chairman's ruling.

Mr. HANSON (York-Sunbury): On a point of order, Mr. Speaker, I expressly dissent from the statement read to Your Honour by the Deputy Speaker. The Deputy Speaker as Chairman of the committee of the whole had not put the motion. I was on my feet before he had put the motion. It should read: He claimed he had put the motion. The report is contrary to the facts, and that is why we are appealing from the ruling.

[The Chairman.]

Mr. McGREGOR: More gestapo.

Mr. SPEAKER: The report as I have received it is:

Mr. Hanson (York-Sunbury) was addressing the committee when the Chairman called him to order on the ground that a motion that the committee rise had been made and was not debatable. Mr. Hanson claimed that the question had not been put and appealed from the Chairman's ruling.

The house divided on the question: Shall the ruling of the Chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Abbott
Authier
Bercovitch
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blair
Blanchette
Bonnier
Bradette
Breithaupt
Brunelle
Casselman, Mrs. (Edmonton East)
Castleden
Chevrier
Claxton
Cleaver
Cloutier
Coldwell
Corman
Coté
Crerar
Dechene
Donnelly
Douglas (Queens)
Dupuis
Durocher
Edwards
Emmerson
Eudes
Evans
Farquhar
Fauteux
Ferland
Fleming
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fraser (Northumberland, Ont.)
Fulford
Furniss
Gardiner
Gershaw
Gibson
Gillis
Gingues
Gladstone
Golding
Graham
Grant
Gregory
Hanson (Skeena)
Healy
Henderson
Hill
Howe
Hurtubise
Ilsley
Isnor
Jean
King, Mackenzie
Kinley
Kirk
Lalonde
Leclerc
Leduc
Leger
Little
McCann
McCuaig
McCubbin
McCulloch
MacDiarmid
Macdonald (Branford City)
Macdonald (Halifax)
McDonald (Pontiac)
McGarry
McGeer
McGibbon
McIlraith
MacInnis
McIvor
MacKenzie (Neepawa)
Mackenzie (Vancouver Centre)
MacKinnon (Edmonton West)
McKinnon (Kenora-Rainy River)
McLarty
MacLean (Cape Breton North-Victoria)
Macmillan
McNevin (Victoria, Ont.)
McNiven (Regina City)
Marier
Martin
Matthews
Maybank
Mayhew
Michaud
Mills
Mitchell
Mullins
Mulock
Nixon
Noseworthy

O'Neill	Slaght
Pinard	Soper
Poirier	Sylvestre
Pottier	Taylor
Purdy	Telford
Ralston	Thorson
Reid	Tremblay
Rennie	Tripp
Rickard	Turgeon
Roebuck	Turner
Ross (Calgary East)	Ward
Ross (Hamilton East)	Warren
Ross (Middlesex East)	Weir
Ryan	Whitman
St. Laurent	Winkler
Sanderson	Wood
Sissons	Wright—137.

NAYS

Messrs:

Anderson	Hazen
Bence	Homuth
Black (Cumberland)	Jackman
Black (Yukon)	Johnston (Bow River)
Blackmore	Kuhl
Boucher	Lacombe
Bruce	McGregor
Casselman (Grenville-Dundas)	MacKinnon (Kootenay East)
Church	MacNicol
Cruickshank	Marshall
Diefenbaker	Neill
Esling	Perley
Fair	Pouliot
Fraser (Peterborough West)	Ross (Moose Jaw)
Gray	Ross (St. Paul's)
Graydon	Ross (Souris)
Green	Rowe
Hansell	Roy
Hanson (York-Sunbury)	Shaw
Harris (Danforth)	Stirling
Hatfield	Stokes
	Tustin
	White—44.

And the house having resumed in committee:

Progress reported.

On motion of Mr. Mackenzie King the house adjourned at 11.22 p.m.

Wednesday, July 8, 1942

The house met at three o'clock.

RAILWAY COMMITTEE

First report of standing committee on railways, canals and telegraph lines.—Mr. Bertrand (Laurier).

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DUFFERIN SHIPYARDS—CARLSON, HERRMANN, ARNOLD AND KILKENNY

Mr. McGREGOR:

1. Are Messrs. Carlson, Herrmann, Arnold and Kilkenny employed in the Dufferin shipyards?

2. If so, what are their positions?

3. Are they British subjects?

4. If not, what nationality are they?

5. What qualifications have they for their positions?

6. On whose recommendation were they brought to Canada?

7. What salaries do they receive—also what expenses?

8. Are they paid in Canadian or American funds?

9. Are these salaries subject to Canadian income tax?

Mr. HOWE:

1. The above persons are employed by Toronto Shipbuilding Company, Limited (formerly Dufferin Shipbuilding Company Limited).

2. H. R. Carlson, works manager; L. G. Herrmann, assistant works manager; E. C. Arnold, general superintendent; T. F. Kilkenny, fitting-out superintendent.

3. No.

4. Citizens of the United States of America.

5. (a) H. R. Carlson—He has been in the shipbuilding business on the west coast of the United States all his life. He is now a man of about forty-six years of age. He has a thorough technical training and is a trained naval architect and at the time of his employment was production manager for Los Angeles Shipbuilding Company, Limited, San Pedro, California, U.S.A.

(b) E. C. Arnold—He has nine years' experience in shipbuilding. He is a skilled director of mechanical labour. He came from the same yard as Mr. Carlson where he was the superintendent on the second shift. As the said yard employs approximately five times as many men as Toronto Shipbuilding Company, Limited, even a shift superintendent has a very big job.

(c) L. G. Herrmann—At the time of employment Mr. Herrmann was working at a shipyard in Los Angeles. He is thirty-two years of age, has a degree in business administration, has been working for eight years in the United States on personnel administration and for two additional years in the shipbuilding business. It is because of his experience in training personnel that his employment was recommended.

(d) Thomas F. Kilkenny—He is forty-eight years of age. He was not employed at the time he was contacted by Toronto Shipbuilding Company, Limited, but was on his way to a job in a San Francisco Shipbuilding Company. He has twenty years' experience in shipbuilding. He is an engineer whose line has been mechanical work in connection with shipbuilding. Fitting-out is primarily the mechanical end of shipbuilding operations.

6. Mr. Carlson was employed on the recommendation of Mr. D. A. Clarke, director general, shipbuilding branch. Messrs. Herrmann, Arnold and Kilkenny were employed on the recommendation of Mr. Carlson.

7. H. R. Carlson, $700 per month; L. G. Herrmann, $500 per month; E. C. Arnold, $500 per month; T. F. Kilkenny, $400 per month.

They are also entitled to receive out-of-pocket expenses when travelling on business for the company.

8. Canadian funds.

9. Yes.

WARTIME PRICES AND TRADE BOARD—J. E. COYNE

Mr. McGREGOR:

1. Is James Elliott Coyne, deputy chairman of the wartime prices and trade board, a permanent employee of the government, or of any government agency?
2. If so, what salary and other allowances does he receive?
3. Is he married, or single without dependents?
4. How much income tax will he pay on his 1942 salary, if that be his entire income?
5. What is his age?
6. Has he served in the armed forces, or has he been rejected as physically unfit?
7. Was he employed as counsel, or otherwise, with the royal commission on dominion-provincial relations?
8. What total salary or fees was he paid for this work, and on what basis were these calculated?
9. By whom has he been employed during the past five years?
10. For how many years has he been employed by the government or governmental agencies?

Mr. ILSLEY: I wish to raise a question of principle concerning this matter. Questions such as No. 6, for example, which have nothing to do with government business, should not in my opinion be asked, and if asked I do not think the government should answer them. Otherwise hon. members will probably be asking about an unlimited number of civil servants, and featuring them in such a manner as to indicate to the public that there is something unpatriotic or unworthy about their conduct. On the other hand, if it were asked whether a person had been certified as eligible for appointment to the public service because, although physically fit and of military age, his appointment was necessary in the public interest, I think that would be a proper question, because that is done under order in council as a matter of public business. I suggest to the hon. gentleman who put this question on the order paper that he should reconsider it.

Mr. HANSON (York-Sunbury): That applies only to part 6 of the question, I understand.

[Mr. Howe.]

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): There may be something in what the minister says, but on principle that would not appear to be a proper answer to make on a question of this kind. Here is a young man who perhaps may be of military age, physically fit, who ought to be under arms, let us assume.

Mr. ILSLEY: That cannot be assumed.

Mr. HANSON (York-Sunbury): Very well, but the government has within its knowledge whether or not that is the situation. I object to the minister's limitation. With respect to the other questions I assume that there is no objection. I will look into what the minister has said, and perhaps question No. 6 can be redrafted. In the meantime perhaps the whole question could stand.

Mr. ILSLEY: Question No. 4 is a matter of computation only. I would object to answering anything about the income tax anyone would pay, but this is a matter of computation and therefore should be dropped.

Mr. HANSON (York-Sunbury): Well, we will think about that, too.

Question stands.

"O CANADA"

Mr. LaCROIX (Quebec-Montmorency):

Will the government soon reach a conclusion as to the status of the national hymn "O Canada", which according to the Minister of National Defence has been referred to the government by the defence council for consideration?

Mr. MACKENZIE KING: A statement will shortly be made.

HONG KONG COMMISSION—COUNSEL

Mr. BRUCE:

1. What are the names and addresses of the counsel engaged in the Hong Kong investigation?
2. What fees were charged by each and have same been paid?

Mr. ILSLEY:

1 and 2. George A. Campbell, K.C., Montreal, $9,568.20; R. L. Kellock, K.C., Toronto, $7,298.77; R. M. Fowler, Toronto, $4,084.26; Lt.-Col. George A. Drew, K.C., Toronto, no account submitted.

Payment has been made in full settlement of the accounts of Messrs. Campbell, Kellock and Fowler.

*LABOUR CONDITIONS—PARRY SOUND SMALL ARMS AMMUNITION WORKSHOPS—WAGES

Mr. LaCROIX (Quebec-Montmorency):

What wages per hour are paid to the following groups employed at the small arms ammunition workshops, Parry Sound, Ontario:

toolmakers, leading hand, second class, third class (specialists); stationary engineers, first class, second class, third class; machinist, first class, second class, third class (helper machinist); oiler; blacksmith, assistant blacksmith; plumbing, plumber, pipe fitter, welder; saddle maker, assistant saddle maker; tinsmith, assistant tinsmith; welding, oxide and electrical welder, assistant; settler machinists (machine hand); garage, garage hands, garage mechanics, truck driver (explosives), assistant truck driver (non-explosives), assistant; foundry work, painter, moulder, chauffeur, weigher, day labourers; painters, plasterers, day labourers for general work, charwomen; lead shop department, antimony, press operator, junior lead machine operator; department No. 32 A.B. cordite, labourers (general), labourers (shop); millwright, assistant millwright, armourer; small arms artillery department, leading hand, chronograph operator, machine gun operator, cleaners, labourers, drum washers, cooks, assistant cooks, waitresses, mixing department, loaders, powder pressers, tinfoil and small press operators, department cleaners, cleaners of 25 A and B, inspectors, male and female, inspectors of production, male and female, carpenters, seamstresses, laundry workers; gas mask department, eye adjusters, mouth adjusters, examiners, cutters, shippers; stores, clerks, shippers?

Mr. HOWE: I may repeat what my colleague the Minister of Labour (Mr. Mitchell) said, that there is no small arms ammunition workshop at Parry Sound, Ontario. As a matter of fact, all small arms ammunition workshops happen to be in the province of Quebec. I would ask that the question be dropped.

MILITARY SERVICE—PERCENTAGE OF ENLISTMENTS FOR ACTIVE SERVICE

Mr. CORMAN:

What are the percentage enlistments for active service in each military district in Canada, as compared with the total enlistments from the whole of Canada?

Mr. MACDONALD (Kingston City): It is assumed that this question refers to enlistments in the Canadian army. As of 31st May, 1942:

Military Districts	Percentage
1	7·29
2	19·62
3	10·15
4	12·00
5	4·37
6	8·12
7	5·73
10	8·81
11	8·53
12	7·11
13	8·14
United Kingdom	·13
	100·00

ASSISTANCE TO GENERAL DE GAULLE AND FREE FRENCH FORCES

Mr. CHURCH:

1. Did the government have a conference with Admiral Muselier, the commander of the Free French navy? If so, where and when?

2. What members of the government did he confer with when here?

3. What action was taken by the government to aid him?

4. Is any form of assistance being given to aid General de Gaulle in his work for our allies in this war?

Mr. MACKENZIE KING:

1. The government did not have a conference with Admiral Muselier.

2. Admiral Muselier called on the Minister of National Defence for Naval Services and on the late Senator Dandurand when he visited Ottawa in December, 1941.

3. No action was taken.

4. It is not considered in the public interest to answer this question at the present time.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN ARMY—HEADQUARTERS STAFF

Mr. POULIOT:

1. On the headquarters staff of the Department of National Defence (Army) were there, on June 1, 1942, any persons holding a rank in the army, who have been employed in any capacity in that department since (a) the South African war, (b) the first world war, and (c) the present war, and who have never been in any theatre of war?

2. If so, who were they, in each case, (a), (b), (c) of the previous question?

Mr. MACDONALD (Kingston City): Return tabled.

SALVAGE CONTRACTS, PORT OF HALIFAX

Mr. ISNOR:

1. Has any individual, firm, company or group been given rights in Halifax respecting salvaged goods, such as crafts, war material and products lost off the port of Halifax?

2. If so, (a) give name or names; (b) what are the arrangements; (c) how are returns made; (d) must individuals act through parties appointed; (e) are payments from government made directly to individuals who salvage articles, or through parties appointed; (f) what check has the government on parties operating?

WARTIME PRICES AND TRADE BOARD—PUBLICITY

Mr. DIEFENBAKER:

1. Has a publicity bureau been established in connection with the wartime prices and trade board?

2. If so, on what date?

3. What are the names of the personnel, positions held, location, salary, expenses and allowances of each.

Mr. ILSLEY: Return tabled.

HOUSING

Mr. CHURCH:

Will any action be taken to provide necessary housing accommodation in large cities, (a) for war workers in industry; (b) for soldiers' families; (c) to improve the housing situation among toilers in industry?

J. B. COYNE

Mr. McGREGOR:

1. What position has J. Bogus Coyne, K.C., now of Ottawa, formerly of Winnipeg, held with the government, or any of its boards or commissions?

2. What has been paid him in each position as salary, living allowances, travelling and all other expenses?

3. Are any members of his family working for the government, or any of its commissions? If so, how many and what is the total sum paid each of them?

4. Are any of them returned soldiers, or did any serve in the great war or this present war?

CHARGES AGAINST COLONEL DREW—HONG KONG COMMISSION

Mr. CHURCH:

1. Has a prosecution been ordered by the Minister of Justice, against Colonel George A. Drew, of Toronto, by bill of indictment or information, and before whom, and on what charge?

2. What law officer of the crown recommended it?

3. Was the Attorney General of Ontario consulted about the case?

4. Under whose authority is the enforcement of federal laws?

5. Who is the prosecutor in this case?

6. What is the total detailed cost of the inquiry held under the Public Inquiries Act in the Hong Kong case?

7. Who has been retained to prosecute the case, and why not legal officers of the Department of Justice.

8. How many prosecutions, by provinces, have been laid for injury done to recruiting under this section of the defence of Canada regulations, or other statute or rule, since the war began?

IMPORTS OF CANNEL COAL FROM UNITED STATES

Mr. BLACKMORE:

1. How many tons of cannel coal were imported from Kentucky into Canada in each of the years 1938, 1939, 1940, 1941, and up to the end of June in 1942?

2. How much foreign exchange has it cost Canada to purchase this coal in each of the years above mentioned?

[Mr. Diefenbaker.]

MOTIONS FOR PAPERS

EMPLOYMENT IN GOVERNMENT SERVICES OF MEN OF MILITARY AGE

Mr. CHURCH:

For a return showing—1. How many men of 17 to 45 years old, of military age, are now employed in each government department, under each separate ministry, and each separate commission, under the control of each ministry.

2. How many have been released to the three forces of his majesty for enlistment.

3. How many have been replaced by women, or by members of the women's army.

PUBLIC SERVICE—DEPARTMENT COSTS—NUMBER OF EMPLOYEES, 1938-1942

Mr. CHURCH:

For a return showing—1. The cost of operating, during the fiscal periods ending March 31, in each of the years, 1938, 1939, 1940, 1941, 1942, the following departments and branches of government: agriculture, auditor general's office, chief electoral officer's office, civil service commission, external affairs, finance, fisheries, governor general and lieutenant governor, insurance, justice, labour, mines and resources, national defence, national revenue, pensions and national health, post office, prime minister's office, privy council office, public archives, public printing and stationery, public works, Royal Canadian Mounted Police, secretary of state, and munitions and supply, including salaries and wages paid to executives and clerical staffs.

2. The number of employees in each of the above departments, in the years 1938, 1939, 1940, 1941 and 1942, and the total salaries paid.

3. The number of employees engaged by permanent commissions under the federal government, (a) civil—for the above years; (b) war—by years since established.

4. The total number of staff and employees of all departments and commissions in existence in 1938, 1939, 1940, 1941 and 1942.

Mr. ILSLEY: Practically all of the information asked for in this motion is contained in the auditor general's reports, or other reports; and if the motion is passed it would be only on the distinct understanding that it would be answered simply by reference to those reports. Perhaps my hon. friend does not want that, but if he does not I would have to ask that the motion be not passed.

Mr. HANSON (York-Sunbury): The objection really is, I assume, to the amount of labour involved. It seems to me, in scanning the motion, that the only branch omitted from it is the legislative branch of the House of Commons. The hon. member might confer with the minister, and perhaps they

may be able to reach some arrangement. I realize that it would be a tremendous job to get all this information and put it in concrete form. I should like to see some of the information brought down; I am sure the hon. member wants something concrete, so I would ask him to consult with the minister.

Mr. CHURCH: I would ask the minister to give me the pages in the auditor general's report. The information is not in that report, nor is there any reference in that report to any commission. This is purely special pleading by the minister, trying to keep the public from getting the facts.

Mr. ILSLEY: I will write the hon. gentleman.

Mr. CHURCH: That is what it is; and the minister is very expert at that, too.

Motion stands.

HONG KONG COMMISSION

Mr. CHURCH:

For a complete copy of the records and of all the evidence given before the royal commission, appointed under the Public Inquiries Act, regarding the Hong Kong expeditionary force, together with all papers, letters, telegrams, and other correspondence relating thereto, and a copy of the addresses of counsel in the case, other than that already tabled.

Mr. MACKENZIE KING: I have already given the house, on two or three occasions, the reason why much of the information asked for in this motion cannot be given. The order asks for a complete copy of the record and of the evidence given before the royal commission regarding the Hong Kong expeditionary force. The record, as my hon. friends must know, includes many communications from the British government to the Canadian government and other communications that are of the most confidential character and which could not possibly be disclosed without giving to the enemy information which should not be given. The commissioner, the chief justice of Canada, has embodied in an appendix to the report those parts of the evidence which he regarded as essential and in the public interest to publish; and I should think the known standing of the Chief Justice of Canada, who was commissioner in that inquiry, should be sufficient reason for the acceptance of his statement that the information which is essential is included in the report.

Mr. HANSON (York-Sunbury): I desire to take issue with the Prime Minister with regard to the substance of his statement. In the first place the Prime Minister indicated, in reply to an inquiry by the hon. member for Rosetown-Biggar (Mr. Coldwell), that some facility would be afforded for discussing the Hong Kong report. At the same time, on every occasion on which this material has been asked for, the government has taken every means within its power to frustrate any debate on this important topic, first by withholding the evidence or such portion of it as it would be in the public interest to have tabled here, and second by resorting from time to time to an alleged rule that a certain inquiry is *sub judice* and therefore cannot be discussed. A further reason advanced has been that the inquiry was held in camera. That I submit is no reason at all why we should not have the evidence. All these factors combine to make it impossible for this House of Commons, denied all the evidence and all exhibits, to come to any real conclusions as to justification for the report, not of the Chief Justice of Canada but of a royal commissioner appointed under the Inquiries Act.

Since when has there been a rule that this House of Commons should not criticize a report of a royal commission? The implication that is made by reference to the Chief Justice of Canada is merely a method to evade a proper discussion of this report; and I protest against it. It is not the Chief Justice of Canada who made the report; it is a royal commissioner appointed by this government. Further, if we are to have any debate on the Hong Kong report, how in the world can we arrive at any dependable conclusions; how can this House of Commons come to any conclusions at all, unless we have the evidence before us to ascertain whether the conclusions of the royal commission were justified or not?

I submit that it is within the right of this House of Commons to order that the evidence, such as is not inter-governmental—and I reserve judgment on that for the moment—should be tabled. Without that the government makes it impossible to discuss this report or to arrive at any just or dependable conclusions with respect to the accuracy or otherwise of the report of the royal commissioner. I submit that this motion, either in its present form or in some amended form, should as a matter of right be passed by this House of Commons.

Mr. CHURCH: Under the rules of the house, I admit, I am bound by the Prime Minister's statement. It is about the same as that which was given in the British House of Commons on June 11 by Mr. Attlee in answer to Mr. Stokes. I should like the Prime Minister to look that over. I may say that on March 11, Mr. Eden, in the British House of Commons, gave details of the whole

story. It is no reflection on anyone in the government here, but if the information had been given to the country weeks before that, Singapore in my opinion would not have fallen. It would have been better if the men at Singapore had died with rifles in their hands so as not to have the murder of prisoners as at Hong Kong, and Singapore would have been saved. What was done at Hong Kong with our men was known to Canada, because the same thing was done to the Chinese in 1933, and it shocked the whole civilized world. While I am bound by the rules of the house on a motion of this kind, I urge upon the Prime Minister the advisability of acceding to the request that has been made. I do not wish to embarrass the government but I really think that in the future it would be far better to let the people of Canada have the whole facts. No one knows what the Japs may do next. If they come to Canada we may expect the same savagery.

Mr. MACKENZIE KING: First of all, may I say to my hon. friend (Mr. Hanson) that the government has not sought in any way to frustrate a debate on the subject of the Hong Kong commission's report.

Mr. HANSON (York-Sunbury): What I said was that the effect of the government's attitude was to frustrate it.

Mr. MACKENZIE KING: I indicated that opportunity for debate would be given, and it will be given. My hon. friend requests that all the evidence be tabled. May I remind hon. members that when the subject of the inquiry into the Hong Kong expedition came before the house it was at first suggested that the investigation should be by a committee of this house. On reflection, all leaders of the different parties in the house were agreed that it would not be advisable to have the inquiry made by a committee of the house, in that among other reasons, much of the information that would be essential might, if given in public, afford information to others, the enemy in particular, which it was not desirable they should have. Much of it would necessarily be confidential, and it was decided that it would be better to have the inquiry conducted by a royal commission.

The next point that came up in considering the personnel of the commission was whether or not the inquiry would necessarily be in camera or in public, or in part one and in part the other. There again the understanding, or at any rate the feeling, was that the inquiry would necessarily have to be at least in part in camera, and that the commissioner himself should be the judge of the extent to which publicity should be given the proceedings. It is in that connection that I referred to the office which the commissioner holds at the present time.

The commissioner was the Right Honourable the Chief Justice. The Right Honourable Chief Justice Duff was chosen for that position as commissioner because it was felt that his knowledge of procedure in matters of the kind, his judgment as to what it might or might not be in the public interest to disclose with respect to the significance of the Hong Kong inquiry, would not be questioned from any source.

If I am not mistaken, my hon. friend the leader of the opposition said from his seat in the house—if he did not say it from his seat in the house, he said it to me personally—that in his opinion no better choice could possibly be made than the chief justice to conduct the inquiry, that he had implicit regard for the integrity of the chief justice, and that no question would likely be raised with respect—

Mr. HANSON (York-Sunbury): No one is attacking his integrity.

Mr. MACKENZIE KING: No, but I am explaining the reasons why it was thought advisable to appoint a royal commission, and why the chief justice was chosen. It was the knowledge that of necessity the inquiry would have to be held in camera, if not in whole at least in part. So that to that extent at least there are the strongest of reasons why only such evidence should be produced as the chief justice himself has thought advisable. The commissioner, in addition to his report, has presented an appendix to the report which gives what he, the commissioner, says is the evidence that he regards as all that is essential to make public. This does not mean that what the commissioner has withheld is something that is withheld for any political reason. No one in the world would say that Chief Justice Duff, as commissioner, would withhold any evidence from a motive of the kind. Any evidence which the commissioner had not thought it advisable to have made public, and which is not published in his report, has been withheld undoubtedly for reasons which in his judgment are of first importance in the public interest. That reason and that reason alone is the one which actuates the government in declining to place further evidence on the table.

Mr. HOMUTH: The Canadian end of it should not be secret.

Mr. MACKENZIE KING: I do not propose to set my judgment up against either my hon. friend's or that of the commissioner.

Mr. HOMUTH: It would not compare very favourably.

Mr. MACKENZIE KING: If I had to choose between the two I should prefer to take that of the commissioner. As to there being a right to criticize the report, no one has said that this House of Commons has not that right. Any hon. member may say whatever he pleases with respect to the report and criticize it in any particular. That is his right and, may I say also, his responsibility.

My hon. friend speaks of the matter being *sub judice* as having been made an excuse for not having a debate on the subject. The matter is not *sub judice* at the present time. The report has been laid on the table of the house and it is available for discussion. The reason for our not having had the discussion up to the present time is that matters of more immediate importance have been before the house since the time the report was laid on the table.

In conclusion, may I remind hon. members that following the procedure the government had before it the example of another inquiry which, if not of greater significance, was at least of equal significance. I refer to the inquiry made by the government of the United States into the Pearl Harbour situation. A judge of the United States court and others were appointed commissioners. The inquiry was held in camera. The commission made its report, and so far as I know no request has been made for the production of the evidence. Certainly the commissioners have thought it inadvisable that the evidence should be made public.

Mr. FRASER (Peterborough West): They took action.

Mr. MACKENZIE KING: What action does my hon. friend propose that we should take?

Mr. FRASER (Peterborough West): Let us have the evidence.

Mr. MACKENZIE KING: My hon. friend cannot suggest any other action but, "let us have the evidence." Where he stated that the United States commission had taken action, it was immediately after I had said that none of the evidence was placed before the country by that commission. However, this is not the time to argue the matter of the Hong Kong inquiry. For the present, all I wish to say is that the government does not feel that it is in the public interest to comply with this request, and the government will not agree to the motion.

Mr. CHURCH: Was a copy of the Duff report and blue book sent to the British government?

Mr. MACKENZIE KING: All these important matters are communicated to the British government.

Mr. CHURCH: Will the right hon. gentleman be good enough to look at Mr. Stokes' question in the British house on June 11, and Mr. Attlee's reply? I sent it over to him. He says that the Chief Justice of Canada wired to ask the British government to release the telegram which was sent by Great Britain asking for this expedition.

Mr. MACKENZIE KING: I have just been handed a copy of the Parliamentary Debates of the House of Commons of Great Britain, official report, dated June 11, 1942, from which I quote:

> Mr. Stokes asked the Prime Minister whether the decision to reinforce Hong Kong shortly before its fall was recommended by his military advisers; and how long it was anticipated that such reinforcements would enable Hong Kong to hold out?
>
> Mr. Attlee: His Majesty's government have no further statement to make on this matter at the present time.
>
> Mr. Stokes: Are the government likely to receive a copy of the report by the Lord Chief Justice of Canada to the Canadian parliament on Hong Kong, and will they study it?
>
> Mr. Attlee: There is a later question on that subject.
>
> Mr. Stokes asked the Prime Minister whether his attention had been called to the report of the Chief Justice of Canada, made to the Canadian House of Commons, on the organization, authorization and dispatch of the Canadian expeditionary force to Hong Kong; and why permission to reproduce the telegram inviting the Canadian government to send reinforcements to Hong Kong was refused by His Majesty's government?
>
> Mr. Attlee: Yes, sir. As regards the second part of the question, it was felt by His Majesty's government in the United Kingdom that publication of the document in question would be contrary to the public interest at the present time.

Mr. COLDWELL: When will an opportunity be afforded to discuss this report? The Prime Minister says that it is on the table; will there be an opportunity to discuss it at an early day?

Mr. MACKENZIE KING: There may be some special reason why my hon. friend feels that the discussion of this report should proceed before discussion on such important matters as the budget and the amendment to the National Resources Mobilization Act are finished. When the report was tabled I intimated to the house that those two matters would be disposed of before the Hong Kong

matter would come before the house for discussion. I cannot see that any interest, either Canadian, imperial or international, will be adversely affected by what to that extent there may be in the way of delay.

Mr. COLDWELL: I am not suggesting that these other important matters should be delayed, but I do want to be assured that some opportunity will be afforded by the government, which arranges the business of the house, for a discussion of this matter before the house adjourns.

Mr. MACKENZIE KING: I have given that assurance to the house on at least two or three occasions, and I referred to it again this afternoon. If my hon. friend cannot accept my word, I am afraid there is nothing else I can do or say.

Mr. SPEAKER: Dropped.

Mr. HANSON (York-Sunbury): On division.

Mr. SPEAKER: Dropped on division.

LABOUR CONDITIONS

NOVA SCOTIA COAL MINING AREAS—BANKING OF COAL, AND CREDIT ARRANGEMENTS

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I should like to make an inquiry of the Minister of Labour, arising out of press reports, particularly in Nova Scotia papers, to the effect that certain credit and banking arrangements in connection with coal have been made by the government in order to relieve the acute situation that exists in Nova Scotia. In view of the fact that this matter has been discussed in the house on several occasions, I should like to know if the minister is in position to make a statement as to just what arrangements have been made.

Hon. HUMPHREY MITCHELL (Minister of Labour): I have stated previously in the house that the reason for this condition is a lack of transportation of a particular kind. It is hoped that an early improvement will result because of efforts that have been made to make greater use of the railways. A plan is now being studied to provide additional transportation by rail. I assure my hon. friend and the house that the several departments of the government having to do with this problem are leaving nothing undone that might bring about a solution.

Hon. R. B. HANSON (Leader of the Opposition): I understand that there are facilities for the banking of 500,000 tons of coal which will be urgently needed this year, and that the cost of banking and loading would be about $1 per ton. It is in the national interest that this should be done. Why is it not being done? Why are these miners being allowed to work only one or two days a week? The situation down there calls for immediate attention. These measures are open to the government at any time and could be put into effect by the stroke of a pen.

Mr. MITCHELL: I will be frank and say that I have no knowledge of what my hon. friend says, but I shall be glad to look into that aspect of the question.

Mr. GILLIS: I realize the government is doing everything possible in connection with the marketing problem. According to reports I have seen, certain subsidies have been granted in connection with the banking of coal, and credit arrangements have been made for the customers who might purchase coal ahead of time. The minister should place on the record exactly what these arrangements are.

Mr. MITCHELL: I think we all understand what is the real difficulty in Nova Scotia. It is brought about by conditions over which neither I nor anybody else has any control. As I said before, the suggestion made by the leader of the opposition will be looked into. Hon. members may rest assured that the government are just as much interested in the miners of Nova Scotia as any hon. member of this house. I want to state that quite clearly.

CANADIAN NAVY

QUESTION AS TO COOPERATION WITH FREE FRENCH FLEET ON ATLANTIC COAST

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask the Minister of National Defence for Naval Services (Mr. Macdonald) what cooperation or active help is being given by the Canadian navy to the free French fleet which is helping our allies guard the St. Lawrence and the Atlantic and the islands off Newfoundland?

Mr. SPEAKER: That question should be placed upon the order paper.

Mr. CHURCH: That means it will never be answered, because I did try to get it on the order paper.

WAR RISK INSURANCE

PROVISION FOR COMPENSATION FOR WAR DAMAGE TO PROPERTY

The house resumed from Friday, July 3, consideration in committee of Bill No. 56, to make provision with respect to insurance of property against war risks and the payment of compensation for war damage.—Mr. Ilsley. —Mr. Vien in the chair.

On section 2—Definitions.

Mr. HANSON (York-Sunbury): Mr. Chairman, when the house was in committee on the bill on Friday last I was not able, owing to arrangements I had made, to be present during the discussion. But I have read the debate since, and I find that in answer to requests that individual fishermen owning boats or gear should receive some protection from this type of measure an order in council was passed, quite independently of the scheme, under which payments on the basis of compassion are to be made to fishermen through the Department of Fisheries at the will and pleasure of the Minister of Fisheries.

I read the minister's statement in giving that information, and I gather that the order in council was not available at the time the discussion took place on Friday last, and has only since been distributed, but I am unable to arrive at a proper comprehension of the reason why this method was adopted dehors the bill itself and why it should not be made part of a comprehensive scheme of insurance even if the anticipated recipients are not paying any premium, and of what the insuperable difficulties are to including this provision in the statute itself rather than in an order in council which may be repealed at any moment at the whim and pleasure of the minister.

The objection to this method of procedure by order in council is that it is the most temporary kind of legislation. It can be wiped out by a stroke of the pen. There is no certainty about it. It has not the force of a statute inasmuch as a statute can be repealed only by parliament, while this may be repealed by council on the recommendation of the minister, and I take the ground that that is not good enough for these fishermen if they are in a position where they require protection of this kind.

Furthermore, I object to this order in council on the ground that it leaves everything to the whim of a minister, who, if he wanted to be arbitrary, could take action whereby not one dollar of compensation could be paid to any person. The power is purely discretionary on his part. Section 2 of the order in council reads:

> The minister may pay compensation to any person in the amount, not exceeding $2,000, of each diminution of value caused by war damage in any fishing boat of which he is the owner; provided that if any person is a joint owner his compensation, hereunder, shall be limited to his proportionate share of the said $2,000.

The compensation with respect to gear must not exceed $400, and in no case shall small claims less than $25 be paid. The whole thing is left to the discretion of the minister.

Mr. POTTIER: In the insurance bill it is the same way.

Mr. HANSON (York-Sunbury): That may be. I am dealing with one particular thing, and may I say with great respect to the hon. member for Shelburne-Yarmouth-Clare, that I am asking the minister for an answer to my question just why this method was adopted, and why this protection is not incorporated in the bill. Would it upset the whole balance of the scheme to include it in the bill? I have not formed an opinion, because I realize that this is a technical matter, and I presume that there have been calculations, mathematical, actuarial and what-not, in relation to the whole scheme, and that this is an intrusion on the scheme; I think it is fair to say that. It is a new element being injected at the demand of hon. members who, very properly, have made this demand. But just why is it impossible to put this in the bill and make it part of a statute instead of an order in council, which depends in large measure upon the good-will and bona fides of a minister?

If I wanted to be very critical I could say this, that in the hands of a politically-minded minister—and we have seen this sort of thing worked in days gone by in other fields of activity, not particularly in the maritime provinces, but further west, we will say—the granting of public money might be open to the very gravest abuse, open at least to charges of favouritism, open at least to pressure, open to some form of duress, especially if pay-day came around about the time of a general election. Can one imagine any instrument in the hands of an unscrupulous minister that would be better fitted to drive right into the ballot boxes the votes of the would-be recipients of this largesse, because it is to be granted on grounds of compassion; it is not a grant *ex gratia,* not a grant as of right.

The principle seems to be absolutely wrong, and unless there is forthcoming a satisfactory answer I do not think we can accept this.

assuming always that the principle contended for is a correct principle, namely, that there shall be compensation under an enlargement of the scope of the original scheme which was set up in the bill now before the house and which was given careful study by the banking and commerce committee. I wish the minister would be good enough to let us know the exact position.

Hon. J. E. MICHAUD (Minister of Fisheries): Mr. Chairman, the provisions of the order in council referred to by the leader of the opposition were carefully considered. Members of this committee will recall that when the insurance bill was first before it, several members representing constituencies where fishermen reside pointed out that there was no provision in the bill for state insurance of fishing boats.

It was then stated by the Minister of Finance at my suggestion that the matter of protecting fishermen against loss by war damage was under consideration; that damage to the person of a fisherman by war accident was already provided for by order in council under the War Measures Act; that the protection of the personal belongings of a fisherman when lost by reason of war activity was also provided for by order in council; that the matter of protecting the implements of his trade—his boat and his gear—was under consideration, and that it was the intention of the government to provide some compensation to those who would lose through war activities the implements of their calling. The principle was to provide for replacement at government expense of whatever implements of trade might be destroyed, in order to keep these people in production without any delay, because most of the fishermen who carry on this occupation as a method of earning their livelihood would be too poor to replace their implements if these were lost in large quantities. On that basis it was thought in the public interest to give assurance to the fishermen that they would be taken care of; that their implements would be replaced if they were lost; that that would encourage them to stay in the industry, which, we were told, some were threatening to abandon because of the great risks to which they were exposed.

At the time this matter came up, the whole of the regulations of the scheme had not been embodied in any legislation or order in council but was being elaborated by the officials of the Department of Fisheries. Since then we have been able to bring into concrete form what we thought would be fair provision to compensate those who might suffer losses of their fishing gear. This is the reason why this was presented in the form of an order in council under the War Measures Act, as a sequence of other measures taken for the protection of the persons and personal belongings of fishermen.

As to why the administration of the provisions of this order in council is left to the Minister of Fisheries, I see no special reason, except that apparently the governor in council had enough confidence in the minister of the department to leave this function in his hands.

Mr. HANSON (York-Sunbury): And the minister's department put it up to the government.

Mr. MICHAUD: It was proposed to the governor in council, and somebody had to be designated to administer it. Practically all matters of this kind are left to the administration of the minister of the department under whom they come. For example, the insurance provisions will be administered under the authority of the Minister of Finance; provisions regarding the administration of regulations to compensate farmers are to be administered by the Minister of Agriculture. Otherwise there is no particular reason why the administration of these provisions is left to the Minister of Fisheries.

As to why the provisions are not included in the insurance bill, that is a matter for the Minister of Finance to explain to this committee.

Mr. HANSON (York-Sunbury): The minister has added just exactly nothing to the sum total of the information which we have.

Mr. MacNICOL: That is not very much.

Mr. HANSON (York-Sunbury): Well, no, I would not say that; he has not added anything to our knowledge. The fact of the matter is that this is in the form of a dole handed out at the whim of the minister, exactly on the basis of some of the doles which have been distributed among the agriculturists of this country under other forms of order in council. Now he says that damage to the persons of fishermen was taken care of by an order in council under the War Measures Act. I submit that that was an emergency procedure, in anticipation of enemy action, but that this is a scheme looking toward compensation and protection of the fishermen of this country, on both coasts and, if you will, in the interior as well. I see the hon. member for Essex East (Mr. Martin) raised that question the other day in the house. This should be part and parcel of a general scheme and incorporated in the bill, so far as I can understand the position. Why it has not been done I would not expect the Minister of Fisheries to state, and I am

not criticizing him in that regard. But I do object to the principle of a sum being allocated to one minister to hand out here, there and everywhere, wherever he wants to, under a provision of an order in council.

The whole principle of dealing with public money on this basis is wrong. It should be done under a statute, and it should not be left to the discretion of the minister no matter how fair-minded he may be. The principle is wrong: it is wrong in the fisheries department, in the agriculture department, in every department of government. You are dealing here with taxpayers' money. I wonder what the people of this country, who are now being called upon to pay more and more and more in the way of direct taxation, will think when they find out that 25 per cent of all the taxes they pay for the purposes of the war effort is being diverted to other objects. That is the indictment against the budget: 25 per cent of the money which the people are to contribute is being frittered away on useless agencies which are costing huge sums of money and are in no way connected directly with the war.

It will be argued, of course, that this arises out of the war. In a measure that is true, but I think there are many instances where large amounts of public money, contributed by people who are already being taxed up to the limit, will be paid out under the authority of orders in council for purposes not directly connected with the war. The people of Canada are willing to give to the war, but they are not willing to give carte blanche to this government or any minister of this government to switch war taxation to purposes which are not directly connected with the war.

I object to the principle of this order in council. I object to the power being left to the minister. With respect to the order in council passed under the War Measures Act, compensating for life or property damage of fishermen or others, that ought to be included in a statute of this parliament. The principle of legislation by order in council has gone absolutely beyond all limitation in this country.

Our control over government expenditures is gone. I wonder if the public realize that. I cannot emphasize it too much. I am not saying it especially in connection with this bill, but we see the principle illustrated every day—violation of the right of parliament to deal with public expenditure in matters that are really not war expenditures at all. I protest against that principle and against the operations under it. It is a wrong principle, and the operations are wrong. Parliament should not give its imprimatur to this class of legislation. The hon. member for Queens-Lunenburg says, "Is this wrong?" No, this is right; the theory underlying it is absolutely right. The fishermen have to be protected. That is why hon. members on all sides raised this question, in order that the government should do something. But I am objecting to the method, not to the principle. I believe I am right, and I think in his heart the hon. member knows I am right.

Mr. KINLEY: Like the leader of the opposition I did not have opportunity to be here last Friday, having been in Nova Scotia. But I read the record in *Hansard* and I know what the discussion was about. I shall not attempt to discuss the bill, which I think is a splendid piece of progressive legislation, especially beneficial to the maritime provinces in war time. The leader of the opposition talks about extravagance. I know there is extravagance; we all know there is extravagance in war. But when he says this is not war-time legislation, I think he is at least exaggerating. I am sorry he picked out the fishermen as the object of his complaint about extravagance—

Mr. HANSON (York-Sunbury): The hon. member cannot attribute anything like that to me. I think the fishermen ought to be looked after, and I did not say anything which could be interpreted in any such way as the hon. member suggests.

Mr. KINLEY: I admit that the hon. gentleman is very sympathetic with what we want to do for the fishermen. But he made an oration about extravagance, and coupled it with a little bill to give war-time protection to the fishermen of the maritime provinces. It did not sound in harmony, that is all.

An hon. MEMBER: This is an order in council, not a bill.

Mr. KINLEY: The hon. member says that it is an order in council. We have a bill before this house. In the committee some hon. members who are especially interested in the fisheries said there was a problem with regard to shore fishermen on our coast. We find that complementary legislation to look after the fishermen has been brought down by order in council. Much has been said about orders in council in war time, that we are governed by order in council. It seems to me that in war time the order in council procedure is especially needed. This legislation, because it is an order in council, will have more flexibility. If you put a law on the statute book it is fixed; it cannot be changed except by the House of Commons and the Senate, whereas the minister and government can amend this legislation in a moment if the occasion calls for it. In this serious crisis we

might have damage on the coast that would demand further action. We think the order in council method is commendable for that reason, because by it the government can deal with the situation at a moment's notice.

The leader of the opposition talks about the powers of the minister with regard to this legislation. I have always been taught that an order in council had the same effect as a statute, that the minister is governed by the provisions of an order in council just as he is governed by the provisions of a statute. That being so, all he can do is act as trustee and administer the order in council according to its provisions. I do not think the fishermen of Nova Scotia or of Canada generally would expect anybody to do better in this regard than the head of this department, who has special knowledge of and is especially concerned with the problems of the fishermen.

The words in the statute and the words in the order in council are the same—"may" in each one. The hon. gentleman, who is an astute lawyer, has overstated his case a little with regard to the difference between the statute and the order in council.

We must remember, in thinking of this legislation, that the fisherman has the same protection with regard to his house and furniture and chattels as is accorded to other citizens. To an extent this is extra legislation for the benefit of the fishermen, but only to an extent. Let us look at the practical end of it and see how it works out. The shore fisherman lives in remote fishing districts, on the headlands. As a rule he has a humble house. His house and furniture are not worth a great deal of money. In my county the houses of the shore fishermen are clean and sanitary, but not expensive. The hazard to the fisherman's property so far as a war damage insurance scheme is concerned is not as great as in the towns where buildings are closer together and extensive damage can be done. So that there are two reasons why the fisherman's situation is different: his property is not worth as much as property in the town, and the hazard is smaller because his dwelling is in a remote place.

Under the general law we agree to pay to the extent of $3,000 on real property, according to the assessed damage. We pay up to $800 for goods and chattels, and $400 if a man is married, $100 if he has a child. So that a married man with one child—this includes the fishermen—could get $1,300 for his effects. But there are very few shore fishermen on our coast who would be able to show an assessed damage of $1,300 on the effects they have in their homes. On the other hand the fisherman's floating property is excluded by Bill No. 56. A fisherman who has a humble home might still have fishing gear worth thousands of dollars. He cannot get insurance on his gear. The shore fishermen in Nova Scotia, even in peace time, were unable to get insurance on their boats and equipment. This order in council provides that $2,000 can be paid to a fisherman in respect of loss of his boat by war damage, $400 for the loss of gear—

Mr. HANSON (York-Sunbury): Not as insurance.

Mr. KINLEY: It is compensation; that is the word used in the bill. The question has been raised that only one boat can be included. I think this is a weak feature of the order in council, because a poor fisherman may have two or three small boats, and the more prosperous fisherman may have a boat worth well on to $2,000. In that case the better-off fisherman could receive up to $2,000 and the poor fisherman could get compensation for only one boat. In Nova Scotia the fisherman usually must have two or three boats. I am told that it takes eight boats to haul and spill a fish trap, and a man who has a purse seine will need more than one boat in order to carry out his operations. Then usually in the poorer districts there are no wharves for a boat to use, and a fisherman must moor out in the stream, so that he must have a boat to return to his fishing boat. Usually he should have a dory in which to take his fish ashore, a small boat that can go up on the shore and also can be easily handled in the surf.

I am saying these things because this is legislation by order in council; and while I do not want the bill amended, I believe that when you go to council you might be able to amend this order so that the standard will be the amount of the insurance. That is, you give a fisherman $2,000 compensation for war damage. If he has in his possession fishing boats that are damaged to the extent of $2,000, he should get that $2,000, but it seems to me it is not fair to say that he can get compensation for only one boat. The principle of the order in council is that the government is willing to pay $2,000 to a fisherman for war damage; and if he has fishing equipment which is damaged he should be able to invoke the aid of this legislation.

I understand there is a problem on the Pacific coast. I do not know much about that coast, and I am not going to speak about it. But in Nova Scotia we have a deep sea fleet. In my own riding, in Lunenburg we have sixty-eight vessels in the deep sea fleet and in Queen's another eighteen, while

in Lunenburg we have 651 fishing boats getting the bounty and in Queen's another 167, making a total of 818 boats and eighty-six vessels. The lobster fishermen are not included in that number, and there are many boats in the lobster fisheries which will be covered by this legislation. Deep sea vessels cost about $50,000 to-day. They can get insurance from the line companies—

Mr. CRUICKSHANK: At what rate?

Mr. KINLEY: I am not sure about the rate; it changes according to the hazard.

Mr. HANSON (York-Sunbury): It has gone up, anyway; there is no ceiling on it.

Mr. KINLEY: I know that they usually insure with American companies, and that we follow very closely the practice in the United States. A vessel of more than ten tons can be registered, and I believe that a registered vessel can get insurance. I am not concerned, for the purposes of this debate, with the rate; this legislation was intended for the protection of property in Canada, where private enterprise has failed to provide the protection. It was pointed out to the committee that boat fishermen could not get insurance, and this legislation is to provide protection for those fishermen. I do not think I would like very much to get only $2,000 as a start for insurance on our Lunenburg fishing fleet, but they can get private coverage; they are getting it, and they are doing very well. It is a question of expense. It seems to me we have gone a good way when we accept the idea that in this legislation we should not invade the field of private enterprise, where that private enterprise is being restricted because of increased hazards and because the volume of business is decreasing.

There is one part of the bill about which I should like to be sure; that is, what damage will be insurable? I know the Department of Transport is now changing the method of life-saving in the province of Nova Scotia. The old idea of a life-saving station is now outmoded, and they have the idea of getting the fishermen of the province to keep their boats ready for rescue work if a ship should go ashore or be attacked by a submarine on our coast. I should like to be assured that if these fishermen suffer damage while engaged in that work, they will be protected under this order in council, as I believe they will.

Mr. HANSON (York-Sunbury): I should like to know how.

Mr. KINLEY: I will read the clause to my hon. friend; it is paragraph (ii) on page 4 of the order in council:

"War Damage" means,—

(ii) damage occurring, whether accidentally or not as the direct result of measures taken under proper authority to avoid the spreading of, or to mitigate the consequences of, such damage as aforesaid.

It seems to me that is broad enough to include life saving in the province of Nova Scotia.

I do not wish to deal with the problems of our friends in British Columbia, but representing perhaps the largest fishing interests on the eastern coast and perhaps the greatest number of deep-sea and shore fishermen, I think this bill will be eminently satisfactory if the minister will extend it so that it will not be confined to one boat. It is very easy for us to get up here and say we want something better. We speak without having the responsibility of government, without handling the money of this country. Hon. members of the opposition talk about extravagance on the one hand, but at the same time they ask for greater expenditures in certain directions. I think this legislation is a step in the right direction; I believe it is good legislation. Let me say to my friends in British Columbia that when I was home over the week-end I was confronted with this question: "Why are the fishermen in British Columbia given a bounty of $150 per ton to build fishing vessels there, while there is no such legislation applicable to Nova Scotia?"

Mr. NEILL: If I may ask the hon. member a question, do not the maritimes get $160,000 every year for that purpose?

Mr. KINLEY: No.

Mr. NEILL: Yes, you do.

Mr. CRUICKSHANK: What do you get for lobsters?

Mr. HANSON (York-Sunbury): No subsidy for lobsters.

Mr. CRUICKSHANK: There was last year.

Mr. KINLEY: This $150 per ton is a big subsidy to build fishing vessels, and that legislation was initiated by the minister who is promoting this legislation.

The CHAIRMAN: I am afraid the question of subsidies is a little foreign to the subject matter before the committee.

Mr. KINLEY: I am not complaining; I am comparing, as I think I have a right to compare, the minister's actions in connection with this measure with similar legislation affecting

another part of the country. We did not complain about that other legislation. I would not complain if the minister gave British Columbia more, but representing a fishing district I do say we should support this legislation. Furthermore we should not forget that the government has passed an order in council protecting fishermen and sailors against enemy action to the same extent that soldiers, naval men and airmen are protected. This is new legislation, never before thought of in Canada—

Mr CRUICKSHANK: Did we ever have a war like this before?

Mr. KINLEY: When we talk about what is being done for the fishermen of this country we must not lose sight of the fact that the government has done a great deal; and while the leader of the opposition complains about the procedure, I am sure he is ready to approve the objects of the legislation.

Mr. REID: When this matter was before the committee the other evening the Minister of Fisheries stated that a fisherman could afford to insure his boat, and then if anything happened he could collect from the insurance company. The Minister of Finance also stated in answer to a question that the fishermen could obtain insurance for their boats. Since those statements were made information has come to hand from British Columbia. The information which I have before me is that a certain class of fishermen owning boats worth between $3,000 and $6,000 cannot obtain insurance, and that those who have boats worth between $3,000 and $6,000 are called upon to pay premiums of from 35 per cent to 45 per cent for their insurance. What does that mean? It means that if a fisherman who has a boat worth $4,000 and who is compensated only up to $2,000 under the order in council, wishes to insure his boat fully, he must forgo the free insurance or compensation. If his boat is worth $4,000 he will have to pay up to $1,800 or $2,000 by way of premium. What fisherman earning his livelihood, making perhaps altogether not more than $2,000, would pay up to $1,800 or $2,000 to insure his boat?

Mr. FRASER (Peterborough West): Is that yearly insurance?

Mr. REID: Yes.

Mr. MACDONALD (Halifax): What would the premium be for war risk damage?

Mr. REID: That 45 per cent is on account of war damage. That would cover all.

Let us compare the fishermen owning one of these small boats with the owner of a house. The government has pointed out that houses are insured for $3,000. While we all agree that $2,000 in the case of the fisherman is splendid as far as it goes, at the same time we cannot help comparing that with the insurance in the case of the owner of a house, and looking at the matter from the point of view of the risk of the fisherman's livelihood. There have been submarines off the Pacific coast, and the fishermen know it. They are greatly alarmed about the presence of these submarines, because they realize that if they are out on the fishing banks and a submarine shows up it is not only the boat that is in danger, but their very lives, because a submarine might endeavour to sink the boat and drown the men so that no information will get back which will disclose its whereabouts. The fishermen have that in mind, and it is a serious thought. We are endeavouring to catch all the fish we possibly can in order to feed the people of Great Britain, and yet the fishermen are told that if they insure their boats to the full extent they will not be covered by this $2,000 compensation which the government has brought down by order in council.

We are not asking for something as a matter of the "gimme's"; the fishermen are asking for what is fair. Despite the fact that the Minister of Finance (Mr. Ilsley) has said that we are insuring houses for $3,000 and that the fisherman's boat is in an entirely different class, I submit that we must consider all the circumstances when we compare the two. Homes remain stationary; if an aeroplane passes over and drops a bomb, a house may be demolished. That is true, but on the other hand the fisherman goes right into the danger, and that makes all the difference. I believe there would be greater satisfaction all round if the government would amend the order in council and put the fishermen on the same status as owners of houses that are insured. I do not think it is asking too much. The government could do this up to $3,000, and if a fisherman had a boat worth $6,000 he could go to an insurance company and insure for the other $3,000. Under the order in council, however, if he asks for more insurance he is deprived of the $2,000. There is no comparison between the compensation given the fisherman and that given the man who owns a home.

I was sorry to hear the hon. member for Queens-Lunenburg (Mr. Kinley) bring in the question of boats being built in British Columbia receiving $150 a ton subsidy. I have always deprecated the cry of those in the east that the west gets too much, or that British Columbia is specially favoured. I have refrained from raising any such question in this house.

Mr. KINLEY: Mr. Chairman, I believe I said it kindly and not in a complaining tone. I said I was comparing, not complaining.

Mr. REID: But the mild language which the hon. member used did not detract at all from the fact that he was complaining.

Mr. HANSON (York-Sunbury): There was a little sting in it?

Mr. REID: May I tell the hon. member for Queens-Lunenburg why that subsidy was given. At the outbreak of the war the naval department was short of ships, and a number of large new fishing vessels had just been completed. The naval department took them over without permission. They just notified the owners that they were taking over the new boats, some of which were splendid, new vessels costing as much as $45,000. I am speaking of the fall of 1939. Some of these vessels had only recently been launched. In my opinion it was a mistake to follow that policy. The government should not have bought these boats outright. The naval department should have leased them and had naval boats built; and, when their own boats were built, they could then have returned the other boats back instead of retaining fish boats in the naval service. These fish boats are not adapted to the protection of our coasts. They are good enough for surveys and for scouting, but it is not possible to place anti-aircraft guns on such vessels because it would shake them to pieces. The reason why the $150 subsidy was given is that, since 1939, prices have increased, and to enable the cannery men to order new fish boats adequate for their work an inducement was held out whereby the government undertook to pay the difference in price as between 1939 and 1942. There is nothing unfair about it, and I hope that we shall hear no more complaints from the maritimes about what British Columbia is getting. If ever that argument starts we shall have a free-for-all, and we can tell plenty about what the maritimes have received.

The minister, I submit, should reconsider the order in council. We are not asking too much when we plead on behalf of the great class of fishermen who own boats worth from $2,000 up, that the same provision be made for them as has been made for those people who own homes. These fishermen cannot obtain insurance. The statement was made by the Minister of Finance that they could, but they come back with a different statement, indicating that they are unable to procure insurance. In the light of all the facts; in view of the great danger that exists on the Pacific, and the fact that we want all the fish we can possibly catch, I urge upon the government the importance of reconsidering the order in council.

Mr. NEILL: May I take just a minute to deal with a personal matter? When this question was up before—in fact, when it was under consideration in May—I made a slip in connection with some figures which I should like to correct. I spoke about the Pacific coast boats numbering 1,800. I was thinking of a limited area. Taking all the boats on the coast, including halibut boats, the number would be between 8,000 and 9,000. It is impossible to tell exactly the number of boats in British Columbia. There are some 13,500 licenses issued, but some of these fishermen have two licenses and there is, therefore, some duplication. There are more boats on the Atlantic coast, but they are worth less because the boats are smaller and the engines are not so good. Apparently they do not need such expensive engines, because they do not go so far from shore. They get an old engine out of a Ford car, but on the Pacific they must have first class diesel engines. When we were dealing with this matter on May 28 the debate was adjourned. I had moved an amendment to eliminate the boats on the great lakes. The Minister of Finance (Mr. Ilsley) has since indicated that he will probably take this step, because it would be hard to justify including them in the bill and not including the coastal fishermen. By the way, I was criticized strongly for that.

I should like to deal with some of the arguments put forth by the hon. member for Shelburne-Yarmouth-Clare (Mr. Pottier), if they can be called such. When we were dealing with this matter in May he thought that everything was lovely, that this was the best of all things in the best of possible worlds, and the government was just all right. Apparently his party loyalty got ahead of his sound judgment; for he has the reputation of being a smart lawyer. He advised us to take what we could get—which was just exactly nothing—and hope for more. Did you ever see a man who had attempted to live on hope? *Punch* once published a picture which looked like a piece of attenuated rope, and they said that it was a picture of a man who had tried to live on hope. After representations had been made by British Columbia members the Minister of Finance kindly agreed to take some action. I give him credit for doing this. This is not a political attack; there is nothing in it of that kind for me. The Minister of Finance and the Minister of Fisheries got together and agreed to pay some attention to the representations we had made.

They decided to help the fisherman on the coasts. The only difference between us now, if there is one, is one of extent. This afternoon the Minister of Fisheries stated that it was intended to deal with those people who were too poor to build another boat. Can you tell me how a man who has a boat worth from $2,500 to $6,000 will be able to build another boat for $2,000? These men do not build boats just for the sake of appearances. They do not spend a nickel more than they have to, to make their boats strong enough to weather the storms. When a man spends $6,000 on a boat you may be sure that every dollar is required. A man cannot replace a $6,000 boat with $2,000. The hon. member for Shelburne-Yarmouth-Clare takes exception to the benefits now being obtained through the efforts—

Mr. POTTIER: On a point of order, I think that statement should be withdrawn. I never objected to any benefits being obtained by the fishermen, and my hon. friend knows that as well as I do. I think he should withdraw any implication of that kind.

Mr. NEILL: I will read what the hon. member said.

The CHAIRMAN: The hon. member must accept the statement of the hon. member. If an hon. member says that he did not make a statement, attributed to him, his statement must be accepted.

Mr. NEILL: Unless you can produce the evidence.

Mr. CRUICKSHANK: I quote from page 3928 of *Hansard,* where the hon. member for Shelburne-Yarmouth-Claire said: "I think we should leave it as it is now."

Mr. POTTIER: Leave what?

Mr. NEILL: The hon. member for Fraser Valley (Mr. Cruickshank) has quoted from one place in *Hansard.* I will later quote another. I do not see why the hon. member for Shelburne-Yarmouth-Clare should take exception. Because of our efforts, the ministers have agreed to do something; when we try to get a more complete form of justice his party loyalty comes to the front and he says, "It is all right". In this case it is more than party loyalty, it is parochial loyalty as well. There is something here that definitely meets the needs of the fishermen in his riding. With the exception of 1·2 per cent of the boats there, they are all cheap boats. Consequently when the government passes an order in council providing for the payment of $2,000, he is quite satisfied. I am told on the best of authority, by a man who comes from down there, that you can buy the whole of that fleet for $2,000 a boat. Naturally he is quite satisfied. What does he care about British Columbia?

My hon. friend behind me, speaking this afternoon, taunted us about getting $162 a ton to help to replace boats taken away by the navy. The government are not doing this because they want to help the fishermen; they are doing it because they need more boats in order that more fish may be obtained for the British market. He forgets the fact that Nova Scotia gets $160,000 every year for the promotion of deep sea fishing. We are fishermen in British Columbia, but we do not share in any part of that.

Mr. KINLEY: Does the hon. gentleman refer to the fishing subsidy?

Mr. NEILL: Yes, deep sea encouragement.

Mr. KINLEY: That is an old story.

Mr. NEILL: Yes, it is an old story, and a sore one. I am not going to say anything more about that. The hon. member for Shelburne-Yarmouth-Clare says that he thinks that $2,000 is fair, for the reasons I have just given. Let me quote what he said. But here first, is an article in a paper giving a list of Japanese boats they are trying to sell in British Columbia, those that are left, the poorer and cheaper ones. Here are some of the values:

Glendale V	$14,500
May S.	8,750
Springtime V.	12,400

That gives you some idea of the value of the boats that we must have. Here is what the hon. member for Shelburne-Yarmouth-Clare said, as reported on page 3927 of *Hansard:*

> I hope we do not get to the radical point—the "gimme's" such as we see from western Canada. That is apparently what this is developing into—"give us this," "give us that." I am willing to back them up in what is reasonable, but we cannot adopt a policy of digging into the treasury to support this and that and extend this and that luxury to this and the other.

Let me give you a picture of the "luxury" the hon. gentleman refers to, and I know of what I speak. The best fishing for these fishermen is for about an hour at dusk and an hour at dawn. They may fish in between, but those are the best hours. In order to get to the grounds at dawn they must leave at about two o'clock in the morning. At this time of the year dawn is about three o'clock and it takes about three hours to get to the fishing grounds, which are about thirty miles offshore. So that they must leave shortly

after midnight. They fish on the way out for what they can get, then they fish for an hour or so at dawn. They then hang around all day, since it would not pay them to come back and go out again in the evening. They may fish through the day and get a few, but they generally try to snatch a few hours' sleep. They are out in the open Pacific where there is no barrier between them and Japan. They fish in what is known as the graveyard of the Pacific, where they are subject to the full swell of the Pacific ocean. You can imagine the comfortable sleep a man will get under conditions like that. At dusk he goes fishing again, and then he starts for home, getting in about ten or eleven o'clock. He may have a good catch, or he may have only three fish. I have seen a man come in with only three fish worth 45 cents apiece. He must sell his catch. He has to wait his turn. There may be 150 men waiting at the buyer's float. Then he has to go to another place to get his gas, and to another place to get his food. Then it is time for him to start out on his next morning's work. This is the day after day life of the fisherman which is described by the hon. member behind me as a life of luxury. If I could tell him what the western fishermen think of the life of a lawyer, and particularly a Nova Scotia lawyer, it would do him good, or at least would be illuminating. These fishermen take all the risks of the sea and of poor catches. However smart a fisherman may be, he is not responsible for the whims of a school of fish, which may happen to run 100 miles further out or fifty or thirty miles away. It may be that he has no luck at all, but fishes all season and does not catch enough fish to pay for his gas and oil, let alone the upkeep of his boat. On top of all that, he now has this further hazard of being bombed. The lighthouse that was bombed by the Japanese was in my district, right in the centre of the fishing industry.

I wish to quote from a letter I received the other day from the Kyuquot Trollers Co-operative association, one of the finest instances of cooperation I have ever heard of. Twenty years ago they were poor, dissatisfied, hard-luck people, barely able to make a living. Then they got together and said: "We will cooperate." Without any government assistance at all, they put in their nickels and dimes and dollars and established their cooperative organization, and now they have a fine business community. They run their own packer, and so on. This man writes on behalf of the whole association, and incidentally I might say to the Minister of Finance that this man would like to see insurance covering fish packers and seiners as well as trolling boats. This is the letter he writes to a member of the ministry:

As you may not be aware, the fishermen joined together in this association produced 3,500,000 pounds of salmon during the season of 1941; and that, owing to the removal of the Japanese fishermen from the west coast, the white fishermen now alone must brave the dangers of the sea, and in addition, be subject to surprise attacks by any lurking submarine, which may do great damage, and when fishing offshore, might prevent these small boats from reaching shore.

As all the salmon suitable for canning has been earmarked for British consumption, and the fishermen have been urged to go out and produce as much as possible, irrespective of the dangers to which they expose themselves, we were quite surprised to learn from the new proposed bill for "war risk insurance" submitted in the House of Commons that salt water fishermen had been excluded, while the inland fishermen, who might be considered almost out of danger, could have their boats and equipment covered.

We wish to point out that most of the fishermen have invested their all in their boats and equipment, and they are not alone risking their property, but also their lives in trying to produce the foodstuff which is so urgently required; also, we might say that they expose themselves to the same dangers as the naval forces, who at least will be looked after, and their dependents compensated in case of loss of life.

He goes on to speak of submarines being off the coast and says that the white fishermen have made a very successful attempt to replace the Japanese fishermen and that their output is on the increase. Then he says, and this bears out what the hon. member for New Westminster said:

As far as is known to the writer there is no "war risk insurance" available to this type of boat, varying in value from $2,000 to $6,000, and if it could be procured the premiums would likely be so high that the fishermen could not afford it.

If you could assure these fishermen that they would receive the same consideration as the other classes of Canadian citizens as regards property, although it may be classed as floating, we feel sure you will have rendered the producers of an essential foodstuff a great service and the returns from that source would justify your support for an all-out effort in production.

You should not forget that these small boats help to protect our west coast by assisting the naval and air forces with any information they may gather without any military standing.

Here is another letter, only a short one:

What in the world is the matter with the government, when they are prepared to insure boats on lakes and fresh water rivers but not those who go to sea?

Take the case of us fellows at Kyuquot, we are fishing daily, anywhere from three to twenty miles offshore in the open Pacific. If there is

any commercial activity going on anywhere, that is exposed to as much potential war risk, I'd like to hear of it.

I value my boat at $5,000. It represents ten years of struggle and savings. I can't afford to carry even the ordinary insurance for fire and wreck for this district.

Ask the Minister of Finance to get out an atlas of Vancouver island, then run his finger along the west coast till he comes to the promontory of Cape Cook, then ask him how he'd feel, fishing offshore from there twenty miles, in a 36-foot troller.

Fishermen generally, accept as their lot the ordinary hazards of this business, but feel they should be covered by damage from enemy action.

That is a genuine man. I can certify that he is a first-class fisherman and a fine type of man.

The minister says that he is introducing this change by order in council. I do not go to the extent the leader of the opposition did in suggesting all the dreadful things the minister might do under the order in council. I think the order in council will be administered fairly. There is no reason why it should not be, but I regret that this scheme was brought into effect by order in council, instead of by legislation which we could have discussed. As a matter of fact, Mr. Chairman, if you wanted to be mean—of course, you would not be—you could rule that it was out of order to discuss the order in council because it is not before the house. It is the bill that is before the house. Why was not this order in council or its contents put before the fisheries committee? Why has not the fisheries committee had a meeting for years and years? If we had had this order in council before the fisheries committee it would have been put into better shape, but it was not sent to that committee at all. It was sent to the banking and commerce committee composed mostly of financial men who would not know a fisherman from a haystack if they met one. A lot of time would have been saved if the order in council had been put before the fisheries committee; both the ministers would have then been better informed, and they would have had a better order in council to put before the house.

We asked that the order in council be read into *Hansard,* but even that was not done. We were told that, instead, the order in council would be put on *Votes and Proceedings.* But we cannot get *Votes and Proceedings* in any quantity without paying ten cents apiece for them, ten cents for a little bit of paper. The price is prohibitive if one wants to send two or three hundred to the fishermen. I was able to get only a dozen. The order in council should at least have been put on *Hansard,* and should have been sent to the fisheries committee, where we could have discussed it.

[Mr. Neill.]

I object very strongly to this compensation being called "compassionate relief". Where is the compassion? Where is the relief? Is it not a just and a right thing? Are you telling these fishermen that they are being treated compassionately? I object to the suggestion that it is a hand-out. It is not like the $160,000 down in Nova Scotia, two dollars and a half to this boat and eight and a half to that boat, engaged in deep-sea fishing. I would call that political relief, and it has been going on for a long time. If a soldier or a sailor or an airman is killed, we do not call the care that we take of his widow and orphans compassionate relief.

There is another objection to the order in council. It will not allow the fishermen to insure beyond the $2,000 that will be granted by the government. They allow a man to insure his house beyond that. The house owner can insure his house up to $50,000 if he likes, and why in all fairness should we not allow the fisherman to do the same? But if the fisherman insures beyond this amount of $2,000, he loses the compensation granted by the government. The fishermen cannot get commercial insurance anyhow.

Under the bill the government are going to have a scheme of insurance of their own on buildings. It is to be done through an insurance agent, but the government pays the money. If you can insure a house through the government, why not a fisherman's boat? The Minister of Finance says that marine insurance is a new form of insurance to him, with which he is not familiar and that he does not care to go into marine insurance. The marine insurance people will take care of that. All we ask the Minister of Finance to do is to foot the bill, and in the last resort it always comes to the government.

An hon. member sitting behind me has pointed out the objection to having only one boat insured. As I said the other day, a cannery must have a number of boats or it could not keep the cannery running; and if a fisherman cannot afford more than one boat the cannery will lease him one. The fisherman and the cannery man must be able if they need, to have more than one boat. By the way, the order in council reads differently from the statement made by the Minister of Fisheries—quite inadvertently, of course—in the house the other day. He told us clearly and distinctly that there would be only one boat and only two men on a boat. And now the order in council—

Mr. MICHAUD: Oh, never.

Mr. ILSLEY: Nothing about "two men".

Mr. MICHAUD: I don't think I said that.

Mr. NEILL: The minister did not say it would be for only one boat?

Mr. MICHAUD: One boat, yes.

Mr. NEILL: Oh, yes; I did not mean to say "only one man". You are allowed two men in a boat. The minister said they would be allowed payment for only one boat. According to the definitions in the order in council:

> "Person" means any person, firm or incorporated cooperative association or society of fishermen, excluding, however, any other corporation,

That is the definition of "person". Then the limitation states:

> No compensation shall be paid any person under this order in respect of the diminution of value caused by war damage at any one time, in more than one fishing boat owned by such person, except where such person is a firm or is an incorporated cooperative association or society of fishermen.

That seems to me involved. The definition distinctly says that "person" will include a firm, and then the limitation says compensation will not be paid for more than one boat "owned by such person, except where such person is a firm or" —not "and"—"is an incorporated cooperative association or society of fishermen." Take the position of a fishing firm, the B. C. Packers, which is a well-known firm out there. The point is a difficult one; I do not propose to express an opinion; but the minister certainly said compensation would be paid for only one boat.

Mr. ILSLEY: I think the hon. member's point is well taken, and that "firm" is in section 5 by mistake. I believe it should come out. The intention is, if I am correctly advised, to give the privilege of more than one boat to cooperative associations only. But that is a matter which can be considered.

Mr. NEILL: I am glad to hear the minister say that as to the Co-op, but the cannery men need the same privilege. If the minister would withdraw that paragraph it would make that all right.

Mr. ILSLEY: Oh, no.

Mr. NEILL: And if he would grant a fairer sum for compensation, the order in council would be a reasonable thing, but the compensation is too small. I understand the situation. The minister's advisers have been drawn largely from Nova Scotia, or other places in the maritimes, where, it happens, these boats are small boats of no great value.

Mr. KINLEY: I have eighty-two boats in my riding worth $50,000 apiece.

Mr. NEILL: And we have thirteen thousand.

Mr. KINLEY: You are talking about the whole of British Columbia; I am speaking of my riding alone.

Mr. NEILL: I state positively that the boats in the maritimes are worth on an average much less than those in British Columbia, and that two thousand dollars to them is a much bigger sum per boat than it would be in British Columbia. Therefore it would be only fair to raise the $2,000 to $3,000. Even then they would take a huge loss, and why should they take a huge loss individually for what is the common loss and debt of us all? I am not suggesting that $3,000 should be given to everyone who comes along; claimants will have to prove their losses, just as an insurance company makes you prove your loss, and if they do not have a boat worth $3,000 they will not get that amount. I think that would be the reasonable and fair thing to do. The minister, who has shown fairness throughout this matter, could well afford to raise the limit to $3,000. Even then, I may tell him, in many cases a huge loss would be sustained. As the president of this association points out, boats cost from $2,000 to $6,000 each. The boats to which he refers are what are known as trollers. Trollers do not need a net; they need only lines, which run out behind the boat, and they have hooks and lines and the expense is quite small. But there is the gill-netter, which has a net worth $250 or $300, and it is only good for one year. Then there is the seine, which will cost around $1,200—that is the salmon seine—and the herring seine costs a good deal more. These big boats which go out with the seines will run as high as $25,000.

Mr. MICHAUD: And some, $45,000.

Mr. NEILL: Then there are these packers as well, which this association asks me about. I believe that, legally speaking, they are not deemed to be fishermen, and yet they are employed solely in the fishing trade. Their business is to pack the fish which has been caught in a certain spot and take it to the cannery, and it has been found that it is cheaper to pack the fish to a cannery centrally located than to build the cannery in a remote spot. They are engaged solely in fishing, and I plead with the minister to include "seiner" as a fishing vessel, at least while employed in packing fish.

I have spoken with very little preparation, and have not put the matter as well as I would have liked. But I will take a chance on the order in council being administered properly if it is extended in these two points —increasing the amount to $3,000, allowing

them to insure with the government, like property on shore, and also putting packers in the definition.

Mr. ROSS (St. Paul's): I think we should have another bill, instead of the order in council, to take care of this question of war risk insurance only, for boats of one kind and another. A number of hon. members seem to be getting this question of rates for war mixed up with full marine coverage rates. Can the minister tell the committee what premiums are charged, for war risk insurance only, on boats on the Pacific and Atlantic coasts?

While I am on my feet I should like to say something else. To placate some of the people who are not covered under this bill in connection with boats, the minister has seen fit to withdraw the privilege of insuring boats on the inland waters. Well, the war risk attached to boats on inland waters is practically negligible, and by taking this step the government of the day are just throwing away two or three hundred thousand dollars in premiums which they might very easily have, and which would help to pay for the extra risk which is assumed by the boats on both coasts. There is far greater risk there.

I do not think this coverage for boats on both coasts should be dealt with by order in council. It goes much further than provision for fishermen. Either you can get insurance at the present time or you cannot. I should like to know. We have been told that it is not obtainable: then I think it is up to the government to introduce a bill which will make it obtainable, and to insure a great many boats on the great lakes so that the cost to the government will be cut down very considerably.

Mr. MICHAUD: Just before the Minister of Finance gives an explanation of the details pertaining to the insurance aspect of this question, I should like to say a few words by way of further explanation and try to satisfy the minds of some hon. members as to the terms of the order in council, what it is intended to cover, and what protection it is intended to give to fishermen.

There are about 32,000 fishing boats and vessels used in the fishing industry in Canada. No census has been taken of them, for the reason that boats of the smaller class are not registered. No provision is made for their registration under any law or under any regulation governing qualification for any bounty or subsidy. But occasionally officials of the department make a general survey of their districts and report to us the number of boats that they list. These boats are worth from $25 to $150,000 each. There is the small tender, twelve feet or over in length, used by a certain class of offshore fishermen—

Mr. HOMUTH: Does the question of registration affect the insurance?

Mr. MICHAUD: In regard to insurance, but not to the fishing boats; that is another matter. Boats of ten tons and over, large enough to register under the shipping act, are called vessels. Of course certain insurance companies and interests make provision for marine and war risk insurance of these vessels. In fisheries parlance we distinguish between a boat and a vessel. A boat is a smaller type of craft used by individual fishermen and offshore fishermen; a vessel is a craft of ten tons and over.

Mr. NEILL: And the insurance companies do not care about insuring anything that is not registered.

Mr. MICHAUD: Yes, that may be so. But it does not take a very large craft to be classified as a vessel of ten tons register.

Besides the small boat used by the Atlantic offshore fishermen we have boats powered with gasoline or oil engines, such as the schooner of the Lunenburg type, a particular type of large boat costing $40,000 to $60,000; some of them cost $70,000 in these days. We have also the still larger type of boat operated by steam.

On the Pacific coast there are used in the fisheries various types. First there is the gill-netter, used by those who fish with gill nets for salmon. They are the more numerous of the classes of craft used there. Next comes the troller. The troller is in some instances in a larger class than the gill-netter. Then there are the large purse seiners, the halibut fishing boats, the carriers that are used in the canning industry, the packets and the tenders.

In extending protection to the fishermen a line had to be drawn somewhere, and we thought we should draw the line to cover the boats which are more numerous and are operated by the larger class of fishermen, the class which is least in a position to replace them and could not insure them, but are the largest factor in the production of the raw material of the fishing industry. We drew the line at $2,000, because, according to reports and information we have been able to gather, it covers all the class of boats that we intended to cover. As to the Pacific coast there may be something in what the hon. member for Comox-Alberni has said. It applies to the Kyuquot district where they have cooperative trolling, a very successful organization of fishermen; they have been improving the quality and size of their boats,

because they are very progressive, and their business has now been made very profitable on account of the method they have adopted. There is in that section a class of trollers which costs more than $2,000—between $2,000 and $6,000. The exact number of those boats we do not know, but we are getting the information. There may be some scope for reconsidering the order in council if it is found that these boats cannot be insured. They may call for some special treatment. As to the other boats, I think they are pretty well covered.

Mr. NEILL: What about packers?

Mr. MICHAUD: These come in the class owned by people who we think can afford to insure, or if the boats are not insurable they must take the loss, because we cannot cover them all. There are packers, there are purse seiners and all kinds of boats, and if we started to raise the level we do not know where it would stop, because naturally each branch that is interested is trying to get as much protection as possible. That is to be expected. But we had to draw the line somewhere, and I think that for the time being we should be satisfied to protect the largest class and the class which is least able to protect itself.

Mr. HOMUTH: What has this to do with war risk insurance?

Mr. MICHAUD: It is not insurance, but it is a war risk. It is protecting them against damage caused by enemy action.

Mr. ROSS (St. Paul's): Under the order in council the limit is $2,000, what has that to do with the thirty-five thousand?

Mr. MICHAUD: I am simply mentioning that as an example, to give a picture of the situation, and to indicate what part of the fishing fleet we intend to replace and protect by the order in council. As to the rest, that is a matter to be considered—whether they should be insured, and in what way, by public insurance or private. I am simply explaining the application of the provisions of the order in council for gratuitous bounty to, or gratuitous replacement of, boats for a class of fishermen who could not by themselves do it, and who could not be kept in production if enemy action destroyed their fleet.

Another point has been raised by the hon. member for Queens-Lunenburg, concerning the small fisherman who has two or three boats, which we in the east call his fishing unit, the three of them together not worth more than $2,000 but needed in his operations. This will be looked into, and if in order to protect him—this is the very class we want to protect—it is necessary to amend the order in council, we will do so.

To give the committee an example of the general average value of the fishing boats on the coast, may I say that at the opening of hostilities we took away from the Japanese nearly 1,200 boats. We had them appraised by an independent board in Vancouver, composed of the best men we could find for the work. I think they did a good job. The average appraised value of the boats was $1,280 each. There were a few boats of the bigger type, not many, which were operated by the Japanese in a commercial way, and which were listed in the magazines and offered for sale by the board; but they were the same type of boats that are operated by canneries or companies on the Pacific coast, the type which it is not the intention of this order in council to cover. But in the average figure of $1,280 I think we get a fairly good appreciation of the value of the common run of fishing boats on the Pacific coast.

Mr. ROSS (St. Paul's): What would be the total value?

Mr. MICHAUD: Between one and two million dollars. We have disposed of some of them for nearly a million dollars.

Mr. ROSS (St. Paul's): The minister said we had 32,000 boats.

Mr. MICHAUD: In all the fishing fleets of Canada.

Mr. ROSS (St. Paul's): What is the total value of those boats?

Mr. MICHAUD: I could not give that figure, because some are worth $30 and some are worth $100,000. They range in between those figures.

Mr. CRUICKSHANK: I should like to ask a question, though I do not know whether I am in order under this particular section. While I represent one of the largest fishing ridings in British Columbia, frankly I do not know anything about fishing. I am quite in accord with what has been said by the hon. member for Comox-Alberni and the hon. member for New Westminster, because with the exception of the Minister of Fisheries they know more about fishing than anybody else in this house, and I endorse everything they have said. While I know nothing about fishing, I think in that respect my knowledge coincides with that of the Department of Finance. The question I wanted to ask is based on a wire which I received from the Vancouver board of trade. For the benefit of those who are not well acquainted with British Columbia, let me say that Vancouver happens to be the third largest city in Canada. I am not a member of that board of trade, though I do belong to another

board. Perhaps one reason why I am not particularly familiar with the operation of boards of trade is that in western Canada they are generally regarded as Tory organizations. But when a wire comes from the board of trade of Vancouver, representing the principal business men and men in all walks of life—

Mr. HOMUTH: Tories.

Mr. CRUICKSHANK: There are many good Liberals in it, too.

The CHAIRMAN: Order, please.

Mr. CRUICKSHANK: Oh, I do not mind him. I am particularly interested in this wire, which was sent to the Minister of Pensions and National Health (Mr. Mackenzie) with copies sent to each British Columbia member. It reads as follows:

Due to imminent danger further damage caused by raids either air or sea on this coast we strongly urge that insurance companies be instructed to immediately accept on behalf of government applications for war risk insurance. All applications to be accompanied by cheque amount this deposit to be set by government. This procedure will establish fair basis for considering claims made under the retroactive feature of bill if damage precedes passage of war risk bill. Cannot stress too strongly our recommendations. Situation urgent and public apprehensive.

In view of the fact that this telegram is dated July 3, that it comes from such a body as the Vancouver board of trade, and that at least one hon. member from British Columbia is rather apprehensive as to what may happen to-day or to-morrow, I think we are entitled to an answer on this point by the Minister of Finance.

Mr. ILSLEY: I have been trying to get myself in a position to give a satisfactory answer to inquiries such as this for two or three months. I have been trying to get this bill through, and I thought I might shorten the discussion by sending the bill to the banking and commerce committee and having them discuss it there, but it has come back to the house and, as hon. gentlemen know, a considerable amount of discussion has taken place. We have passed only one section; we are now on section 2, and I want to get back to section 2 as soon as possible. But this debate on the protection of fishermen came up. As I said the other day I felt that we would have to meet the situation in some way, in order to clear the way and get ahead with the bill, though I hoped the discussion on that point would not last too long. Probably it was not strictly in order, though ships are referred to in this section. However, I could not really raise a point of order, because in any event the discussion probably would run outside the bill, and I had no objection to hon. members discussing this fisheries order in council.

I received the wire which the hon. gentleman has read, or one like it, and I replied to it at once, stating that I could not authorize the insurance companies to accept applications or to write insurance policies now, because I did not have any legislation. I want to remind the house that I had power, or the government had power to enact legislation by order in council. That was express power under legislation, not under the War Measure Act but under the War Appropriation Act. Section 2 of every war appropriation act from 1915 up to the present time has contained this as one of the powers granted to the government:

(c) promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risk or in any other manner whatsoever—

I hope I am not making a statement that is at all shocking to the democratic sensibilities of hon. members of this house, but if I had the matter to do over again, contrary to what was said this afternoon by the leader of the opposition, I would have drawn up an order in council. Then I would have had a system of war risk insurance in operation, and I would not be embarrassed by telegrams such as the one just read by the hon. member. We have done things almost as important, or more important, by order in council, but we decided to bring this to the House of Commons. As a result here we are, on the 8th day of July, considering the bill in this house for perhaps the fifth or sixth time, after it has gone through the banking and commerce committee where it was discussed day after day.

I am just saying this because I want hon. members to realize that it is very important that this legislation get through. The hon. member for St. John-Albert spoke about it the other night. It is all very well to talk about bringing everything before the House of Commons, but under conditions such as these the House of Commons must assist as much as possible.

Mr. CHURCH: I should like to take four or five minutes with reference to this bill—

Mr. ILSLEY: I still have the floor, Mr. Chairman. That was just by way of answer to the hon. member for Fraser Valley. The hon. member for St. Paul's asked what the rate of insurance is on our coasts; that is, war risk insurance, not marine insurance. I obtained the information by telephoning to Montreal this morning. The rate of insurance on the Pacific is 1¼ per cent for three months,

provided the vessel does not go west of cape Spencer, which I understand is on Skagway. I think only the large boats engaged in halibut fishing go that far, and if the smaller vessels wanted coverage the rate might be less. I have no information which confirms the statement made this afternoon that insurance is not procurable. My information is that war risk insurance is procurable at these rates, which are substantial rates but not beyond reason. If for instance a company or a fisherman or anyone else had a boat worth $3,000 which he wished to insure against war risk at this rate, it would amount to 5 per cent for the whole year.

That is $150 of an operating charge which he would have in this time of war, more than in time of peace. It is $150, but it is a business expense which is assumed by all kinds of owners of fishing craft. On the Atlantic coast the rate is 2 per cent for three months and, as the member for Queens-Lunenburg (Mr. Kinley) said, they put it on. They insure their schooners there. What is being asked of the government this afternoon is in effect that we should cut down all these policies by $3,000, and pay the premium for these fishing companies on the first $3,000 or the last $3,000, because the moment we say that we will assume the first $3,000 free, then every policy of $20,000 comes down to $17,000, because they get the premium paid by the government instead of paying it themselves. They are not asking for that, and I do not want to do that.

The comparison has been made between fishing boats and houses. There is no comparison. The fisherman gets the same protection as everyone else gets on his house, the same protection as everyone else gets on his furniture. Further than that, he gets free compensation for certain effects if they are lost at sea, and he gets insurance against personal damage or death, the same as members of the forces under the Pension Act. Now we come along and are taking a piece of business property, a piece of his capital, and are giving him free compensation for that, in addition, up to $2,000. I do not think we should be asked to go further.

If marine rates go out of all reason and there is a need to be met there, then the government may be compelled to adopt and put into effect a government marine insurance scheme. But I certainly will not, if I can avoid it, incorporate that in this bill because it is a different class of risk, a different kind of business. I would have to have a different set of advisers, people who know marine insurance, rather than fire insurance, because this is comparable to fire insurance. Marine insurance is the sort of insurance we are dealing with here.

I suggest that hon. gentlemen accept what has been done and allow the government to get ahead with this important bill. The leader of the opposition asked why we did not put this provision in this measure. I made it clear that it does not belong in this bill. It is entirely foreign to the bill, and that is the pressure which I have been obliged to resist from the beginning, to incorporate into this measure provision for property which does not belong with the property covered under the bill, as to which the risk is different, the business is different, and so forth. It would ruin our whole scheme if we did that.

The hon. member for St. Paul's (Mr. Ross) said what was true when he stated that we are throwing away $200,000 or $300,000 of easy premiums by cutting out ships on the great lakes. Why am I cutting out ships on the great lakes? I am doing so in order to avoid the charge of discrimination. Would there be a charge of discrimination? Certainly there would be. There are such charges in two of the letters which were read to-day by the hon. member for Comox-Alberni (Mr. Neill). The charge is that we are discriminating in favour of big companies against small people. There are $200,000 or $300,000 of premiums which, it is said, we might as well have as not, but we are eliminating the ships on the great lakes so as to avoid charges of discrimination. I cannot stand here and have it said that I am sacrificing the people on the coast in favour of big interests in Ontario and Quebec.

The hon. gentleman dug out something from the order in council to indicate that a firm can get free compensation for more than one boat while the poor fisherman cannot. If I have my way, that will come out to-morrow, so that the firm will get compensation only for one boat. That is what I will do, because I will not have charges made of discrimination in favour of the big people as against the small men, or in favour of inland as against coastal interests. I cannot do it. The government has to be careful about these things.

Mr. ROSS (St. Paul's): The question of these boats on the great lakes falls more within the category of inland transportation insurance. It is not really a matter of marine insurance. I think the minister could easily get over the question of discrimination and still obtain these premiums, which he is otherwise throwing away, by having it understood that it would be on that basis. Not only that; it is not a question of discrimination at all but a question of allowing these people in the interior of Canada to have an opportunity of contributing toward those people on the coast in connection with the compensation they get with respect to losses sustained.

Mr. ILSLEY: The hon. gentleman is arguing as I did the first day on which the bill came up. Now I have abandoned that ground because I have heard two letters read from British Columbia this afternoon. Indeed, the hon. member for New Westminster (Mr. Reid) has another, and I have one also, accusing the government of favouring inland fishermen as against those on the coast. I cannot have that. I am sorry. I should like to have that $200,000 or $300,000 in premiums but we have to forget it.

Mr. CRUICKSHANK: The remarks I am about to make are not in any sense critical, but I would point out to the minister the view held by a representative body, the Vancouver board of trade, in this matter. As I understand their telegram, it is not with reference to small fishing boats—

Mr. ILSLEY: It is not fishing boats.

Mr. CRUICKSHANK: We happen to be—

Mr. MICHAUD: If you let this bill pass you will have it.

Mr. CRUICKSHANK: One thing I resent, and I resent it also on the part of the Minister of Finance, is the suggestion that any private member is tying up this legislation. Certainly, if there is any tying up it is not by the members from British Columbia. We are elected to protect the interests of our constituencies, our province and the dominion as a whole, and I repeat, if there is any tying up we are not doing it. I am not quarrelling with the order in council. This is one of the few times when, in my opinion, action can be taken only by order in council. Obviously, as the minister himself said, conditions may change. The amount might change to-morrow as war conditions became either more serious or less so, either on the Pacific coast or elsewhere. But if the government can do that, there is no tying up on the part of private members. The tying up is being done by the government itself if it cannot put into effect the request of the Vancouver board of trade, that the insurance companies be instructed immediately to accept, on behalf of the government, applications for war risk insurance, all applications to be accompanied by a cheque representing the amount of deposit. Surely the government cannot say there is any tying up. We are here representing British Columbia, and the Vancouver board of trade, a representative body in that province, is simply asking that this suggestion be put into effect at once and be made retroactive, to be paid for if the government sees fit, in connection with ships of $2,000 or $3,000 or $10,000. That can be covered when the time comes. In the meantime, the government or its advisers—so far as this bill is concerned—apparently do not realize or have never heard of Egypt, and they have certainly never heard of the Japs. The danger is imminent and we must have action now. Surely, therefore, the government can instruct the insurance companies to accept the risk, subject to any provisions of this bill or of any other bill or order in council in the future. I expect to have the minister's answer.

Mr. CHURCH: Mr. Chairman—

Mr. CRUICKSHANK: There are no fishing boats in Toronto. I want the minister's answer. I should like to know if there is going to be some action in this matter.

Mr. ILSLEY: I do not think it would be proper that the bill at this stage should be enacted by order in council, behind the back of parliament, in order to meet that particular situation.

Mr. CHURCH: I do not wish to interfere with the hon. member for Fraser Valley getting a reply. I have read what he said about this bill and I have respect for his views. I wish, however, to continue my protest of three weeks ago against the policy of this bill and the change in the definition by order in council, the change in the whole bill, from the first clause to the end. In the first place, by this order in council the government is changing every definition in the Interpretation Act. You have to read the order in council into the last clause of the bill, which is the most important one of all, and the regulations are set out in nearly two pages of the bill. Is this parliament going to act as a sort of agent, a sort of life-saver for the insurance companies of the country, at the expense of the Canadian taxpayer? The only insurance we have in Canada to-day in connection with war damages of all kinds for fishermen was restricted by the committee, in the bill, first, to inland waters and extended subsequently. This bill should have been extended in the first place to coastal waters and to fishing boats and appliances which are near the danger zone on the Pacific and the Atlantic. Are we now going to relieve these insurance companies? I attended one of the meetings of the committee, and I am surprised at the action of the minister. The minister has a likable personality, but he is always very clever at special pleading for what I call certain sections of the country. He is not slow to plead the case of his own section of the country in regard to apples, potatoes,

codfish and everything else. But when it comes to the central provinces, who are paying such a large part of the taxes, they get little or nothing. I do not represent any insurance company or loan company. I suggest that if the minister had kept the loan companies' agents out of the committee, it would have been better for everyone concerned. This country cannot stand the expense which has been imposed by the minister, assisted by his controllers and bureaucrats. These things are done by means of orders in council passed by these bureaucrats over the head of parliament.

I have no objection to war risk insurance in certain cases. These insurance companies came to parliament and asked that all kinds of risks be covered which were never contemplated either during the great war or this war. They said they were prepared to cover these risks and private bills were introduced into parliament. I opposed three or four of them which originated in Toronto. This is simply a utopian scheme which will never be carried out. We do not know just what is the real situation on the Atlantic and the Pacific. I made an appeal to the minister. Dwellings are to be covered up to a value of $3,000, but I do not know of any industrial worker who has a dwelling worth that much. We all know the deplorable state of our finances to-day.

This order in council changes many of the definitions in the interpretation section of Bill No. 56. We have the diminution value covered, applicants and so on. Where is the minister going to get this insurance? Some of these large insurance companies have made fortunes out of the premiums paid in, and they are doing very little to help the war. They do buy victory loans with trust funds, with the people's money and not their own. By this bill and the order in council the minister proposes to give these insurance companies the power to act as agents in this particular class of insurance. Power is being delegated to them to collect premiums and there will be no check on them. These companies will be a law unto themselves.

When this bill was before the house previously I objected to the second reading. At that time I said that there were two classes in the country which were not being covered, and apparently they have no special pleaders in this house. I refer to the industrial workers and the soldiers. The industrial workers used to have some property, but if we have many more of these budgets and controllers they will have property no longer. If the minister wants to do something he should inaugurate a system of national insurance. That would do far more to cover risks on the homes of industrial workers than this bill. The rates now charged are 5, 6½ and 7 per cent; the minister should take advantage of the power he has under the War Measures Act and cut this rate to 4½ per cent. When it was proposed that an order in council should be passed under the War Measures Act in order to check insurance rates and mortgage rates and to institute a system of national control of mortgages, the answer was, "oh, no." These companies have made fortunes out of the poor people, and parliament should give the poor people some protection.

I know of men who have gone to the war leaving everything they had. Their property should have been covered by an order in council passed under the War Measures Act. They are more capable than three-quarters of the men in the minister's department; they gave up jobs that were just as good.

In conclusion, I say that this bill and the order in council are class legislation of the worst kind. They do not provide protection for the property of the people I have mentioned. In my opinion the government has adopted a wrong principle. I am a warm supporter of protection for the fishermen because I know of their sufferings. I have been to both coasts, and I know how they suffered during the depression. The best that this parliament can do for them is not good enough.

There should, however, be some protection for the other two classes I have mentioned. With the present budget the fisherman or the soldier or the industrial worker will not have any property. With these budgets and controllers any property owned by the small retailer or the small wholesaler will be eliminated.

So what is the use of talking about a risk up to $3,000 on a dwelling, or on a fisherman's property? Under the definition as amended, what is the use of owning anything? The right to possess private property is derived from nature, not from man, and he and all his regiment of officials cannot take away that right. It existed before he was born, when the people of England, Ireland, Scotland and Wales came out here as pioneers and settled this country. But to-day all incentive to thrift has been abolished in this country. This bill and the order in council help only 50 per cent of our population, and the other 50 per cent are left to shift for themselves. Here we are reversing the policy of Macdonald, Laurier and Cartier and all those other great statesmen. I should like to see everybody own some property, whether it be some small

business, a retail store, a mill, farm machinery, or even a cow. It is the private ownership of property that has helped to build up this country, and now we are seeing private property abolished.

I can tell the insurance companies that they had better look at the handwriting on the wall. Some of these insurance companies invested in common stocks and lost millions of dollars of the premiums that had been paid in for life insurance, and the result was that some of these companies were allowed to come to parliament and get a certificate, to which they were not entitled, to allow them to carry on.

I have every sympathy for the fisherman but I do not believe the fisherman will ever get a cent under this bill. I do not think anybody will get a cent under this bill. It is a technical bill designed by the dreamers and utopians of all kinds who have been trying to meddle with private business in this country, with wholesalers and with retailers and the ordinary business man. The bill will never attain the objects for which it was designed.

Why is not something done about a national scheme of insurance for the soldiers? If you say anything about the soldiers, you are told: The soldier owns no property. But I know soldiers who have given up all their property, who have lost everything, even life itself, and nothing is done to insure them; but dreamers in the insurance department can present a bill like this to parliament. If this is the way we are going to do our business, it is no wonder that parliament is fast losing its influence and the respect of the taxpayers of this country. Here we are, after talking for several months, and we have not yet considered one dollar of the minister's estimates.

There is no protection provided for the industrial worker. He has lost his property already through taxation.

I suggest that this bill be left over until next year, and let us close up parliament and get home as rapidly as possible. If the minister persists in going on with bills like this we shall be here until next October. Some of these bills will have to be dropped if the house is to close within a reasonable time.

Mr. ILSLEY: Mr. Chairman, I have two amendments to propose to section 2 which I will ask my colleague to move. The first reads:

That paragraph (f) of clause 2 of Bill 56 be amended by deleting the words "a line drawn from Father Point to Point Orient" in lines 3 and 4 on page 2, and substituting therefor the following: "the west end of the Island of Orleans;"

Mr. MICHAUD: I move accordingly.

[Mr. Church.]

Mr. ILSLEY: The amendment that has just been moved narrows the definition of inland waters. It has been considered that the present line, which is from Father Point to Point Orient, is too far east, and that there is no justification for drawing the line any further east than the last point of transshipment for vessels from inland waters to vessels that are seagoing. Quebec is the point farthest east where such transshipment takes place.

Amendment agreed to.

Mr. ILSLEY: The next amendment is:

That paragraph (j) of clause 2 of Bill 56 be struck out and the following substituted therefor:—

"(j) 'property' means buildings, machinery, fixtures or other structures erected or placed upon, in, over, under or affixed to land, and all movable corporeal property in Canada, but shall not include:

(i) land, exclusive of any structures aforesaid;

(ii) growing crops, plants and trees;

(iii) ships or vessels other than ships being built or equipped in Canada prior to their being completed, launched and/or equipped;

(iv) machinery, tackle, fishing gear or furniture of ships or vessels;

(v) property or goods laden or freighted in ships or vessels other than goods laden or freighted in ships used solely in inland waters;

(vi) money, negotiable instruments, securities for money, evidence of title to any property or right or of the discharge of any obligation, or any documents owned for the purpose of a business;

(vii) such other property as may be excluded by the terms of any contract of insurance or by any regulation

and does not include **use and occupancy**, profits, earnings, **consequential loss**, accounts, debts or any incorporeal property."

The main change that is being made by this amendment I have already explained to the house several times; that is, all ships are now taken out of the bill, but personal property, that is the goods laden or freighted in ships on inland waters, is still left in the bill. I have explained the reason for coming to that decision.

Before this amendment, paragraph (vi) in the printed bill included the words "does not include the use and occupancy of buildings," and so on. We have cut out the words "of buildings," because that is not necessary. Then we have put in that it does not include "consequential loss."

Mr. HANSON (York-Sunbury): Does not that have a technical meaning? There is a legal interpretation of it I think.

Mr. ILSLEY: It has a technical insurance meaning, and I am advised that it should go in.

Mr. HANSON (York-Sunbury): Yes, I am not just sure what the meaning is. The minister has not the meaning before him?

Mr. ILSLEY: No.

Mr. MICHAUD: I move the amendment accordingly, Mr. Chairman.

Mr. HANSON (York-Sunbury): I have just one suggestion to make to the minister, namely, that in paragraph (vi) he should include the words "evidences of indebtedness". I think it would be desirable to put that in.

Mr. ILSLEY: I accept the suggestion of the leader of the opposition, that "evidences of indebtedness" go in after "securities for money", so that paragraph (vi) will read:

money, negotiable instruments, securities for money, evidences of indebtedness, evidences of title,

And so on.

Mr. HANSON (York-Sunbury): It would make it more certain. Otherwise that might be left out.

Mr. ILSLEY: Yes.

Mr. NEILL: Has the minister excluded what is now subparagraph (vi), or included it?

Mr. ILSLEY: Now that becomes subparagraph (vii) "such other property as may be excluded . . ."

Amendment agreed to.

The CHAIRMAN: Shall section 2 as amended carry?

Mr. MACDONALD (Halifax): There is just one question I wish to ask before this section is carried. Is it intended that damage occasioned by an accident such as the Halifax explosion of 1917 shall be insurable under the act? In other words, would the words "munitions or explosives being lawfully . . . transported in Canada" in paragraph (1), subparagraph (iv), include munitions or explosives carried in a ship under way or at anchor?

Mr. ILSLEY: Yes, Mr. Chairman, that is intended to cover an explosion in a harbour.

Mr. HANSON (York-Sunbury): It is quite clear that it does.

Mr. BLACKMORE: Before the section carries, there is another whole aspect of it which I think should have some attention from the committee, and I fear that we shall not have time this afternoon to give it that attention.

I should like to say in a general way that I have been impressed by the work of the committee this afternoon. Those people who are running about the country talking about the deficiencies of parliament, its carelessness and so forth, would, I think, have been enlightened had they been here to-day and observed the solicitude with which the various hon. members were looking after the interests of their constituents. After all, that is what we are here for—to look after our constituencies, which comprise Canada. I think the minister has honestly attempted to be fair to all concerned. I think he has listened with due sympathy to the requests of the various hon. members.

The matter I wish to discuss is the meaning of "value" in this bill. I note that paragraph (m) of section 2 was deleted. I was a member of the banking and commerce committee which deleted that clause, but I was never satisfied as to the reason why it was deleted. It is, I think, an important matter. The paragraph served as a sort of criterion by reference to which the minister's agents might hope to determine the extent of damage which had been done to a given piece of property—the value of the property. I wonder what, in the minister's mind, compensates in the bill for the loss which it has sustained by the deletion of that paragraph from the section. What is there in the bill now to enable those who will administer it to determine the value of a given piece of property which has been damaged?

Mr. ILSLEY: I was informed that the section, perhaps, did not quite represent the result of the court decisions as to what is the value under an insurance policy, and I understood that the members of the banking and commerce committee felt that the definition should be eliminated, that there should be no definition of value, and that value should be settled now as it is under a fire insurance policy, in accordance with legal principles. I understand it is very difficult to define. I know that Mr. Leonard thought he had defined it about in accordance with the results of the decisions, but some members of the committee disagreed with him, and it was decided to cut it out.

Mr. HANSON (York-Sunbury): It will leave the legal remedy. I think that is fair.

Mr. BLACKMORE: It seems to me that the bill is decidedly deficient without some such paragraph in it. If what is to be used is the ordinary legal agreement concerning values as in a fire insurance policy, it should

be so stated, but I certainly would not approve of it without some explanation that would satisfy me.

The CHAIRMAN: Shall section 2 carry?

Mr. BLACKMORE: No, Mr. Chairman. I think this matter is important. Although I have sat as a member of the banking and commerce committee pretty well all through its deliberations, and listened with most attentive care to all that has been said here in connection with the bill, I find confusion resulting from an attempt in the bill to defer to two points of view. I should like to have a discussion to clarify certain matters before it is passed.

Mr. HANSON (York-Sunbury): I should like to ask my hon. friend if when we meet again he will give his attention to subsection 3 of section 3 and explain the reason for that arbitrary power and let us know at the next sitting. I was a member of the committee but I did not attend.

Progress reported.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, July 9, 1942

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ONTARIO AND QUEBEC BUS ROUTES

Mr. LALONDE:

1. What bus routes in the provinces of Quebec and Ontario have been cancelled or modified?
2. What different bus routes are operating in each of the said provinces at the present time, and of what mileage is each such route?

Mr. HOWE:

1 and 2.

(a) Total route miles operated by bus companies in 1941: Ontario, 7,587; Quebec, 8,725.

(b) Estimated bus miles per year saved by curtailments and abandonments to date July 1, 1942: Ontario, 2,527,402; Quebec, 1,769,962.

The above figures are exclusive of city curtailment because the service in most cases parallels street car lines, and because the problem is met by modification rather than abandonment.

In order to answer in detail the above question it would be necessary to require complete statistics from 125 bus operating companies in each province, the great majority of these having multiple routes.

[Mr. Blackmore.]

CANADIAN ARMY—ACCIDENT TO CADETS IN BATTLE EXERCISES IN OTTAWA

Mr. CHURCH:

1. Will the government order a military court of inquiry into the drowning of the cadets from Brockville, in the Rideau canal, Ottawa?
2. Will a public civil inquest be held into the matter?
3. Will pensions be given the next-of-kin?
4. Who ordered these men to swim the canal, and what life-saving appliances, or live-saving guards and equipment were there on duty as precaution?
5. Who were the officers in charge, and had they canoes or boats near the scene in case of accident?
6. What life-saving facilities had the city of Ottawa there?
7. What life-saving equipment has the city of Ottawa, the government or the Ottawa improvement commission?

Mr. RALSTON:

1. A court of inquiry has been convened on the order of the adjutant-general and is at present sitting at the city of Ottawa.

2. This is a matter which comes within the jurisdiction of the attorney-general of the province of Ontario.

3. This is a matter which comes under the Department of Pensions and National Health.

4, 5, 6 and 7. These are all matters which in so far as they are relevant are the subject of investigation by the military court of inquiry mentioned in paragraph 1.

WARTIME PRICES AND TRADE BOARD—INTERESTS OF FARMERS

Mr. BRUCE:

1. Are there any practical farmers on the wartime prices and trade board?
2. Will the government appoint an advisory agricultural committee to assist the wartime prices and trade board?

Mr. ILSLEY:

1. The wartime prices and trade board consists of twelve members, all of whom are civil servants or officers of government agencies. Two members of the board are senior officers of the Department of Agriculture.

2. Advisory committees representative of various branches of agriculture have already been appointed. Others are being selected and will be announced in the near future.

WARTIME PRICES AND TRADE BOARD—PROSECUTIONS

Mr. CHURCH:

1. Are all orders in council, instructions, rules and regulations of the wartime prices and trade board equitably enforced in Canada?
2. For what classification of offences were prosecutions made to the number of 150, as set

out in sessional paper No. 341, as follows: Nova Scotia, 8; New Brunswick, 1; Quebec, 22; Ontario, 96; Manitoba, 6; Saskatchewan, 8; British Columbia, 9: and on whose recommendation for prosecution?

3. Are the regulations enforced as strictly in the eight other provinces as they are in Ontario?

4. Was it necessary to engage special counsel?

Mr. ILSLEY:

1. Yes.

2. (a) Classification of prosecutions for alleged offences against regulations of The Wartime Prices and Trade Board, to June 15, 1942:

	Total	Rental regulations	Price ceiling	Rationing and hoarding	Others
Nova Scotia	8	7	..	1	..
New Brunswick	1	1	..	..	..
Quebec	22	10	7	5	..
Ontario	96	76	1	17	2
Manitoba	6	..	3	2	1
Saskatchewan	8	5	2	1	..
British Columbia	9	6	1	2	..
	150	105	14	28	3

(b) On recommendation of officers of the board and officers of the attorneys general.

3. Yes.

4. Yes.

POSTMASTERS—SALARIES AND COST-OF-LIVING BONUS

Mr. KIRK:

Due to the increased cost of living since September, 1939, has the government or Post Office Department given consideration to, (a) the matter of increasing salary of postmasters; (b) granting to postmasters a cost-of-living bonus?

Mr. MULOCK: (a) No. (b) A cost-of-living bonus has been granted postmasters.

RURAL MAIL SERVICE—REMUNERATION AND COST-OF-LIVING BONUS

Mr. KIRK:

Due to the increased cost of living and operating expenses since September, 1939, has the government or the Post Office Department given consideration to, (a) the matter of increasing the amount paid to mail couriers (apart from the 5 per cent increase to take care of increase in price of gasoline) who have been awarded mail contracts prior to first 5 per cent increase in cost of living and subsequent 5 per cent increases; (b) the matter of paying a cost-of-living bonus to mail couriers?

Mr. MULOCK: (a) and (b). Prices paid under mail contracts are determined by public tender and are therefore not uniform.

New contracts are regularly being awarded at prices based on present conditions.

In the case of contracts awarded when operating conditions were normal, at the request of the contractor consideration is given to the reinvitation of tenders for such contracts and the awarding of a new contract at an equitable rate based on existing conditions. The holder of the old contract is not excluded from tendering for the new contract.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FRANKFORD, ONT., POSTMASTERSHIP

Mr. STOKES:

1. Was a new postmaster recently appointed at Frankford, Ontario? If so, what is his name?

2. When was he appointed?

3. What is his salary?

4. Is he a veteran of the last great war?

5. If not, did any veterans of the last great war make application for this position?

6. On whose recommendation was the present postmaster appointed?

7. Is it the policy of the Post Office Department to appoint veterans whenever possible to the position of postmaster?

Mr. McLARTY: Return tabled.

ASSINIBOIA, SASK., POST OFFICE

Mr. McGREGOR:

1. Who is the postmaster at Assiniboia, Saskatchewan?

2. When was he appointed?

3. Was he at one time a member of the R.C.M.P.?

4. If so, was he discharged therefrom and what was the reason for his discharge?

5. What was the total income received by the postmaster in each of the years 1939, 1940 and 1941, including salary and commissions?

6. Were orders recently given by the department that mail for the R.A.F. airport three miles distant from the post office at Congress was not to be delivered through the said post office but through Assiniboia?

PRICE CEILINGS—BUTTER

Mr. HATFIELD:

1. Will the subsidy on butter apply to dairy as well as creamery butter?

2. What percentage of the total Canadian butter is manufactured on the farm (dairy) and in the factory (creamery)?

3. How does the government propose to compensate the farmers who produce dairy butter if they do not come under the butter-fat subsidy?

PRODUCTION OF WAR METALS AND MINERALS

Mr. DIEFENBAKER:

1. What is the nature of the arrangement made by the Department of Munitions and Supply as recently announced by the metals controller whereby ores or metals produced thereunder will be supplied to the United States government wartime company known as the Metals Reserve Corporation?

2. What are the methods whereby Canadian production of war metals and minerals is to be increased?

3. Have any sums been advanced or will the United States make any advances to Canadian corporations or to the Canadian government in order to encourage the production of war metals and minerals?

4. Has the aluminium industry of Canada since the beginning of the war received any payments or loans from the United States, having as its purpose the necessity of extending the production of aluminium?

5. If so, what amounts have been advanced to date?

COST OF PLEBISCITE

Mr. LACOMBE:

1. What has been or will be the cost to the public treasury of taking the plebiscite on April 27 last?

2. What was the remuneration and travelling expenses of the returning officers in each electoral district?

3. What was the remuneration of the deputy returning officers?

4. Where were the polling booths located?

5. What was the remuneration of the poll clerks in the different booths?

PLEBISCITE—PUBLICITY

Mr. LACOMBE:

1. What amount of public money was or will be expended to pay the cost of broadcasting the speeches of the Prime Minister, ministers of the crown and the leader of the opposition, the C.C.F. and the Social Credit parties in the plebiscite campaign?

2. What is the cost to the treasury of printing each speech and its distribution throughout the country?

3. What is the total sum expended on publicity of every kind by the government in the plebiscite campaign?

[Mr. McGregor.]

LABOUR CONDITIONS

NOVA SCOTIA COAL MINING AREAS—BANKING OF COAL

On the orders of the day:

Hon. HUMPHREY MITCHELL (Minister of Labour): I should like to refer to the suggestion made by the leader of the opposition (Mr. Hanson) yesterday, that there was storage available for another half million tons of Nova Scotia coal. I have had the matter looked into, and I am informed that the storage facilities are filled to capacity at the moment, with 700,000 tons of coal banked, and that until some of this coal is moved, no additional coal can be placed on the banks.

DEFENCE OF CANADA REGULATIONS

CHARGES AGAINST COLONEL DREW—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Hon. H. A. BRUCE (Parkdale): I desire to move the adjournment of the house on a question of urgent public importance, namely, the conduct of the government in prosecuting Colonel Drew, one of the counsel engaged in the recent Hong Kong inquiry.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. gentleman moves the adjournment of the house on a question of urgent public importance, namely, the policy of the government in respect to a prosecution under the defence of Canada regulations, which involves the urgent and vital question of whether Canadians are to be free to criticize inefficiency in the conduct of the war, without endangering their personal liberty.

This is a matter which has already been before the house; it is a matter of judicial inquiry at the present moment, and pending the decision of the courts it is not in order according to the rules. Therefore I must rule that there is no urgency in the motion made by the hon. member.

Mr. CHURCH: Might I ask the hon. and learned Minister of Justice (Mr. St. Laurent) if he would consider withdrawing the charge against the colonel?

Mr. SPEAKER: Order.

WAR RISK INSURANCE

PROVISION FOR COMPENSATION FOR WAR DAMAGE TO PROPERTY

The house resumed from Wednesday, July 8, consideration in committee of Bill No. 56, to make provision with respect to insurance of

property against war risks and the payment of compensation for war damage.—Mr. Ilsley —Mr. Vien in the chair.

On section 2—Definitions.

Mr. BLACKMORE: When we adjourned last evening I had raised the question of the reason for the deletion of subsection (m) as it stood in the bill sent to the committee. I pointed out that in my judgment the deletion of that paragraph left the bill deficient in an important respect. I also said that I believe the bill as it at present stands is confused, because of the fact that those who drafted the bill were endeavouring to defer to two principles. I desired that before I should consent to the passage of section 2 some explanation should be given which would clarify matters which to me seemed confused.

I think it can be safely laid down as a fundamental principle that no Canadian family should be obliged to suffer inequality of sacrifice for war damage. I believe this bill was designed to take care of that situation so far as it may be possible so to do. There are those who say that equality of sacrifice is completely impossible. Suppose we grant that as a government and as a parliament we ought to be guided by the general principle that wherever possible we shall ensure equality of sacrifice. This we certainly can do in financial matters.

I think we can lay it down as fundamental with respect to this bill that every Canadian family should be guaranteed the right to continue to possess and to live in its home. That is the first fundamental consideration. The second is that every Canadian community should be guaranteed the right to be able to supply as many people after war damage as it was able to supply before the war damage was done. I gather from the discussions which I heard in the banking and commerce committee and in this house and which I have had with other people that those two principles were in the minds of the men who drafted this bill.

As I understand it, the purpose of the bill is to empower the minister to bring about or to establish or to embody in his policy those two fundamental principles: first that every family in Canada shall be guaranteed the right to continue to live in its home as such; second, that every community in Canada shall be guaranteed the right to be able to support or supply with needed services as many people after war damage as it was able to supply before war damage. If such is the case, the primary object of this bill is to ensure human values rather than financial values. In this respect it differs materially from an ordinary fire insurance measure. A fire insurance measure aims primarily to reimburse, to the extent of his financial loss, anyone who has suffered damage from fire, the financial loss to be judged by the value on the open market of the property destroyed. The second objective of a fire insurance measure, I take it, is to enable a fire insurance company to carry the risk, as well as other risks, and not lose money but rather to make money.

If these are the objects of a fire insurance measure, while the object of this measure is fundamentally human values rather than financial values, it becomes apparent that if the principles which govern the drafting of a fire insurance measure are applied to this measure there will be inconsistency and confusion. I believe that in at least two respects the principles governing the drafting of fire insurance measures are being applied in this bill as a means of governing the kind of measure which this shall be.

I maintain that we need to define clearly what we mean by values. How important this is may be seen by reference to section 7, subsection 1, where the whole meaning and intent and efficacy of the measure depends entirely on the definition of "diminution of value" in the third line. If there is no means of determining what that value is, how can the clause have any meaning? How can the bill have any meaning? It may be contended that this bill is aimed to pay its way just as a fire insurance measure aims to pay its way. This measure by section 7 empowers the minister, for example, to pay $3,000 to one who has sustained war damage. No reference is made to the necessity of the individual who sustained the damage having taken out an insurance policy; the minister is empowered, without any reservation, to pay $3,000 in consideration of war damage. This seems to indicate quite clearly that we are not concerned about making the whole scheme pay. If we are not aiming to make the whole scheme pay, then we do not need to be greatly concerned with the definition of value as it stood in the original bill. The original bill defined "value" as the value which the property would bring in the open market. I maintain that for the purpose of this measure that is not a meaning of value that we are at all concerned about.

Again we find in section 10 an exception of $50; that is, if the extent of the damage is less than $50 no payment is to be made. I maintain that that exception might be quite in order in a fire insurance measure, a regular policy of a fire insurance company, but it is inconsistent with the spirit and purpose of this bill.

May I turn for a moment to a discussion of the question of value as I think it should be. There are two main types of value with respect to properties such as dwellings. There is the social or prestige value, and there is the utility or service value. We might add another class of value, namely, the combination of the two. To illustrate what is in my mind, I would refer to a case which came under my observation. A young couple purchased a house for $450 when they were first married. They lived in it for fifteen years. As several children had come along they had found it impossible to buy a more commodious home. At the end of fifteen years they simply had to have more room. They raised up the house and put under it a basement with a seven-foot clearance, large enough to make possible a considerable addition to the house. As the house then stood it had cost them about $850. They had to let the house stand as it was, without improvements for several years. By that time the resale value on the open market would be hardly more than $150, the amount for which a person could sell the material if he salvaged the house.

The CHAIRMAN: There is far too much conversation going on in the chamber.

Mr. BLACKMORE: Mr. Chairman, I am surely glad you pointed that out, because the hon. gentlemen who are talking have almost completely destroyed my ability to present this matter this afternoon. If they want to talk, I think they should go outside. I could hardly hear what you were saying, Mr. Chairman.

As I was pointing out, the house I have in mind cost the family $850, plus their work, but if they had had to sell it on the open market they would have been able to obtain only $150 or $200 for it. If this house were destroyed because of the war, it is conceivable that all that family would get as full compensation would be $150 or $200. This would mean that they would have insufficient money to build a new house. They would have to suffer an almost complete loss; in effect, they would be on the street. This house as it stood, while it might be impossible to sell it for anything near what it was worth, had a value to that family of a house which might have cost $2,500 because in it they were able to shelter their children and get by, as many Canadian families have to get by. If this house, which cost $850 and had a service or utility value to them of $2,500, were damaged to the extent of $49, according to this bill these people would receive nothing for damage which might render their place of residence entirely uninhabitable.

I think the illustration I have given is sufficient to show that as the bill now stands it is a rich man's bill, not a poor man's bill; that the application of the bill would bring into existence many inequalities and injustices. In order to show how many glaring inequalities might spring out of the application of the bill, may I point out that section 7 permits the minister to pay $3,000 for damages. As long as that section remains as it is, and I have no objection to it, a man with a house costing $3,000 which was destroyed would receive the full $3,000. In other words, he would have 100 per cent protection under this bill. There are many well-to-do Canadians who would come in his class. They would own houses costing from $3,000 to $5,000.

There are other Canadians who are a little better off and who own houses costing from $6,000 to $10,000. If these houses are damaged in the war the owners will receive compensation which will go a long way toward covering the cost of repairing the damage. They will receive substantial benefits under the bill. It must be borne in mind that the man with the $3,000 house is probably in receipt of a salary of $3,000 a year, and consequently would be in a better position to repair damage than a man in the lower income brackets. The man who owns a house costing $6,000 or $7,000 is probably getting in the neighbourhood of $6,000 or $7,000 a year, and therefore would be able to repair any damage done to his house. When these facts are considered it becomes more evident how unjust this bill will be to a person owning a house worth only $450 which sustains damage of, we will say, $49. Such a man probably is receiving only a very small income and is not in position to rebuild or repair his house. His family is probably such that he has had to struggle all the time in order to make ends meet. This man will receive perhaps no recompense at all if the damage is under $50. If the damage amounts to $100 and he receives reimbursement he will not be much better off. He certainly would not be relatively as well off as the man with the house costing $3,000, or the still more fortunate man with the house costing $6,000 or $8,000, and which sustained damage to the extent of $3,000.

As the bill stands at the present time I think it is quite unjust. It discriminates against the poor man in favour of the rich man. I believe it should be amended in two important respects. It should be stipulated definitely in the bill just what is meant by

value; I suggest that the wording of this stipulation should take some such form as this:

That the value with reference to a property means the amount which would be required to restore the property to the degree of capacity for utility or serviceability or habitability which the property had before it was damaged.

In such case if the house to which I refer, which cost $850 to construct and which enabled a considerable family to get by, were damaged, we will say to the extent of only $100, the bill would permit the minister to restore the house to a condition in which it would be able to render the same service to the family occupying it that it had rendered before the damage was sustained, regardless of the amount it might sell for on the open market. If that definition of value, or a similar one, were embodied in the bill, I believe it would help greatly.

Then I think the bill should be modified to eliminate almost entirely the $50 exemption. Many a poor man is living in a house that would scarcely sell for $200 on the open market. I think it is grossly unfair to refuse to pay any damages which are under $50 in value. Suppose the chimney were destroyed, or the door on the porch blown off, or a hole made in the basement; if the total damage were assessed at less than $50, that man would get nothing, and it might be impossible for him and his family to rebuild the dwelling so as to make it habitable.

Hon. members may imagine that there are not many Canadian people who live in houses of as small a value as I have indicated. But all they need to do is to go through the woods to see the number of very inexpensive shacks in which people are living, or see in the wide areas of the west the inexpensive shacks in which farmers and landowners are endeavouring to get by, or go through the outskirts of many of our small towns to realize the number of small, inadequate habitations in which many Canadian people are struggling to live. Even in this great city of Ottawa and our next door neighbour you will find a surprisingly large percentage of houses that are very cheap and probably assessed at anywhere from $175 to $250. If a dwelling of that sort were damaged to the extent of 10 per cent of its value, from a money standpoint that might seem very small, but from the standpoint of human values, from the standpoint of the ability of the family to continue to live in the house after the damage was done, or to rebuild it so that it would be in as good a condition as it was before it was bombed, it will easily be seen that it would be grossly unfair to apply rigidly this limitation that nothing shall be paid unless the damage is over $50.

I think, Mr. Chairman, that the modifications which I feel should be made in the bill can be brought up under other sections. With that understanding I would say to the minister that I am prepared to allow section 2 to pass, and I will bring up the matters I have in mind under subsequent sections where perhaps they can be more appropriately dealt with.

Mr. HANSON (York-Sunbury): Mr. Chairman, I rise not to discuss the questions raised by the hon. member for Lethbridge, but to point out that this is the ninth day of July and we are in the sixth month of the session. This is a business proposition we are discussing; it is not in any sense a political question. While members have quite properly occupied a substantial amount of time in discussing the rights of fishermen to protection, I do think the time has arrived when we as business men ought to get down to putting this bill through on its merits so that we can bring this session to a conclusion.

Mr. HANSELL: I should like to rise in support of what the hon. member for Lethbridge has said in respect to the valuation of houses and the damage that may be done in the case of a wealthy man's home as compared with the home of a poor man.

I see no reason why we should not indemnify everyone in Canada, be he fisherman, tradesman, farmer or what have you, for every cent of loss that may be caused through war damage, bombing, and so forth. I know that we have spent a good deal of time on this bill, but I am perfectly satisfied that we do not yet realize the serious damage that may be caused, since we are so far distant from actual bombing. But sometimes the seriousness of it can be brought home to us very forcibly. The other day I received a letter from my mother in England, telling me that my mother and father had been bombed out. They escaped or were rescued from the debris with nothing but the clothes on their backs. I am going to suggest to you, sir, that if the cities of Canada were afflicted with the bombings that have taken place in other parts of the world every member of parliament would be in his seat urging the government to pay compensation for any type of war damage sustained by our people. That letter from my mother brought the seriousness of the situation home very forcibly to me.

I assume that should there be much bombing of Canadian cities there would be set up an administration which would be running all over the place trying to adjust claims and to decide whether a window is worth 75 cents or $5, and all that sort of thing. We have had that sort of machinery

set up in connection with the bonuses for agriculture in Canada, some of which are not yet paid. The people of this country would not stand for anything like that if this country were going through a bombing. I refer again to my mother's letter. In spite of the fact that my mother and father had nothing left in the world, they said, "The government administration here in England in behalf of bombed-out victims is marvellous." I sent my mother and father a little money, not because they were bombed out, but because I thought they needed it. It arrived a few days after they had lost everything, and my mother said, "You do not need to send us any more money, because we are well provided for." I know that there is a bombed-out victims' fund, but my mother went on to say, "The government are very apt to visit us and discover just what our loss may be, and urge us to put in our claim now." That bit of news gladdened my heart, and I trust that after this bill is passed the government will see to it that those who are the victims of war damage will not have to worry, worry, worry, as to when their claims will be settled and how much they are to get.

During the discussion on this bill I have noticed, as no doubt other hon. members have, that there seems to be a fear on the part of the government as to whether they will be able to meet all these claims. You see, Mr. Chairman, it is the same old story: Can we afford to pay for the damage done? It is the same old story—we have no money. It does not make any difference how much lumber or stone or cement we have for repairs, or how much skilled labour is available; we are afraid that maybe we will not have the money. The same financial advisers who were advising the government in pre-war depression years are advising them to-day, and are doing so in respect to the financing involved in the present bill, which may be described as partly a post-war measure.

I stand with the hon. member for Lethbridge in what he has asked the committee to do. I go further, and say that every nickel of damage done to anyone in Canada, be he fisherman, farmer or anyone else, should be paid promptly; and let our people know that if war should come to our shores we have a government which will stop at nothing to give them adequate and complete compensation.

Mr. FAIR: The hon. member for Macleod has just told us about his parents who were bombed out in England. I will take a couple of minutes to speak of a section of our Canadian people who have been blasted and bombed ever since Canada became Canada, and I see that they are being bombed once more on this occasion. I am referring now to paragraph (j) (ii). If this legislation goes through as it is at the present time, "growing crops, plants and trees" will be excluded from the benefits of the measure. I think the committee is well aware of the fact that 90 per cent of farmers are in debt up to their necks, in some cases a little deeper. One of my neighbours in Paradise Valley, who came to this country fairly recently, gave me a plan which he thought could be put into operation to burn out the crops of the countries which have been overrun by Germany. If that plan is feasible over there, as I believe to a certain extent it is, then it is possible that our enemies may put it into effect and burn out our crops here. I do not think it is necessary to point out how very easy it is to burn a field of wheat or oats, either when it is grown and ready for cutting, or when it is harvested and in the stook, or when it is gathered in around the farmers' buildings, either in eastern or western Canada. Because farmers are in debt to the extent they are, if a farmer loses his crop he is "on the road" or, if he is lucky enough, on relief. For these reasons I think the government should not exclude, as is now proposed, farmers' crops from the benefits of this insurance. Farmers up to the present time—and the days to come will be no exception—have paid directly or indirectly, or both, the weight of the taxes of this country. That statement cannot be successfully challenged. While they are working harder and longer hours than any other class, we find among them more poverty and destitution than among any other class. Therefore I appeal to the minister to remove paragraph (j) (ii) from section 2 of the bill and give farmers the benefit of this insurance.

Section as amended agreed to.

On section 3—Insurance against war damage.

Mr. GREEN: I should like to ask the minister a question concerning two points. First, is power taken in this bill to bring in a compulsory insurance scheme? I do not interpret section 3 as giving that power, yet Mr. D'Arcy Leonard, who advised the government on this measure, recommended in paragraph 15 of his report as follows:

> Furthermore, the power should now be taken to institute a compulsory scheme or schemes; and in the event of the voluntary plan proving inadequate, a compulsory scheme could then be put into effect. With the advantage of the experience and preparation under the voluntary scheme, the compulsory plan would be on a more equitable basis than is now possible.

Is power being given to institute a compulsory scheme?

Then, this section is the one which gives the minister the power to enter into contracts of insurance, and specifies among other things the power to set the rate or rates of premium. I should like to know whether or not it is definitely understood that the premiums are to be the same in all parts of Canada. In other words, if a policy is taken out in Ontario or Quebec, will the rate be just as high or just as low as the rate paid in Nova Scotia or in British Columbia, which provinces are the ones in which damage is most likely to be suffered?

Mr. ILSLEY: On the first point, as I read the bill and as I understand it to read, there is no power to institute a compulsory system of insurance. I find no empowering provisions which would enable the government to levy compulsorily against all the property owners of Canada rates which would be used later for indemnity against war damage. If it becomes necessary to carry out Mr. Leonard's recommendation it will have to be done by some subsequent measure.

Mr. GREEN: In other words, his recommendation in that regard is not being accepted?

Mr. ILSLEY: Not as far as this is concerned, no. As I pointed out yesterday, we have the power under other measures to do that, if it should become necessary, by order in council.

Mr. GREEN: That is, under the War Measures Act?

Mr. ILSLEY: Yes, under the War Measures Act, and possibly under the War Appropriation Act—I do not know about that, but one step at a time. This is a bill to authorize the minister to enter into contracts of insurance, and that is all it is, as I read it.

As to whether the rate will be the same in all parts of Canada, the answer to that is, yes, it will be, for the same class of property. There will be no territorial discrimination. Inland points with low risks will get no advantage from that fact, and the coastal points with their high degree of risk will not be penalized because of that fact.

Mr. GREEN: The idea is to spread the cost across Canada?

Mr. ILSLEY: Yes.

Mr. FRASER (Peterborough West): Has any conclusion been arrived at as to what those rates will be?

Mr. ILSLEY: Well, I do not think I should state what I have in mind about rates; I think I should leave it until the rates are actually fixed before they are announced. Naturally the subject of rates has received a great deal of consideration, and my own opinion is pretty well formed as to what they should be. But I am not in a position to announce them, because I may change my mind on them.

Mr. FRASER (Peterborough West): They have changed them in England about three times, have they not—lowering them?

Mr. ILSLEY: I do not know.

Mr. GREEN: If the minister will not tell us what is in his mind with regard to rates, perhaps he will tell us what is in his mind with regard to subsection 3 of this section, which reads as follows:

> The minister may, in his absolute discretion, refuse to enter into a contract of insurance with any person.

Mr. ILSLEY: Yes. It may become necessary sometimes to refuse to enter into contracts in a particular district. But apart from that, the minister must not be put in a position where anybody can claim a contract as of right. The government might refuse to enter into a contract with a company who wished it to issue, let us say, a policy for $100,000,000. The section is simply to make it clear that rights are not given the subject as against the crown which the crown must recognize—rights to insurance policies in amounts specified by the subject, or rights to insurance policies at all. The crown is entering into a contract, and this is an act empowering the crown to do so. We do not want any action brought against us to compel us to enter into any particular kind of contract. With regard to districts, I have nothing in mind particularly. I do not know whether I should say this, but the United States had to discontinue writing insurance in a distant part of that country, and while we hope there will never be any such development in Canada, it is possible that there might be.

Mr. GREEN: Does that mean that if there were attacks on the British Columbia coast the government would refuse to write insurance in the districts affected?

Mr. ILSLEY: It does not mean that the government might refuse to do so. It means that if a part of Canada were in the occupation of the enemy the government would not be compelled to enter into contracts in the writing of war risk insurance in that area. I do not say whether the government would or not, but I am saying that there might be an eventuality which would make it necessary for the government to cease writing in a certain area.

Mr. GREEN: There is no intention of refusing to write policies in a district in which attacks are made, in which there would appear to be more danger than in some other districts? The government does not intend to go that far under the subsection?

Mr. ILSLEY: I have not said that the government intended to do anything about it. I have not said that the government intended to decline to write policies. This is merely an empowering section which empowers the government to do so under certain conditions which one cannot foresee.

Mr. HANSON (York-Sunbury): I take it this is the reply to the request I made last evening?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Is that the only thing the minister has in mind? When this bill was drafted there must have been definite reasons, either in his mind or in the mind of the draftsman, and communicated to the minister, for the inclusion of this subsection. I can quite appreciate the reasons given by the minister in case there was an invasion of Canada in any particular part. The government might in certain circumstances refuse to enter into a contract for insurance, but apart from that there is no intention on the part of the administration to utilize this section, although I suppose the insurance companies themselves always exercise the right to refuse to accept an application for reasons which they do not disclose—for example, if the moral risk is not very good, to put it mildly. I have known of many instances in which insurance companies have refused to accept a risk and declined to disclose the reason, but apparently the underlying reason was the one I have suggested. Is that what the minister has in mind? I refer to cases of apprehended fraud, if I may put it in that way.

Mr. GREEN: The minister went further than that.

Mr. HANSON (York-Sunbury): I did not hear the whole of his explanation.

Mr. ILSLEY: I gave two reasons.

Mr. HANSON (York-Sunbury): I heard only one. What was the other?

Mr. ILSLEY: The first is the one I have been discussing in answer to the hon. member for Vancouver South. The other is in such a case as this, for example. A particular company or property owner might, but for some safeguarding provision such as this, come and demand a policy covering the property involved up to a certain value which the owner might represent to be its full value. It may not be possible, or at any rate it may not be desirable, for the government to insure the property up to its full value in every case, and they might wish to refuse to enter into that kind of policy, or into a policy to that extent, in every instance. This is merely to make it clear that there are two parties to the contract, and this does not create a right in the subject to a policy. The government has the power to enter into a contract of insurance, but if we were to go on the other assumption and declare that every property owner was entitled to it—it would have to be up to the full value, I presume—we might find ourselves with certain concerns in Canada, certain property owners, obliged to assume a liability for $100,000,000 or $150,000,000 which we might not consider it desirable to assume.

Mr. HANSON (York-Sunbury): I will not controvert that.

Mr. SLAGHT: I believe the power should be there.

Mr. HANSON (York-Sunbury): There should be some discretion.

Mr SLAGHT: No one should be able to come as of right and say, "I must have a full policy". But one would like to feel that if an eastern Canadian port were subjected to a preliminary attack and residents came in in increasing numbers and sought insurance, this power would not be used to say that if we accepted these applications Canada would be mulcted in a large amount of money. As I understand the principle, these blows that we are anticipating cannot be expected to fall generally. They will fall, as in the mother country, in places such as I had the horror of seeing a few months ago. I saw the results in certain places which were attacked because of their strategic position—such places as the ports of Liverpool, Newcastle, and Hull. The people had suffered awful losses, both in death and in property. I would take it that there is no thought of utilizing this section to protect the rest of Canada from the results of attack upon one particular part or place where attack seemed to be imminent. I fancy the minister would say that is not the purpose of it. It would be well if we could feel reassured in that regard. This is a national undertaking in the long run to indemnify people who are unfortunate enough, if danger comes, to be located in parts of Canada which perhaps they did not choose but which are subjected to grave peril and loss. We as a nation are by this very act, as I apprehend, undertaking to

stand ready to indemnify such people, at least in part, for their misfortune in being in the forefront of the civilian battle.

Mr. ILSLEY: This section does not affect the free compensation, but relates to the issuing of policies. We might, and I think I am correct in saying that in the United States they do, require a certain interval to elapse between the making of the application and the occurrence of the damage before the policy will be effected. That is, when a property owner sees the bombers overhead he cannot wire the nearest insurance company or the government and demand and receive a policy. It must be applied for a reasonable time before the damage occurs. I think that condition may be imposed; otherwise I do not know why anyone should insure in advance. He could wait until the attack was near and then get his insurance.

Mr. GREEN: That is one side of the story, and I think the minister has considerable justification for the stand he has taken. But here is the other side. The minute an attack occurred on Vancouver island, let us say, what right would the government have to step in and say, "We will not insure anything on Vancouver island now." From the statement the minister made a few moments ago one might take it that the government wished to reserve that right, and I do not think it should. I think that would be most unfair to the coastal districts of Canada.

Mr. ILSLEY: I said if a district should be occupied by the enemy; I did not say if a district should be attacked.

Mr. GREEN: Well, what does the minister mean?

Mr. ILSLEY: Certain latitude must be allowed. If hon. members try to pin me down to exactly what will be done in every instance I am afraid I cannot tell them.

Mr. MacINNIS: I think this is a point on which the committee should have information as definite as it is possible for the minister to give. If it is the intention to use the power given by this section to refuse contracts of insurance to persons living in a certain area because that area is subject to terrific or devastating attacks, then in my opinion the whole purpose of the act is vitiated. The purpose of the act is to spread across the whole dominion the losses arising from enemy action. If the minister is going to make a reservation and say that the danger of loss in one particular district is too great and that therefore insurance will not be granted, then the purpose the act is supposed to serve just will not be served. I agree with the minister that if any part of Canada should be occupied by the enemy, and if the property there was not already insured—I am thinking now of property that would be insurable under contract, not under the free insurance—the minister would be quite within his rights in refusing to grant insurance after such occupation. But as long as the particular area in which the property is situated is not occupied; as long as it is on the same footing as the rest of Canada except that it is more likely to be bombed or attacked, I believe that unless we have some system whereby that property will be protected, and the persons in that area will be protected, the act will have lost a great deal of its value. I do not believe, however, that is the power the minister is reserving under this subsection.

Mr. FRASER (Peterborough West): When the banking and commerce committee discussed this bill I do not believe they even thought of anything like that. If they had, I believe the members of the committee would have just quit cold, because that is discrimination against the sections that might be bombed.

Mr. ILSLEY: I wholly agree.

Mr. HANSON (York-Sunbury): There is a great deal of force in what these hon. gentlemen have said; and if the minister is not prepared to extend the scope of this section, I am going to suggest that he hold it over and give it further thought over the evening. Perhaps some course may be found that would in some measure take care of what these hon. members are urging. On its face this is a clause which gives absolute and arbitrary discretion to the minister, and apparently that is not what is desired.

Mr. ILSLEY: Yes, it is.

Mr. HANSON (York-Sunbury): I wonder if this was considered fully in the committee.

Mr. GREEN: The point was never explained in the committee at all.

Mr. HANSON (York-Sunbury): Last night I sensed that there must be a reason which was not disclosed by the language of the section itself, as to why this discretion is left in here. I was wondering if it was on the same basis as the commercial companies reserve the right to take applications. That, of course, was what I assumed would be the position. But here is a form of insurance—I am speaking now of the contractual insurance, not the free coverage—designed to give monetary protection to portions of the community which may be exposed to great hazard, at the

expense of the general body of taxpayers. It is a national burden, and should be so shared. I really have not arrived at a conclusion as to how far we should go, but I do not think it should be left entirely to the discretion of the minister; I think he should have some obligation in the premises. Yet I confess that I have not found a solution, and I am not offering one at the moment. I thought perhaps he and his officials, who are much more versed in the matter than I possibly could be, in the light of the discussion might evolve something that would be reasonably satisfactory.

Mr. NEILL: I wonder if the minister has explored, and rejected, the idea behind the British system. There, as I understand it, the insurance is compulsory, and the difficulty of fictitious or excessive claims is gotten around by the fact that they go more or less according to the assessment rolls. While I am on my feet I should like to offer a suggestion. It has been suggested that this section should stand over and be further considered. Could not some language be found here and now that would meet the objections which have been raised? Could it not be put something like this: "The minister may, in his absolute discretion, for good cause" or something like that? I think I can say I know what the feeling is in British Columbia, which at the moment is the most vulnerable area in Canada. I think I can safely say that they would rather rely on the common sense and fairness of the Minister of Finance than have this bill delayed for another two or three days, because the situation is very urgent. When we are through with this measure it has to go to the senate for consideration, and we should like to see it put through as soon as possible. I think if we could find any language that would at all meet the objections raised by my hon. friends, the people of British Columbia would rather take a chance on, shall I say, the fidelity or perhaps the common sense of the Minister of Finance than have this measure delayed any longer.

Mr. MacINNIS: Just before the minister replies, I do not think the committee objects particularly to having this section in the act. All we want to have from the minister is a statement that it is not going to be used for a certain purpose, and if the minister makes that statement I think the committee will be prepared to let the thing stand as it is; at least that is my view.

Mr. GREEN: That is my position, too.

Mr. FRASER (Peterborough West): We all feel that way.

[Mr. R. B. Hanson.]

Mr. ILSLEY: If I understood the hon. member for Vancouver East correctly I agree with him, and will give the assurance for which he asks. I do not know just what were his words, or how they appear in *Hansard*, but as I understood him he asked if the power given here to refuse policies would be exercised simply because a particular area was particularly likely to be attacked. The answer is, certainly not. We realize that the east and west coasts are more likely to be attacked than the interior. It may be that some waiting period will have to be insisted on—

Mr. MacINNIS: I agree with that.

Mr. ILSLEY: —as a necessary safeguard. But just as the hon. gentleman said, the very object of this measure is to provide insurance for people who are in danger of attack, and the object of this section is simply to make it clear that policies may be refused in some instances, that there is no statutory right to policies. If safeguards of all kinds had to be written in here it would be beyond my ingenuity, and I think everyone's, to devise them. Once they are written in I think it would be of considerable disadvantage to some applicants, because if they did not come within the conditions that we thought of, it might be argued that they should not be insured—

Mr. MacINNIS: That is why I think it is better to leave the section as it is.

Mr. ILSLEY: I think it is. The hon. member for Comox-Alberni suggests the wording "the minister may for good cause refuse . . .". That would be what he considered good cause. It would not make any difference in the effect of the section. I think subsection 3 is inserted for greater caution anyway. I do not find anything anywhere which says that the minister has to issue any policy, but this provision is included lest it be thought that the government might be forced by an applicant under certain conditions—perhaps, as I say, when the news is coming that bombers are on their way—to issue perhaps a $50,000,000 policy.

Mr. HANSON (York-Sunbury): That extreme case could be taken care of by limitation. I think this will have to stand as it is, or else the minister will have to make the position compulsory with a limitation. I have not crystallized my view on the point. In the absence of any really constructive suggestion I am willing to let this section go.

Mr. O'BRIEN: Will it be possible for the boards of fire underwriters in the various provinces to pass on these various risks?

Mr. ILSLEY: Yes.

Mr. O'BRIEN: If they would refuse a fire insurance risk, I assume the minister would refuse this sort of insurance?

Mr. ILSLEY: Oh, no.

Mr. HANSON (York-Sunbury): No.

Mr. MAYHEW: Surely that would not apply. Take a particularly vulnerable spot, say Esquimalt, where the dock is; an insurance company might refuse to write insurance in that area. The minister does not mean that an area of that kind would be left out?

Mr. ILSLEY: No.

Mr. O'BRIEN: I was thinking of a dilapidated building that was not worth insuring, but that the owner might wish to insure.

Mr. ILSLEY: I imagine that we could not rule out risks because the buildings were of low value. We might disagree as to the value, therefore we are going to have these insurance companies working for us. They are going to be looking into these things and will give us the benefit of their experience in writing insurance. I do not think I can improve that section in any way.

Mr. HANSON (York-Sunbury): In England have they not a compulsory system?

Mr. ILSLEY: That is right.

Mr. HANSON (York-Sunbury): What is the objection to our doing it here? Is it because this is only an initial step, and we may proceed further along the line of the English system? If to have a compulsory system is workable there, it should be workable here. I think that would be the ideal thing; then we could give protection to everyone who is willing to pay for it.

Mr. ILSLEY: My recollection is that there are very powerful reasons against a compulsory system in Canada. I do not know that I can make a complete statement of those reasons, but to begin with, England is practically all subject to attack from the air. A great many cities in various parts of England, the western and central as well as the eastern sections, have been attacked from the air. The country is all subject to bombardment, and there is a fair distribution of the danger all over England. That is not the situation in this country. If we instituted a compulsory system we would be going all over Saskatchewan, for example, in northern and western Ontario, and so on, collecting little insurance premiums from farmers.

Mr. MacNICOL: And the northwest territories.

Mr. ILSLEY: Yes. This would be greatly resented by hundreds of thousands, perhaps millions of people who were perfectly willing to take a chance and who could not be convinced that there is any real danger to them.

Mr. HANSON (York-Sunbury): That would make the rate very low.

Mr. ILSLEY: Yes, but I am sure it would not meet the wishes of the majority of the people of Canada. Apart altogether from that, consider the difference in the assessments here and in Great Britain. In the United Kingdom they have an accurate record of the value of all property, they get it in their income tax returns. The value of real property, and the rental value, is all included in the income tax returns; they have an accurate and long-standing record, and the assessment is uniform. If we took part of the assessment of real property as the basis for our premiums under the compulsory scheme, one city assesses to the full value, another city to more than the full value, and some cities to a quarter of the value. The same lack of uniformity exists in country districts, townships, municipalities, and small towns, all over the country. It would be thoroughly inequitable to take part of the assessment. The only alternative would be to set up our own assessment of real property. That is too great a thing for us to undertake.

These matters were all discussed in the banking and commerce committee and thoroughly considered before we decided on this voluntary plan. We could get a larger fund by a compulsory scheme, but we did not think it warranted in view of our conditions.

Mr. ROY: There are enemy submarines right in the waters where the fishermen of my constituency are fishing. There is a possibility of those boats being attacked. I should like to know if they can be insured under this scheme, and on what basis.

Mr. ILSLEY: Boats and vessels are not included in this scheme. Free compensation is provided for the loss of fishing boats up to the value of $2,000 each per fisherman. That is provided for by order in council, but not by this scheme.

Section agreed to.

Sections 4 and 5 agreed to.

On section 6—Limitation as to amount of indemnity.

Mr. GREEN: How long does the minister think it will take to get insurance actually in effect after the date on which this bill becomes

law? There is the greatest concern on the Pacific coast with regard to this particular section, because it limits the compensation that can be paid to the sum of $50,000 for any damage that is done before the insurance policy is taken out.

Mr. ILSLEY: I dislike to make predictions, but I have gone right on with the organization of the scheme despite the fact that the bill has not yet been passed. I would hope that within thirty days after the passage of the bill it would be possible for policies to be issued.

Mr. GREEN: The minister has proceeded, without the bill being passed, to make certain arrangements. Why would it not be possible for him to go one step further and allow these firms to make application to their own insurance companies for the amount of war risk insurance they want and to pay deposits on account of the premiums? If there were damage suffered before an effective policy could be obtained, they should then be able to get compensation, subject of course to the payment of the balance of the premium. The minister said yesterday that he would not think of following this course, but this is a serious position. If some of these plants are destroyed by enemy attack, the loss may run into hundreds of thousands of dollars, and yet under this section there could not be compensation over $50,000. This is unfair, not only to the firms but to the men they employ, and it might prove to be disastrous for Canada's war effort on the coast.

Mr. ILSLEY: Until this bill has passed no one has any authority to accept any obligation.

Mr. GREEN: The minister had no authority to set up committees and so on, and yet he has done so.

Mr. ILSLEY: It is only when you are entering into contractual obligations that you must have authority. No contracts have been entered into because there is no power to do so. I have asked certain gentlemen to act as an advisory committee, and I have asked a certain gentleman to act as supervisor. He has done a lot of work, but it is just as though there was nothing in existence.

Mr. GREEN: I suggest that the government need not be bound by such obligations until the act comes into force, but I contend that the common-sense thing to do is to enable these people to apply to their own insurance companies, not to the government, for the amount of coverage they want, and pay a reasonable deposit on account of the premium. If we could get the Japs to wait until thirty days after this bill becomes law, there would be no need to worry, but they may attack the coast to-night or next week. There is no reason at all why a common-sense view should not be taken of the situation.

Mr. HANSON (York-Sunbury): Why the $50,000 limitation? Of course it is just an arbitrary figure.

Mr. ILSLEY: Absolutely arbitrary.

Mr. HANSON (York-Sunbury): If the minister could increase that amount it might help the situation.

Mr. ILSLEY: The new figure would be arbitrary too.

Mr. HANSON (York-Sunbury): It would, but it would be more inclusive and provide better coverage. There must have been some reason for setting the figure at $50,000.

Mr. ILSLEY: Not much, I am afraid.

Section agreed to.

On section 7—Damage to dwelling.

Mr. BLACKMORE: Would not the minister be willing to put into this section some stipulation with respect to value? It seems to me that value could be defined under this section.

Mr. ILSLEY: We tried that, and all it led to was argument. Any definition of value that is put into the bill will lead only to argument. I understand that the supreme court of the United States has defined value as what a willing purchaser, not forced to buy, will pay to a willing seller, not forced to sell.

Mr. HANSON (York-Sunbury): That is the standard definition of market value.

Mr. ILSLEY: That perhaps would be the test applied here. But the courts have to determine, in the event of litigation, whether proper principles have been applied to the determination of value. This is one of those cases where an attempt at codification of the decisions of the courts just leads to argument. Mr. Leonard drafted a definition of value which he thought was in accordance with the decisions, but there was disagreement and his definition was not considered to be a proper one. So that it was left as it is under fire insurance practice, where the value is adjusted by the adjuster and the principles of determination are applied. I presume that a great many factors enter into it, but this bill went through the banking and commerce committee and it was decided to leave this out.

Mr. HANSON (York-Sunbury): I appreciate that there is a real difficulty. The defini-

tion of value given by the minister is used in the courts of this country in the valuation of property expropriated by the crown. It is a definition of market value. Value for insurance purposes is quite different. A property may have different attributes—I am not referring to the value of affection and that sort of thing, which are extraneous matters—and in insurance law the question always arises as to how far the value of a property is affected by depreciation and things of that kind. It is an exceedingly difficult thing to put into the form of a code that would meet all cases. I am content to let the matter go and have it dealt with as it would be dealt with under a standard fire insurance policy. In any actions that I have had to do with I have never had much trouble about getting full value if it was a bona fide loss; there is no question of the quantum when the loss was bona fide. I do not think there will be much trouble with the standard companies of this country, and I am content to let the section go without it having any definition of value.

Mr. MacINNIS: I was a member of the committee, and I appreciate the difficulty in giving a definition of value. The hon. member for Lethbridge refers to a type of value that I have never come across in any work on economics. I do not know how you could appraise social or prestige value. There might not be so much difficulty over value when there is a contract, but when you are dealing with free insurance, where there are no contracts, and a home is completely destroyed, I do not know just how the value can be defined beforehand. In ordinary fire insurance the contract contains a description of the property, but unless there is a census taken, and I assume that this is not anticipated, there would be no description of many of these properties. I suppose there would be descriptions in the assessors' offices in the cities, but that would not apply to country property. I was just wondering how we could arrive at a correct understanding of the diminution in the value of a property when there is no particular description of the property before it was destroyed.

Mr. ILSLEY: I do not think the description of the property in a fire insurance policy is much of a guide to the value of the property. The amount which an insurance company is prepared to write on a property is a guide to the value, but it is not conclusive. The loss always has to be adjusted, and I should not think it would be any more difficult for the adjuster to adjust the loss in case of bombardment damage than to adjust it under a fire insurance policy. He would have just as much to go on, except that in the fire insurance policy there is a description of the dwelling, giving the dimensions and the type of construction. That is about all it gives, and it is not of much use. I think the loss could be easily ascertained by the adjuster.

Mr. HANSON (York-Sunbury): May I suggest to the minister that the preliminary thing would be the value placed upon the property by the applicant in his application for insurance. That is prima facie. One of the elements upon which the policy is issued is the representations as to value by the applicant. That may or not be the correct value, but it is the initial guide to value, and the man is bound by his own report. If the property is worth more than he says it is, the principle of estoppel would immediately arise, but that does not often arise because the applicant usually errs on the safe side. I think that is the only guide you have in contracts of insurance, unless there is an agreed value, and I do not think I ever saw or heard of a policy which incorporated an agreed value.

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): I imagine that Lloyd's write them, though.

Mr. GREEN: This is the section which provides compensation for the house and there are one or two points which I think should be cleared up by the minister. First of all, just how wide is the word "owner" to be? Just what does it cover? For example, is it to cover a person who is buying a house under an agreement of sale, or a person who has a house subject to a mortgage? That is important, because under this bill unless a person is the owner of the house and, further, unless he is actually living in it, he cannot get this free compensation. It is of the utmost importance that this point should be cleared up.

Furthermore, the idea has gone out across the country that this free compensation applies to all houses; in other words, that if a house is destroyed, the owner can get up to $3,000 compensation for the loss. But that is distinctly not so, because you have to own the house, and in addition you have to live in it. I suggest that the minister have advertisements inserted in the papers, particularly in the coastal areas, pointing out that this $3,000 compensation does not apply to every house. Otherwise there will be many houses not insured which should be insured because the owner will think he does not have to take out a policy, since he expects

$3,000 free coverage, and if there is damage done he may find that he is not covered by the act. This should be explained most carefully to the people, especially in those provinces which are most exposed to war risks.

Mr. ILSLEY: I think that is a valuable suggestion. It would be worth the cost of advertising to do that, for the reason the hon. member gives, and I will bring his suggestion to the attention of Mr. Matson, who is to be the supervisor of claims.

As to the other point, the meaning of the word "owner", the hon. gentleman put the case of a person who has bought a house and lived in it but has not obtained the deed. He would be the owner under this, undoubtedly. He would have what we call in Nova Scotia a beneficial interest in the property. He is the beneficial owner of the property or the equitable owner of the property, and he resides in it. If the person who resides in the house has an interest in it, legal or beneficial, as owner, he would be covered by the section. If he was merely a tenant he would not be covered.

Mr. HANSON (York-Sunbury): I have a suggestion to make to the minister. I should like him to give consideration to adding at the end of section 7 (1) the words "or has an insurable interest therein". That would cover the beneficial or equitable interest of the man who has purchased under an agreement of sale, and it would also cover the mortgagee. My attention has been drawn to this point, and I certainly think the mortgagee should be protected because he has his money in there.

Mr. ILSLEY: Not by free compensation.

Mr. HANSON (York-Sunbury): Why should he not have some compensation?

Mr. ILSLEY: He is an investor.

Mr. HANSON (York-Sunbury): And so can insure for himself. That, I presume, is the answer, and if so I am willing to waive that point. But to cover the point raised by the hon. member for Vancouver South I would ask the minister to consider adding at the end of subsection 1 the words "or has an insurable interest therein". I think that is a fair suggestion, and I do not see any great objection to it. I hope the minister will consider it.

Mr. ILSLEY: I do not know what to say about that. It might be entirely too wide. It might cover persons whom we do not wish to cover. I do not know whether a tenant has an insurable interest or not.

[Mr. Green.]

Mr. HANSON (York-Sunbury): He might have occupancy but not ownership.

Mr. ILSLEY: Does he have an insurable interest?

Mr. HANSON (York-Sunbury): No, only so far as occupancy goes, which is an entirely different thing. You are not insuring against that.

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): I think it would cover at least the case of a purchaser under an agreement of sale who was also the occupant. Does this not contemplate that the man who is to be paid is the occupant? Does this cover rented property?

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): If it is not clear in the bill it ought to be made clear that he must be the occupant and either be the owner or have an insurable interest in the property under an agreement of sale. I suggest that the minister might incorporate in the section the words I have proposed.

Mr. MACDONALD (Halifax): If the suggestion of the leader of the opposition were adopted it would cover an occupant of the house who might have only a one-twentieth interest in the property. He would then have an insurable interest and would get the full compensation for that house. On the other hand, if he has purchased the house under an agreement of sale, he is the owner.

Mr. HANSON (York-Sunbury): The owner is the man who has the legal title. Let us not quibble about that. In equity, one man may have the equitable title and another the legal title.

Mr. GREEN: There is power contained in section 33, paragraph (e), for the governor in council to make regulations:

(e) to designate any person or class of persons who are deemed to be included within the terms "householder" and "owner" as used in this act.

Probably it could be covered by regulation.

Mr. HANSON (York-Sunbury): But it would be better to have it in the act.

Mr. ILSLEY: I hesitate to adopt the language suggested, "insurable interest". All kinds of insurable interest arise. A creditor has an insurable interest, and he might be living in the house.

Mr. HANSON (York-Sunbury): I would not think an unsecured creditor would have an insurable interest.

Mr. POTTIER: In this section the wording is that the insurance or the compensation is payable in respect of war damage "to the dwelling house in which he ordinarily resides." Let us assume that a person in the summer lives in the country and in the winter lives in the city, and owns both houses. In that case is he to get compensation for both, or which residence is taken?

Mr. FRASER (Peterborough West): Just one.

Mr. POTTIER: Which one?

Mr. HANSON (York-Sunbury): The one in which he ordinarily resides.

Mr. POTTIER: At the time of the damage?

Mr. ILSLEY: Not necessarily. He does not have to physically reside in it at the time.

Mr. MACKENZIE (Vancouver Centre): Ordinarily resident.

Mr. ILSLEY: It is the one in which he ordinarily resides. If he resided 183 days in one and 182 in the other, I do not know in which one he would be deemed to be ordinarily residing, but that would be—

Mr. CRUICKSHANK: If he is in the one that gets bombed he won't want anything.

Mr. HANSON (York-Sunbury): Would the minister promise to give consideration in the drafting of the regulations to the suggestion I made?

Mr. ILSLEY: Yes, I certainly will. I understand that this very point was discussed in the committee at considerable length and it was decided, I believe, to leave it this way. There is power in the regulations.

Mr. BLACKMORE: There are some points about this section which are not quite clear. Suppose that damage were done to a considerable area in a city of, say, the size of Ottawa, which affected houses in what may be called the reasonably good areas, where values are from $3,500 to $4,000, and houses in the poorer areas, some being registered for insurance and some not, and the minister undertook to cover the cost of the damage; what procedure would he follow? Suppose some have insurance policies in both areas—in the well-to-do areas and in the poor areas; others have not; what procedure would be followed with respect to finding the value to be given to those who had sustained loss?

Mr. FRASER (Peterborough West): The fire underwriters' survey would cover that.

Mr. BLACKMORE: Is the minister planning to have a survey of the whole country, say under the municipalities, so as to register all property with the value it is estimated to have?

Mr. ILSLEY: No.

Mr. BLACKMORE: Well, if he has no such criterion by which to judge, how is he going to tell how much is to be paid to a given individual in any particular area who has lost his home by bombing?

Mr. ILSLEY: The loss will be adjusted by competent adjusters, in the way that fire loss is adjusted.

Mr. BLACKMORE: Suppose a home has been completely demolished.

Mr. ILSLEY: It will still be adjustable.

Mr. BLACKMORE: On what basis? There would be no record there.

Mr. ILSLEY: On the available evidence as to the value of it—of which there will be plenty.

Mr. BLACKMORE: And the main available evidence would be the assessed value in the community in which it was located?

Mr. ILSLEY: That would be one element; one only—very inconclusive.

Mr. HANSON (York-Sunbury): May I assume that section 7 contemplates payment of compensation to owners of houses who suffer loss, regardless of whether they hold insurance or not?

Mr. ILSLEY: Yes, that is true.

Mr. HANSON (York-Sunbury): So that it would be possible, I suppose, for a man to insure against loss and also to get this compensation?

Mr. ILSLEY: Yes, but not double indemnity. He would not get paid for more than his loss.

Mr. HANSON (York-Sunbury): In any event?

Mr. ILSLEY: In any event.

Mr. HANSON (York-Sunbury): Because he did not have the insurable value?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Is that properly safeguarded?

Mr. ILSLEY: We will safeguard it in the issue of the policies. There will be no trouble.

Mr. HANSON (York-Sunbury): You are not putting it in the statute?

Mr. ILSLEY: No.

Mr. GILLIS: A few moments ago the minister, in answer to the leader of the opposition, stated that there was no protection in this bill for a mortgagee.

Mr. ILSLEY: I did not say that. There is no free compensation to the mortgagee.

Mr. GILLIS: That is what I have in mind. I am purchasing a home; it is valued at $5,000; it is burned down. I have paid, say, $1,000 on that home; someone holds a mortgage on it for the remainder. Who is paid? Am I paid the $3,000, or where do the people stand who hold the mortgage?

Mr. ILSLEY: They do not stand anywhere unless they have insured themselves or unless you have insured in their favour. You get the $1,000; that is, your interest in the property, if there is disappearance of value to that extent.

Section agreed to.

On section 8—Damage to chattels.

Mr. GREEN: I suggest that the minister also give publicity to the people who are covered by section 8. For example, as I understand it, this section provides coverage only for the householder, the person who is actually living on the premises.

Mr. ILSLEY: Yes.

Mr. GREEN: It provides coverage up to the sum of $800 for the householder, and another $400 if he has a wife, and another $100 for each child under sixteen years of age. But it would not cover rented furniture. For example, if a person is living in a furnished house, that furniture is not covered by this free insurance.

Mr. ILSLEY: That is correct.

Mr. GREEN: I suggest that that should be made clear to the public, so they will understand exactly what is and what is not covered.

Mr. ILSLEY: Yes. I will see that that suggestion, like the other one, is given consideration. I must say it appeals to me as a reasonable and a valuable one.

With regard to this section I wish to submit an amendment, which I will ask my colleague to move:

That Bill 56 be amended as follows:

1. That subsection (1) of clause 8 be amended by adding thereto after the word "owner" in line 39 on page 4 the following words "and which are within the definition of 'property' in section 2 of this act";

2. That paragraph (b) of subsection (3) of clause 8 be amended by striking out the words "four hundred dollars" in line 12 on page 5 and substituting therefor the words "two hundred and fifty dollars".

This is out of balance as it is. The amount is limited for all the chattels, and the amount recoverable for these luxury items or valuable items should be limited somewhat. It automatically raises the limit for the less valuable article and makes a better balance.

Mr. MACKENZIE (Vancouver Centre): I move accordingly.

Mr. HANSON (York-Sunbury): That may be true. I have not had time to think about it. I just want to make some observations on this.

In going over this bill when first printed, I wondered why the amounts specified in section 8 were based more on the status of a person than on the value of his chattels. I assume there is a reason. I wish the minister would tell us why the amounts are based on the marital status and so forth, without any particular regard—except in the latter part of the section, which he is just amending, and by way of limitation—to the value of the damage. Perhaps I have not made myself clear. Subsection 2 says:

> No payment under this section shall
> (a) in the case of any person other than a householder, exceed the sum of two hundred dollars;
> (b) in the case of a householder, exceed the sum of eight hundred dollars increased by a further four hundred dollars if he is married and if his wife is ordinarily resident with him and by a further one hundred dollars in respect of each child ordinarily resident with him, who has not reached his sixteenth birthday at the time of the occurrence of the war damage.

It is based on his status and not on the value of the loss he has sustained. That factor apparently has not been taken into account.

Mr. ILSLEY: To begin with, no one can get more than the loss sustained.

Mr. HANSON (York-Sunbury): I agree with that.

Mr. ILSLEY: The reason why a person who is not a householder will not get as much free compensation as the householder is that the householder should be assured of a reasonable amount with which to start living in a house again.

Mr. HANSON (York-Sunbury): I can understand that. It is different with regard to the boarder.

Mr. ILSLEY: The boarder does not need any more. He can go and board somewhere else.

Mr. HANSON (York-Sunbury): He might lose his whole wardrobe.

Mr. ILSLEY: He can take out insurance if he wishes to. If he does not he gets up to $200, but the married man with a wife and a couple of children should have more than that.

Mr. HANSON (York-Sunbury): I agree with that. I was thinking particularly of the limitation as being imposed because a man was married rather than on the basis of the loss sustained.

Mr. ILSLEY: That is what I am talking about. If we do not take the principle of this section, but the principle about which my hon. friend is inquiring, we will give to everyone, regardless of his status, up to a few hundred dollars free compensation, depending upon the loss sustained. It is perfectly clear that the limit of free compensation ought to be higher for the person with increased responsibilities.

Mr. HANSON (York-Sunbury): I hope the minister will take that into account in the budget resolutions.

Mr. REID: Does this bill deal entirely with the house and the chattels in the house? A man's barn might be destroyed, with the stock in it.

Mr. ILSLEY: The free compensation is not limited to furniture or the contents of the house.

Mr. REID: Then property would include, say, a man's barn?

Mr. ILSLEY: No. It would include the chattels in the barn.

Mr. REID: But a man's barn might be damaged and the house not touched at all.

Mr. ILSLEY: There is no free compensation for any buildings except the house.

Mr. GREEN: Not unless he lives in the barn. I would suggest to the minister, with regard to the amendment to subsection 3, paragraph (b), that he delete the word "books". I do not see why there should be that restriction with regard to books and printed publications. They are in a different category from works of art, gold and silver, jewellery and so on. There should not be the limitation of $250 on books.

Mr. ILSLEY: The owner can always insure his books if he has a valuable library. The idea in this section is to enable him to keep on living and to provide him with some minimum requirements. I do not know why he should have so many books. He should have the Bible and Shakespeare perhaps and a few other necessities to enable him to go on living, but apart from that he could insure his books.

Mr. GREEN: I can see the reason for the restriction with regard to other things such as stamp collections, jewellery and so on, but I do not think books should be put in the same classification. He would get a total of $800, or $1,200 if he were married, and he should be allowed to include books in that figure.

Mr. REID: Yesterday many of us, particularly from British Columbia, put up an argument on behalf of the fishermen. I do not want to start another debate to-day on that subject, but, voicing my own opinion, I do not think it is fair that a man's barn should not be taken into account, especially on the coast. A man with stock in his barn might suffer damage; the barn might be demolished and the house might not be touched.

Mr. ILSLEY: It is all subject to insurance.

Mr. REID: He can insure his house and books and other effects for which compensation is given, but he might be put out of business by an aerial bomb. His barn might be destroyed and yet his house might not be touched at all. He might put more value in the stock than in the chattels in his home.

Mr. ILSLEY: But if he has insured the barn he gets paid for it under this act. He does not get free compensation for anything except his house. Every one of us in Canada lives somewhere and it makes it equal if you give free compensation for the house you own and live in. But there is a wide difference in the value of other buildings that we own.

Mr CRUICKSHANK: Does not the minister think that a barn is more important than jewellery, manuscripts, library and so on? There is free compensation for that.

Mr. ILSLEY: He gets free compensation for chattels, up to a limited amount; everyone does. The object of this section relating to works of art, and so on, is to limit the amount that can be claimed for articles of that kind. There are two reasons for the limitation. The first is that these things are not necessary to enable life to continue. The second is the difficulty in determining whether a claim in connection with articles of that kind is accurate. If persons of a certain class were making claims I am afraid that if they had some jewellery, or even some books, and knew they could claim up to $800 or $1,500 for them, they would claim right up to the limit for that sort of thing, and there would not be much chance of checking them. It would be

a great deal easier to value their other chattels than to value chattels of that sort. The advice I got from a most experienced adjuster was that on this class of goods we could very well limit fairly rigidly the amount recoverable as free compensation.

Mr. CRUICKSHANK: I am not objecting to the limit; you could limit me to $8 for my jewellery and you would be overpaying me by $7. I am objecting to the principle of giving free compensation for jewellery or works of art—I do not know what that means, unless it would be the speeches of the Minister of Pensions and National Health—but you do not give free compensation in connection with those things on which a man depends for his livelihood, such as his farm implements, his barn and so on.

Mr. ILSLEY: His farm implements are included in his chattels.

Mr. CRUICKSHANK: He does not keep them in his house.

Mr. ILSLEY: There is nothing to say they have to be kept in the house.

Mr. CRUICKSHANK: Then will the minister not consider protection for the barn?

Mr. ILSLEY: No, I am sorry I cannot, for the reason I stated. You get an unequal coverage there. We all live in houses; everyone has to have a residence. When you have a barn—

Mr. MacNICOL: In the winter time cattle must have a barn.

Mr. ILSLEY: A barn is part of your investment. Sometimes it may not be a very profitable investment; nevertheless that is what it is, so that it is not in the same class as a residence.

Amendment agreed to.

Section as amended agreed to.

Section 9 agreed to.

On section 10—Property damage only where in excess of $50.

Mr. BLACKMORE: I wonder if the minister would not consider some modification of that $50 limitation?

Mr. ILSLEY: I do not know what the discussion was in the banking and commerce committee, but it was thought that we would have to get rid of a great multiplicity of very small claims. It does not seem to me a very great burden to impose upon people in time of war when we ask them to bear the loss to their own residences up to the amount of $50. It does not seem unreasonable to me. I think perhaps it would be going a little too far in time of war to try to make good such losses right down to the last dollar. We are not going to be able to do that for the people at large. All kinds of losses are going to be sustained and sacrifices accepted which cannot be made good, and I do not know why we should go so far in connection with property when people are suffering terribly, losing their lives and so on, and they cannot have those things made up to them. We cannot put dollar values on those things. We are going pretty far in this matter of protecting property, and is there anything so terrible when the country is under attack, when people are being killed all around you in that attack, in all probability, if the man who has his house damaged is asked to bear $50 of the loss himself? It will greatly simplify the administration if we retain this provision, and I do not think it is at all unjust.

Mr. BLACKMORE: That $50 might not be serious to the minister or to me; it might not be serious to a person with a good income, say $1,500 a year, but there are many people who have no such incomes, to whom damage of $25 to their houses would be a calamity.

Mr. ILSLEY: Home owners?

Mr. BLACKMORE: Owners of homes; people who have struggled all their lives in order to possess a little house, for which they have finally paid after fifteen or twenty years. If they sustain damage amounting to $25 or $30, with a number of children to take care of, it becomes almost impossible for them to meet the cost of repairs. Perhaps if the minister were to say something like this: Wherever the damage which has been sustained is such as to render the dwelling uninhabitable," then the damage would be repaired so that the home would be as habitable as it was before the damage was sustained. I see no reason at all why that should not be done. In connection with the homes of the well-to-do, homes worth $3,000, $4,000 or $5,000, the deduction of $50 could be allowed to continue.

Mr. MacNICOL: In the riding which I represent there are many streets on which there are many houses, some of which I have visited, in which I doubt very much if there was $50 worth of furniture altogether. If damage amounting to $50 were done to the roof or windows of one of these houses, I doubt if those people could afford any repairs at all. I should think there ought to be some provision for the very humble citizen. In my house or your house, or the house of the average man, $50 would not be anything at all, but in the houses of the humble working

men in the congested districts of Toronto, Montreal and other cities, $50 would be quite an item.

Mr. GREEN: I suggest that the minister give this very careful consideration; for I think there is a great deal in what the hon. member for Lethbridge has said. As a solution I suggest that the minister fix the amount at say $25, and let it go at that; in other words, make it $25 deductible to use a term common in automobile insurance. I think that would be fairer. After all, $50 is a great deal of money for many people, and at that I think the way the section reads now one would have to suffer damage of $75 before one would get any compensation, $50 to the home and $25 to the furniture. In other words the householder would have to pay a total of $75 himself, which makes it that much worse. I do suggest that there should be the one flat deduction of $25.

Mr. BLACKMORE: Would the minister consider some amendment such as this: Right after the words "fifty dollars" insert words to this effect: "except in the case of a dwelling house where the damage is such as to render it uninhabitable."

Mr. ILSLEY: I would not favourably consider that amendment. The only amendment that in my opinion would be proper for consideration would be a change in the amount.

Mr. MacNICOL: From $50 to $25.

Mr. KINLEY: This was all discussed in committee, and $50 was agreed upon.

Mr. ILSLEY: Yes, it went through the committee, and I do not think I would change it. If we experience some trouble it could be considered again. All these things can be done later. But I do not feel like making any change in that. We have had this bill here for two or three months; it has gone through the committee. I know it is the natural thing for hon. members to make as much provision as they can for the people in the bill, and I am not blaming hon. members for that; but as I said to the hon. member for Lethbridge, it does not seem to me to be an abnormal thing to ask the property owner to assume damage up to $50. If there is some bombardment in Halifax or Vancouver or farther inland and we find there is real, serious hardship as a result of the $50 limit, we shall have some experience to go on. I think this will work out all right. I do not think the people are going to be thinking about it when there is a bombardment, either before or after. It is the people as a whole paying the people who suffer loss. This money does not come out of the air; it comes from other people. I may not be able to convince the hon. member for Lethbridge of that, but I think I will stand by the taxpayer on this $50 limit until I see a more clearly demonstrated need.

Mr. BLACKMORE: The difficulty lies in this, that the humble men are paying the taxes. A man with a $450 house who has $45 damage done to it has sustained a loss of 10 per cent of the value of his property; the man with a $4,500 house who sustains a loss of $450 has sustained only a 10 per cent loss. He will get every cent of the $450 loss, but the man with the $450 house will get nothing. That is a gross inequity, a gross injustice. The man with the $4,500 house will probably, in 60 per cent of the cases at least, be able to make good his $450 loss with far greater ease than the man with the $450 house will be able to make good his loss.

The first thing that people with very small incomes will think of will be the damage to their houses. I have sat in houses and seen women break into tears because a windowlight was broken, because they knew that to replace it meant they would have to take the price out of the children's food. I do not know whether the minister and a good many hon. members who considered this bill have known what it is to go through hardships. I have the impression from the reaction toward it, that most of them would grow much wiser by having to go through real difficulty. I would like to have them follow the kind of life I had to live for fifteen or twenty years of my life; they would then realize how hard it is for such people to sustain a loss of $20 or $25. They would realize that the very first thing that those people would think of, in case a chimney were blown down for example, would be, "How in heaven's name are we going to live without that chimney?" especially if it were winter time. But if the cost of replacing the chimney is less than $50 they get nothing, notwithstanding that the habitability of their house has been destroyed. I do not wish to be overinsistent, but I believe there is great danger in this house of disregarding the sufferings of the poor. We ought to bear constantly in mind that the number of poor in this country is far greater than we ordinarily realize. The minister should make some modification which would not even exclude $25 damage. If damage is done to a house so that it is no longer habitable, especially in case the people are unable to repair the damage, that repair ought to be made by the government. The habitability of the house should be restored.

Mr. MacNICOL: When I was speaking a few moments ago I heard an interjection that the committee—I assume the hon. member meant the banking and commerce committee or whatever committee it was that considered this bill—had surveyed and looked into every angle of the legislation and sent the bill back to this house; as much as to say that the rest of us have nothing to say. There are not many members on the banking and commerce committee—

An hon. MEMBER: Fifty.

Mr. MacNICOL: That is fifty out of two hundred and forty-five. I was not on that committee, and I am not going to abrogate my rights in this house to that or any other committee. If I have any comment to make I will make it irrespective of anything the banking and commerce committee may do about a bill.

The hon. member for Lethbridge spoke of houses of a value of $450. I saw, in a small village north of Toronto, a very nice little house together with a lot sold recently for $250, and I venture to say there are in the coves and inlets of Nova Scotia and British Columbia many houses for which $250 would be considered a good price. If one of those little houses happens to be blown up, as is more likely on either coast than in York county, a loss of $50 would be a very large item on such a property.

Mr. ILSLEY: If the house were blown up, the owner would get the whole thing without any deduction.

Mr. MacNICOL: But damage of $50 to such a house would be a very large proportion.

Mr. ILSLEY: If the damage were less than $50, we would not recognize it.

Mr. MacNICOL: I endorse what the hon. member for Vancouver South said. What the minister wishes to do is to set some limitation. I agree there should be some limitation to prevent unfounded claims, but $25 would be just as good a limitation as $50.

Mr. NOSEWORTHY: Am I correct in assuming that under section 8, subsection 3 (b), any householder who sustains a loss of gold, silver plate, jewellery, furs, et cetera, will be reimbursed for that loss up to $250? A loss of $25 or $30 I presume would be paid; yet the poor citizen whose house may not be worth much more than $50 would not be reimbursed for damage up to that amount. I know many houses in York South for which I doubt if one would get $50 on the market to-day. I think the minister will have a good deal of explaining to do to that class of people if he puts through legislation which will grant a person who can afford diamonds and furs compensation for $25 or $30 damage to those diamonds and furs, but refuses to give a householder whose property may not be worth more than $50 or $100 compensation for damage under $50.

Mr. ILSLEY: The provision with respect to diamonds and furs to which the hon. member refers has a limitation.

Mr. HANSON (York-Sunbury): It is a ceiling.

Mr. ILSLEY: It is a ceiling. It was $400; we cut it to $250. That does not necessarily mean he gets the $250; it depends upon other things.

Mr. NOSEWORTHY: But there is no minimum.

Mr. ILSLEY: There is a minimum of $25.

Mr. NOSEWORTHY: That is, you may get $30 for damage to furs, but you cannot get anything for damage of less than $50 to your house.

Mr. ILSLEY: If the damage to your chattels as a whole is under $25, you get nothing. "Chattels" does not exclude this particular class of chattels, but there is a limit on the total amount that can be claimed for these chattels.

Mr. NOSEWORTHY: My point is that compensation as low as $30 may be paid in connection with furs or diamonds, but damage to a house amounting to less than $50 cannot be paid. Is that not correct?

Mr. ILSLEY: For chattels as a whole, yes. Theoretically you can pick out such things. A person might have a fur or a diamond bombed. But this is a provision for chattels. I think it is unnatural to go fishing around among chattels, pick out furs and diamonds and say that a person could lose a diamond worth $30 and get the full $30. If a person owns a house and it is damaged to the extent of $45, he would not get anything. If that is discrimination in favour of the poor as against the rich; if that will give my hon. friend something to make a speech about, it is all right, but it will not worry me.

Mr. NOSEWORTHY: This legislation is going to look bad to the poor people of this country, and I would hate to be a party to it.

Mr. GREEN: I was not a member of the banking and commerce committee, but I was permitted to sit in at the meetings. The

impression I got in connection with this limitation was that it had been inserted to make it convenient for the insurance men to administer the legislation. I think this is an insurance man's section. You have that on the one side, and then on the other you have many poor people to whom $50 is a great deal of money. I know in parts of the riding which I represent there are many house owners who would find it very difficult to raise $50 to repair damage done by bombs. I urge the minister that he at least change this to $25, thereby giving the poorer people some consideration.

Mr. McLEAN (Simcoe East): The last speaker has suggested that this is an insurance man's section, but I think it is a taxpayers' section. If I were to suggest any change in this section, it would be to have $50 deductible from all property damage, and $25 deductible from all claims for damage to chattels. It is well recognized in some lines of insurance, such as automobile, that there is a tremendously excessive cost in adjusting and administering small claims, and it is almost universally customary to have a deduction of $25, $50 or $100. If a bomb should be dropped in a particular section, it is quite likely that the only damage to hundreds of houses would be a few panes of glass broken. It seems to me to be absurd that the country should be put to the tremendous cost of adjusting all these trifling claims. I hope the minister will not be persuaded to alter this section.

Mr. BLACKMORE: I do not wish to labour this matter too much, but there are plenty of people in my constituency who would suffer seriously from a loss of $40 to $50. I wish to draw the attention of the committee once more to the fact that $3,000 is to be paid without any question at all; but when it is suggested that compensation be paid for damage done to humbler homes, it is considered to be a waste of public money. How in the world can we get consistency out of a situation like that? If we were not giving $3,000 to the well-to-do and wealthy people, it would be a different matter.

Last night I said there was confusion in the bill because of an attempt to defer to two points of view. One view is that of the life insurance companies which is based upon two principles. The first is to replace the financial loss, and the second is to make a profit. This bill is guided by two entirely different principles. The first, as I said a short time ago, is that each family shall be guaranteed the right to continue to live in their dwelling. The second is that the value of any dwelling shall be restored. The wealth of Canada should not be depleted, because the wealth of Canada consists in its ability to produce goods and services and deliver them. The ability to produce services in a very humble house, costing probably only $250 but able to shelter a man, his wife and three children, is considerable. If that value is impaired, then, according to the second principle which ought to guide us, the damage should be replaced.

As I said, there is confusion because the minister in the bill is trying to apply the principles of fire insurance to this bill, which is not in any sense of the term intended to be a fire insurance bill. This bill is concerned with human value. Its main object is to enable the people of Canada to continue to live in their houses. If a bomb should be dropped in certain sections of Ottawa, there would be hundreds of houses which could qualify under the $3,000 provision.

Mr. MacNICOL: In Hull, across the river, will be found the cheaper houses.

Mr. BLACKMORE: Exactly. Across the river there are whole areas where, if the house owners sustained a 7 or 10 per cent loss, they would get nothing. This may not worry the minister, but it certainly worries me.

Mr. FRASER (Peterborough West): This section reads:

> No payment under this act or under any contract of insurance shall be made in respect of war damage to property unless the total amount of the claim otherwise payable is in excess of fifty dollars.

Would it not be possible to add a stipulation, "except in the case of property of a value of less than $1,500 or $1,000"? Then, if a property were valued at over $1,000, the $50 stipulation would be all right. I mention this because I was the first one in the banking and commerce committee to bring up this matter.

Mr. ILSLEY: This bill passed the banking and commerce committee, and there are arguments both ways on it. I stand by my position, and I am going to stand up for the taxpayer. I am one of those in the house whose duty it is considered to be to stand up for the taxpayer, and I am going to do so on this occasion.

Mr. BLACKMORE: How can the minister say that he is standing up for the taxpayer when he is willing to pay $2,500 or $3,000, and then refuses to pay a small loss to those who will find it far more burdensome? How can he say he is standing up for the taxpayer when people who live in humble houses are paying taxes which, to them, are just as burdensome as are those paid by the more well-to-do burdensome to them?

Mr. GREEN: I should like to move an amendment. I do not think the minister is quite accurate when he says that he is standing up for the taxpayer. What he is doing, in effect, is forgetting the little taxpayer who has his house bombed. I move, seconded by the hon. member for Davenport:

That section 10 be amended by substituting for the word "fifty" in line 20 the word "twenty-five".

Mr. ILSLEY: The amendment is obviously out of order, Mr. Chairman.

Mr. HANSON (York-Sunbury): On the theory that it increases the burden on the taxpayer. At the same time, out of regard to a very large class of people who may suffer damage beyond their ability, relatively, to bear, I think the minister might well accept the amendment. I am not unmindful of the point made by the hon. member for Simcoe East that in contracts of automobile insurance there are these limitations, but after all this is a gift on the part of the crown, and why should we be a little too cheese-paring? That is the impression it leaves on my mind, although I have not given it any great consideration. To accept the amendment would be a gesture that would not cost the treasury very much. I realize that there are difficulties with respect to the administration of small claims; of course there are.

Mr. ILSLEY: There would be a tremendous cost of adjustments.

Mr. HANSON (York-Sunbury): I know that the automobile companies make you pay for it if you take out full coverage, and I know what that extra cost means in dollars and cents. But I suggest that in legislation of this kind the minister might very well yield to the supplications, shall I call them, of the members who have raised this question.

Mr. ILSLEY: I am almost touched by the hon. gentleman's appeal. On several former occasions, after a large number of members had risen in their places and besought the Minister of Finance to do something that would ease the financial lot of those whose interests they represent, the leader of the opposition has come in at the end and made a persuasive appeal in line with hon. members who have preceded him.

The accusation of cheese-paring is noted—

Mr. HANSON (York-Sunbury): If the minister does not like that word I will take it back.

Mr. ILSLEY: I do not mind it myself because I have a feeling that the period when it is popular to get ever-increasing expenditure out of the treasury is ended and that the minister who stands up for some cheese-paring by the government is going to be, for the first time in a great many years, on the popular side of the argument, and accordingly I look for a change in the spirit and tone of the House of Commons by the shrewd politicians in the house.

I am asking the people of Canada to do a lot of cheese-paring themselves this year, and I do not aim to have it said that they are going to do all the cheese-paring. I aim to have it said that the government is also going to do some cheese-paring.

Mr. HANSON (York-Sunbury): It is about time, and I am glad to hear that.

Mr. ILSLEY: If a city like Halifax is bombed and windows are blown out, the odd chimney topples over, and so on, there is going to be a terrific job of adjustments. The insurance companies have no interest in getting rid of this matter. It is not a move on the part of the insurance companies to get rid of the matter. As the hon. member for Vancouver South says, all that cost comes on the treasury. I am going to stand by the section because I am going to stand by the taxpayer, and standing by this section is standing by the taxpayer. If we find that there is widespread hardship we can always make a change by order in council, although I suppose we would then be criticized from the point of view that we were throwing the taxpayer's money out of the window by order in council.

The hon. member for Lethbridge says that it would not do some members of this house any harm to experience a little hardship, and as he was talking I was thinking of the people in Russia and the hardships they have gone through, and of how much interested they would be in the difference between $25 and $50 in a clause like this. I was wondering what they would think if they knew that in the capital of this dominion parliament was spending an hour or two in debating whether in case of a bombardment the property owner should not receive compensation if his loss were $25 instead of the $50 provided for in the bill. We are surely at a stage in this war and in the history of this country when a question like that is not important.

Mr. HANSON (York-Sunbury): I thought that, too, when we were debating the plebiscite, and I am glad to congratulate the Minister of Finance upon a change of heart. Think of the days and weeks and weary hours that we spent listening to the debate on the address, and then again to the debate on the

plebiscite, the worst farce ever perpetrated in this country, having regard to what we all listened to from that seat opposite me on Tuesday night.

Mr. KINLEY: The minister did not speak at all on the plebiscite.

Mr. HANSON (York-Sunbury): Now we are to have a new order.

The CHAIRMAN: Order. It is not permissible in a debate to refer to a debate already concluded.

Mr. HANSON (York-Sunbury): I am through, Mr. Chairman, so that your ruling does not bother me at all.

Mr. MACKENZIE (Vancouver Centre): Order.

The CHAIRMAN: I do not think it is proper for the hon. gentleman to say that a ruling of the Chairman does not bother him.

Mr. HANSON (York-Sunbury): If there was any discourtesy it was not intended. I do say, however, that I am not very much concerned over the ideas of the Chair about me after the exhibition we had here the other evening.

Mr. MACKENZIE (Vancouver Centre): Order.

The CHAIRMAN: I do not believe the hon. gentleman can be allowed to use this language, and I regret to have to request him to withdraw it for the following reason—

Mr. HANSON (York-Sunbury): You need not add the reason. I will withdraw it now.

Mr. MACKENZIE (Vancouver Centre): Order, the Chairman is on his feet.

The CHAIRMAN: The Chairman is only the custodian of the honour and authority and dignity of the house or of the committee. The person of the Chairman is not involved at all. I must correct the impression that might be implied from the words just spoken that the Chairman might cherish any resentment on account of anything taking place here. No such impression can be allowed to be conveyed to the committee. The Chairman or the Speaker attempts, at least, and conscientiously, to be impartial, and he applies the rules because he is bound by the rules. There would be no necessity for a Chairman or a Speaker if there were not rules to be applied, and the debate would soon become a pandemonium were not the Chairman to apply the rules when the occasion arises. I am sure that the hon. gentleman, who is an old parliamentarian, will readily understand that and will gladly withdraw his remarks.

Mr. HANSON (York-Sunbury): I have withdrawn long ago, and I should like now to resume with some things I wanted to say. I thought that the case made by the hon. member for Lethbridge, the hon. member for Vancouver South and the hon. member for Davenport merited some support, and I gave it such support as I could. It brought forward a declaration from the minister as to his future attitude toward the taxpayers of this country. I congratulate him upon that change of heart. I suggest that we now get on with the bill.

The CHAIRMAN: I must rule the amendment out of order, because it adds a burden on the public. Such an amendment can be moved only by a minister of the crown. Shall clause 10 carry?

Mr. BLACKMORE: I think that the minister's mention of Russia was one of the most unfortunate things he has done this afternoon. If the Russians were able to look in on the way we are cavilling about letting poor people have a little advantage, while we are turning to fairly well-to-do people and giving them a great deal of advantage, the reaction of the Russian people would be altogether to our discredit. I am going to read to the committee and the minister a little quotation from the Canadian Teachers' Federation bulletin No. 5, which happens to bear right on this question of what Russia thinks about human values.

The CHAIRMAN: Order. We have before us clause 10 of the bill; the hon. gentleman has set out his views on the subject, and the minister stated his decision. The remedy is, not a repetition of the same reasons, but a vote to test the views of hon. members of the committee.

Mr. MACKENZIE (Vancouver Centre): Wearisome reiteration.

The CHAIRMAN: There is a rule prohibiting the repetition of the same argument. As regards conditions in Russia, the minister, without exception being taken, made a brief, incidental remark in respect thereto, but this clause is not capable of justifying a general debate on conditions in Russia.

Mr. BLACKMORE: The whole question, Mr. Chairman, is whether or not Russia is concerned with human values as against tax values.

Some hon. MEMBERS: Order.

The CHAIRMAN: Carried.

Mr. BLACKMORE: On division.

Mr. GREEN: On division.

Section agreed to on division.

On section 11—Time when payments may be made.

Mr. HANSON (York-Sunbury): What is contemplated with respect to the regulations authorized under this section, subsection 1, which reads, in part:

. . . specifying the time at which any payment under this act or under any contract of insurance shall be made. . . .

And then the overriding part which provides:

. . . the minister may, in his discretion, pay the whole or any part of any moneys payable under this act or under any contract of insurance at a time earlier than the time specified in such regulation.

Has the minister in mind the usual standard regulations contained in insurance policies, which I think would be reasonably satisfactory? If he has any other provision in view, I think we ought to know what they are.

Mr. ILSLEY: Is it on subsection 1 that the question is asked?

Mr. HANSON (York-Sunbury): Yes, that the minister may make regulations specifying the time of payment. What is contemplated by that provision?

Mr. ILSLEY: What was contemplated under this scheme of insurance was to defer the restoration of property until after the war. In England they found that it was perhaps inadvisable to rebuild at once; they might be bombed again, and there were other reasons for deferring as much construction as possible. I think this is the section which provides for the making of the regulations for deferring payment.

Mr. HANSON (York-Sunbury): It does not just say, "for deferring payment"; it says, "specifying the time." Is it the minister's idea that it might become, in the case of a tremendous bombardment, too onerous and perhaps unwise, having regard to the danger of threatened rebombardment, to replace and rebuild?

Mr. ILSLEY: That is right.

Mr. HANSON (York-Sunbury): I want to know what is meant by the provision. I am not questioning it at the moment, but under ordinary circumstances there would be a time limit in the policy under which payment would be made.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Of course, if it is intended to give the minister full power to make regulations deferring payment until after the cessation of hostilities, it might cause grave hardship.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): And he only limits that, in the concluding portion of the paragraph, to an exercise of discretion in himself, or to avoid undue hardship, or if the amount does not exceed the sum of $400. It seems to me that that $400 could very well be raised to the price of a moderate house—two or three thousand dollars.

Mr. ILSLEY: It is an alternative.

Mr. HANSON (York-Sunbury): Oh, yes, it is an alternative, but in any event I would assume that the minister would exercise a discretion in the case of the amount payable not exceeding $400. That, of course, is a small loss. Why should $400 be the limit? I think the amount should be a little more liberal in the case of rebuilding or repairing small houses where the damage would be more than $400.

Mr. ILSLEY: Yes; well, the minister has the right to do that for the purpose of avoiding undue hardship. He may pay at once, if the sum is under $400, whether there would be any hardship or not from withholding payment. But in all cases of undue hardship the minister has a discretion to bring the time of payment back before the period provided for in the regulations. I think the general idea of the section is that the normal thing will be to make regulations deferring the time for payment of loss, with the proviso that nevertheless the loss may be paid at once to avoid undue hardship; or, whether undue hardship exists or not, it may be paid at once if the amount involved is under $400. There would not be any sense in withholding these small sums.

Mr. GREEN: Has the government any definite policy with regard to administering this section? It does seem, from what the minister has said, that the tendency will be to withhold payments until after the war. The war may last a long time, and in the meantime people in British Columbia and Nova Scotia who lose their houses will need shelter and furniture and chattels of various kinds. I suggest to the minister that the policy of the government may not be wise in regard to this section, that there should not be so much emphasis placed on withholding payment until after the war. That may apply very well in Great Britain, and I assume that this policy is simply copying the policy of Great Britain.

I doubt very much, however, whether it is wise here in Canada. I sugggest that the minister be not too quick in adopting the policy of holding back until after the war; it may turn out to be very unwise.

Mr. ILSLEY: We cannot tell what the policy will be until we see what happens. This is the policy followed in England, and it is a good thing to defer building and so on as much as possible until after the war, because the more building you do now, the more drain you make on materials and labour and so forth. On the other hand, of course that cannot be carried to the point where people are left drifting around without any shelter. All these factors will be taken into consideration. The English policy is embodied in this section; and if the legislation comes into play at all, if there is bombardment doing damage here, I do not see any reason why the English policy is not the right policy for this country.

Mr. CHURCH: What is the meaning of the words, "if he is satisfied either that the replacement or repair of the property damaged is expedient in the public interest?" It is not in the public interest that we should have this bill at all. It is not expedient; this is the wrong time for it. It will be observed that the minister has power to make rules and regulations. The details are set out at the foot of page 11 of the bill, section 33, which must be read into subsection 1 of section 11. I would point out that the insurance companies are protected while the government is not. The companies are backed by indirect guarantee of the government. Suppose the owner of certain property becomes a soldier. What happens then, if default is made? The minister said yesterday that he could have done all this by order in council under the War Measures Act. If so, what is the use of us? He threatened us with the War Measures Act, if you please, if we continued to insist on safeguards. If you ask any questions under this bill you are threatened with something of the sort.

A large body of public opinion is wondering how the government can afford money for such an undertaking as this in conjunction with the insurance companies. Is it expedient and in the public interest that this parliament should put into the hands of the governor in council the power to spend up to $400 on such a risk or contract or policy for such a purpose? I say it is not, and this is not the time. According to the minister's report that is what can happen. I protest against this way of doing business. I protest against the creation of more boards of control and a whole lot of officials, in this instance enabling the government to pay out as much as $400 for such a purpose and in such a way. That is a lot of money. In my opinion this section, indeed the whole bill, should be rejected. It is not one that this committee should sanction at the present time. You, Mr. Chairman, are a lawyer, and you know, as all lawyers know, the difficulties that arise in connection with contracts of insurance on property and with insurance companies. On the back of the contract the insurance company sets out a long list of rules and restrictions to be read into the policy and contract, and I predict that the average working man who seeks to take advantage of this legislation will not know the meaning of it. He will not know what it is all about if he comes under this insurance scheme and has a policy. In my opinion the whole scheme is launched for the benefit of the insurance companies, and at greater cost to give them the cream of the business. It seems to me that the officials in the minister's department are simply creating further burdens to be put on the shoulders of the Canadian tapayer, at a time when it is neither expedient nor in the best interest of the public that we should pass a law of this kind. I do not believe in this bill; I do not believe it will fulfil the purpose for which it is proposed; I do not believe it is in the interests of the working classes of the country. In my opinion they will not be protected under this measure. On any contract of insurance with companies that are under contract with the government to do this work and take these risks, are the companies solvent, and can they carry out their undertakings.

Section agreed to.

Section 12 agreed to.

On section 13—Trustee, etc., may insure property.

Mr. HANSON (York-Sunbury): This is a new section. I am wondering why it was not put in the original bill. I did not follow the discussion in the committee, but I should think it is proper.

Mr. MACDONALD (Halifax): I believe some question was raised in the committee, but I do not know how sound it was. In some instances there is a doubt as to whether the executor has power to insure. This is to clarify the matter.

Section agreed to.

Mr. ILSLEY: I wish to insert a new section 14, which will necessitate the renumbering of

the subsequent sections. I will ask my colleague the Postmaster General to move the amendment.

Mr. MULOCK: I move:

That Bill No. 56 be amended by inserting the following clause after clause 13 and by renumbering the subsequent clauses accordingly:

"14. Any property or goods laden or freighted in ships or vessels used solely in inland waters so long as they are in transit between two Canadian ports on the great lakes shall at all times during the transit be deemed to be in Canada; and any property or goods being carried between two points in Canada by the Canadian National Railways or the Canadian Pacific Railway shall at all times, during the transit be deemed to be in Canada."

We are taking the power to insure goods in Canada.

Mr. HANSON (York-Sunbury): This is a consequential amendment. It follows from some other change.

Mr. ILSLEY: I think it would be necessary anyway; I do not think it is necessitated by any other change. It was to make it clear that the goods, even though they crossed the international boundary line and came back into Canada, did not lose the benefit of the insurance by reason of the fact that they had so crossed.

Mr. FRASER (Peterborough West): Does United States insurance cover United States boats in the same way?

Mr. ILSLEY: I could not say. I do not know about that.

Mr. GREEN: What about boats going to Montreal or Quebec city?

Mr. ILSLEY: It is as between two Canadian ports.

Mr. GREEN: But is it not restricted to the great lakes, according to the amendment?

Mr. ILSLEY: I am informed that "great lakes" is defined not in this bill but in another statute. However, I will find out between six and eight o'clock whether it is in the shipping act or in some other statute. It has been assumed that the definition would apply here.

Mr. GREEN: Why should the definition of inland waters, as amended yesterday, not be made to apply in this section so as to cover the St. Lawrence as far as the isle of Orleans? Why have to refer to another act?

Mr. ILSLEY: I think the best thing would be to change "great lakes" to "inland waters". That would cover every case that could be imagined.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MULOCK: In view of the discussion that took place just before we rose at six o'clock I should like to move that the amendment I then proposed be amended by changing the words "great lakes" to "inland waters," so that the amendment would read "between two Canadian ports on inland waters shall at all times during the transit."

Mr. O'NEILL: Would that exclude shipments going to Vancouver island, or from Vancouver to Nanaimo, or between Vancouver and Victoria?

Mr. ILSLEY: In those cases neither the goods nor the ships are insurable. Let me make that clear. The bill does not provide insurance for ships at all anywhere, but there is a situation with regard to goods on inland waters which I thought made it very desirable to provide that goods on inland waters should be subject to the provisions of this bill. That is so for various reasons. In the first place there is the reason of convenience. One of the most important commodities concerned is grain. It is covered while in the elevators, and sometimes it is stored in boats on the great lakes. It would be very inconvenient—and there did not seem to be very much reason for doing so—to take off this insurance when the grain left the elevator and put it on again when the grain was put on shore somewhere else. So I thought we should cover the goods in transit in Canada. Goods on railways in Canada, which railways are competing with the boats, are insurable under this bill; and I thought it desirable, even though we have taken ships out of the bill entirely as I felt we had to do, to leave the insurance on goods which are in transit in Canada. This simply says that a movement of goods across the boundary line and back again between two points in inland waters, which would be between two points on the great lakes or between a point on the great lakes and a point on a river, shall still be deemed to be a movement within Canada. In the same way a movement on the Canadian Pacific railway or the Canadian National railway which starts in Canada and ends in Canada, shall be deemed to be a movement in Canada even though it crosses United States territory. That is all this amendment does.

Mr. HANSON (York-Sunbury): I wonder why it was necessary to name the two railways in the latter part of the amendment. Why should it not read "any property or goods being carried between two points in

Canada shall at all times during the transit be deemed to be in Canada"? I do not know the situation, but it might just happen to be truck traffic.

Mr. O'NEILL: Or it might be on the Temiskaming and Northern Ontario railway, between Toronto and Moosonee.

Mr. HANSON (York-Sunbury): That would be within Canada all the time.

Mr. ILSLEY: It is very much easier to identify goods when they are carried on the railways. If claims were permitted for losses in connection with trucks travelling through the United States, claims might be made for goods which really were not on the trucks when they left Canada. I am afraid there would be much more chance for fraudulent claims than there would be in connection with goods carried on the railways.

Mr. HANSON (York-Sunbury): There might be. I do not know if there is any traffic across Maine from Quebec to the maritimes.

Mr. ILSLEY: I do not think so.

Mr. HANSON (York-Sunbury): Of course that is the easy way to get to New Brunswick from Montreal by motor.

Mr. ILSLEY: I do not know.

Mr. HANSON (York-Sunbury): I just offer this as a suggestion to cover a possible claim, but if the minister does not care to accept it I am not going to labour the point.

Amendment as amended agreed to.

Sections 14 to 18 agreed to.

On section 19—Contract void for misrepresentation or fraud.

Mr. HANSON (York-Sunbury): Are these the standard insurance sections? Are these the ordinary statutory provisions which the provinces have enacted?

Mr. ILSLEY: I am not sure. Perhaps some member of the committee would know better than I.

Mr. HANSON (York-Sunbury): I thought perhaps the minister's adviser would be able to tell him.

Mr. ILSLEY: I cannot say whether or not they are copied from any other act. They seem to be all right.

Mr. HANSON (York-Sunbury): I think section 18, now section 19, is quite all right; I think that language is in the ordinary formula. Subsection 2 of section 19, now section 20, is a very proper clause; I agree with that. Subsection 1 of that section, however, makes a false representation or statement in connection with any claim an offence. Of course it means "knowingly"; the *mens rea* takes a little of the harm out of it. Does the minister think it is necessary to have subsection 1 and make false representation an offence? Under section 18, now section 19, the contract becomes void for misrepresentation or fraud. Under section 19, now section 20, subsection 2, makes the claim vitiated by fraud; but subsection 1 goes a long way in connection with a matter of this kind; it makes it an offence subject to fine up to $250 or imprisonment not exceeding three months, or both. I have some doubt whether we should do that. Does the minister think he has to have that when he has the other safeguards?

Mr. ILSLEY: Section 19, now section 20, does not relate necessarily to the statement of the assured; it may be the statement of a third party.

Mr. HANSON (York-Sunbury): He would naturally be the agent or representative of the assured; you might say it was the assured.

Mr. ILSLEY: It is desirable to have a statutory offence here. If not, the only offence would be that of obtaining money under false pretences.

Mr. HANSON (York-Sunbury): You always have that, or the offence of attempting to do so.

Mr. ILSLEY: I am under the impression that there are difficulties about making out a case under a charge of obtaining money under false pretences, or attempting to do so, which might not exist under this provision.

Mr. HANSON (York-Sunbury): It seems to me there is a variety of offences in the criminal code that would be applicable to a false or fraudulent claim of this kind, and under the criminal code the penalties would be much more severe. I should think there is ample provision in the code for any situation which conceivably might arise in connection with a claim of this sort. I dislike creating new offences, especially when the code is so full of provisions against dishonest or fraudulent infractions of the law.

I should have thought that the minister would be briefed on this point, because a

question of this kind is bound to arise where new offences are being created by statute which may or may not in themselves be, shall I say, *mala in se,* if that is a proper term under the civil law.

Mr. ILSLEY: I must admit I do not know too much about some of these sections. They went through the committee, which I thought was a pretty competent committee, and do not seem to have attracted anyone's criticism.

Mr. HANSON (York-Sunbury): There do not seem to have been any good lawyers on the committee.

Mr. ILSLEY: I assumed if there was anything wrong with this section there would at least have been some argument about it in the committee, or it would have been brought to my attention. I am not arguing the case for the sections, but they look reasonable enough on their face. It may be there are offences in the criminal code with penalties more severe; if so, the crown would have its option. But these provide for summary conviction, and I suppose that is desirable under certain conditions.

Mr. HANSON (York-Sunbury): That is only a method of procedure.

Mr. ILSLEY: Yes, but it is important sometimes.

Mr. HANSON (York-Sunbury): I would invite the Minister of Justice to give us the benefit of his opinion. I have great respect for the minister's position in the profession. I am sure any contribution he would make to this discussion would be of great value.

Mr. ST. LAURENT: The present incumbent of the office must confess that his practice in the criminal field has been very limited. I know, however, that difficulties have been experienced to a certain degree in connection with false claims made against the workmen's compensation boards, which have had to prosecute persons for attempting to obtain money by false pretences, and it is a cumbersome procedure to have to resort to in a good many of these cases. If there had been such a provision as this, guarding against claims made falsely, I know it would have been a great convenience. The offence of obtaining or attempting to obtain money by false pretences has to be proceeded on under the code by way of indictment; that method is cumbersome, and a speedy method of dealing with small claims improperly asserted would seem to be more convenient. This provision would not oust the other, whenever there were grounds that would seem to warrant the more solemn form of indictment under the criminal code. I would think that relatively small claims made in circumstances which might be charged as wilful false representation could be more conveniently dealt with by summary conviction than by way of indictment.

Mr. HANSON (York-Sunbury): The minister is, I think, dealing with it, not as a matter of principle but purely on the ground of expediency.

Mr. ST. LAURENT: Not exactly on the ground of expediency, but on the ground of this being a more convenient method of dealing with an attempt at an offence that may not involve a large amount but that still should be prosecuted. There are cases under the foreign exchange control regulations which do not involve large sums, which have to be proceeded upon in a cumbersome manner and in which the time taken and the amount expended seem out of proportion to the amount involved. It may be said to be just a ground of expediency, but still there seem to be reasons in the public interest for not setting the machinery of the high courts of justice in motion in connection with small matters.

Mr. REID: Could the Minister of Finance or the Minister of Justice tell us if there is any other act on the statute books that goes as far as this is going? This seems to be something new. I question whether any hon. member, if he lost his home and chattels, could tell the exact facts about his loss. A man might stretch the truth a little; under this section he is going to be fined or imprisoned or both, and all his claim falls by the board.

Mr. HANSON (York-Sunbury): I was just about to ask that question. I think this was put in by the draftsman to make it easier to get convictions for false claims. I doubt if there is a similar section in any other similar legislation, and I hate to see this parliament creating a new offence. My hon. friend the member for Trinity (Mr. Roebuck), the former attorney general of Ontario, must have had considerable experience in connection with matters of this kind, and I should like him to give us the benefit of his views. I solicit in advance his support of my contention against this section.

Mr. ROEBUCK: It is not often that my views are asked for, and I feel highly complimented. I feel very free to give them. There is nothing that I know of in the general insurance law, particularly of Ontario, which is now the common law of all provinces, that is comparable to this section. As I remember the general law, the common law

applies. That is to say, if there is something obtained by fraud and it can be shown that it is fraudulent, that which has been obtained wrongfully is withdrawn. But this section goes further than that. I doubt if it is possible to make one of the usual claims under an insurance policy and at the conclusion of it be prepared to guarantee that every statement is correct. I imagine that a large percentage of such claims would show that something said therein was inaccurate and that the person who made the claim knew it. This is so because of the difficulty of making a claim. This bill does not change the procedure; this changes the substantive law, and it provides a penalty equal for a white lie or a black lie, equal for a big lie or a small lie; anything which is knowingly done, no matter how small it may be. The penalty is the loss of the entire claim, not that portion of the claim which was supported by fraud or that portion which was collected as the result of fraud; the untruth and the knowing untruth of any statement disentitles the insured to all the benefits. I think that is extreme, unnecessary and inadvisable. I believe we should rely on the common law.

Mr. HANSON (York-Sunbury): I agree entirely with the hon. member, and I suggest that the minister delete this clause.

Mr. ILSLEY: I would be greatly surprised if even the statutes of Ontario did not contain a provision similar to this.

Mr. MACKENZIE (Vancouver Centre): All the statutes have it.

Mr. HANSON (York-Sunbury): I am sure they have not.

Mr. ILSLEY: We will send for a few and see. The leader of the opposition is talking about section 19, which is now section 20. The hon. member for Trinity (Mr. Roebuck) is objecting to subsection 2.

Mr. HANSON (York-Sunbury): He was, in the latter part of his statement.

Mr. ILSLEY: The hon. member for Trinity has no objection to subsection 1.

Mr. ROEBUCK: I was discussing subsection 2.

Mr. ILSLEY: Let us deal with this patiently and carefully.

Mr. ROEBUCK: I have no objection to subsection 1.

Mr. ILSLEY: In the first place, what section are we talking about? We are talking about section 19, page 7 of the bill, which, because of the insertion of a new section, has been renumbered section 20. There are two subsections to this section. Subsection 1 creates a statutory offence which is something like the criminal offence of obtaining money under false pretences, but which extends beyond that offence because in obtaining money under false pretences the person liable is the person who obtains the money for himself. This section goes farther and makes liable also the person who helps out the person who is getting the money, the third party. This may be a witness, an agent or an accomplice. That probably is the chief merit of the section; it is probably in that clause that lies the chief necessity for the section. But apart from that altogether, it is desirable, and it certainly does no harm to create a statutory offence which is punishable upon summary conviction instead of putting the crown to the necessity of laying an information, seeking a commitment and going before a jury, with all the expense and delay that that entails. I am at a loss to understand what objection there can be to subsection 1 of section 19, now section 20. The hon. member for Trinity, whose advice was sought in this matter by the leader of the opposition, agrees with me. He has no objection to subsection 1. The leader of the opposition has not taken particular objection to subsection 1. Perhaps he objects to subsection 2?

Mr. HANSON (York-Sunbury): I have not studied it, but I will after having heard the learned dissertation of the hon. member for Trinity.

Mr. ILSLEY: Subsection 2 reads:

> Any fraud, or wilfully false statement made under oath or in a statutory declaration in relation to any particulars or proofs of loss shall, notwithstanding any penalty under this or any other act, vitiate the claim of the person making such oath or declaration.

The hon. member for Trinity says that that draws no distinction between white lies and black lies, between little lies and big lies. If it is a lie he does not get any money. I do not know the distinction between white lies and black lies, but I should think that fraud would be a distinction. I should think that if a fraudulent statement is made, it would be a black lie, and it is only black lies that are covered by the section. Black lies vitiate claims for insurance, I believe in every province. My recollection is that under the fire insurance statutory provision of Nova Scotia, when a man makes a fraudulent or a wilfully false statement in his claim he vitiates the claim so far as getting his insurance is concerned.

Mr. HANSON (York-Sunbury): Fraud ought to vitiate a claim.

Mr. ILSLEY: The hon. member for Trinity could not see any parallel in the statutes of Ontario. He may be right, but I will be surprised if he is.

Mr. MacINNIS: Not being learned in the law, I suppose I should not attempt to speak. But it seems strange to me that we should be listening in this house to arguments in favour of making it easy for a person to get something by, as the minister says, telling lies. This is the most amazing thing I have ever heard. There is one point which I think could be raised against vitiating a claim because a false statement had been made. There may be persons who have an interest in the claim but who had no part in the fraud perpetrated, if that is the right term to use. A claim may be made for insurance on a house by the head of the household. He may give false evidence and, if there is a family, the loss will fall not only upon that individual, but upon the family as well. I do not think it is right to punish all concerned for the fault of one. I think this situation could be met in subsection 2 in the same way as it is met in subsection 1, namely, by a fine or imprisonment. We passed over section 18, which is now section 19, very lightly, with scarcely any consideration at all. As now worded it is more objectionable than section 19, now section 20. It reads:

> If any person applying for insurance . . . falsely describes the property . . .

A person may, quite innocently, falsely describe a property. If he does so innocently, he should be protected, and he is protected in section 19, now section 20, which reads:

> If any person knowingly makes any false statement . . .

If a person knowingly makes a false statement, he is defrauding the state and should be penalized; but if a person applying for insurance, quite innocently, falsely describes the property, he should not be punished for that. I think the word "knowingly" should be inserted, so that it would read "knowingly falsely describes the property".

Mr. MARTIN: The hon. member has overlooked the words "which is material to be made known to the minister".

Mr. MacINNIS: I do not think that helps the situation; but as I said before, I am not learned in the application of legal phraseology, and I shall have to leave it to those who are. But I say again that, with the exception of subsection 2, these are not unreasonable provisions.

[Mr. Ilsley.]

Mr. ROEBUCK: I feel that I should make some reply to the statement of the hon. member for Vancouver East that we are arguing in favour of people getting something by telling lies. That is an extreme statement, and it is not what I was doing. The distinction between section 18, now section 19 and subsection 2 of section 19, now section 20, is this. In section 18, now section 19, misrepresentation of any circumstance which is material to be made known to the minister—that is, material to the risk—voids the policy, and so it does in the general Insurance Act. But subsection 2 of section 19, now section 20, says that: "any fraud, or wilfully false statement" of any kind, although it may not be material to the risk, vitiates the entire policy, even though nothing has been secured by such statement. If it is fraudulent, that is enough; if it is wilfully untrue, that is enough. The general insurance principle is that these acts which are untrue vitiate the claims which these untruths support, but it does not put the man out of court entirely with respect to claims which are truly supported and are just claims. That is why I objected to subsection 2, namely that any misrepresentation or any false statement, however immaterial, voids the entire policy.

Mr. ILSLEY: I now have the statutory conditions in Nova Scotia and the statutory conditions in Ontario, and I think they are uniform throughout Canada. Section 16 of the statutory conditions of the Ontario Insurance Act reads:

> Any fraud or wilfully false statement in a statutory declaration, in relation to any of the above particulars, shall vitiate the claim of the person making the declaration.

The "above particulars" are apparently those in the sections relating to proofs of loss and the particulars of the proofs of loss which are found in the immediately preceding sections.

Mr. HANSON (York-Sunbury): Do they not apply to the application too?

Mr. ILSLEY: No. In this section we are talking purely of false statements in the particulars of the proofs of loss, and the section is part of the statutory conditions which are uniform, I believe, throughout Canada. These statutory conditions are identical with those in Nova Scotia. My hon. friend the member for Halifax (Mr. Macdonald) advises me that they were adopted on the recommendation of the Canadian Bar association.

The section in the Nova Scotia act is the same as the clause here, to which the hon. member for Trinity takes exception, and which reads:

> Any fraud, or wilfully false statement made under oath or in a statutory declaration in

relation to any particulars or proofs of loss shall, notwithstanding any penalty under this or any other act, vitiate the claim of the person making such oath or declaration.

It has not struck anybody yet that there was anything improper about that; and my recollection was, just as soon as I heard my hon. friend take exception to it, that that was one thing we always bore in mind.

Mr. HANSON (York-Sunbury): Is not that declaratory of what has been the common law?

Mr. ILSLEY: Perhaps it is; I do not know, but I had in mind that old provision in the statutory conditions.

Now let me go back to the other one to which the hon. member for Vancouver East takes exception. He takes exception to section 18, which is now section 19, and says that there should be something inserted about "knowingly", but that section is a copy of statutory condition No. 1, in the Nova Scotia statutory conditions, which reads:

Misrepresentation.—If any person applying for insurance falsely describes the property to the prejudice of the insurer or misrepresents or fraudulently omits to communicate any circumstance which is material to be made known to the company in order to enable it to judge of the risk to be undertaken, the contract shall be void as to the property in respect of which the misrepresentation or omission is made.

The section in the bill is identical with that except that the words "His Majesty" are used in the bill instead of the words "the insurer".

That leaves only the first subsection of section 19, now section 20, and it may be that there is no clause like that in the statutory conditions.

Mr. HANSON (York-Sunbury): I agreed at the very beginning that section 18, now section 19, sounded like the statutory condition, and I recall that before the law was codified that was the common law, and the same may be said of subsection 2 of section 19, now section 20. The hon. member for Trinity evidently has overlooked what has occurred in the legislature of his own province. With respect to section 19, now section 20, I submit that it is not necessary to create a new statutory offence. I am doubtful whether you will find anything like that in the Insurance Act, although I say that with great reserve because I have not looked at it for years; but if it is there, I shall be very much surprised.

Mr. ILSLEY: My hon. friend the member for Halifax (Mr. Macdonald) points out the reason why there is no counterpart of section 19, renumbered section 20, in the provincial acts.

Mr. HANSON (York-Sunbury): The provinces would have no jurisdiction.

Mr. ILSLEY: Yes. It is a provision of criminal law, while the other clauses are provisions of civil law.

Mr. HANSON (York-Sunbury): Quite so. That is the reason why it would not be in. But behind that, is there not a reason that appeals to the minister? He is creating an offence that he does not really need. It is wholly covered by the provisions of the criminal law. I am not going to labour the point any further. I suggest that there is ample protection now in the criminal laws of this country, and we should not be adding one more offence to another.

Section agreed to.

Sections 19 to 24 agreed to.

On section 25—Officers, clerks, employees.

Mr. HANSON (York-Sunbury): Has the minister appointed a new supervisor; how much salary is he going to be paid; and is it intended that the position shall be a permanent one? Are the clerks, officers and employees to be appointed by the minister or the governor in council? I suggest that the usual rule should apply and that we should, where practicable—I admit there are certain cases where it may not be very practicable to do so—make appointments by the ordinary law of this country through the civil service commission. What is it intended to pay to the new supervisor?

Mr. ILSLEY: Nothing.

Mr. HANSON (York-Sunbury): Well, that is refreshing. Another dollar-a-year man. Is he coming from the insurance companies?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): I commend that to my hon. friends on the left. I should like to know what they have to say about it. I think it is all right, if you get the proper supervisor.

Mr. ILSLEY: The supervisor will be Mr. James Matson, who is the general manager of the Royal Insurance company in Canada—

Mr. HANSON (York-Sunbury): A good man.

Mr. ILSLEY: —and of the London, Liverpool and Globe. He is in my judgment an excellent man—

Mr. HANSON (York-Sunbury): I agree.

Mr. ILSLEY: —and is very anxious to do a war job, and his companies have agreed that so far as they are concerned he may come for nothing; that is, he will be paid his travelling and out-of-pocket expenses and nothing more. He is busily engaged at the moment in getting this scheme set up. He is not to become a permanent officer of the government or a permanent civil servant or anything like that; he is taking this on as a war job.

With regard to the other question; we have got away from the provision that these war bodies must go to the civil service commission for their staffs.

Mr. HANSON (York-Sunbury): A good long way past it.

Mr. ILSLEY: It is necessary to have some elasticity and not too much rigidity in that regard in time of war. When I say that I should say also that, despite the fact that the governor in council is given power by this section and by sections in a number of other acts to appoint officers, clerks and employees, the general practice, at least up to a fairly high salary level, is for the civil service commission to make the appointments. There is an order in council that the civil service commission shall make all appointments unless otherwise ordered by the treasury board or by the governor general in council—I think those are the terms—and the result is that the great majority of the appointments, all the lower ones and in some cases all appointments, are made by the civil service commission.

Mr. MacNICOL: Under sections 23 and 24, now sections 24 and 25, they are made by the minister.

Mr. ILSLEY: That is varied by order in council. There is an order in council providing that, with a clause like this, they are nevertheless to be made by the civil service commission unless the governor in council or the treasury board otherwise directs. That is, the governor in council has the power, if it wishes, to make appointments without reference to the civil service commission, and in the higher ranges, from $5,000 up, if there are to be any here, the chances are that we would not go to the civil service commission, but the probability is, and the practice is, that in all the lower ranges the appointments will be made by the civil service commission.

Mr. HANSON (York-Sunbury): I am not objecting especially to that. I think there is a good deal of reason for the course pursued by the administration. If you give this appointment to Mr. Matson, who is said to be and, I have no doubt, is a very high type of man, and is coming here without remuneration, and you want him to do a real job, he ought to have something to say about whom he shall employ. It is a temporary position and not a real civil service appointment. If I were going to undertake a job of that kind I would certainly want to know who was going to work with me.

Section agreed to.

On section 26—Insurance companies.

Mr. HANSON (York-Sunbury): I should like to know what is contemplated or whether any arrangements have been made about remuneration. I do not understand that the companies are seeking to make any huge profit or any profit especially out of this arrangement, but I think it would be well and in the public interest if it were known what the arrangement is to be; or if it is not made, we should know that.

Mr. ILSLEY: No agreement is made with the companies. The companies and the agents have offered to work for cost.

Mr. HANSON (York-Sunbury): That is very good.

Mr. ILSLEY: How costs will be arrived at is another question.

Mr. HANSON (York-Sunbury): Largely a question of bookkeeping.

Mr. ILSLEY: An agent cannot add up his overhead and the stenographer's salary and that sort of thing and figure out how much it will come to on a policy. Therefore a percentage or something of that kind will have to be worked out which represents cost. It is a sort of service fee. But it will be based on the principle that it is no more than cost.

Mr. GRAYDON: Not cost plus.

Mr. ILSLEY: No, not cost plus.

Mr. EDWARDS: Is there any limitation in this section with regard to insurance companies? It says "any insurance company registered and holding a certificate of registry from the minister." Is the minister given a discretion there as to what companies he can issue the certificate to?

Mr. ILSLEY: No. Those are registered now with the insurance branch. But the min-

ister has a discretion as to whether he will employ them all as his agents or not. He can pick and choose among them if he wishes to.

Mr. EDWARDS: What is the intention?

Mr. ILSLEY: I think the intention is to authorize all the ones that are registered to write insurance. I would not care to be just held to that. There are some very small companies which are registered.

Mr. EDWARDS: There is a number of different kinds: the board and non-board companies, and the mutuals; some that are purely provincial or local in their operation, the foreign companies, and some that do business only in some provinces. What is the basis on which the minister is going to issue a certificate?

Mr. ILSLEY: I am not going to. That is all done now. The companies which will be eligible under this section are registered now with the insurance branch.

Mr. EDWARDS: All the companies are registered now?

Mr. ILSLEY: They are not registered pursuant to this legislation. They were registered before this measure altogether, and all these companies which are and have been registered, will be eligible for an agreement with the minister. The words are "holding a certificate of registry from the minister entitling it to transact the business of fire insurance in Canada."

Mr. EDWARDS: Is that not a certificate which will be issued pursuant to this bill?

Mr. ILSLEY: No.

Mr. EDWARDS: I can understand that a great number of insurance companies are registered with the department of insurance, and that registry is the registry contemplated by this section.

Mr. ILSLEY: Yes; that is correct.

Section agreed to.

On section 27—Inspectors' powers.

Mr. HANSON (York-Sunbury): Pretty full powers are given the inspectors, and I assume that is necessary. I notice, however, that paragraph (b) of subsection 2 has been added. What is the significance of the addition? Was it recommended by the committee? I am referring to the part that has been added, indicated by the vertical black line in the margin, under the marginal reference, "obstructing person having power to enter premises an offence." That seems to be creating another offence under the statute. Is it really necessary? I know that certain classes of legislation make such provision. For instance, in connection with crown land, a surveyor goes on the property and, if he is obstructed in the performance of his official duty, that is an offence. But what is the necessity for the creaton of such an offence here? Is it on the ground of expediency, as was the last one? Are these provisions in any other insurance acts?

Mr. ILSLEY: This was added by the committee on the committee's own motion. I was not present and I do not know why, except from what I see before me; but I would gather that some members of the committee felt that there was an omission from the section. Paragraps (a) and (b) authorize two kinds of entry. Paragraph (a) is entry before the damage.

Mr. HANSON (York-Sunbury): That is inspection.

Mr. ILSLEY: Yes, inspection. Paragraph (b) is entry after damage. A penalty was provided for obstructing entry before damage, and I suppose the members of the committee asked themselves why there should not also be a penalty for obstructing entry after damage.

Mr. HANSON (York-Sunbury): I do not think we should have two at all. However, if the minister wants it, I will not object.

Mr. ILSLEY: I am informed that paragraph (a) did provide a penalty for both types of entry and that it was felt that the penalty should be heavier for obstructing entry under (b) than for obstructing entry under (a), and therefore (b) was added.

Section agreed to.

On section 28—Appointment of advisory committee.

Mr. DIEFENBAKER: What right has the insured, if his claim is disallowed, in whole or in part, to have recourse to the courts? Must the decision of the minister be final as far as he is concerned?

Mr. ILSLEY: He has a contract with the crown and, I assume, he would proceed by way of petition of right. He has an action against the crown just as anyone else who might have a contract with the crown would have an action against the crown.

Mr. DIEFENBAKER: Why should there not be provision in the bill giving him that right instead of putting him in the position of having to make an application for the right

to proceed by way of petition of right? In this particular case the crown and the insured have between them a direct relationship. Why should an insured, who believes he has suffered as a result of the decision of the minister in refusing to pay his claim in whole or in part, be required to secure a fiat? Why should there not be provision in the bill giving the aggrieved person the right of recourse to the courts?

Mr. ILSLEY: I should not like to make such a provision in this measure unless I did it in a good many acts, because if we once begin providing in individual acts that a fiat is not required, then the standards of the Department of Justice will inevitably suffer transformation. There will be two classes of litigants having cases against the crown. There will be those who will have to come for a fiat and those who do not have to do so. I would feel that inevitably the result would be that, over a course of years, the Department of Justice would consider that, in the class of cases where a fiat was necessary, they had a high degree of discretion—they would have the right to refuse the fiat in cases where they did not think they would like to have a case brought against them. As it stands now, the standard of procedure is on a very high level. If a person has a case against the crown which is not patently frivolous a fiat is granted, as everyone knows.

Mr. HANSON (York-Sunbury): A prima facie case.

Mr. ILSLEY: Does anyone know of the dominion government refusing fiats?

Mr. HANSON (York-Sunbury): I have heard of provincial governments refusing a fiat.

Mr. ILSLEY: Not the dominion government. I do not say that they never refuse a fiat, but if a lawyer came along with a case, which was no case at all—

Mr. GRAYDON: How would you know that?

Mr. ILSLEY: The Department of Justice knows when a case is patently frivolous, and it would be the proper thing to refuse a fiat. But I would not counsel disturbance of the practice of requiring a fiat. If we overthrow that principle we are going to do a lot of overthrowing.

Mr. HANSON (York-Sunbury): I agree with that, but the whole thing goes back to the day when you could not sue the crown. The crown's person and property and everything else were sacrosanct. It was a matter not of right but of grace to be able to get compensation from the crown. I suggest, however, that we have gone a long way from that, and we can go still further without doing great violence to the principle involved. We can go a long way in doing justice to the subject as against the crown. The minister has correctly stated that an excellent practice has been established over a period of years by the crown in the right of the dominion in the granting of fiats. I have brought a few actions against the crown, and I have never been refused a fiat. I will tell the committee what I have encountered. I have encountered a good deal of delay. That I do not attribute to the crown itself; I attribute it to what I may call, for lack of a better term, the system of red tape that obtains in government departments. But the situation is quite different with respect to provincial governments. There, a denial of justice often occurs. In my view, the day is coming in this country when the subject will have the right to sue the crown without the necessity of obtaining a fiat; without praying that right be done, and without the easement of *fiat justitia*. That day, I think, should be here very soon.

The minister says that the insurer has a contractual relation with the crown, and I would agree; that would be the basis upon which the claim would be made. I believe a just claim ought to be facilitated. If the minister takes exception to putting that provision in this special bill, perhaps he is right; but the day is coming when it will not be necessary to pray that justice be done in this country as against the crown. I have often thought, too, that claims against the crown ought not to be limited to the crown's own court, the exchequer court. The day is coming in this country when we ought to be able to sue the crown in the provincial courts of the country, for there is just as much justice done there as in the exchequer court. I say that with no intention of reflecting on the exchequer court, which I have found to be a very fine court in which to practise. But I am inclined to say to my hon. friend the member for Lake Centre that perhaps he could not just put that provision in this statute at this time without overhauling the whole machinery in regard to claims against the crown. I do say that the position should be reviewed, especially now that the crown has gone into big business—

Mr. GRAYDON: And little business, too.

Mr. HANSON (York-Sunbury): —and very often little business, and undoubtedly will continue in big business. The biggest business

in the country now is being operated by the crown; and the day is coming, and should be visualized, when the subject will not have to go to the great expense of making his claim to the governor in council for the right to obtain justice. I am not sure that these remarks will be pleasing to the hon. member for Lake Centre, but I do not think you could make a special exception with regard to this statute.

Mr. DIEFENBAKER: With deference, I do not agree with the view of the leader of the opposition, nor is his view that of the Canadian Bar association. The view of the bar association is that the time has come when the subject should, as of right, have the privilege to take action against the crown. In this particular instance we have the crown entering into a contractual relationship with the subject, and placing the subject in the position that he is denied his right of recourse to the courts unless the crown grants him that right.

It has not been the experience of everyone that the crown has allowed the subject to obtain his rights by the granting of a fiat. I know of one very interesting case in connection with the Indians of this country. The Indians of western Canada obtained certain rights under a treaty, at the time when the great west from the Hudson bay to the Rocky mountains was ceded by the Indian tribes to Her Majesty Queen Victoria. In 1937 or 1938 those tribes found themselves in the position that the dominion government was derelict in its duty in not carrying out its obligations under that treaty and the act, and finally, after a very lengthy debate, the Indians of Mistawasis reserve were granted a fiat. The trial took place, and the judgment handed down was in favour of the tribe, to the extent of some $18,000. Then Indian tribes on another reserve in Saskatchewan, being in the identical position of the Indian tribe at Mistawasis, asked the crown for the right to take proceedings to recover the moneys due them, and for the assertion of their rights. To-day those Indians are in the position of still being denied justice, because of the fact that the crown has taken advantage of its rights and has denied them a fiat, or, in other words, has denied them recourse to the courts.

In recent years there has been a definite trend away from the courts, and I think the time has come when we in parliament should grant every individual the right of recourse to the courts of this land, and should not place any individual in a position where his rights may be determined by some administrative body or by a minister of the crown. I think the time has come when the whole matter should be canvassed, the whole situation looked into, in order to assure to the subject the right he is being denied in ever-increasing measure—that is, an appeal to the courts as a consequence of administrative bodies being set up. The other day the Minister of Finance referred to the fact that parliament does not occupy the position now that it occupied once. I think one reason for that situation is that we as members of parliament are too prone to allow matters with which we should deal to be placed in the hands of administrative bodies, independent of parliament and responsible not to parliament but, indirectly, to the minister. In this case what we are actually doing is allowing the minister to set up an advisory council responsible only to himself, and to no one else, to determine the rights of individuals. Against that I protest.

Mr. CHURCH: I am afraid that the advisory committee which is being appointed under this celebrated excursion into state socialism will mean nothing but a lot of figureheads run by bureaucrat officials, with the power centred in the minister and the governor general in council. We know what happens in actual practice. Under the Insurance Act the superintendent of insurance has jurisdiction over all these various insurance companies—fire insurance companies, life insurance companies and all the rest of them. We know that every insurance company, every bank, every trust company, every loan company or every other company of this kind has an advisory committee. No insurance company should be enabled to qualify for a certificate by reason of the money it may make out of the administration of this particular measure.

The Home bank, which was allied with an insurance and trust company, had an advisory committee, and all the inspection of it was of no effect whatever. Before the bank failed I was told that every bank or insurance company had an advisory committee and drastic federal inspection, and I can tell you that it will be hard to get good men on the advisory committee to be appointed under this bill, and they will be nothing but a lot of figureheads. You have to see the set-up of the whole statute to see how an advisory committee fits into the general set-up and structure of the bill. Under the set-up the governor in council, that is the minister, has the power to make rules and regulations and is in drastic control. On page 11 of the bill you see regulations that will be read into the section regarding the appointment of the advisory

committee to advise the minister in the administration. But who is going to select this committee to supervise him and the legislation? The minister himself will have all control. I have seen some of these advisory committees, they and their set-up and the functions given them let this parliament and the banks and the loan and insurance and trust companies in for considerable criticism the way they are all interlocked.

I have been in parliament for a long time. I have seen something of the way in which this committee and parliament go over these measures. They read very well technically and in theory; the language is legal, but in practice they do not work out and we are not secure. The advisory committees of some of these banks and insurance companies and all that kind of thing who will bid for this work and contract from the minister are interlocked; trusts and combines have been flourishing like a green bay tree here in Canada ever since I came to this parliament. Instead of leaving these advisory committees to go over the contracts with the insurance company and pick out the company that in the opinion of the advisory committee is the best company to give security to the government and the policyholders who pay premiums, we are going to leave it with the minister or the governor in council; it will be a political appointment to administer a political measure. That feature of inspection and regulation was criticized by Sir Robert Borden in connection with the decennial revision of the Bank Act. These committees of an advisory nature are set up under the Bank Act and various other statutes. Are you going to leave it to these advisory committees to lay down the terms and conditions of administration of the bill? The minister is here to-day and away to-morrow. We have had two ministers of finance in less than two years. His department with him as the fountainhead, will administer this measure. He has departmental officials to advise him, because he cannot do the work himself, and when it comes to the question, "What shall we refer to this advisory committee?" as far as administration goes you will find there will be very little to refer to them. All they will have to do will be to agree to what has been done over their heads. I am very doubtful about the solvency of this fund from the start and whether you will be able to get able men to act on such an advisory committee under such a political set-up, where their hands are tied behind their backs and they have no real active authority. We have set up insurance companies under private ownership, and now the government is, by this legislation, embarking upon the field of public ownership. You have first a very wise act, the Unemployment Insurance Act, which no doubt will be a blessing in the years to come, but in this case the government should be very careful in this new excursion into state socialism. In letting this class of insurance in war time out to private companies to administer, we are on doubtful ground, and it will lead to a lot of litigation.

Mr. BOUCHER: I think I should not let this occasion go by without adding my commendation of the viewpoint of the hon. member for Lake Centre concerning the fiat. I think this case is different from many cases where fiats are required as petitions of right against the crown. When you analyse the bill you realize that the insurance companies with their adjusters are handling a particular portion of the administration of this bill, determining to a very great extent the rights of individuals who claim to have suffered by virtue of war activities. Let us assume that in a certain municipality or locality the adjuster, looking into the facts and circumstances, does not give the assured the decision that he feels he should have. The assured has to apply through his counsel to the crown, really to the Minister of Justice, for permission to sue the crown. As the hon. member for Lake Centre has said, the government has been delegating to boards, arbitrators and commissions a great many functions that should be administered by members of the House of Commons, by the people through their own spokesmen. Here we have a survival of the old autocratic role of former kings, the old way long since superseded in almost every other department of law, whereby you cannot sue the king—"The king can do no wrong". We have this relic remaining in a measure under which the government is actually going into the contracting business.

The fiat or petition of right procedure, the order, "let justice be done" as against the crown, the Minister of Finance says should be or is being continued. If this parliament is afraid to break that tradition, we are not keeping in tune with present-day views concerning the welfare of the people of Canada. When the crown places the responsibility of administering the measure on an insurance company under its officers or trained men, whether they be adjusters, administrators or advisory committee, it is going a long way from the tradition or the position taken by parliament when the petition of right or fiat was instituted. It stretches beyond all possibility of comprehension of a parliament of that day. That being the case, and when the government is entering into contracts

such as we are dealing with, in view of the delay and the extra expense caused to the insured through such matters being tried by the exchequer court—and I have no complaint against that—surely the time has come that the courts of the provinces, the ordinary civil courts, with the respect in which they are held, can adjudicate upon such problems. Even under war-time conditions this brings a very fit and proper opportunity for hon. members to give to the people of Canada the assurance that this house has confidence in our provincial courts, and the people should have the right to seek their remedy as against the crown and the insurance companies in the same court as they do against their neighbour. Therefore I should very much like to add my commendation and exhortation to that of the hon. member for Lake Centre in asking that this matter of the petition of right and fiat be reconsidered by the government. Let us break away from this procedure now, and let right be done through the ordinary courts of the land.

The CHAIRMAN: I have allowed the discussion to proceed with regard to the propriety of retaining or abolishing the procedure by fiat, but I believe it is my duty to call to the attention of the committee the fact that we are dealing with section 27, now numbered section 28.

Section agreed to.

On section 29—Reference to committee.

Mr. ROSS (St. Paul's): I notice the word "may" has been substituted for "shall" in subsection 2, which reads:

> The minister may refer to the advisory committee any application to enter into a contract of insurance under which the maximum amount of indemnity which may be payable exceeds two hundred and fifty thousand dollars. . . .

I also see that the minister "may" refer to the advisory committee all matters relative to the rate of premiums to be charged. I think the word should be "shall". In the ordinary insurance company there would be a board of directors which would adjudicate on such matters as that. Here you have one supervisor of insurance, and I think it ought to be obligatory upon him or the minister to refer matters such as this to the advisory committee.

Mr. ILSLEY: The banking and commerce committee changed "shall" to "may". I do not think I could agree to changing it back again. I had "shall" in the bill in the beginning, but the committee changed it.

Section agreed to.

On section 30—Premium deductible.

Mr. ILSLEY: This section was amended by the banking and commerce committee by deleting the words which appear in italics on the page opposite page 10 of the bill, and which read:

> but such deduction shall only be allowed to the extent that the total taxes payable by the insured under the said act are thereby diminished by 40 per centum of the said premium.

I went before the committee and recommended that there be no such deletion, but without avail. I was prepared to accept the action of the banking and commerce committee without further protest, but in view of the provisions of the budget I do not think I can. I regard it as of the utmost importance that these words should be restored to the section, and I am going to have an amendment moved to that effect.

Mr. MULOCK: I move accordingly.

Mr. ILSLEY: I want hon. members of this committee to understand the position we shall be in if these words are not restored. In the budget provision there is an excess profits tax of 100 per cent, with 20 per cent returnable. These changes in the excess profits tax throw a very large proportion of the corporations doing business in Canada into such a class that any premium that might be paid for war risk insurance will be paid out of excess profits which are taxable 100 per cent. In other words, if this clause remains as it is in the bill, without the restoration of these words, the crown will be giving free coverage but for the 20 per cent returnable.

Mr. HANSON (York-Sunbury): Oh, no.

Mr. ILSLEY: Apparently we are going to have a debate on this. So far as I am concerned, I cannot possibly agree to having the clause remain as it is.

Mr. HANSON (York-Sunbury): There is a rule of reason about it.

Mr. ILSLEY: Do not let us do something that will be ridiculous. Let us forget the 20 per cent returnable feature for a moment and consider just the 100 per cent excess profits tax. Mr. Matson goes to a company and says, "we would like you to put on some war risk insurance". The company may see fit to put on $1,000,000 worth of war risk insurance. If the premium is, say 25 cents per $100, it would amount to $2,500. If the company did not pay that $2,500 to Mr. Matson as premium, they would pay the full $2,500 to Mr. Fraser Elliott as excess profits tax. If they paid it to Mr. Fraser Elliott as excess profits tax, the crown would not be

liable to make good their $1,000,000; if they paid it to Mr. Matson, the crown would be liable. In other words, if you leave out the 20 per cent returnable feature, they are getting free coverage.

Mr. HANSON (York-Sunbury): The same is true of ordinary fire insurance premiums.

Mr. ILSLEY: But the fire insurance premiums are not being paid to the crown. We cannot help that under the rules. I certainly am not going to be a party to giving free coverage, apart from the 20 per cent returnable provision, which does effect a slight modification. With this section as it is we are setting up a scheme whereby we would give free coverage to, I would say, nine-tenths of the corporations in Canada. That would be the situation under the new excess profits tax. Under the old tax it might have been only one-quarter or one-tenth, I do not know, but there were very few corporations of which it could be said that the premiums would be paid out of excess profits. Now it would apply to most of them. I want all corporations to be treated the same. It must be borne in mind that if I am right in my figure and there are nine-tenths of the companies in that category, there would be one-tenth not in that category. That one-tenth would pay Mr. Matson a premium and would reduce their tax liability by only 40 per cent of that premium because their rate is 40 per cent. I am submitting that the rate for all companies should be such that the tax saving because of paying a premium would be 40 per cent of the premium instead of having it 40 per cent for only a small class of companies and 100 per cent for nearly all classes. I think anything else would be utterly indefensible, and I do not see how we could defend it to the people. I am going to move that the words be restored.

Mr. HANSON (York-Sunbury): I suppose the minister used all of this argument on the committee in which the government had a majority, and it did not carry conviction.

Mr. ILSLEY: That was before the budget.

Mr. HANSON (York-Sunbury): The minister has given one side of the story, and he has made out a very strong argument. However, he goes a long way when he says that these people are going to get free coverage.

Mr. ILSLEY: Apart from the 20 per cent returnable.

Mr. HANSON (York-Sunbury): That is the saving grace.

Mr. ILSLEY: It is not enough.

[Mr. Ilsley.]

Mr. HANSON (York-Sunbury): The minister admits that ordinary insurance costs would be deductible under any taxation law, and I think it would be shocking if they were not.

Mr. ILSLEY: Oh, no.

Mr. HANSON (York-Sunbury): Any reasonable operating cost for fire insurance purposes ought to be a deduction.

Mr. ILSLEY: They do not allow war risk premiums in England.

Mr. HANSON (York-Sunbury): I do not care what they do in England. We are talking about Canada. In England they need the money. We need the money here, and that is the basis of the minister's whole claim. It is simply the doctrine of *ex necessitate.* It is not a question of justice at all. If you will examine and analyse the doctrine put forward by the minister, you will find that it simply is a case of saying, "I raise the taxes of this country. I want this money." That is the basis of his whole scheme. I admit we need the money; and if it is just and equitable that we should have it by this method, well, then, let us have it. But the same thing might be argued in respect of other expenses. Take the depreciation allowance on machinery. There is no reason why, if we need the money, we should not cut down the allowances made for depreciation. I remember that during the depression certain public utilities, like telephone companies, were operating under standard depreciation systems. A telephone company is subject to storms and other untoward circumstances which may cause a loss of thousand of dollars in two or three hours. The company has to sustain that loss, and therefore it is allowed a high rate of depreciation to cover these unforeseen circumstances. But on the doctrine of necessity we should cut down the allowance that is made. If the minister bases himself on the principle that we have to have this money, no matter where the chips fall, I have little more to say.

But let me ask the minister this. This government has established a cost-of-living bonus system for wages, and we are about to have a new application of that system. I have no objection to that because, willy-nilly, the cost of living is rising and will continue to rise in this country, let the government resort to whatever expedients it will, for example, subsidies that are going to cost this country perhaps $150 million or more. The minister allows this bonus for wages to be deducted 100 per cent for excess profit tax purposes. Therefore it might be argued with

just as much force and effect that the treasury is bearing the cost of these bonuses. Let us have a fair application of the principle.

Here is an expense brought upon a property owner by no cause of his own. The country is at war; he undertakes to protect himself or his shareholders by war risk insurance, and that costs money. That, I say, on principle is just as much an expense as the salary of the janitor of the building and certainly just as much a deductible expense as the cost-of-living bonus which this government forces employers to pay. If this deduction is to be put back on the basis as originally drafted, then I suggest that the minister should deal with all in the same way.

What will happen? A man will have to pay this out of his capital. He cannot pay it out of his deductible operating expenses, and how long can that go on if the war lasts for any length of time, and if there is one deduction after another, and another after another, and another after another, payable out of capital? What is going to become, if that goes on, of these companies which give the necessary employment to the people of this country? If it is all going to go in taxation, let the hide go along with the carcase. It does not matter very much to me personally. I am simply speaking in support of a principle which I think is sound, and evidently that is what the banking committee thought.

Mr. McNEVIN: By a very slim majority.

Mr. HANSON (York-Sunbury): It is no use to say that it was a slim majority. It is the democratic principle that the majority rules. The principle of the thing must have appealed to the members of the banking committee. Of course, if the minister is so inflexible that he is bound to have this thing, he can put it through by force, by the majority in this chamber who would no doubt vote this amendment back into the bill again. But in every other case the minister has adopted amendments suggested by the committee.

I do not know by how much the treasury will be affected; I have no idea of what it will run to in dollars and cents. But I do say that the minister in reaffirming the original proposal is violating a principle which has been in the income tax law as long as we have had it—absolutely—and if he is going to do it in this case, he will have to revise his whole outlook. I can think of other cases where he will have to take some steps to protect the treasury for a similar reason. Why should he single out the case of those who are obliged to take out insurance by circumstances beyond their control, if they want to protect their property and cannot get protection anywhere else, and that will often be the case. Why should he penalize them? Why not make the same rule applicable to any kind of insurance? Employers' liability—I suppose we do not have that now since workmen's compensation acts have come into force in all the provinces —was an operating expense under the Income Tax Act. Ordinary fire insurance is the most apt illustration. If a company is entitled to deduct ordinary fire insurance, it is entitled to deduct war risk insurance.

Mr. ILSLEY: I have the English act before me. Section 84 provides:

> No sum shall be deducted in computing the amount of the profits or gains of any person for any purpose of the income tax acts or the profits of any person for the purposes of the national defence contribution or for the purposes of excess profits tax, and no sum shall be included in computing . . .

Et cetera, et cetera.

> . . . in respect of—
>
> (i) any payment made in or towards the discharge of any liability imposed on him under Part 1 of this act—

And so forth. The note to the section reads as follows:

> The contributions and premiums payable under this act are treated as capital payments and are accordingly not allowed as an expense for the purposes of income tax, national defence contribution or excess profits tax. This is in contrast to an ordinary fire insurance premium, for instance, which is allowable as an expense for such purposes.

It was represented to me by certain officials in the preparation of this bill that the English rule was the logical rule; that this damage not being of a normal or continuing type, such as fires, but being limited to the period of the war, the risk was of a highly exceptional nature and any payment made should be regarded as a payment made to secure the restoration of capital, and that therefore it should be treated as a capital payment, as was the case in England. On the other hand, other officials felt that it would be too much of a jolt, too much of a shock, to the business community of Canada, to ask them to regard payments for any kind of insurance as capital payments; that once they were told that that was the law they would shy off and we would lose in premiums more than we would gain in taxes, and that on grounds of expediency we should not adopt the English rule. There were others who thought that on grounds of principle we should not adopt the English rule.

After giving the matter some consideration, I felt that there was something to be said for

both points of view, and I thought that a fair arrangement was the one which was suggested in the bill. We would make it deductible; we would allow it to be deducted from incomes for excess profits tax and income tax purposes, but only to such an extent that the tax saving would be 40 per cent. That would be the case with a number of companies—I think the great majority—at the time the bill was drawn.

But now I have brought in a budget which makes it quite apparent that the great majority of the companies—I said nine-tenths; that is merely a guess, for I have not got my mind down to it—under our new Excess Profits Tax Act, as foreshadowed by the budget, will now be making these payments out of the money which is subject to the 100 per cent rate. In other words, they will simply be withdrawing the money from us and paying it to us and getting a coverage. That is not what we are doing for anybody else. That is not what we are doing for the little man, or for the man not in business. I must make that statement always subject to this, that that is not quite true, by virtue of the fact that 20 per cent will be returnable, but that is such a small factor in the situation. Still, if I use the term 80 per cent instead of 100 per cent tax, we would have a great discrimination between one set of companies which are getting a tax advantage of 80 cents in every dollar they pay us, in effect merely paying us one-fifth of the premium we charge, and the other companies which are getting an advantage of 40 cents in every dollar, in effect paying us three-fifths of the premium we charge them.

The hon. gentleman says it is merely a treasury matter, a matter of trying to grab the money or keep the money. It is not that at all; it is a case of fairness; and if hon. members would divest themselves of their traditional habits of thought about these things and look at the matter freshly, how could they go out and defend it? How could I go out and defend it? If we went to a big company we might insure some property for fifty million dollars instead of a million dollars. Then the premium would be fifty times $2,500 and they would pay us that much in premium and that much less in taxes. But the same result would not at all follow in the case of a company alongside of them. I could not defend it, and so I am asking my colleague to move that the deleted words be restored.

Mr. HANSON (York-Sunbury): Well, I am just not convinced. The situation in England is not exactly the same as it is in Canada. There is one vital difference in England, that there is no corporation tax there; they take 100 per cent above the standard profits, but they leave to the companies the standard profits. If you apply that system to the people of Canada, I think they would be agreeable to it. It would leave in their own hands, not in the hands of the government to be passed back at some future date, the capital necessary to rehabilitate their premises, their machinery, their plant and so forth and to provide the employment which will be so necessary in this country after the war.

The minister says it will be a payment out of capital. Yes, it will be a payment out of their capital, but an impairment of their capital. What is the depreciation he does allow? Depreciation is set up for the protection of the capital invested, so that it can be written down and protected. That is the underlying reason for allowing the write-off, because if there were no depreciation of the capital assets there would not be any justification for writing off one cent.

The minister has now stated in explicit terms that he is bound to have this put through. I hesitate to hold up the committee on a discussion of this question. I want to say that the thing is not so wholly one-sided as the minister is endeavouring to convince the membership to-night. I am rather shocked to think that he takes so extreme an attitude as he does; and I come back to this, that the only reason the minister is doing this is that he needs the money and is going to get it, and he does not care whom it hurts. If that is not conscription of wealth, I should like to know what is.

Mr. CASTLEDEN: It is fairer than the other.

Mr. HANSON (York-Sunbury): Well, it is not more fair than the other. I put my business judgment against the inexperience of the hon. member and the purely theoretical knowledge he has about business. If the minister is bound to do this, it is useless for me to talk; I am not going to dash my head against a stone wall. Might is right in this parliament, as we know. We have had some exhibitions of might against right.

The CHAIRMAN: Order, please. I do not believe that that remark is a proper one to make—

Mr. HANSON (York-Sunbury): Well, the remark was not directed to anyone in particular.

The CHAIRMAN: —even to a committee of the house. Furthermore, it was directly addressed to the minister in charge of the bill. Shall the section carry?

Mr. HANSON (York-Sunbury): I should like to continue if I may. I am not going to be very long. I am trying to indicate that if the minister is inflexible it is not much good my wasting my eloquence on the desert air, and I do not intend to do so. I am not used to talking to a court that will not listen to me. I have tried to do that in days gone by and have found how ineffectual it is. But I suggest to the minister that if this is going to be put into effect and he is going to make companies pay as he originally proposed, there will be a large class of risks in central Canada which will not seek coverage at all, and he will lose a tremendous amount of income. They will not take out this insurance unless they get proper allowances. They will probably seek ways and means of protecting themselves otherwise, and he will be left with all the bad risks. You know there are two sides; indeed there are many angles to this story—many more than I can develop here this evening. If the minister is going to take this money out and make only the allowance that he suggests, he is going to be loaded up with a lot of bad, expensive risks, with this uniform rate across the country, because this is not compulsory.

Mr. MacINNIS: It could be made so.

Mr. HANSON (York-Sunbury): Only those who have plants or property in exposed positions will seek this insurance. What is the hon. member babbling about? I am trying to give a reasoned argument here, and I do not like to hear this chatter that is going on and is intended only to throw a man off the thread of his argument. If the hon. member wants to speak, he can do so later.

Take the case of a company with a large number of branches. Many of these companies own subsidiaries situated in a local position, in different provinces. One will have a branch in British Columbia; another will have a branch in Nova Scotia. Most of the assets of these big corporations will be in central Canada. They will insure under their subsidiary in British Columbia and under their subsidiary in Nova Scotia, but they will not insure the main portion of their business, in central Canada. The minister will have all the bad risks and will carry all the load on a uniform rate, and he will lose the cream.

Mr. KINLEY: How does the hon. member know they are bad risks?

Mr. HANSON (York-Sunbury): How does the hon. member know they are not? That is tit for tat.

Mr. KINLEY: Well, I don't.

Mr. HANSON (York-Sunbury): The clamour which went up in this chamber for protection of fishermen on the east and west coasts rather reveals, I think, that hon. members from these localities believe there is danger; that is all I can say. I do not know where the Japanese are going to strike or whether Hitler will send his submarines up the St. Lawrence again. I rather gather that the military people take the same view. Let us not talk nonsense about this matter. We know what the vulnerable points are on both east and west coasts. The same applies in connection with this war damage scheme. The fact is that the minister needs the money and that is the only legitimate excuse he has for changing this provision back to the original draft. I suggest he ought not to press it.

Mr. KINLEY: The leader of the opposition proceeds on the assumption that the coast is the place where we shall have bad risks and that central Canada is safer. This came up in committee, and I made the suggestion there that the world is round and that the distance to central Canada over the top of the world is not very much greater than it is to the maritime provinces. We are poorer in the maritime provinces and have not large industries, and a bombing raid over the Niagara peninsula would do infinitely more harm than a raid in the maritimes. The idea that we shall get worse damage there and that we are the only insurance hazard is hardly justified. The other day in New York they discovered that the enemy had landed from submarines, and I believe it was the central part of Canada that was picked out as the section which they would attempt to destroy —the hydro in central Canada, and works in some other parts of the country.

Mr. HANSON (York-Sunbury): Those were fifth columnists.

Mr. KINLEY: This section was freely discussed in the committee. The ground was taken—I believe I took it first myself—that the amendment in committee was not in order because it would reduce the revenues of the crown. That question was discussed for some time, and the committee decided to consider it in order. A vote was taken. There was barely a quorum in the committee, and an amendment presented by one member carried. I think we must all admit that we are facing new conditions in business especially, and new conditions need new remedies. If the minister is going to protect his excess profits tax, I am sure he must do something to control in some way the expenses of business. He is starting on the war damage insurance bill. Some people argue that it should

be taken out of capital because it is protection of capital under exceptional circumstances, and there is a great deal of reason in that.

The government is the biggest partner in nearly every business in the country. It is taking profits, and if I were the biggest partner in a business I would want to control some of the expenses and also share in some of them. When someone else is paying your expenses you are apt to be more extravagant than you would be if you paid it out of your own funds. I learned, in the municipal council, that the joint benefit fund was more freely spent by the towns and the county because all contributed to the fund. Speaking with some business experience, I think, if the minister is going to be practical and protect the revenues which we say he shall take from the people—and we have agreed to that—the time has come when he must protect the taxpayer and the revenues, and he must have some control over extraordinary expenditures. If I have control of a company and the government pays the premiums, I might be inclined to be generous about this insurance, more so than if I paid the premiums myself. The same is true of every expense you have, and expenses are being controlled one by one. If the country needs 100 per cent excess profits tax it should have it, and it is now taking it; but some incentive is being left to business on war profits by reason of the fact that they will get 20 per cent back after the war.

The minister in the bill says that industry should have a similar incentive to save in this connection, in that it will contribute towards the cost of this insurance. I think he is right, but he will have to go farther as time goes on, because excess profits are being made. It is natural that such profits should be made because the turnover is great and the demands for increased business in our war-time effort are such that profits naturally increase. If you can pay out the money in expenses the minister will not get it, but if he shares with you in regard to the amount to be paid, he is on safer ground, and this is legislation in keeping with the times. It is a control on the situation. It is brought forward because of the serious and abnormal conditions that prevail in the country, and for that reason I voted for the original clause in committee. I thought the provision was needed.

Mr. MacINNIS: The leader of the opposition suggested that I threw him off his argument because of an interjection I made which he called "babbling". The fact is that he did not have an argument. I have never heard such piffle as was used to-night to support the claim he made in comparing excess profits with the cost-of-living bonus.

Mr. HANSON (York-Sunbury): I did not make any such comparison.

Mr. MacINNIS: It was mentioned that the cost-of-living bonus would be paid, and because it would be paid—

Mr. HANSON (York-Sunbury): Out of excess profits.

Mr. MacINNIS: —people should get free insurance. I was the one who led the fight against the deletion in the committee, and possibly that is the reason why it did not carry. May I point out that the minister did not fail to convince the committee. That should be made clear, because he appeared and gave a resume of the bill.

Mr. JACKMAN: What did he say?

Mr. MacINNIS: As a matter of fact, my hon. friend did not discuss this matter when the minister was in.

Mr. JACKMAN: The minister asked the committee to express its judgment on this particular section, and at the same time he said that in his own mind, for the time being, he thought it was one particular way. But he did not have any foregone conclusion on it.

Mr. MacINNIS: The point I make is that the minister did not appear and press for this before the committee when the particular section was being discussed by the committee. I asked that the vote be recorded. The banking and commerce committee is composed of fifty members. This vote was seven in favour and six against; it carried by one vote, while two members present at that meeting did not vote.

Mr. MacNICOL: Did the hon. member say the vote was seven to six?

Mr. MacINNIS: Yes, seven to six.

Mr. MacNICOL: Out of fifty members?

Mr. MacINNIS: Out of fifty members. There is no doubt in my mind that if the minister had been there and had put the case as forcibly as he put it to-night, this provision never would have been deleted. We must remember that to-day the business of the country is war and that the persons who are making excess profits are making those excess profits out of war. Because these persons are making excess profits out of the war, the people of Canada are entitled to those excess profits, not the persons who control industry. That is the whole point.

Mr. JACKMAN: This is capital, not profits.

Mr. MacINNIS: In many instances the capital had to be provided or supplemented by the government itself. There were no excess profits in this country between 1930 and 1939. There was very little profit of any kind.

Mr. HANSON (York-Sunbury): There were losses out of capital.

Mr. MacINNIS: Yes; but this business of looking at what is going to happen after the war is holding back necessary war production. This continual harping on what is going to happen to a particular industry after the war is over is a bad thing. It is time we got away from that point of view. What is important is not what is going to happen after the war, but what is going to happen if we lose the war.

Mr. NEILL: I think the amendment proposed by the minister is sound, and I will vote for it. I will vote for it because I think it is necessary under the policy laid down in connection with collecting these income and excess profits taxes. But I should like to ask the minister a question. This section says the premium shall be deductible as an expense of carrying on the business if the property insured under such contract is used in connection with and required for the purpose of the trade, business or calling of the insured. Should that not be applicable to any insurance policy that applies to a man's home? I have before me the Australian procedure, which is rather different. There premiums paid under these schemes are allowable as deductions from assessable income for tax purposes. I suggest that is the way it should be done here. Why make a distinction between an insurance policy on a man's warehouse and an insurance policy on a man's home? I suggest that, as in Australia, the premium should be deductible from the assessable income.

Mr. ILSLEY: Insurance on a man's home is not an expense of doing business, under any theory at all. Fire insurance premiums on a man's residence are not allowed as a deduction from his business income tax or from any other income tax.

Mr. NEILL: Apparently they are in Australia.

Mr. ILSLEY: I do not know. I think there must be some explanation for that which is not apparent in the reading of those words.

Mr. NEILL: This is taken from a government publication, the *Commercial Intelligence Journal,* and presumably the government knows what it is doing.

Mr. JACKMAN: If the minister is going to insist on his own way, certainly I do not want to delay the committee, because I think we should get this bill through as quickly as possible. If he is adamant about the matter; if he does not wish to have hon. members vote according to the way they think or as they might be persuaded; if he is going to insist on the opinions to which he has already given expression, then certainly I am prepared to resume my seat. Some of us may feel just as strongly the other way in regard to the amendment which has been proposed, but if the minister is going to insist upon it, I see no reason why I should reiterate any of the arguments that have been advanced, or seek to advance new ones.

Mr. ILSLEY: I do not think there is any argument that could change my view. I have given it a great deal of thought, and I feel that I would be almost ridiculous if I went around giving virtually free coverage, or paying four-fifths of the premium myself.

Mr. JACKMAN: Well, of course it is perfectly true that the government will be paying 100 per cent of the premiums in connection with companies that are in the excess profits tax bracket, but after you have squeezed 100 per cent of the blood from a stone you cannot squeeze any more. If you have a new cost in connection with your business, which is necessary to preserve your property, and for which you must pay premiums, obviously if there is nothing left, if all the money is taken away, the money for the additional cost must come from some other source, which means that it must come from taxation. That is why we are in this very peculiar situation, and I think the minister is looking at it in a rather wrong light. It is by reason of the war that we have this peculiar position of a company incurring additional expense, while the only source from which that expense can be met is from what otherwise would go for taxation. That is an effect of the war, and of the excess profits tax. So is this need for war risk insurance an effect of the war. Surely, therefore, the war should be allowed to bear some proportion of the cost resulting from the risk which is brought about by the war; yet the minister says that because some companies will be allowed to offset only 40 per cent of the premium against their taxation, while others, if they were allowed to put it in their expense accounts, would be allowed to offset 100 per cent, some inequality or injustice is thereby created. Well, there are still some companies in this country, and a great many private businesses, which have been blitzed by the war, by regulations, by the impossibility of importing goods and so on, which are not making any earnings. Yet

they may have some plants, some warehouses or buildings of one kind or another, on which they would like to take out this war risk insurance, but if they do so they will have to pay the cost out of their own pockets. They are not in the same position as the companies in the normal tax bracket. There may not be many of them, but I venture to suggest that there are more than the minister has in mind. I can think of some of them offhand. So we cannot have perfect equality there; and if you take 100 per cent of the profits from a corporation in taxation, then you cannot expect that corporation to pay anything more out of its own earnings. Anything in addition must come out of capital.

Mr. ROEBUCK: Why not out of its normal profits?

Mr. JACKMAN: Then let us speak of those normal profits. We in Canada see our whole business structure being undermined. No one is more willing than I that it should be undermined as far as necessary in order to provide money for the war; but if we are going to look to private enterprise to carry the burden after the war, and not have state socialism, then we must keep the corporate structure in a reasonable degree of health. So the situation still is that a corporation or a business must provide out of its annual earnings sufficient to keep itself intact. It must allow for the wearing out of its equipment, of the machine which produces some material; it must provide for ordinary fire insurance, wages, materials and everything else. In the same way we have an unusual expense occasioned by the war, and a corporation should be allowed to provide for that expense as a charge against its annual earnings. Now we come to the very peculiar situation to which I referred in the beginning, and which the minister makes so much of in his appeal for fairness to all companies. That is, the government of Canada is now taking 100 per cent of these excess earnings, and therefore the company has nothing to which to charge an additional premium to pay for war risk insurance. I feel that the minister, while advocating certain principles of fairness, is proceeding on a very wrong assumption in the matter. I believe, if he would apply the same principles to what I should consider the true set of facts or circumstances in the case, he would come to the same conclusion as that to which I have come.

I do not want to go into the other arguments which have been raised by my leader, but I would put particular stress on the fact that inasmuch as there is uniform war risk insurance to be applied across the whole country—and with due respect to the hon. member for Queens-Lunenburg, while those of us who live in the central part of Canada do not fear bombing raids, we may fear sabotage as much as those in the coastal regions—it will be found that the government is insuring the bad risks, the ones likely to cause great loss, without having that general coverage which every insurance company needs to give a fair distribution of risk. If I were in the minister's shoes I think I would argue, as I am arguing; I would rather allow this extra cost for insurance premiums to go against the excess profits tax in order to have general coverage in the relatively safe parts of the country as well as in the relatively dangerous ones.

Mr. CASTLEDEN: I am in favour of this amendment. It acts as a limit and a check on the powers being granted. I do not think there is any hon. member who is not somewhat alarmed at the wide variety and extent of the powers granted. In the first place we have the appointing of a supervisor of war damage insurance by order in council. All the clerks, employees and officers necessary for the proper administration are appointed by order in council. The advisory committee, consisting of not more than fifteen members, is appointed by the minister and is given extensive powers. The minister may refer to the advisory committee all matters relative to the rates of premium, the settlement of the amount of compensation or indemnity to be paid, the manner of payment and generally the operation of the whole scheme; and the committee may make recommendations as to the amount of insurance to be accepted and the terms and conditions upon which such contracts shall be entered into. We have by this amendment a limiting clause which makes possible only that:

> . . . such deduction shall only be allowed to the extent that the total taxes payable by the insured under the said act are thereby diminished by 40 per centum of the said premium.

If the whole amount of premium is taken out of the excess profits, it might, as the minister pointed out, be returned; because 20 per cent of the excess profits tax is returnable. The element of fairness mentioned when the leader of the opposition was speaking appeals to me, because we are going to return 20 per cent of the excess profits tax and, as was pointed out, this might equal the total premium paid by some companies, which would mean nothing more or less than the government assuming the whole premium. This limits that. I acknowledge the long business experience of the leader of the opposition, but I would put my sense of fairness against

his at any time if he is going to maintain that this it not a fairer way of dealing with the matter than the section would be without this amendment.

Mr. ROEBUCK: The leader of the opposition referred to the solid support behind the minister, and made some reference to might being right and that sort of thing, so it might be just as well for one who stands behind the minister at the moment to express an opinion. I was not on the committee that considered this bill. I knew nothing of this argument until I heard the various points of view put forward by the minister and the opposition. My judgment is that the minister is sound in the matter, and I intend to support him if it goes to a vote.

My reason is this: the opposition have been speaking as though the excess profits were the only profits of a company, and that therefore the premiums will be paid out of capital if not permitted to be paid out of excess profits. But that is not so; there is a standard period whereby normal profits are judged, and excess profits are profits above and beyond those normal profits. The theory is that the excess profits are made because of a condition of war, or made only during the period of war, and in excess of normal profits. These premiums for the protection of property against war risks will therefore in my judgment be paid out of the normal profits of a company.

Mr. JACKMAN: If the risk is occasioned by war, why should the premiums not be paid from war profits?

Mr. ROEBUCK: If there were no normal profits, the premiums would of course come out of capital. Even though a company does not have a standard period by which normal profits may be judged, it is allowed by the department to have normal profits before excess profits are charged. Therefore these premiums will be paid out of the normal profits of the company, and it is not a very great hardship to ask a company to protect itself against an unusual danger out of the usual profits.

Amendment agreed to.

Section as amended agreed to.

Section 31 agreed to.

Section 32 agreed to.

Section 33 agreed to.

On section 34—Regulations by governor in council.

Mr. ROSS (St. Paul's): I think the banking and commerce committee made a recommendation that the regulations should be tabled. I think it was to be included in the bill, that these regulations were to be tabled.

Section agreed to.

Section 35 agreed to.

On section 36—Coming into force.

Mr. NEILL: What is the idea of not having it come into force as soon as it is passed? People in many parts of the country are very anxious to see this passed. Why the delay, which may run to any unknown extent?

Mr. ILSLEY: It was not considered desirable to bring it into force until the machinery is ready to function. I do not know whether it will be within a few days or not—

Mr. NEILL: Is it the minister's intention to bring it into force as soon as possible?

Mr. ILSLEY: Yes.

Mr. GREEN: Would it not be wise to strike out that section and have the bill come into force as soon as passed?

Mr. ILSLEY: It is all right to strike it out.

Mr. MULOCK: I move that section 36 be struck out.

Motion agreed to.

Bill reported.

VOCATIONAL TRAINING

FINANCIAL ASSISTANCE AGREEMENTS WITH PROVINCES—ADVISORY COUNCIL

Hon. HUMPHREY MITCHELL (Minister of Labour) moved that the house go into committee on Bill No. 64, to assist in the carrying on and coordination of vocational training.

Motion agreed to, and the house went into committee, Mr. Vien in the chair.

On section 1—Short title.

Mr. MacNICOL: Where is the preamble?

Mr. MITCHELL: The preamble was eliminated on the advice of the law officers of the crown who thought it was unnecessary.

The CHAIRMAN: We can discuss the preamble only at the end.

Mr. MacNICOL: We cannot very well discuss it when it is not in the bill.

The CHAIRMAN: You may speak to the preamble before the title carries.

Mr. NOSEWORTHY: First of all I want to congratulate the Minister of Labour (Mr. Mitchell) upon introducing this most comprehensive piece of legislation. I should like to call the attention of the committee to the fact that education is a matter of supreme importance to the nation, but it is a subject which has occupied very little time in this house, either during this session or at other sessions. Because of that fact I crave the indulgence of the minister and the committee while I set forth a few facts pertaining to the bill.

The bill provides for financial support for education in the vocational field, and I would solicit the support of every hon. member for the bill. In case anyone is a little dubious because of the fact that education is a provincial matter, I would point out that this is not an innovation. We had the Agricultural Instruction Act of 1913 which provided for $10,000,000 from the federal treasury to aid agricultural education. We had the Technical Education Act of 1919 which provided for $10,000,000. Then we had the Vocational Education Act of 1931 which provided for $750,000, but which was never put into effect. We have had the youth training programme, the war emergency programme and other means by which the federal government in the past has supported education within the provinces. This bill simply extends the financial service of the federal government to education within the provincial field in line with the immediate and future needs of this nation. The object of the bill will be evident to every hon. member as it is discussed or comes up for review section by section. I shall not take the time to review the various objects of the bill, but I would point out that it does not provide for any interference on the part of the federal government with the right of the provinces in the matter of education. The bill provides at every step for co-operation and agreement between the federal government and the provincial departments of education.

However, the bill does recognize in a more general way than has heretofore been the situation the responsibility of the federal government toward education and the national importance of education. In my judgment that is a matter which should receive more consideration in this house than it has in the past. I think every member of this house will agree with me when I say that equal educational opportunity is the democratic birthright of every Canadian child, and by "equal" I do not in any sense mean "uniform." I believe that the educational opportunities afforded the young Canadian boy or girl in any province of this country should be limited only by the ability of that boy or girl to profit by the educational opportunities and by the ability of the province and the nation to provide those educational opportunities.

Education is a national responsibility because of its importance as a factor in Canadian unity. Within the past few weeks we have heard a great deal in this house about the lack of unity in this country, and we have had occasion to deplore that in spite of the fact that the two races have been living together for three hundred years, this country has not yet become a unified nation. On a former occasion I deplored the fact that the lack of unity within this country could be charged to a large extent to our systems of education. We must educate our boys and girls as citizens of Canada and not as citizens of the maritimes or of Quebec or of Ontario or of our western provinces. Nor must we educate them as citizens of any particular city or province.

We should draw from the races that make up the population of this country, not only from the French and English but from the other races, the best that they have in culture and in democratic principles. Democracy is not a monopoly of the English-speaking races. There is much that we can learn as democratic citizens from the French and other races represented in this country.

Education has become a national responsibility because of the movement to-day of population from province to province, from the rural districts to the urban districts.

It has been estimated that one out of every three persons in Canada to-day is living in a province other than that in which he was born. It therefore becomes a matter of extreme importance to each province within the dominion that every boy and every girl in every other province should receive a minimum standard of education. Every child in every province is a potential citizen, a potential asset or a potential liability to every other province. Education is a national responsibility because of the complexity of modern life, and because of that complexity it becomes important that every child in every province should receive a reasonable minimum standard of education.

Canada to-day is called upon to compete in the markets of the world. We are called upon to compete in the councils of the world. The boys and girls who were born in one province are called upon to compete in the labour markets of this country with boys and girls born and brought up in other

provinces. All this would indicate that the education of any child in any province is of importance to every other province.

Canadian boys and girls, regardless of race, should be given the best possible education which the country can afford to give them and which they are capable of profiting by.

I should like to call the attention of the committee for a few moments to a few of the shortcomings of our present educational system, particularly in the matter of administration and finance. The administration and financing of education as it exists in Canada to-day is not very far different from the system which was set up in the pioneer days of this country, in the days when the one and only mode of transportation was the ox-cart. To-day we are attempting to administer a stream-lined system of education by the old administrative and financial methods adopted in the ox-cart days. We still leave our schools to be administered by a board elected from a very small school area, the same type of school area which was set up in the pioneer days of this country. That system still prevails to a large extent all across this dominion, with the single exception of the one province of Alberta and parts of British Columbia. We still leave those small municipalities and those small school sections to bear as much as 80 and 90 per cent of the cost of education within the schools of that area. As a result, we find that in the cities and in the prosperous rural communities we get good modern schools, with teachers reasonably well paid. But when we get into the poorer communities adjoining the wealthier ones and into the poorer rural areas, we find a deplorable situation.

The CHAIRMAN: Order. I have allowed the hon. gentleman to proceed because I thought he was making some preliminary remarks, but he is now going into a general consideration of the administration of our school system in the various provinces of Canada, which is certainly not the purport of this bill. The purport of the bill is the carrying on and the coordination of vocational training. Although some latitude is given on the clause that carries the short title, one must bear in mind that the principle of the bill must be discussed on the second reading. In the committee discussion of general considerations respecting the principle underlying the legislation is not allowed. The hon. gentleman is now going far afield and outside the scope of the bill, which is limited strictly to vocational training. I would, therefore, call the hon. gentleman's attention to the particular matter before the committee.

Mr. NOSEWORTHY: There is one particular matter I wish to discuss, Mr. Chairman, which comes I believe within the scope of the short title clause. This bill is to provide federal support for education in the vocational field. That is the one field of our Canadian education which has suffered most in the past by reason of the old system of administration and financing of education to which I have referred. A report prepared for the Rowell-Sirois commission by the Canadian Teachers' Federation showed that at that time in Nova Scotia only seventy-five rural boys out of 5,923 in grades 7 to 9 received any vocational training such as is being provided for under this bill, while out of 5,851 urban boys in the same grades 2,174 were receiving vocational education. I point that out to show how up to the present our rural population has been getting no vocational education, and I shall make application of that fact when one particular clause of the bill comes up for discussion.

The CHAIRMAN: I must point out to the hon. gentleman that general remarks on the legislation itself should be brief, and the complete review of the whole subject matter which, as I understand it, the hon. gentleman is now making should have been made on the second reading of the bill. It is permissible to make certain general remarks on the short title, by a usage which has become general, but I do not believe that we can resume the debate on the general principles as widely as is done on the second reading of a bill.

Mr. NOSEWORTHY: I shall abide by your ruling, Mr. Chairman, and bring forward any such other statements as I want to make when certain clauses of the bill are under consideration.

The CHAIRMAN: The hon. member may make such remarks as may be relevant to the clause under discussion. The hon. member will have a further opportunity on third reading.

Mr. FRASER (Peterborough West): I am going to say only a word or two; I am not going to make a speech. I spoke about vocational training away back in 1940, and I was pleased to see that this bill was coming up. I was on the committee which considered this bill, and I feel that it was thoroughly gone through in committee. We had many meetings; we sat for weeks on this bill.

One thing about vocational training which struck me when I went through different schools was that it was not confined to young boys; in some instances grey-haired and bald-headed men were taking this training. They were anxious to learn in order to get jobs, and they were obtaining jobs in various plants.

They were willing to take the classes even if they had to attend at two, three, four or five o'clock in the morning. I believe that the Minister of Labour will tell the committee later that in some places there was a series of classes sitting the whole twenty-four hours. In one school an Italian fruit-dealer, anxious to do something for Canada, his adopted home, but unable to get into the army, was taking vocational training with a view to doing his bit in a munition plant. Inside seven or eight weeks he was able to take a position in the plant. He underwent an additional course, and to-day he is a machinist, doing a wonderful job on 3·7-inch guns.

In these schools vocational training is given to girls and young women, including married women. It is not a case of training them so much as to get them accustomed to working in a shop, so that when they go into a plant they will not be nervous. These women have turned out to be wonderful workers, in many instances better than the men. I was surprised to see in one plant girls working on vertical turret lathes, something which the plant manager never thought girls could do, and doing a wonderful job. I saw one girl at a vertical turret lathe teaching two men how to run it. The girls are coming along all the time. A great number of them are married, and many have come from the farms. That may be why the farmers to-day need all the help we can give them. Indeed, not only the women but many of the farmers have left the land because it was not providing them with a living.

Mr. MacNICOL: Is this bill as now drafted to apply to the same classes to whom the original bill applied and to whom the preamble referred, namely returned soldiers, and those who worked in munition plants, and does it cover these classes only?

Mr. MITCHELL: Yes, it covers all those, and also those in the armed forces, those returning from the war.

Mr. MacNICOL: Where in this bill does it say "armed forces"?

Mr. MITCHELL: The hon. member will come to it when he gets to section 3.

Mr. MacNICOL: I asked whether the bill refers only to returned soldiers and those who have been working in munition plants.

Mr. MITCHELL: No, it is very much wider than that. Under section 4 it covers youth training and a wide diversification of training which is carried on under the Youth Training Act for women, in the various provinces of western Canada, in agricultural pursuits, in home economics and many other branches of training comprised in the act.

[Mr. G. K. Fraser.]

Mr. MacNICOL: Is the scope not limited in section 3 by reference to the Unemployment Insurance Act, 1940, section 28, which limits training to those who have paid into unemployment insurance during the previous two years for 180 days?

Mr. MITCHELL: My hon. friend will find that when we come to that section. It consists of paragraphs (a), (b), (c), and (d); and only (c) refers to those who receive training pursuant to section 28 of the Unemployment Insurance Act:

(c) to fit for any gainful employment persons directed by the Unemployment Insurance Commission to attend a course of training pursuant to section 28 of the Unemployment Insurance Act, 1940;

And:

(a) to fit persons for employment for any purpose contributing to the efficient prosecution of the war. . . .

That is pretty wide territory. There is plant training, training in technical schools, training for men who are eventually going into the army, navy or air force; but section 3 covers undertakings carried on directly by the federal government; and when you come to section 4, that covers training carried on jointly between the provinces and the dominion, as was carried on under the old Youth Training Act which expired on March 31.

The CHAIRMAN: May I point out that this will come under sections 3 and 4? Section 1 is only the title; section 2 contains the definitions, and if we carry them we shall come to section 3 immediately. Shall section 1 carry?

Mr. MacNICOL: All right, but our trouble comes from there having been no discussion when the bill entered its second reading. We let it go into committee on the expectation that we would be able, on the short title, to say what we liked. If we are not to be allowed to do that, no bills will get second reading without discussion on second reading.

The CHAIRMAN: It is not a question of curtailing the discussion but of bringing it under the proper clause; otherwise it is repetition. The questions which the hon. gentleman has just put are applicable to the scope of the bill which is covered in sections 3 and 4, where such questions will be in order.

Mr. MacNICOL: What I had in mind was that the hon. member for York South was shut off. Ordinarily he could have made all his speech in a much more extended manner had he done so on second reading; but like all the rest of us, when it was desired to get the bill into committee, he refrained from saying anything on second reading, and therefore he missed the opportunity of saying what he

wanted to put before the committee. I assume that, having been an ex-teacher, he knows something about vocational training. He has taught in high school. But he has been shut off, and the committee has been denied whatever experience he had as a teacher in connection with vocational training.

I, too, was going to say something; I have had a very long experience in technical training. But at this hour of the night I would not say it. I am prepared to let the bill go through and refrain from trying to add anything to the discussion of it.

Mr. MITCHELL: I am in the hands of the Chair. I have no objection; in fact I welcome the experience of my hon. friends.

Mr. CASTLEDEN: I also regret that further discussion is not permitted on the short title, because it was understood, when Mr. Speaker was in the Chair when the bill was before the house for second reading, that full latitude would be allowed at this time.

The CHAIRMAN: Order. Was there an undertaking given on second reading?

Mr. MacNICOL: No, there was no undertaking.

Mr. CASTLEDEN: The short title section states:

> This act may be cited as the Vocational Training Coordination Act, 1942.

I think this is one of the most progressive steps that has been taken for a long time. Those who have studied the educational systems of other countries realize that education is a matter of national concern, and I believe that, in drawing up the statutes which originally organized this country in its constitution, had the fathers of confederation made provision for equality of opportunity by such means as federal grants, much of the disunity which prevails to-day would have been avoided. This bill recognizes the principle of responsibility on the part of the federal government in making possible grants to provincial governments for educational purposes, but it does not interfere in those matters of controversy which usually prevent advances in education. When the nations guard so jealously the various rights they have, this bill leaves full administrative powers in the hands of the provinces. The matter of curricula is left in their hands, and this measure provides them with that much needed resource, namely, financial assistance. Any study of economic conditions in Canada shows us that various parts of the dominion are seriously handicapped by reason of the failure of crop conditions, or for some other reason, which hinders the provision of educational facilities. Those of us who have been in drought areas of the west have seen educational facilities ruined and educational systems badly broken down.

Another great thing which this bill recognizes is the fact that the greatest natural resource of a country consists in the brains, the ability and the skill of its youth and manhood. In so far as this bill recognizes that, we are taking a great step forward. There can never be democracy without knowledge, and there can never be true citizenship without knowledge. Where you have no knowledge you have fear. When we learn that the largest province of the dominion had no compulsory education up to a few years ago we cannot be at all surprised at the fact that we lack unity. In so far as this bill is taking, as it does, a broad view of educational opportunity, and the fact that responsibility rests with those in charge of the nation's affairs to recognize the national importance of education, it deserves the support of all.

Section agreed to.

Section 2 agreed to.

On section 3—Minister may undertake projects.

Mr. ROSS (St. Paul's): This is to provide among other things for fitting persons for employment for any purpose contributing to the efficient prosecution of the war, whether in industry or in the armed forces. Some four or five years ago the Toronto school board requested that some aid be given them in connection with work they were doing in vocational training at the central technical school, more especially in connection with the training of aeroplane mechanics and artisans, but every time they came here they were turned down cold with one excuse after another. Last year when they came here they had a promise from the then Minister of Labour that something might be done so that they might be able to carry on this work in the schools. It was represented then that there was a difficulty inasmuch as it was not desirable to establish a precedent with regard to the erection of a building. On the other hand, it was suggested that the apparatus might easily be supplied. This has been delayed so long that we find this year when we come here that the priorities board have prevented the board of education from putting up their building. I wish to protest. I think the board of education of Toronto and those men who are doing that work in that technical school deserve the greatest consideration. The citizens of Toronto have spent their money on these vocational projects and have never had any help. I suggest that they would have

gone much farther ahead and we would have had more men trained if we had had the slightest help from the dominion government. I protest against the delay there has been in this matter. The board of education of Toronto has been given the run-around by the dominion government.

Mr. MITCHELL: I have no objection to my hon. friend's protesting in the most vigorous words. I have some recollection of the subject matter of which he has spoken. If I remember rightly, the request was first made in 1936—

Mr. MacNICOL: About 1931 or 1932.

Mr. MITCHELL: I suggest that my hon. friend look up the brief. However, it may have been before that. Be that as it may, since the expiration of the grant under the Technical Education Act, it has always been the policy of the federal government not to contribute to the erection of permanent buildings for educational purposes. That responsibility has always rested on the municipalities. When the war broke out, the board of education of Toronto came to the federal government and argued about some expenditure which was felt to be necessary because of war conditions. Of course the federal government took the same position as it did in 1936, or in 1932, as my hon. friend says. I want it clearly understood that I am offering no criticism whatever of the magnificent contribution made by the Toronto board of education toward the general application of the war emergency training programme and also of the programme prior to that. We felt that, notwithstanding there was a war, we could not break with the principle that the federal government would not contribute to the building of permanent school buildings in any city in this dominion. The matter was thoroughly explored both by the provincial authorities and by the federal authorities, and the conclusion was reached that there was ample room for any extension of the training facilities necessary in Toronto without putting up this permanent building, which would have required. I am given to understand, about eighteen months. That is the story as I understand it.

Mr. ROSS (St. Paul's): That is the story; I will be frank with the minister. He has been fair about it, and I do not think it came under his supervision. But the point is—and other hon. gentlemen will bear me out—that they were told they would be given a grant of money to help out in getting the machinery and the necessary appliances, and that is the least that could have been done. They have done a marvellous job, and they are doing it for the whole of Canada. It is the only place where the same thing is being done for the whole of Canada, and they should have had more consideration than they have received.

The CHAIRMAN: I have allowed this discussion, but hon. members will realize that under this bill we could not discuss subsidies sought to be obtained or granted for every technical school in Canada.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, July 10, 1942

The house met at three o'clock.

PRIVATE BILLS COMMITTEE

Fourth report of standing committee on miscellaneous private bills.—Mr. Donnelly.

DEFENCE OF CANADA REGULATIONS

ANNOUNCEMENT OF WITHDRAWAL OF CHARGES AGAINST COLONEL GEORGE DREW

On the orders of the day:

Hon. L. S. ST. LAURENT (Minister of Justice): I desire to inform the house that the proceedings against Mr. George Drew of Toronto for an alleged breach of the defence of Canada regulations, based on a statement given to the public press by him on June 5 last, relating to the report of the commissioner who inquired into the dispatch of the Canadian expeditionary force to Hong Kong, were instituted on the advice of Mr. D. L. McCarthy, K.C., of Toronto, retained as special counsel in that connection by the Department of Justice. This advice had been concurred in by the legal officers of the department.

Mr. McCarthy has since recommended that, in the light of subsequent developments, these proceedings be withdrawn, for reasons which he has set out in a letter to me of the 9th instant. This further recommendation has also been concurred in by the legal officers, and I have accepted it and authorized Mr. McCarthy to discontinue the proceedings accordingly. I desire to table Mr. McCarthy's letter, together with the concurrence therein of the deputy minister of justice.

Some hon. MEMBERS: Read it.

Mr. ST. LAURENT: If hon. members desire that the letter be read, it is as follows:

Honourable Louis S. St. Laurent, K.C.,
Minister of Justice,
Ottawa, Ontario.

Dear Mr. Minister:

Re: Prosecution of George A. Drew.

When advising as to the prosecution of Mr. George A. Drew in reference to the statements made by him to the public press on the 5th day of June last, the following facts and circumstances particularly impressed me:

(1) That this statement or utterance must be considered in its effect on others in the light of existing circumstances;

(2) That it alleged that the findings of the commissioner were not based upon the evidence; and further, that findings were made without evidence;

(3) That it alleged that secrecy was purposely imposed to hide from the public evidence of inexcusable blundering, confusion and incompetence;

(4) That it alleged that there were blood-curdling facts which the commissioner suppressed and which should have been made public;

(5) That it alleged that the government withheld information upon which a finding could be made;

(6) That the accused was a party to the inquiry having been appointed as counsel at the instance of the Hon. R. B. Hanson, the leader of the opposition in the House of Commons;

(7) That the accused is an ex-army officer and must be aware of the necessity of secrecy in war time;

(8) That he impugned the bona fides of the commissioner in holding the inquiry in secret.

In my view, the clear meaning of the statement is that the commissioner was corrupt or incompetent and that he suppressed or misconstrued the facts.

The commissioner is the Chief Justice of Canada and a member of the judicial committee of the privy council. Having regard to his long and honoured career on the bench and his well known ability to weigh facts, and his wide experience in the conducting of public inquiries extending over many years, it is quite unthinkable that he should be corrupt, incompetent or unmindful of all the facts presented before him.

In peace time these statements, while serious, have not the same effect as in war time. There was no doubt in my mind that under the circumstances, and considering the author of the statement, and the nation-wide publicity which the statement was given, it would be likely to prejudice recruiting in this country and the efficient prosecution of the war.

As I have already said, the statement was given to the press, obviously for wide circulation throughout this country, and in fact reached the press in the United States of America.

The report in question is unquestionably a report on matters in which the public have great interest; and particularly the relatives of those in the armed forces.

Since first advising in this case, matters have developed which in my opinion are of paramount importance, and which must be weighed along with the considerations which influenced me in advising a prosecution. There has been a widespread demand by members of parliament and the public and the press for a full and free debate and discussion of the commissioner's report. That these discussions, either in parliament, by the public, or in the public press cannot be freely and fairly carried on, while these proceedings are in progress, is obvious.

This is well illustrated by a report in this morning's press. While discussing the Prime Minister's promise that facilities for debating this question would be afforded to the house, the leader of the opposition, the Honourable R. B. Hanson, took the position that "the government has taken every means in its power to frustrate debate by withholding evidence and from time to time resorting to an alleged rule that a certain inquiry is *sub judice*".

No doubt the inquiry referred to is the preliminary inquiry that is pending as a result of the information that has been laid in this case. That is true that it is *sub judice*. It is a well-established and traditional principle of British law that there should be no comment on or discussion of matters relating to judicial proceedings while they are pending. It is plain that if the commissioner's report is to be fully discussed in parliament and in the press, as it should be, this principle of British law must inevitably be violated. Events that have taken place since the information was laid more than justify this conclusion.

On the one hand it is unfair to the public, members of parliament and the press that they should be put in the position at this time either to refrain from discussion of this important public matter, or to run the risk of committing a contempt of court, which is itself a breach of law. On the other hand, if these judicial proceedings are carried on while the debate in parliament and public discussion is taking place, it is obvious that the prosecution cannot continue in that freedom and independence that is so essential in our administration of justice.

Therefore, weighing the importance of free parliamentary debate and public discussion as against the continuance of this prosecution, at a time when matters affecting the carrying on of the war are of such vital and immediate importance, I am bound to come to the conclusion that it is in the public interest that this prosecution should be withdrawn and I so advise.

I am,
Yours very truly,
D. L. McCarthy.

Then there is a memorandum dated July 10, 1942, as follows:

For the reasons given by special counsel for the Attorney General of Canada, I concur in the opinion that the charge against Mr. George Drew under the defence of Canada regulations should be withdrawn.

F. P. Varcoe,
Deputy Minister of Justice.

Hon. R. B. HANSON (Leader of the Opposition): I desire to make just a few brief observations with reference to the statement just made by the Minister of Justice (Mr. St. Laurent), but before doing so I

should like to express to him my appreciation of his courtesy in sending me a copy of the statement and the letter which he has just read.

As to what took place in the court proceedings to-day, I have no comment to make, but I do assert that the reasons given for the withdrawal are untenable. The reasons given in the McCarthy letter perpetuate the allegations against Colonel Drew. That is unfair to Colonel Drew and the public will resent it. The fact of the matter is that the government made a grave mistake in starting this prosecution. An excuse for its withdrawal had to be found, and one excuse is just as good as another.

Mr. M. J. COLDWELL (Rosetown-Biggar): I wish to express my appreciation to the minister of his forwarding to me a copy of this communication, although I have not really had time to read it, because I have only just received it. The defence of Canada regulations are now before a committee of the house. This case, like others, was based upon the expression "likely to prejudice recruiting" or words to that effect. On several occasions I have tried to point out to this house that that is too wide a power for any government or any department to have. I hope the committee will consider the recommendation to the effect that the regulations be amended so that we may not have any more of these regrettable incidents.

SHIPPING LOSSES

SINKING OF SHIPS IN ST. LAWRENCE RIVER AS A RESULT OF ENEMY ACTION

On the orders of the day:

Mr. J. S. ROY (Gaspe): Mr. Speaker, I should like to direct a question to the government on a very urgent matter. According to information received from my constituency there have been some more ships sunk by enemy submarines since the time of the first attack on May 11 and 12 last. Still three more ships forming part of a fourteen ship convoy were torpedoed last Sunday night opposite Cap Chat in the St. Lawrence river. Is the minister disposed to make a statement to the house or to arrange for a secret sitting to inform the people's representatives as to the seriousness of the situation?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I believe the hon. member was in the house when the Minister of National Defence for Naval Services (Mr. Macdonald) made a statement as to the policy that will be followed with regard to the disclosure of any sinkings that might occur in the vicinity of Canada or in the St. Lawrence. The minister made it quite clear that there would be a proper time for the government to make an announcement of any event of the kind, but that premature announcements were only serving the ends of the enemy and would not help the ends of Canada's defence. If the hon. member will allow me to say so, I think he should have conferred with the minister before bringing a matter of this kind up in the way he has. The minister does not happen to be be in the house at the moment, but I may say to my hon. friend that any statement that has to be made in regard to this matter will be made by the minister at a time which he thinks will best serve the public interest.

[Mr. R. B. Hanson.]

Mr. ROY: I rise to a question of privilege. I am most unwilling to disclose anything that might help our enemies. However, I think my constituents have a right to be protected. They are confronted with danger every day.

Mr. SPEAKER: Order.

Mr. ROY: I respectfully submit that I should be allowed to make my position clear. It will take only a few words.

Mr. SPEAKER: The hon. member has put his question and the Prime Minister has replied. I do not think the hon. member should enlarge upon a question which has already been answered.

FOOD AND DRUGS ACT

GIN—REFERENCE TO RETURNS BROUGHT DOWN IN ANSWER TO QUESTIONS

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): I should like to refer to sessional paper 303-E of November 3, 1941, which deals with the requests and suggestions of a large number of temperance societies, organizations and leagues of various denominations and located in the various provinces. I do not know whether some of the letters I hold in my hand are accurate, and I ask the minister if he will kindly have them checked. If they are, I would ask him kindly to have the file completed and returned. I refer also to return 303-D of June 5, 1941. It has been stated by the department that it is not permissible to advertise John de Kuyper's compound gin as gin. Here are seven clippings from various French and English papers which show this product being advertised as gin, contrary to the law. I shall send the return with the clippings to the minister and I hope that action will be taken.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): I shall be very glad to make an investigation of this favourite topic of my hon. friend.

BUSINESS OF THE HOUSE

MOBILIZATION ACT AMENDMENT BILL—BUDGET RESOLUTIONS—MORNING SITTINGS

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): I should like to inquire when Bill No. 80 will be brought up again?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Bill No. 80 will be brought up again in due course.

Hon. R. B. HANSON (Leader of the Opposition): I should like to direct a question to the ministry with regard to the remainder of the sessional programme. We have concluded what I consider were the major debates of the session. I am anxious to see the budget resolutions brought forward, and I should like to know whether they will be considered in the coming week. They are very important from every standpoint and should be brought forward as soon as possible. I hope that we can make a start on them on Monday.

Then there is Bill No. 80 and the departmental estimates. I think I am speaking the mind of most of the members of this house when I express the desire—perhaps I should limit this to my own desire—to see the end of this session. I must say that the labours of the session are bearing very heavily upon me physically and otherwise, and I am getting a little frayed. I would like to see this session over, and I do not think I am doing any violence to the public interest when I express that wish.

Mr. MACKENZIE KING: Mr. Speaker, I am sure that all hon. members feel as my hon. friend the leader of the opposition does —I am not referring particularly to being frayed, but I think hon. members generally would like to see the proceedings of the session terminated as soon as possible. If there is any general desire in the house that we should begin morning sittings soon I for one would be quite prepared to do so. I would like to say to my hon. friend that perhaps he and I and the leaders of the other groups might have a conference to see if we cannot plan the arrangements for the remainder of the session in a manner which will expedite business, and then an announcement could be made to the house as to any agreement we may reach.

Mr. HANSON (York-Sunbury): Certainly. Can the Minister of Finance say when the budget resolutions will be proceeded with?

Hon. J. L. ILSLEY (Minister of Finance): I could go on at almost any time. I think I could go on with them on Monday or Tuesday.

MILITARY SERVICE

RADIO ANNOUNCEMENT RESPECTING CALLS IN MILITARY DISTRICT NO. 3

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, I should like to ask a question of the Minister of National War Services. This morning there was a radio announcement that military district No. 3 would be the only district in Canada where men at present in the age group thirty-five to forty would be called for military service. Why is military district No. 3 picked out?

Hon. J. T. THORSON (Minister of National War Services): There is no truth in the report.

AIRCRAFT INDUSTRY

MORALE-BUILDING CAMPAIGN—REFERENCE TO RETURN TO ORDER OF THE HOUSE TABLED JULY 7

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I wish to direct the attention of the house to the incompleteness and incorrectness of the return brought down to an order of this house on July 7, being sessional paper 274-C, pursuant to an order made on June 1, 1942, requiring the production of:

> A copy of all letters, telegrams, reports, memoranda or other documents in the possession of the Minister of Munitions and Supply, the Minister of Finance, the director-general of aircraft production, the comptroller of the treasury, or of any official of said departments in any way referring to the morale-building campaign by E. G. Hirst.

I am not entering into any discussion of the merits of that campaign, but I do wish to point out that a very considerable number of documents have been omitted from this return, and for that reason, being a breach of the privileges of the house, I now bring the matter to the attention of the house.

It is stated in sessional paper 274-A that the sum of $7,682.74 was paid to Might Directories Limited for four individual letters monthly to each aircraft company, but no copy of these letters is included in the return.

The first six pages of this return consist of a memorandum made on June 21, three weeks after the order of the house was made, and is a self-serving document explaining the circumstances, but the letters and the documents themselves are not included.

I point out that there are documents that are not included in this return which are in the possession of the Department of Munitions and Supply and in particular of Ralph P. Bell, director-general of aircraft production. I

could name several of these documents, giving the dates, which are not included in the return, which consists in the main of literature put out in connection with the morale-building campaign. But what was asked for was the letters and the documents, many of which have not been brought down.

I think it is a serious matter, Mr. Speaker, when letters and documents in the possession of a department or departments of government are not brought down to parliament when an order of the house is made.

There are obvious omissions of letters from this return. It is an affront to parliament if government officials are permitted to sort out and determine what information or documents should be included in a return to be placed before parliament. It denies to parliament and the country full information to which hon. members are entitled when an order of the house is made.

Again not discussing the merits, I assert the right of members of this house to full information on questions asked, and not to selected information.

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, the return was prepared in my department in the ordinary way. We have a senior officer of the department whose duty it is to prepare the returns. Without knowing anything about the matter personally, I have every confidence that the officer filed copies of all letters which were not privileged under the rules of the house. However, I shall be glad to explore that further and determine whether or not it is the case.

So far as the particular matter between Mr. Hirst and Might Directories, Limited, is concerned, Mr. Hirst was never an officer of the department, but he is an officer of the aircraft industry. Any letters that he may have written to persons outside the government are not in the possession of the government, and the government is not entitled to their possession.

Mr. DIEFENBAKER: In that connection may I say that Mr. Hirst, three weeks before he received his appointment under order in council, which was passed on May 29, 1942, and brought down to the house on July 6, 1942, was sending out letters on the letterhead of the Department of Munitions and Supply, aircraft branch, from the office of the director-general, E. G. Hirst, director of personnel relations.

When the minister states that any documents that are not included in the return may have been privileged, I would point out to him that a letter written on February 3, 1942, by Ralph P. Bell, director-general of aircraft production, sent out broadcast, not to aircraft manufacturers, but to other manufacturers throughout Canada, is not included in this return. That letter reads as follows:

> Ed Hirst is contributing his services for an important special job of work in connection with the aircraft production programme; namely, that of director of the committee on personnel relations.
>
> Offhand, this may not strike you as a position requiring much time, but if you could study the programme that has been mapped out and visualize the tremendous organization work involved, embracing as it does industrial plants from Halifax to Vancouver, you would appreciate the fact that Ed is not going to have much time to attend to his own business.
>
> For some days we have been groping around for a plan whereby his income wouldn't suffer too drastically—

Mr. HOWE: On a point of order, Mr. Speaker, this letter was put on *Hansard* by my hon. friend earlier in the session.

Mr. DIEFENBAKER: No, this is another one.

Mr. DEPUTY SPEAKER: On the orders of the day being called a question of privilege was raised by the hon. gentleman. The rules of the house are that a question of privilege must be briefly stated, and the grounds on which such question of privilege is raised should be very summarily stated. Such question cannot give occasion to a debate. The hon. member has stated his question based on the privileges of the house which he contends have been disregarded in the filing of the documents ordered by the house. The minister has promised to inquire and to give further information at a later date. That disposes of the matter.

Mr. HOMUTH: He said a lot more than that.

Mr. DEPUTY SPEAKER: For the time being, on the orders of the day, I think the question is now settled and closed.

Hon. J. L. ILSLEY (Minister of Finance): On the question which was raised by the hon. member for Lake Centre (Mr. Diefenbaker), I should like to correct a statement which, in the best of faith, I made to the house on a previous occasion. The question arose in a previous debate whether there was some arrangement between the treasury and the Department of Munitions and Supply, or Mr. Bell specifically, about the charging of certain expenses as part of the overhead of companies. I made inquiry at that time from the comptroller of the treasury, who instituted an inquiry himself, and after two conversations with him I was authorized by him to say that no such arrangement had been entered into, or none of which he could get any information.

Since that time it has turned out that one of the treasury officials did agree that these charges would be a proper charge against the government by the companies and part of their overhead, and that agreement was contained in a letter written by the treasury officer to Mr. Bell.

Mr. DIEFENBAKER: Well, that letter is not on file either.

Mr. ILSLEY: I would object firmly to the production of that letter because it is an interdepartmental letter, and the reason I am stating this now is that I made a statement inconsistent with it on a previous occasion. It was certainly not my fault, nor was it the fault of the comptroller of the treasury, who made, I am sure, every effort, as I did, to find out exactly what the facts were. I believe I suggested on that occasion that there might have been a general conversation about general principles, because I felt that Mr. Bell would not have made the statement he did in that letter if he did not have something to go on, and I was anxious to ascertain just what there was. It turned out that there was more than a discussion of general principles; there was some communication between Mr. Bell and this somewhat junior treasury officer, with the result that the officer wrote Mr. Bell a letter. I thought that in justice to Mr. Bell, and in correction of what I said before, I ought to state this.

Mr. HANSON (York-Sunbury): I think the minister is quite right in saying that the minister should make that statement in justice to Mr. Bell. But is this house not entitled to the letter from the treasury official to Mr. Bell? I think it is. However, the minister has given the substance of it. The treasury did, rightly or wrongly, concur in this course of action, and the country is going to pay the bill.

Mr. COLDWELL: Has a junior or a subordinate official the right to commit the government by letter to expenditures? That is a strange thing.

Mr. ILSLEY: I am not just sure of the extent of his authority. But I am informed, and I intimated to the house, that this was probably a proper charge. In the absence of other directions from the Minister of Munitions and Supply, it would be, I think, a proper charge. An hon. member for one of the Toronto constituencies, if I remember correctly, raised that point later in the discussion. A business expenditure for the purpose of increasing production is an expense of production, it is an expense of carrying on business; and that view seems to have been taken. On the previous occasion I was not going into the question of the propriety of the charge; I was trying to identify the specific transaction, and I could not, nor could the comptroller of the treasury, find there was any such, until later he found there was.

Mr. COLDWELL: I was not criticizing the minister personally. I think it is quite proper and courteous of him to make the correction he has made to-day, and we appreciate it. But the point is this: has a junior official the right to commit the department to an expenditure of this description? The minister has answered that question.

Mr. HOWE: I might say that he was not committing the department to an expenditure. To determine whether such an expenditure would be a proper item of cost, the official would look at his general rules. There are very strict rules as to what is, or is not, a legitimate item, and the interpretation given by the junior official recites that that expenditure was a legitimate item. My hon. friend says the public paid the bill. The public did not pay the bill, because, when it was drawn to my attention, I issued instructions that it was not a proper charge to cost.

Mr. DIEFENBAKER: And issued an order in council ratifying everything?

Mr. HOWE: No, the order in council did not ratify anything. If the hon. member will read the order in council he will find that it specifically refers to the future and not to the past. The practice was regularized from that date. But all the money expended up to that time was charged to the aircraft companies, and cannot be passed on to the government.

GASOLINE

USE OF TRUCKS BY FARMERS COLLECTIVELY

On the orders of the day:

Mr. G. H. CASTLEDEN (Yorkton): With regard to the regulations as to the use of trucks for transporting members of a family, in many areas throughout Canada, as the minister knows, farmers get together and instead of each one taking his own car to town they use one truck. I believe that the present regulations prevent that practice. I understood the minister was to make a statement to-day, or shortly, on that matter.

Hon. J. L. ILSLEY (Minister of Finance): I was not aware that I was to make a statement to-day. I ascertained that there were carefully drawn regulations on the subject, which I sent to one or more members of

parliament; and, on the representations of the hon. member for Lake Centre (Mr. Diefenbaker) I promised to look into the question as to whether or not a general rule should be made. At the present time permits may be issued in certain circumstances by the regional controller or administrator.

WAR RISK INSURANCE

PROVISION FOR COMPENSATION FOR WAR DAMAGE TO PROPERTY

Hon. J. L. ILSLEY (Minister of Finance) moved the third reading of Bill No. 56, to make provision with respect to insurance of property against war risks and the payment of compensation for war damage.

Motion agreed to and bill read the third time and passed.

VOCATIONAL TRAINING

FINANCIAL ASSISTANCE AGREEMENTS WITH PROVINCES—ADVISORY COUNCIL

The house resumed from Thursday, July 9, consideration in committee of Bill No. 64, to assist in the carrying on and coordination of vocational training—Mr. Mitchell—Mr. Vien in the chair.

On section 3—Minister may undertake projects.

Mr. MacNICOL: The whole purpose of the bill is outlined in the various subsections of this section. The first purpose of the bill is indicated in subsection 1 paragraph (a); it covers the training of persons to fit them, by working at or on projects, for employment "for any purpose contributing to the efficient prosecution of the war whether in industry or in the armed forces". Under (b) provision is made for the training of persons who, I presume, have returned from the present war, of whom there are quite a number; under (c) there will be the training of persons recommended by the unemployment insurance commission; and (d) makes provision for the training of persons who, I take it, will participate in any conservation works which the government has in mind.

The minister should give some details of just how each of these training schemes will be carried out. If we are going to train persons first of all to work in industry, how will that be done? There are several schemes. If these persons are working in industry, you can have either vestibule schools attached to industry, or you can have technical schools equipped to teach young men to operate the various types of machines that will be required. I should like to know whether one or both of these methods will be followed, because any other method is not a very likely way of training people to work in industry. At any rate I know of no other method. We have had no explanation as to which of the two methods will be used in training men to work in industry.

If they are to be trained for the armed forces, how will that be done by the Department of Labour? I thought it was the duty of the army or the military authorities to give men training to fit them for the armed services. As to paragraph (b), "to fit for any gainful employment former members of the forces of his majesty domiciled in Canada," I am in accord with that. These young men coming back, discharged for one reason or another, should be trained, but I should like to know whether they are to be paid while training. If not, I suggest they should be paid; and, if so, I should like to know at what rates. Will they be paid according to the trade they are to learn, or will there be an even scale of remuneration all round?

As to paragraph (c), which covers the training of those sent for training by the unemployment insurance commission, that is rather limited, because it permits only of the training of young men who during the past two years have paid unemployment insurance for 180 days.

As to paragraph (d), the training of men for conservation work, I should like to know how that will be done. The universities all have classes for lines of conservation, one of which is reforestation. Are these young men to be trained in university classes in reforestation, or will they be sent out under foresters? The same will apply to flood control projects. Just what can they learn under such projects. Take on the Grand River; that is an engineering problem. I suppose a young man could be taught something of engineering in connection with such a project, but most of the work is rough work. How much would a young man learn that would be new?

Inasmuch as section 3 contains everything that is in the bill, or practically so, I suggest that we should have a fairly exhaustive statement from the minister on each of these subdivisions which I have indicated, showing how they will be carried out and what numbers will be employed in connection with each scheme.

I would also refer the minister to the report of the national employment commission, dated January 26, 1938, at page 39, wherein reference is made to rehabilitation and training measures. There are two statements in that

connection, and one of them refers to permanent training. It states that permanent training measures should be the order of the government. Will any of these plans which the minister is going to put into operation result in permanent employment for young men? I hope so. The minister himself is a former employee, and he would naturally want to see the training of these young men result in permanent employment. To have permanent employment after the war, when we are likely to have a period similar to that which prevailed after the last war, I think the young men should be trained for more than one job. The more jobs a man is able to fill, the more trades he is able to assist at, the more likely he will be to have permanent employment. I want to find out, therefore, if the minister has, under his scheme, some method whereby these young men can be fitted for more than one job.

I should like to have an explanation of these various schemes. Perhaps the minister can tell us if he is going to use some such scheme as is now in operation in London, Ontario. I am not sure whether it comes under the Minister of National Defence (Mr. Ralston); at any rate, I believe it is under one of the defence ministers. Young men are taught in a very efficient school by a very efficient method. I have been pleased by what they are doing there. They are being thoroughly trained by a visual system of teaching, with everything before them, to instruct them how to carry on all the various trades that are associated with aircraft or automotive production. Is some such scheme going to be used?

On project surveys there will be little possibility of training young men fully along the various lines of industry or engineering in connection with conservation or works of national importance. Perhaps the minister would give us some explanation along that line. When this subject was under consideration a year or two ago I took the stand that, through our labour department, we should have some such scheme whereby men obtaining jobs would have some hope of permanency. In Europe before the war, in quite a number of centres, there were excellent training schemes. They not only trained men but passed them on from the training centres into their positions. The minister is perhaps acquainted with the Sandvyk steel works in Sweden, one of the greatest undertakings of the kind in the world. I had long hoped that there would be some such scheme in Canada whereby young men, sons of fathers working in such plants, would be trained to work in great steel works through graduating from the training school, vestibule school or technical school associated with the works.

When one considers that that single works has not only trained its men but built for them some 1,700 houses—that is before the war; there are perhaps many more now—it has something there that is worth emulating in this country. As a former workman I look upon the industry as being thoroughly sympathetic toward any scheme that will thoroughly train young men for jobs, and for permanency in their jobs, liking for their work and promotion in their work, because in those vestibule schools in those great works in Europe they are trained all along the line.

Will the minister give us a good outline of what he proposes to do? He has a golden opportunity to do something worth while, and I look to him to do it.

Hon. HUMPHREY MITCHELL (Minister of Labour): My hon. friend has covered a good deal of ground, and I am glad he did. There are three types of classes already in operation: pre-employment classes; technical schools, which in some cities are running twenty-four hours a day; and plant training under the direction and advice of the federal and provincial departments of labour.

My hon. friend mentioned the armed forces. With respect to what we call pre-enlistment training for the air force, last year we trained 15,000 men. They are paid, through the labour department, a subsistence allowance of $10 a week for single men and $15 a week for married men.

Mr. MacNICOL: And they are graduated—

Mr. MITCHELL: Into the air force. In respect of the province from which my hon. friend comes I should like to mention the real contribution by the school in Galt, one of those that my hon. friend mentioned. We also trained 18,000 men for the army. The men are already in uniform and receiving pay and allowances given to a soldier. We trained 600 for the navy, and for industry in general we trained 40,000.

Mr. MacNICOL: What would the training for the navy consist of?

Mr. MITCHELL: Basic training for fitters, such as engineroom artificers.

An hon. MEMBER: Diesel engines?

Mr. MITCHELL: Diesel engines and those trades that are needed in the navy. My hon. friend will realize also the dearth of skilled men at the outbreak of the war. It is no use crying over spilt milk; the condition existed. With the tremendous expansion of the fighting

forces and of industry we just had to face up to the situation, and I think the house and the country may be proud of the way in which both industry and labour, as well as provincial governments and municipalities, met an emergency and made possible the provision of training for men for the army, the navy and the air force, and of course for industry.

With respect to conservation, that is a matter which will have to be decided at the conclusion of the war. This bill, however, does provide for the establishment of an advisory council. It will be composed of representatives of labour, employers, veterans' organizations, women's organizations and educationalists to advise the minister on plans that may be necessary in the future.

I agree with what my hon. friend said about apprenticeship. I think the past attitude of the people and governments toward the establishment of systems of apprenticeship has been a tragedy. My mind goes back to the days when I was an apprentice. But in the last generation there has unfortunately been a great let-down of the principle of apprenticeship in the various trades, and in commerce also. It is true that apprenticeship has been maintained where trades have been highly organized; I know many that still continue to provide apprentice training with strict supervision by employers' and employees' organizations. They regulate the number of apprentices in proportion to the number of journeymen, and also the length of time that they consider necessary before a young man becomes an efficient journeyman workman. I think in a modified way the Swedish system of which my hon. friend spoke is in existence in this country. Those of us who have lived in industrial communities have seen the development of the apprenticeship system. I think it can be said that the two major railroads of this country have an apprenticeship system that is as good as any system anywhere. The trainees are largely made up of the sons of railway employees. I know in the city of Hamilton in which I spent the greater part of my life, in some of the great industrial establishments the majority of apprentices are the sons of men in the industry. That is all to the good; with that you get tradition and the love of the trade that is necessary to make a good tradesman. I only wish it was much more intensively developed throughout the dominion.

At the moment there are three provinces that have apprenticeship laws. I know more of Ontario, in which I have lived all the time I have been in Canada, where, through the cooperation of industry, the government and the employees, there has been at least a foundation laid of what might become, with careful supervision and nurture, a really successful apprenticeship system.

I think I have covered pretty well the ground my hon. friend asked me to cover. As we come to the various sections of the bill I shall be glad to discuss the matter further.

Mr. McIVOR: I commend this bill highly. It shows that the present Minister of Labour is willing to build on the foundation laid by the man who, in my judgment, was the greatest minister of labour who ever sat in this house, the late Norman Rogers, who knew youth and who during the years of depression planned accordingly so that throughout the length and breadth of Canada the dominion and provincial governments had their youth training arrangements in every province. This bill will be welcomed by high and public school teachers who love youth and follow them after they get through school. I think the minister is to be commended for this legislation because it will pave the way for the employment of youth after the war. It was often said during those years of depression by the youth themselves, and sometimes by their teachers also, that education did not count. We find that education does count, and when the Minister of Labour builds on a foundation like that laid by the late Hon. Norman Rogers he is building on a foundation that will stand.

Mr. GREEN: What is the policy of the government with regard to the training and employment of older men and women? As time goes on, it becomes increasingly evident that the older men and women can play a great part in the war effort, and one often wonders whether full use is being made of them. For example, I have a clipping from one of the Vancouver papers of an advertisement published under the title, "dominion-provincial government war emergency training programme." The advertisement states:

> Young women wanted to train for war industries. Ages 18 to 35. Single and widows without dependent children. Subsistence allowance paid during period of training. Full particulars and application forms.

Then the address is given. Now there is in British Columbia an organization known as the British Columbia women's ex-munition unit, many of the members of which are over the age of thirty-five years. They are very keen to take part in this war work, but they are not eligible for training, and presumably the government feels that they are not eligible to undertake the work. This seems to be a

defect in the policy of the government, and I wonder if the minister could explain why this age limit has been set.

Mr. MITCHELL: I do not know the class to which my hon. friend refers, but I would imagine it is what they call a sponsored class. Under the agreements with the provinces, which naturally administer them, there is no age limit. Preference is given first to returned soldiers, next to older people, and then to younger people. We do not take in these classes able-bodied men liable for military service, so it will be seen that the policy is predicated upon putting these older people to work and also taking women into industry in a progressive way, to a greater degree.

While I am on that point, may I say that I am one of a great many in this country who, since the outbreak of the war, have thought we should move women into industry as quickly as possible. If we are going to raise the fighting forces that will be necessary to win this war, by the very nature of things some of the men engaged at the moment in certain industries, particularly the non-essential industries, must be moved into the armed forces or into essential industry.

In saying that, I should like to make this further observation, that I believe we have reached the stage when we must take extra special care in regard to what I may call the heavy industries. You cannot produce guns and aeroplanes and tanks and ships unless you have the basic materials with which to construct them, and of course those basic materials include steel, copper, nickel and so on. I believe that from now on we shall have to be very careful in regard to those whom we permit to leave those industries to go into the fighting forces. I think the reservoir will have to be found in the non-essential industries and in those light industries which can be operated by women, I may say, just as well as by men.

Mr. GREEN: But the minister has not answered my question. I am asking why this training should be limited to women under the age of thirty-five. These women must be trained before they are able to take jobs; yet women over the age of thirty-five, in Vancouver at any rate, are not eligible for training. The younger women are needed in the women's army corps, the women's division of the air force and the women's branch of the navy, and surely some use should be made of these older women.

Mr. MITCHELL: I have just looked at the advertisement which my hon. friend sent over. The province has been written to by the department with respect to this age limit of eighteen to thirty-five. There may be an answer to it. As a rule, as my hon. friend well knows, there is an answer to most of these things. I am not making this as a statement of fact, but it may be that in this particular industry younger women are desired because, as we all know, younger people are more dexterous with their fingers. However, I shall be glad to give my hon. friend the information when we receive a reply from this company. My hon. friend, the house and the country may rest assured that special emphasis is being placed upon the employment of first, returned soldiers; second, older men, and then, women.

Mr. GREEN: Is any age limit set by the government?

Mr. MITCHELL: No age limit whatever.

Mr. GREEN: Has the government given any consideration to arranging for an extension of the superannuation age limit in various industries in Canada. Men are continually reaching the retirement age, and is it a fact that they are being superannuated as usual? If so, it does seem that this must cause a great waste of men. During the war the superannuation age should be raised, which of course would release younger men for war service. What is the policy of the government in that respect?

Mr. MITCHELL: I do not know. I would think that this would boil down to a matter of common sense, and I do not say that in a critical way.

Mr. GREEN: Then that would probably not be the government policy.

Mr. MITCHELL: I think industries themselves probably will be the best judges in that connection. I cannot imagine a wise employer to-day superannuating a capable man at the age of sixty. Of course all men at sixty do not have another five years of useful work in them; judgment and discretion must be used. I should imagine any wise employer to-day—

Mr. GREEN: What about the government? They are supposed to be all-wise. What is their policy with regard to the civil service?

Mr. MITCHELL: I think my hon. friend will find that an order in council has been passed dealing with the very question he has raised, providing that people should not be superannuated if they can carry on their work.

Mr. GREEN: What about the railways?

Mr. MITCHELL: I believe the same thing might be said of them. I know we use a good many superannuated men for instructors in the classes under the youth training programme, particularly in connection with the metal trades. That was one of the first things we did; we got a list of all the superannuated railway employees in the metal trades, and from that list obtained a number of our instructors. But my hon. friend will understand that some men are better than others at sixty or sixty-five, so you cannot make a general rule for everyone.

Mr. HANSON (York-Sunbury): There is no doubt that the government has recognized the position; I believe an order in council has been passed suspending the operation of the seventy-year rule, and I think that is all to the good. With regard to the railway position, I made some inquiry myself. The rule heretofore has been, and I think still is, imperative retirement at sixty-five. Railroading is a pretty difficult task. I was speaking to a friend in my own constituency who was recently retired. He offered his services in any capacity; he was taken on for a period of time, but found that he could not stand up to the work. If it could be arranged that selected persons might continue on, that might be a good thing; I have no opinion on the matter at all.

I have not followed the discussion on this bill very closely, but there are one or two matters I should like the minister to explain, though he may have done so last evening. I notice that section 3, which seems to be the enabling section giving the minister power to undertake projects to provide vocational training, has been redrafted in a degree. Paragraph (b) is new, having been substituted for what was there previously, and it is limited in its operations to:

> . . . fit for any gainful employment former members of His Majesty's Canadian forces or former members of any of His Majesty's forces who were at the time of enlistment domiciled in Canada. . . .

Then paragraph (c) empowers him to undertake projects:

> to fit for any gainful employment persons directed by the employment insurance commission to attend a course of training. . . .

Paragraph (d) seems to be limited in respect of employment for any purpose contributing to the conservation or development of the natural resources of the crown in the right of the dominion, as opposed to the natural resources of the country. Would the minister tell me why this change has been made?

[Mr. Green.]

Mr. MITCHELL: The new wording in paragraph (b) is to clarify the matter. A man who has joined the Canadian army will receive training regardless of where he was living at the time of enlistment. If a United States citizen or an Australian joins the Canadian army, he will be entitled to training. If a man domiciled in Canada joins the imperial forces, he will be entitled to training. The section was reworded in order to clarify it. Paragraph (d) reads:

> (d) to fit persons for employment for any purpose contributing to the conservation or development of the natural resources of the crown in the right of the dominion.

My legal friends thought that the words "of the crown in the right of the dominion" should be incorporated in this paragraph. It deals more specifically with forestry, and possibly mining, and properties which are owned and controlled by the crown.

Mr. HANSON (York-Sunbury): Why the crown in the right of the dominion? Does not the minister think that that is very limiting? Nearly all the natural resources of this country which are not privately owned are owned by the provinces.

Mr. DONNELLY: There is a section covering the provinces.

Mr. HANSON (York-Sunbury): I understand that further down it is provided that arrangements may be made with the provinces to provide financial assistance. Just what has the minister in mind that may be developed or conserved under this section?

Mr. MITCHELL: Fisheries, forestry, mining, prospecting, parks and so on; it is quite wide.

Mr. SHAW: In answering the question asked by the hon. member for Vancouver South (Mr. Green) the minister stated that it was not the policy of the government to allow men of military age—I am not sure that he used that expression—or men who were liable to call to take this training. Was he referring to men of twenty to forty years of age, or to those eligible for military training?

Mr. MITCHELL: Only those single men in the compulsory age group.

Mr. SHAW: A young man in my constituency seventeen years of age applied for permission to take a course, and he was advised that he must be eighteen years of age. When he became eighteen years of age he applied again, and was asked if he had been rejected by the army. He said he had not, and he was not allowed to sign up. I

took the case up, and apparenty after that he was permitted to take the course. I should like to have this matter made perfectly clear.

Mr. MITCHELL: That is probably a local irregularity.

Mr. SHAW: It has been straightened out since that time.

Mr. PERLEY: Does the age limit apply only to British Columbia?

Mr. MITCHELL: No, to all provinces.

Mr. NOSEWORTHY: There is a very real problem in connection with these boys of seventeen years of age. I know of a number of boys who are too young to get into the army and who cannot take these courses because by the time their training period is completed they will be old enough to enlist. I wonder if any consideration has been given to this particular age group?

Mr. MITCHELL: Some of the companies are a little dubious about taking on boys around eighteen years of age, because they know that as soon as they are trained for a particular job they may go into the army on a voluntary basis. I do not know just what we can do about it. It is one of those things over which, as long as we have a voluntary system of enlisting, hon. members or the government or the minister have practically no control. Any boy may join the army; it does not matter what trade he is following or what course of training he is taking.

Mr. STIRLING: There is a question I should like to ask with regard to the first part of section 3. I was called out of the house for a moment, and if this has been answered I can read it in *Hansard*. When the bill was first brought up the preamble seemed to imply that the object was to cooperate with the provinces, but now the wording of section 3 "the minister may undertake projects to provide vocational training" seems to me to cover a larger territory. Has the minister explained what he proposes to do with regard to undertakings which are not of provincial origin and which the dominion government will institute?

Mr. MITCHELL: We would do that only for war purposes. Section 3 deals specifically with dominion undertakings, while section 4 deals with undertakings which are to be carried on jointly by the federal and provincial governments.

Mr. STIRLING: I should like the minister to make some statement with regard to section 3. What sort of projects has the government in mind? Where will they be, and for what purpose will they be instituted? Of course I realize that the purpose is vocational training. Will these not necessitate the obtaining of land, premises, machinery, equipment and all sorts of things?

Mr. MITCHELL: If my hon. friend will read *Hansard* he will see that I answered that question rather fully.

Mr. MARSHALL: Have arrangements been made with respect to the training of young men, particularly those who have taken about two years' university training for the medical profession? I have received a letter from a lady whose daughter wants to train as a nurse but is prevented from doing so by lack of finances. Is any provision being made for these two types of cases?

Mr. MITCHELL: Arrangements have been made already to assist students in medicine, dentistry, science and engineering.

Mr. MARSHALL: The young chap I have in mind has already taken two years' university medical training, but he is unable to take his third year until next spring. It seems unfortunate that this young man should be prevented from taking his third year. He is now working on the Alaska highway.

Mr. MITCHELL: If my hon. friend will let me have the name of that young man I shall be glad to look into the matter.

Mr. FRASER (Peterborough West): These students must have their first or second year before they are taken on.

Mr. MITCHELL: The hon. gentleman pointed out that this was a second year student.

Mr. DONNELLY: You must have two years pre-med and then your two years in medicine.

Mr. GREEN: In some centres there is a great shortage of nurses. Is the government taking any steps to train more young women in this profession? The problem is likely to become really serious in a short time, and it seems to me that this plan should be extended to provide for such training.

Mr. MITCHELL: I would imagine that that would come under selective service. If a girl is going to train as a nurse she should be trained in a hospital. I do not know whether there is any shortage of probationers in the hospitals, or whether the government could force girls to go into hospitals to train, perhaps against their will.

Mr. GREEN: I do not know that that will be necessary, but some assistance might be given such as is given to medical students.

Mr. DONNELLY: I do not think any girl who wants to be a nurse will have any difficulty in getting into almost any hospital. The hospital provides their board and room, and pays them a certain fee.

Mr. MARSHALL: May I ask the hon. member for Wood Mountain whether fees have not to be paid by the young nurses entering a hospital for training? If so, I would ask the minister if it would not be possible to have these fees waived, now that nurses are so badly needed.

Mr. DONNELLY: I do not think the nurse pays any fee at all. Most of the hospitals have a waiting list of girls who want to enter the hospital for training. The hospitals pay $10 or $15 and in some cases $5 a month to nurses while they are training, as well as providing board and room.

Mr. MARSHALL: I understand that young girls who have taken their twelfth grade in high school and wish to enter the nursing profession have to pay a fee to the hospital. I suggest that the fee might be waived in these times.

Mr. WRIGHT: I do not think the nurses have to pay any fees to the hospital, but they have to buy books and uniforms, which cost from $50 to $100. I believe that is the only expense to which they are put.

Mr. MITCHELL: I was a governor of a hospital in Hamilton for a good many years, and I know that we provided all the books and uniforms free. This is the first time I have heard that uniforms have to be provided by the nurses in training.

Mr. NOSEWORTHY: I think that is true. Most of the hospitals require the nurses to provide their own uniforms and textbooks. There are also certain small organization fees, which do not amount to much; but it does cost the girl from $100 to $150 a year to graduate as a nurse. I have a daughter who graduated this spring, and I know what it cost me.

Mr. McIVOR: That is not the worst part of it. When these girls go into training in the hospital they have to work twelve hours a day. That is something which the minister should look into.

Mr. MITCHELL: It is not so in my city.

Mr. LOCKHART: This bill gives the minister very wide powers, and I think it is a very commendable piece of legislation. Hypothetical questions are being raised here this afternoon and much of the discussion is irrelevant. I cannot see any reason for bringing up all these trivial things. The minister will have ample power under the bill, as I think he will agree, to deal with any circumstances that develop.

Mr. GREEN: I raised the question of nurses, and it is not a trivial one. It will be a very serious matter for Canada if there is a shortage of nurses. Apparently the government has no plan for assisting in the training of nurses. All I ask is that the minister make an investigation and find out what the actual situation is, and if assistance is needed, let the government give that assistance.

Mr. MITCHELL: We have been asked for assistance by two provinces, and we are assisting them.

Mr. GILLIS: I agree that the minister has wide powers under this bill, but I do not think it is a waste of time if members of the house who have some knowledge of the problems of vocational training jog the minister with respect to specific things that have not been done and which might be done in the future.

Vocational training has been going on in the provinces for the past five years, practically on the basis proposed in this bill. I would mention one defect. There are many young men who are desirous of learning a trade but who have not the necessary grounding in mathematics to pass the first preliminary examination. The first thing required is that they go before a selection board, which checks on their aptitudes for certain trades and sets them an examination in mathematics. Many of these young men from seventeen to twenty-five years of age left school early, through no fault of their own, and have not been able to pass that examination in mathematics, and so have not been able to take the vocational training. I discussed this matter with the man in charge in Nova Scotia, and he admitted that there were numbers of very capable young men who would make good mechanics, welders, sheet metal workers, or other good tradesmen, who could not pass the preliminary test. He suggested that if the provincial government, in conjunction with the federal government, would authorize those in charge of vocational training to start a class in mathematics, they could short-circuit the school course by about 75 per cent, and thus in about three weeks or a month a good many of these boys would get the necessary grounding in mathematics, pass the test and be routed into some trade. This is an aspect of the matter which will have to be dealt with in the future.

This bill is going to take care of things after the war, when hundreds of boys—they

will be young men then—will be coming out of the army who cannot qualify under the regulations to-day. Some provision will have to be made to meet that situation.

There is another matter on which I have recently corresponded with the department. The minister knows the mining situation in Nova Scotia. He knows that there are hundreds of unemployed men there whose services could profitably be used somewhere else. There are restrictions to-day on gold mining and on the base metal industries, and in consequence there has been an undoubted shrinkage in employment. Many of the men who were engaged in these base metal industries are now unemployed, and it would be well if they could take advantage of this vocational training. My correspondence with the department on July 7 was based upon inquiries I had received from many unemployed or partly unemployed miners in Nova Scotia who were desirous of going into some other industry. They can be paid from $8 to $13 a week subsistence while taking a course, which means going some three hundred miles from home and leaving their family behind. Thirteen dollars a week is not sufficient.

I suggested to the department at the time that they should be on the same basis as soldiers and be paid subsistence allowance during the time they were taking their training. Mr. Thompson, who I believe is the man now in front of the minister, wrote me a letter in reply to the effect that in Nova Scotia, at least, some arrangement unofficially was in effect with a new shipbuilding plant there, where men could be employed, if they had an aptitude for that class of work, receive wages, and at the same time take some training in the shipbuilding industry. "Unofficially" may be all right, but you are not going to get anybody to leave his home and his family at $13 a week, when he is dependent, for putting the thing through, on the good will of the employer. If this is a feasible arrangement some definite understanding should be had with industries that they will be prepared to accept men and step up their earnings while they are taking the necessary training.

These are two things which the minister, with the latitude he has under this bill, will have to take into consideration and try to have some understanding arrived at. The non-essential industries are shrinking. Many men will be unemployed who are not fitted to go into war industry because they have no training. Arrangements will have to be made to train them, and their families will have to be taken care of in the meantime. The matter must not be left to the good will of the employer. There must be some definite arrangement.

Section agreed to.

On section 4—Agreements with provinces.

Mr. WRIGHT: Will not the obligation on the provinces, under subsection 2 of this section, to supply 50 per cent of the money to carry on these agreements, militate against the successful operation of the act in certain provinces? Under the old vocational training scheme, instituted, I believe, in 1932, certain provinces were unable to take full advantage of it because of financial difficulties due to economic conditions over which they had no control. If this measure is to be successful, and it should be made successful, some provision will have to be made for certain provinces as regards the 50 per cent they are to contribute. Was that matter taken into consideration?

Mr. MITCHELL: For a good many years that was overcome successfully in provinces which were not able to raise the money. I cannot go any further than that. I suppose the hon. member is conversant with the method under which it was undertaken at that time.

Mr. WRIGHT: Yes, I am.

Mr. NOSEWORTHY: Mr. Chairman, I trust what I have to say will be in your opinion related to section 4, subsection (1) (e) and subsection 2. In subsection (1) (e) provision is made whereby the dominion government may assist after the war in "vocational training on a level equivalent to secondary school level", and subsection 2 provides for payment on a fifty-fifty basis as between the province and the dominion.

So far as those regulations go, they will be welcomed by educationists and all others interested in education, and, I think will meet a real need. Certainly it is my hope that the provinces will be sufficiently cooperative and the federal authorities will be sufficiently generous to provide under this bill vocational education for the boys and girls of rural Canada and the small towns of Canada.

I am fearful of the fifty-fifty basis because of what happened under the Technical Education Act of 1919. While that act was in force, only the larger cities of this country were able to take advantage of it, with the result that at present we have vocational education in most of our cities and practically no vocational education in any rural community or in many of the small towns across Canada. I think the time is coming when the federal

parliament will have to face the proposition of providing federal support for education generally, not merely for vocational education, and on some basis of need instead of a fifty-fifty basis. Manitoba, for instance, has not yet been able to avail itself of all the money apportioned to that province under the 1919 Technical Education Act; other provinces required a renewal of the time limit under that act before they could take advantage of the money apportioned to them. So long as the small municipality has to pay the cost of education, or the major share of it, and the province only a small portion, the dominion also will be called upon to pay only a small portion on the fifty-fifty basis, and the burden of education costs will still be levied on the real estate owners within the municipality. There is no reason to-day why real estate in a municipality should be taxed for the education of children. Children are not educated for the benefit of that particular municipality; they are educated to be Canadian citizens, and as such their education should be provided by the provinces and by the federal parliament rather than by the local municipality.

I have before me a bill drafted to meet this situation in the United States. There the situation regarding education is practically the same as our own. The authority for education, the control of education lies within the power of the state; the federal authority has no more authority there than has the federal parliament of Canada. Yet here is a bill, read in the senate of the United States on February 11 for the second time, and then passed to a committee of the senate for further study. This bill provides for the annual payment by the federal government of the United States of $300,000,000 to assist in all branches of education down to the kindergarten, across that country, and that money is to be apportioned according to a formula stated in the bill, which will give on the basis of the state's need, so that the poorer states within the union will get the larger proportion of the grant. That, I submit, is the only common sense way to deal with this question of educational opportunity and educational equality.

As a result of our system of leaving education to the small municipalities, we have in Canada to-day 30,000 rural school-teachers, practically all of whom are receiving less than $1,000 a year; 19,000 of them are receiving less than $625, and 13,000 of them are receiving less than $520. That, Mr. Chairman, is the lowest salary paid rural teachers anywhere outside Canada in the British empire.

[Mr. Noseworthy.]

The minimum salary paid to inexperienced women teachers in any other part of the British empire than Canada ranges from $700 to $800 per annum. As a direct result of this, we will have in September from 1,200 to 1,500 of our schools placed in charge of unqualified teachers who have had no professional education. It is simply impossible to-day, at the salaries paid, to get professionally qualified people to go out into the rural communities to teach boys and girls. I consider that a national calamity. Where is the point in fighting for democracy if we are to raise, during the years to come, a generation of children who will come under the tutorship of hundreds of teachers who have no special qualifications for their jobs? There is not another part of the British empire where educational finance is left in any respect to be a burden on the small municipality. In England, Scotland and Ireland from 50 per cent to 80 per cent of the total cost of education is borne by the national budget; in Australia 100 per cent of the cost is borne by the national or dominion budget; in south Africa 100 per cent is borne by the provincial and dominion governments. We are the only part of the empire where we still leave education to be paid for by the local municipality, with the result that we get only the type of education that the small municipality can afford. It is my hope that under this bill our rural communities and small towns and suburbs—

The CHAIRMAN: Order. I did not wish to interrupt the hon. gentleman, but he is clearly outside the scope of the bill.

Mr. NOSEWORTHY: I think my remarks come within the scope of section 4, subsection 1, paragraph (d).

The CHAIRMAN: No. In the first place, may I suggest that the hon. gentleman should resume his seat while I am giving a ruling. Second, I called his attention last night to the fact that the general scheme of education in Canada as compared with the general scheme elsewhere was not within the scope of the bill. Furthermore, the question as to how school teachers are paid here, there and everywhere is not within the jurisdiction of the federal parliament and is outside the scope of the legislation which the committee has before it.

Mr. SHAW: Are there regular periods within which payments of these grants are made to the provinces, or is it at the end of March each year, let us say?

Mr. MITCHELL: As the accounts are submitted and certified. In some instances we give an advance. The provincial governments sometimes run short of funds.

Mr. SHAW: I understand that payments have not been made to the provinces since March.

Mr. MITCHELL: That is correct. Certain payments cannot be made until this bill becomes law, although certain provinces have been given tentative grants.

Mr. MacINNIS: Possibly this question has been asked before; if so, I will look it up in *Hansard*. Does this bill apply to technical schools or to education carried on in technical schools in the various provinces, or will these grants be available for that purpose?

Mr. MITCHELL: No.

Section agreed to.

Section 5 agreed to.

On section 6—council.

Mr. FRASER (Peterborough West): As regards the advisory council, what assurance have the people of Canada that it will not be a political set-up?

Mr. MITCHELL: I do not think that is a fair question. What is usually done under these circumstances will be done. I may say that as regards appointments that have been made to such boards, politics have played no part in them. On the national war labour board I do not know the politics of any member. What I assume we shall do is this. When the council is set up, the national organizations will be consulted as to the membership of the advisory committee.

Mr. FRASER (Peterborough West): The question I should have asked perhaps is this: They will be picked on merit?

Mr. MITCHELL: Yes.

Section agreed to.

On section 7—Chairman and members.

Mr. MacNICOL: Subsection 3 provides that there shall be equal numbers of members on the council representative of employers and employees, and the remainder of the members may be representative of such groups of persons or interests as the governor in council may determine. That would mean that if there were five employers there would be five employees. That is quite in order, and that would leave four others of any other groups. Has the minister arrived at a decision as to the number of employers and employees who will be on the council?

Mr. MITCHELL: We were thinking of three of each.

Mr. MacNICOL: That would be six altogether.

Mr. MITCHELL: Yes, three of each. The employers' side would be represented by the national organization of employers. I am thinking at the moment of the construction industry, the chamber of commerce and the manufacturers' association, and on the employees' side there would be the three national organizations of employees.

Mr. MacNICOL: Would the representatives of the employers be nominated by the Canadian Manufacturers' association?

Mr. MITCHELL: Yes.

Mr. MacNICOL: And the three representing labour would be nominated by the Canadian federation of labour or the American federation?

Mr. MITCHELL: It is not a question of nominations; it is consultations. In the very nature of things the official decision has to be made by the government itself. These organizations will be consulted in the setting up of the committee.

Mr. MARSHALL: Will the provinces have representation?

Mr. MITCHELL: No.

Mr. McIVOR: Will any salaries be paid these persons?

Mr. MITCHELL: No.

Sections agreed to.

Sections 8 to 12 inclusive agreed to.

On section 13—Repeal.

Mr. MacINNIS: I understood that under the Vocational Education Act of 1931 certain grants were paid for technical education in the provinces. As this has now been repealed, I thought this bill would apply in the same way.

Mr. MITCHELL: There has never been any money spent under the act of 1931; it has merely lain dormant.

Mr. NOSEWORTHY: Did I understand the minister correctly to say in answer to a question that vocational or technical education as carried on to-day in the schools would get no benefits from this bill?

Mr. MITCHELL: Yes, that is right.

Mr. NOSEWORTHY: Is not the purpose of paragraph (e) of subsection 1 of section 4 to

enable the dominion government to enter into agreements with provincial governments for the carrying on of vocational education?

Mr. MITCHELL: Yes, that is true.

Section agreed to.

Section 14 agreed to.

On the title:

Mr. MULOCK: I move that the title of Bill No. 64 be changed to read: "An act respecting the carrying on and coordination of vocational training."

Motion agreed to.

Mr. NEILL: I may be out of order, but there is one trivial point I should like to know about. This seems an excellent bill in every regard, but no provision is made for providing money—

Mr. HANSON (York-Sunbury): Yes, under section 12.

Bill reported.

CANADIAN ARMED FORCES

REINSTATEMENT IN CIVIL EMPLOYMENT OF INDIVIDUALS WHO ENLIST FOR SERVICE IN HIS MAJESTY'S FORCES

The house resumed from Monday, March 9, consideration in committee of Bill No. 5, to provide for the reinstatement in civil employment of individuals who enlist for service in His Majesty's forces or who perform essential war employment—Mr. Mitchell —Mr. Vien in the chair.

On section 1—Short title.

Mr. MacNICOL: Will the minister give an outline of what he proposes to do to carry out the purposes of this bill?

Hon. HUMPHREY MITCHELL (Minister of Labour): The bill is more or less self-explanatory. It applies to the reinstatement, upon the conclusion of the war, of men—and of course that includes women as well—who have seen service in the armed forces, the merchant service, and also of the firefighters who volunteered to go to Great Britain and assist there. The bill is along similar lines to acts now in operation in the United States, Great Britain, Australia and New Zealand. The bill itself is a result of a promise made, I think, by the former minister of labour to the leader of the opposition that the original order in council embodying most of the provisions contained in the bill should be enacted as an act of this parliament.

[Mr. Noseworthy.]

The bill has been approved by the major labour organizations of this country, the employers' organizations and the Canadian legion. It has been before the canteen committee and has been amended in minor points to make its intended meaning more clear. As we come to the various sections of the bill, I shall be glad to make any explanations hon. members may desire.

Mr. HANSON (York-Sunbury): The minister is right in saying that this bill as originally drafted was brought down in compliance with a promise made by the Minister of Pensions and National Health. When the bill was before the house on a former occasion it was debated at great length. I have not followed its career in the committee to which it was referred, but I would assume that substantial changes have been made in the bill, judging by the reprint which I hold in my hand. It went to the special committee on canteen funds, and the definitions and interpretation clauses have been practically rewritten. I confess I have not before me the changes made, and they are not apparent from the reprint. I am pleased to see that in section 3 provision has been made for one right that I suggested, namely, the retention of pension or other benefits. I am glad that it has been decided that "service in His Majesty's forces shall be deemed to have been service with the employer", for pension rights.

Perhaps some member of the committee or the minister could enlighten me as to whether section 4 has been strengthened, that is, the defences available to employers. I do not want to go into a discussion of any particular section, but I did look upon that as rather a weak provision in the bill as originally drafted.

Mr. MITCHELL: That is paragraph (c)?

Mr. HANSON (York-Sunbury): Well, all the paragraphs of that section deal with the question of defences available to employers, any one of the paragraphs could be urged. Is the minister of opinion that the weakness of the former bill has been removed? I think we should have some statement on that. For instance, the preamble is gone.

Mr. MITCHELL: I think the suggestions made in the committee have nearly all been adopted. I agree that the bill has been strengthened by the suggestions made during the discussion in the house. Section 4 has been strengthened to provide more protection for the returned man who has found it necessary to have medical treatment. Section 4 (c) was the contentious section in the committee,

but it was found that this language best suited the purpose of the bill. The language is identical with that used in the British act.

Mr. HANSON (York-Sunbury): What the minister is saying in that regard is that the committee was unable to find any language better suited to the occasion. Section 4 (c) reads:

. . . that, by reason of a change of circumstances, other than the engagement of some person to replace him, it was not reasonably practicable to reinstate him or that his reinstatement in an occupation and under conditions not less favourable to him than those which would have been applicable to him had he not been accepted for service with the armed forces was impracticable, and that the employer has offered to reinstate him in the most favourable occupation and under the most favourable conditions reasonably practicable—

I have no concrete suggestion to offer, because I dismissed this bill from my mind as soon as it was sent to the committee, and I really have not thought about it since. I do suggest, however, that this is a wide open clause. We can understand this part of it—

—by reason of a change of circumstances, other than the engagement of some other person to replace him—

But when you come to—

—that the employer has offered to reinstate him in the most favourable occupation and under the most favourable conditions reasonably practicable—

That leaves it in the judgment of the employer.

Mr. MITCHELL: If my hon. friend will read section 10 he will see that we have provided that an officer of the department may take proceedings, if necessary, where an employer does not comply with the intent of the bill.

Mr. NEILL: Since we are dealing with the bill more or less at random I should like to ask a question with regard to the section referred to a moment ago by the leader of the opposition; that is, section 4 (c). Let me put a concrete case. Suppose a man was working as a mechanic before enlistment. When he comes back from the war the position of mechanic is no longer open. Can he say to his former employer, "Well, you cannot give me a job as a mechanic, I admit, but I could also be a clerk. I want you to fire this man," who may have been employed there for thirty years, "and give me his job". Does this provision extend to any position? Must the man get some job, or is it confined to a position of the kind which he left? If he was a mechanic, and should there be no mechanics employed in that plant when he returned, could he demand that a position be created for him, or could he demand some other position at the expense of a man who had been perhaps twenty years in the service of that employer?

Mr. MITCHELL: I would say common sense would have to be the rule. To deal with the hypothetical case cited by the hon. member, let us go back to the railway organizations, where they have seniority in the different branches of the service. A railroad engineer or fireman could not come back and put out a station agent, a telegrapher or a clerk. In the main I think common sense will have to rule in that regard.

Mr. NEILL: But the man might be a good enough clerk. Could he compel his employer to fire a man who has been in his employ for many years, in order to give him a job?

Mr. HAZEN: Has the minister had any opinion from the Department of Justice as to whether this bill is within the jurisdiction of this parliament?

Mr. MITCHELL: That is not being questioned. The law officers of the crown drafted the bill.

Mr. HAZEN: That may be so, but that was not the question. I asked if the minister had obtained any opinion from the Department of Justice as to whether this bill was intra vires of the dominion.

Mr. MITCHELL: I think we shall jump that hurdle when we come to it.

Mr. HANSON (York-Sunbury): The point is a very important one, and I think it was raised once before. I believe the minister failed to get the point of the question of the hon. member for Comox-Alberni. Perhaps if the hon. member would restate his position the minister might deal with it; for I think the hon. member has a point.

Mr. NEILL: I did not catch the gist of the minister's reply. The position I have in mind is this. A man has been a mechanic, we will say, or anything else you like. He goes to the war, and comes back. He is entitled to be reinstated as a mechanic, but suppose there is no such job open to him, perhaps by reason of the position having been abolished or by reason of the company having abandoned that class of work which required the services of a mechanic. Is he then in a position to say to his employer, "I admit that you cannot give me a job as a mechanic, but I can do clerical work; I have the education for that." Is the employer then compelled to employ that man and perhaps have to let go a man who may have been his confidential

clerk for twenty years? Or does this refer only to a job of the kind a man had before he enlisted?

Mr. MITCHELL: I am frank to admit that this is a difficult question to answer, but I still come back to the suggestion that common sense will have to rule. I do not think a man could do that.

Mr. HANSON (York-Sunbury): The bill does not provide for it, I will say.

Mr. GREEN: Mr. Chairman, I hesitate to help the minister with his bill, but the fact is that it was considered very carefully by the special committee, and I think we were all of the opinion that it is in the best form that could be devised. The Canadian Legion submitted a brief to the committee, and in one of the paragraphs of that brief we have a good summary of the purpose of this bill. That paragraph reads:

> Many objections can be raised to legislation of this kind, but the Legion believes that a statute will provide the most effective means of tying employers generally into the rehabilitation plans of the government, and placing a share of the responsibility of solving the problems of individual rehabilitation squarely before them now so that it shall remain a factor which cannot be ignored in determining their policies affecting personnel.

I think the bill is very sound; it is simply putting the present order in council into the form of a statute.

Mr. HANSON (York-Sunbury): And improving it.

Mr. GREEN: Yes, making it a measure that should be of the greatest help to the men coming back from the present war. Members of the committee realized that there were points which perhaps were not fully covered by the terms of the bill, but they found it practically impossible to strengthen the bill any more than has been done. They did recommend that the government should undertake the prosecution of any employer who did not carry out the intent of this legislation, and hon. members will find that provision in section 10 of the bill.

Mr. NEILL: But, Mr. Chairman, there are poor prospects for the carrying out of the purposes of this bill if the minister in charge of it and the members of the committee who discussed it cannot agree even now as to what it means. I only want to know what we are doing. I am not trying to deprive any worker or soldier of his rights; far from it. But let us know where we are; for apparently we do not know. Years from now it will not be possible, if a case should come up in court,

for a man to say, "Well, the members of the house said so and so", because that is not law. It is what is in the act that counts.

Mr. MITCHELL: Does not section 4 (c) cover that?

Mr. NEILL: No, it does not.

Mr. MITCHELL: It gives discretion if the matter should go before a magistrate, where it would go. It says:

> —by reason of a change of circumstances, other than the engagement of some other person to replace him, it was not reasonably practicable to reinstate him—

I think that gives discretion to the magistrate; and if the matter should go before the courts that would place out of bounds the suggestion advanced by the hon. member for Comox-Alberni in connection with a machinist who might come back from the war and then attempt to bump—to use the language of the running trades—a clerk or a confidential secretary.

Mr. HANSON (York-Sunbury): I think the minister is quite wrong when he says that paragraph (c) gives the magistrate discretion. What paragraph (c) does is to give the employer a way out within certain limitations. This is one of the defence clauses available to the employer. With regard to the point raised by the hon. member for Comox-Alberni (Mr. Neill) I would say that this statute would not give the right to a man to come back and bump somebody, to use the term employed by the minister, out of a job of another category. I do not think it was ever contemplated that that should be done.

There is another point that should be dealt with. I do not know whether this has been touched upon in the earlier stages. The crown is the largest employer of labour in this country, yet this bill does not apply to the crown. What is the position of the crown *qua* employer with respect to the reemployment of returned soldiers? I do not think we could legislate with respect to the crown in the right of the province. Of course the Civil Service Act contains certain provisions with respect to preference for returned soldiers, but we have omitted from this bill a most vital factor. I wonder if that came before the committee.

Mr. GREEN: Preference is given in the civil service.

Mr. HANSON (York-Sunbury): But not by this bill. If that is so, then the committee has failed to perform a most vital function. Why should not this apply to the government of Canada? I have not been able to give a careful reading to the redraft, but I have not seen in the bill a single line which would

compel the government of Canada to do what this parliament is compelling private employers to do.

Mr. GILLIS: Why not?

Mr. HANSON (York-Sunbury): The interpretation of employer reads:

"Employer" in relation to any person accepted for service in His Majesty's forces, means a person carrying on any undertaking or service in which the person accepted for service had been employed for at least three months immediately prior to the date on which he was accepted for service.

And so on. But it does not include the crown in the right of the dominion. The minister should withdraw the bill and make it binding on the crown. I commend that to the committee. I should like to get some support for this position. This is a proper bill in the interests of the returned men. Many of these men may not be able to take a more onerous occupation because of physical unfitness. Why should we be legislating to compel the subject to perform a certain function and leave the government entirely free to do the reverse?

What is the situation with respect to men who have returned from this war? How many returned men from this war have been taken into the government service? I assume that the Civil Service Act still obtains with respect to competition, but there are many temporary positions; how many are filled by men who have been discharged from the forces because of physical unfitness? This situation ought to be dealt with in the bill.

Mr. MITCHELL: A civil servant is granted leave, and I suppose he would not lose his seniority rights. I cannot imagine the crown being less generous than a private employer. I should not think it necessary to have such a provision in the bill.

Mr. MARSHALL: I feel that as a member of the special committee I should say something with respect to this bill. The hon. member for Vancouver South (Mr. Green) was not altogether correct when he said that there was unanimity of opinion among the members of the committee with respect to this bill. Bill No. 5 is predicated upon order in council P.C. 4758, which was passed on June 27, 1940. This bill is the outcome of a request by the leader of the opposition that the regulations contained in that order in council should be embodied in a bill. This matter was discussed fully in the committee, and as far as I understand the feeling of the members of the committee they were divided on the question whether this bill should be turned down and the order in council allowed to function for some further period of time. I jotted down some of the criticisms of the bill which were made by members of the committee. They are as follows:

Purpose for which act is framed is a worthy one but it is full of pitfalls.

If employers are worthy, and no one doubts their worthiness, there is no need for the bill.

The bill is not flexible enough.

It is overloaded with legal jargon.

Some sections could be worked only by bluff and not by prosecution.

Splendid opportunity to set up a bureaucracy of little value or importance.

This bill has been studied carefully, and I submit that it should not be allowed to pass but that the order in council should be administered for some time to come. We are told that it has been functioning well and that all complaints have been settled satisfactorily. The following recommendation was made by the special committee on pensions which sat the year previously:

It shall be the responsibility of the governor in council, in cooperation with industry and with all other classes of employment, to assume full responsibility for the reinstatement of all ex-service men in the posts from which they withdrew on enlistment, or in some other form of gainful occupation.

That provision should have been embodied in this bill. As the bill now stands, there is no provision for placing men in some other form of gainful occupation. For that reason I believe it would be better to allow the order in council to operate a little while longer until we gain more experience. We could then build a bill upon the experience we have gained.

Mr. MITCHELL: I am surprised that a member of the committee should get up after the final meeting of the committee and indicate the course which has been indicated here this afternoon. That is the easiest thing to do.

I do not think that we can do less than they have done in Australia, South Africa and Great Britain. I am glad to go to those men who have knowledge of and are interested in Canadian returned soldier affairs—the Canadian Legion, which speaks for a large body of soldiers in this country. The general principle of this bill has been approved by industry and labour and by a large body of public opinion. If I may say so, to the lawyers of the house, I cannot hope I shall ever live to see the day when a bill that is perfect will pass the house.

Mr. MacNICOL: Do you think that would put them out of business?

Mr. MITCHELL: It might. I think the suggestion that this bill will set up a bureaucracy is quite unwarranted and untrue. It

will not be necessary to set up a bureaucracy to set this bill in motion. We must remember that the order in council will expire at the conclusion of the war, but if you have an act on the statute book it can always be amended. This bill, like the legislation of the other countries I have mentioned, is founded upon our experience of the last war and up to the present moment. It would be very fine, of course, to write a Christmas tree into this bill. My hon. friend suggests that the government should guarantee employment to everybody. That suggestion is in a class by itself and would need provisions of an entirely different character. The bill is simply to provide for the reinstatement of the soldiers who already had employment before going to the war. It embodies the policy of the government that employers shall take their men back to work. For 95 per cent of the employers of this country I believe it would not be necessary to have this legislation, because I believe the men will go back to their old jobs anyway if their jobs are there. This legislation is necessary because there may be some employers who will not do the right thing by the returned soldiers. It is a step in the right direction, and it can always be amended when amendments are deemed to be necessary in the practical working out of the act for the benefit of the men for whom it is designed.

Mr. HANSON (York-Sunbury): With what the minister has said I am largely in agreement. I am just wondering if there is some reasoning which applies to an order in council falling by the wayside after the war which might not apply to the provisions of this statute, but I do not think we ought to refuse to pass the bill on that ground. I have a very strong opinion that this is an interference with property and civil rights which it would not be competent for parliament to pass other than in time of war. But that time has arrived and we have to meet the situation as best we can.

Returning to the question of the crown not being a party to it, I find that this question was raised in the debate on March 9, when the minister made somewhat the same reply as he did to-day. I think upon reflection that is incorrect in part, but only in part. Permanent civil servants who have enlisted have been given leave of absence, but, as the minister very well knows, there is a large class of government employees, known as temporaries, who are not technically permanent but who have been on the payroll for years and years. I have always wondered why, if they were necessary they were not blanketed in. I suppose there is a reason; that each administration does not desire to recognize that a job which was created for temporary purposes should by a lapse of time, and by that alone, become permanent, although it would look as though they were permanent when you reviewed individual cases. A man employed in a temporary capacity does not get leave of absence. He has no superannuation rights; he has nothing. Some arrangement ought to be made whereby these men would be protected. The bill does not do that. It has a limited application; so far as its limited application goes, it is a pretty good bill, and I am supporting it. I think the committee did a very good job, probably as good a job as they could. I would not expect that there would be unanimity in the committee.

The question raised by the hon. member for Camrose (Mr. Marshall) is a very much wider one than is attempted to be covered by this bill. The objective he has in mind is a most desirable one that everybody should be given a job; but we are not yet a socialist state. We may be rapidly coming to it. If we do come to it, and these gentlemen have the opportunity to put into practice what they preach, they will find some difficulties in the way which are almost insuperable. You just cannot do these things on the spur of the moment, by act of parliament or in any other way. There is only one way, one big way, to provide employment in this country, and that is by the encouragement of private enterprise. I hope the day will never come when private enterprise will be wiped out. It is the one big factor that provides employment, and instead of tearing it down we ought to try to build it up after the war so that it will function once more.

Some hon. MEMBERS: Hear, hear.

Mr. HANSON (York-Sunbury): I am glad to hear hon. gentlemen over there applaud that sentiment. I have waited for some sign from that side that they support the principle I have tried to preach, however inadequately, over a period of months. Let us not destroy that which has been the backbone of this country and the basis of the prosperity of the most prosperous nation in the world, the United States—private initiative and private enterprise.

Mr. GILLIS: With millions unemployed.

Mr. HANSON (York-Sunbury): There were great numbers of unemployed in Germany, and now they are all employed—doing what? Destroying the world. That is the way they became employed, and under national socialism too. If we are to have government regimentation and state socialism in this

country after the war, I am announcing now that I am against it. I may not be here to fight it, but I am against it.

Mr. McLEAN (Simcoe East): I will be here to look after it.

Mr. HANSON (York-Sunbury): If he is here, I hope my hon. friend will fight it. Somebody has to fight this battle.

I do not wish to delay the passage of this bill. If this is the best we can get, let us take it, and not rely on the order in council.

I have just one query to make of the minister before we deal with the sections. The title is to be changed on the recommendation of the special committee. There was a preamble which set out the purposes of the bill, and that has been eliminated. The short title was—

The CHAIRMAN: The short title remains the same. It is the title of the bill that is changed.

Mr. HANSON (York-Sunbury): The act may be cited as the Reinstatement in Civil Employment Act, 1942, and I notice on this draft which the chair has kindly handed to me, "an act to provide for the reinstatement in civil employment of discharged members of His Majesty's forces or other designated classes of persons." Just what are those other designated classes of persons?

Mr. MITCHELL: The merchant service seamen and the fire fighters.

Mr. MacNICOL: I have a very brief comment to make. I was pleased to hear what the minister said a few moments ago, that in his opinion by far the greater number of the employers—I believe he said 95 per cent—would not need to be regulated by the provisions of this bill. As long as I have known the minister in this house I have always found him to be a sane labour man. When he was here years ago, sitting further down the line, he spoke on labour matters as a man who was sane in his advocacy. I never knew him at any time unnecessarily to attack employers. In that connection I notice what the minister said—

Mr. GILLIS: That is why he is Minister of Labour.

Mr. MITCHELL: I do not think that is a fair thing to say, even if it is said by the hon. member under his breath.

Mr. GILLIS: I will say it out loud.

Mr. MacNICOL: I am not going to enter into an argument with my hon. friends to the left. They have a right to their opinions, as I have a right to mine. I have been a labouring man myself, coming up from the moulding shop through the machine shop and office.

Mr. MITCHELL: I will say to the hon. member for Cape Breton South that when it comes to a question of who has contributed more to the working classes—himself or myself—in a practical way, I believe my record will stand out as well as his.

Mr. MacNICOL: The Minister of Labour needs no defence from me. I have known him a long time, and I say again I have always found him to be a sane labour man. But what I rose to say was this. With regard to his reference to companies, my observation is that by far the majority of the heads of the firms of this country graduated, as I did, from down in the plant, to the top, and men who have done that certainly know how to handle labour. The man who in his time was the greatest employer of labour in the United States, the late Andrew Carnegie, rose from the lowest rung of the ladder. I do not like to hear attacks on employers; they should be encouraged instead of being attacked.

Mr. BLACKMORE: Adverting to the remark of the hon. member for Cape Breton South, I think the Minister of Labour misunderstood what he said, and I think he ought to explain his position.

Mr. GILLIS: Perhaps the minister did misunderstand what I said "under my breath." The hon. member for Davenport was delivering quite a eulogy of the minister: he said he was always fair, sane and sensible and did not at any time attack the employers. I think the minister is very touchy on that point, without any reason. I made the observation, "That is why he is Minister of Labour." I cannot see that there is anything wrong with the remark.

An hon. MEMBER: Get on with the bill.

Mr. GILLIS: When I am ready. I am in the hands of the Chair.

Mr. CRUICKSHANK: Don't look at me: I didn't say a word.

Mr. GILLIS: I was a member of the committee that considered this bill, and I agree to a large extent with the remarks of the hon. member for Camrose. When it came before the committee I regarded it as premature. Under an order in council the Department of Pensions and National Health had built up quite a service with respect to the rehabilitation of the men who are coming out of the army; and in view of the fact that two other committees are considering and

going very broadly into the question of rehabilitation I thought it was too early to pass a statute at this time which definitely ties up this particular phase of rehabilitation with any particular ministry designated to take care of it. That was the bill in its original stage.

In addition to that, the original bill placed upon men returning from overseas the onus of coming back to Canada and proving their entitlement to a job. That has been corrected in this bill. But my fear about the bill is that it may interfere with arrangements which are working fairly satisfactorily. That fear may be groundless, nevertheless the risk is there. Many of the shortcomings of the blil as it went into committee have been corrected. I think the major disability was that the onus of proof rested on the man. An additional clause is provided which places the enforcement of the measure in the hands of the government. The minister who will be charged with the responsibility of administering this measure will have to lay charges against the employer who violates any particular section. I still regard this as premature. However, as a member of the committee, and one who was in a minority position, I accepted the majority opinion. In the light of present circumstances the bill, in my opinion, is as good as it can be. But we know very little about rehabilitation, or what developments will occur a year or two years from now.

As to the point raised by the leader of the opposition with respect to protection for employees of the government, I see under this bill the government in the position of employer. It is a matter of defining "employer". The situation is not confined to civil servants. You have to-day in this country many government-owned plants—one, which we had the privilege of going through a short time ago, having 16,000 employees. Many of these people will enlist or be called up. When they enter the services the government is their employer. When they come back from the war the jobs they vacated may not be there. Under this bill, as I see it, the government is morally responsible to find employment for them. That is another reason why I regard the bill as premature. The order in council is taking care of the situation as it exists at present. This bill does not go specifically, anyway, into that phase of the situation, and we may be in a better position a year from now to judge and legislate on it. However, the government still have the power to make regulations by order in council; they make them whether they have it or not.

[Mr. Gillis.]

As a member of the committee I am perfectly satisfied with the bill in the light of our present circumstances, in view of the fact that the majority of the committee saw fit to recommend its passage at this time.

Mr. CRUICKSHANK: I want to make sure what I am voting on. If I remember, in the committee the title—I don't know which to call it, the big title or the little title—

The CHAIRMAN: We are on clause 1, the short title.

Mr. CRUICKSHANK: I should like to know just what we are discussing. My recollection is, and I think the records will show, that in the title we originally struck out the words "or who perform essential war employment". In the new copy which has been given to me those words appear.

Mr. MITCHELL: That is out.

The CHAIRMAN: We are now on the short title. The short title remains as it is, but the title of the bill will be amended in due course when we come to it. Under the rules the title is taken up after the sections of the bill have been discussed.

Mr. CRUICKSHANK: Then I take it that the employer will not be expected to reinstate a man who is working, for instance, in an essential garbage plant, since what we are trying to do is to look after the men and women who are serving overseas.

Mr. MITCHELL: A man working in an essential garbage plant will not come within the terms of the bill.

Mr. CASTLEDEN: When the bill first came down I opposed it because I did not think it effectively implemented what the preamble purported. I hope that when the amendments are brought in, some change will be made so that the bill will not be misleading. The bill does not provide for reinstatement in civil employment of individuals who enlist for service, because it is impracticable to do so. I do not think it is right to pass bills under names that purport to do something which is not done. That is why I referred to the bill in its original form as "tripe". However, the committee has done what it can under the circumstances. I think it was admitted by the members of the committee that it was impracticable. You cannot compel private industry to take a man back if it does not wish to do so.

Mr. MITCHELL: This bill does that very thing.

Mr. CASTLEDEN: Only under certain conditions. I do not think the minister will maintain that when he looks at the loopholes in section 4 (c).

Mr. MITCHELL: I do not like it to go out to the country that this House of Commons is not doing the very best it can in the light of all the knowledge and circumstances that exist at the moment. It is statements of that kind that breed revolutions and moral decay. It is a reflection on the members of the committee and on the House of Commons.

Mr. GREEN: And undermines the bill.

Mr. MITCHELL: It is not a fair thing to say.

Mr. CASTLEDEN: But the implication is there. In this case all an employer has to do is to state that it is not reasonably practicable to reinstate the man.

The CHAIRMAN: I suggest that we should pass sections 1 and 2 and then take sections 3 and 4 together so that the matter will be dealt with properly. We are now discussing the substance of section 4 and we are on the short title. If we passed 1 and 2 and then took 3 and 4 together, hon. members would be within the rules in discussing the subject as the hon. gentleman is now doing.

Mr. CASTLEDEN: I think that in the light of the minister's statement I should have the right to reply to what he has said.

The CHAIRMAN: I understand that.

Mr. CASTLEDEN: Section 5 states that where an employer has reinstated a former employee in accordance with section 3 he shall not, without reasonable cause, terminate the employment of that employee, and in any proceedings for violation of this section in any case where the employment was terminated within six months of the reinstatement the onus shall be on the employer to prove that he had reasonable cause to terminate the employment. That is the basis of my objection to the bill. In committee we divided almost fifty-fifty on the elimination of these loopholes because we wanted to make the bill more airtight. We agreed that the whole bill was a gesture and a worthy one. I do not want to create the impression that the committee did not do the best it could under the circumstances, but we recognize that the measure is very limited in its application. There is this improvement in the bill, that it will not be necessary for the former employee to engage counsel under the new section. It is now possible for the employee to obtain counsel through the government without cost.

Mr. BLACKMORE: I wish to make this one observation arising out of the statement of the leader of the opposition that the only way to put men back to work is by encouraging private enterprise. I agree with him. I trust that he will give the matter a good deal of earnest thought and some time before the session closes tell us what his device is for encouraging private industry.

Section agreed to.

Sections 2 and 3 agreed to.

On section 4—Defences available to employers.

Mr. MacNICOL: When the bill was under discussion I referred to the limitation of three months or four months in section 4. Section 4 reads:

> In any proceedings for the violation of section 3 of this act, it shall be a defence for the employer to prove,—
>
> (a) that the person formerly employed by him did not within three months after discharge in Canada from the service or from hospital treatment following discharge in Canada, or within four months after discharge overseas or from hospital treatment following discharge overseas, apply to the employer for reinstatement.

I remember very well what took place after the last war. I was associated with a very large plant and, contrary to the opinions I have heard expressed, I found employers of that day very anxious to take back men who had worked with them before enlistment. I found that very general; certainly it was true of the plant with which I was associated. We took men back who were not able to accept employment within three or four months after discharge, and we took back many men after a period much longer than that. My knowledge of employers convinces me that the three or four months limitation will not prevent them from taking men back later than that. I remember one engineer who came back and who did not feel like starting at his old job after his return. He had been through many fights, had been blown up two or three times, had the experience of men who face fire and shell and bayonet charges and who suffer very seriously in consequence. It was nine months before he applied and he was taken on again. Even if he had not been fit after nine months he would have been taken on. I know of another man, a shipper, who did not return to work for over six months after his discharge. He was unable to do so.

With quite a number of machinists it was between five and ten months before their nerves permitted them to go on their old jobs. There was a chauffeur who did not go on for fourteen months. So I hope it will not be considered that with regard to employers—at least those I have been in contact with, who were mostly men who themselves graduated from the ranks of labour to the position of employers—the three or four months' limitation will prevent them from taking men back later than that, but I wonder whether there might be the odd one who would try to escape under that limitation. What does the minister think of that limitation?

Mr. MITCHELL: When the national labour supply council was in existence—that was the council of employers and employees—we discussed this matter from the angle my hon. friend mentions and came to the conclusion that three or four months was the most satisfactory approach to the problem.

Mr. MacNICOL: Were many of the members of the committee former employees themselves?

Mr. MITCHELL: Yes. We had the chief of personnel of the Canadian Pacific Railway and on the labour side the representatives of the dominant organizations. There was no disagreement.

Mr. ROSS (Souris): I think we had discussion in the committee on that very point. At one stage the limitation read "one month." Much has been said about the impracticability of this bill; we had to have something agreed on. After considerable discussion we arrived at this three or four months as a compromise to make it workable from the point of view of both employers and employees. It was a step in the right direction.

Section agreed to.

Sections 5 to 9 inclusive agreed to.

On section 10—Prosecution on behalf of employee.

Mr. MacNICOL: I understood from one hon. member who was on the committee that if an employee found it necessary to obtain legal advice, that legal advice was to be supplied by the government.

Mr. MITCHELL: Yes, by the government.

Mr. HANSON (York-Sunbury): But only when the minister thinks a prosecution is warranted, they undertake the prosecution; free legal advice is not provided.

Mr. MacNICOL: That is what I meant, if legal advice is necessary the government will supply the legal advice at no cost to the employee?

Mr. MITCHELL: At no cost to the returned soldier.

Mr. CRUICKSHANK: That section is not clear. According to my impression in the committee legal advice was not to be provided where the minister considered a prosecution necessary, but it would be where the employer would not listen to any other argument; if the employer would not recognize the claim made in due course and in conformity with the measure.

Mr. MITCHELL: I think there has to be some provision for nuisance cases, that the decision should rest with the minister, as with other prosecutions under the crown. What I think would happen would be that the welfare officer or those charged with the enforcement of this bill would go to the employer and the employer would see the penalities laid down. In my view the number of cases that would go to the courts would be very small and of a kind that would require getting the approval of the minister before a prosecution.

Mr. CRUICKSHANK: That is all very well, and apparently compliments are in order. I agree that the minister is one of the most outstanding ministers of labour who have been in the house since I have been here. There have been only two. But when a man is away out in the wilderness somewhere and an employer would not reengage him, provided he conformed to the provisions of the bill, my impression was that the minister would automatically take action. It is all very well to say that these things cannot happen; judging by some of the hon. members I have seen who might possibly be in the government, anything could happen. A soldier should have this right, just as he has now a right of appeal in a pension case and is entitled to the services of the soldiers' advocate. That is his right by statute, and I think it should be my right if my employer refuses me my position, that I can demand a lawyer paid by the crown to prosecute my case.

Mr. ROSS (Souris): That was rather my understanding in the committee. At one time the onus was on the employee. There was considerable discussion. The matter of the soldiers' advocate was discussed, as mentioned by the hon. member for Fraser Valley. Now that the matter has been turned around, with the onus on the employer, the onus is

taken off the employee to institute action. There has to be some discretion in the department. We have to have faith in the department seeing that the employee receives justice.

Mr. CASTLEDEN: I wish to support the contention of the hon. member for Fraser Valley. Previously the employee had to go and get counsel. Now he will have to put his case before the minister. My experience in trying to get things through these various government departments is that there is interminable delay.

Mr. HANSON (York-Sunbury): He will go to the welfare officer in the community first, and that officer will take it up.

Mr. CASTLEDEN: But he takes it up with the minister, and the minister decides whether the case warrants action. It will then come back to the advocate, and perhaps proceedings will be instituted. But if the minister does not wish to institute proceedings, the man will be out entirely. It is entirely in the hands of the minister whether or not the man shall have his case taken on by the government or whether he will have to employ a lawyer himself. The greatest improvement made in the bill in my opinion was instituting this protection for the employee. It seems to me it would be much more in line with what the committee wanted if it were made possible for the employee to have at his disposal the services of someone in the same position as the soldiers' advocate in the matter of pensions. It seems to me this complicates the matter more than ever.

The CHAIRMAN: Shall the section carry?

Mr. CRUICKSHANK: No. We spent three months on a bill that apparently is not to mean anything, the plebiscite bill. Surely we can take a little time on something that is going to help the returned soldier. I for one am not going to be rushed, if I stay here for three months more.

An hon. MEMBER: You will stay alone.

Mr. CRUICKSHANK: All right. Probably I would accomplish more if I did. As I see it, there are too many loopholes. It could happen. I know it would not happen with any of the parties represented in this house at present; but do not make any mistake, such things have happened in Canada before. This government might not be in power; it might be any government. There might be a very particular friend of the administration; I could name them, both on behalf of the official opposition, possibly some of the government side and even some on the part of our friends down to the far left. I am very doubtful about any prosecuting that would be done in connection with any of these firms, to put a man back to work. We all know these things happen. I for one would not want to be 3,000 or 4,000 miles away pleading my case with the minister in charge at the time, asking that he prosecute a certain firm which refused to put me back at work. I think it should be mandatory, with all due deference to the minister. I am speaking as a returned soldier. I do not want to be accused, as the hon. member for Yorkton was accused, of saying anything that would deprecate what we are trying to do for the returned men in this connection, but why not be fair and honest about it? I am also a member of the Canadian Legion, a charter member, but unless you put some teeth into this bill I do not think it will amount to what it is intended to amount to.

Mr. GILLIS: I do not share the apprehensions of the hon. member for Fraser Valley. This clause as it stands automatically gives the soldier the right to counsel in the event that he has to prosecute an employer.

Mr. MITCHELL: Absolutely.

Mr. GILLIS: And I agree with the minister that there has to be a stop block somewhere. I cannot view this clause in exactly the way that it is viewed by the hon. member for Fraser Valley. In the event of a dispute with an employer under this bill a man is automatically given the benefit of counsel.

Mr. HANSON (York-Sunbury): Only if the minister agrees.

Mr. GILLIS: I cannot see him not agreeing. After a case goes through the unemployment insurance and welfare offices and finally reaches the minister, I should think it would be very apparent that something is wrong.

Mr. CRUICKSHANK: And the employee would be starving.

Mr. GILLIS: That is a bad angle to it. Unfortunately you fellows are still making these regulations, and we will have to go through these slow processes of law until somebody else makes them.

Mr. CRUICKSHANK: They will be awfully slow, too.

The CHAIRMAN: Shall the section carry?

Mr. CRUICKSHANK: No.

The CHAIRMAN: On division.

Section agreed to on division.

On the title.

The CHAIRMAN: An amendment has been moved, that the title be changed to read:

An act to provide for the reinstatement in civil employment of discharged members of His Majesty's forces or other designated classes of persons.

Shall the amendment carry?

Mr. CRUICKSHANK: No, Mr. Chairman. That is not to be the title, as I understood it. It is six o'clock, Mr. Chairman.

Mr. MITCHELL: I suggest that we carry on until we finish. The house is under tremendous pressure, and so are the ministers. I think we should go on.

Mr. CRERAR: I would appeal to the hon. member. We are on the last section of the bill; let us try to finish it to-night and not call it six o'clock. We might carry on for a few minutes.

Mr. CRUICKSHANK: Very well; I withdraw my suggestion. But this is a most important bill, and I do not think it should be rushed. Not two members in this chamber can remember the title as it was read. Let us know what we are doing.

The CHAIRMAN: The amended title reads:

An act to provide for the reinstatement in civil employment of discharged members of His Majesty's forces or other designated classes of persons.

Mr. CRUICKSHANK: What is the meaning of "other designated classes of persons"?

Mr. MITCHELL: At the moment it means merchant seamen and civilian fire fighters who have been called up. I know what is bothering my hon. friend. He thinks it refers to industry, but he can take it from me that it has no connection whatever with industry.

Mr. CASTLEDEN: As I understand it, this bill has reference only to persons who were previously employed.

Mr. MITCHELL: Absolutely.

Mr. CASTLEDEN: Do you not think it would be well to include somewhere in the title words to this effect, "to reinstate individuals who were previously employed, and who enlisted for service"?

Mr. MITCHELL: The word "reinstatement" connotes previous employment.

Mr. GILLIS: Would these "other designated persons" include men who enlisted but who were taken from the army and placed in other employment, by virtue of their technical training? Under the bill as it now stands I do not think they have any protection.

[Mr. Cruickshank.]

Mr. MITCHELL: If they are taken from the army they are given leave of absence, and are still technically in the army.

Mr. GILLIS: No, they have been discharged.

Mr. MITCHELL: I know of no such cases.

Mr. GILLIS: I have had two people write me who have been discharged from the army and employed in industry, but there is no protection for them.

Amendment agreed to.

Title as amended agreed to.

Bill reported, read the third time and passed.

On motion of Mr. Crerar the house adjourned at 6.10 p.m.

Monday, July 13, 1942

The house met at three o'clock.

SHIPPING LOSSES

PRIVILEGE, MR. ROY—SINKING OF SHIPS AS A RESULT OF ENEMY ACTION—REQUEST FOR SECRET SESSION

Mr. J. S. ROY (Gaspé): Mr. Speaker, I rise to a question of privilege. Following the announcement I made to the house last Friday that three ships had been sunk the Sunday before in the St. Lawrence by enemy submarines, certain newspapers intimated that I should be censured.

Mr. MACKENZIE (Vancouver Centre): The hon. member cannot refer to press reports commenting on proceedings in this house.

Hon. R. B. HANSON (Leader of the Opposition): Let him make his statement.

Mr. ROY: As I do not want the impression to go abroad that I may be one who disregards our interests in connection with the war, I should like to make a statement on the circumstances surrounding my announcement. I could have made this announcement at three o'clock the day before, but as I feared that the convoy might not have reached its destination at that time, as a convoy travels slowly, I waited until the next day. At that time I was sure it would be of no use to the enemy, who in all cases knows more than we do. In an editorial to-day the Montreal *Gazette* writes this:

Any effort to withhold information from the enemy when it is in the possession of a whole countryside, and beyond, looks more like a thin hope than a genuine possibility.

L'Action Catholique of Quebec also declared in its Saturday edition that half of the people of Quebec city knew all about it before

my announcement. A reporter from *La Presse* of Montreal told me the same. My reason for making that announcement was to urge again that the government should—

Mr. SPEAKER: In rising to speak to a question of privilege the hon. member should deal merely with the matter about which he complains. He should not enter into an argument or enlarge upon a statement that has been made already; he should simply make his position clear as to what he intended when he made his statement in the house. I think the hon. member has now made it clear what his intentions were. He has told of the date when he received notice of these sinkings, and how he delayed in giving that information on the floor of the house. I think the hon. member has now gone as far as he should on a question of privilege.

Mr. ROY: I was just about to give the real reason why I made the announcement. It will take only a moment.

Mr. SPEAKER: I understood from the hon. member that he was complaining about editorials in certain newspapers which referred to the statement he made on Friday last. He is entitled to state the meaning and intent of that statement, and I think he has done so.

Hon. J. L. RALSTON (Minister of National Defence): My colleague, the Minister of National Defence for Naval Services (Mr. Macdonald) is not in the house at the moment, but perhaps I should not let this opportunity pass without pointing out to the hon. member who has just sat down what has been intimated to him already by the Prime Minister (Mr. Mackenzie King), namely, the great gravity of his or any one else communicating information of this kind prior to the time that the censors or the department or the intelligence branch of the department consider it advisable to do so. I am only pointing out to him that what he does in that respect is to oblige the submarine commander by reporting for that commander to his base that successful action has been taken. A submarine commander might not be in position to do that himself without being detected. My hon. friend, or anyone else who publishes a statement of this kind, does it—unwittingly of course—for the submarine commander. In that respect I submit he is doing something which is bound to assist the enemy, something which cannot be in the public interest. I do suggest that the course which was suggested to him on Friday, namely, that he communicate with the Minister of National Defence for Naval Services and ascertain from him whether it was thought to be in the public interest to refer publicly to this matter, would have been a much wiser course.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, with much of what the Minister of National Defence (Mr. Ralston) has said, I am in thorough agreement, but I think it would have been better if it had been stated a long time ago, after the first incident, just what was the proper course to pursue. That was not done. I may say to the minister that I heard of this incident myself on Tuesday. Reports were widespread in the province of Quebec, and I have had many letters about it. I communicated with the minister on my arrival from Fredericton at noon on Tuesday; he told me what the position was as they understood it and indicated just the reason the minister has now given—that a substantial time should elapse before the incident should be made public. I am in thorough agreement with that. If that course had been proposed to the hon. member for Gaspé (Mr. Roy) I have no doubt that as a good citizen he would have been guided by it. At Matane and Cap Chat the situation was such that everybody knew it. From a letter I received only this morning I could tell the minister just how widespread was the information about this incident. You cannot keep these things quiet. However, an announcement in the House of Commons is another matter.

There is one thing I should like the minister to bring to the attention of his colleague. What is the position with respect to convoys in the St. Lawrence? Are there any? Should we not know the position, at least in a general way? The minister shakes his head. Perhaps he is right; I am not going to judge. But so far we do not know just what is the position with respect to protection. I think it would have a reassuring effect if something were said on that point.

Mr. RALSTON: If Mr. Speaker will permit me, may I say with regard to the reasons for not disclosing matters of this kind except after a lapse of time, I do think the hon. leader of the opposition has forgotten that my colleague the Minister of National Defence for Naval Services (Mr. Macdonald) made a very complete statement some time ago on that very matter, and gave the reasons.

Mr. HANSON (York-Sunbury): And I did not think they were good enough.

Mr. RALSTON: I am sorry, but I remember it myself, and the minister went to some pains to give reasons. It was in connection with a sinking which had taken place farther around in the gulf, and at that time he indicated that a reasonable time should elapse before an announcement was made. We must not, I submit, mix up the idea of people in the locality having knowledge of such an incident and the placing of it on record in *Hansard* or publishing it in a newspaper, whence it is immediately transmitted by friends of the German government to Germany and is announced over the German radio. No one suggests that you could possibly keep these matters secret from those in the locality, but it is a different matter to make them public so that they can be transmitted to Germany.

Mr. M. J. COLDWELL (Rosetown-Biggar): Might I suggest to the government that before this house adjourns there should be a secret session of the house at which the matters we have just been discussing can be laid before the members, together with the situation regarding the war? Our sister dominions are kept fully informed in that way, and a secret session of the house at Westminster is being called in the near future to discuss shipping. In view of the war situation which faces us to-day I think this house should be much more fully informed regarding all phases of the war than we are at the present time, and I suggest that a secret session of the house be held before we adjourn.

Mr. HANSON (York-Sunbury): Was the last one so successful?

[*Later:*]

CONSIDERATIONS AFFECTING ANNOUNCEMENTS AS TO SINKINGS

On the orders of the day:

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): I should like to make a statement with reference to certain remarks made in this house on Friday last by the hon. member for Gaspé (Mr. Roy). I might recall to the house that on May 12, I believe it was, I gave a statement to the press, and on the 13th I made a statement in this house, respecting sinkings on the eastern Canadian coast. In those statements I endeavoured to lay down certain rules which should guide in further pronouncements of this nature. Subsequently to those dates, the chief censor for Canada, Colonel Biggar, in cooperation with the officers of the naval services, issued a circular which was directed to the newspapers of the country setting forth in greater detail the considerations which should be kept in mind in making statements of this sort. I am very glad to say that the newspapers of this country have observed with the greatest care the suggestions made to them by Colonel Biggar.

I should like to point out that in Great Britain announcements of sinkings of merchant ships are not now made. For a time in the earlier days of the war it was the custom, in due course, to announce that certain vessels had been sunk and that the next of kin of the casualties, if there were any, had been notified. But in more recent months you will not find any such reports of sinkings in the British press. There are excellent reasons for that. In the first place any immediate announcement of sinkings will prevent the next of kin of casualties from being informed before the announcement is made. The result is that every person who has a friend or relative on these ships sailing the seas is in anxiety until he gets a letter from that friend. Consequently it is only proper, in common decency and Christianity, to wait for some time, and to inform the next of kin of casualties, and when the announcement of the sinking is made, to say that that has been done. Then everyone who has not been notified knows that his relative or friend is not involved in the sinking.

There is another reason, the main reason of course, which is that announcements of this sort are likely to give useful information to the enemy. That is the chief reason why some secrecy has to be maintained. The ways in which announcements of this sort may be of use to the enemy are many and varied. If he does not get the information from us, he has to work it out for himself. He has to separate rumour from fact; he has to judge of the reliability of his information, and in a hundred ways he may remain uncertain. But when we in this country, and particularly in this house, give him the information on a platter, then the thing is settled and he does not need to inquire any further as to the accuracy of the information.

As I say, the hon. member for Gaspé last Friday did not ask a question but made a statement. He said that three ships out of a convoy of fourteen had been sunk. The hon. member having made that statement, and having made it, I must assume, with every sense of his responsibility as a member of this house, and the matter having therefore become public and having been announced in the press of the country and on the radio of the country, I may now state, I think I am almost required to state to the house, that three ships belonging to the united nations were torpedoed and sunk in the gulf of St. Law-

rence about a week ago. I must add with regret that four members of the crews of those ships are known to have been killed, four are reported missing, and ninety-nine have been safely landed. I am glad to say one pleasant thing in what must be an unpleasant duty, and that is that the citizens of that region, the constituents of my hon. friend, and of other hon. members of this house too perhaps, have shown in this and in the other instance which occurred two months ago, the highest measure of charity and kindliness. They are not, I understand, wealthy people, they have little to give, but what they had to give they gave with a cheerful heart to those men who were perhaps worse off than themselves.

Information as to the sinking of these ships was in the possession of many people early last week. There is no doubt about that. Many people knew of it; it was known along the waterfronts of the country, it was known to the press by Monday or Tuesday of last week. The press refused to publish it; not one newspaper, so far as I know, endeavoured to make any use of this information until an official statement was made. It was in the possession of my hon. friend the leader of the opposition, because he had heard the story on the train and spoke to me about it. I felt it quite proper to inform my hon. friend as to the facts, asking him—what perhaps I did not have to ask him, because I knew I could rely on his good sense in the matter—to say nothing about it, and of course my hon. friend said nothing about it. So the information was widely known to people in this country. But I point out now—and it is a mistake that is commonly made—that people say to me, "Well, the public know about this anyway; why don't you make an announcement about it?" But there is a tremendous difference between Canadians knowing about something and Germans knowing about it. The entire people of this country might know of a sinking or some other event of that kind, but so long as that information did not get to Germany, so long as it was not made public in our papers or broadcast over our radio, the chances of its getting to Germany would be small. Of course once it is broadcast it becomes the property of the world. It is known in the United States, it becomes known in neutral countries; speedily it finds its way to Germany and is used there for propaganda purposes.

These rules laid down two months ago and repeated by the chief censor are not made for the purpose of keeping information from the people of Canada—not at all. They are made for the sole purpose of keeping from the enemy information which may be of great value to him in directing the movement of his ships.

This brings up a much more serious question, one which concerns the rights and privileges of this house. There is very little use, there is very little purpose, in censoring the press and radio of the country if any hon. member of this house can stand in his place and, by asking a question, or by making a direct statement, as the hon. member for Gaspé did, undo the whole work of the censorship authorities and all the efforts of those who are endeavouring to ensure the safety of allied ships and allied seamen. We are constantly urging the average citizen to guard his tongue. You see notices in almost every elevator, in public buildings, in government buildings, urging people not to talk about the movements of ships or troops or the manufacture of munitions. "Guard your tongues", we are telling the people in French and English all the time. But how can we expect the average citizen of this country to guard his tongue if hon. members of this house do not guard theirs? I will say this to the hon. member for Gaspé; had I been in the house on Friday I think I should have felt constrained to rise and ask this house to expunge from the record the statement which he made. Thereby it would not have become a public statement. But he having made it, and it having been allowed to stand on *Hansard,* it of course became public; and the members of the press gallery had a right to use it. But if this sort of thing is to go on; if any hon. member can stand up and, by innuendo, by question, by statement, jeopardize the whole security system of this country, then I am afraid it will be necessary for someone to say that statements of that kind will either not be allowed to be made or, if made, will not become part of the record of this house.

My hon. friend talks of the protection of his constituents. I would say to my hon. friend that statements such as he made are not adding a single jot or tittle to the safety of his constituents; on the contrary they endanger the lives of his constituents. I would say further that there are other people in this country, other citizens of Canada, who are in greater danger, or are much nearer the battle line, much nearer the danger zone, than his constituents; and not once have I heard from that easternmost part of Canada any break of this kind. Not once have I heard an hon. member from the easternmost provinces of Canada rise in his place and ask questions of this kind. Not once in the newspapers of that part of the country, where information as to the movements of ships is fuller and more complete than anywhere else,

have I heard of anyone endeavouring to say anything or to do anything which might endanger the life of a single seaman or the safety of a single ship. When my hon. friend talks about protecting his constituents, I should like to know what he has ever done to ensure the greater protection of this country, or to add in any way to its defences.

Mr. COLDWELL: If I may ask the minister a question, does he not think it would be perhaps wise to notify an hon. member of any untoward happening in his constituency, in order to prevent a recurrence of this sort of thing?

Some hon. MEMBERS: No.

Mr. COLDWELL: Placing the whole burden upon an hon. member of this house to ask about something that occurs in his constituency, and then castigating him, in my opinion is wrong. The minister must take some responsibility for this situation. As for the radio and the press, surely we have a voluntary censorship; and members of the house surely must ask questions somewhere about the welfare of their constituents or as to what happens in their constituencies.

Mr. MACDONALD (Kingston City): I realize that we should not get into a debate, Mr. Speaker, but my hon. friend could have asked his question privately if he had wished, as my hon. friend the leader of the opposition (Mr. Hanson) did. Then he would have been given the information on his honour as a member of the house. But I do not understand how the asking of a question or the making of a statement in this house is going to add to the protection of my hon. friend's constituents. If he thinks for one moment that the whole Canadian navy is going to line up along his shores and defend those shores only, letting the convoy system we have and the protection we have for all the rest of Canada go to the dogs, he is making a tremendous mistake. I am not ready to change the disposition of one ship of the Canadian navy for him or all the questions he may ask from now until doomsday.

Mr. ROY: I have listened to the minister very carefully, and I am taking his remarks in the best spirit, because I know the motives which inspire him are of the best. He has asked me what I have ever done to protect my constituents and my constituency. I would recall that I have offered the government many suggestions which have been disregarded; and if they had listened to what I suggested, this last torpedoing might not have happened. I will not disclose anything now. My reason for making that announcement—which I will admit might not have been as good as I thought it was—was in support of my asking for a secret session for the benefit of the house. I have the strongest reasons for urging a secret session, in order to disclose to parliament matters I do not want to disclose publicly, because I am afraid they would help the enemy. That was the only reason for my announcement. If we are given a secret session to study these important matters I will prove to the house that I am just as good and loyal a Canadian, taking just as good care of my constituency and of the interests of the whole country, as anyone else.

Mr. MACDONALD (Kingston City): If I may add one word, if my hon. friend has in mind any means for adding to the protection of this country I should be very glad if he would come and tell me so. We do not need a secret session so far as naval defences are concerned. If the hon. member will come to me at any time with his suggestions I shall be glad to entertain them.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WARTIME PRICES AND TRADE BOARD—J. E. COYNE

Mr. McGREGOR:

1. Is James Elliott Coyne, deputy chairman of the wartime prices and trade board, a permanent employee of the government, or of any government agency?
2. If so, what salary and other allowances does he receive?
3. Is he married, or single without dependents?
4. What is his age?
5. Was he appointed under a certificate that his appointment was necessary in the public interest?
6. Was he employed as counsel, or otherwise, with the royal commission on dominion-provincial relations?
7. What total salary or fees was he paid for this work, and on what basis were these calculated?
8. By whom has he been employed during the past five years?
9. For how many years has he been employed by the government or governmental agencies?

Mr. ILSLEY:

1. An employee of the Bank of Canada.
2. The Bank of Canada is not a government department and information in regard to salaries paid to their officers is not a matter of government record. Mr. Coyne receives no additional salary or allowances as deputy chairman of the wartime prices and trade board or from any other government department or agency.
3. Single, without dependents.
4. Thirty-one.

5. No. Mr. Coyne has been on loan from the Bank of Canada to the wartime prices and trade board since long before the order in council relating to appointments to the public service was passed and has been an employee of the Bank of Canada since before the war. His qualifications for the services which he renders in the work of the wartime prices and trade board are considered to be of an exceptionally high character and the continuation of such services is deemed to be necessary in the public interest.

6. As an employee of the Bank of Canada he did some research work for the royal commission on dominion-provincial relations.

7. No additional salary or remuneration of any kind.

8. 1937—employed by Coyne and Coyne, barristers and solicitors, Winnipeg and serving as assistant counsel, royal grain inquiry commission. 1938 to date—employed by the Bank of Canada but on loan to the foreign exchange control board, September, 1939, to March 15, 1941, and on leave to the Department of Finance as financial attache, Canadian Legation, Washington, March 16, 1941, to November 15, 1941; since November 15, 1941, on loan to the wartime prices and trade board.

9. See No. 8.

*INDUSTRIAL COUNCILS IN WAR INDUSTRIES

Mr. NOSEWORTHY:

In what government-owned war industry plants are organized trade unions recognized as the bargaining agency between workers and management?

Mr. MITCHELL: None.

GASOLINE RATIONING—MARITIME PROVINCES

Mr. PURDY:

1. What representations have been made to the government or any department thereof with regard to the reduction in the value of gasoline coupons in the maritime provinces and the effect of that reduction on the methods of transportation in these provinces?

2. (a) What representations have been made regarding the reduction in value of the gasoline coupon in the above named provinces and its effect on the regular means of livelihood of a number of people; (b) what is the number affected?

3. What percentage of those affected by No. 2 would be assisted in continuing in their regular occupations if the passenger services on the various railroads discontinued during the past thirty years were reinstated?

Mr. HOWE: Representations with regard to reduction in unit value of the gasoline rationing coupons have been received from provincial governments, various organizations, business corporations, and private individuals in the maritime provinces. These representations covered all aspects of the question, including the effect of the reduction on the regular means of livelihood of a number of people. There is no way of estimating what number of people are so affected.

PRAIRIE FARM ASSISTANCE—1 PER CENT LEVY

Mr. FAIR:

What amount has been collected in each province under the Prairie Farm Assistance Act 1 per cent levy in the crop years 1939-40, 1940-41, and 1941-42, to date?

Mr. MacKINNON (Edmonton West):

Amounts Collected on Grain Purchased During the Undernoted Periods

1939-40

Manitoba	$ 333,453 13
Saskatchewan	1,344,208 23
Alberta	743,121 61
Total	$2,420,782 97
Adjustments not allocated by provinces	724 40
Grand total	$2,421,507 37

1940-41

Manitoba	$ 354,813 76
Saskatchewan	1,360,540 00
Alberta	866,818 03
Total	$2,582,171 79
Adjustments not allocated by provinces	516 08
Grand total	$2,582,687 87

1941-42 to March 31

Manitoba	$ 276,909 13
Saskatchewan	521,504 44
Alberta	306,932 78
Total	$1,105,346 35
Adjustments not allocated by provinces	231 04
Grand total	$1,105,577 39

WARTIME PRICES AND TRADE BOARD—RETAIL TRADE ADMINISTRATION

Mr. DIEFENBAKER:

1. Who is the director of retail trade administration, wartime prices and trade board?

2. What salary, and expenses, if any, does he receive?

3. What positions did he hold between 1923 and the date of his appointment?

Mr. ILSLEY:

1. The director of retail trade is Mr. E. G. Burton.

2. He receives no salary. He receives travelling and living expenses when away from his usual place of residence.

3. From September, 1923, until July, 1925, with Carson Pirie Scott and Company Ltd., Chicago, since July, 1925, with Robert Simpson Company Ltd., where, in 1937, he was appointed general manager.

INTERNATIONAL WHEAT CONFERENCE—CANADIAN REPRESENTATION

Mr. PERLEY:

Who were Canada's representatives associated with George McIvor at the international wheat conference held recently in Washington, and did the wheat producers or pools of western Canada have any direct representation?

Mr. MacKINNON (Edmonton West):

1. R. V. Biddulph, European Commissioner of the Canadian wheat board; A. M. Shaw, Department of Agriculture; C. F. Wilson, Chief, Agricultural Branch, Dominion Bureau of Statistics.

2. When the United States government extended invitations to other governments to send representatives to the Washington wheat meetings, they especially requested that the delegates be government officials concerned with wheat. This request was observed by all five governments participating, whose delegations in each case were composed of government officials. Throughout the course of the negotiations the delegations consulted in all matters of principle with their respective governments.

TRAINING OF MILITARY MOTOR TRANSPORT DRIVERS

Mr. TUSTIN:

1. Are military motor transport drivers trained at London, Ontario, by civilian personnel?

2. If so, by whom, and what remuneration is paid for each soldier so trained?

3. Why is this training not given under military control and operation?

4. At which military training centres do enlisted men receive motor transport drivers' training?

5. Is complete training given to military transport drivers at each training centre?

6. Is the training of motor transport drivers at Barriefield in the C.O.C.T.C. conducted under civilian command?

7. If not, was it at any time during the past two years, and if so, when, by whom, and upon what terms?

[Mr. Diefenbaker.]

Mr. RALSTON:

1. No military transport drivers are trained at London either by civil or military personnel. The Mechanics Training Centre at London, Ontario, provides training for motor mechanics and fitters for the workshop units of the R.C.O.C. and special training in diesel and radial engines for the motor mechanics of the Canadian Armoured Corps.

2. The instructors for the Mechanics Training Centre are trained under contract by the Anderson Organization of Los Angeles, California. At the present time, the Anderson Organization is being paid at the rate of $1 a day per man in training.

3. The training given at the Mechanics Training Centre is highly specialized and includes training in diesel and radial engines. When this school was organized in July, 1941, neither experienced instructional personnel nor equipment was available in Canada. By entering into contract with the Anderson Organization, equipment and instructors were produced in a very short time.

4. Transport drivers are trained at some 30 advanced training centres throughout Canada.

5. Complete training for drivers is given at practically all advanced training centres throughout Canada. The specialized training given by the Mechanics Training Centre, London, is not duplicated elsewhere.

6. No.

7. No.

*MEMBERS OF PARLIAMENT IN ARMED FORCES

Mr. CRUICKSHANK:

1. Which members of the House of Commons served in the armed forces during the last war?

2. Which members are serving in the armed forces at present?

3. Which members have sons serving in the present war?

Mr. RALSTON: I want to ask my hon. friend to drop question No. 3, which reads "Which members have sons serving in the present war?" The departments have no record of that. My hon. friend might just as well ask which members have brothers or fathers serving in the present war.

Mr. CRUICKSHANK: I should like to know that too.

Mr. RALSTON: It seems to me it is not relevant, and it is not a matter regarding which we should be asked to give information.

Mr. SPEAKER: Question No. 3 dropped. Questions 1 and 2 passed as an order for a return.

MILITARY SERVICE—MEN SEPARATED FROM OR NOT SUPPORTING THEIR WIVES

Mr. CRUICKSHANK:

1. Are men of military age, married prior to July 15, 1940, separated or not supporting their wives, subject to call on the draft?

2. Are men of military age, married since July 15, 1940, separated or not supporting their wives, subject to call on the draft?

Mr. THORSON:

1. No.

2. Yes.

SMALL ARMS AMMUNITION PLANTS

Mr. LaCROIX (Quebec-Montmorency):

In what locations in Canada are the small arms ammunition plants?

Mr. HOWE: It is not in the public interest to give the exact location of small arms ammunition plants. They are either within fifty miles of the city of Quebec or within fifty miles of the city of Montreal, all in the province of Quebec.

INTERNMENTS—COMMUNISTS

Mr. CASTLEDEN:

1. How many persons are now held in custody in Canada because they are communist or are suspected of being communist?

2. How many of these persons have been in custody for more than two months?

3. How many such persons in custody on July 8, 1942, were awaiting tribunal hearing?

Mr. ST. LAURENT:

1. Sixty-six.

2. Sixty-two.

3. Six have not yet had a complete hearing; of these three have not requested a hearing; one refused to have a hearing for present; two are having a hearing but it is not yet completed.

QUESTIONS PASSED AS ORDERS FOR RETURNS

POSTAL SERVICE—RURAL MAIL ROUTES

Mr. GRAYDON:

1. How many rural mail routes were in operation in Canada on July 1, 1942?

2. How many new routes were inaugurated during (a) the year 1941, (b) the year 1942?

3. How many extensions, if any, were made to existing routes, (a) during 1941, (b) during 1942?

4. Has any general increase been made in the contract price of rural mail contracts during 1941 and 1942 by way of cost of living bonus? If so, what was the amount of such increase?

5. By provinces, how many rural mail routes were put up for tender in, (a) 1941, (b) 1942?

6. How many of these were put up for tender prior to the expiry of the existing contract?

7. How many contracts were awarded in (1) 1941, (2) 1942, (a) at prices lower than the previous contract; (b) at the same price as the previous contract; (c) at a higher price than the previous contract?

DEFENCE OF CANADA REGULATIONS—CHARGES AGAINST FEDERAL GOVERNMENT EMPLOYEES

Mr. GRAYDON:

1. Have any informations and complaints under the defence of Canada regulations been laid against persons employed by the dominion government since the present war was declared?

2. If so, what are the names and addresses of such persons, and with what branch of the government service was each connected?

3. How many of such persons were convicted?

4. How many of such cases were dismissed?

5. Have any of such proceedings been withdrawn by the crown?

6. If so, who were the accused persons in each such instance, and what was the nature of the charges preferred against them and the reasons for such withdrawals?

7. Are any of the persons against whom such proceedings were withdrawn still in the employ of the government? If so, who are they, and in what branch of the government service is each of them presently employed?

ACCIDENT TO ROYAL AIR FORCE FERRY COMMAND BOMBER NEAR MONTREAL

Mr. CHURCH:

1. What inquiry has been held into the deaths of Squadron Leader George Patterson Christie, D.F.C., and of Wing Commander Brian Carr-Harris, of Toronto, killed on July 5, in a crash of a Royal Air Force ferry command Hudson bomber, near suburban Pointe Claire, near Montreal?

2. Is any civilian inquest being held into the cause of this accident?

3. Has the government, and under what law, statute, usage or custom, cancelled the right of soldiers, who are also civilians, to a civilian inquest into such matters to show the cause of the accident, and whether due care was taken to safeguard life in military camps?

4. Has the government conferred with provincial attorneys general of the provinces on this subject of civilian inquests, and what was the reply in each case?

5. Have any civilian inquests been held into conditions in the various camps of His Majesty's forces in Canada, since the war started, or into housing or hospital conditions of those who died in the latter places?

Mr. POWER: Mr. Speaker, I think I shall have to make the same reply which I have already made to my hon. friend when he asked similar questions with respect to inquiries into the deaths of trainees in training. In this particular case I would say that the ferry command is under the Royal Air Force, and not under the Royal Canadian Air Force, and I have no control over it. I am convinced, however, that the Royal Air Force would not be willing to produce reports of these inquiries. With this reservation, the question can pass as an order for return.

CANADIAN FORCES—PRICES IN CANTEENS

Mr. CHURCH:

1. What are the rates being charged in canteens and other similar services, in the various camps of His Majesty's forces in Canada, since the sales tax was raised?
2. Will any aid by way of bonus, subvention or subsidy be given as an aid to soldiers?
3. Have the rates that formerly existed been frozen to prevent excessive charges by the wartime prices and trade or other board?
4. What were the rates charged for cigarettes, chocolate bars, sandwiches, pop, ice cream, tea, coffee, beer and other articles of food and refreshment in these camps, (a) before the sales tax increase, (b) since they were put into effect?
5. What regulation of these prices has the government regarding public and private canteens to the camps, re rates charged?
6. Does the wartime prices and trade board issue any regulations in the matter?

MEMBERS OF PARLIAMENT IN ARMED FORCES

Mr. CRUICKSHANK:

1. Which members of the House of Commons served in the armed forces during the last war?
2. Which members are serving in the armed forces at present?

CANADIAN FORCES—AVAILABILITY OF CIGARETTES FOR PURCHASE OVERSEAS

Mr. GRAYDON:

1. Has the alleged shortage of Canadian cigarettes available for purchase in Britain by our overseas armed forces been brought to the attention of the government?
2. Is there actually such a shortage?
3. If so, what steps does the government intend to take to meet the situation?

CANADIAN FORCES—HOUSING OF FAMILIES OF MEN AWAY FROM HOME

Mr. GREEN:

What, if any, responsibility has the Department of National Defence or any other department of the government assumed for ensuring that sufficient housing is available for the families of members of the forces serving away from their homes?

SYNTHETIC RUBBER—POLIMER CORPORATION

Mr. BLACK (Cumberland):

1. When was the Polimer Corporation or other companies created for the manufacture of synthetic rubber?
2. Where are such companies located, who are the principal officers and what are their qualifications?
3. How much money, if any, has the government expended on each project to date?
4. What additional expenditures is it expected will be required?
5. When is it expected that manufacturing operations will commence?
6. How many tons is it expected will be produced in 1942 and in 1943, and what will be the cost per ton?
7. Have there been any proposals for the reorganization of the enterprise, and if so, what is the nature of such proposals?

[Mr. Power.]

MOTIONS FOR PAPERS

COURT MARTIAL OF MAJOR H. C. SINGER

Mr. BLACKMORE:

For a copy of all documents, letters, telegrams, etc., pertaining to the court martial which, on May 2, 1941, dealt with the charges preferred against Major H. C. Singer, of the 2nd Canadian Anti-Tank Regiment in England, including the following:—

1. The application for Major Singer's court martial.
2. The convening order for his court martial.
3. The subpœna of each of the witnesses who gave evidence in the court martial.
4. The first summary of evidence taken under Major S. McQwirter, April 14 to 18, both dates inclusive.
5. Major-General Victor Odlum's letter, 2 D.C./5-4, April 15, 1941.
6. The complete copy of the proceedings of the court martial.
7. The shorthand notes taken by the court recorder at the trial.
8. All details as they appeared in the application for the court martial, including character, correspondence, court of inquiry, etc., etc.
9. The letter sent to the Secretary of State concerning the dismissal of Major H. C. Singer from the services.
10. Part I orders 2nd Cdn. Div., February 20-28, 1941; Part I orders No. 1 Base Depot, February 20-28, 1941; Part I orders 2nd Cdn. A/T Regt., R.C.A., Oct. 30-Nov. 8, 1940, Dec. 15-27, 1941, Dec. 28-Jan. 5, 1941; February 20-28, 1941.
11. Declarations to suspend, (a) Rule 8, Officer present at investigation; (b) Rule 14, Officer sent to inform accused of charges, etc.; (c) Rule 17, Undue delay in convening court martial. Open arrest April 9. Trial May 2, 1941.

Mr. RALSTON: Would my hon. friend consider dropping this motion, as I have already suggested? Otherwise it means that I have to be here every day when my hon. friend makes his motion. If he would drop it, to be reviewed and another motion submitted, he could put one on the order paper at any time. I do submit, Mr. Speaker, that a motion like this which has been standing on the order paper for four weeks should be either proceeded with or dropped.

Mr. BLACKMORE: I will notify the minister if I decide to move the motion.

Mr. RALSTON: No, I am not going to stand for a notice from my hon. friend for me to be here.

I am asking my hon. friend, and I think it is only fair to the house, to drop the motion, which, I am told, has been standing on this order paper for at least six weeks.

Mr. BLACKMORE: I am not familiar with any rule under which the minister can ask me to drop the motion.

Mr. RALSTON: I am not citing any rule. It is just ordinary businesslike procedure.

Mr. SPEAKER: Stands.

An hon. MEMBER: Vote!

Mr. BLACKMORE: Mr. Speaker, the rules permit me to leave the motion on the order paper, and I propose to do so.

Motion stands.

WARTIME PRICES AND TRADE BOARD—BAKING INDUSTRY

Mr. COLDWELL:

For a copy of a report or reports by J. D. Woods of the wartime prices and trade board regarding the b king industry.

Mr. ILSLEY: I have been in communication with my hon. friend about this motion, and I think he is willing to have it dropped.

Mr. COLDWELL: The minister has agreed to give me an explanation of the matter, and I am prepared to drop the motion.

Motion dropped.

MILITARY SERVICE—APPLICATION OF S. L. LAMSON FOR POSTPONEMENT

Mr. CASTLEDEN:

For a copy of all reports, letters, evidence, recommendations, and other documents in the possession of the government, relative to the refusal by the national war services board of district M to grant the request for postponement made by Mr. Scott L. Lamson, L.534136.

Mr. THORSON: This order should be made subject to a number of reservations. The boards hear all proceedings in camera; therefore all material which comes to a board is privileged. In addition, there are certain interdepartmental communications which are also privileged. With these reservations of privilege I see no objection to the motion being passed.

Mr. CASTLEDEN: I cannot see why any of this need be secret; it cannot give any aid or comfort to the enemy. It seems to me that it is no more than the right of the ordinary citizen to have the information presented upon which a board bases its decision. It is possible that some reports which are presented are erroneous, and there is no means by which anyone can find out whether these reports are correct. On some occasions, I may say, the Saskatchewan board has acted differently from other boards. If the powers and privileges of these boards are not subject to some restriction, they can develop into a sort of star chamber and do real damage to the rights of citizens. I cannot see anything with regard to a return such as this, even respecting interdepartmental material, which should be considered secret.

LABOUR CONDITIONS

SHORTAGE OF FARM HELP—CONTROL OF AGRICULTURAL WAGES—HARVEST LEAVE FOR MEMBERS OF ARMED FORCES

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): Can the Minister of Agriculture make a statement to the house so that the people of western Canada, and particularly the farmers, may know what steps are being taken to meet the very serious situation regarding farm and harvest labour? I am moved to make this inquiry because of the number of letters I am receiving which indicate that the farmers are seriously worried about the matter. What cooperation is being given by the various war services? What is being done?

Hon. J. G. GARDINER (Minister of Agriculture): The question should really be directed to the Minister of Labour, who handles all questions which have to do with labour, including even labour for farms. I may say that representations are made to me as Minister of Agriculture, as apparently they are made to various hon. members representing agricultural constituencies, and I make representations on behalf of those concerned to the Department of Labour. My understanding is—the Minister of Labour will correct me if I am wrong—that a vote of $100,000 has been set up by this house for the purpose of making it possible for the minister to assist the provincial governments, or whatever department of a provincial government deals with agricultural labour matters, in the organization and transportation of labour from one part of a province to another, or even, if necessary, from one province to another. For two or three years an amount of money has been included in the estimates for that purpose, and agreements are reached between the Minister of Labour, together with his department, and whatever department is responsible in the province, under which assistance will be given for the organization and transportation of whatever surplus labour is available to be moved to areas where there is a shortage.

Speaking as Minister of Agriculture, though, I think I should say—what is probably known to all hon. members—that surplus labour for different purposes is becoming less and less. Practically all of the labour in Canada is now employed, either in the armed services, in manufacturing, in transportation, or on farms, and I believe it to be very difficult to muster any additional amount of labour for farming purposes. It might be possible to reorganize it and to shift some of the surplus labour which is not on farms from place to place in

order to have it better distributed, but I doubt if there is any considerable amount of additional labour which can be placed on the farms. The course I have mentioned has been urged on the Department of Labour and they are doing, I believe, everything possible to coordinate the efforts of the provinces and the federal authority in this direction. An attempt is being made to organize all the surplus urban labour, in villages and towns in the different provinces, in order that they can go to the farms in the surrounding community for so many hours a day or so many days a week. Organization is proposed similar to the organization which was carried on in the last two years of the last war.

So far as the defence services are concerned, I think the Minister of National Defence should speak on their behalf.

Hon. H. A. BRUCE (Parkdale): In further reference to the question which the Minister of Agriculture has just been answering, may I direct a question in respect to farm labour to the Minister of Labour, who seems to be the proper authority? It is becoming increasingly difficult, as the Minister of Agriculture said, to get suitable farm labour; and we are faced with this situation, that although we are paying double the wages we paid a few years ago, certain people will try to outbid us and steal away our help. I have had a recent illustration of this on my own farm. I should like to ask the minister if the same regulations should not apply to farm labour as apply to labour in factories—that the permission of the employer must be obtained before a man leaves to take another job of a similar character.

Hon. HUMPHREY MITCHELL (Minister of Labour): I would say, in a kindly way, that we have heard a great deal about an all-out war effort, and it is rather good, from the labour man's point of view, to hear that there is a shortage of labour in Ontario.

As long ago as last February the Minister of Agriculture and myself discussed this matter, anticipating a distinct shortage of labour on the farms of this country. We came to an arrangement with the government of Ontario, who last year, through the instrumentality of an agreement with the federal government, and in cooperation with the employment service of Canada, made possible the organization of 23,000 additional people for the farms of that province. We made a similar agreement this year, with an additional amount beyond that of last year of $40,000 apiece, making $200,000 for the two governments. We sent a copy of that agreement to all the other provinces, as we thought they would like to avail themselves of similar provisions or similar facilities.

I think this may be fairly stated, that in connection with agriculture generally the best kind of government organization is that which is closest to the people. I do not say that in any way to get from under the responsibility of the federal government. There is no need to tell my hon. friend that in its very essence agriculture changes from province to province, so that the problem in Saskatchewan is different from the problem in Ontario. Both in industry and in agriculture, faced as we are with various problems, we think it will be necessary to take substitutes. It is hard for us to adjust ourselves to a condition that departs from the psychology of two or three years ago, when we could simply go to the shelf and take down what we wanted. We have reached the point where it will be necessary for farmers and industrialists in Canada to use, if I may say so, all their local powers, their energy and their imagination to meet the local situation.

With respect to the wages question raised by my hon. friend, I should like to go into that, but he knows as well as I do, that in all these matters agriculture is generally excepted. It is excepted from the provisions of the unemployment insurance act; it is excepted from the provisions of many other acts and regulations in force in Canada, and I should not like to give an answer offhand. The hon. member understands as well as I do the vast organization that would be necessary to enable us to exercise control over the wages of individual farm labourers throughout the country. With regard to industry, it is comparatively easy where there are big units, where the organization is complete and we know who the employers are. There are 150,000 employers in industry and commerce to-day each of whom employs more than fifteen people. I say that not to make a speech, but to point out to my hon. friend the difficulties with which the government would be confronted if it undertook to set in motion immediately a policy that would control agricultural wages. I think we should stand by the good old British principle, that it is wise not to pass regulations and orders in council unless there is a reasonable chance of enforcing them, because lack of enforcement would bring the government into ill repute and also render difficult the application and stabilization of the wage structure of commerce and industry in this country.

Hon. R. B. HANSON (Leader of the Opposition): May I ask the Minister of National Defence if this matter of farm leave has been given consideration by his department. If so, has it been refused? I am prompted to ask this both by questions raised here to-day and by an announcement which I saw some days ago to that effect, the truth of which announcement was promptly denied. I do think that some provision might be made with regard to draftees, if it will not upset the balance of training. Even if there is some inconvenience in connection with training at the different centres, the taking care of the harvest is such a vital matter in certain provinces that every effort ought to be made to render assistance if the difficulties are not insurmountable. I can visualize difficulties, and I will not press the point home; but it seems to me that the Department of National Defence might give consideration to a few days' leave for trainees and others in connection with this matter of harvest.

Hon. J. L. RALSTON (Minister of National Defence): I wish I were justified in giving to my hon. friend, the house and the country, an assurance that consideration which would really result favourably could be given. Let me say that the matter has been very seriously and carefully considered, and I would repeat here what I have had to say in a good many letters, namely, that this matter of asking the army to supply men for various services has occasioned us a good deal of concern. My hon. friend will remember that not long ago the request was made that the army supply men for the purpose of loading fertilizer. Another request had been made previously that the army should supply men for seeding in the west. That request came from the president of the Saskatchewan Cooperative Wheat Growers Association. They felt perhaps that we should have complied with the request. A request was received later from the sugar beet growers, and so on.

There has arisen in this country the idea that the army has a pool of man-power which can be detailed for this or that civilian service. I say that in the kindest way, but I must say, as kindly and as firmly, that it cannot be done, in view of the commitments and preoccupations which the army has. There is not only training to be considered, but mobilization in connection with the expanded programme which had to be undertaken as the result of war developments. It is not possible to give the house any hope that harvest leave will be entertained, in large numbers, of men who have been called up, or of those who have enlisted voluntarily. There may be cases where men are at depots —not at training centres—and perhaps in some particular unit, on some local duty which does not require the same assiduous attention as some others, where some leave can be granted. But all cases will have to be considered individually, and there will be no harvest leave in the broad sense of making a general order that such leave will be granted to men who are needed to work on farms. Some consideration may be given regarding personnel in some units of a special character such as I have indicated, but I am afraid I cannot give the house any further assurance than that.

Mr. PERLEY: I would have directed my question to one of the ministers of the armed services, but I thought that the Minister of Agriculture (Mr. Gardiner) would make a statement similar to that which the Minister of National Defence has just given, and which is very valuable. It will enable farmers who have sons recently called up under the training scheme to know exactly what the conditions are and what they may expect. This morning I took up with one of the service departments an important letter I had received—

Some hon. MEMBERS: Order.

Mr. PERLEY: I am saying this to help the government. I was treated with great courtesy. I was told that there were special cases where it could be shown that it would not interfere with the man's course at all or with his general duties, wherein some consideration might be given. I thank the minister for the statement he has made. I wanted to get it on the record.

Mr. SPEAKER: Unless hon. members are seeking to continue what has become a debate, I must ask that similar questions be put on the order paper.

Mr. HOMUTH: May I ask the Minister of National War Services (Mr. Thorson), whether any consideration has been given to certain conscientious objectors who are now in camp doing work which in many cases is useless and who might be engaged on farms in connection with the harvest?

Mr. SPEAKER: That is a question which the hon. member should place on the order paper.

HONG KONG COMMISSION

REFERENCE TO ALLEGED STATEMENT OF COLONEL DREW AS TO NON-ACCEPTANCE OF FEES

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): About a week ago I asked a question of the Minister of Justice (Mr. St. Laurent), and I am not quite satisfied with the reply I received; for I am afraid it may create a wrong impression. The reply had to do with Colonel Drew's charge for services, and the reply was, "No account submitted". I understand that at the opening of the Hong Kong inquiry before Commissioner Duff, Colonel Drew stated that it was not his intention to accept any fee or expenses, that he had undertaken the work as a public duty.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I understand that the hon. member wishes some further explanation with regard to a question he has already asked. I think he is entitled to that.

Mr. MACKENZIE (Vancouver Centre): Can the hon. member make a statement as to what happened at a secret session?

Mr. BRUCE: I do not refer to a secret session at all.

Mr. SPEAKER: The hon. gentleman is entitled to ask for further information with regard to a question he has already asked, but he may not make a further statement.

Mr. BRUCE: That is exactly what I was coming to, Mr. Speaker. I want to know from the Minister of Justice if it is not true, and if it was not known to his department, that at the opening session Coloned Drew stated that it was not his intention to charge a fee or expenses, that he was doing this as a public duty. In the second place I would like to ask the minister if one might not say that his reply was lacking in frankness.

Hon. L. S. ST. LAURENT (Minister of Justice): Mr. Speaker, I resent the imputation made by the hon. member, and I ask that it be withdrawn. The hon. member knows, as does every other hon. member who has looked at *Hansard,* that neither the Minister of Justice nor anyone connected with the Department of Justice made any answer to that question. The answer that was given was submitted by the Minister of Finance. I did not know of the preparation of the answer. As to what took place before the royal commission inquiring into the dispatch of a Canadian expedition to Hong Kong, I was not there, but I was informed that at the opening of that inquiry the commissioner stated that the proceedings were to be held in camera. I know nothing of what happened there, beyond what is contained in the report that was submitted to this house.

Mr. BRUCE: In view of the minister's statement I withdraw the remark I made a moment ago. I will now direct my question to the Minister of Finance, under whose department the matter appears to have been considered. I would like to add this further question. Is it not a fact that in addition to the statement at the opening of the inquiry, a letter was sent by Colonel Drew in response to a request from the secretary of the commission, to the effect that he had no intention of charging a fee or expenses?

Hon. J. L. ILSLEY (Minister of Finance): I had no knowledge of any such statement by Colonel Drew; in fact I had no knowledge at all of what went on at that secret hearing. I would like to ask my hon. friend how he knows.

Hon. R. B. HANSON (Leader of the Opposition): Well, after that statement I am going to ask the Minister of National Defence (Mr. Ralston), who probably was there: Is it not true that Colonel Drew announced that he was not taking any fees or expenses, at some stage at all events, whether it was the first or second day? I believe my hon. friend was there nearly all the time.

Hon. J. L. RALSTON (Minister of National Defence): I want to say in the first place that I was present at the sessions of the Hong Kong inquiry on only three days during the five or six weeks the sittings were held; that if I had heard anything of this kind I would not make any statement as to it; that I considered everybody was bound by the statement made by the chief justice to the effect that the proceedings were being held in camera.

Mr. BRUCE: Mr. Speaker—

Mr. RALSTON: I just want to add that I heard no statement of the kind to which my hon. friend refers.

Mr. BRUCE: Then I wish to direct another question to the Minister of Justice. In view of the serious charge made against one of Canada's most loyal and patriotic citizens—

Some hon. MEMBERS: Order.

Mr. BRUCE: —and its subsequent withdrawal, which in itself is an admission that the government had not a leg to stand on—

Some hon. MEMBERS: Order.

Mr. BRUCE: —but were obviously attempting to intimidate a public man, will the government consider making adequate compensation—

Some hon. MEMBERS: Order.

Mr. BRUCE: —and a suitable apology to Colonel Drew for the injustice and indignity which he has suffered?

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. MACDONALD (Brantford City): Mr. Speaker, is it not a rule of this house that when you rise, any member who is on his feet should sit down? Should not any words which are sought to be said by an hon. member after you have risen be stricken from *Hansard*?

Mr. SPEAKER: There is no doubt as to the rule that when the Speaker stands, all members must take their seats. As to striking matter from the record, that would have to be at the behest of the house before I could give any such instructions.

Mr. HANSON (York-Sunbury): Let us get on with the business.

Mr. MACDONALD (Brantford City): With all due respect to the leader of the opposition, I think we would get on with the business of this house much faster if hon. members would resume their seats when the Speaker rises.

MILITARY SERVICE

PROCEDURE IN ADVICE TO NATIONAL WAR SERVICES OF ENLISTMENTS IN CANADIAN ARMY

On the orders of the day:

Mr. N. J. M. LOCKHART (Lincoln): I should like to make an inquiry of the Minister of National War Services. When a man enlists either for service in Canada or overseas, are the regional directors in the several districts advised within a reasonable time? If so, about what time elapses before advice of the enlistment reaches them?

Hon. J. T. THORSON (Minister of National War Services): The Department of National Defence seeks to advise the Department of National War Services of enlistments as rapidly as possible, but from time to time there are omissions in those statements by reason of the fact that a person may have enlisted in one part of Canada, whereas he may have registered in another part, where his registration card would be.

Mr. LOCKHART: I appreciate that this matter may not be considered as very important, but I should like to refer to one incident. A man enlisted a year and a half ago, and he was in England for a year. He was killed four months ago, and a notice to appear for military service has just been received at his home. I can give the minister particulars of other cases. I think some check ought to be made.

VOCATIONAL TRAINING

FINANCIAL ASSISTANCE AGREEMENTS WITH PROVINCES—ADVISORY COUNCIL

Hon. HUMPHREY MITCHELL (Minister of Labour) moved the third reading of Bill No. 64, to assist in the carrying on and coordination of vocational training (title changed to "An Act respecting the Carrying on and Coordination of Vocational Training.")

Motion agreed to and bill read the third time and passed.

WAYS AND MEANS

EXCISE ACT, 1934

The house in committee of ways and means, Mr. Fournier (Hull) in the chair.

Resolved, that it is expedient to introduce a measure to amend the schedule to the Excise Act, 1934, and to provide:—

1. That the duty of excise on spirits distilled in Canada be increased from seven dollars to nine dollars per proof gallon, provided that duty paid spirits owned by any distiller at the close of business on the twenty-third day of June, one thousand nine hundred and forty-two shall be subject to the following additional duty of excise on every gallon of the strength of proof two dollars and so in proportion for any greater or less strength than the strength of proof and for any less quantity than a gallon.

Mr. HANSON (York-Sunbury): It will be recalled that in my speech on the budget on June 30 last I adverted to the question of increased excise and import duties on alcoholic beverages. I do not intend to-day to repeat the observations I made then. I am fearful of the tremendous increase in the drink bill of this country at a time when Canada is at war, and I think something ought to be done about it. On one or two occasions when this matter has been referred to in the house the minister has taken the ground—I suppose it is open to him to take it—that in Canada the retail sale of liquor is entirely in the hands of the provincial governments. It is true that we have a system of government control of liquor in every province, save one, Prince Edward Island, where they go through the form of having a prohibitory law on their statute book. In my view this is not government control at all; it is government monopoly. We have had the spectacle, at all events in my province, and I am bound to say before the war, of the authorities actually doing certain things to promote the sale of liquor. I have always deprecated this, because I felt it was wrong.

I am not approaching this subject matter from the point of view of ethics. I am not advocating prohibition, I do not think prohibition can succeed in this country without the overwhelming support of the public. That is not apparent now, and it was not apparent for many years while prohibition was on the statute books of certain of the provinces. I am approaching the matter purely and simply from the point of view of a nation at war, a nation straining every effort it can to raise money for the prosecution of the war. I hope the minister will reconsider his position with respect to this matter. It is obvious that this is purely a revenue measure. If the minister is candid, and I am sure he will be, he will affirm that position. In so far as it is a revenue measure I am sure it will be supported, because if there is one thing upon which taxes should be imposed, both in war time and in peace time, it is on intoxicating liquors. For the moment I am differentiating between spirits as such, and beer and other lighter commodities.

We have the spectacle of the gross sales of liquor in Canada, under government monopoly, mounting to almost phenomenal proportions, and the thoughtful people and good citizens of this country are alarmed about that situation. In my own province, in the year 1935, the total profits from the sale of liquor at government liquor stores was between $500,000 and $600,000. In the fiscal year ended October 31, 1941, the profits were four times as much, and to-day, with the great decrease in the sale of gasoline and a large number of cars not being licensed, I suppose the liquor monopoly now in the hands of the provinces is the largest single source of revenue they have, or many of them at all events. As time goes on they come to look upon that as a legitimate source of revenue. It is legal, it is very easy money, and so it is quite natural for them to do so. I have never myself felt it to be a high type of citizenship to desire to be relieved of my obligations as a citizen to pay revenue to the province at the expense, perhaps of my weaker brother. But to-day I am not taking that high exalted stand. I am trying to deal with the matter in the light of present developments. Should we not do something to cut down this huge bill and divert to better purposes some of this free money that is now devoted to liquor? I use the word "better"; theoretically perhaps the war is not a better purpose, but at least it is much more of an absolute necessity. It is true that we need this money, and the nine million dollars that we will get from it will mean something to our exchequer, but I think we would get far more effort if some of it were diverted by other forms of taxation to the public treasury. I think that would be better than putting excise and import duties on alcoholic beverages.

I have no doubt the minister has it in mind that to restrict the sales and make it much harder for people to get liquor than it now is would revive the old and discreditable conditions with respect to bootlegging. But I might remind him that some of the incentives to bootlegging have been removed by changed circumstances. A great deal of liquor came into my province a few years ago because of its proximity to the two islands of St. Pierre and Miquelon, which were a source of supply. But then the United States had prohibition, and rum-running was rampant. I do not know that anybody got very much out of it, but some people are reputed to have made money out of it. The chief outlet was, of course, in the United States. As to central Canada, I have heard various stories about what happened along the border. But now that the United States definitely has liquor, the incentive to smuggling liquor into the United States is no longer there.

Mr. MACDONALD (Brantford City): This law would not affect that.

Mr. HANSON (York-Sunbury): It does not affect anything except the raising of additional revenue. I am trying to deal with a wider principle than that. I am trying to disabuse the minister's mind of any mistaken idea he may have with respect to the return of bootlegging.

Mr. MACDONALD (Brantford City): I agree with the hon. member there.

Mr. HANSON (York-Sunbury): I am trying to talk sense, and I should think my good friend the hon. member for Brantford City would agree with me when I talk sense, which is 100 per cent of the time, I hope. I do submit that we, as representative men of this nation, should give consideration to what after all everybody knows is an evil thing in our body politic—the expenditure in war time of some $250,000,000 for the purchase of alcoholic beverages. I realize that a very large portion of that sum goes into the public treasury. If hon. members were to ascertain the exact figure they would find that a very large portion of that sum goes in taxes to the federal and provincial governments, and that the consumer is paying a good deal for very little in actual commercial value.

We have not rationed liquor. We apply the principle of rationing on the theory of scarcity; that, I think, is the economic reason for rationing. I was very much amused when on the other side last year to be told that

in a great hotel in Edinburgh they were rationed to four bottles of whisky a day, while down in London you could buy all you could pay for. I could not understand it, because Edinburgh was, I was going to say, the centre of the industry.

Mr. MACDONALD (Brantford City): That four bottles was for the hotel, not for the individual.

Mr. HANSON (York-Sunbury): Yes, for the whole hotel to sell to its guests.

It does seem to me, Mr. Chairman, that some solution should be found whereby a part of this enormous drink bill would be diverted to a better purpose and used in the war effort. I wonder whether the minister has not given further consideration to that. I am sure that with his background the minister must be alarmed at the situation which has presented itself, say, in Nova Scotia. I have had multitudes of letters from people in Nova Scotia complaining of the huge amount of money which has been diverted from the armed forces, we will say, to the purchase and consumption of liquor. I do hope that some consideration will be given to mitigating, I am not going to say the evil, but the amount of the bill which this nation has to pay. And that can be done.

I have no suggestion to make other than that of pressure, or that some arrangement be made with the provincial governments to limit the sale of liquor; because I agree that a large part of the problem is on the doorstep of the provincial governments, and not particularly on the minister's. I noticed in the press the other day that the government in Newfoundland has had to deal with this problem. I did not think their efforts were very stringent, because I understand that a man there can still buy three bottles of whisky a week, and surely that ought to be enough for anybody. But I do submit that the minister should make some effort in conjunction with the provincial governments, as a war measure, to limit the sale of liquor in Canada in order that a large portion of this bill of $250,000,000 may be diverted into other and better channels. I suggest that the minister negotiate with the provincial governments. I think some of them have been seriously alarmed at the situation that has developed in certain of the provinces. I think in the province of Nova Scotia they have taken note of public opinion and they themselves have gone so far, perhaps not very far, in an effort to decrease the sale of liquor. I do not think very much has been done in my own province.

This resolution is purely a revenue measure. I do not disagree with that from the point of view of getting money for the war, but I believe that if we were to use other methods a much larger portion of this spirits bill could be diverted to war purposes without any detriment to the liberty of any subject, and with great benefit to the whole body politic.

Mr. PARENT: I completely agree with the remarks of the leader of the opposition. At a time when the very necessities of life are being restricted, I cannot understand why this country should tolerate the expenditure of $250,000,000 a year on liquor. I would especially call the attention of the authorities to the facilities which are reported to be available to soldiers to enable them to procure hard liquor. I do not see how you can train an army on liquor. I agree that the men should be allowed to get beer if they need it, but it is appalling the way money is spent, especially in my city, on strong liquor. It is of no use to those who consume it, or to their families, and it occasions scandal at a time when people are asked to make the sacrifices they are now called upon to make.

It is all very well to say that a large part of this expenditure is returned to the government in taxes. I recall seeing recently the financial statement of a company which shows that, while they are paying $11,000,000 to the federal treasury, they still have at their disposal $10,000,000 to pay to the shareholders.

Mr. HANSON (York-Sunbury): I think the government would take a good deal of that.

Mr. PARENT: That is irrespective of the tremendous amount of money which is expended on advertisements and propaganda of various kinds.

I suggest that careful consideration be given to the remarks of the leader of the opposition, with a view to having this tax increased to the highest possible percentage. As I recall it, in the last war federal and provincial taxes combined amounted to $17 a gallon. At that time opposition was expressed to the impost because it was said that it encouraged bootlegging. But since those days, nearly thirty years ago, the Royal Canadian Mounted Police have organized a most efficient system to discover bootlegging; there is no more of this menace in the country, and I think something could very well be done to put liquor on practically a prohibitory basis. It is not a necessity of life, although it may be needed in certain types of sickness or other extraordinary cases. In a general way hard liquor is one of the luxuries, and if a man wants to have a drink he should be required to pay for it. At a time when we are cutting

expenses and asking people to make sacrifices, to take less sugar and tea, to buy fewer suits or shirts, even to the point of depriving their families of things they need, in order to win the war, why should they be confronted with a figure such as $250,000,000, advertising these scandalous conditions in the midst of the war? I wholly agree with the remarks of the leader of the opposition.

Mr. MACDONALD (Brantford City): I agree in large measure with what the leader of the opposition has said. No doubt far too much drinking of alcoholic liquors is going on at this time, and too great a part of our effort is diverted to the manufacture of them. How this can be avoided, however, it is difficult for me to understand. I do not believe any of us would want to go back to the days of prohibition. The hon. member for Quebec West and South, who immediately preceded me, suggested that we should again have prohibition or should put liquor practically on a prohibitory basis. It is my conviction that the Ontario Temperance Act, which was in effect in Ontario about a decade ago, did more to bring about intemperance and excessive drinking than any measure which was ever placed on the statute book of that province. Hon. members from Ontario will remember that although there was supposed to be prohibition, in almost every centre were numerous places where people could obtain liquor illicitly; also numbers of persons persisted in carrying around liquor in their pockets. Prior to that time, when I was a young man, I would never think of going to a dance with liquor on me; none of the young men of my day would have done so. But when the Ontario Temperance Act came into effect, I noticed that practically all the young men, and, I am sorry to say, many young women, carried liquor with them. We do not want that condition to arise again in Ontario or any part of Canada.

I believe we are all in accord with the curtailment of the sale of intoxicating liquors if it is possible to do so, but I would remind the Minister of Finance that it is not going to be an easy matter. He may increase the tax, he may cut down the sales, but if at the same time bootleggers flourish and the illicit sale of liquor continues or increases, his efforts will be of no avail. No doubt something should be done, but let us not act without giving the matter most careful consideration, to make sure that we do not have another era of illicit liquor-selling in this country.

Mr. McIVOR: I have not said much on this question, but I have thought a good deal. There is no use in trying to bring in legislation unless public support is behind it. I think it is well understood that the minister has the backing of the best men and women in Canada in support of his legislation.

Mr. HANSON (York-Sunbury): What legislation?

Mr. McIVOR: My only criticism is that the tax on hard liquor is not high enough. You cannot make men sober by legislation. I have had a good deal of experience in trying to sober up men when they had gone the limit. You have a better chance of sobering men with strong coffee than you have with legislation against the liquor business. A change of heart is needed. I have no patience with those who think that the dominion and provincial governments can legislate the liquor business out of existence; they cannot do it. I should like to know whether this legislation is in any way related to the discovery of an illicit still in the province of Quebec. It is evident the police are on the job and are going to back up the minister's policy.

Mr. BENCE: The reason which appeals to me as the ground for the increase in the sale of liquor in the country is the fact that the income of the Canadian people has increased so tremendously. It does appear to me that the mere putting on of 50 or 60 cents for an imperial quart of some kind of liquor will not in itself have the effect of prohibiting the sale of that liquor. I presume the reason the minister has put this tax on is that he sees in it another fairly easy way of increasing the revenues of the country, and also of cutting down generally the purchasing power that is available for other consumer goods. When the statement is made that there is too great a diversion of man-power and materials towards the production of liquor and away from the war effort, the minister might put figures on *Hansard,* if they are available, as to the total amount spent in Canada on liquor of all kinds, and the total amount of taxes obtained by the dominion government last year—he has given an indication as to what the increase in revenues will be—so that we can arrive at the net amount that is being paid to the producers of these commodities, and thus interpret the amount of labour that is being used and possibly obtain some understanding of the quantity of materials used, and so on.

Mr. BLAIR: I suggest that there should also be something in the way of a time limit. I am well aware of the anxiety of the minister to do his best, but I am aware also that the people of Ontario are heartily sick of this business. I do not agree with those

who have said that drinking was worse during prohibition. I spend a good deal of my time among the rougher element, and I have seen more drunks recently than I did in prohibition days. One hon. gentleman suggested that something should be done, but ended up by saying that nothing should be done. We have reached the stage now where action should be taken. We have come to the pass where there should be some curtailment in time, and the matter should be talked over with the provincial governments. Surely we do not think that the ladies' beer parlours are something that we should be proud of. How would any hon. member like to see his daughter or sister coming out of a ladies' beer parlour, swinging along? Spend some of your time there some time, as I do occasionally. I often drop in on my way home from this house, and I see entertaining times there. I read character in faces, and while there are some Scotch among them, they are not all Scotch. Beer has a more degrading element in it than real whisky. If you want to know that, consider the different races that swing to beer and those that swing to whisky.

Mr. HANSON (York-Sunbury): "Swing" is a technical term now, isn't it?

Mr. BLAIR: What the aviator drinks after ten o'clock is so many headaches; what he drinks before that may be a little entertainment and amusement. Let him drink his beer as he likes until ten o'clock, but when men reach the headache stage they should quit, so that they can get up next morning with a clear head. When you come to the headache stage, then I think there should be a time limit. The Prime Minister is noted as a splendid man for timing; even in elections he does well, and he would know the time. I do not know whether his experience in liquor is as good as yours and mine, but I suggest that there should be a time limit when men should stop drinking at night if they do not want a headache next morning.

I am a coroner, and I have had to deal with a good many accidents on the road. Often when a man is killed in the county of Wellington and I am called in as coroner, I have had to do some desperate lying—my hon. friend does not have to do that because he is a lawyer. I have sent home word to many a father that a boy had died from heart failure when I knew it was booze. It was the next thing to a sworn declaration, and I made a notorious liar of myself. I am not giving a temperance lecture, but I do suggest that there should be consultation with the provincial governments, because they are charged with the responsibility of regulating the traffic. There should be some regulation, some curtailment in time, especially among the aviators, and I would be delighted to see the ladies' beer parlours closed. It would be a good thing to see them done away with.

Mr. NICHOLSON: When the war appropriation bill was before the house I spoke at length on this important national question. The large number of letters I have received would indicate that this is a subject that is causing a good deal of anxiety in the homes of the Canadian people.

Mr. ILSLEY: Will the hon. member give me the date of that speech?

Mr. NICHOLSON: June 1. The comments made by hon. members this afternoon also show that this is a subject that should receive more consideration from the government than it has received so far. After speaking on June 1, I received some criticism from certain quarters for suggesting that we should not send beer to the troops in Libya and other battle fronts. I never made such a suggestion. I would not for a moment suggest that those on the battle fronts should be denied the right to have refreshments at their bases. But I do think it is unfortunate that the policy of sending liquid refreshments should be decided by a man who is engaged in the brewing business, and that large quantities are sent when space is needed for more essential material.

Mr. ILSLEY: That is not correct. The hon. member is referring to Mr. E. P. Taylor.

Mr. NICHOLSON: Yes.

Mr. ILSLEY: Well, he had nothing to say about that, so far as I know. This beer for Africa was purchased by an agency of the British government and taken by the British government. The only thing the Canadian government could have done would have been to protest, and we did not think we were justified in doing that.

Mr. HANSON (York-Sunbury): I want to give the government clearance on that. I investigated the matter carefully, and I am prepared to give this government a certificate of non-complicity, if that is a good word.

Mr. ILSLEY: Thank you.

Mr. NICHOLSON: The information I had was that Mr. Taylor is vice-chairman of this allied shipping council, and he decides how the space shall be used, whether for Bren guns or tanks or beer. The decision was that it should be used for beer, and I was informed that large quantities did move to Libya.

Mr. ILSLEY: That may be so; I do not know. I was simply speaking on behalf of the Canadian government. I do not know what agents of the United Kingdom government acted in the matter. Certainly Mr. Taylor did not take any steps as agent of the Canadian government.

Mr. NICHOLSON: Mr. Taylor in Washington, as vice-chairman of the council, has the responsibility of deciding how the space will be used. He is there as our representative.

Mr. HANSON (York-Sunbury): No, he is there for the British government.

Mr. NICHOLSON: But he is one of our dollar-a-year men, isn't he?

Mr. ILSLEY: He is an employee of the British government, I believe.

Mr. NICHOLSON: His name was one of those tabled as dollar-a-year men, I remember.

Mr. ILSLEY: My understanding is that after the late Arthur Purvis died, the British government had to make other arrangements. I do not know the exact position Mr. Taylor occupies, but Mr. Morris Wilson and Mr. Taylor, I believe, or one of them, took on the work that Mr. Purvis had been doing.

Mr. HANSON (York-Sunbury): Mr. Wilson.

Mr. ILSLEY: I have always regarded Mr. Taylor since that time as a representative, or employee of the United Kingdom government.

Mr. NICHOLSON: The statement placed on record was that:

> Mr. E. P. Taylor is one of our dollar-a-year men. . . . Here we have a picture of the British supply council; we see Sir Arthur Salter, Mr. Morris Wilson, Lord Beaverbrook, Mr. E. P. Taylor and Mr. Jean Monnet. The article states that in some respect the British supply council acts as a coordinating body for the allies as well as for the British empire. Listen to this:
>
> "Whether it is an apple or a flying fortress, the British supply organization endeavours to get these goods to the places most in need of assistance."

I think the government of Canada must take responsibility for the decisions made by this council, with Mr. Taylor as one of the members.

Mr. ILSLEY: We have nothing to do with it.

Mr. NICHOLSON: Again I say it is unfortunate that the president of Canadian Breweries should be placed in the position where large quantities of beer manufactured by his company should be going to Libya at a time when it has been established that there was a considerable shortage of other materials of war that are much more effective than beer in meeting Rommel and the Germans. I support the leader of the opposition in urging that the government give more consideration than has been given to this question.

I hope the minister will answer the question asked by the hon. member for Saskatoon and give some information as to the quantity of materials used in connection with the liquor traffic, and the number of men and women engaged in it. When I spoke on June 1, I mentioned that it was a serious reflection on the people of Saskatchewan that they spent more on liquor last year than the Minister of Finance asked them to raise for the victory loan. It is hardly fair to expect the government of Saskatchewan, hard pressed as it is for funds, to take the lead in seeking to discourage the manufacture and consumption of alcoholic liquors, unless it is part of a national plan. You cannot expect any one province to go out and cut off its revenues unless all parts of the dominion are doing it. I think all hon. members—at least a great many—feel very strongly about this. I would take exception to a statement made by the hon. member for Queens-Lunenburg some time ago when he suggested that members of this house—

Mr. MACDONALD (Brantford City): That was in a previous debate.

Mr. NICHOLSON: Yes, but he referred to hon. members of this house. He cast a reflection on this chamber, and the impression has gone out that there is a great deal of drinking by members of this chamber. Let me say that one of the pleasant surprises I have had was to find that a large number of members of this house are total abstainers, and that so little drinking is done by members of the house generally. The reports I heard before coming here were such that I expected there would be more drinking by hon. members, but whatever the shortcomings of this chamber may be, I think the amount of liquor consumed by hon. members is not one of them.

I hope the government will give consideration to the many representations made by temperance and church organizations across the country, and people who are not prohibitionists, to the effect that this be recognized as a national question.

Before this section passes would the minister give some statement regarding the rate of excise in New Zealand, Australia and Great Britain? We are increasing our duty from $7 to $9 a proof gallon; what are the rates in some of these other countries?

Mr. QUELCH: I wish to add my voice in support of those who advocate that we curtail the sale of liquor at this time. It has

been suggested that this is largely a provincial matter, but we have full power to deal with it under the War Measures Act. We have not hesitated to curtail the sale of gasoline and tires and sugar, and there is no reason why we cannot do the same so far as liquor is concerned.

As regards loss of revenue, I do not think anyone would suggest that we should encourage the consumption of a commodity that is injurious to the public, just in order to get revenue from the sale. We might as well encourage the sale of narcotics in order to get revenue.

So far as the tax curtailing the sale of liquor is concerned, the minister has himself said that the purpose of taxation is to curtail spending; nevertheless I think he realizes that the only real way to stop the sale of any commodity is to ration it. We are finding that out in regard to tires and sugar. I do not believe this country can make a total war effort so long as we allow over-indulgence in the consumption of liquor to prevail as it does to-day.

The liquor industry is consuming a tremendous amount of gasoline and sugar, and is very heavy on tires. As to the stand taken by some hon. members that it is not desirable to go back to the days of prohibition, I am not satisfied at all that if the police really tried to enforce prohibition it could not be enforced. I am not a teetotaller, by any means, but I think we all know that in prohibition days speakeasies and bootlegging were winked at deliberately by the police in many parts of the country. I am satisfied that if any serious attempt were made to enforce prohibition, it could be enforced. But I am not advocating prohibition; I am merely advocating that we ration the sale of liquor. It is a deplorable state of affairs, in a country that is trying to make a total war effort, to see the number of men and women that one can see in a state of intoxication almost any night in any city of this country; and apparently the same thing is going on in England. This tax will not prevent that. It may provide additional revenue, and I am sure the minister would be the last to suggest that he would be willing to sacrifice the health and efficiency of the people in order to get the few dollars that this tax brings in. The only way to curtail the sale is by rationing, not by increasing the tax.

Mr. HOMUTH: Instead of the various speakers dealing with this question from the point of view of a tax, we have had several temperance lectures this afternoon. If we want to debate the question of temperance, it is the privilege of any hon. member to bring in a resolution on that question. But the budget is not brought down with the idea of curtailing or rationing liquor, or legislating as to the morals of the people. This budget is for the purpose of raising the necessary money to carry on the war and the business of the country. It would perhaps give the people an entirely different picture of this $250,000,000 that is supposed to be spent on alcoholic beverages if the minister would give us not only the correct figures as to the sale, but the tax that is collected by the dominion and the various provinces, the amount of labour, what goes into labour in the form of wages, what goes back to the farmer for his wheat and barley and other grains, and other factors that enter into the manufacture and sale of alcoholic beverages. It might give us a completely different idea of just what this so-called tremendous liquor bill is.

There is one thing about which the minister must be very careful. If we are going to curb this industry, if we are going to bring in special legislation to stop the sale or manufacture, that is an entirely different thing. I am quite in favour of this or any other tax the minister wants to levy, provided that in levying that tax he does not raise the price so high that once more we will see alcohol come in in large quantities from the United States, as happened in former years, when millions of gallons were rushed across. As a matter of fact it is only about two years ago that some very severe sentences were handed out in this connection, so that even under the present tax alcohol has been brought into Canada. That is one thing the minister must watch—that the tax does not make the price too high; for if it does, bootlegging and rum-running will commence immediately, and instead of going from Canada to the United States it will come from the United States to Canada. The matter of prohibition or temperance in itself is a question entirely apart from this matter of raising revenue with which to carry on the business of the country.

Mr. GREEN: I must say that I do not entirely agree with the hon. member who has just spoken. The matter has gone much deeper with the Canadian people than the question of taxation. I think there is a widespread feeling that it is the responsibility of the dominion government to do something about liquor, and not to wash its hands and say this is entirely a problem for the provincial governments. It does seem to me that the minister might give the committee the figures as to expenditures for liquor, both hard and soft, the number of men employed in the

industry, and the materials used, so that we may have before us the facts on which to form an opinion. I was very much impressed by a full page advertisement which appeared in the *Evening Citizen* of June 30, published by the Canadian Temperance Federation. According to this advertisement the cost to ultimate consumers of liquor legally sold in Canada has been as follows:

1938	$173,000,000
1939	179,000,000
1940	191,000,000
1941	232,000,000

The estimate they give for 1942 is $290,000,000. In this advertisement three suggestions are offered, to which I think the minister should give his reaction. They are:

(1) As the manufacture of liquor is exclusively under dominion control you can ration materials that may be used for this purpose. They have done so in Britain and Australia. . . .

(2) You can restrict the amount of liquor released from bond for sale. That would eliminate large wasteful expenditures. . . .

(3) You could to-morrow commandeer distilleries for the manufacture of industrial alcohol so useful in making smokeless powder and as a basis for synthetic rubber. And you could order that a major part of liquor stocks now in existence be turned into industrial alcohol. Mr. Roosevelt has moved in this direction. . . .

The minister should give an answer to these three suggestions which have been advanced by the Canadian Temperance Federation. Another complaint we are hearing is that the brewers and distillers are having no difficulty in getting priority for the material required to expand their plants. I do not know whether or not that is the case, but I have had complaints to that effect from Vancouver, and the people resent it very strongly. Many people have the feeling that the distilling and brewing interests are being protected by the government, and it is most unwise that anything should be done which would give grounds for that belief. I think the whole situation can be fairly summed up by this expression, that Canadians cannot drink their way to victory. When sugar and gasoline are being rationed; when people cannot get fuel oil for their furnaces, and all this sort of thing, it does seem unreasonable that restrictions cannot be placed on the sale of liquor.

Mr. FAIR: For some weeks or months past I have been receiving letters in connection with this liquor question; therefore I do not feel that I should keep my chair warm this afternoon and let this opportunity go by without having at least a few words to say.

It may seem rather strange to some hon. members that I, who come from old Ireland, should say anything against liquor, but anything I have to say this afternoon will be against it. I lived in Ireland for almost twenty years, and during that time I saw a great deal of suffering and misery caused by this liquor traffic. The situation here is exactly as it was in the old country. I think if we went around this or any other city of Canada to-day or any other day we could see some of the effects of this curse, and if this government is going to fulfil its duty to the men overseas, and their parents and relatives here in Canada, it should do something in the matter. We find that the government has interfered with provincial rights in other matters perhaps not quite so vital as this, and personally I believe that if the government does its duty now it will accede to at least some of the requests of the temperance association and various church organizations all over this country. Not many days ago I received a letter from a man in Edmonton which reads in part as follows:

Any person who reads the financial papers or even the stock market reports of the daily press knows that according to the report of Mr. E. P. Taylor—we presumed the one-dollar-a-year man (see *Saturday Night*, February 21, 1942), that Canadian Breweries cancelled the arrears of $6.75 per share and substituted a dividend rate of $3.40 per annum instead of $3 per share. The result of this may be seen in the increase in the stock from $40 to $46.76 per share. Hiram Walker-Gooderham and Worts, and Hiram Walker and Sons Distilleries Incorporated, according to a notice which appeared in the *Globe and Mail* of Toronto, May 13, 1941, redeemed $207,000 principal of ten year four and one-quarter convertible debentures due December 1, 1945, on June 1, 1941, at 102½ per cent of their principal amount with accrued interest on principal amount to said redemption date.

The letter goes on to say:

Many of our sons are entering His Majesty's forces for $1.30 a day.

And a little further on he says:

Perhaps some of you members could pass on the information to Mr. Gibson and have him or his department ascertain if this $207,000 and $6.75 arrears per share was deducted from the excess profits tax of these companies who are exempt from the rationing system of some of the essentials, and if so see that the tax be refunded to the nation.

I believe in this country we have a number of habitual drinkers, and it is going to be pretty hard for them to break off that habit. Why should young men who are leaving home for the first time to enter his majesty's forces be encouraged by us to take up this habit? Why should we do these things for the advantage of certain companies who are said to occupy preferred positions with respect to rubber and other commodities? Why should our young men and women be faced with this traffic which in many instances will ruin their

lives? I have two boys at home, and I expect that before long they will be going out among the rest of them. I certainly do not want to see them and the sons of other fathers and mothers tempted with this drug and traffic which could easily be done away with if proper precautions were taken.

Mr. GIBSON: I should like to say something about the remarks of the hon. member for Battle River (Mr. Fair) and the correspondence he has received in connection with the taxation of liquor interests. A great many loose statements have been made outside this house with regard to this taxation. A question was asked some time ago by the hon. member for Fraser Valley (Mr. Cruickshank) as to whether brewers and distillers have been permitted to pay arrears of dividends and redeem debentures out of their excess profits. This question was answered, but it did not seem to give satisfaction to some people outside the house. I have had one or two abusive letters in that connection and these were followed by an editorial in the United Church *Observer*, to which I replied but which has not received publicity. The matter has come up again and I think this is the reason for the letter received by the hon. member for Battle River. All brewers and distillers are required to pay their income and excess profits taxes before making any distribution out of earnings for any other purpose. Consequently any distribution that may be made is not made at the expense of any taxation that may be levied upon them.

Mr. HANSON (York-Sunbury): That is the law.

Mr. GIBSON: Furthermore, reference is continually being made to Hiram Walker's. The company actually referred to is Hiram Walker and Sons Inc., which did redeem some 4½ per cent debentures, I understand to an extent of $207,000. This particular company is a subsidiary of Hiram Walker-Gooderham and Worts; it is a United States corporation, does business in the United States, and does not file an income tax return in Canada. This is the company quoted as an example of a corporation in Canada escaping taxation. It is most misleading, and the public are entitled to know the facts.

Mr. CASTLEDEN: Do they pay an income tax in this country for the business they do here?

Mr. GIBSON: I understand that this company does not do business in this country. It is a United States company doing business in the United States.

Mr. CASTLEDEN: Or any of its subsidiaries?

Mr. GIBSON: It is a subsidiary of Hiram Walker-Gooderham and Worts, which is a Canadian company.

Mr. JACKMAN: I had not intended speaking on this resolution, but there are one or two facts I should like to point out to the committee and there is a suggestion I wish to make. The minister is always looking for suggestions in this connection, and I think this one will come within the province of his own department. The liquor bill for 1942 is estimated at $250,000,000. Investment income in 1937 amounted to $451,000,000, and in 1941, to $512,000,000. We shall be spending in this country for alcoholic beverages almost half the total investment income in 1941. I have never been a believer that prohibition would be effective in this country, but I have always deplored the moral and economic waste which goes along with the overconsumption of alcoholic beverages. The taste for alcohol is acquired, unfortunately quite easily by some, and the acquisition of that taste is stimulated on every hand by the advertising of the liquor companies. To some extent advertising comes within the province of the Minister of Finance (Mr. Ilsley) and the Minister of National Revenue (Mr. Gibson).

In Ontario there is a law against the advertising of liquor. We believe that the advertising of liquor is just as effective as advertising in other fields. We feel that the delights, if you want to call them that, or the pleasures of drinking should not be put before the young people of our province at every turn. However, since the war, there has been an evasion of this regulation by the beverage companies in Ontario. Advertising is now done under the guise of its being a contribution to the war effort. We see "buy war savings certificates", or "$4 will make $5", and advertising of that kind by the beverage companies. As long as a certain small portion of the advertisement is devoted to patriotic purposes, these companies may advertise. It is called a patriotic advertisement rather than an advertisement of liquor.

I suppose that all these companies are in the excess profits tax bracket, so that this advertising is virtually being paid for by the people of Canada. I suggest to the Minister of Finance that the statute should provide that for the period of the war the liquor companies shall not be allowed to advertise their products in any province. In that way greater revenue will be provided for his department, and there will not be an incentive placed before the youth of this country to drink more and more and thus acquire a taste for alcohol.

There is another point which was not mentioned by the hon. member for Waterloo South (Mr. Homuth). He said that we are dealing with fiscal returns and not with morals, that we should not concern ourselves with the consumption of liquor. But we must remember something which has been brought out by other hon. members, namely, that the liquor trade consumes many products and services which would otherwise be useful. I am strongly against any increase in this trade being brought about by means of advertising.

Mr. GIBSON: With respect to advertising, I may say that these companies are not allowed to increase their advertising costs. These costs are being rigidly controlled by the income tax department. This refers not only to liquor advertising but to all advertising. Strict limitations are being imposed on advertising expenses as compared with the pre-war average.

Mr. HANSON (York-Sunbury): What about this so-called patriotic advertising by distillers and brewers? Are they allowed for that?

Mr. GIBSON: We did allow an increase up to 10 per cent additional; that is, 10 per cent over the pre-war average advertising rate. This was done for one war loan campaign, but it has since been discontinued. Any advertising must in general be within the pre-war advertising expenditure average.

Mr. JACKMAN: It might seem like discrimination against the liquor industry if we were to prohibit them from advertising and not allow them to deduct this expense as an operating cost. However, I do not believe that this discrimination is unfair since in this resolution we are imposing an extra tax on the beverage trade because it is a beverage trade and not just a general industry. I see no reason why the minister should not give serious consideration to asking the beverage companies to eliminate advertising for the remainder of the war.

Mr. BENCE: I still believe we should endeavour to get a true picture of the whole thing and not allow distortions to go out from this house to the country in connection with this set-up. It seems to me that the quantity of labour and materials used is the important thing and not the total liquor bill. Can the minister give me the information I asked for a short time ago in connection with that aspect of the matter?

Mr. ILSLEY: I intended, when hon. members had finished speaking on the subject, to answer as far as I could certain questions that had been asked. I am informed that we have no figures of the total liquor bill of the Dominion of Canada. We have our own figures of the taxes, which I will put on the record, for the fiscal years 1940-41 and 1941-42, commencing with April 1 and ending with March 31. The figures for the fiscal year 1940-41, for spirits matured, were $16,587,986.19; 1941-42, $20,603,180.60, an increase of $4,015,194.41; spirits unmatured, 1940-41, $1,107,964.96; 1941-42, $1,391,126.11, an increase of $283,161.15. Those are the excise duty collections. Then validation fee, 1940-41, $664,778.37; 1941-42, $416,575.72, a decrease of $248,202.65; malt, 1940-41, $16,801,739.80; 1941-42, $25,241,291.31, an increase of $8,439,551.51; beer, 1940-41, $324,003.60; 1941-42, $414,018.60, an increase of $90,015. There is a small item of malt syrup which is probably not worth including in the computation. The figures I have given are the excise duties on spirits, malt and beer, including the validation fee, which perhaps should not be classified as an excise duty.

Mr. HANSON (York-Sunbury): That is on domestic production—the whole thing?

Mr. ILSLEY: That is right. It does not include the customs duty on the liquor imported. I have not the figures of the total sales within Canada, and I do not know just how they could be obtained. It would be simple enough to get the figures of the sales of the liquor commissions, but then there are the hotels, beverage rooms, wine shops, and so forth. The total figures are not available, and as far as I know they are not procurable.

Mr. BENCE: Would not the total amount obtained by producers from sales in Canada be available?

Mr. ILSLEY: I do not know. Several of these companies carry on a soft-drink business as well as an alcoholic beverage business, and an export business too.

There is one point which perhaps I should mention. One may be misled by the huge figures one sees connected with the names of certain distilleries, such as Seagram's, Distillers Corporation, and so forth. Some of these distilling companies do most of their business in the United States, and yet all their business appears in the financial statements published in the papers. Those figures could be separated easily enough.

Mr. STIRLING: Before the minister leaves that point, would the figures of the eight liquor commissions not give the total sales to the public?

Mr. ILSLEY: No, because they would leave out the beverage rooms, hotels and wine shops, which do not purchase from the commission, and which would make a very large total.

Mr. HANSON (York-Sunbury): Even without that, do not the sales of the provincial liquor commissions amount to a shockingly large sum? I wish the minister would deal with the larger question.

Mr. ILSLEY: I think the sales are going up pretty fast and that people are quite justified in being concerned, but the point is what to do about it. I have received a great many letters, so much so that I have felt that I am being manipulated into the position of being defender of the status quo in dealing with a lot of people who have written me from all over Canada. But it is not much use just to talk about the increase in the consumption of liquor without putting forward some constructive policy to deal with the situation. I have listened this afternoon for suggestions, and there have been some.

Mr. HANSON (York-Sunbury): The most obvious one would be rationing.

Mr. ILSLEY: Yes, but I was beginning with the suggestion of the hon. member for Rosedale (Mr. Jackman), who suggested that we stop advertising. That might be of some small effect.

Mr. JACKMAN: They put a terrific value on it, judging by the amount of advertising they do.

Mr. ILSLEY: But there are two values in advertising. First, it may increase the consumption of the product, or second, it may increase the consumption of one's own product at the expense of that of some competitor. Without knowing anything in particular about the matter, my judgment would tell me that the chief reason why the brewers and distillers advertise is to bring their own brand to the attention of the consumer so that he will drink theirs instead of the other fellow's.

Mr. JACKMAN: That is not why we eliminated advertising in Ontario.

Mr. ILSLEY: I do not know what the experience was in Ontario, but it may be that that would be the chief result of the elmination of advertising.

Take Nova Scotia, a great province, I need hardly say. I have been reading the report of the speech of the hon. member for Mackenzie, and according to the figures he gave the percentage increase in Nova Scotia was greater than that in any other province. It was 35 per cent, as compared with 27 per cent for New Brunswick, and so forth. There may have been a reason for that—the war activity, the naval activity, the merchant shipping activity, and so forth in Nova Scotia, but I would point out that in that province you have a government headed by a prohibitionist. Perhaps I am taking liberties in saying that about Mr. MacMillan, but certainly if there is in public life an enemy of the liquor traffic I have always thought it was the premier of Nova Scotia. As a result, I think, of that fact the government of Nova Scotia has sharply curtailed hours of sale. I do not know what the situation now is, but I do not think they sell liquor after six o'clock in the evenings, or on Saturdays at all. They have no beverage rooms, nor will they permit the beverage system to be introduced. In fact a great deal of unfavourable publicity was given to the government of that province not long ago over a club which they closed there.

So there you have a government which is going, undoubtedly, just as far as public sentiment will permit it to go, under the impetus of a sincere desire to curtail the sale of liquor, and you have a 35 per cent increase there, higher than that in any other province.

The delegation whose representatives I heard presented four requests. The first was that liquor stores be closed at ten o'clock at night; or perhaps it was eight o'clock; the next, that no advertising of liquor be permitted; the third was that the beverage rooms be closed, and the fourth was that when the beverage rooms were closed there should be no wet canteen.

Two of those conditions already exist in Nova Scotia with, as far as anyone can see, no effect whatever in curtailing the consumption of liquor. I have never been able to understand why anyone had any ground for thinking that if the dominion entered the provincial fields and sought to superimpose dominion regulations on provincial regulations, the dominion would get any better results. No one advocates dominion prohibition; no one in any of the provinces where liquor is sold advocates provincial prohibition; and the view we have taken is that the regulation of the sale of liquor is a provincial responsibility. It is true, I think, that the crown in the right of the dominion could, under the War Measures Act, step in and regulate the crown in the right of the province. It would be a most disagreeable and friction-creating departure, I think, for the crown in the right of the dominion to undertake it; nevertheless, I think it has the statutory power. But is there any reason to think that the crown in the right of the province or the government of a province is not doing its duty as it sees it within the bounds which are set by public sentiment in the various provinces?

Mr. GREEN: What about the suggestions of the Canadian Temperance Federation, contained in that advertisement?

Mr. ILSLEY: Well, I am not in a position to argue those. I would have to give some thought to them, and I should not be asked to argue about them here. If I do improvise arguments, it may be held that I am going to great lengths to repel suggestions by well-meaning, patriotic citizens. But it occurred to me as the hon. member was reading them that the first suggestion, namely, that materials be rationed, will not affect the production of some spirits for two years, and of other spirits for four or more years. The spirits which are being consumed are being taken out of storage. There is a large amount of spirits already in storage, and the effect of rationing barley and other grains would be felt only in the fairly distant future.

Mr. GREEN: What about beer?

Mr. ILSLEY: The situation will be different as regards beer; the effects will be felt in two or three months. The policy which is being asked for is to create in the country a scarcity of beer and spirits, not to ration a product of which there is a scarcity on account of inescapable reasons, but to create a scarcity; and while it might work out all right, I would certainly think there would be the most awful time here with bootlegging that was ever had in any country.

Mr. HANSON (York-Sunbury): Just why, now?

Mr. ILSLEY: Because there is plenty of raw material left out of which to distil and to brew.

Mr. HANSON (York-Sunbury): You are talking about home brew?

Mr. ILSLEY: The excise department is not out of the woods so far as the moonshine problem is concerned: it is seizing stills right along, and illicit distilling is going on just the same as it ever did. Hon. members to-day have talked about this not being a measure of curtailment, but a revenue measure. Well, it probably is primarily a revenue measure, although I want to remind the committee that last year hon. members were urging a higher tax on spirits and on malt, not as a revenue producer but as a method of curtailment.

Mr. HANSON (York-Sunbury): I do not recall that.

Mr. ILSLEY: Oh, yes. The hon. member for Mackenzie and others were urging it on that ground.

Mr. MACDONALD (Brantford City): The public urged it.

[Mr. Green.]

Mr. ILSLEY: Yes, the public urged it. I have been attacked and the government has been attacked from a hundred quarters because of our alleged tenderness toward the liquor interests in regard to taxation.

Mr. FAIR: The government's love for the liquor interests.

Mr. ILSLEY: Well, I do not think it was suggested that the government's attitude ever became sentimental in that way, but it was suggested it was nearly everything else.

With regard to the matter of a higher tax, if it is being urged to-day—and I am not sure that it is—it should be remembered that in the United States the federal rate on spirits is $4 a gallon. I believe that theirs is a smaller gallon. Hon. members can make the computation; the ratio is either four to five or five to six, I never can remember which. There is a proposed tax of $6, but if we get our rate too much above the tax in the United States we are going to have smuggling—a lot of smuggling.

Mr. NICHOLSON: What is the rate in the United Kingdom?

Mr. ILSLEY: The rate in the United Kingdom is terribly high.

Mr. HANSON (York-Sunbury): That is for domestic consumption, but not for export. There is no rate at all on liquor for export.

Mr. ILSLEY: If warehoused for three years or upwards, the rate in the United Kingdom, in British currency, is £4 17s. 6d. per gallon. But it would be inviting all kinds of trouble for us to impose rates on that scale.

Mr. NICHOLSON: Has the minister the rates for New Zealand or Australia?

Mr. ILSLEY: I have not the rates for New Zealand or Australia. It must be remembered that a province has what is essentially a rate of taxation. It is a profit, but it is money taken by the provinces considerably in excess of the cost of carrying on the business. In effect it is a tax. Undoubtedly the provinces will charge a profit on the increase in the cost of liquor which has come about as a result of these higher taxes.

Mr. HANSON (York-Sunbury): It must be remembered that in England they have no taxes on the exported article, and that is a big part of their trade.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): As I understand it, there is no revenue from liquor manufactured in the United Kingdom and exported all over the world. That is

what they have to sell. The situation in England to-day is that their whisky costs about a dollar a quart more than it does here.

I am rather disappointed that the minister does not feel that there is any responsibility on this government. We have a large increase in the national revenue. That is going out to all and sundry, much of it to the people who are spending it on beer and hard liquor. I have felt that a larger proportion of that national income which is now going to the liquor trade and the provincial governments ought to be switched to the war effort; and the only method adopted by the government here is to raise the excise and the import duty by $2 a gallon. I have no doubt that that will bring in the amount of the estimated increase of revenue which the minister suggests, but it will not deal with what is now a pressing problem.

The minister says we shall have to leave the matter to the provinces. Well, notwithstanding the certificate of character he has given Mr. MacMillan, I am afraid that gentleman is in the same position as most of the other provincial governments. They need the money and this is the easiest possible way in which to get it. If that is the position the minister takes, it is too bad. This government undoubtedly has a great deal of power to deal with this matter. You can ration the amount of Scotch and Irish whisky that will be imported from the old country. There is no question about our power to do that. You can ration the amount that the provincial liquor commissions will be able to sell, and you can limit the amount the distillers shall take out of bond. It is all held in bond until the excise duty is paid. This government has power to ration in a very large way, not to say that a man shall be able to buy only three bottles of liquor or one bottle of liquor a week, as they did in Newfoundland, which would be in effect putting a restriction on the liquor commissions and therefore on the provinces, because the commissions are simply agencies created by the provincial governments. This government, I repeat, has a great deal of power which it could use to cut down the consumption of liquor in Canada. The minister says that would immediately revive the bootlegger. I will tell him that in my province there is little illicit distilling going on. The day of the home brewer is pretty largely gone. They have been dealt with pretty severely in the past.

An hon. MEMBER: Maybe you don't get around among them.

Mr. HANSON (York-Sunbury): I confess I do not. I have not had anything much to do with anything of that sort for a long time. The only bootlegging I know of that ever went on in New Brunswick—and it did for a good many years—was the bootlegging on the part of people who bought commission liquor and sold it after hours. We do not have liquor stores open in the evening, no beer and wine stores, and I hope we never shall. But the bootlegging that goes on is winked at. I took occasion to call up the chief liquor commissioner himself and I told him about a particular case. What was the answer? He said, "You will have to produce the evidence to me." I replied, "I am going a long way when I call attention to this and I am certainly not going to be a detective for you. I give you the name of the party who is doing the bootlegging and you can go after him." I also called up the chief of the Royal Canadian Mounted Police, who was responsible for the enforcement of the liquor law in New Brunswick. The mounted police have taken over the whole service. Complaint had been made to me with respect to an individual in a certain village some distance from the city of Fredericton who was bootlegging commission liquor, not after hours, but at any time, because there is just one liquor store in the whole of the county of York. I saw to it, that as far as I was concerned no liquor stores would be opened in any other place in the community except Fredericton, and the present provincial government observed that.

Mr. MAYBANK: How many bootleggers are there, besides the store?

Mr. HANSON (York-Sunbury): Not many.

Mr. MAYBANK: How do you know?

Mr. HANSON (York-Sunbury): I do not know personally. The hon. member puts the question to me and cross-examines me, but I cannot give definite information. I can say, however, that the illicit bootlegging has been very limited. When I put the matter to the commissioner of mounted police, he said, "What evidence have you?" I answered, "It is not my place to get evidence; it is your business to get it when I tell you it is available. All you have to do is to send a plain-clothes man to a certain place and you will get the evidence." He did so and the fellow spent the next Christmas in gaol where he ought to have been. That is the kind of bootlegging there is in New Brunswick, the bootlegger who operates after hours, and it is very limited.

I believe the minister would get cooperation from New Brunswick. Public sentiment there

is such as would compel the commission to make it harder to get liquor. I am alarmed about the evidence I see of sales to young soldiers. That is what is on my soul to-day. I went into Fredericton a week ago on Saturday afternoon. I got home at noon, or before noon, and on Saturday afternoon there was a continuous procession of young men in uniform going to and coming from the liquor commission store. It was mostly beer, I should judge, but they were carrying it by the dozen. That is where I think the huge increase has been, because in our part of the country we have no war industry and no large increase from the national revenue. The principal part is in connection with young soldiers. It is, I admit, a problem. At the training centre Colonel Brooks does not allow a wet canteen, but across the way a block distant there is a wet canteen. And there is complaint. In one place you can get beer and in the other place you cannot, so that anyone who does not feel responsible throws up his hands and says, "Let it go; it is not my funeral; it is not my obligation."

I try to deal with the matter from the larger point of view as a national problem. Here is vast consumption of liquor. I think something should be done, and this government can do something. First of all, I suggest negotiation with the provincial governments to see if something cannot be done to reduce the huge quantities that are sold. An hon. member says something about advertising. I have noticed a magazine called the *New World,* filled with gorgeous advertising of liquor put out by certain interests close to the brewing interests. If you want to be fair about Mr. Taylor, and the dollar-a-year men, he has not been a dollar-a-year man for some time. I ran that story down, and I was satisfied that the beer shipped to Libya was shipped as a result of a request from overseas. They could not ship it from Britain. The soldiers think they have to have their beer in Libya. The British Tommy says he must have it; he will not be deprived of it. Some people look on beer as food; here it is a beverage, not a food at all. Perhaps it is the soldier's luxury. I am not so much concerned about the consumption of beer as I am about the consumption of hard spirits. I think we could get along without that in this country. It could be drastically reduced with beneficial consequences. The minister himself has some responsibility. I am not going to make an issue of this matter, and probably I have said more than I intended to when I rose, but I do think something must be done. The situation must be grappled with, and this government has a responsibility. Certainly the provincial governments have their responsibilities, and perhaps the public discussion here will focus attention on the matter. The publicity from this debate will probably show to the provincial governments that, so far as there has been an expression of opinion in this house, we are nearly all in agreement here. The problem should be grappled with; the duty is partly on this government and partly on the provincial governments.

Mr. MacINNIS: I do not know if I have much to add to this discussion. I was in at the earlier part of the discussion, and I think I agree pretty much with what the leader of the opposition and the hon. member for Mackenzie and others said. But while the discussion was good in itself there was not much in the way of constructive suggestions as to how the consumption of liquor might be reduced. I do not think it is strange that there should be a large increase in the consumption of liquor at this time, because where large aggregations of people meet and have little to do except try to amuse themselves, it is quite understandable that there would be a large increase in the consumption of liquor.

After thinking about this matter or being in a position where I could think about it for many years, and having been at one time a believer in prohibition, I am now almost convinced that people who want to curtail the consumption of liquor are attacking the problem from the wrong angle. They are attacking it from the moral point of view, but I do not think we shall ever get anywhere in that way. I believe that a great deal could be done to-day if the matter were attacked from the health point of view. The people of this country to-day are becoming generally health-conscious. I believe that the harmfulness of drinking liquor could be emphasized in that way, with a regular campaign of education carried on to show the young men and young women the harmful effects of liquor. As I go home along Bank street every evening I pass a certain hotel about a quarter past eleven o'clock when the people are coming out, and it is a common occurrence to see young men and young women coming out drunk and falling against the wall. Anything that could be done to put a stop to that should be done. I am satisfied, however, that it cannot be done by prohibition or by dealing with the matter from the moral point of view.

A few years ago I had the good fortune to be able to make a visit to Europe, and I was astonished to see how common it was to have liquor in every eating-place, even in the northern cities, the Scandinavian cities.

It seemed to me that there was less drunkenness than one sees in this country. I believe our system of beer parlours is one of the worst possible ways of dispensing of liquors. I think it would be a good thing if light wines were served in restaurants rather than that people should have to go to a beer parlour and sit down and swill beer without anything much else to attract their attention, except the rather second-rate conversation that goes on. I agree with the hon. member for Rosedale that advertising should be reduced. But along with that there should be a health compaign teaching people the harmful effects of liquor. This would do much more to curtail the consumption than anything else.

I noticed in the papers to-day that the director of national selective service says that non-essential industries may have to close down because he says some 250,000 workers will be needed within the next five months. Among the non-essential industries that could be restricted are those of brewing and distilling.

Mr. GREEN: Has the minister given any consideration to making a direct appeal to the Canadian people? There is no doubt that much of the money that is spent on liquor could be spent for bonds and war savings certificates. When there was a shortage of sugar an appeal was made to the people to restrict its use, and the same with gasoline. Of course both were eventually rationed. But it might be helpful if an appeal were made to cut down the consumption of liquor. I am sure thousands would listen to that appeal if it were put forward with the authority that a government appeal would carry.

Mr. ILSLEY: The suggestion is worthy of consideration. I do not know how far my duties go in regard to such appeals, but perhaps the government—

Mr. HANSON (York-Sunbury): The minister should ask the people to spend the money on war savings certificates.

Mr. ILSLEY: Yes, but I am pretty careful not to select particular commodities, unless on economic grounds; by that I mean with a view to saving and making available specific materials, such as steel, for example. The saving here would be very little. As the hon. member for Vancouver East said, the impetus behind the drive here is a moral impetus for the most part, it is persons who believe in prohibition, who have done so for years past, now coming forward—

Mr. GREEN: That is very important.

Mr. ILSLEY: Yes. They now come forward and say, "You should now have prohibition or curtailment, whatever may have been the case in time of peace." The suggestion of the hon. member can be considered; that is all I can say.

Mr. NOSEWORTHY: This matter is, I think, indirectly concerned with the budget. I do not think any hon. member feels that it is specifically a matter for the Minister of Finance. It is a matter for the government. I think we all realize that the use of liquor cannot be done away with. You cannot, by taxation, stop people from drinking liquor, although you may be able to curtail the amount used. I think we must recognize that the sale of liquor cannot be legislated out of existence or regulated out of existence.

There are, however, some facts of which I believe the government—not particularly the Minister of Finance—should take cognizance. We have been shown this afternoon the comparatively great increase in the amount of money spent on liquor. As has been said, that is probably to be expected. Whether it is or not, many of the best people in this country are worried about it. They are not necessarily teetotallers or churchgoers, but the people who constitute the backbone of society in this country are worried about the situation in regard to the use of liquor during war time.

The second factor is that no one for a moment believes that the federal government cannot control liquor if it so desires. In view of the controls that have been exercised by the government in relation to human necessities, it is simply useless to tell the general public that the federal government has not power to control this industry if it so desires.

The third factor I think the government should take into consideration is an idea which I find very widespread in the community from which I come; that is, the idea that in some way the government is protecting the liquor interests. I have no reason to believe that is true; I have no proof, any more than anyone else has, but there is the opinion abroad to-day among the thinking people of this country that the government is supporting and protecting the liquor interests, and that is bad for the morale of the people.

The hon. member for Rosetown-Biggar made a suggestion which I thought was extremely important. Within the past six months I have noticed that in the city of Toronto, in nearly every street car, in our buses and on our billboards, the most captivating signs supporting the war effort bear underneath them the name of some brewery. I believe in Ontario we have a law that prohibits liquor advertising,

but everywhere in the city of Toronto you will find the most captivating, interesting and artistic advertising put out in the interests of the war effort bearing the names and addresses of some breweries. I think that is uncalled for. It is annoying to a great mass of well-intentioned, patriotic citizens, and I believe that is something to which the government might well pay attention.

I do not know what can be done by way of control. I think if control or rationing is applied it will have to be done with reason, because I am convinced that this is a matter which must be studied. No one in this country, even the most ardent temperance advocates, would like a return to bootlegging on a large scale; and I think any control or rationing should be not so much from the moral point of view but rather, as has been suggested, as a war effort. The hon. member for Waterloo South spoke of the amount of money spent on liquor, of the amount that went for material, for labour, and so on. The point there, it seems to me, is that most of these materials, most of that labour, all the rubber and gasoline used in the distribution of these goods, are required to-day for more essential war purposes, and I think it is on this basis that we should appeal to our public. Certainly the suggestion is sound that any effort in this direction should be accompanied by an educational programme. I have yet to see any information emanating from the department of public information urging people to be patriotic and drink less beer, or anything along that line. I think it only reasonable to suppose that a great many of our people, if they could be shown that the consumption of beer during war time is unpatriotic, would bring about a voluntary reduction in that consumption without need for much government regulation. I believe a programme of that kind would contribute materially to our war effort, at least as much as a great deal of the information being sent out by that department.

Mr. CASTLEDEN: Is it the attitude of the government in connection with this tax on spirituous liquors and malt and beer that they are taxing a luxury, or do they look upon this as a source of revenue, or is the tax intended to curtail civilian expenditure on non-essential goods?

Mr. ILSLEY: I think it would be a combination of all those factors.

Mr. CASTLEDEN: Does the government consider, then, that malt and liquors are a luxury, and that beer is a luxury in exactly the same way? I see that the increases are approximately the same. The increase on spirits distilled in Canada is from $7 to $9 per proof gallon, while the excise on beer and malt liquor brewed in whole or in part from any substance other than malt is increased from 35 cents to 45 cents per gallon.

Mr. ILSLEY: The beer tax mentioned by the hon. member I feel sure must be very unimportant. The important tax is the duty on malt, which is increased from 12 cents to 16 cents per pound.

Mr. CASTLEDEN: And how about the attitude of the government with regard to spirituous liquors?

Mr. ILSLEY: I find it hard to define an attitude in precise language.

Mr. CASTLEDEN: Well, would you call spirituous liquors a luxury?

Mr. ILSLEY: That would be a matter for the individual; he can decide what he wants to call it.

Resolution agreed to.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

2. That the duty of excise on Canadian brandy be increased from six dollars to seven dollars per proof gallon, provided that duty paid Canadian brandy owned by any distiller at the close of business on the twenty-third day of June, one thousand nine hundred and forty-two shall be subject to the following additional duty of excise on every gallon of the strength of proof one dollar and so in proportion for any greater or less strength than the strength of proof and for any less quantity than a gallon.

Mr. HANSON (York-Sunbury): I suppose this increase is in conformity with the increase in the excise duty on spirits? It seems to be a little more.

Mr. ILSLEY: It is not as great.

Mr. HANSON (York-Sunbury): Is it upon the value? What is the basis?

Mr. ILSLEY: Canadian brandy has been given a lower rate in the past than ordinary spirits in order that the rate should be the same as that applying to imported empire brandy. A further $1 preference as compared with ordinary spirits is being allowed this year in order to assist to some extent in taking care of a difficult grape supply situation in Ontario. Thus, under the proposed rates, where domestic spirits will have a $9 rate and imported commonwealth brandy an $8 rate, domestic brandy will pay only a $7 rate.

Resolution agreed to.

3. That the duty of excise on beer or malt liquor brewed in whole or in part from any substances other than malt be increased from thirty-five cents to forty-five cents per gallon.

Mr. HANSON (York-Sunbury): Is this an important item?

Mr. ILSLEY: No, very unimportant.

Resolution agreed to.

4. That the duty of excise on malt manufactured or produced in Canada or imported be increased from twelve cents to sixteen cents per pound.

Mr. HANSON (York-Sunbury): This is a very important item, in both quantity and the amount of increase. I understand that the pre-war excise duty on this commodity was six cents a pound; in September, 1939, this was increased to ten cents; in April, 1941, it was increased to twelve cents, and now it is to be made sixteen cents. Has this increase all been passed on to the public, or will the brewers absorb part?

Mr. ILSLEY: There has been no increase in the price on account of the increase from twelve to sixteen cents a pound.

Mr. HANSON (York-Sunbury): What is anticipated?

Mr. ILSLEY: The practice will probably vary as between the provinces; it will depend to some extent upon what the liquor commissions do. I expect that the brewers will pass on all, if they can.

Mr. HANSON (York-Sunbury): Did the brewers not absorb some of the last increase from ten to twelve cents? I am thinking about the consumer. He is entitled to some consideration, even if it is beer.

Mr. ILSLEY: The brewers absorbed part of the increase from ten to twelve cents.

Mr. HANSON (York-Sunbury): What was the increase per dozen bottles of beer as a result of the last increase?

Mr. ILSLEY: If all of the increase from ten to twelve cents had been passed on, it would have resulted in an increase of about six cents a gallon.

Mr. HANSON (York-Sunbury): Did the brewers not increase their price by about ten cents per dozen bottles?

Mr. ILSLEY: No, I do not think so.

Mr. HANSON (York-Sunbury): Does the minister not think that these increased taxes on liquor and malt will bring into effect the law of diminishing returns?

Mr. ILSLEY: I do not think they will cut consumption down a great deal. I would not mind if it could be cut down to some extent. However, there is so much money in the hands of the public that the law of diminishing returns does not operate very powerfully. There will be more results from the increased income tax.

Mr. HANSON (York-Sunbury): That will have an effect, not the excise tax itself.

Mr. ILSLEY: Plus the excise tax itself. If anyone who has paid $5 for a bottle of whiskey finds that he must pay $6 or $6.50 and then has in mind his income tax, he may not buy so many bottles.

Mr. HANSON (York-Sunbury): My feeling is that the fellow who could pay $5 for a bottle will pay $6.25. There will be no curtailment of beer drinking as a result of this increase. A total of $9,000,000 comes into the treasury in a full year, and I do not suppose the minister anticipates any curtailment in the drinking of beer.

Mr. ILSLEY: There may be some.

Resolution agreed to.

5. That the duty of excise on malt syrup manufactured or produced in Canada be increased from eighteen cents to twenty-four cents per pound and malt syrup imported into Canada and entered for consumption be increased from thirty cents to forty cents per pound.

Mr. ILSLEY: This is merely consequential upon the others.

Resolution agreed to.

6. That the duty of excise on Canadian raw leaf tobacco when sold for consumption be increased from ten cents to twenty cents per pound actual weight.

Mr. SENN: I am a little bit exercised over this increase in the excise duty on raw leaf tobacco. A lot of flue-cured tobacco is grown in Ontario, particularly in the southern counties, and a considerable industry has grown up. For some time we have been growing what is known as Burley tobacco in considerable quantities. This industry brings in a good deal of money to the farmers in three or four counties along the shores of lake Erie, and I am just wondering whether this increase in duty will not have some effect on prices paid to producers. At the present time prices paid for tobacco are determined every fall at a conference between a certain producers' association and the processors, and I am afraid that this increase will perhaps give a handle to the processors to beat down the price to the producers. There is not only an increase in the excise on raw leaf tobacco; there is also an increase of one cent per five cigarettes, 25 per cent on cigars and a cent per pound or part of a cent per pound on manufactured tobacco.

I should like to have an assurance from the minister that this increase is not going to interfere with the price the producer will realize.

Mr. ILSLEY: This item would not apply to the sales of which the hon. gentleman is speaking. Those sales are not to the consumer.

Mr. HANSON (York-Sunbury): They are to the manufacturer, but the ultimate effect is that the cost of the raw materials to the manufacturer is increased, and he will try to take it out of the primary producer if he can. While I do not know whether the price ceiling applies to tobacco or not, there will be an attempt to try to keep the price-ceiling structure level all along the line, and I would be fearful that this increase would come out of the primary producer. That is what has happened in other lines of endeavour, and I am afraid that we shall see history repeating itself.

There is another matter which I wish to bring to the attention of the committee. There is an increase of 100 per cent in the tax on raw leaf tobacco. That appears to be a very steep increase in comparison with the excise tax on cigars, cigarettes and manufactured tobaccos which are dealt with under resolutions 9, 10 and 19 of the Special War Revenue Act. This raises an interesting point. Heretofore cigarettes and manufactured tobacco have been taxable only under the Excise Act, and an excise duty has been levied rather than an excise tax. Now it is proposed that in addition to the excise duty on cigarettes and manufactured tobacco, levied under the Excise Act, there shall be levied an excise tax under the Special War Revenue Act. I should think that there would be confusion as a result of that action, and I think the minister is called upon to justify the confusion which will unquestionably result from the introduction of this new principle in the taxation of tobacco and cigarettes. I would have thought that simplicity, ease of collection, efficiency of audit and such considerations would dictate that the increases should be increased in duty under the Excise Act rather than the imposition of new taxes under the Special War Revenue Act. I wonder whether the minister's action in this regard, imposing a new tax rather than an increased duty, has anything to do with the maintenance of the price ceiling. I would assume that that is correct, but I doubt very much whether any such considerations outweigh the disadvantages which will, in my opinion, accrue from levying an excise duty and an excise tax upon the same commodities. It is axiomatic that an excise duty is a much simpler and easier means of taxing any commodity than an excise tax.

I believe that there are now two branches of the excise division of the Department of National Revenue, the excise duty branch and the excise tax branch. Will there not be duplication and overlapping in the administration of the new proposals? I would have thought it would be much more satisfactory if the means had been adopted of increasing the duty in preference to imposing the new tax. I think the minister ought to justify this change.

Mr. ILSLEY: The administration is by the same division of the Department of National Revenue. It is administered by the commissioner of excise. I do not think there will be any duplication. It was considered desirable to keep the new tax separate in every way from the excise duty. The excise duty is reckoned in the price of cigarettes for price-ceiling purposes. The new tax is a separate tax, announced to be on a different basis, and not to be reckoned in the price of the article for price-ceiling purposes.

Mr. HANSON (York-Sunbury): So as to preserve the sanctity of the price ceiling—just another dodge to preserve it.

Mr. ILSLEY: I think the word "dodge" is objectionable.

Mr. HANSON (York-Sunbury): All right—another example of the trial and error method.

Mr. ILSLEY: We thought it was desirable to put a tax on the cigarettes in the box. It is a stamp tax applicable to the cigarettes in the box. While the tax is collected from the manufacturer, it is easily identifiable as being a separate tax imposed by this budget. It has been announced that it has nothing to do with the price-ceiling policy.

Mr. HANSON (York-Sunbury): It is imposed in this way so that the price of cigarettes will not be further raised beyond the actual amount of the tax. That is the real truth of the matter. But what care is the minister going to take to see that the primary producer gets as much after this tax of 10 cents is imposed as he got before?

Mr. ILSLEY: The tax of 10 cents on raw leaf tobacco does not apply at all to raw leaf sold to manufacturers. It applies to raw leaf which is sold to consumers, and which comes into competition with manufactured tobacco. The logical thing to have done would have been to increase the duty by the same number

of cents per pound as the duty on manufactured tobacco was raised, but that would perhaps be a little too hard on the primary producer. The increase in the rate on the manufactured tobacco is 16 cents. That will be found in the Special War Revenue Act resolutions. I think that at first we proposed to make it the same, that is, an increase from 10 to 26 cents, but we thought that was a little heavy, and so we made it 10 cents. It certainly would have to be increased 10 cents to preserve the competitive situation between sellers of raw leaf to consumers and sellers of manufactured tobacco to consumers.

Mr. SENN: How much revenue does the minister expect to derive from resolution No. 6 of the Excise Act? How much raw leaf tobacco is sold for consumption?

Mr. ILSLEY: Last year we collected $345,000, and this year we shall collect twice that amount. The estimated increase is $350,000.

Mr. HANSON (York-Sunbury): If it is coming out of the consumer I am satisfied, but if it is coming out of the producer I am against it. Will the minister give consideration to this request, that if he finds after one year's experience that any portion of this increase comes out of the primary producer he will reconsider the tax another year? It would be a great pity if it came out of the primary producer.

Mr. ILSLEY: I will.

Mr. HANSON (York-Sunbury): The commissioner of excise is in front of the minister, and I hold them both to that bargain.

Resolution agreed to.

Resolution 7 agreed to.

SPECIAL WAR REVENUE ACT

Resolved, that it is expedient to introduce a measure to amend the Special War Revenue Act and to provide:

1. That the tax on telegraph dispatches be increased from five cents to seven cents upon each dispatch transmitted.

Mr. HANSON (York-Sunbury): How much is expected to be obtained from this tax, and what were the considerations that actuated the minister in dealing with these, what I would call, nuisance taxes? Is not a tax of 5 cents enough on a telegram? It seems to me that that is a reasonable tax and that it should have been left as it was.

Mr. ILSLEY: It is all a matter of judgment.

Mr. HANSON (York-Sunbury): That is the test, I suppose.

Mr. ILSLEY: The amount expected for the full year as the revenue from this increase is about $250,000. The amount expected for the remainder of the year is $190,000. The revenue under the present tax for 1941-42 was $574,000.

Mr. HANSON (York-Sunbury): Of course that is quite substantial, is it not? All right.

Resolution agreed to.

2. That the tax on long distance telephone calls be increased from 10 per cent of the charge made to 15 per cent; provided, however, that upon long distance telephone calls made from any public pay station there shall be paid in lieu of the tax hereinbefore provided for, the sum of 5 cents for each such call for which a charge of more than 15 cents and not more than 45 cents is made, and 5 cents for each additional charge of 35 cents or any fraction of 35 cents; and provided further that the tax imposed shall in no case be greater than 75 cents on any one call.

Mr. HANSON (York-Sunbury): If this were not war time I would oppose it. It is a 50 per cent increase, and it discourages the use of this public utility, which is being taxed tremendously in every way. I suppose it is a big money-maker for the government, and it is easy of collection. It does not cost a cent for the government to collect; the telephone companies have to keep the accounts and collect and remit. On a telephone call a tax of 15 per cent up to a maximum of 75 cents on any one call must run into a huge sum of money. During the depression years it would have reduced the use of the telephone by a very substantial amount. The telephone companies are under control of the public utility boards; they cannot raise their rates to meet conditions. They have to wait until they are given authority. I regret to see this increase. I suppose it is necessary to get the money. After all, the public using the utility pay it.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Would the minister say how much he got out of the 10 per cent charge last year?

Mr. ILSLEY: The estimated revenue from the increased rate for a full year is $900,000; the estimated revenue from the increased rate for the remainder of the year is $670,000.

Mr. HANSON (York-Sunbury): What is that based on? Last year's experience?

Mr. ILSLEY: Yes. The revenue for last year was $1,571,000.

Mr. HANSON (York-Sunbury): Does this provision apply to telephones operated by the provinces?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Under what authority does the minister do that? Is it by arrangement or under special provisions?

Mr. ILSLEY: There is a special provision in the act.

Resolution agreed to.

3. That there shall be imposed, levied and collected an excise tax of twenty-five cents per month on each telephone extension in any dwelling house, apartment or other domestic establishment.

Mr. HANSON (York-Sunbury): I think this is absolutely the meanest tax of the lot, and I am going to ask the minister to take it off. The extension of a telephone in a house is usually for the purpose of saving the feet of the housewife or the maid. The telephone companies charge for this service, and they charge too much. The mechanical apparatus does not cost very much. They charge, I think, 50 cents a month. This makes the cost 75 cents a month. That is a substantial tax on each telephone user, for a telephone which is installed, perhaps, for the convenience of aged people. A telephone in the house has now become a necessity. I am opposed to this tax. I do not know what the minister is going to get out of it, but of all the mean taxes that ever were imposed by parliament, this is, I think, the meanest. It is not imposed on business. In my business office we have five or six extensions: one makes money out of these telephones; a man absorbs the cost as part of his business expense. But this is a tax on a telephone which is put in to save one's wife from running up and down stairs. I suggest to the minister that he withdraw it. It is the only one I will ask him to take off. How much shall we lose if we do not impose this tax?

Mr. ILSLEY: The estimated revenue for the full year is $125,000; for the remainder of the year, $90,000.

Mr. HANSON (York-Sunbury): Well, the minister will lose that much, probably three times as much, through the resentment of the housewives of this country. The women will say, "I am not going to buy any more war savings certificates if I have to take out my extension.

Mr. ILSLEY: Surely not.

Mr. HANSON (York-Sunbury): Oh, well, they will take it out, human nature being what it is. The minister is making a mistake in imposing that tax.

Mr. PARENT: You are right.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): I have never heard from the telephone companies that it was their desire to do away with these extensions. They are always asking people to put them in.

Mr. ILSLEY: Oh, no, there is a shortage of instruments.

Mr. HANSON (York-Sunbury): That is only a temporary condition.

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): It is a mean tax, and I am against it.

Mr. ROSS (St. Paul's): When the minister made the announcement of the tax in the house, he said, "I don't care whether they leave them in or whether they take them out."

Mr. ILSLEY: No, I did not say that.

Mr. ROSS (St. Paul's): It is a tax on a tax: that is what it is. If you are going to have a tax on these extensions in business we shall have to take them out, and some revenue will be lost. After all, however, look at the matter from this point of view. Things are being made more difficult for people all the time; everybody has to cut down on household expenditures and so on, and now a wife in a family who had two maids and now has only one, or who had one maid and now has none at all, needs the extension for use while she is upstairs doing her job. It is only a small tax as far as that is concerned—twenty-five cents a month—but I think it is a disgraceful one. If there is a need of telephone instruments to be installed some place else, tell the public that you have to have them, and then you can obtain them from houses where there are two or three, or other places where there are more telephones than are needed. I ask the minister to take out this tax, or he will lose more revenue than he will ever gain.

Mr. McIVOR: I agree with the leader of the opposition that this is a mean tax, but I would like to ask the minister what tax is not mean.

Mr. HANSON (York-Sunbury): The tax on whisky!

Mr. McIVOR: There is one class of people whom this is not going to touch, and that is the class that cannot afford a telephone at all. There are quite a number of people who cannot afford a telephone.

Mr. ROSS (St. Paul's): Not many now.

Mr. McIVOR: The other thing that bothers me is this, if we cancel a number of these

items where will the minister get his revenue? If I suggest that a tax should be taken off I should try to suggest some compensatory tax.

Mr. FRASER (Peterborough West): In answer to the hon. gentleman who has just spoken, I have letters on my desk upstairs from three families who cannot afford telephones, but they have them in the house owing to the fact that there are in the house bedridden invalids who need telephones. They pay 55 cents a month for the extension, and with this extra tax of $3 a year it will mean that $9.60 has to be paid for extension service which is necessary as well as giving a little pleasure to the invalid. The downstairs telephone is, of course, required, and many a time during the past year it has been necessary to call the doctor. I suggest that the minister cancel this tax.

Mr. GILLIS: The hon. member who has just resumed his seat has partly expressed what I rose to say in the first place. This is really a tax on a luxury, and to invoke the name of the housewife, with all the sympathy there is for her, is certainly not an argument, because 95 per cent of them have no telephone in the house at all. There is no necessity for a telephone in every room, and therefore the tax is a proper one, with this exception. There are homes in Canada—not so many of them, but there are some where I think there should be an exemption; that is, where there is an extension for the use of someone who is bedridden. But there is no blanket argument on the ground that it is a benefit to the housewife or that it is a necessity, because it certainly is not.

Mr. FRASER (Peterborough West): I support what the hon. member says in favour of an exemption for invalids.

Mr. McCANN: As I read this resolution, it applies only to dwelling houses, apartments and other domestic establishments and is not a tax on an extension in any business concern.

Mr. ILSLEY: That is correct.

Mr. McCANN: How about a professional man, for instance a doctor, who has his office and residence in the same building and has an extension for the convenience of himself and his patients at night? Does it apply in such a situation? The extension is paid for and well paid for, and it is a convenience not only to the professional man himself but to his clientele.

Mr. ILSLEY: I would not consider that taxable. It is part of the professional establishment and not a part of the domestic establishment as such.

Mr. CASTLEDEN: Would the minister consider the question in regard to invalids, to whom a telephone is a necessity? Surely it is as much a necessity to a bedridden person as it is to a doctor. We would appreciate a statement from the minister as to whether he will consider that question. In 95 per cent of cases it is a luxury and should be taxed, but for the bedridden person the telephone is a source of comfort not only personally but to those on whom that person depends.

Mr. ILSLEY: I would not care to make an exception for such a small proportion of such a small tax. It would hardly be worth doing so. Moreover, it would be administratively difficult to draw the line between invalids and semi-invalids and those who are not invalids at all.

Mr. HANSON (York-Sunbury): And there are rich invalids and poor invalids.

Mr. ILSLEY: We would get into all sorts of difficulty.

Mr. JACKMAN: I support my leader's contention with regard to the tax. It is not only a mean tax but also a nuisance tax. I do not think this house has sufficient sympathy with people who are now burdened with larger than six-roomed houses which they cannot get rid of because there is no market for them. Such people cannot adapt themselves very readily to the more restricted circumstances in keeping with their incomes after taxation, and they may have two telephones. With the present shortage of domestic help it means more work for the women in that class. The tax is a nuisance. True, the amount is only $3 a year, but that is added to the charge which the telephone company makes and which, in my opinion, is and always has been exorbitant. One year's rental is about equal to the cost of the instrument, but now the minister sees a loophole to enable him to impose another tax. It is unfair. Many business men have extra telephones in their living rooms in order that they may conduct business, receiving calls in the evening, and that involves a business charge which they cannot take into account in their business expenses. A great many people who formerly had a good middle-class income are now reduced to a very small income by reason of taxation, and it has been necessary for them to maintain a certain standard of living in order to earn that income. Now the minister comes along with this picayune tax which is nothing but a nuisance. I think he would be well advised to take it off. At a more appropriate time I may make a suggestion as to where he could impose a better tax.

Mr. BOUCHER: Why should there be a tax on a private telephone and not on a business telephone? One of the fundamental principles of taxation is ability to pay. A business is more capable of paying the tax than is a householder who has a telephone for the convenience of those in his home, and if it is purely a business proposition there are many reasons why the tax should be not on private telephones but on business telephones. The greatest percentage of extensions are for business reasons, but there are many other reasons than business for putting in an extension in a house. The difficulty of securing domestic help is one reason why the householder should have a telephone extension, and another reason is that there may be privacy in another room for business conversation. If the tax were intended to bring in revenue it would be better to put it on business rather than private telephones.

Mr. GILLIS: I wish to pursue further the question of exemption for invalids. I do not think the minister is right in regard to administrative difficulties in carrying out the exemption. The telephone company puts in the extension and knows the purpose for which it is required, and that is entered in the books of the company. The company makes the collection and will make the return, so that the whole matter is in its hands. If the minister could make a statement to the effect that consideration will be given to the question of exemption, on the basis of necessity, for those who are bedridden, I do not see why the exemption should not be granted.

Mr. GRAHAM: I have an extension telephone for the convenience of an invalid, but I do not think the solution is such as my hon. friends suggest. That would make it necessary for the minister to determine whether the extension was for the invalid or for other use. The solution I would suggest is to have a single telephone put in the invalid's room. I certainly agree with the hon. member for Fort William (Mr. McIvor) that, if a person can afford two telephones, in view of the fact that we have to raise these moneys for war purposes this is a proper tax.

Mr. JACKMAN: Has the minister considered the case of those who do not feel they can afford an extension but who have a plug-in, a hole in the wall where one can plug in an extension so that the telephone may be moved upstairs or downstairs. Is that taxable?

Mr. ILSLEY: I have not considered that question. I do not understand that arrangement.

[Mr. Jackman.]

Mr. HANSON (York-Sunbury): That is where you can move your telephone around. That would not be an extension; it is simply shifting the site of the telephone.

Resolution agreed to.

4. That the tax on railway, vessel, bus and aircraft tickets or right of transportation be increased from 10 per cent of the charge made to 15 per cent; provided, however, that the said tax shall not apply on the charge for a ticket or right of transportation, if the regular charge is seventy-five cents or less.

Mr. REID: I protest to the minister that a great class of travellers is left out of this tax. A few minutes ago an hon. member said that all taxes are irritating. That is true, but there is no need to make them needlessly irritating. The fact that those having passes pay no tax makes this tax the more irritating to those who have to pay it. I know what I am saying may not be popular with members of parliament who travel on passes, but there are thousands in this country who travel on passes and that makes it the more irritating to the ordinary citizen who has to pay a tax on his railway ticket.

Mr. MacNICOL: Are soldiers exempt from this tax?

Mr. ILSLEY: Yes, soldiers in uniform.

Mr. BLACKMORE: What is the minister's purpose in imposing this tax? As I have said before, there seems to be some confusion in his mind as to the primary purpose in regard to many of these imposts. Is the objective here to raise revenue or to withdraw purchasing power?

Mr. ILSLEY: There is certainly too much travel on the railways; that is, the trains are overcrowded. Something may have to be done about that, apart altogether from taxation. While I could not isolate a particular objective and say that is the only objective in this tax, I would say that it seemed proper to increase the tax on transportation for various reasons. We need the revenue, and there is too much travel on the railways. A great many persons travelling on the railways apparently can afford to pay a tax on their transportation, and if they do pay that to us, they will have that much less to spend on something else. So altogether it seemed to be a proper tax to impose. I am aware that there are objections to the tax. I am aware that there are some persons who simply must travel on the railways, and they will have to pay this tax even though travelling is a necessity for them.

Mr. QUELCH: Do soldiers' dependents have to pay this tax?

Mr. ILSLEY: Yes.

Mr. QUELCH: Is that fair, for instance, when a soldier's wife has to join her husband, who may be an airman and be transferred from one end of Canada to the other? It is true you are giving them a lower rate, but it is not their fault that their husbands are moved frequently, it may be every three months, say from Montreal to Winnipeg or Vancouver. Is she going to be taxed every time she moves? Surely soldiers' dependents should be exempt in the same way as a soldier is.

Mr. ILSLEY: I do not agree with that.

Mr. HANSON (York-Sunbury): I would direct the minister's attention to an apparent discrimination—or perhaps differentiation is the better word—in the tax levied on pullman or parlour-car seats as opposed to ordinary transportation. The tax on seats is increased from ten cents to fifteen cents, while the tax on transportation is increased from 10 per cent to 15 per cent. It occurs to me that there is a differentiation there that is hard to justify.

Mr. ILSLEY: Well, the person using the pullman or parlour-car seat ordinarily has to pay his transportation tax also, which is increased from 10 to 15 per cent. This simply increases the tax on pullman seats by the same proportion.

Mr. HANSELL: When was the 10 per cent tax imposed in the first place?

Mr. ILSLEY: A year ago.

Mr. HANSELL: Was there not a tax on railway tickets during the last war? There was. I was selling tickets during the last war and that was the time when the tax was first imposed. It was common knowledge that it was a war tax. When people came to buy their tickets they asked the price and we charged them a little more. "What is the idea?" they asked. "Well, this is a war tax." That tax has been on ever since the last war.

Mr. ILSLEY: No, that is not correct.

Mr. HANSELL: Then I will say that the war tax has since been increased to 15 per cent. Fifteen per cent on a railway ticket is a lot of money; it is not 15 cents as in the next resolution; it is 15 per cent on the fare, and that can amount to a good deal. I venture to say it will be a long time, perhaps a long time after this war is over, before this tax is removed.

Then the hon. member for Acadia (Mr. Quelch) mentioned soldiers' dependents. This section is headed "Special War Revenue Act." A wife gives her husband to the services and then, if she wants to go somewhere to meet him, she has to pay a war revenue tax. I support the hon. member for Acadia in his claim that that is not just.

Mr. WRIGHT: What I have to say may not be popular, but I think it is entirely unfair that this tax should not be charged on those travelling on passes. We are charging this tax to soldiers' wives and we want to reduce travel; yet there are thousands of people travelling on passes who pay no tax at all. This tax should be extended to include those travelling on passes.

Mr. ROSS (St. Paul's): Is a similar tax charged to those travelling on the railways in Great Britain?

Mr. ILSLEY: I do not know.

Mr. ROSS (St. Paul's): I think it would be interesting to know that in connection with this and other of these items. We would get some idea how taxes in this country compare with those in Great Britain.

Mr. ILSLEY: In the United States the treasury proposals were to increase their transportation tax from 5 to 15 per cent. I believe the ways and means committee have recommended a 10 per cent rate instead. I am unable to say which rate will be finally accepted in the revenue bill.

Mr. FRASER (Peterborough West): Would it not be possible for the minister to place a limit on the amount paid under this tax? The single fare to Vancouver, for example, is about $90, which means a tax of about $13.50, and if you buy a return ticket it comes very high. Some people have to travel, and have not this much extra money. It is a lot for them to pay, especially when members of parliament have passes for themselves, their wives and their families on which they do not pay the tax. I brought up this matter when I spoke on the budget, and I was severely called down by a number of hon. members for having done so. But I think hon. members should pay the tax on their passes, because it is those who are travelling on passes that are filling up our trains. There is no doubt about that. I have travelled to Montreal by both the lake shore and the other route, and about 40 per cent of those on the trains were travelling on passes.

Mr. ILSLEY: Whenever we seriously considered taxing railway passes—and we have discussed this matter a great deal—it has always been represented to me that free transportation was regarded by a great many people in this country as one of the conditions of their employment, part of their remuneration, and that if we were to step in and tax

those passes there would be a tremendous storm of protest. I am willing to consider the matter if there is a widespread demand here in the house, but I am afraid that if I were to say now that we would turn round and tax free transportation, for one member who has asked for it ten would protest against it. I am also afraid that in regard to the taxation of passes of members of parliament, for one member from a distant point, such as the hon. member for New Westminster, who would be agreeable, there would be ten members from distant points who would say it was most unfair to tax them so much more than the members who live near Ottawa. These are some of the objections that would be offered to any tax on free transportation. Those who work for the railways have always considered that free transportation was a condition attached to their employment. That is the point of view that has always come forward every time we have had this discussion, though I must say I have not had any representations from the men themselves. I am sure there would be a tremendous number of railway employees and members of parliament who would object to the taxation of free transportation.

Mr. HANSON (York-Sunbury): I should like to point out one consideration with respect to the transportation of hon. members. A member of parliament does not travel on a pass which is issued as a favour by the railway. He travels free as a result of legislation of this parliament, which I think was placed upon the statute books to overcome the charge that he might be influenced by the railways in their handing out free transportation to him. Under this legislation he is under no obligation to them; in other words, he travels as a matter of right and not as a matter of favour. I think that is why the provision was placed in the Railway Act as long ago as 1917 or 1918. Those of us who have read the novel by Winston Churchill with regard to the abuses in the New Hampshire legislature in connection with free transportation will remember the revolution brought about by the publication of that novel. So much was that so that to-day there has been a great change in the handing out of free transportation in the United States. They are very much more restricted than we are; it is confined almost entirely to railway employees and their relatives.

With regard to railway employees I should say that from time immemorial the right of free transportation for the employees themselves, not only on their own line but, after a period of time, on other lines, rightly or wrongly is looked upon as part of the working conditions of the railway men. Perhaps the railways are very generous in this respect, but I think you would have a little revolution on your hands if you were to tax these passes. These are among our most patriotic people, and if transportation facilities are being taxed to their capacity the railways have the remedy in their own hands. At the Christmas holiday, and other times when railway communications were being taxed to the utmost by the movement of men on furlough, the railways just informed certain classes of relatives of their employees that they would not honour passes between certain dates, and there was not a murmur about it. I think we can leave that matter in the hands of the railways. In justice to members of parliament, however, I wanted to point out the distinction, that we do not travel on the railways as a result of any favour from the railways. That section was placed in the Railway Act to abrogate what I might call the humiliation of accepting a favour from a railway company, or of being under any obligation to a railway company in the matter of transportation, leaving members of parliament free to travel as a matter of right.

I would have no objection to paying a tax on my railway transportation, but I tell the committee that it would be a very substantial sum during the course of a year. Members of the cabinet would not be in as bad a position, because the country would pay their travelling expenses, and properly so, since they are, as a rule, travelling on official business. Not many of them, at all events during these days, travel for pleasure; and the members travel on public business also. If a member goes home on Friday evening and comes back on Monday morning, to say that he should pay a tax is, I think, not fair. Let us be fair to ourselves. Surely we get enough knocks from the public as it is. I feel like defending members of parliament against the picayune charges that are sometimes levelled against them, not very often but from time to time. Somebody will say with a sneer, "Oh, he travels on a free pass." He does not travel on a free pass at all; he travels as a matter of right, so that he may be free from any suggestion that he is receiving a favour at the hands of a railway company. I know the hon. member for New Westminster is very sincere about this matter; he has advocated it a good many times, and there have been times when I have thought that the relatives of the railway employees took pretty generous advantage of the free transportation provision. But they have grown to understand that this is their right, and I think it would take a long process of education to disabuse

their minds in that regard. I am not going to urge that they be liable to payment of this tax; there are other ways of getting at them. They are a class of people who earn good money, and they will contribute to the war effort of this country.

Mr. DUPUIS: I should like to add a word in this connection. With regard to railway employees, I am of the opinion that the provision of free transportation forms part of their salary or wages, and I share the view of the leader of the opposition that it would be very unfair to tax them. But I should like to say a word on behalf of those who must pay large sums for railway fares, those who travel long distances. I think the hon. member for Peterborough West made a good suggestion in that connection, to which we should pay attention. I think there should be a ceiling on this tax in regard to long trips.

The return fare from here to Vancouver is about $200, and the tax would amount to around $30. A man is punished for living so far away from Ottawa or from his business. I should like to say a word for the relatives of soldiers or for the soldiers themselves. A boy who has enlisted may have his home far away from the point of embarkation. A mother who happens to live in Vancouver may want to see her boy in Halifax before he leaves, and I think a case like this should be exempted from the tax. I raise my humble voice to join with other hon. members and ask that something be done.

Resolution agreed to.

5. That the tax on pullman or parlour car seats be increased from ten cents to fifteen cents.

Mr. McIVOR: The only thing wrong with this tax is that it is not high enough; it should be 25 per cent. The man who is able to afford a seat on a pullman and have other accommodation provided for him should have to pay extra.

Mr. SHAW: Why is the tax in this case so many cents, whereas in the other case it is a percentage? As I interpret this tax, if I were to go to Winnipeg and take a parlour-car I would pay exactly the same as the man going to Vancouver.

Mr. ILSLEY: It has been ten cents for a great many years, and we just worked on the old section. My hon. friend would not take a parlour-car seat for a trip to Winnipeg or Vancouver; he would take a berth. In that case the tax of 15 per cent provided in the next resolution would apply. The average cost of a chair is sixty or seventy or eighty cents, and in that case a tax of 10 per cent would amount to only six, seven or eight cents. The transportation itself is subject to a percentage tax, and the berths are also subject to a percentage tax.

Resolution agreed to.

6. That the tax on berths in sleeping cars or on other sleeping accommodation on railway trains be increased from 10 per cent of the charge made to 15 per cent: provided, however, that in no case shall the tax imposed be less than thirty-five cents.

Mr. FRASER (Peterborough West): I think the minister ought to place a limit upon these taxes on train travel or berths. For a man travelling from here to Vancouver it means a considerable amount.

Mr. ILSLEY: If I met the request of the hon. member for Peterborough West I would not suit the hon. member who spoke last, because we would then be making the charge to Winnipeg and Vancouver the same.

Mr. FRASER (Peterborough West): This is a percentage charge.

Mr. ILSLEY: The hon. gentleman has suggested a ceiling which would have the effect of equalizing the charges on long distances.

Mr. BLACKMORE: Is the object here to raise money or to prevent people from using berths?

Mr. ILSLEY: There are several objects here.

Mr. BLACKMORE: We should have it perfectly clear what we are doing. From what half a dozen members have said it would appear that they are not distinguishing between a tax, the object of which is to raise revenue, and a tax, the object of which is to withdraw purchasing power or prevent the use of materials. It is entirely imperative that we have this distinction clear when we are dealing with the items of the budget, unless we do not want to be reasonable and logical.

Resolution agreed to.

7. That the excise tax on cigarette paper be increased from five cents for each one hundred leaves or fraction thereof to six cents.

Mr. HANSON (York-Sunbury): I suppose this increase is designed to maintain the same differential between manufactured cigarettes and cigarettes rolled personally?

Mr. ILSLEY: This is designed to be a comparable increase, but whether it is I do not know. There is always a great deal of dispute between manufacturers of paper and tubes and those of cigarettes.

Resolution agreed to.

Resolutions 8 and 9 agreed to.

10. That there shall be imposed, levied and collected an excise tax of one cent per ounce actual weight or fraction thereof on manufactured tobacco of all descriptions, except cigars or cigarettes, manufactured or imported into Canada.

Mr. HANSON (York-Sunbury): I should like to know what we old smokers shall have to pay because of this tax?

Mr. ILSLEY: The present rate is 35 cents a pound; the increase is 16 cents a pound, which makes it 51 cents a pound.

Mr. SENN: How much will that bring in?

Mr. ILSLEY: The estimated revenue from the increase in rate is $4,000,000 for a full year; for the remainder of the fiscal year it is $3,000,000. The revenue in 1941-42 was $9,861,000.

Mr. WHITMAN: Why are cigars exempt? Is there a special tax on cigars?

Mr. ILSLEY: Yes, somewhere else.

Resolution agreed to.

Resolutions 11 and 12 agreed to.

13. That paragraph (a) of subsection four of section eight-six of said act is repealed and the following substituted therefor:—

"4. (a) There shall be imposed, levied and collected an excise tax of 25 per cent upon the current market value of all dressed and/or dyed furs,—

(i) imported into Canada, payable by the importer or transferee who takes the goods out of bond for consumption at the time when the goods are imported or taken out of warehouse for consumption; or

(ii) dressed and/or dyed in Canada, payable by the dresser or dyer at the time of delivery by him."

Mr. CASTLEDEN: What is the change here?

Mr. ILSLEY: This resolution provides for an excise tax of 25 per cent on furs at the point of dressing and dyeing. At the present time the sales tax applies to finished garments other than fur coats, that is, coats with fur collars and fur trimmings. That is the sales tax. Fur goods as such do not pay the sales tax, but the fur used in them has borne a sales tax of 12 per cent levied at the point of dressing and dyeing. Under the proposed changes the 25 per cent tax is a straight excise tax on furs, and persons now paying sales tax on garments with fur trimming will accordingly not be able to buy their raw materials tax free as in the past by quoting their sales tax licence. Fur goods as such will bear the full 25 per cent excise tax on furs used in their manufacture. The estimated revenue from the increase in the rate is $750,000 for a full year, and for the remainder of the present year it is $560,000. I cannot give an estimate of the revenue for last year because that was included in the sales tax.

Resolution agreed to.

14. That there shall be imposed, levied and collected an excise tax of 20 per cent payable by excise stamps on any charge for admission, cover charge, charge for meals, refreshment service or merchandise, or otherwise, which is payable by a person attending any dance hall, night club, cabaret or similar place of entertainment which provides a combination of any two of the following features:—

Dancing by patrons,
Sale of alcoholic beverages,
Entertainment by paid performers.

Mr. FRASER (Peterborough West): Will churches and patriotic societies be exempt from this tax? There are many churches and patriotic societies across Canada which put on dances to raise funds for the church or for patriotic purposes, and I think they should be exempt from this tax.

Mr. ILSLEY: There will be an exemption in the bill covering charitable organizations.

Mr. HANSON (York-Sunbury): They would hardly qualify as dance halls or cabarets or similar places of entertainment.

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): It seems to me that this resolution will require some little clarification in the bill. Does entertainment by paid performers include an orchestra? At the Chateau I see some of the younger members in the grill room, where there is an orchestra and a dance floor. There is a cover charge for dinner dances in the grill. I never dance myself, but if I should go there and have dinner, whether I get up and dance or not, would I be subject to this tax?

Mr. ILSLEY: If there is dancing and alcoholic beverages are sold there.

Mr. HANSON (York-Sunbury): Alcoholic beverages are not sold there. There has to be a combination of any two of these three features?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): So if they sold beer and wine in the grill room where they have a dance floor and a paid orchestra and serve meals, that would come under this?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Then the only thing is not to go there.

Mr. BOUCHER: Would not any place where there was dancing by patrons and a paid orchestra be subject to this tax even if no

alcoholic beverages were sold? You would not need to have entertainment by paid performers if you had the other two features.

Mr. ILSLEY: It is not intended to include orchestras under "entertainment by paid performers."

Mr. HANSON (York-Sunbury): The orchestra would not be considered paid performers. That is the point about which I was asking.

Resolution agreed to.

15. That in addition to any other duty or tax which may be payable under the said act, or any other statute, there shall be imposed, levied and collected from the consumer or user a retail purchase tax payable by excise stamps in respect of the goods mentioned in the schedule hereunder, purchased or imported by the consumer or user, at the rate set opposite each item in the said schedule, computed on the retail selling price, if the goods are purchased in Canada, and on a value which includes all other duties and taxes if the goods are imported by a consumer or user, provided that the said tax shall not apply to goods of which the total retail selling price or the total cost to the consumer or user is not in excess of one dollar, in the case of any item mentioned in subparagraphs 1, 2, 4, 7 and 8 of the said schedule, or not in excess of fifty cents in the case of any item mentioned in subparagraphs 3, 5 and 6 of the said schedule:—

1. Trunks; suitcases; bags and luggage of all kinds; purses; handbags; jewel cases; brief and catalogue cases; dressing and toilet cases; shopping bags, except paper bags; golf and other sports bags; all the foregoing whether fitted or not..... 25 per cent;

2. Clocks and watches adapted to household or personal use..... 20 per cent

3. Articles commonly or commercially known as jewellery, whether real or imitation, including diamonds and other precious or semi-precious stones for personal use or for adornment of the person; goldsmiths' and silversmiths' products including all gold, silver, chromium or other plated ware and pewter ware..25 per cent;

4. Articles of all kinds made in whole or in part of ivory, jet, amber, coral, mother of pearl, natural shells; tortoise shell, jade, onyx, lapis lazuli, or other semi-precious stones 25 per cent;

5. Articles of cut glassware, crystal glassware, cut or not, etched glassware, metal decorated glassware or marble..... 25 per cent;

6. Articles of china, porcelain, earthenware, stoneware or other pottery ware, except articles for use in the preparation or serving of food or drink..... 25 per cent;

7. Ash trays; tobacco pipes; cigar and cigarette holders; cigarette rolling devices and other smokers' accessories, not to include lighters, matches or tobacco..... 25 per cent;

8. Fountain pens; propelling pencils; desk sets and all other desk accessories.. 25 per cent.

Mr. HANSON (York-Sunbury): The minister is here entering into the field of a retail purchase tax. Heretofore we have been clear of that type of tax. It resembles in its limited sphere a turn-over tax. I wonder how such a thing as this is going to be checked up. It will require a whole army of auditors to check up on this tax. Would it not be better to confine it, as we have to-day, to the manufacturer? I do not see how, in any event, the minister is going to check and collect this tax on stocks that are at present in hand. Under the other system he could collect on new goods that came in, but he is going to have a tremendous amount of difficulty in collecting this tax, and there is going to be a tremendous amount of leakage and losses. To do the thing properly you would require an audit of every retail establishment in Canada. Just to say that, indicates the difficulty of levying this tax on every item covered by this schedule. I think the minister ought to try to justify this tax on the basis of equity, and by that I mean the differentiation between small things. Why should cheap jewellery be exempted from the tax and candy be taxed? I say to the minister, if this is a proper tax, tax everything. I think I understand what his answer will be, that on small articles the cost of collection would be greater than the revenue that came in. Is not that the answer?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): It would cost a good deal more than you would get out of it. That is the answer. This tax is in favour of Mr. Woolworth or Mr. Zeller, who deal in cheap kinds of merchandise. They will not be subject to this tax, but a reputable jewellery firm will have its business killed—people who are substantial business men in the community. I go along my own main street in Fredericton and see two old-established jewellers. One of them runs the finest store in town. I go up to the next block, and I see the cheap, tawdry jewellery that is found in the 5-and-10-cent store. The one who is taxed under this resolution is going to be put out of business, while the other fellow rakes in the shekels by the thousands and thousands on a multitude of small sales. I do not like this tax; I do not think it is fair. I do not see how in the world you are going to administer this tax on a proper basis. You cannot check it; you cannot control it. The only place to levy it is at the manufacturer's level, by adding the tax to the invoice. That is the way to do this thing: add it to the manufacturer's price. Then you will require returns only from a limited number of business people who will make correct returns. You will be saved the huge cost of auditing

and of collection, and you will get an honest return from the manufacturer. He is not going to take any chance; the tax is added to his bill, and he collects it as part of his invoice. The consumer always pays. You can take it as axiomatic that the consumer has to pay these taxes. There is the odd case where the "squeeze", if I may use that term, is applied as between wholesaler and retailer; sometimes they are made to absorb part of the tax, but in nine cases out of ten the consumer pays these bills.

You are trying to do something which I think will be very difficult of accomplishment, especially under to-day's conditions. Where the goods are already in the hands of the retailer there will be endless trouble. If you collect from one you must collect from all, and if you do this properly the cost of collection is going to be colossal; you will need a whole army of tax auditors, and we have enough now. I suggest to the minister that the proper principle is the one he is applying to candy.

Mr. ILSLEY: This tax since it was announced has given me more trouble than any of the others.

Mr. HANSON (York-Sunbury): I thought it would be a headache.

Mr. ILSLEY: For various reasons. I think that would be a fair description of it—a headache; and I am going to propose a change in the resolution. But I want to tell the committee in my own language the reason why I did not think we should impose the tax at the manufacturer's level. Once it was decided to impose a tax of this weight, which is heavy—25 per cent—at the retailer's level, it became apparent that to impose a tax of this weight at the manufacturer's level would mean that the tax on jewellery would probably be 66 per cent or something like that, because of the great mark-up there is on jewellery; and even if a tax of 50 per cent at the manufacturer's level were imposed, many of the consequences would be extremely serious.

Mr. HANSON (York-Sunbury): To whom?

Mr. ILSLEY: To various persons interested. I will give the committee some of the consequences of doing that. In the first place, if there were any difference in the degree to which retailers had stocked up there would be a tremendous amount of injustice. For instance, let us say the leader of the opposition is a retailer and has a small stock, and I am a retailer—perhaps running a department store—in a big way, and have very carefully stocked up and have a heavy inventory, and a tax goes on at 50 per cent of the manufacturer's level. The leader of the opposition finds himself in an awkward position, finding himself carrying on business in competition with me, because he has to buy in at this high tax these goods which are very highly taxed, whereas my store is full of goods which are not taxed at all. The most serious discriminations would arise as between retailers, assuming there is a difference in the degree to which they have stocked inventories—and we are told that is the situation in the country at the present time. They are not evenly stocked in respect of inventories.

Mr. HANSON (York-Sunbury): Well, they never are, are they?

Mr. ILSLEY: With a high manufacturer's tax that would create serious discrimination and injustice as between retailers.

Mr. TUSTIN: Would not that discrimination apply to almost everything that is taxed?

Mr. ILSLEY: Oh, but in a very much smaller degree. If it were 10 or 15 or 25 per cent it would not make so much difference, but this 25 per cent at the retailer's level on this particular kind of merchandise is a very high tax on the manufacturer's level. In jewellery, I think it would be something like 66 per cent. That is one objection. Another objection to imposing the tax at the manufacturer's level is that all the inventories would escape the tax. We do not know how great the inventories in Canada in the hands of retailers are at the present time. The hon. member for Lethbridge took me severely to task the other day for not knowing. He said we certainly should know what the inventories were and where they were. I wish I did, but I do not. All we are told is that there are tremendous inventories, and a lot of these goods turn over very, very slowly. If we imposed a tax at the manufacturer's level I am sure that a lot of these inventories would be sold over the next year or two years without any tax being paid at all.

Mr. HANSON (York-Sunbury): It depends on what they are.

Mr. ILSLEY: Yes. Some of them are slow moving and some of them are faster moving. That is the reason why we have separated this tax into two classes.

Mr. COLDWELL: Could the minister explain the difference between increased inventories and consumer hoarding?

Mr. ILSLEY: That is another subject, and I think the answer to that query is not as obvious as it is in the mind of the hon. gentleman.

Mr. COLDWELL: The minister is talking about increased inventories, and I think what he says is true. I have heard of a certain big retail organization across the country with tremendous stocks in warehouses and so on. And we are asked to cut down on our buying!

Mr. ILSLEY: I do not want to get drawn off on that, but the answer is not as obvious as it appears in the hon. gentleman's mind. It is one thing for the consumer to hoard, and quite another thing for distributing agencies to see to it that consumers have goods available in fair proportions. I think that is the answer, though I have not given the question more than a few minutes thought. I have heard it asked as my hon. friend asked it and wondered if the answer was so obvious as people take it to be.

Another objection to putting on a very high tax on the manufacturer's level is that consumer purchasing is to a certain extent promoted.

After having said all that, I admit that the difficulties of imposing a tax at the retailer's level are so great that we should assume some difficulties, particularly in fairly quick-moving lines or the faster-moving lines, rather than plunge ourselves into the terrible administrative difficulties of trying to collect taxes at the retailer's level. For that reason I am going to propose that some be moved back to the manufacturer's level and some left at the retailer's level.

Mr. HANSON (York-Sunbury): Which are those?

Mr. ILSLEY: It has been decided that in the case of items contained in resolutions 1, 7 and 8, the tax should be moved up to the manufacturer's level, and could be, without sacrificing too much revenue. At the same time the exemption in respect of items selling for a dollar or less will be dropped. This will reduce to some extent the administrative problems encountered in administering taxes at the retail level. The rate of tax which will apply on these three categories at the manufacturer's level will be 35 per cent instead of 25 per cent, which I may say will work out at something less than the equivalent of a 25 per cent tax at the retail level.

Mr. HANSON (York-Sunbury): But a little less revenue per item?

Mr. ILSLEY: Yes. I am willing that the effective rate of tax on the consumer should be lower than the equivalent of the 25 per cent tax at the retail level, because it has been represented that there is a large volume of buying by the armed forces in the goods and items included under resolution 1—trunks; suitcases; luggage, toilet cases, and so forth. In many instances these items have been purchased as presents for those going into the armed forces. On items which include jewellery, cut-glass articles, china, porcelain, and so on the tax is to remain at 25 per cent, payable by the retailer. I am proposing to simplify, as far as possible, the use of stamps in future. It is proposed that the stamp shall be placed on the daily recapitulation of sales of the taxed items, and this stamped recapitulation of sales shall be retained by the retailer at his premises for purposes of inspection by the revenue officials.

Mr. MacNICOL: A whole army to inspect it.

Mr. ILSLEY: It will be simpler than what we intended at first. In making these changes I have done my best to meet representations which have been made since these taxes were first announced—and there have been many of them—to the extent that I felt I could safely do, bearing in mind the purpose for which the taxes were imposed. It is difficult to estimate at all accurately the effect of the proposed changes, but the revenue from the eight categories of items should not be much different from that originally estimated, which was $7,750,000 for the full year and $5,800,000 for the remainder of the present fiscal year. I have here a motion that resolution 15 be rescinded and another substituted therefor.

Mr. MACKENZIE (Vancouver Centre): I move:

That resolution 15 be rescinded and the following substituted therefor:

(1) 15. That in addition to any other duty or tax which may be payable under the said act, or any other statute, there shall be imposed, levied and collected from the consumer or user a retail purchase tax payable by excise stamps in respect of the goods mentioned in the schedule hereunder, purchased or imported by the consumer or user, at the rate set opposite each item in the said schedule, computed on the retail selling price, if the goods are purchased in Canada, and on a value which includes all other duties and taxes if the goods are imported by a consumer or user, provided that the said tax shall not apply to goods of which the total retail selling price or the total cost to the consumer or user is not in excess of one dollar, in the case of any item mentioned in subparagraphs 1 and 3 of the said schedule, or in excess of fifty cents in the case of any item mentioned in subparagraphs 2, 4 and 5 of the said schedule:

1. Clocks and watches adapted to household or personal use..... 25 per cent;

2. Articles commonly or commercially known as jewellery, whether real or imitation, including diamonds and other precious or semi-

precious stones for personal use or for adornment of the person; goldsmiths' and silversmiths' products including all gold, silver, chromium or other plated ware and pewter ware..25 per cent;

3. Articles of all kinds made in whole or in part of ivory, jet, amber, coral, mother of pearl, natural shells, tortoise shell, jade, onyx, lapis lazuli, or other semi-precious stones 25 per cent;

4. Articles of cut glassware, crystal glassware, cut or not, etched glassware, metal decorated glassware or marble..... 25 per cent

5. Articles of china, porcelain, earthenware, stoneware or other pottery ware, except articles for use in the preparation or serving of food or drink..... 25 per cent;

(2) That in addition to any other duty or tax which may be payable under the said act, or any other statute, there shall be imposed, levied and collected an excise tax of 35 per cent on the sale price or the duty-paid value of the following items manufactured or imported into Canada;

1. Trunks; suitcases, bags and luggage of all kinds; purses; wallets; billfolds; key and card cases; handbags; jewel cases; dressing and toilet cases; shopping bags, except paper bags; golf and other sports bags; all the foregoing whether fitted or not;

2. Ash trays; tobacco pipes, cigar and cigarette holders; cigarette rolling devices and other smokers' accessories, not to include lighters, matches or tobacco;

3. Fountain pens; propelling pencils, desk sets and all other desk accessories.

Provided that in the case of items mentioned under subparagraph (1) the said tax shall not apply when they are manufactured expressly for a customer for his use in the operation of his business or profession.

Mr. HANSON (York-Sunbury): I think this is an improvement; I believe the minister got out of a good deal of difficulty with respect to operation and administration. I wish to ask him a question with respect to item 5—"articles of china, porcelain, earthenware, stoneware or other pottery ware, except articles for use in the preparation or serving of food or drink." Would that cover table china?

Mr. ILSLEY: It is exempted.

Mr. HANSON (York-Sunbury): What is contemplated other than that?

Mr. ILSLEY: Porcelain ornaments, vases, et cetera.

Mr. HANSON (York-Sunbury): Ornamental articles?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Not articles of general utility.

Mr. ILSLEY: That is right.

Mr. MacNICOL: A few days ago a merchant advertised a sale of handbags at $1.79 each. A buyer went in and bought one of these and handed the merchant a five dollar bill, and when the change was given it was discovered that the merchant had charged more than $1.79. Asked why, he said the government had imposed a tax of 50 cents. In other words, he charged $1.79 plus 50 cents, but the purchaser received no slip with stamps on it. The purchaser did receive a slip with the total amount, but it bore no stamps. In what way will the government keep track of such sales? In most of the states to the south there is a turn-over tax, the equivalent of 3 per cent, from which they receive a large revenue. The state of Illinois receives about $50,000,000 a year. I am not advocating that, because I do not know enough about what a turn-over tax would mean here. Has the minister considered anything of that kind different from what I have quoted about the purchaser of this handbag, for which 50 cents extra was charged, and on the sales slip for which there where no stamps from which the government could receive anything?

Mr. ILSLEY: The tax should have been 45 cents, not 50 cents.

Mr. MacNICOL: I figured it at 44 cents, but the purchaser paid 50 cents.

Mr. ILSLEY: Ever since the budget came down there has been some confusion in the minds of retailers as to just what they should do. The instructions were that they should place a stamp on the bill, cancel that stamp, and present to the purchaser the bill with the stamp so cancelled.

Mr. MacNICOL: That was not done in this instance.

Mr. ILSLEY: In some instances it has not been done, and there has been some lack of uniformity in practice. Once this resolution passes, it will make clear what the practice is, and it is hoped that there will be uniformity in the future.

Mr. PERLEY: Has the department made any investigation as to stocks carried prior to the introduction of this resolution, by such companies as, for instance, Eatons and Simpsons, as compared with the stocks they carried at the time of the last budget a year ago?

Mr. ILSLEY: No.

Mr. PERLEY: I am informed by some merchants that they cannot meet the prices owing to the fact that, as they believed, certain stocks were materially increased just prior to the coming into force of the budget.

Mr. ILSLEY: So far as the tax at the retail level is concerned, it attaches to stocks sold to the public. That is the best reason

in the world for fixing a retail tax. I would have stuck to it had it not been for the great administration difficulties and other reasons all along the line, but it is going to be more easily administered on jewellery than on some other lines which we have moved back to the manufacturer's level.

Mr. FRASER (Peterborough West): With regard to the item as it appears in the resolution before us, "clock and watches"—I suppose that should be "clocks"—will alarm clocks be exempt? I ask that because they are a necessity to certain workers. The same applies to military watches presented to soldiers. Sometimes these watches have the names engraved on them. Are such watches exempt?

Mr. ILSLEY: No.

Mr. FRASER (Peterborough West): Alarm clocks are certainly a necessity to munitions workers. Clock manufacturers are to-day regulated almost out of business because priorities have practically put a stop to their producing clocks and watches. They are almost out of business because they cannot get the necessary materials, and I think they should have some leeway.

Mr. ILSLEY: If that is the situation, that is the best reason that can be given, so that people will not buy them who do not need them. That is one purpose of the tax. Not all clocks and watches are by any means necessities.

Mr. FRASER (Peterborough West): That is why I mentioned alarm clocks.

Mr. ILSLEY: At present the great majority of them are bought by persons who could get along without them. That is not so in every instance, but I do not think we can go round picking out those cases that should be exempt. I do not believe we can draw definitions or make rules that will be as accurate as that.

Mr. FRASER (Peterborough West): What kind of help are you going to give the manufacturer if he is put out of business by this tax?

Mr. ILSLEY: This will not put the manufacturer out of business. He will use what materials are available, make what he can with them and sell them all. The jewellers will sell everything they have; there is no doubt about that. This tax will slow up the sales to some extent I hope, put a little brake on the free purchasing of goods like this.

Mr. HANSON (York-Sunbury): Of course that is the intention of the tax, to prevent the consumer from buying.

Mr. ILSLEY: Yes, that is one intention.

Mr. HANSON (York-Sunbury): I wish the minister would apply that all along the line. There are other things we can get along without better than some of these things; whisky is one, but I am not going to revert to that. I notice in the amendment there is a proviso at the end:

> Provided that in the case of items mentioned under subparagraph 1 . . .

That refers to trunks, I think?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury):

> Trunks; suitcases; baggage and luggage of all kinds . . . the said tax shall not apply when they are manufactured expressly for a customer for his use in the operation of his business or profession.

That was not in the previous resolution, was it?

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): What is the reason for that?

Mr. ILSLEY: Repair bags for telephone men is an example. Some firms make lines which constitute quite a large percentage of their total output, which are required—

Mr. HANSON (York-Sunbury): Commercial travellers' luggage, for instance?

Mr. ILSLEY: Well, if it is used for business purposes it is a business expense; it is not the idea to tax that kind of thing.

Mr. HANSON (York-Sunbury): And doctor's bags and lawyers' brief-cases, they will be exempt?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): What about the luggage of a member of parliament when he has to travel all the time? I wish the minister could see some of mine.

Mr. ILSLEY: Well, I do not know; I cannot give too many rulings.

Mr. GRAHAM: I wish to call attention to a principle in this resolution which I think is very unfair. I admit it is not new; it is found in many other statutes. I think it is important, particularly since this item is under the general heading "Special War Revenue Act." I think it is a fair principle to appeal to this committee on, that is to say, that war taxes should rest as equally as possible on every Canadian citizen. This tax is on the retailer's price. If it is an imported article, the 25 per cent ad valorem tax is added to the price including the duty and other taxes. It will be seen that persons who reside in the more remote sections of Canada are

at a disadvantage as compared with those who live in the two central provinces where practically all these items are manufactured. In my province of Saskatchewan I do not believe there is a single item mentioned in the schedule of this resolution that does not have to be brought in from Ontario or Quebec or possibly British Columbia. The result is that the purchaser or consumer in Saskatchewan—I say Saskatchewan merely to give point to my submission—has to pay the 25 per cent on the price f.o.b. factory, plus freight, plus the mark-up, and that mark-up of course is made on the laid-down price in the merchant's store in Saskatchewan, with the result that the consumer pays considerably more because of the application of the percentage tax than do consumers in other parts of Canada more favourably situated. Or, if the article is imported, the same result follows; the consumer in Saskatchewan must pay the tax on the price including duty and taxes.

There are dozens of statutes in which that particular unfairness falls upon persons living in provinces other than Ontario and Quebec. It is often argued in this committee, I think without any attempt at contradiction, that the people of my province are peculiarly unable to bear that added tax. Yet this section imposes an added burden on those people simply because they live in a remote part of Canada where manufacturing industries are not located.

I would like the minister to consider estimating what the 25 per cent would amount to in cents or dollars and make the tax applicable in that manner rather than as a percentage. I would hope also that the minister would keep in mind the principle that the people who reside in the more remote parts of Canada are continually irritated by the application of the pyramiding system and having the tax imposed on the pyramided price. I think the minister should carefully consider this matter, in order that the people may feel that war taxes are being imposed on every citizen as equitably as possible.

Mr. COLDWELL: I should like to support the argument of the hon. member for Swift Current. There are many of these taxes that bear heavily on people resident in provinces like Saskatchewan. A year or two ago a tax was imposed on electric power. Our small local communities with their little power plants pay a terrific tax, while in this city, for example, where power is very cheap, the tax amounts to scarcely anything. Wherever the price is high, there you have the high tax. I think the hon. member's representation is valid. There was a time when we used to see goods advertised at so much more west of the great lakes, on account, we were told, of freight. It is true that the freight is a little higher, and other things are higher. As the hon. member says, our people are not feeling any benefit from war activity; we have no war industries in the province, and this form of taxation does bear very heavily upon regions such as he mentioned.

I can see the difficulty of adopting some other method, but I believe it could be worked out so as to be much more equitable. Our people on the prairies are feeling, and have felt for the past two or three years, that while there has been a certain measure of, shall I say, war prosperity in some parts of the dominion, the taxation increase to a very large degree bears more heavily upon them and they find it hard to bear.

Mr. PARENT: In support of the remarks of the hon. member for Swift Current and the hon. member for Rosetown-Biggar I should like to call to the attention of the Minister of Finance that we in the province of Quebec already have a 4 per cent sales tax which increases considerably the cost of these various articles. Besides that, we have the heavy taxation of our public utilities. I hold no brief for the power companies in the province of Quebec, but I believe something like $10,000,000 to $12,000,000 in taxes on these corporations is paid to the federal government, and that is shouldered by the consumer. So if the minister could see his way clear to heed the remarks of those hon. members, he might also have consideration for the situation of those in Quebec province.

Mr. MacINNIS: I wish to support what was said by the hon. member for Peterborough West with regard to clocks. As a matter of fact, when the hon. member spoke I was about to rise to deal with the same subject. Most of the people in my constituency are interested in alarm clocks, and I want to draw the attention of the minister to the fact that an alarm clock is not a thing of beauty; no one would ever purchase one for its appearance. It sounds even worse than it looks, particularly about half past four o'clock in the morning.

Mr. MacNICOL: Or even five o'clock.

Mr. MacINNIS: Yes, or even five o'clock. I have no doubt the hon. member for Davenport has heard it on occasion, and it is not a nice sound, especially on a nasty morning. As I have said, no one would buy an alarm clock if he did not have to, and instead of having to pay a tax on it I think he should be given an alarm clock as a bonus, whenever he has need of one. For these reasons I think, as a special concession to those who

have to do the sweating—I mean the physical sweating—in producing the sinews of war, if the minister cannot see his way clear to have alarm clocks given as bonuses, at least he should have them exempted from this tax.

Mr. SHAW: I am curious as to why a 25 per cent tax was arrived at in connection with each group of articles. As I examine groups 1, 2, 3 and so on, I find very little relationship between them. For instance, there is not much connection between the commodities contained in group 2 and those contained in group 3, while the articles listed in group 2 are probably more essential than those listed in group 6. I rather feel that unless there is some strong justification for setting what I regard as a flat 25 per cent rate, there should be some variation, taking into consideration the part played in the lives of the people of this country by the various commodities.

Mr. GRAHAM: I should like the minister to express an opinion, if he would be kind enough, as to why the tax could not be expressed in cents or dollars, striking a reasonable average as between retail prices throughout Canada.

Mr. ILSLEY: If this were converted from an ad valorem to a specific tax, it would be impossible to say what number of cents or dollars a given article should pay. For instance, articles of jewellery range in price from a few cents to many thousands of dollars. One could not put a specific tax on jewellery of, say $1 per article.

Mr. GRAHAM: No, but you could make it a specific tax, so many cents on jewellery up to a certain value; so many dollars on jewellery up to a certain higher value, and so on, grading the tax. I know that is a cumbersome method, but I suggest that it would be better to have this taxation principle correct and equitable, in order to remove the dissatisfaction that exists as between the different provinces, even though it meant going to a little more trouble in interpreting the tax. I think it will be agreed that our taxation system has spread out so enormously that the department must be prepared to face a certain amount of trouble and difficulty in the interpretation and application of these taxes.

Mr. SHAW: I wonder if the minister would care to satisfy me, if that is possible, with respect to the setting of the 25 per cent tax in each case.

Mr. ILSLEY: Well, we had a list of articles most of which people could do without, if they wanted to. We cut out a great many categories, after consideration, and these were left. The great bulk of these are articles the purchase of which, generally speaking, can be deferred. That is true of a great many of them, if not all. There is no scientific method of ascertaining the correct rate. Twenty-five per cent for each is just as likely to be correct as 25 per cent for some, 20 per cent for others and 15 per cent for others. It is just as appropriate as the 8 per cent sales tax over the whole range of goods, for example, and perhaps more so.

Mr. MacNICOL: If I understood the minister correctly a moment ago, he said that brief-cases of lawyers would be exempt from this tax.

Mr. MacINNIS: The clients will pay the tax.

Mr. MacNICOL: What did the minister say when the leader of the opposition asked whether brief-cases of lawyers were exempted?

Mr. ILSLEY: There is an amendment which exempts articles included in the first item when used in business, or something of the kind; I do not know the exact words. It is a question of interpretation as to what that covers.

Mr. MacNICOL: That was what I had in mind. In that connection I wanted to ask if brief-cases or sample cases of commercial travellers, architects, engineers and a long list of people who have to use these articles in earning their living also will be exempt.

Mr. ILSLEY: I am told that brief-cases and catalogue cases were crossed out entirely.

Mr. MacNICOL: They are exempt?

Mr. ILSLEY: Yes, brief-cases and catalogue cases are crossed out.

Mr. MacNICOL: And engineers' cases?

Mr. ILSLEY: I do not know, I am sure. Do not involve me in too difficult questions of interpretation.

Mr. MacNICOL: Brief-cases of architects, and so on?

Mr. ILSLEY: I would need to have the item before me.

Mr. TRIPP: I support the principle that the tax should be collected at the point of sale, for many reasons which I do not think it necessary to point out. In group 6, however, I should like to point out that articles of china are included. There is very little china manufactured in Canada. The great percentage of the china sold in our stores is manufactured in Great Britain, and a very large part of it is reexported to the United

States. We who live along the border between the United States and Canada do quite a business in selling china to citizens of the United States who come here for that express purpose, that is tourists who come to Canada quite often for that one purpose. They make a special trip for it, and we sell them china which is manufactured in Great Britain. That serves two purposes, and I think we should allow that china to go out of this country without paying this extra charge. In selling it we help the British people, who make it, and we obtain United States dollars. My suggestion to the minister is that for export purposes the tax on china should be dispensed with.

Mr. ILSLEY: I think it would be pretty hard to determine whether or not a buyer was really a tourist. That is the trouble with making tourist exemptions. We gave some consideration to that, but we felt that it would be administratively difficult. It will be noted that china for use in the preparation or serving of food or drink is not covered by the item; it is only articles of china which are ornamental in character that are dealt with. I know tourists buy some of those, but I am afraid they will have to pay the tax like anybody else.

Mr. TUSTIN: The minister has announced that the tax on some of these articles is to be collected at the source, and in his remarks he said that there were large stocks of these articles in the hands of some of the large retailers. How is the tax going to be collected on the articles now in the retail stores? Will they be exempt?

Mr. ILSLEY: Yes.

Mr. TUSTIN: There has been a number of these articles sold and the 25 per cent tax has been collected. What is to happen about that?

Mr. ILSLEY: We shall have to validate that tax so that there will not be refunds.

Mr. ISNOR: Can the minister tell whether the delegation which recently waited upon him represented the larger or the smaller retail stores?

Mr. ILSLEY: A number of delegations have waited upon me, and I think all interests and all points of view have been represented. I think the smaller retailers have been adequately represented by the retail merchants' association of Canada. Mr. Hougham, whom I have known for some years, represents that association. Representations have been made by the small retailers, the large retailers, the wholesalers, the manufacturers and everybody but the consumers.

[Mr. Tripp.]

Mr. ISNOR: As a retailer I cannot follow the argument of the minister in regard to stocks on hand, nor can I see how it will be fair to the smaller retailer. The minister has said that there is no check up with regard to stocks on hand. If I am not greatly mistaken, he will find this information in the bureau of statistics. A merchant must fill out a form giving information to June 30, not only what he has at the end of June but his purchases separately for the months of January, February, March, April, May and June, and then his total sales as well. It should be possible to make a very close estimate of the stocks on hand as of June 30. I do not think the minister has looked into this matter as fully as he generally does.

Mr. ILSLEY: My advisers tell me that they could not obtain accurate information, but I am interested in what my hon. friend says.

Mr. HANSON (York-Sunbury): I think they must have slipped.

Mr. ILSLEY: I do not know. It may be that moving some of these articles back to the manufacturer's level will not work very well for certain retailers, but it must be borne in mind that articles of a greater value are remaining at the retailer's level.

Mr. ISNOR: I do not know that I have a great deal of objection to your moving them back, but now that you have started it I think it would have been better to have left the seven or eight items as they were originally.

Mr. HANSON (York-Sunbury): The objection to that would be the cost of administration, and there would be all kinds of chiseling. There would be a great loss of revenue, great expense in administration and the taxes would be wiped out. My reaction to this resolution was that the simplest method would be to work on the manufacturer's cost. No doubt the minister and his advisers, subject to the one omission that the hon. member for Halifax (Mr. Isnor) has indicated, have studied this question more than anyone else has found it possible to do. Perhaps the minister is justified in what he has said. However, having regard to the information I have and the growing scarcity of consumer goods, I think that if large purchases have been made by the larger retailers it must be known to the bureau of statistics. I make the prediction that within twelve months the shelves of the small retailers in this country will be bare; many of them are bare now. If you were in England you would be astonished at the lack of commodities in the

small shops, but if you went to Harrod's or Selfridge's or any of the other large stores you would find that they were just full of merchandise. I predict that within twelve months Eatons, Simpsons and the other large stores will have huge stocks of consumer goods on hand, while the shelves of the small retailer will be bare.

Mr. REID: They say they are increasing their warehouses now.

Mr. HANSON (York-Sunbury): That may be just gossip. I am going to ask the minister to get in touch with his colleague, the Minister of Trade and Commerce (Mr. MacKinnon), and ask him to reveal between now and three o'clock to-morrow afternoon the information available in his department with respect to the stocks of these commodities on hand. The senior hon. member for Halifax has indicated that this information should be available. The large stores are well stocked up, and there is going to be a tremendous discriminatory effect upon the small retailers of this country. They are going to be a war casualty; in fact, many of them are now. In addition, they have to pay higher income taxes.

Mr. REID: The big man has the inside track.

Mr. HANSON (York-Sunbury): If I said that, the minister would say that I was speaking politically, but perhaps the hon. member for New Westminster (Mr. Reid) can say that to the minister. I do not like to throw out that kind of insinuation unless I have proof. If I had the proof I would say it; do not make any mistake about that. The large stores have an advantage because of their great buying power, and in addition to that they have better business acumen. They are able to look into the future with better results, and that is why they have grown.

Mr. MacNICOL: Has the minister any recent information as to whether the number of retail stores is increasing or decreasing? I have noticed lately when walking along the streets of Toronto that there are more stores vacant, which would indicate that many small merchants are going out of business. The smaller merchants upon whom I have called recently all tell me that they are going to be put out of business by the taxes being imposed upon them, and the number of vacant stores would indicate that something serious is happening. I do not know whether this budget will increase or decrease the amount of revenue when so many merchants are being forced out of business. It would depend on whether the number of retailers is increasing or decreasing. Has the minister any information on that point?

Mr. ILSLEY: No, I have not, but I know that in 1941 the volume of goods sold by retail stores was 25 per cent greater than before the war, and the dollar value was about 50 per cent greater. There was a tremendous increase in business.

Mr. HANSON (York-Sunbury): Because there was a great deal more buying power.

Mr. MacNICOL: My question was whether the number of retail stores was increasing or decreasing.

Mr. ILSLEY: I have no information on that.

Mr. REID: I had no intention of criticizing the minister in my remarks about the big man having the inside track. What I meant to convey to the leader of the opposition and to the house was that men in the wartime prices and trade board who are connected with large concerns are in a position to know the exact situation about shortages and to advise their firms accordingly. I do not say that they are doing it, but they are in a position to do it, many of them being connected with large firms. But I had no intention of criticizing the minister for that.

Mr. HANSON (York-Sunbury): Then I misinterpreted the hon. gentleman. There is something in what he says. I have observed over a period of years the trend against the small retailer in our communities throughout Canada because of the chain store. It is a grave problem. The small retailer gives credit; the chain stores do not. The small retailer is a part of the community and takes part in the community life. But who ever heard of a chain store taking part in community life? I can remember that when I went to Fredericton forty years ago, we had five or six first-class grocery stores, big concerns which carried everything and did a huge business. The proprietors of these stores were among our leading citizens. They took part in every phase of our community life, and I have no doubt that the minister knows of a similar situation in his home town. To-day there is not one such big grocery store in Fredericton. They have all been driven out by the chain store. That is a factor in the life of our communities of which we must take note. I am just a bit fearful of this trend. I do not know just how you are going to curb it. I do know that by means of taxation and that sort of thing, attempts have been made on many occasions to curb this trend; but after all, before the war at all

events, we were living in a land of free enterprise. The people do not have to support these chain stores, but they do, and I am just a little afraid that this taxation will accentuate the situation.

Mr. GRAHAM: I wish to return to the point I raised a few moments ago because I believe there is a very important principle of taxation involved. May I ask the minister if he recognizes the inequality that results from this type of tax imposition because of the pyramiding process in the application of a tax on a percentage basis?

Mr. ILSLEY: On some goods on which the cost of transportation is added to the manufacturer's price the consumer at a distance will undoubtedly pay more per article than a consumer in other parts of Canada who buys nearer to the point of production. But there are articles on which the price is equalized all over the country.

Mr. GRAHAM: Not so many.

Mr. ILSLEY: Perhaps not many, but there are some, and to those that objection would not apply. I would point out that while that objection may apply to most of the articles in this list, our sales tax, which is by far the largest tax on the sale of goods, escapes very largely that objection because it is imposed at the manufacturer's level and does not include transportation. With respect to the electricity tax, which is small, and this tax, which is small—the total amount to be derived from this tax in a full year is only $7,750,000—it may be that a case, not a very large case, I think, can be made out, but I do not think it is a very large grievance. On grounds of strict fairness, however, as between consumers in different parts of Canada it may be said that a consumer at a place remote from the point of production will pay a little more per article. But that cannot be avoided if we are going to impose the tax at the retailer's level. On the bulk of these articles it must go on at the retailer's level. Otherwise the heavy inventories will escape and discriminations between persons with large inventories and persons with small inventories will arise. There would be an undesirable stimulation to consumer spending if we imposed a very high tax at the manufacturer's level, leaving the inventories in the retail stores untaxed.

Mr. GRAHAM: I raised the point, not because of the items covered by this resolution but because of the principles which, as the minister points out, are applicable to all measures of taxation. The application of my objection goes further even than the addition of the freight rate to the price at the point of manufacture, because there are certain trade practices such as mark-up. On jewellery, for instance, I assume that the trade mark-up by the retailer is likely 100 per cent. There is also a very high mark-up on furniture and many other articles which represents a very considerable percentage of the laid-down price in the store. This tax and other taxes of a like nature on the retail price are applied not only on the base price at point of manufacture but on that price plus freight and mark-up, and the application of the tax on that pyramided price is very unfair. I trust that the minister is quite aware of that inequity and that if he has a reasonable opportunity of removing it he will do so.

Mr. FAIR: What position will the western provinces be in as compared with the central provinces under this tax. It is well known that the central provinces are the manufacturers of almost all the things we buy in western Canada, and western Canada, the orphan of Canada at the present time, will be compelled to pay a higher price than the central provinces for the articles we are now discussing.

Mr. TRIPP: Am I right in understanding the minister to say that present stocks were exempt from this tax?

Mr. ILSLEY: No. The present stocks of most of these articles are taxable, and with respect to some I am proposing an amendment to move the tax back to the manufacturer's level, so that hereafter, after to-night, stocks of these articles in retail stores will be free from tax.

Mr. ISNOR: I think the hon. member for Assiniboia was anxious to have a clear understanding in regard to the large stocks of these articles now held by the larger retail stores. My understanding was the same as that of the hon. member, that what they now have on hand would not be taxed.

Mr. ILSLEY: That is right.

Mr. ISNOR: I think the leader of the opposition has raised a very important point. I do not wish to take any strong stand against large stores, but it would appear to me that the smaller stores are labouring under a handicap in this respect.

Mr. MacNICOL: They certainly are.

Mr. ISNOR: It is a well-known and recognized fact that during the past two years, and particularly last year, the large stores have had buyers in the field buying wherever it was possible.

Mr. HANSON (York-Sunbury): Trying to get whole outfits.

Mr. ISNOR: It will be shown, I believe, in the report which has been asked for that their stocks have increased to a marked extent. I might add, for the benefit of the minister, that if I remember rightly, the date on which this return is to be made is July 18. I do not see how it is possible to have the return compiled and sent in by that date. I wish to add my voice to that of the leader of the opposition in urging the minister to give this matter serious thought.

While the chairman may rule that what I am about to say has no direct bearing upon the resolution under discussion, I am going to point out something else. Smaller retailers throughout Canada, and particularly on the eastern coast, feel that discrimination is being shown in favour of the larger stores in the manner in which the parking and non-parking regulations are being put into effect. The large stores have the advantage of extensive parking spaces, while the smaller stores do not enjoy that benefit. It has been said—I do not say it—that this is due to the dollar-a-year men being in a position to affect directly traffic and other matters which work to the real benefit of the large stores. While this may have no direct bearing on the resolution under discussion, it may be one more little indication pointing to favouritism in so far as the large stores are concerned.

Mr. HANSON (York-Sunbury): So far as I am concerned I want to facilitate the passage of the minister's resolution. But I would ask him, in view of the discussion which was raised here this evening, not to press this item but to go on to another one and, between now and to-morrow, when we meet again, have his officials get all the information available with respect to stocks in the big department stores—

Mr. MacNICOL: And the warehouses.

Mr. HANSON (York-Sunbury): —and in warehouses, at a certain stated period. I think this will be interesting and useful information.

I am not going to throw out any insinuations, but it is true that Mr. Burton's son is in charge of retail sales in the wartime prices and trade board. I think it would be better if he were not there. No doubt he is one of the best retail men in Canada, but do you not see where it gives an opportunity to question a man's integrity when he puts himself in that position. He is there as a dollar-a-year man; he knows what is going on; he is paid by his firm—one of the biggest retailers in the country. I am not making any attack on him at all, but there is the opportunity for a misunderstanding, and it seems to me that men ought not to allow themselves to be put in that position. No wonder there is criticism when an appointment like that is made, having regard to the ramifications of his own employment and the knowledge which he gets as a result of his dollar-a-year position. I just throw that out as a suggestion to the minister. I am not making any charge. No doubt he is one of the most conscientious men in the world. But these men leave themselves liable to charges by people who perhaps are not fair about it.

I ask the minister to get the information the committee asks for with respect to the stocks of the big retailers. If what the senior hon. member for Halifax says is correct, the minister can get it from the bureau of statistics.

While I am on my feet might I make this suggestion to the minister. Last year the sets of resolutions were not reported one by one as they were passed, but he reserved the time of the report until several sets were passed, and then introduced the bills. If he would have each set of resolutions reported to the Chair as they are passed and a bill introduced, we would have more time to study the bill. I think it would be fair to hon. members to do that. For instance, this afternoon we passed one set of resolutions dealing with the Excise Act. I would ask if, before we rise to-night, the minister would have these resolutions reported and then introduce the bill, so that we may get the bill and study it.

Mr. ILSLEY: We will get the bills in as fast as I can arrange it, but the legal work of preparation of these bills and the work of checking is tremendous, and I do not know that the bill on the Excise Act will be ready to-night.

Mr. HANSON (York-Sunbury): What I am thinking about is the introduction of the bill so that we may see it and study it. We are near the end of this session, and things will be done in a hurry. All the time you can give us to study the bill is important to us. The minister and his officials know what they are doing, but we do not know it until we see the printed bill.

Mr. ILSLEY: I will bear that in mind and get the bills in just as fast after the resolutions are passed as is possible.

It is all right for this item to stand, but I must make it clear that the arrangements under the resolution will have to be as stated in the amendment. That is a peculiarity of our system; there must not be any

vacuum; there must not be any interim period. The taxes on certain of these items go off to-night as of to-morrow morning; either they do or they do not, and there cannot be any doubt about it, because otherwise there will be speculation on what eventually will be done. So it must be taken, I think, that the amendment I proposed is settled as far as trading to-morrow is concerned.

Mr. HANSON (York-Sunbury): Well, that is notice to the public, anyway.

Mr. ILSLEY: That is notice to the public. I want to make that clear. May I say that no one has a keener appreciation than I myself of the difficulties in this matter as indicated in the observations of the hon. senior member for Halifax. I never know in these things whether somebody has been benefited a little at the expense of somebody else, or not, but I heard all the representations, and when the retail association of Canada, with Mr. George Hougham representing them, a man who is always associated in my mind with the representation of the smaller rather than the larger retailers, although I think he represents all, was in favour of moving all these articles back to the manufacturer's level, while I decided not to do that on the bulk of them for the very reasons that the hon. senior member for Halifax advanced to-night, I did think I should do it on items yielding about two million dollars of revenue here, because of the difficulties of administration that have developed since I introduced the budget, the tales of woe that we have had—

Mr. HANSON (York-Sunbury): The end is not yet.

Mr. ILSLEY: —about employing new staffs. I do not want to say anything about my friend the commissioner of excise, but he has a responsibility about these matters, and he does not like to assume the responsibility of enforcing a tax unless it is enforced.

Mr. HANSON (York Sunbury): Of course, his duties are administrative. They are not legislative.

Mr. ILSLEY: No, but as an administrator he has every right to make representations to the Minister of Finance and say, "Now, if you give me that thing to enforce, I am afraid that I can't enforce it."

Mr. HANSON (York-Sunbury): Does the minister ever heed that advice?

Mr. ILSLEY: Time after time. Sometimes I do not, but usually I do. I do if I can, because I know what his difficulties are. I was minister of that department for five years, and I have repeatedly said in this chamber that this house should take great care to see, when it enacts laws, that it enacts the kind of laws which the people will respect and which can be enforced reasonably well. In some respects, I am afraid, this is a little off the line, but we have kept it on to the extent that we felt we could, and the recommendations I have made to-night embody the result of my judgment and that of my officials, after a very considerable amount of discussion and a great many difficulties. I am content to let that rest until to-morrow. With regard to what was said about the administrators, I do not object at all to any remarks like that. I realize that when we go out and select executives of department stores and put them in the position of administrators of the retail trade or anything else, it will be said that they are using their positions to help themselves and the interests with which they have been connected.

Mr. HANSON (York-Sunbury): I did not say that. I said that they were open to the charge that they might. I did not suggest that they did. I was very guarded in what I said. But they are open to that charge by virtue of their taking those positions and still retaining their connections with their parent firms. By so doing they lay themselves open to the charge.

Mr. ILSLEY: What are we to do about it? Consider the position the government is in. If we do not take men who know the business, we must take someone who does not know the business and who will have no authority in administering it. That is the difficulty. We try to get round that by taking particularly able civil servants where we find them, and when we do that we are bitterly criticized for taking theorists—

Mr. MacNICOL: Impractical men.

Mr. ILSLEY: —and brain trusters.

Mr. HANSON (York-Sunbury): Men without practical experience.

Mr. ILSLEY: Yes. Sometimes we get bankers. We have asked the banks to release some of their best men, and they do. We have put these men in responsible positions. Often they are very good; they are excellent. They have practical business experience and financial experience as well; their heads are level, and so on. But how often have I heard it said that they are favouring their old clients. How often have I heard that statement made? I have heard it in this house. Members in this house say that there should be occupational representation on the war-

time prices and trade board. That statement has been made repeatedly, and I have risen and said, "no occupational representation on the board. A dozen civil servants; that is all we will have". Then it is objected that we are relying on men without practical experience. But if we once started putting on that board representatives of particular callings or occupations, making it a kind of parliament where each had a constituency to represent instead of representing the interests of the dominion as a whole, as civil servants are very likely to do—and in practically every case they do—I am sure we would be in a great deal more trouble than we are in at the present time. Whatever course we take is open to certain objections. Generally speaking, the course that has been followed with the wartime prices and trade board has been to look for ability which has been developed as a result of experience, together with character, and then to disregard the charges that these men are advancing their own interests. If anyone knows wherein they have done so, let him tell me or let him say it in the house.

Mr. HANSON (York-Sunbury): We have heard it.

Mr. ILSLEY: Certainly no one wants anything of that kind to go on.

Mr. LOCKHART: How many more employees will be required across the country, from coast to coast, to carry out the provisions of all these extra taxes? Several people have asked that question.

Mr. ILSLEY: Just under this resolution?

Mr. HANSON (York-Sunbury): Under all of them.

Mr. ILSLEY: I cannot say. The hon. gentleman is not referring to the income tax?

Mr. LOCKHART: No; the number of employees that will be involved as a result of the new budget.

Mr. ILSLEY: It would be impossible to say. It will be a great many, but I have no means of estimating the number.

Resolution stands.

16. That immediately after the word "cameras" in section five of schedule I to the said act, be added the following words:

"photographic films and plates; projectors for slides, films or pictures; except those designed exclusively for industrial or professional photographers' use.....25 per cent."

Mr. HANSON (York-Sunbury): What effect will this have on the motion-picture industry. Will they have to pay?

Mr. ILSLEY: No. Is the hon. member referring to such concerns as the Associated Screen News, for example? Those would be films, projectors, and so on for industrial or professional photographers' use.

Mr. HANSON (York-Sunbury): They come under the exception?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): This is ordinary photographic material?

Mr. ILSLEY: Yes.

Mr. BLACK (Yukon): As one of thousands of amateur photographers in Canada I know I am correct when I say that the present retail prices of photographic films, plates and projectors are so high now that very few people can afford to buy them or to use them; but if you jump the price 25 per cent, why except those designed exclusively for industrial or professional photographers' use? Take the film designed for the amateur's use; it is, in most instances, identical with that designed for professional use. Therefore, if you are going to increase the price of films 25 per cent to the amateur, you should do so in the case of the industrial or professional user. By not including the industrial or professional user you overlook a great source of income, because much more film and many more projectors are used by them, and they make a profit on the purchase, resale and use of the film and projector, whereas the amateur makes nothing. Why not tax the profit?

Mr. ILSLEY: It was not designed in order to impose an additional business tax. This is a consumer's tax. To put it on business would increase the cost of carrying on business at a time when price ceilings prevent increases in charges and when heavy income taxes and business and excess profits taxes take excess earnings. In short, this was not designed as a business tax or as an additional cost in doing business.

Mr. BLACK (Yukon): In this legislation the minister is getting around the price ceiling. He is putting the price up 25 per cent when it is high enough now, and, as I say, the professional photographer uses films designed exactly as those used by the amateur. How will you tell them apart? What makes a man a professional? Suppose I make a film to-day and sell it; I go into the professional class. Shall I get my films the next day at 25 per cent less than I get them to-day when I am an amateur? It is not fair.

Mr. FRASER (Peterborough West): There are many schools throughout the country that have motion-picture projectors. The inspectors

take pictures and show them throughout their districts. Would the films that they buy be taxable?

Mr. ILSLEY: Yes.

Mr. FRASER (Peterborough West): That is going to hamper education to a great extent. These motion-picture cameras use kodachrome, and with the extra tax a film is going to cost practically $7 for fifty feet. Four hundred feet of film will show in about fifteen minutes; $7 for one-eighth of a roll will make the whole roll cost about $56 with the tax.

Mr. CLEAVER: There is a determining factor in this resolution, the person for whom the camera or film was designed. Reading the resolution strictly, who is going to determine what films are designed exclusively for industrial or professional photographers?

Mr. ILSLEY: They are of a distinguishable type, I am told. This applies not only to films but plates, projectors, et cetera. Any of those articles that are designed exclusively for the use of industrial or professional photographers are free of the tax; those that are not are taxable.

Mr. HANSON (York-Sunbury): I suppose it is well understood in the trade.

Mr. ILSLEY: I think so.

17. That section eight of said schedule I to the said act be repealed and the following substituted therefor:

"9. Beverages consisting of unfermented fruit juices (*not including grape and other native fruit juices where at least ninety-five per cent of the products sold consist of pure juice of the fruit*) and imitations thereof, carbonated beverages or aerated waters and all other compounded or mixed soft drinks, put up in bottles for sale..... 25 per cent and one cent per bottle."

Mr. ROSS (St. Paul's): Is the one cent a bottle for a pint or a quart bottle?

Mr. ILSLEY: Any bottle.

Mr. ROSS (St. Paul's): Many speeches were made this afternoon about endeavouring to cut down the sale of alcoholic beverages. It is rather a pity that this extra tax should go on soft drinks. I think if it were kept to a reasonable level they would probably take the place of alcoholic beverages to some extent.

Some hon. MEMBERS: Oh, oh.

Mr. ROSS (St. Paul's): I mean what I say; I think it is a pity. I think cutting down the cost of soft drinks would have some effect in reducing the consumption of alcoholic beverages.

[Mr. G. K. Fraser.]

Mr. HANSON (York-Sunbury): I have heard of people buying chocolates instead of alcohol, but I never heard of them buying coca-cola.

Mr. CASTLEDEN: What was the clause before it was changed?

Mr. ILSLEY: The part in italics is new and the one cent per bottle is new.

An hon. MEMBER: What were the proceeds from the tax last year?

Mr. ILSLEY: The amount last year was $6,247,000. The estimated revenue from the increase in rate for a full year is $5,000,000. The estimated revenue for the increase in rate for the remainder of the fiscal year is $3,750,000.

Item agreed to.

18. That the said schedule I to the said act is further amended by adding at the end thereof as section ten and eleven the following:

"10. Chocolate, candy and confectionery which may be classed as candy or a substitute for candy ..... 30 per cent."
"11. Chewing gum..... 30 per cent."

Mr. ILSLEY: I have an amendment to propose. This resolution imposes a new tax of 30 per cent on manufacturers of chocolate, candies, et cetera. The amendment I have to propose is in the form of a proviso, the effect of which is to substitute for the 30 per cent tax in the case of items packaged by the manufacturers to sell normally in the retail trade for five cents, ten cents and fifteen cents, a tax of one cent, two cents and three cents respectively. This proposal is made with a view to equalizing the tax as between manufacturers of these classes of fixed price items. I believe it will find favour with the trade generally.

Mr. MACKENZIE (Vancouver Centre): I move:

That resolution No. 18 be amended by adding the following proviso to section 10 of schedule 1 to the said act, as therein proposed:

"Provided, however, that in respect of the goods mentioned herein the tax shall be:

One cent on each article or unit selling regularly at a retail price of 5 cents;

Two cents on each article or unit selling regularly at a retail price of 10 cents;

Three cents on each article or unit selling regularly at a retail price of 15 cents;

and the Minister of National Revenue shall be the sole judge of the classification of the goods, the value, and the unit of the sale for purposes of this tax."

Mr. HANSON (York-Sunbury): I understood that the manufacturers had made to the minister representations which fell into

two parts. There was the case of the penny goods manufacturers and the case of the bar manufacturers. The penny goods makers do a very substantial part of the trade. Certain factories in the province of Quebec I am told rely very largely on that trade. Is there any relief for the penny goods business? Obviously there is great difficulty on a 30 per cent tax. You could cut down the size of the goods, but then there would not be much left. And nobody can absorb all the tax. What is the plight of the penny goods manufacturer going to be? Hon. members from Quebec province who have in their constituencies candy manufacturers who are almost exclusively engaged in making penny goods had better look into this question, because those factories are going to be put out of business with this tax.

Then there is the much larger problem of the bar manufacturer. I am told that 50 per cent of the total production is in the form of bars selling at 5 or 10 or 15 cents. The difficulty there has been with respect to the maintenance of the price ceiling. The tax on a box of twenty-four 5-cent bars would not amount to 25 cents. It amounts, I am told, to something like 22 cents. I would think that if these bars are allowed to be sold at 6 cents, or 12 cents in the case of a 10-cent bar, while it will cut down the sale to some extent, it would not be a great detriment to the manufacturer. This is a big industry in Canada. It had a terrible time during the depression, and it is hard hit to-day as a result of the limitation of sugar. That is part of the national burden which it has to bear, because the sugar limitation applies to it as it does to me. These manufacturers have revamped their business to eliminate those lines which have the greatest sugar content; they have had to do that in order to meet the situation. I think they have done it in a very patriotic spirit and ungrudgingly, because they realize the scarcity of sugar.

With respect to the bar business, I do hope that the minister's amendment; which I have not had a chance to read, does something to ameliorate the condition of the bar manufacturers. If it does, I congratulate him, because this is the great bulk of their business to-day. The number of chocolate bars being sold is astonishing, and I am told that a great mass of them goes to the armed forces, that a tremendous trade has been developed in that direction, because they are all packages goods. Just how far has the minister gone to ameliorate the condition of the bar manufacturers?

With respect to the higher priced chocolate goods, undoubtedly there will be a diminution in the consumption. In a degree those goods are in the luxury class, though I am firmly of the opinion that chocolate as such is food. I indicated my views in this regard during my budget speech, and I am not going to repeat them now, at five minutes to eleven o'clock. How far has the minister been able to go to meet the very difficult situation that is confronting these manufacturers, and not only the manufacturers but their employees, because they employ a great many people and pay a large amount in wages? They are confronted with a difficult situation now by reason of the sugar shortage, and I would hope that the minister has gone just as far as he possibly can, having regard to his objective, which is to obtain taxation from a source which he considers ought to be taxed, and at the same time not put the industry out of business.

Mr. MACDONALD (Brantford City): Apparently the amendment, which I have not seen, does give some help in connection with the sale of 5, 10 and 15 cent candy. But I should like to join with the leader of the opposition and say a word with respect to the sale of one cent candy, to which the hon. gentleman referred as penny candy. The sale of 1 cent candy will be impossible after this tax comes into effect. I might explain that by quoting just a few figures in order to show how it works out. To-day the retailer pays $1.10 per gross for candies which sell at 1 cent each. A gross, as hon. members know, is 144 pieces, so the retailer pays $1.10 for 144 pieces. A tax of 30 per cent would amount to 26¼ cents a gross, which would mean that 144 pieces would cost $1.36¼. Hon. members will realize that it would be impossible for retailers to handle candy on such a small margin of profit. Take the case of licorice. At the present time licorice sells at 85 cents for 112 pieces. The tax of 30 per cent would amount to 18 cents, which would mean that the retailer would pay $1.03 for 112 pieces of licorice, and again he could not sell the product at that price and make enough profit to enable him to continue in business. The leader of the opposition was speaking on behalf of the manufacturers. I think he would join with me in speaking also on behalf of the retailers who sell these goods.

Mr. HANSON (York-Sunbury): And especially the small retailers.

Mr. MACDONALD (Brantford City): I was just coming to that; especially the retailer in the small corner store. As has been pointed out to the committee already to-night by many hon. members, the small retailer is having a hard time to exist even now, and with taxes such as these it will become even more difficult. Then there is the child himself. As hon. members know, many children

get only a cent, and they go to the store and buy a cent's worth of candy. You may say, why not give them 2 cents? Well, being Scotch and thrifty, while a cent is a small amount of money, nevertheless it is well to bring up our children on small amounts of money, and then they will appreciate the value of money more when they get older. Also it may be suggested that certain candies which sell three or four for a cent could be sold at two for a cent instead. Well, if the retailer does that, the wartime prices and trade board will come along and say he is increasing the price of his candy, and he will not be permitted to do so. So the small merchant is met with difficulty at every turn, making it harder than ever for him to carry on. I would have hoped that some consideration might be given with regard to candies selling for less than 5 cents.

Mr. ROEBUCK: I have had a number of protests in my constituency, most of which I have sent on to the minister. They have come from the retailer, the storekeeper, who has given me figures somewhat similar to those mentioned by the hon. member for Brantford City. The storekeepers who have written me have assured me that if this tax remains, one-cent candy will go off the market. It is pretty well agreed and pretty well established, I think, by both the manufacturers and the retailers that if this tax stands, that class of candy goes out of existence. During the evening someone criticized a tax as a mean tax; in fact, I think two taxes were referred to in that way. But I do not know a meaner tax than that which takes candy from the babies.

Mr. HANSON (York-Sunbury): I was not going to say that.

Mr. ROEBUCK: Someone ought to have said it. There are those who will say that the baby is better off without the candy, but I do not think that is a good argument. We are not the judges of that. I do think something should be done in this connection. We shall not hear from the children who are interfered with by this tax. The amount that will be raised is very small compared with the number of people who will be inconvenienced and who will feel aggrieved as a result of this legislation. I do think the minister should do something about what the leader of the opposition has described as the penny candy.

Progress reported.

Resolutions (Excise Act) reported, read the second time and concurred in.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

[Mr. W. R. Macdonald.]

Tuesday, July 14, 1942

The house met at three o'clock.

RADIO BROADCASTING

RECOMMENDATION OF SPECIAL COMMITTEE FOR ESTABLISHMENT OF HIGH-POWER SHORT-WAVE STATION

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether the government has taken into consideration the interim report made by the committee on radio broadcasting on the 7th of July, in which the establishment at the earliest possible moment of a high-power short-wave station was recommended. If so, what decision, if any, has been reached?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The matter is under consideration at the present time, but a decision has not yet been reached.

SOVIET UNION

RECOGNITION BY CANADA—EXCHANGE OF CONSULAR AND DIPLOMATIC REPRESENTATIVES

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to direct a question to the Prime Minister arising out of the announcement he made on the 5th of February last that an exchange of consular representatives with the U.S.S.R. was planned. On June 12 the Prime Minister announced that an agreement for the establishment of direct diplomatic relations and the exchange of ministers had been concluded. I now desire to ask the Prime Minister whether he has any further information to communicate to the house in this regard, and particularly as to when an appointment may be expected. If he is not in a position to give any further information to-day will he make an announcement before the house adjourns?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I hope before the end of the session to be able to announce an appointment. I may not be successful, but I hope to be able to.

BUSINESS OF THE HOUSE

WEDNESDAY AND FRIDAY EVENING SITTINGS—SATURDAY AND MORNING SITTINGS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should like to say a word

to hon. members with respect to the conference which I had this morning with the Leader of the Opposition (Mr. Hanson), the leader of the Cooperative Commonwealth Federation group (Mr. Coldwell), and the leader of the Social Credit group (Mr. Blackmore) with respect to the proceedings for the remainder of the session. We were discussing the possibility of so arranging matters as to have the house adjourn by the end of next week, and it was felt that, if hon. members would lend their cooperation towards that end, it should be possible, particularly if the house were to agree to morning sittings very soon.

I gave notice of a motion which appears on the *Votes and Proceedings* of yesterday to sit Wednesday evening of this week. I assume the house will be agreeable to that motion carrying. The leaders of the different parties are. It should also be understood that the house will sit as well on Friday night of this week. To ensure getting through by next week it was felt that we should begin morning sittings, if possible, on Saturday of this week, and that the house should sit Saturday morning and afternoon. Then next week we would if necessary sit morning, afternoon and night throughout the week. That is the proposal that has been agreed to by the different leaders in the house, and unless there is some very decided objection to it on the part of hon. members I will have notice of a motion placed on the *Votes and Proceedings* to-day to give effect to that procedure. In the meantime perhaps the house would be agreeable to passing the motion to sit on the evening of Wednesday the fifteenth, and I accordingly move:

That on Wednesday, the 15th of July, 1942, and all subsequent Wednesdays until the end of the session, the sittings shall in every respect be under the same rules as provided for other days.

Motion agreed to.

JAPANESE NATIONALS

EVACUATION FROM BRITISH COLUMBIA COASTAL AREA

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the Minister of Labour. Many members of parliament, I presume, have been receiving, as I have, many protests and letters in connection with the Japanese situation in British Columbia. My question is based on an article appearing in the Vancouver *Sun*, which reached Ottawa this morning, in which it is stated that the British Columbia security commission have issued a statement that the Japanese will not be removed until the middle of September. A further statement was made that the Minister of Public Works for British Columbia had asked for 600 Japanese to work on various projects, and that only 200 could be supplied. Would the Minister of Labour care to make a statement on that?

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, I would not like the impression to go out that the back is not broken of the movement of Japanese from British Columbia, because that problem is already under the bridge, in a big way. I have no knowledge of the announcement to which my hon. friend has just referred. The British Columbia security commission has been instructed to remove all the Japanese from those areas as speedily as possible, and they have acknowledged these instructions from the Department of Labour.

LABOUR CONDITIONS

PRODUCTION IN BRITISH COLUMBIA SHIPYARDS—APPOINTMENT OF COMMISSION UNDER INQUIRIES ACT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Labour a question arising out of a press report this morning to the effect that a royal commission has been appointed to investigate labour conditions in the British Columbia shipyards. Is that report correct; and what is the occasion for a royal commission when the department has such full powers now under the mobilization and other acts?

Hon. HUMPHREY MITCHELL (Minister of Labour): I was just going to make an announcement on that matter.

A commission has been appointed under the Inquiries Act to inquire into the means of securing maximum production in the British Columbia shipyards. The commission will report on methods of increasing the output of ships, and on a plan for the operation of the yards six days in the week which was submitted by a deputation representative of the shipyard employees. Specifically the terms of reference of the commission are:

1. To examine into the operation of the plan of continuous operation now in effect and to give due consideration to the substitute plan submitted by the deputation.

2. To inquire into any factors now impeding production in the shipyards of British Columbia and as to the most effective means of securing maximum production in such shipyards.

3. To report on the foregoing.

The chairman of the commission is the Hon. Stephen Ellswood Richards, of Winnipeg. There are two members representing employers and two representing employees. The employer members are Mr. Don Serviss, general manager of North Vancouver Shipyards, and Mr. Hugh Lewis, general manager of South Yard, Burrard Dry Dock, Vancouver. The employee representatives are Mr. Chris. Pritchard, of the United Association of Plumbers and Steamfitters and President of the Metal Trades Council, Vancouver; and Mr. A. A. McAuslane, Vice-President of the Canadian Congress of Labour, Vancouver.

In announcing the appointment of the commission I wish to state that the Minister of Munitions and Supply and myself are resolved that all steps necessary to secure the greatest possible output of ships from the yards in British Columbia shall be taken. No doubt changes in the existing procedures of management and labour will be necessary, but in the present dire need for vessels to carry the tools of war to the battle fronts, nothing can be permitted to stand in the way.

In March I visited the shipyards on the Pacific coast and conferred with representatives of the managements and of the employees. As a result of these conferences a plan was proposed for the continuous operation of the yards. Three shifts were to be established, and operations were to continue twenty-four hours a day, seven days a week, but each employee was to have one day of rest in seven. After further conferences I left Vancouver feeling that all parties were agreed on the adoption of this programme. I am glad to be able to say that nine unions, representing about 95 per cent of the employees of the coast shipyards, accepted the plan and entered into supplementary agreements for its adoption. Two unions declined to enter into these agreements, despite a request from the unions that entered into the contract that they should do so. The failure of a small minority group to cooperate in this plan for greater production of ships and, I think I may add, one or two missteps on the part of certain of the managements, prevented the plan being brought into full application. This had a disquieting effect on the members of the unions which did sign the agreement. Members of the non-cooperating unions were not in their places on Sunday, while members of the cooperating unions reported for work with the feeling that they were being subjected to discrimination.

In these confused circumstances a joint conference of shipyards unions was organized. This body developed an alternative plan for six days operation a week, which, in their view, would prove as effective in promoting production as the plan of continuous operation. The joint conference of shipyards unions prepared a brief in support of their plan, and a deputation from the conference came to Ottawa to discuss it with me. I met the deputation on June 27 and 29. In these negotiations I was impressed by the sincere desire of the representatives of the shipyards workers to cooperate in any effort which would promote greater ship production. I pointed out, however, that the brief they had submitted had many implications which would take some time to explore. Obviously I would have to discuss their plan with my colleagues interested in the shipbuilding programme and especially with the Minister of Munitions and Supply. I requested the delegation to urge upon the shipyard employees in British Columbia that they should give the plan of continuous operation a thirty-day trial. I agreed that if this were done, their representations for an alternative scheme would be carefully considered, and my decision would be rendered as nearly as possible within thirty days.

It is very gratifying to me that the members of the deputation entered into this undertaking, and I can now report that all employees in the coast shipyards have accepted the recommendations of their representatives and that the yards are now building ships twenty-four hours a day, seven days a week.

The commission to which I refer will begin its investigations in Vancouver on July 20. I am confident that the members of the commission will concentrate on the one all-important question of how to build the utmost possible number of ships in the shortest possible time, and that they will submit a constructive report.

I should like to point out to the house that, despite various allegations on the irresponsibility of trade unions, in this case a group of trade unions in a very important industry under the guidance of responsible national leaders have met a crisis in one of the most serious phases of our war effort in an altogether creditable manner. I am confident these men will give Canada all they have to give in the production of ships.

Mr. HANSON (York-Sunbury): I am obliged to the minister for having made that statement. The only thought that occurs to me is this: if there has been a complete agreement and there is now full cooperation on the plan suggested by the minister, why a royal commission? What other intervening

circumstances have made it necessary to issue a commission under the Inquiries Act? I do not think the minister made that clear.

Mr. MITCHELL: I thought I had made that quite clear. When the delegation came to see me I pointed out to them, and I think quite rightly, that it was not sound to say that a seven-day working week in the shipyards was not practicable until it had been tried out. I said to them that first of all, in fairness to the government, and in view of the urgent need of shipping, it should at least be tried out by all the unions engaged in the production of ships in the shipyards of Vancouver. I pointed out that a decision upon their brief, which was a lengthy document, could not be made within a day or two days; it would have to be analysed by some responsible authority. But I promised them that if they gave this plan a trial, as soon as possible, after thirty days I would make decision whether a six-day week, in my opinion or that of the government, was the most practical approach to the problem, or the seven-day week.

May I also point out that this has been called at the coast the Mitchell plan. It is quite true that I had negotiations there with both employers and employees, and I think it is fair to say that the arrangements made were made in pursuance of the negotiations, in that the employers and the employees in the British Columbia shipyards, seeing the urgency of the situation, agreed to this seven-day operation without any coercion from the federal government. It was unfortunate, I think, that, mistakes having been made by certain employers and certain trade unions, the plan was not given the trial which in my judgment was necessary in view of the desperate situation in which this nation and all the united nations are placed at the moment with respect to shipping to carry the products of this country, both food and war materials, to those who are really fighting the battle of democracy and of freedom.

HONG KONG COMMISSION

OPPORTUNITY FOR DISCUSSION OF REPORT—LETTER FROM COLONEL DREW

On the orders of the day:

Mr. KARL K. HOMUTH (Waterloo South): In view of what the Prime Minister has said about trying to end the session as soon as possible, could he give the house any intimation as to just what day there will be an opportunity of discussing the Hong Kong investigation?

Right Hon. W. L. MACKENZIE KING: Prime Minister): As I have mentioned before, the understanding is that we should first conclude the discussion on the budget resolutions and dispose of Bill No. 80 as well. I think that immediately or very shortly after that the inquiry could be discussed.

Mr. M. J. COLDWELL (Rosetown-Biggar): I understand that Colonel Drew has submitted a long letter to the government regarding the Hong Kong investigation. Would the Prime Minister table that letter in order that we may have it before us when this debate takes place?

Mr. MACKENZIE KING: I may say that I received yesterday a letter from Colonel Drew—no doubt the letter to which my hon. friend refers, because Colonel Drew states in it that he has sent a copy of the letter to my hon. friend, and also to the leader of the opposition (Mr. Hanson) and to the leader of the Social Credit party (Mr. Blackmore). If the leader of the Cooperative Commonwealth Federation, on his responsibility as a member of the house, will ask me to table the letter, I shall do so, but I certainly will not table it unless some hon. member on his responsibility requests it.

Mr. COLDWELL: I will take that responsibility, and ask that the letter be tabled.

Mr. MACKENZIE KING: It will be tabled to-morrow.

SUGAR

AVAILABILITY FOR PARCELS TO MEMBERS OF THE FORCES OVERSEAS

On the orders of the day:

Mr. KARL K. HOMUTH (Waterloo South): I have had several letters complaining about the fact that no sugar is available to put in overseas boxes. Could the Minister of Finance tell us whether or not some special provision could be made with regard to sugar so that it might be available for these boxes?

Hon. J. L. ILSLEY (Minister of Finance): I will make inquiries and if I get information I will let my hon. friend know promptly.

WAYS AND MEANS

SPECIAL WAR REVENUE ACT

The house in committee of ways and means, Mr. Vien in the chair.

18. That the said schedule I to the said act is further amended by adding at the end thereof as section ten and eleven the following:

"10. Chocolate, candy and confectionery which may be classed as candy or a substitute for candy ..... 30 per cent."
"11. Chewing gum..... 30 per cent."

The CHAIRMAN: The following amendment has been moved:

That resolution No. 18 be amended by adding the following proviso to section 10 of schedule I to the said act, as therein proposed:

"Provided, however, that in respect of the goods mentioned herein the tax shall be:

One cent on each article or unit selling regularly at a retail price of 5 cents;
Two cents on each article or unit selling regularly at a retail price of 10 cents;
Three cents on each article or unit selling regularly at a retail price of 15 cents;

and the Minister of National Revenue shall be the sole judge of the classification of the goods, the value, and the unit of the sale for purposes of this tax."

Mr. MACDONALD (Brantford City): Last night when the committee rose the leader of the opposition (Mr. Hanson), the hon. member for Trinity (Mr. Roebuck) and myself, had made certain representations with regard to candy that was being retailed at one cent. Has the minister considered whether or not it is possible to reduce the tax on candy selling for one cent?

Mr. ILSLEY: A great deal of consideration was given this question last week, and it has received further consideration since the representations were made in committee last night. The situation is this. The 30 per cent tax as it stands applies to all candies at the manufacturers level, and my information is that about 8 per cent of the candy manufactured is sold for sale in one-cent units. No company that I know of sells candy in one-cent units alone. Some companies sell a larger proportion of their output in that form than do others, and representations have been made by those companies that have the largest proportion of their output in one-cent units. The inevitable effect of relieving part of the output of the candy industry of Canada from the 30 per cent tax would be to divert a larger proportion of the manufacture into that particular form of output. Indeed, it is altogether likely that the one cent part of the output would be advertised as free from taxation. Consideration has been given as to measures by which that diversion, which would be unfair, undesirable and expensive to the treasury, could be prevented, and we have not been able to satisfy ourselves that any measures that could be taken would be entirely effective. The objection that was made last night was that this would mean that units now selling for one cent would hereafter sell for more—perhaps two for three, or three for four, or four for five, or something of the kind.

This increase in the price would not be permitted by the wartime prices and trade board. In the budget it was clearly stated that increases that were necessitated by this tax would be permitted by the wartime prices and trade board. A limited range of articles was selected, and the policy was clearly laid down that these increases would be permitted. It is true that the 30 per cent increase in price as applied to the one cent article comes to a fractional figure, one cent and a fraction, and in that case it would be necessary for the retailer to sell for two cents unless he combined several units and sold two for three, or three for four, or four for five, and my information is that to do so would be regarded by the wartime prices and trade board as objectionable.

It may be said that the dampening effect of this tax on the sale of candy in one-cent units will bring about much distress to candy manufacturers who are heavily in the manufacture of one-cent units, and to retailers heavily interested in selling them. This might be true under normal conditions. I am informed that many years ago—I do not know how many—a candy tax such as this, or of some kind, was proposed, and abandoned because it would be unfair to the sellers of one-cent candies. But under present conditions I am not convinced that there would be much injury. There may be a little; that is a necessary result of many of our measures. But the reason why there will not be much injury is that sugar is severely rationed. Candy manufacturers are permitted to use only 70 per cent of their normal supply, and they can sell without any trouble all the candy they make. The manufacturer whose output is 50 per cent in one-cent units and 50 per cent in larger units will perhaps find that the one-cent part of his output will be reduced, but he will sell more of the other. It will render some little adjustment necessary, but it will not have the serious effect that there might be if there were a scramble for a market, or if it were difficult to sell the output, when the loss would not be compensated by the increased sale of another type of output.

On the whole, therefore, I am inclined to think that the tax should stand as it is. The argument that was used last night was as to the children. The hon. member for Trinity argued that it is not for us to judge; that the children want to buy one-cent sticks of candy and we ought to let them do so. It all depends on how important one considers these things. I do not think it would be a great hardship on the people of this country if the children had to pay three cents for two sticks of candy instead of one cent for one. I cannot

get much worked up over that. We should be careful not to work any injustice on the manufacturers and retailers, but I do not think the adverse effect of this tax will be at all substantial. On the other hand if we make this exception for one part of the output of the candy factories we are going to have similar demands as regards chewing gum, and we would be called upon to exercise very fine discretion as to how far we could go in that regard. It certainly sets a precedent that I want to avoid if at all possible. If for instance the diversion, as a result of exempting part of the output of the candy factories from this 30 per cent tax, would be that 16 per cent of the total output instead of 8 per cent went into one-cent pieces—that is, if it were doubled, which would be quite possible unless we could take counter measures, the practicability of which is disputed by those who advise me—it would mean a loss of revenue of between $500,000 and $600,000.

Mr. FRASER (Peterborough West): I have no brief for the candy manufacturers but, I have for the small corner store owner. Last night several hon. members mentioned the big firms. They can buy and sell at reduced prices, but the corner grocery store man is in a tight spot with the wartime prices and trade board regulations. In a check-up it was found that some of these corner stores near schools will lose about five per cent of their trade owing to this one-cent candy being cut out. That sounds like a lot, but these storekeepers claim that if the children do not come to their stores to buy the candy, then when it comes to buying other and more expensive articles the families will go to other stores and take the trade away from the small stores. Last week there was an article in the Ottawa *Journal* regarding one-cent candy, and it said that relief was to be given to the corner grocery store. Did the minister see that article?

Mr. ILSLEY: What kind of relief?

Mr. FRASER (Peterborough West): It did not say—just that relief was to be given to the corner grocery in regard to this one-cent candy. The small storekeeper is the one who is going to feel it, and he has a tough time now. When he has to buy a bag of sugar he has to gather 40 one-pound coupons, bundle them up and take them to his wholesaler. The wholesaler is in the same fix; when he wants to buy a car of sugar he has to have 40,000 of these one-pound coupons. I have a letter here from a firm which states that it means counting out 40,000 tickets to get a car of sugar; they may sell three cars a month, so that they have to have an extra clerk to look after the details of these transactions alone. The storekeeper is in the same position. He is selling less and less every day, and this one-cent candy would help him out.

As to the cards that are sent out by the wartime prices and trade board urging people to save sugar, in most cases they are thrown into the wastepaper basket. There has been more sugar sold since the rationing went into effect than when people were on the honour system.

Mr. FAUTEUX: I protest against this tax on the one-cent candy business. I realize that all the people of Canada should make some sacrifice to help win the war, and everyone is ready to do it, but why put it on the children's one-cent candy? The leader of the opposition pointed out yesterday that the province of Quebec is interested in this. We have many manufacturers of one-cent candy. Really the one-cent candy is an institution for our children in the province of Quebec. I do not see why we should impose a tax which would have the effect of ruining that industry. Some hon. members said yesterday that it is doubtful whether candy or sugar is good for children. It is like everything else; if they eat too much it is not good for them, but sugar is necessary in the diet of children. So far as the one-cent candy is concerned there should be no tax on it, to help the children and to help the manufacturers.

Mr. QUELCH: I look on this as a very undesirable way of raising revenue. I think that is the main purpose of this provision—to raise revenue, rather than to restrict the sale of chocolates. Whatever the motive or objective of the proposal, the result is an inflation of price. In the past the minister has pointed out that one way of reducing the purchasing power of the people is by inflation, but he has deplored that method. In past months and years, he has wept crocodile tears over the tremendous dangers of inflation; yet by this very legislation we are now bringing about inflation of prices in order to curtail the purchasing power of the people, in this case the purchasing power of the children. I do not think the minister is being consistent in his attitude. If it is necessary to curtail the purchasing power of the children, or of the people generally, so that they will buy less commodities, surely the only sound way of doing it is by a more direct form of taxation. If on the other hand the objective is to restrict the sale of chocolates, then I would say the logical way to do it would be by rationing. Nevertheless I point out again that whatever the objective may be, the result is nothing more or less than inflation, the very thing the minister has been warning the country against for years.

Mr. HANSON (York-Sunbury): I desire to add a word or two to what I said last evening on this question. I have now had the opportunity of reading the proposed amendment which was moved last night with respect to small packaged goods, which I think refers not only to bars but to other items retailing ordinarily at 5, 10 and 15 cents. Originally the minister proposed to impose a tax of 30 per cent ad valorem on the manufacturers' prices. Now he has changed that to a specific tax of one cent, two cents and three cents, as the case may be, to be added to the retail price of the five-, ten- and fifteen-cent packages. I assume that this will meet the objections advanced by the manufacturers to the imposition of the 30 per cent tax. Under some arrangement the retailer will be allowed to add the tax to the retail price. The effect of that, of course, will be to reduce somewhat the volume of that business, but as I see it—and I hope the minister will correct me if I am wrong—this overcomes the difficulty which would have been experienced in maintaining the price ceiling and at the same time giving effect to the new taxation. I hope that deduction is correct; if it is, I should think half the objection to the proposals would be eliminated, because I am informed that the so-called bar and small package business amounts to 50 per cent of the whole production of the country. So much for that, if I have the correct understanding.

With respect to penny goods, so-called, I am told that these represent only about 8 per cent of the total production of the manufacturers of the country. I believe that is the representation that has been made to the minister. Perhaps that includes gum; I do not know.

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): I am not arguing the case for the gum people. They may be able to meet the situation in another way, by reducing the amount of the gum, for instance. In any case I am not arguing that matter, because I have not had any information on the subject. There may be great merit in any complaints they make, but I am not attempting to deal with that point to-day.

The penny goods may amount to much more than 8 per cent of the production of some manufacturers, and much less in the case of others. With regard to those in the latter class, of course if this proposal goes into effect and the price becomes two for three cents, undoubtedly there will be some reduction in the volume of trade which will affect the small corner grocery and candy shop much more than anyone else. I think the greatest detriment will be to the small candy stores in our cities and towns, near the schools, and so on. But the total volume is small, and it does seem to me the amount of revenue that would be received from this tax also would be relatively small. I think the minister could well forgo that revenue, because in the cost to the country the increase otherwise will be relatively very large. The minister says he is not concerned about the children. Well, in the end it is the parents who have to pay. People become accustomed to candy. Three cents may not be a very large sum of money, but I remember very well that when I was a boy one cent was all we were ever handed, and when I reached the stage when I was given a nickel or a dime I really thought I was a millionaire. I am afraid that condition does not obtain to-day; people hand out money to their children much more freely than in days gone by, and perhaps that is wrong. But I do suggest to the minister that in justice to the industry, and more particularly in justice to the small retailer, he could very well forgo the tax on the penny goods.

The chocolate bar situation has been taken care of, and I believe that amounts to about 50 per cent of the whole business. I am told that business is growing, I think largely due to the purchases made by the young men in the armed forces, who do not get enough sugar in their food and who buy these bars in quantities. If the minister would forgo this tax, which affects about 8 per cent of the total business, that would leave about 42 per cent of the trade, which is distributed over all the other varieties of candy. With respect to the higher class goods, which ordinarily sell in fancy boxes at a dollar a pound, I think in days gone by I had the figures with regard to the total production in Canada, though I do not recall them now; but during the depression period the volume of that high-class candy was very materially reduced. People did not buy it; they just did not have the money. I am not asking anything for the people who buy that class of goods; I think they can pay the tax, which I believe runs around 18 cents a pound on certain qualities. Perhaps that situation can be met in large measure by reducing the cost of the package. We see these beautiful ornate candy boxes in the windows, which occasionally young men buy for their girl friends. I hear now that cigarettes are the appropriate thing to give your girl friend, but it was not so when I was a boy. We bought candy for our girls when we were courting. The manufacturers can reduce this cost very largely by cutting down these unnecessary expenses, and they should be cut down. There will be a

loss to the manufacturer, but he is not complaining about that. He is operating under pretty difficult circumstances, with the reduction in the quantity of sugar he may use, but as a rule he is a patriotic citizen and he will carry on. The sugar tax has hit him hard in the past, and he has not always been able to pass that on. During the depression he passed very little of it on, and none of these companies has made a dollar since 1930. I do not know one of them that has paid any dividends on its common stock since that year. I am afraid some of them have been close to the point where they will have to go through the wringer.

Mr. MACDONALD (Brantford City): None of the candy companies has paid dividends since 1930?

Mr. HANSON (York-Sunbury): None that I know of—I will limit it to that, and I am not familiar with them all—has paid any dividends to the common shareholders for a long time. This perhaps is not true of the companies which combine a large baking business with their candy business. I know of one company in eastern Canada which has a baking business as large as its candy business, and while it is not making any money out of its candy business, it is making some money out of its baking business. As I say, some companies do not have a baking business; they do not make bread and cakes and the like. I understand the Laura Secord company are still paying dividends.

Mr. MACDONALD (Brantford City): They have no confectionery business.

Mr. HANSON (York-Sunbury): They have no baking business. They have been very successful. This question having been settled without the companies themselves raising any great objection, I suggest that we should at least take the tax off the penny goods. The present proposal is really a species of inflation, since the price is going to be six cents instead of five cents.

Mr. DUROCHER: The minister has suggested that the penny candies should be sold two pieces for three cents instead of a cent apiece. With the new tax this candy will cost the manufacturers sixty-eight cents, and if they abide by the price ceiling regulations they will have to sell it for seventy-two cents. That gives a profit of a little better than 5 per cent, and they cannot do business in that way. If the retail merchant is allowed to increase his price it will mean an increase of 50 per cent. The increase is all going one way. I do not know who is going to absorb this tax, the manufacturer or the retailer. If the retailer is to be allowed to increase his price, the manufacturer should be entitled to do the same. As other hon. members have said, candy is a necessity for children, even though it is not so necessary for grown-ups. There should be some way of arranging it so that the youngsters can get their candy when they need it, even if it be necessary to cut out the manufacture of the higher grade candy.

Mr. HILL: I urge upon the minister and his officers that this tax on penny goods be reconsidered. I think we all admit that candy is really a children's food; most adults would be a great deal better off if they did not have it. The minister says that to eliminate the tax on penny goods would reduce his revenue. Bar candy represents about 50 per cent of the output of candy in Canada. A tax of one cent per unit is now being imposed, in place of the 30 per cent basis, this means an increase of 9 per cent. A 9 per cent increase on 50 per cent of the candy output would offset the revenue that would be lost if this tax on penny goods were not imposed. Chocolate bars will continue to be used, because they are handy to buy and fit the needs of pretty nearly everybody. I am not concerned about the retailers or the manufacturers or anyone else; I am concerned only about the children. After all, this is the children's food; with the rationing of sugar there will be fewer cakes made in the homes, and the only way the children will be able to make up this deficiency will be by buying penny goods. I believe if the minister and his officers carefully consider this matter they will realize that they could offset any loss of revenue by imposing a higher tax on the higher grade candies.

Mr. McCANN: Much has been said about children needing candy. All persons need a considerable amount of sugar in one form or another, because sugar is the great energizing food of the human race. It does not make any difference whether people take this food in the form of sugar or in the form of candy. The very fact that sugar has been rationed and there is only a limited quantity of it available in the household is one of the best arguments against a tax upon candy. What has brought about this increased consumption of candy? In the days of prohibition candy took the place of alcohol. In the normal process of digestion sugar is changed into alcohol, and when a man could not get that commodity his natural taste and inclination was toward an increased consumption of sugar. The fact that sugar is rationed will stop many

people from making home-made candy, and the children will have to buy candy at the stores. Sugar is a necessary food and should be part of the daily diet of every person, either in that form or in the form of candy. To put a tax upon candy is like putting a tax upon bread. I ask the minister to reconsider the whole question of the tax on candy. While the measure proposed may be productive of some revenue, I think any good will be counteracted by the harm it will actually do to the people of this country.

Mr. FRASER (Peterborough West): The minister should reconsider this matter, because the present proposal if it is adopted will work a hardship, not only upon our children but upon the small storekeepers. Some people say that candy is injurious to children's teeth, but it is not the candy that does the harm; it is a lack of milk and calcium. This will be found among the poorer children. As the hon. member who has just taken his seat has said, children need candy; it is part of their food. You will find that welfare work among children will be much greater if they cannot get candy. They need this energy.

Mr. HANSON (York-Sunbury): I hope the minister will give some heed to the argument of the hon. member for Renfrew South (Mr. McCann). I hardly dared to go as far as he did in the statement I made, although I did go that far in my speech on the budget. This is the only item in all the budget resolutions which imposes a tax on food. I am supported in my contention that it is a food by the remarks of the hon. gentleman who is a member of the medical profession and who has studied this situation. I think the minister could very well abandon the whole tax, but if he will not do that, if he needs the revenue, surely he will abandon the tax on the penny goods.

Mr. ILSLEY: I have nothing to add to what I have already said. The tax on candy and chewing gum is estimated to yield $7,000,000, and I cannot agree to dropping it.

Mr. HANSON (York-Sunbury): How much from the penny goods?

Mr. ILSLEY: I said something over $500,000. I arrived at that figure by taking 8 per cent of $7,000,000, which is hardly correct. I would really have to separate the chewing gum from candy and take 8 per cent of the amount applicable to candy alone. I do not know that any separate estimate has been made.

Mr. MacNICOL: Could the minister not distinguish between the penny goods and the higher priced goods, so that the children can get their sugar from candy while the adults pay a little more for their boxed chocolates?

Mr. ILSLEY: One would think to hear all the speeches that hereafter no child can buy any candy at all. That is so far from the real facts of the situation that it is fantastic. The penny goods will continue to be made and sold, and when sold I presume they will be sold two for three, three for four, four for five cents, or something like that.

Mr. HANSON (York-Sunbury): Has the price board agreed to that?

Mr. ILSLEY: Not to any one of those particular figures, it must be distinctly understood; but they have agreed to permit the tax to be added, and in such a way that there will not be a fractional result arrived at but that a full one cent will be payable. I do not anticipate that there will be any reduction in the purchases made under present conditions, or that, if any, it will be more than a slight reduction, and surely that is not a tremendous thing. There is just going to be so much sugar in the country, and the people of the country are going to eat that sugar. We had a tax on sugar of two cents a pound. That has been reduced to one and a half cents a pound. I am sure that all the candy that is made will be sold. The hon. member for Renfrew South is afraid that the people will have less candy, but in my judgment that is not so. They are going to eat all the candy that can be made from the amount of sugar available for the making of candy. It may be that a smaller volume of penny goods will be made and a larger volume of five-cent goods, but I do not think there will be very much of an upset in the present proportions.

So far as the retailer is concerned he will continue to sell his candy, and it is just possible that he will make a little more profit on it than before. I think that should meet the worries of the hon. member for Peterborough West. I do not know how the hon. member knows how much of a loss the retailer is going to have in his business as a result of this tax. He says that the storekeeper is going to suffer a 5 per cent loss in business. That is on the assumption that none of these units of candy is going to be sold. That is not correct at all. If we free penny candy from the tax what is the result going to be? In the absence of strict policing and counter-measures forbidding practices of this kind, which I am informed could not be enforced without a tremendous amount of policing, a person with 10 or 15 cents to spend on candy would buy the untaxed candy, the penny candy.

Mr. HANSON (York-Sunbury): Can you not ration the whole volume through the manufacturers? Suppose the total volume of penny candy was 8 per cent before this tax. Could it not be arranged that only 8 per cent of the total volume shall in future be put into penny goods? I think that would be a help. I made inquiries a week ago Saturday in a substantial retail establishment in my own city, and this man told me that as a result of the tax imposed by this budget, which was in effect on that date, purchases of the higher class goods had been almost cut in two, that just about half the usual amount was being sold. That was the experience of one man.

Mr. ILSLEY: The result of budget taxation is that for a day or two the demand falls off. For instance I heard of one place in which soft drinks were sold where the day after the budget, instead of selling ten cases, they sold only six or seven bottles. The next day it was two cases, the next day five or six cases, and soon they were up to ten cases again. These immediate reactions are not lasting.

Mr. JACKMAN: Has the minister given consideration to the fact that many of the families and friends of the soldiers overseas are in the habit of sending them chocolate bars and solid chocolate? The tax may not amount to a large sum, but 30 per cent is quite an item. There is a differentiation between parcels addressed to soldiers overseas and parcels addressed to civilians. Chocolate is a commodity one does not see in the old country, and it is human nature that when you cannot get something that you are accustomed to having you want it very badly. I know from talking to our own soldiers overseas that they appreciate nothing more than the solid chocolate they have been receiving from Canada. I would ask the minister to take that into consideration.

Mr. ILSLEY: I do not know whether some similar arrangement could be made with regard to chocolate for the soldiers overseas as exists with regard to cigarettes. The general principle is that exported goods are free of this tax, but goods that are bought by persons in this country and then sent overseas do not come within that classification. If they were exported by the manufacturer, that would be the case.

Mr. HANSON (York-Sunbury): That is true. Goods in this category exported to Newfoundland are not taxed.

Mr. JACKMAN: Will the minister look into the matter and give favourable consideration to my suggestion, if it can be done without too much difficulty?

Mr. ILSLEY: It is a matter between the manufacturer and the Department of National Revenue, I think. I can bring it to the attention of my colleague the Minister of National Revenue.

Mr. ROSS (Souris): I was impressed by the remarks of the hon. member for Renfrew South. I would ask the minister to let this item stand so that he may give it further consideration, and give us a break-down of the estimated revenue, showing what he expects to receive from chewing gum and what from penny candy. This tax on candy is wrong in principle. We have difficulty in some parts of Canada in providing for the children of underprivileged families, and this tax on candy will affect them more than anyone else. Surely we could make up, by a tax on something else, what the minister expects to receive from this tax on candy that is necessary particularly for the children of underprivileged families.

Mr. ILSLEY: I would not consent to letting this item stand, because I am afraid there would be just as much reason for letting any other item stand.

Mr. ROSS (Souris): Can the minister give us an estimate of the anticipated revenue?

Mr. ILSLEY: My recollection is that the candy manufacturers who came to see me gave an estimate of $500,000. That would mean that most of the $7,000,000 would be from candy, which I presume would be the case.

Mr. HANSON (York-Sunbury): Half of it being from chocolate bar business.

Mr. ILSLEY: I do not know about that. I mean $500,000 from the penny goods.

Mr. FRASER (Peterborough West): The minister has referred to my statement that the corner grocery store would suffer a loss of 5 per cent by this tax. His loss would really be much more than 5 per cent, because when a mother gives a child a cent to buy some candy at the corner grocery store, she is usually sending him there to get some household necessity at the same time, and the corner grocery depends upon that business. Otherwise the people would go to the big stores to make their purchases.

Mr. BLACKMORE: Would the minister examine this side of it? I will repeat the questions I asked last night. Is the purpose of this impost primarily to gain revenue, or is it to restrict the consumption of goods

and services? Or is it primarily to restrict purchasing power? What does the minister say? Is it primarily to gain revenue, or is it to restrict purchasing power, or is it to restrict the use of sugar?

Mr. ILSLEY: I would not care to balance those factors and arrive at a decision in favour of one against the others.

Mr. BLACKMORE: Suppose we assume that it is primarily for revenue purposes. Then the minister will have to acknowledge that the revenue could be obtained by the creation of money. In other words, all this hardship which is being inflicted on the children throughout the land is brought upon them in order to save the face of men who have contended that money could not be created; that is all.

Mr. HANSON (York-Sunbury): Let us not go into that now.

Mr. BLACKMORE: No! The minute we begin to discuss anything worth while the leader of the opposition starts to shy off it like a horse meeting a bear.

Mr. HANSON (York-Sunbury): Which is the horse and which is the bear?

Mr. BLACKMORE: A solution has been found, but he does not want to hear it.

Mr. HANSON (York-Sunbury): Not to-day.

Mr. BLACKMORE: No, of course not. But just the same we are going to be faced year after year with a more and more onerous, irksome, and burdensome tax structure, until the people can no longer sustain it; and apparently we are going to do that rather than be open-minded enough and progressive enough to acknowledge a new principle. I just want that point brought out, Mr. Chairman. It is time hon. members knew the price that is being paid for the stupidity which actuates the management of this country in respect to financial affairs. This is part of it.

Mr. HANSON (York-Sunbury): Talk to the minister; don't talk to me.

Mr. BLACKMORE: I do not care who receives this statement I make; it is stupidity beyond any question to neglect new financial techniques, and it is behaviour which even authorities in Canada who must be respected by the minister will condemn. While we are on the subject, I wish to read a statement which I have read in this chamber once or twice before. It appeared in the *Financial Post*, which certainly dignifies the statement I shall quote, and it is the statement of A. F. W. Plumptre, which certainly dignifies it, I think:

> It must be remembered, primarily and seemingly paradoxically, that the government's object is not to get money but merely to reduce the public's spending. The government can always "get money" because it may, as an alternative to borrowing or even to taxation, create the required funds.

When the leader of the opposition is prepared to laugh that off or to explain it away, we shall all be here listening to him.

Mr. HANSON (York-Sunbury): The basis of this taxation is to get money.

Mr. BLACKMORE: Exactly. This shows the way in which the minister can get money without such an absurd reflection on the intelligence of Canada as a candy tax. That is the important point. The leader of the opposition has been complaining for a long time this afternoon—I sympathize with him; he did a good job—but he has offered no alternative. I am offering an alternative, and immediately he is displeased.

Let us examine this item from another point of view. If the object of this impost is to restrict sugar consumption, it fails of its objective, according to the acknowledgment of the minister himself; for he has just said that the candy will be used anyway, or all that can be manufactured with the sugar which will be permitted to the manufacturers.

If the object of the impost is to withdraw purchasing power, then it is well that hon. members should know that a hardship is being visited on the children throughout the country for the pure purpose of withdrawing purchasing power. I do not believe the minister is prepared to say that that is what the object is.

Mr. SLAGHT: The hon. gentleman who has just spoken offered what he suggested was an alternative. I have an alternative to offer the minister which I think will get him his money and also satisfy the advocates of plenty of candy for the children. It is this: that he should bespeak the cooperation of the Minister of Justice and the justice department to enforce the law and to obtain assurances from the nine attorneys-general of the provinces that they will enforce the law against slot-machines and push-boards and pin-boards which occupy prominent positions in many of these candy shops and small stores throughout the country. More money, in my opinion, goes through these stupid gambling devices than the children spend on candy in a whole year, and if that law is properly enforced everybody will be happy.

Mr. ILSLEY: I am glad to hear the hon. gentleman say that. If there is anything that I can do to facilitate that end I shall be very glad to do it.

Mr. ROSS (Souris): I think that if the minister is not careful this budget may go down through the country as the home-wrecker's budget. There are aspects of it which certainly are discriminatory against the family man, and at a stage like this I think it is going altogether too far to try to "take it out" on the kiddies of the underprivileged. Probably I cannot claim to be in more than a very small degree a real family man, but my sympathies are with the family people, and I am sure that you cannot have a virile and successful nation unless you encourage larger families. The minister will agree that the number of underprivileged families in this country has been a matter of great concern to many of us. To tax the underprivileged kiddies on their penny candy is going altogether too far. Surely we can give consideration to eliminating the tax in that respect and make up the loss in some other way, for instance, as has been suggested by the previous speaker.

Amendment agreed to.

Resolution as amended agreed to.

Resolution 19 agreed to.

20. That section two of the said schedule II to the said act be repealed and the following substituted therefor:

"2. Sugar, etc.:—

(a) Materials enumerated in customs tariff items 134, 135, 135a, 135b.... one and one-half cents per pound;

(b) Materials enumerated in customs tariff items 139 (except glucose and grape sugar), 140 (except molasses).... two cents per pound;

(c) Glucose and grape sugar (except when for use exclusively in the manufacture of leather and artificial silk)..... one cent per pound."

Mr. HANSON (York-Sunbury): Would the minister tell us what these are?

Mr. FRASER (Peterborough West): I think the minister ought to give us a statement, but first of all I wish to say this, that I have discovered that the sugar voucher cards which are sent around to the different stores are also being sent to wholesale tobacconists, who are just dumping them in the waste-paper basket. I know that is true because a sugar wholesaler told me that he picked up a number of them. I think there should be a check on them.

Mr. ILSLEY: If the hon. member will send me the card he has I will have a look at it.

Mr. HANSON (York-Sunbury): What is the effect of this?

Mr. ILSLEY: The committee may recall that last February there was announced a reduction of a half-cent a pound in the sugar tax. This reduction was made on the recommendation of the wartime prices and trade board in view of the increased price of raw sugar to the Canadian refineries. The present resolution gives effect in law to the announcement made at that time, and, as will be noted, the amendment reducing the tax is to date back to February 16.

Resolution agreed to.

Resolution 21 agreed to.

22. (1) That the tax imposed upon mutual companies authorized under the laws of the Dominion of Canada or of any province thereof to transact the business of insurance, other than life insurance, on the premium deposit plan, and the tax on every exchange so authorized shall be increased from 2 per centum to 4 per centum upon the net premiums received by it in Canada during the calendar year 1941 and each calendar year thereafter.

(2) That the tax imposed upon mutual companies, other than those mentioned in subparagraph (1) hereof, and upon associations of persons formed upon the plan known as Lloyd's, authorized under the laws of the Dominion of Canada or of any province thereof to transact the business of insurance, other than life insurance, be increased from 1 per centum to 3 per centum upon the net premiums received by it in Canada, less net premiums paid for reinsurance to companies or associations to which the tax authorized by this subparagraph or subparagraph (3) hereof applies during the year 1941 and each calendar year thereafter.

(3) That the tax imposed upon every company, other than those mentioned in subparagraphs (1) and (2) hereof authorized under the laws of the Dominion of Canada or of any province thereof to transact the business of insurance, other than life insurance, shall be increased from 1 per centum to 2 per centum upon the net premiums received by it in Canada, less net premiums paid for reinsurance to companies or associations to which the tax authorized by this subparagraph or subparagraph (2) hereof applies during the year 1941 and each calendar year thereafter.

(4) That there be imposed upon every company authorized under the laws of the Dominion of Canada or of any province thereof to transact the business of life insurance, a tax of 2 per centum upon the net premiums received by it in Canada, less net premiums paid for reinsurance to companies or associations to which the tax authorized by this subparagraph or subparagraphs (2) or (3) hereof applies during the year 1941 and each calendar year thereafter.

Mr. HANSON (York-Sunbury): This is an increase of 100 per cent. In the end, this

of course comes out of those who pay the premiums; it does not come out of the company. What is the justification for it?

Mr. ILSLEY: The resolution proposes certain changes in our existing tax on insurance premiums, and in addition imposes a premium tax on life insurance as a result of the provincial agreements. The committee may recall that when I announced the offer to the provincial governments I said that if it were accepted it might subsequently be necessary for the dominion government to levy certain taxes in order to prevent some groups from securing an undue advantage as a result of relief from provincial taxes. It was found in the case of insurance companies that certain additional taxes might properly be imposed. Generally speaking, the dominion government is levying a 2 per cent tax in place of the provincial taxes, which on the average were slightly above this figure. At the same time, we have used this occasion for making minor changes in our own taxes applying to ordinary stock, fire and casualty companies. By way of summary, I may say that the new rates of taxes will be 2 per cent on premiums on life insurance, 2 per cent on stock, fire and casualty companies, 3 per cent on mutual, fire and casualty companies, and on those insuring under Lloyd's, with a 4 per cent rate applying to reciprocals and companies operating on premium deposit plan. It is estimated that in the full year these increases in the existing rates of imposition of new premium taxes will yield about $6,500,000, while for the rest of the current fiscal year the yield will be about $13,000,000, in view of the fact that two years' revenue will accrue to the dominion government in the current year. This occurs because the provincial governments' premium taxes were suspended with respect to 1941 premiums, and the new dominion law is made retroactive to cover 1941.

Mr. WRIGHT: Why is the additional tax imposed upon the mutual companies?

Mr. ILSLEY: Previously the mutual companies paid one per cent on their premiums. Those companies were free from income tax, and therefore there was no possibility of deducting the premium tax from their income tax. That was not true of the stock companies. The stock companies paid one per cent on their premiums, but there was a provision that they could deduct that from their income tax. If they are paying income tax—and every company that is not making a loss is paying income tax—they will continue paying what they were before; that is to say, they will be paying that much more income tax. Previously they paid one per cent in premium taxes, subtracting that from the income tax. Now that one per cent is taken out altogether and they just pay the income tax, which will be the same amount in taxation, provided they are making profits, which they are. But that is not true in the case of the mutual, fire and casualty companies, and in order to maintain the same relative position that existed before it is therefore necessary to levy the one per cent which was always on the mutual company premiums and add two per cent to that. In the case of fire insurance companies the one per cent is taken out of the act, for the purpose of simplicity more than anything else; so that the result is that you have two per cent on premiums of stock companies and three per cent on premiums of mutual companies. The preexisting relationship is perfectly preserved.

Mr. WRIGHT: That was the point that I wanted to have brought out. I wondered if the previously existing comparison between the two had been changed by the act.

Mr. ILSLEY: No, not if they are making profits. If there were such a thing as a loss, this would make a difference, but I think that is improbable.

Mr. HANSON (York-Sunbury): It is made retroactive for the reason the minister gave. Have any representations been made by these companies in this matter, or has it been worked out with them in any way? Did they object?

Mr. ILSLEY: Not since the budget. They did make extensive representations before, because they were curious to know what we would impose to take the place of the provincial taxes. They knew that something would be imposed, and they made representations. When I say that no representations have been made since the budget, I should say that there have been representations by Lloyd's. That is the only one.

Mr. HANSON (York-Sunbury): Was it the theory that when the provincial governments gave up their impositions on individual income tax payers and on corporations, this jurisdiction would of necessity reimpose those taxes in some other form, while at the same time there would be huge increases in the income tax or in other forms of taxation? Was it felt that these imposts, some of which I think were very unfair, were just a chance to grab off for provincial government purposes a slice of money which all comes out of the premium payers in the end? Was it always the intention that all that money that the provincial governments gave up was to come

back? I always thought it was to come back in the form of increased income tax, not new side impositions, so to speak.

Mr. ILSLEY: There has been some dispute as to the appropriate interpretation of the words I used in the budget speech of April 29, 1941. I did not intend that this special class of companies was to get an advantage over the general run of Canadian companies as a result of the dominion-provincial agreements. The increases in income tax are common to all companies, but there were these special taxes on certain classes of companies; therefore in the budget speech of April 29, 1941, I stated that it might be necessary to impose special taxes on a special class of companies so that the result of the dominion-provincial agreements would not be the relief of this special class of companies. What I meant was the relief of them in relation to other corporations; I did not want to give them a favoured position in relation to the others. As a matter of fact this two per cent tax on life insurance premiums is slightly less than the average of the provincial taxes. I think the average in the provinces was 2·32 per cent. I am talking about life insurance companies.

Mr. HANSON (York-Sunbury): Under subsection 4, that is on the net premiums. Of course the tax comes out of the participating policyholders. It does not come out of the non-participating business. With the mutual companies of course it comes out of all. That I think is the fact. The company does not pay it.

Mr. ILSLEY: Well, yes; it comes out of the income. In a stock company certain of the earnings are placed to shareholders' account, and the taxes come out of the gross income of the company.

Mr. HANSON (York-Sunbury): It is all very well to say that, but in the last analysis this two per cent tax upon the net premiums received comes out of the participating policyholders. That is the only place it can come from. It cannot come out of the non-participating policyholders because there is a contract. I am not objecting to this, but I want to know if that is not the view of the insurance department.

Mr. ILSLEY: It is news to me that this whole two per cent is charged up to the participating policyholders.

Mr. FRASER (Peterborough West): I was going to ask the minister what difference this will make to the policyholders who participate in the profits of these companies. A new policyholder is penalized in any event, because he is not allowed to take his premium out of his compulsory savings.

Mr. ILSLEY: The policyholder is relieved somewhat by this provision. The total tax payable by a stock company before the dominion-provincial agreement included a provincial tax which on an average was 2·32 per cent. The dominion tax which takes its place is only two per cent, so there is a small measure of relief to the company and therefore indirectly to the participating policyholder. I do not think it is large enough to have any effect on dividends.

Mr. FRASER (Peterborough West): Even half of one per cent has an effect on dividends.

Mr. ILSLEY: That may be.

Mr. WRIGHT: Under the law before the change was made and the dominion took over the corporation tax the mutual companies were not paying any corporation tax. They have no profits to distribute. Under this arrangement they will be paying the tax, because it is charged on premiums. It will make a direct difference to their relationship with the line companies.

Mr. ILSLEY: No. Previously, when the provinces were imposing a tax, the dominion was imposing a tax of one per cent on the premiums of mutuals, and the provinces were imposing taxes averaging two per cent. The provinces agreed to cease and did cease imposing those taxes, and the dominion has stepped into the field and is imposing a tax of two per cent on the premiums of mutuals, so that the total tax on mutuals is exactly what it was before, with the dominion imposing both taxes instead of the dominion one and the province one. The relationship between the mutuals and the stock companies that are making profits is also preserved, for the reason that I mentioned a while ago.

Resolution agreed to.

(1) 15. That in addition to any other duty or tax which may be payable under the said act, or any other statute, there shall be imposed, levied and collected from the consumer or user a retail purchase tax payable by excise stamps in respect of the goods mentioned in the schedule hereunder, purchased or imported by the consumer or user, at the rate set opposite each item in the said schedule, computed on the retail selling price, if the goods are purchased in Canada, and on a value which includes all other duties and taxes if the goods are imported by a consumer or user, provided that the said tax shall not apply to goods of which the total retail selling price or the total cost to the consumer or user is not in excess

of one dollar in the case of any item mentioned in subparagraphs 1 and 3 of the said schedule, or in excess of fifty cents in the case of any item mentioned in subparagraphs 2, 4 and 5 of the said schedule:

1. Clocks and watches adapted to household or personal use..... 25 per cent;

2. Articles commonly or commercially known as jewellery, whether real or imitation, including diamonds and other precious or semi-precious stones for personal use or for adornment of the person; goldsmiths' and silversmiths' products including all gold, silver, chromium or other plated ware and pewter ware..25 per cent;

3. Articles of all kinds made in whole or in part of ivory, jet, amber, coral, mother of pearl, natural shells, tortoise shell, jade, onyx, lapis lazuli, or other semi-precious stones 25 per cent;

4. Articles of cut glassware, crystal glassware, cut or not, etched glassware, metal decorated glassware or marble..... 25 per cent;

5. Articles of china, porcelain, earthenware, stoneware or other pottery ware, except articles for use in the preparation of serving of food or drink..... 25 per cent;

(2) That in addition to any other duty or tax which may be payable under the said act, or any other statute, there shall be imposed, levied and collected an excise tax of 35 per cent on the sale price or the duty-paid value of the following items manufactured or imported into Canada;

1. Trunks; suitcases, bags and luggage of all kinds; purses; wallets; billfolds; key and card cases; handbags; jewel cases; dressing and toilet cases; shopping bags, except paper bags; golf and other sports bags; all the foregoing whether fitted or not;

2. Ash trays; tobacco pipes, cigars and cigarette holders; cigarette rolling devices and other smokers' accessories, not to include lighters, matches or tobacco;

3. Fountain pens; propelling pencils, desk sets and all other desk accessories.

Provided that in the case of items mentioned under subparagraph (1) the said tax shall not apply when they are manufactured expressly for a customer for his use in the operation of his business or profession.

Mr. HANSON (York-Sunbury): The minister was going to give us some information.

Mr. ILSLEY: Yes. My colleague the Minister of Trade and Commerce has handed me a memorandum addressed to him from one of his officials. It states:

The bureau of statistics have never made a practice of getting figures on inventories in the retail trade. Their returns deal only with sales. They have tabulated inventories of wholesale stocks but this would not be of any particular assistance in the points raised last evening. Certainly there is no information whatever as to stocks of individual commodities. Any figures which are received by the bureau in regard to retail sales are all in dollars and do not deal with commodities.

In the last few weeks at the instance of the wartime prices and trade board a survey has been made of the whole retail field, including departmental, chain and independent stores, requesting figures on inventories as at the first of the year and sales and purchases for monthly periods since that time.

Mr. HANSON (York-Sunbury): That would be in dollars?

Mr. ILSLEY: Yes.

This survey was only commenced a few weeks ago and there has been no opportunity of compiling the figures which so far have come in and which are very incomplete. These figures may be available within possibly six weeks or a little longer. This survey, however, will only give dollar volume and will not give any indication of the quantity of different commodities.

Mr. DIEFENBAKER: There are some representations I should like to make, particularly concerning trunks, watches, tobacco pipes and fountain pens. These items are particularly necessary for the men in service. So far as the officer is concerned it is necessary for him to secure a trunk. As to these other items, they are not luxuries for the men in the armed forces; they are necessities. To-day the position of officers, particularly in Canada, who are on active service, is that their outfit allowance does not cover the extra expenditures which will have to be made should this tax go into effect. To-day they are not exempted from income tax in Canada. I personally believe the officers on active service in Canada, in whatever branch, should be exempt, but that is beside the point at the moment. These items, however, are necessities, and under this section the men in the services and their relatives and friends will have to contribute the major portion of the amount that will be realized from the imposition of this tax. Other people are not buying them, as the leader of the opposition points out. The items I have mentioned are absolute necessities for the men in service, and are purchased either by them or by their relatives. I am going to make the suggestion to the minister that these items be exempted from the tax. I realize that the minister will point out the difficulties in administration, but I think any difficulties of that kind could be obviated by having the man in the service who purchases any of these things for use in the service swear to a declaration to that effect, and if his relatives or friends wish to make him gifts of that kind, they in turn could swear to the necessary declarations pointing out that the recipient was to be a man in uniform.

The minister has consistently refused to accept suggestions for changes in the regulations, and we have come to take it for granted that regardless of what representations may be made, they will not be accepted. But I

think this is one representation, very much along the line of representations made here earlier to-day, which could be accepted. It is absolutely necessary that an officer have a trunk. If it costs $25 or $30, you are adding another $10 to his cost. If a service man buys a watch it is subject to a 25 per cent tax; if he buys a fountain pen or a pipe, he has to pay a 35 per cent tax. It would be a nice gesture on the part of the minister, as well as a very considerable benefit to the men in service both here and abroad, if this exemption should be granted.

Mr. ILSLEY: That opens up the whole question of how far we should go in granting taxation exemptions to men in the service. I must say that I am very reluctant to shoot our whole taxation system full of holes on these grounds. If men in the service are not receiving sufficient remuneration, that is a matter that should be considered and is considered from time to time; but to give them special consideration through a series of tax remissions is in my judgment wrong in principle.

Mr. HANSON (York-Sunbury): We have done it, have we not?

Mr. ILSLEY: Well, yes. I should be very much surprised, however, to find that Great Britain does it.

Mr. HANSON (York-Sunbury): I believe they do not, nor does the United States.

Mr. ILSLEY: There is no exemption even in the case of income tax; everybody pays it in Great Britain, whether he is in the army or not. Last year when we were discussing the motion picture tax, for example, I believe one hon. member, I have forgotten who it was, suggested that men in the service going to the motion pictures should not have to pay that tax. The suggestion did not meet with any favour, but it would be the logical result of granting taxation exemptions to those in the armed forces. With regard to travel on the railways by members of the forces, we did make an exemption. There seemed to be a particularly good reason for it, because we were taking those men long distances from their homes, and if they wanted to go home they were obliged to use the railways, so that perhaps there was some reason for that. Personally I am averse to adding to the list of exemptions from taxes, and I should be surprised if there was very much demand for it. I do not think we should take our taxation system and wherever possible say, "This should not apply to members of the armed forces." The adjustment there should be in pay rather than exemptions from this, that and the other tax.

Mr. DIEFENBAKER: The minister's explanation is that it would be unfair to exempt any particular group, yet the amendment to section 15 provides for doing so. It says:

> Provided that in the case of items mentioned under subparagraph (1) the said tax shall not apply when they are manufactured expressly for a customer for his use in the operation of his business or profession.

What difference is there between exempting lawyers and doctors and exempting an officer or man in the services who as part of his equipment must have a trunk or a watch or a fountain pen or the other articles I have mentioned? I cannot see the difference in principle at all. As a matter of fact I cannot see any justification for the exemption of professional men from the operation of this section. I cannot see any purpose in it. How are you going to enforce it? You are going to set aside a small group of professional men in Canada, and they will be able to claim an exemption. They will be able to shoot holes in your taxation system just as the minister claims exempting the men in the service would. Personally I cannot see the argument advanced by the minister, particularly in view of the proviso he added to section 15 last evening.

Mr. ILSLEY: The proviso was to except a business investment; that is really what it amounted to, on the ground that this is a consumer's tax, not a business tax. A business tax is imposed in a hundred other ways, especially by the excess profits tax, the income tax, and so on. The hon. gentleman is arguing that trunks and luggage and so on are part of the professional or business equipment of officers.

Mr. HANSON (York-Sunbury): Trunks, watches and fountain pens are part of their equipment.

Mr. ILSLEY: I do not know about that, but I should hardly think so. I believe that in most cases it is just personal luggage.

Mr. O'BRIEN: Could not these items be standardized and supplied by the department?

Mr. ILSLEY: Yes, I should think so.

Amendment agreed to.

Resolution as amended agreed to.

The CHAIRMAN: Do I understand that brief and catalogue cases are removed?

Mr. ILSLEY: Yes.

> 23. (1) That any enactment founded on paragraph twenty of these resolutions shall be deemed to have come into force on the sixteenth day of February, one thousand nine hundred and forty-two.

(2) That any enactment founded on paragraph fourteen of these resolutions shall come into force on the first day of July, one thousand nine hundred and forty-two.

(3) That any enactment founded on paragraphs one to thirteen inclusive, paragraphs fifteen to nineteen inclusive and paragraph twenty-one of these resolutions, except as hereinbefore provided, shall be deemed to have come into force on the twenty-fourth day of June, one thousand nine hundred and forty-two and to have applied on all goods imported or taken out of warehouse for consumption on and after that day and to have applied on all goods previously imported for which no entry for consumption was made before that day.

Mr. ILSLEY: I have an amendment to this resolution, changing the effective dates in connection with one or two of these items.

Mr. MULOCK: I move:

That resolution 23 be amended by substituting the word "sixteen" for the word "fifteen" in subsection (3) thereof, and by adding the following:

(4) (a) That any enactment founded on subsection (1) of resolution 15 shall be deemed to have come into force on the 24th day of June, 1942, and to have applied to all goods sold by any retailer on and after that day;

(b) That any enactment founded on subsection (2) of resolution 15 shall be deemed to have come into force on the 14th day of July, 1942, and to have applied to all goods manufactured, imported or taken out of warehouse on and after that day and to have applied on all goods previously imported for which no entry for consumption was made before that day;

(c) That for the period June 24 to July 13, 1942, inclusive, there shall be imposed, levied and collected from the consumer or user a retail purchase tax payable by excise stamps in respect of the goods mentioned in subsection (2) of resolution 15 at the rate of 25 per cent of the retail selling price, provided that the said tax shall not apply to goods of which the total retail selling price or the total cost to the consumer or user is not in excess of one dollar.

Mr. STIRLING: It is not very easy to follow this, without the printed amendment before one. My recollection of the amendment which the minister had moved to section 15 was that paragraphs 1, 3 and 7 were taken out of the 25 per cent class.

Mr. ILSLEY: No, paragraphs 1, 7 and 8.

Mr. STIRLING: I think some reference ought to be made to the time these will come into force.

Mr. ILSLEY: These came into effect to-day, July 14. The taxes on these three items are at the manufacturer's level, and take effect as from to-day. If the hon. member was present he will remember that I made that clear last night.

[Mr. Ilsley.]

Mr. STIRLING: The amendment which was proposed refers only to subsection 2 of resolution 15, and I would have thought that it ought to refer to 1, 7 and 8.

Mr. ILSLEY: Probably the numbering is different. My officers tell me that it is in order.

Amendment agreed to.

Resolution 23 as amended agreed to.

DOMINION SUCCESSION DUTY ACT

Mr. ILSLEY: I may say that resolution No. 5 is to be dropped.

Resolved, that it is expedient to introduce a measure to amend the Dominion Succession Duty Act and to provide—

1. That superannuation benefits granted by the dominion, the provinces or any superannuation or pension fund or plan shall be subject to succession duty.

Mr. HANSON (York-Sunbury): It is proposed to add a section to the succession duty act to make superannuation benefits granted by the dominion, the provinces or any superannuation or pension fund or plan subject to succession duty. This, I think, is a departure in principle from anything which has obtained heretofore. I do not believe it is in effect in any of the provinces. I should like to be informed on that point. If I understand the superannuation law correctly, the allowance paid to the widow of a deceased civil servant is equal to one-half of what the deceased would be entitled to receive. To each child under eighteen years of age an allowance is paid of 10 per cent of what the deceased was entitled to receive, but this is not to exceed $300 per annum. The allowances paid to all children shall not exceed the allowance to the widow, and the total allowance to the widow and the children shall not exceed 75 per cent of the allowance to which the civil servant would have been entitled. In other words, for the remainder of her life the widow will receive one-half the superannuation to which her husband would have been entitled, while each child under the specified age will receive 10 per cent. Is it proposed to capitalize these annuity payments to the widow and children? I use that term for lack of a better word. Is this done in any other jurisdiction? Where will they get the money to pay this levy? In the case of the dominion superannuation fund I suppose it could be taken out of the hides of the widow and the children. It could be deducted at the source.

I am wondering about the equity of this proposal. Part of these payments is contributed by the civil servant during his service and part is contributed by the government.

There is practically no management of the fund, because it exists only in the books of the nation. We have not a sound superannuation system because we do not have any investments bearing interest. It is just a bookkeeping entry, and I always thought it was deficient in that regard. However, that is the system, and I do not think this is the best time to change it. What is the equity of taxing these payments? Do civil servants get so rich during their lifetime that they come within the category of men whose estates must pay succession duty? I should like to know the justification for this new form of taxation.

Mr. ILSLEY: I am not sure whether the provinces tax this, but I believe they do. These superannuation payments to the widow and children I submit are within the spirit of the act which taxes annuities, insurance moneys and benefits of the kind which pass on the death of the deceased. There would be no question about the taxability of superannuation payments if the Civil Service Superannuation Act provided that the government "shall" pay the widow and the children so much per year.

Mr. HANSON (York-Sunbury): What does it provide?

Mr. ILSLEY: It provides that the government "may" pay the widow and children, and the point has been raised that that makes it a discretionary payment and does not entitle the widow as a right to receive anything.

Mr. HANSON (York-Sunbury): What is the practice?

Mr. ILSLEY: The practice is always to pay. Using the word "may" instead of "shall" is a mere technicality. There may have been instances—I have no knowledge of any—where the government has refused to pay for some reason or another, but certainly every man in the service thinks that his wife and children are protected by his superannuation payments and regards the superannuation payments as just as safe as an annuity provided under a life insurance policy, which would be taxable. Therefore, it was thought that this should be put beyond any doubt.

Mr. HANSON (York-Sunbury): On the theory that this is a capital asset?

Mr. ILSLEY: We do not need to say that it is a capital asset. It is property.

Mr. HANSON (York-Sunbury): It is property passing.

Mr. ILSLEY: It is a succession.

Mr. HANSON (York-Sunbury): It is done only because the legislature declares it to be done.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Is it necessary to do it? I can imagine cases where a superannuated civil servant left an estate of X dollars to his wife and children which, under the exemptions in the succession duty act, without the evaluation of this annuity to his wife and children, would not be liable to any taxation at all. There are border-line cases where, by the evaluation of the annuity, which the minister in one case at least has designated as a contract with the civil servant and treating it as property passing, the value of the estate would be raised above the amount of the exemption, and the whole estate would thereupon become liable to pay succession duties. That is a pretty rough kind of legislation, and I would like to know the reason for it. Evaluating the annuity might just tip the scale by $50 and make the whole estate liable to pay a tremendous amount of duty. I do not think this is just. If the retiring allowance were large, and the widow were young and the children under eighteen, the evaluation of the annuity might be quite substantial. I am trying to visualize the border-line cases where the evaluation might just tip the scale and result in a very substantial sum being taken from the estate. I deprecate this, and I wonder why it is being done. It was not formerly done in provincial statutes. I do not know what the provincial law is now, because I have not looked at the statutes for two or three years. What is the occasion for this amendment? Why was it not done last year if it was the proper thing to do? What has drawn it to the attention of the department now? Have there been cases where it would be unjust not to tax? I think we ought to be told the story behind the story of this resolution.

Mr. ILSLEY: It would be unfair and indefensible in my judgment to tax annuities which were purchased by the deceased and which might just tip the scale to taxability of the estate, and also to tax insurance moneys provided by the deceased, and not to tax the superannuation payments.

Mr. HANSON (York-Sunbury): We are accustomed to taxation upon insurance moneys.

Mr. ILSLEY: Suppose a critic of our legislation were to point out that whoever drafted this act had very carefully left out such a provision as this so that civil servants got

away without paying any succession duties on their superannuation, while for the rank and file of people all over the country any annuity which is provided for the widow and children makes the estate taxable. What would the answer be? I do not think there could be any answer. I think it is only fair that these superannuation pensions, because that is what they are, annuities, should be treated the same as other annuities, the same as insurance payments, and I am sure that the public would be of that opinion. There would be no doubt at all about the matter if the word "shall" were used instead of "may" in the Civil Service Superannuation Act. Why "may" was used I do not know, but I presume it was used on the theory that "may" is the word that ought to be used when obligations are saddled upon the crown, or something of that kind. I think there is a recent case in which it was decided that these payments are not taxable because of the use of the word "may." I think that is the reason for the legislation.

Mr. HANSON (York-Sunbury): How much does the minister expect to get out of this?

Mr. ILSLEY: I do not know.

Mr. GREEN: Is the change applicable to other pension funds such as those of the railways?

Mr. ILSLEY: They are taxed now.

Mr. GREEN: This change is to apply only to governmental annuities and superannuation?

Mr. ILSLEY: That is correct.

Mr. GREEN: It seems to be broader than that because it says "any superannuation or pension fund or plan." Are these words meant to apply only to a governmental plan?

Mr. ILSLEY: They are being inserted because governmental plans were in mind. If the act does not cover these other funds, it will now. But I think it does already. It was thought by the draughtsmen and by myself that the act covered superannuation payments, and I was very much surprised to learn that it did not.

Mr. GREEN: That is under section 3 (I) (g) of the act?

Mr. ILSLEY: And (h). Section 3 (I) (g) of the act states:

> A "succession" shall be deemed to include the following dispositions of property and the beneficiary and the deceased shall be deemed to be the "successor" and "predecessor" respectively in relation to such property:—
>
> (g) any annuity or other interest purchased or provided by the deceased, either by himself alone or in concert or by arrangement with any other person, to the extent of the beneficial interest accruing or arising by survivorship or otherwise on the death of the deceased.

I certainly thought that included superannuation payments, and when I learned that it did not, by reason of some opinion or some court decision—I think there was a court decision—I said that the act would have to be amended at once to ensure that superannuation payments were included, because otherwise there would be a discrimination in favour of civil servants against the rank and file of the people of this country.

Mr. JACKMAN: If the widow of a civil servant remarries, do the superannuation payments cease?

Mr. ILSLEY: I am sorry that I cannot give that information, but it will be found, I think, in the Civil Service Superannuation Act.

Mr. JACKMAN: It makes it difficult to calculate the capital value of the annuity when you have a hazardous condition like that, and sometimes you might be taking an unfair advantage.

Mr. ILSLEY: The same is true with respect to many wills under which payments to the widow cease upon remarriage.

Mr. JACKMAN: How do you calculate the capital value of an annuity to a widow which ceases if she remarries?

Mr. HANSON (York-Sunbury): I have had that problem.

Mr. ILSLEY: I am informed there would have to be a refund.

Mr. HANSON (York-Sunbury): I have had that problem, and I have never been able to find a solution. Take the case of a widow with an annuity of $5,000 which is cut in half if she remarries. I never knew just how to deal with it, but I always advised the widow that if she did remarry she would lose one-half or three-quarters of her income, as the case might be, and that had a salutary effect. I think the minister has made a case for this amendment.

Mr. DIEFENBAKER: Under the act as it now stands, railway employees are not subject to succession duty, are they? The pertinent sections which were mentioned by the minister were (g) and (h), and I cannot see that either would apply at all to the situation of an employee, for instance, in the railway service who upon discontinuance of his services with the company would be

in receipt of a pension and who subsequently dies. As at present constituted, the act does not cover that.

Mr. ILSLEY: Does his widow get a pension then?

Mr. DIEFENBAKER: I think she gets a pension.

Mr. HANSON (York-Sunbury): I do not think she does.

Mr. DIEFENBAKER: I am sure widows do, and this amendment goes a long way farther than is apparent on the face of it.

Mr. ILSLEY: Is it not an annuity provided by the deceased?

Mr. DIEFENBAKER: It is not in the form of an annuity. It is really a pension scheme. What this amendment actually means is that the widows of all these men, employees, who heretofore have not been subject to succession duty, will now find themselves in the position of being subject thereto.

Mr. ILSLEY: But is not the pension payable yearly in the instance mentioned by the hon. gentleman? If it is payable yearly, it is an annuity.

Mr. HANSON (York-Sunbury): They are payable monthly as a rule.

Mr. ILSLEY: Well, periodically.

Mr. DIEFENBAKER: The matter can be cleared up simply by what occurred during the past year. There must have been instances where railway employees have been deceased. Has succession duty been charged on the amounts received by the widow?

Mr. ILSLEY: If the estate is large enough, yes.

Mr. DIEFENBAKER: That course has been followed?

Mr. ILSLEY: Yes. The widow gets $20,000 exemption under our act.

Mr. DIEFENBAKER: I appreciate that, but has the amount received from the railway company been included in the computation of succession duties?

Mr. ILSLEY: The commissioner tells me that it is included. He does not remember particular individual cases, but they certainly would be treated as subject to the provisions of the act.

Mr. MacNICOL: A returned soldier 100 per cent disabled receives $100 a month, as I understand it. In the event of his death his widow then receives $60 a month. Will she have to pay succession duty on a capitalization of $60 a month?

Mr. HANSON (York-Sunbury): She will if he leaves over $20,000 or whatever it is.

Mr. ILSLEY: The succession is governed by the act, but I would point out that there is a partial exemption in the case of persons who die of wounds inflicted, accident occurring, or disease contracted while Canada is or was at war.

Mr. HANSON (York-Sunbury): What section is that in?

Mr. ILSLEY: That is section 7, subsection 3.

Mr. HANSON (York-Sunbury): There is special consideration there?

Mr. MacNICOL: For the returned soldier and the widow?

Mr. ILSLEY: Yes; not a complete exemption, necessarily, but the act is made very much more lenient with regard to the cases covered by that subsection.

Mr. HANSON (York-Sunbury): Have any cases arisen out of that?

Mr. ILSLEY: Not that I can find out.

Mr. CASTLEDEN: In the case of these exemptions from succession duties I understand the amount for a widow is $20,000. How do you compute the value of a superannuation or a monthly allotment as of a certain value? Is it amortized?

Mr. ILSLEY: There is an internationally used table which is applied. I cannot give the committee at the moment the name of the table—

Mr. HANSON (York-Sunbury): Well, it is a well-recognized standard table.

Mr. ILSLEY: —or the rate of interest.

Mr. HANSON (York-Sunbury): There are two or three tables, and they are all based on long experience. Do I understand that this pension is to be amortized on the lowest possible interest scale—3 per cent or less? Is that in the statute? Under what authority is that done?

Mr. ILSLEY: The only person I heard say that that was done was the hon. member for Rosedale.

Mr. JACKMAN: I did it on the analogy of succession duty applicable to a young man who was killed overseas. You took the present value of his estate, assuming that he would have lived to the normal expectancy, and then you used the base rate of 3 per cent, which I thought was a very unfair rate to have used, last year. If that is the policy of

the department, I feel sure it would be at least as severe in this case, which is perhaps not as deserving a case as the other.

Mr. HANSON (York-Sunbury): What is the rate used in practice? We have a year's experience.

Mr. ILSLEY: I shall have to get that information. I do not have it.

Mr. MacNICOL: I want to ask a question along the lines of the one I asked a few moments ago. If a returned soldier with 100 per cent disability dies, and his widow receives $60 a month or $720 a year, at a 3 per cent rate, if that were capitalized, it would amount to $24,000.

Mr. HANSON (York-Sunbury): It is only for the period of her life.

Mr. MacNICOL: Would she be taxed on the capitalization of her pension?

Mr. McCUAIG: The returned soldier question is dealt with in section 7, subsection 3 of the succession duty act passed last year. It states that the pension to the widow is not taxable if the man dies from wounds, accident occurring or disease contracted while Canada is or was at war and while on service with the Canadian or any other of his majesty's naval, military or air forces. As long as he died at the time he was on service the pension would not be taxable. If he was a returned soldier and was not on service when he died, the pension would be taxable the same as that of any other person.

Mr. ILSLEY: With regard to the question which was asked by the hon. member for Davenport, I am not sure whether that is an annuity provided by the deceased within the meaning of section 3 (g), and the question has not arisen. I shall have to give that some little consideration before I give an answer.

Mr. HANSON (York-Sunbury): I think that is right; it is not provided by him.

Mr. GREEN: Of course it would be if the resolution goes through.

Mr. ILSLEY: No; the resolution refers to pension funds or plans.

Mr. GREEN: Is that not a plan?

Mr. ILSLEY: It depends on the wording of the act. It was not intended to cover any such—

Mr. MacNICOL: Certainly if the widow under such circumstances is to pay a succession duty, in ninety-nine cases out of a hundred it would be most unfair to require her to do so, because, under present conditions, these people have a terrific struggle to get along on the pensions they are receiving.

[Mr. Jackman.]

Mr. ILSLEY: Could the point not stand for the moment? We could pass this resolution and, when the bill comes before the house, the amendment that is foreshadowed will be placed before the house and will be debated. I will read it then.

Mr. HANSON (York-Sunbury): It could be drafted having regard to this discussion.

Mr. ILSLEY: Yes. We will bear in mind the representations that have been made. Several points have arisen. One is whether a pension payable under the pension act is an annuity provided by the deceased. That is the first point. The second point is: Is the pension act a pension plan within the meaning of the resolution and within the meaning of the legislation that will be based upon the resolution?

Mr. HANSON (York-Sunbury): Perhaps it could be safeguarded in the bill.

Mr. ILSLEY: I should like to let this stand until the bill itself is before the house, because these resolutions do not mean much in themselves. They are very short, giving an indication of what the bill will be.

Mr. GREEN: Is it clear that the minister does not intend by this resolution to extend the act to cover service pensions?

Mr. ILSLEY: I did not have any intention one way or the other about it. I never thought about it, and I do want to think about it.

Mr. HANSON (York-Sunbury): Under the other sections of the act service pensions may be taxed.

Resolution agreed to.

2. That one-half of the estate may be given to charitable organizations in Canada free of succession duty.

Mr. MacNICOL: Some time ago a gentleman told me that he intended leaving a considerable sum of money to some institution or board which looks after the blind. He wanted his money to go to some charitable institution of that kind. Suppose he left $20,000 for the use of the blind after his death; would one-half of that $20,000 come under the succession duty?

Mr. ILSLEY: In the instance suggested by the hon. member the whole bequest would be free of succession duty up to one-half of the estate. If the estate were $40,000, or more, a bequest of $20,000 to charity would be entirely free of succession duty.

Mr. MacNICOL: Then I should have said $40,000, because I did not notice that up to $40,000 was exempt.

Mr. ILSLEY: That is not right. I was merely trying to accommodate myself to my hon. friend's figures, but there is no $20,000 or $40,000 in the act.

Mr. MacNICOL: Would one-half of $20,000 be exempt?

Mr. ILSLEY: As the act was passed last year, half of every charitable bequest is subject to succession duty and half is free. It will be found by reference to *Hansard* that I did not realize that was what was being done, and I do not think that the committee or the house did. The wording of this section is to a certain extent ambiguous, and I am introducing an amendment this year which will make that part of the act conform to my intentions of last year as expressed to the committee and to the whole house.

Mr. HANSON (York-Sunbury): Will it be made retroactive? It should be if that is the basis of this amendment.

Mr. ILSLEY: It will be retroactive, yes.

Mr. HANSON (York-Sunbury): That is very good; I am glad to hear that. The position is this. The act provides, by section 7 (1) (d):

> In determining the dutiable value of any property included in a succession, the following exemptions shall be allowed and no duty shall be leviable in respect thereof:
>
> (d) Where the successor is a charitable organization in Canada operated exclusively as such and not for the benefit, gain or profit of any person, member or shareholder thereof, provided that in the case of any property devised or bequeathed by the will of the deceased this exemption shall only apply to an amount not exceeding 50 per centum in the value of such property.

In other words, half the rate applied, and it might be up or down depending on the size of the estate and so forth. It would be graduated. The minister realized that that was not what he intended to do. I do not remember the circumstances last year; I have not looked up the debate. But half of the estate may be given to charity and pay no duty at all; but if the whole estate is given, or anything above half, then on the excess over 50 per cent the duty will be paid. I think that is good, and I am glad to hear the minister say that it will be made retroactive. We ought to approve this right off the bat.

Mr. CASTLEDEN: In view of what the minister has said with reference to resolution 2, will resolution 1 also be retroactive?

Mr. HANSON (York-Sunbury): It is a different thing.

Mr. ILSLEY: There may not be the same enthusiasm for retroactivity there, but I think it will be, yes.

Mr. HANSON (York-Sunbury): The minister is not going to make resolution 1 retroactive?

Mr. ILSLEY: I think it is intended to make it retroactive.

Resolution agreed to.

3. That the exemption in respect of gifts made prior to the twenty-ninth day of April, 1941, shall be allowed only in respect of gifts which are absolute and without any reservation of benefits to the donor;

Mr. GREEN: Will the minister explain this?

Mr. ILSLEY: The law at present allows exemption from succession duty in respect of any gift made by the deceased prior to April 29, 1941. The proposed amendment is intended to make it clear that, in order to qualify under this section, gifts must have been completed prior to the specified date, and in connection with them there shall be no reservation of benefit to the donor. Otherwise the gifts will not qualify for exemption.

Mr. HANSON (York-Sunbury): In other words, there shall be no resulting trusts or benefit to the donor, and the gift must be completed. Is that not the general principle in nearly all succession duty acts? If the donor holds a string it is not a gift; if he gets anything back it is not a gift. It must be a genuine bona fide gift vested before a certain date.

Mr. ILSLEY: I think that is correct.

Mr. GREEN: I can understand why that provision should apply to gifts made after the act came into force or in fact after April 29, 1941, which was the date set by section 7, subsection 1, parargaph (g); but I do not understand why that provision should now be carried back to apply perhaps to a gift made, say in 1900 or in 1930. It seems to me that is very unwise legislation.

Mr. ILSLEY: If a person made a gift in 1900 and reserved to himself control over the corpus of the gift until his death and he died in 1942, he did not make a gift at all. This section is not needed as far as pure gifts are concerned; it is needed because the language of the act is not clear as to what is a gift.

Mr. CASSELMAN: If the word "absolute" had been in the section last year before the word "gift", you would not need this section at all.

Mr. ILSLEY: That is correct, I think.

Mr. GREEN: Why should it not be covered by a change in paragraph (g)? If there has been a gift made say in 1935 and there is a right to change that gift but it is not changed up to the time of death, why should the act cover such a gift?

Mr. ILSLEY: Because the person dying had control of the property up to the day of his death.

Mr. GREEN: But suppose he did not make any change at all. The gift was given before this succession duty act came into effect. What right has the dominion to go back to something that happened before the act came into force? It seems to me that is similar to what has been done in Ontario, which has caused so many complaints.

Mr. ILSLEY: I do not think it makes any difference for our purposes when the disposition of the property was made. If the person disposing of the property kept a string on it, then it should be taxable when he dies.

Mr. GREEN: Are you not going to get into this position; a father may die next year; there may be something that was given to a daughter ten years ago which she has considered as her own all that time, although there may have been some legal right retained by the father to take back that gift. Surely it is not the intention to tax that as a succession under this act which did not come into force until last year. If that is the intention, it is going very far.

Mr. ILSLEY: I do not agree. I do not think we can go by what the daughter thought was hers in that case: it is a question of fact. The father kept control of the thing so that if the daughter did something which he disapproved he could take his property back; then it was his property for the purpose of taxation and in reality.

Mr. GREEN: But he did not take it.

Mr. ILSLEY: But he could have.

Mr. CASTLEDEN: I support the hon. member for Vancouver South in this respect, that I think there is going to be a terrific amount of investigation and litigation arising out of this. If this were made retroactive to last year, it would simplify the matter. This is going to lead to no end of complications.

Mr. HANSON (York-Sunbury): I think it brings the law in conformity with the general principle, what it ought to be. I think this is all right.

Resolution agreed to.

4. That officials of foreign countries accredited to Canada owning real estate in Canada for residential purposes, shall in respect of such residential property be exempt from succession duty, if the country they represent grants similar relief.

Mr. HANSON (York-Sunbury): Is this intended to be reciprocal?

Mr. ILSLEY: Yes, by its terms it is reciprocal.

Mr. HANSON (York-Sunbury): Is there anything in contemplation to arise out of this?

Mr. ILSLEY: It was requested by one dominion having representatives in this country.

Mr. HANSON (York-Sunbury): Well, let it go. It does not take effect until it is reciprocal.

Resolution agreed to.

5. That the proceeds of life insurance policies, including annuity contracts, shall be exempt from duty if the deceased was domiciled outside of Canada at the time the contract was entered into and at the time of his death and further that the beneficiary also was resident outside of Canada at the time of the death of the deceased;

Mr. MULOCK: I move that resolution 5 be deleted.

Mr. HANSON (York-Sunbury): You did not have any right to do this anyway, did you.

Mr. ILSLEY: Oh, yes.

Mr. JACKMAN: You are simply going to rest on the present provision.

Mr. ILSLEY: Yes.

Mr. JACKMAN: The present provision does not include both life insurance policies and annuities, does it?

Mr. ILSLEY: No, it does not mention annuities.

Mr. JACKMAN: Would the minister consider including annuities along with life insurance policies, because they are both in the same class.

Mr. ILSLEY: Yes, I will consider that. It may be we can put something like that in the bill if it is not there.

Amendment agreed to.

6. (a) That executors be protected against court action by successors having any interest in expectancy in the property of the deceased if the executor elects to pay the duty in respect thereof at the time of death and not at the time when the expectancy falls into possession.

(b) That in order to secure payment of the duty a statutory lien be provided for in respect of any real or immovable property in Canada owned by any person who dies domiciled outside of Canada.

Mr. MULOCK: I move that resolution 6 be renumbered 5.

Amendment agreed to.

Mr. HANSON (York-Sunbury): This is a very technical subject, to me at least. The question of interest and expectancy is governed by section 28, subsection 5, of the act, is it not? It is now proposed to give protection to executors against any action by successors who have any interest in expectancy in the property of the deceased if the executor elects to pay the duty at the time of death and not at the time when the expectancy falls into possession. In other words, the executor as against the successors has the right to say what he will do. What is the reason for the change? It is well enough to protect him if this is done in good faith, but there may be a question of policy, say about liquidating securities. According to this resolution, the successor has nothing to say about that.

Mr. ILSLEY: The object of the amendment seems to be that where there is an expectancy which may decline in value, the executor is taking a chance in paying succession duty shortly after the death. He may find himself liable.

Mr. HANSON (York-Sunbury): Does this arise out of the Jost estate decision, the Eastern Trust company?

Mr. JACKMAN: When does the fixation of value take place?

Mr. ILSLEY: I do not think it arose out of any particular case. Representations were made that executors were in a difficult position, that they would not dare to pay succession duty shortly after the death if there was a chance that property might decline in value; that estates in expectancy might decline in value and they would find that they had paid too much. This protects them if they pay promptly.

Mr. HANSON (York-Sunbury): Well, there must be a reason for legislating along that line. Surely the successor has an interest. He is a party in interest. The executor is merely an administrator. He has no interest at all. Is no consideration to be given to the successor? I believe in protecting executors who act in good faith. They should be protected.

Mr. ILSLEY: That is all.

Mr. HANSON (York-Sunbury): But the person who ultimately is to come into possession has nothing to say about the matter if the executor chooses to exercise that discretion. It seems to me pretty arbitrary. Why not leave the thing alone and let them settle their differences between them, or wait? Under the statute they can wait, can they not? Section 28, subsection 1, has a statutory provision with regard to the payment of duty:

Where an annuity, term of years, life estate, or income is created by the will of a deceased person—

Does that deal with expectancy?

—or by any other disposition deemed to be included in a succession, the duty for which any person, who benefits by such annuity, term of years, life estate or income, is liable, shall, unless otherwise provided herein, be paid in four equal annual instalments at the end of one, two, three and four years, respectively, after the death of the deceased.

Then subsection 2:

Where the deceased had an interest in expectancy the duty levied on such interest in expectancy or on the successor or beneficiary in respect thereof may be paid as provided by section twenty-four of this act. . . .

Just what is the reason for the change? Apparently that was the settled law, and we ought not to make changes just for the sake of change. Why is this provision being inserted now?

Mr. ILSLEY: It is to make it safe for the executor to pay shortly after the death of the deceased, and not wait perhaps for many years for the expectancy to fall in.

Mr. HANSON (York-Sunbury): Of course that is a phase of it; it is protection for the executor. Has he asked for it? Has anybody asked for it on his behalf?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): That is your reason?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): And he cannot be protected in any other way?

Mr. ILSLEY: I do not think so.

Mr. HANSON (York-Sunbury): He is going to be given this protection, although the successors may be damnified by his action?

Mr. ILSLEY: Yes. They may be benefited, too; the value of the property may increase.

Mr. HANSON (York-Sunbury): Of course in that case they would get the advantage, and in the other case they would not.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): It seems to me you are interfering, perhaps needlessly, with the rights of certain people; that you are barring their rights. I do not know that it is altogether just; I should like to think about it.

Mr. MacNICOL: If the property increased in value, the executor's fees would increase too.

Mr. ILSLEY: Yes, but our succession duty would not.

Mr. WRIGHT: When is the valuation of the assets of the deceased made for succession duty purposes? Is it made immediately on death?

Mr. ILSLEY: It is the value at the time of decease. Is the hon. gentleman's question as to when the value is ascertained?

Mr. WRIGHT: Yes.

Mr. JACKMAN: At the time the gift is made, if it is in cash, or at the time of death, at least in Ontario.

Mr. ILSLEY: Normally it is done shortly after the death of the deceased.

Mr. WRIGHT: Would the executor not be protected if the valuation were made at that time? If the assets depreciated later on, the fact that the valuation had been made already would, I should think, protect the executor.

Mr. ILSLEY: He is not protected, anyway, and that is the point.

Mr. HANSON (York-Sunbury): He is not protected in a given case, but my recollection of the Jost case is that Mr. Jost, owned, we will say, two or three million dollars worth of highly speculative securities. He died just when the market reached its peak, and the duty value attaching at that time was the top market price. Immediately afterwards came the slump and these shares were cut in value several times; in fact they were reduced to nothing. The trust company paid the duty; I suppose they were being pressed by the government of Nova Scotia, and there was a deficit. Not only was there nothing coming by way of residue, which was to have gone to the university with which I am connected and which thought it was going to get a substantial sum; there was $80,000 of a deficit in connection with the succession duties paid by the trust company, for which under certain conditions they might become liable. There is more to it than that, of course, but they had to go to the supreme court to get a declaration, and one decision went directly against them. They appealed to the Supreme Court of Canada, and I am not sure whether judgment has been given. But I do not know why an expectancy could not be valued as of the date of death, and the duty settled. The deferring of the payment is to prevent hasty liquidation which might be necessary in order to get the money out of that particular fund, but I suggest that the assessment of value could be made as of the date of death on the basis of values at that time, and capitalized according to the period of time that would lapse before it was vested.

Mr. ILSLEY: That is what we want to have the right to do. Take section 28, subsection 4:

> The duty mentioned in subsection two and subsection three of this section—

That is, the duty on assets in expectancy.

> —if not paid within the time limited by section twenty-four of this act—

That is, within six months of the decease.

> —shall be due when such interest in expectancy falls into possession and shall be paid within three months thereafter on the basis of the fair market value at the date of falling into possession of the property in respect to which such interest in expectancy existed. . . .

I think that is all that is material in that section. Apparently under that the executor has his option. It seems to be the intention to give the executor or the beneficiary his choice as to whether he will pay within six months after the death or within three months after the expectancy falls into possession. If the executor makes a wrong choice; if he chooses to pay within six months after the death and it turns out that a great deal of money has been needlessly paid to the government as a result of his wrong choice, which apparently was the case in the instance mentioned by the hon. gentleman—

Mr. HANSON (York-Sunbury): No, I do not think it is quite that.

Mr. ILSLEY: He does not want to be liable.

Mr. HANSON (York-Sunbury): He wants to be relieved from liability.

Mr. GREEN: What is the reason for paragraph (b) of this resolution, and just how far will that statutory lien go?

Mr. ILSLEY: There is no other effective remedy against a non-resident. This applies to cases of persons who die while domiciled outside Canada and owning real property in Canada.

Mr. GREEN: For example, someone in the old country owning property in Canada?

Mr. ILSLEY: Yes. There might not be any real remedy against the person. He might sell the property in Canada while he himself

was abroad—I am assuming that the beneficiary, the person who succeeds, is abroad—and the government would have no recourse against anyone. There is no reason why there should not be a lien on the real property in Canada owned by a non-resident, or a person not domiciled here.

Mr. GREEN: How is the act working at the present time? I think in our province releases are obtained from the succession duty officer, which have to be presented at the registry office. Why cannot some plan of that sort be worked out rather than a statutory lien?

Mr. HANSON (York-Sunbury): Is there not a lien now on property owned by a person domiciled in Canada?

Mr. ILSLEY: No, there is not.

Mr. HANSON (York-Sunbury): There is no lien in the act?

Mr. ILSLEY: No.

Mr. GRAYDON: I do not think there is any.

Mr. McCUAIG: In Ontario property does not vest unless you attach to the conveyance the consent of the treasurer of Ontario. If a solicitor takes an executor's deed into the registry office, the registrar will not accept it unless that consent is attached. But he will register it without the consent of the dominion succession duty officer. It seems to me that there should be some provision that property would not vest unless the dominion succession duty is paid. There may be some difficulty in that because we have no control over property.

Mr. GRAYDON: The Torrens system in Ontario goes a little further than that. They will not allow you to attach the dominion release to their documents because it might be a recognition that the dominion department had some rights over real property transfers. If we take into consideration the position of the dominion with respect to real property rights, it would appear that there is no real protection so far as the duty is concerned, that is, having regard to the normal transfer of real property.

Mr. GREEN: If this change is made, there will be a statutory lien created by a dominion statute, and this will place a cloud upon the title, particularly if the provincial land office will not accept a release from the dominion succession duty officials. How do you get rid of that cloud on title?

Mr. ILSLEY: It is not a question of their not accepting it; we did not assert any lien until now. This will apply in only an insignificant number of cases where property is owned by non-residents who are domiciled abroad.

Mr. GRAYDON: You cannot get a lien on a title to land in Canada any more against a non-resident than you can against a resident.

Mr. ILSLEY: Perhaps I did not follow the hon. gentleman. Was he arguing that it was beyond our powers to do it?

Mr. HANSON (York-Sunbury): I think that is what it amounts to.

Mr. ILSLEY: That may be, but I think we had better try it.

Mr. GREEN: Why should the dominion step in and put on a statutory lien which must be disposed of before a purchaser can obtain a clear title? If the dominion government do not know whether they have the power to put on a lien of that type, I do not think they are doing right by just going ahead and putting it on.

Mr. ILSLEY: I said I thought we had better find out. I should think that we would have the power, that it was ancillary to our powers to tax. If we have not, perhaps we had better find out, but I certainly think it is better to try to get our taxes. The lack of interest in the crown's desire to get taxes always surprises me. Why should the crown not have its taxes from non-residents who have property in Canada? Otherwise they can sell the property right out from under our noses. Why should we not try to get our duty on real property? Why should there be all this terrific tenderness about somebody being inconvenienced?

Mr. GRAYDON: The only tenderness is in the minister's disposition. The minister is the only one who is being tender about this matter. We are only trying to point out the obvious pitfalls which may be met. As the hon. member for Vancouver South (Mr. Green) has said, if you create a cloud upon the title before a transfer of property is made, some action must be taken to find out whether the duty has been paid or to remove the cloud.

Mr. ILSLEY: We will know whether it has been paid.

Mr. GRAYDON: It will mean that you cannot transfer property within the six months period. Is this going to tie up estates in the manner indicated by the hon. member for Vancouver South? It is not a question of being tender over anybody; it is a question

of getting this thing regularized so that the government will not put everybody in an awkward position.

Mr. ILSLEY: Is this not done in the provinces?

Mr. ABBOTT: A clearance from the collector of succession duties must be registered before a title can be conveyed. This cloud can be easily removed by paying the tax. There is no provision in this resolution to provide that a clearance should be registered against the property, but in Quebec a clearance from the collector of succession duties must be registered against movable property. I think this is a most reasonable precaution. As the minister said, non-residents can in effect thumb their noses at the tax collector. They can say, "I have sold my property; you can do what you like".

Mr. GREEN: We had the same trouble in British Columbia some years ago. I do not remember the wording of the legislation, but it caused all kinds of trouble and confusion in clearing up estates and eventually it was dropped. Surely the proper way to arrange this matter is by agreement with the provincial governments who control the land registry offices. I should think you could easily get them to call for a release in connection with the dominion succession duty. You are going much farther here; you are creating a statutory lien without any provision for the registration of that lien.

Mr. ILSLEY: Oh, yes, there is. That will be provided for in the legislation.

Mr. GREEN: I suggest that the situation should be examined more thoroughly before this step is taken. Nobody is trying to help people to evade taxation.

Mr. ILSLEY: I do not think we would be justified in asking for a stated case to find out whether we have the power to do this.

An hon. MEMBER: What about the Bank Act?

Mr. ILSLEY: We have the power to tax, and we have the power to impose succession duties. We have approached this matter with a considerable feeling of responsibility. I thought hon. gentlemen would be suggesting that we should make sure that we were going to get our taxes from residents by providing for a lien and release before the property of a deceased could be vested. However, we are not going that far.

Mr. GRAYDON: That was the next point I had in mind. I think we should adopt the suggestion of the hon. member for Vancouver South and have provincial legislation passed to provide that no property may be transferred unless there is attached to the conveyance, not only the consent of the treasurer of the province as to the provincial succession duties but also the consent of the dominion succession duty department. In that way you could get away from all your troubles.

Mr. ILSLEY: You might get away from all your troubles after you have had about ten years of trouble. If anyone thinks that we could get the consent of the nine provinces to pass legislation like that, he is certainly an optimist.

Mr. HANSON (York-Sunbury): Here is what I marked down when I read this over. I noted that this is for the protection of the treasury, and I have not changed my mind. How it may be done might be the subject of consideration when we see the bill. You can impose a lien by statute, but the enforcement of that against real property is a different thing.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. HANSON (York-Sunbury): Mr. Chairman, referring to resolution 1 and the Civil Service Superannuation Act, I have ascertained that if the widow of a civil servant remarries she loses her pension. If a widow were to remarry shortly after the decease of her husband and succession duties had been paid upon the evaluated pension, would the department give a refund?

Mr. ILSLEY: So the commissioner informed me this afternoon.

Mr. HANSON (York-Sunbury): They would give a refund?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): If that is the policy of the department, I have nothing further to say on that point.

Mr. GREEN: With regard to this resolution, now renumbered 5, will the minister, before the bill is brought in, give consideration to the questions we raised this afternoon concerning the registration of a statutory lien and the general effect of such a lien?

Mr. ILSLEY: Yes.

Resolution as amended agreed to.

7. That executors be permitted to pay out, without the consent of the minister, sums not in excess of—

(1) $1,500 in the case of moneys payable:
  (a) under any contract of insurance;
  (b) by any friendly society; or
  (c) under any superannuation or pension fund or plan.

(2) $500 in the case of moneys payable:
  (a) out of any bank account; or
  (b) out of any trust or loan company's deposit account; or
  (c) in satisfaction of wages or salaries.

Mr. MULOCK: I move that resolution 7 be renumbered 6.

Amendment agreed to.

Mr. HANSON (York-Sunbury): This is a new provision, is it not? There is no such provision in the act now?

Mr. ILSLEY: The present provision is that money cannot be paid.

Mr. HANSON (York-Sunbury): But in practice I assume that the department found it necessary that some money should be made immediately available to be paid by the executor without the consent of the minister?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): This is rather a small sum of money in subsection 2: $500 "out of any bank account; or out of any trust or loan company's deposit account; or in satisfaction of wages or salaries". In the province from which I come that provision has been found very difficult in practice, because circumstances may arise when very much more than that sum is required immediately, but until the return is made it is difficult to get a release in the case of a substantial estate. In such cases the executors have been obliged to go to the bank and borrow the money on their own responsibility. That is a position which ought not to obtain.

The deceased may have been the owner and manager of a business, and money may be required immediately for, we will say, the payroll. What is going to happen if only $500 is available? Are the men to go without their wages, or must the executor borrow the money on his own responsibility? It seems to me that some further provision should be made for a situation like that. By subsection 2 (c) the executors are permitted to pay in satisfaction of wages or salaries a sum not in execess of $500. But suppose the banks will not give the money to the executor without a clearance. I know what has happened in two cases within a year, but not under this act. The executors were forced to borrow the money themselves. Does the minister think that $500 gives leeway enough? I suggest it is not enough. I am raising no question about the $1,500. It has been found in practice, has it not, that there must be some amount of leeway given? The minister says that under the statute there is no provision now for paying without the consent of the minister, and I have no doubt that that has been found in practice to work a hardship. I suggest that the sum of $2,000 ought to be made available. If it is a substantial estate the government will lose nothing. Otherwise the executor will have to borrow the money.

Mr. ILSLEY: I do not know. I have not given very much consideration to these amounts. They were requested by the officers of the national revenue department, who thought they were necessary for the proper administration of the act. That is about all I know with regard to them, which I admit is not very much.

Mr. HANSON (York-Sunbury): They are necessary for the proper carrying on of the business of the estate of the deceased. I tried to impress upon the provincial authorities in New Brunswick that $500 was too small an amount. If a man dies away from home, in Florida, for example, it would not cover funeral expenses. You could not bury him under $1,200 or $1,500. It is very expensive. That has happened, I know, because I have paid the bills.

Mr. ILSLEY: The minister can give his consent.

Mr. HANSON (York-Sunbury): Yes, but you have to come clear to Ottawa to get it.

Mr. ILSLEY: You do not have to travel here physically.

Mr. HANSON (York-Sunbury): No, but you have to go through all the forms. I have no doubt that if the minister knew the parties he would do it, but if he did not know them he would not do it. Why could this not be made $2,000, or at least raise the $500 to $1,500, the same as for life insurance? If the minister will raise it to $1,500 I shall be quite content.

Mr. ILSLEY: This provision is just to give a little leeway in the very early period after the death of the deceased. The minister may consent to the payment of such sums as it is necessary to pay out, but even before there is time to get the minister's consent it may be necessary to pay out something, and so these small sums are put in here to make

sure that there is no undue inconvenience or hardship to the estate. I think they should be sufficient.

Mr. HANSON (York-Sunbury): They are just arbitrary amounts. The minister is so inflexible over a small matter that I hesitate to urge him further, but I do suggest that $500 is not enough in the case of a large estate, where there will be greater expenses than in the case of a smaller estate.

Mr. MacNICOL: It is not half enough.

Mr. HANSON (York-Sunbury): It is not half enough. If the minister will make it $1,500 instead of $500 I shall be content, but $500 would go nowhere.

Mr. ILSLEY: Consideration can be given to the suggestion before the bill is brought down.

Mr. HANSON (York-Sunbury): Why not give in on that now?

Mr. ILSLEY: I do not know enough about it. I do not think a case has been made for it. I cannot see why anything but a very small sum is required here. The act was drawn without any permission in this regard at all, on the assumption that the minister would give his consent. A little delay is sometimes necessary, and to bridge that period of delay small sums are provided.

Mr. HANSON (York-Sunbury): I suggest that when the act was originally drawn this was an injustice, and the minister is only partly relieving the injustice. In every act I have ever looked at there is a sum available without the consent. I do not know of a single succession duty act which does not provide some sum. If this had come to my attention when we were putting through the bill last year, I would have suggested an increase, but with the weight of things one has on one's mind one cannot think of everything. It is true that it is an arbitrary sum. But let me give a concrete case, if my hon. friend the member for Northumberland, New Brunswick (Mr. O'Brien) will permit me. He is the owner of a business which he operates in his own name. He may die suddenly, and there may be liabilities accruing within a day or two after his death. Funds may be in the bank, but the bank cannot touch the funds and pay that liability. He may not have enough money to meet his payroll. In such a case some provision must be made to meet a business situation, especially where a business is going to be carried on. It is asking very little to increase this amount from $500 to $1,500. The crown is not going to lose anything in the case of an important estate or an estate with substantial assets. It would make it that much easier to get along.

[Mr. Ilsley.]

Mr. ILSLEY: I will look at the provincial acts and see what sums are in them.

Mr. HANSON (York-Sunbury): I believe in New Brunswick it is $500.

Mr. MacNICOL: This is a question which I believe I asked a year ago, and I have forgotten the answer. It has to do with the estate of a person deceased some years ago. Apparently, according to the Ontario succession duty act, the estate was not of sufficient size to compel the will to be probated, and it has not been probated. Is that estate affected in any way by this bill?

Mr. ILSLEY: When did the death take place.

Mr. MacNICOL: Several years ago.

Mr. ILSLEY: Estates belonging to people who died before the passage of the act are not subject to the provisions of the act.

Resolution as amended agreed to.

8. That the foregoing resolutions shall apply from the commencement of the Dominion Succession Duty Act.

Mr. MULOCK: I move that resolution 8 be renumbered 7.

Amendment agreed to.

Resolution as amended agreed to.

EXCESS PROFITS TAX ACT, 1940

Resolved, that it is expedient to introduce a measure to amend the Excess Profits Tax Act, 1940, and to provide—

1. That the rates of tax as set out in the second schedule to the said act be repealed and the following substituted therefor:

First part—

Ten per centum of the profits of corporations and joint stock companies and 15 per centum of the profits of all persons other than corporations, before deduction therefrom of any tax paid thereon under the Income War Tax Act.

Second part—

One hundred per centum of the excess profits.

Third part—

Twelve per centum of profits of corporations and joint stock companies before deduction therefrom of any tax paid thereon under the Income War Tax Act.

Mr. HANSON (York-Sunbury): This is a very difficult, technical taxation measure. The whole question of excess profits is difficult enough, and I confess that from the minister's statement in the budget I was not able to understand all that he was driving at, in two particulars: first, the changes in the base of the E.P.T., as it is called, and second, the question of the refundable portion, to be found in resolution 5. Would the minister please state just what the present position is up to the point where he leaps from 75 per

cent to 100 per cent of the excess profits, and then what the change is? There has been a change on the way up, I think.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Put it on the record anyway.

Mr. ILSLEY: The present rate structure of the Excess Profits Tax Act provides for either (a) a tax of 22 per cent on total profits, or (b) a tax of 75 per cent on excess profits, whichever is the greater. Under this rate structure it works out that the 75 per cent tax on excess profits is the greater of the two taxes when profits have increased by slightly more than 56 per cent of standard profits. All companies paid at least 40 per cent tax on total profits; that is, 18 per cent under the income tax, and 22 per cent under the Excess Profits Tax Act.

Mr. HANSON (York-Sunbury): Under two parts? Is it not in two bites?

Mr. ILSLEY: Yes. The 18 per cent was under the Income War Tax Act, and the 22 per cent was under the Excess Profits Tax Act.

Mr. HANSON (York-Sunbury): The 10 per cent under the first part and the 12 per cent under the third?

Mr. ILSLEY: No; I am talking about the old act.

If, however, profits were more than 156 per cent of the standard—the correct figure is 156·7—then the effective rate of tax on additional profits amounted to 79·5 per cent. Under the new rate structure the 22 per cent has been broken down into a tax of 12 per cent, which applies to total profits in all cases, while the remaining 10 per cent constitutes the tax which is the alternative to the tax on excess profits which was previously 75 per cent but which now becomes 100 per cent.

I have stated that the alternative taxes under the present set-up are equal when a company's profits have increased by just over 56 per cent. Under the proposed rates the alternative taxes are equal when profits have increased by only 16⅔ per cent. It is obvious then that the proposed changes in the rate structure bring into effect the high rate on excess profits at a much lower point than is done in the present law.

To sum up the proposal, I may say that all corporate profits will be taxed at least 40 per cent; and when profits are increased more than 16⅔ of standard profits, the whole of this excess is taken under the 100 per cent rate, with the 20 per cent refund provision provided for in resolution 4.

In the case of taxpayers other than corporations the 15 per cent flat rate tax remains unaltered as the alternative to the new rate of 100 per cent on excess profits.

Mr. HANSON (York-Sunbury): I was going on to ask the minister if he would give a concrete illustration such as I received to-day from one of the officers of the department, we will say based on a tax on $17,000, which happens to be the figure given, and spread it on the record in tabulated form: first, under the old system; second, under the proposed system, which would show exactly how much tax there would be under the old system, and how the tax was made up in the new system and what it will be. It seems to me that that would be valuable to everyone.

Mr. JACKMAN: When the minister is putting such an example on the record—I am sure there are very few hon. members who understand exactly how this works out, and I have not had an opportunity to produce practical examples—would he give sufficient examples to illustrate the position of a company which has a fairly steady profit as related to its standard base, and also companies showing very large gains as a result of working on some war contracts?

Mr. HANSON (York-Sunbury): This, of course, is corporations.

Mr. ILSLEY: I will explain in my own words the change that has been made. It is a very technical matter and, if I make a mistake in the course of the explanation, I shall have to correct it to-morrow. I do not think, however, that I shall make a mistake because I am fairly familiar with the legislation from the beginning.

First, let me tell the committee the rule that is applied in ascertaining the taxes payable under the Excess Profits Tax Act now before it is amended. There is an 18 per cent tax under the Income War Tax Act. That is the first thing to remember. Then there is the excess profits tax. Profits are taxed at 75 per cent, and there is a provision that the amount in any event shall not be less than 22 per cent of the total profits. That is to say, you must determine whether 75 per cent of the excess, after deduction of the 18 per cent income tax on the excess, is greater than 22 per cent on the total profits. If it is greater, then one takes the 75 per cent on the excess, which means 79½ per cent on the excess if the 18 per cent income tax is first taken into account. The result is that every company must pay at least 40 per cent on its total profits—18 per cent under the Income War Tax Act and 22 per cent under the

Excess Profits Tax Act—and some companies will pay more than that. If their excess profits are so large that this 79½ per cent on the excess is greater than the 22 per cent on the total profits, then they will pay 79½ per cent on the excess. One could imagine a company where the two would be exactly equal, and as a matter of fact a company which earns in the taxation year 156·7 per cent of its standard profits would pay exactly the same under both rules.

Mr. HANSON (York-Sunbury): That is the point at which they balance.

Mr. ILSLEY: That is the point at which the two rules bring the same result; 79½ per cent of the excess is equal to 22 per cent of the total profits. So that in practice a very simple rule is applied. One just finds out what the percentage of the company's profits is of its standard profits. If its profits are anything up to 156·7 per cent of its standard profits, one just takes 40 per cent of the profits and that is the tax; that is the combined tax, income and excess profits tax. But if its profits are more than 156·7 per cent of the standard profits, one has to take 40 per cent of the 156·7 per cent and 79½ per cent on the remainder over that. That is a simple rule which is applied under the present system to the working out of the taxation on companies. That 156·7, in the minds of chartered accountants, lawyers, income tax officials, and finance department officials, is a well known point; it is the breaking point, the critical point. It is an important figure. Now we have come along and changed our act so that instead of there being an 18 per cent flat rate on all profits, there is now a 30 per cent rate on all profits, which is described in the budget speech as 18 per cent income tax and 12 per cent excess profits tax. But whatever it is called, it is a 30 per cent rate.

Mr. HANSON (York-Sunbury): That is the total in any event?

Mr. ILSLEY: Yes.

Mr. TUSTIN: Does that apply to anything under $5,000?

Mr. ILSLEY: Yes; according to the resolutions it does. With regard to the option, instead of 22 per cent of the total, or 79½ per cent of the excess, whichever is greater, now it is 10 per cent of the total or 100 per cent of the excess, which ever is greater. So that now every company pays at least 40 per cent of its profits, but it may pay more. For the purposes of the record I will stop there. The rates are now such that the breaking point, instead of being 156·7 is 116·666, and, therefore the simple rule to apply to the computation of the new excess profits tax is to reckon 40 per cent if the company earns less than 116·6 per cent of its standard profits. The simple rule is to take 40 per cent of total profits; but if it earns more than that, one takes 40 per cent up to 116·6 and 100 per cent if it is over, and of the 100 per cent 20 per cent is returnable. That 20 per cent does not apply to excess over standard profits but excess over 116·6 per cent.

Mr. HANSON (York-Sunbury): Twenty per cent of that and that alone.

Mr. ILSLEY: Twenty per cent of that and that alone. I have seen some recapitulations of this in business papers and, as usual, there is some misunderstanding. I am not surprised, but there is a misunderstanding. It seems to be thought that 20 per cent of the excess over 100 per cent is returnable. It is only 20 per cent of the excess over 116·66 per cent.

That is a brief explanation of the new measure, and the best I can give. It will be seen that since 40 per cent of any profits are taken and 100 per cent over 116·66 per cent, the most any company has left is 70 per cent of its standard profits, because 40 per cent of 116·6 is 46·6, which, subtracted from 116·6, leaves 70. So that the most any company can have left available for dividends under this measure is 70 per cent of its standard profits. It may have in addition a credit with the government of the 20 per cent excess. If it earns more than 116·6 per cent of its standard profits, it will have to its credit 20 per cent of the excess over 116·6.

Mr. HANSON (York-Sunbury): If the minister could put on the record something such as I have here from the department, it would be of great value. That is, certain examples of corporations and of individuals. It must be understood that the minister has been talking about corporations, and there has been an increase in the tax on small corporations; or rather the exemption that small corporations had heretofore has been wiped out to a degree if not altogether. Is that not true?

Mr. ILSLEY: The small corporation has been paying 18 per cent. Hereafter it is proposed that the small corporation shall pay 30 per cent. I might tell the committee the background in my mind of that change. The small corporation, that is the one having less than $5,000 income, before the dominion-provincial agreements, in British Columbia, for example, was paying 28 per cent; that is, 18 per cent to the dominion and 10 per cent

to the province. In Ontario it was paying 23 per cent; that is, 18 per cent to the dominion and 5 per cent to the province; in Quebec, 23 per cent, being 18 per cent to the dominion and 5 per cent to the province. Then we entered into the agreements, and we wiped out the provincial corporation tax on the income of 1941 and did not put on any tax in its place. Therefore the small corporation last year had a favoured position as compared with the position it enjoyed in the past.

Mr. HANSON (York-Sunbury): However, the amount of money involved would not be very large.

Mr. ILSLEY: Well, I do not know; I did not make a computation. But it becomes a matter of judgment as to what tax should be imposed on the small corporation. On the one hand it is in competition with the proprietorship which pays an excess profits tax of 15 per cent; that is the minimum for the proprietorship. On the other hand it is in competition with the corporation which earns a little more than $5,000, to which corporation the rates I have been talking about apply, a minimum of 40 per cent. It is anybody's judgment whether the rate on the small corporation should be 25 per cent or 30 per cent or any intermediate figure or any figure near there. I do not see why 30 per cent is not as near a just tax on the small corporation as anything else. They may think they are unjustly taxed as compared with the unincorporated company, but they enjoy certain advantages in being incorporated, and also they are advantageously treated as compared with the slightly larger company which pays a minimum of 40 per cent.

Mr. HANSON (York-Sunbury): The minister means they have been advantageously treated?

Mr. ILSLEY: No; they will be in the future, because a company having more than $5,000 profits is taxable at a minimum of 40 per cent now, and under the new legislation there has been no change in that 40 per cent minimum. But the company with $5,000 profit or less will pay a minimum of 30 per cent. There is nothing about 40 per cent in regard to that company.

Mr. HANSON (York-Sunbury): I suggest to the minister that he put these examples on record They would be valuable to hon. members.

Mr. ILSLEY: I have not looked at them. I understand the commissioner of income tax let the hon. gentleman have a memorandum. I have not seen that memorandum myself. I should like to look at it before I put it on record, although I have no doubt it is correct.

Mr. JACKMAN: The minister stated in regard to the returnable portion of the excess profits tax, that it referred to only 20 per cent above a certain amount. Is it 20 per cent above the normal 18 per cent, or 20 per cent of what?

Mr. ILSLEY: It is 20 per cent of the amount of profits over and above 116·6 per cent of the standard profits.

Mr. HANSON (York-Sunbury): I should like the minister to clarify the position with regard to the second part of this proposal of resolution 4, which he evidently overlooked, that is to say the principle upon which the refundable part is to be repaid. If one looks at resolution 5, it will be observed that a very long delay is going to take place between the payment and the return. For instance, the refundable portion of the tax in respect of the profits of the present year is to be paid not later than the end of the second fiscal period of the government commencing after the cessation of hostilities. I suggest that might be two years after the cessation of hostilities, depending of course on when the proclamation is made. Suppose the proclamation came next March, it is possible this money might be with the government for nearly three years without any interest. I was going to suggest that perhaps that is too long, or to ask why the delay of two years.

Mr. ILSLEY: It may be repaid before that, but it may be retained until that time. It may be that conditions during the first year and perhaps part of the second year after the termination of hostilities will be such that the expenditure of money in the country would in the opinion of the government be economically injurious—

Mr. HANSON (York-Sunbury): The government will not have the money to pay it. That is what the minister is saying?

Mr. ILSLEY: No, I did not have that in mind, but perhaps that is true.

Mr. HANSON (York-Sunbury): I think that would be the only reason why repayment would be withheld.

Mr. ILSLEY: No; after the last war the armistice was in November, 1918, and it was in 1919 and the spring of 1920 that the most inflationary period of all came. It might be foolish for the government to turn loose more money in a period like that. It would, I think, have been advantageous after the last

war to retain any such money as this until late in 1920 or thereabouts, or 1921, instead of paying it back in 1918 or 1919.

Mr. HANSON (York-Sunbury): On the other hand, if industries are going to turn from war activity to peace-time activity and they have to change their machinery and undertake rehabilitation, they will want to begin as soon as war orders cease. With what funds are they going to do this? These refundable tax payments are not assignable to a bank as security. A company cannot borrow on the strength of them. However, I would assume that any responsible government, upon appropriate representation being made that the situation was one in which the money ought to be repaid, would not unduly withhold the return of this 20 per cent. It is going to be a very important feature in rehabilitation. As the minister has stated, this two-year period is the maximum period that the government can withhold this money. I am sorry we have not had a little more clarification of the whole position. I think I understand it, though I am not sure I do, but I am not going to delay the committee further. If other hon. members do not think they understand it, they can ask questions.

Mr. O'BRIEN: A few moments ago the leader of the opposition used me in a figure of speech as a horrible example, and it was rather an experience to find myself travelling heavenward. Now, however, since reincarnation has set in, I should like to bring to the attention of the minister my feeling that in this excess profits division there should be a difference in the treatment given two classes of industry to-day. For instance, there is the large business which has been developed purely as a result of the war; in most instances with government capital; certainly with all business coming from the government. In these instances the government furnishes the orders, the cash to pay for them, the inspectors, the capital required to set up the plant, in some instances perhaps the money required to process the material. In addition, the material is furnished. Of course these companies are doing excellent work in the war effort; but, after all, their position is relatively simple. I am thinking of the primary producer, what I might describe as the owner-manager type of business, such as lumbering, fishing and presumably farming, though farming is not usually called a business.

Mr. PERLEY: You need more brains in that than in anything else.

Mr. O'BRIEN: Quite so. People engaged in business of that kind are entirely on their own. Not only do they have to supply their own capital, but they have to face all the hazards of obtaining their raw material. Those hazards, of course, are provided by the elements. I can imagine a large company, let us say with a pre-war turn-over of perhaps $5,000,000, taking a 10 per cent profit. But that business has been so blown up as a result of the war—and of course it is now exclusively war business that is being done—that the $5,000,000 turn-over has possibly become a $100,000,000 turn-over, so that the 25 per cent they were allowed to retain under the budget of last year is in itself an enormous income, because of the way in which the volume of business has been increased. Every time an order passes through the office of that large corporation, 25 per cent of the profit is retained, and this adds up to an enormous total. On the other hand, in another business the volume may have increased only moderately, and next year that business may suffer a very severe loss. So I maintain that smaller business should be given a more liberal share of the profits as a protection against the unknown dangers ahead.

Some days ago, I think when delivering his budget speech, the minister said that Canada's war effort had now reached the point where it was not necessary to take capital from profits. That I can quite well understand in connection with the large corporations to which I have referred, but it does not apply to businesses of the other smaller class. In connection with these small companies it is possible that debts incurred during the depression are now being liquidated; yet a small business may want to improve its position, perhaps by putting in a new machine. The only possible source from which money can be secured to put in that machine is profits. These people cannot go to the public and ask for financing, nor are they in a position to come to the government and request capital assistance. So if business of this kind is to continue during the war, not to mention conditions post-war, it is essential that it be given more consideration than is given these large corporations, which, after all, are virtually a branch of government to-day. The small fellow is simply going along, fighting the hazards on his own responsibility, using his own capital and depending upon his own ingenuity. I believe a system such as I suggest is in operation in the United States, and I would strongly recommend to the minister that if small business is to be developed in this country for the benefit of the war effort, and to meet post-war conditions, this should be done.

Perhaps I might refer briefly to the $500 limit that may be left in any business, which of course comes under the succession duties division. It was in this connection that the

leader of the opposition referred to my particular case. Of course when I die and daisies begin growing over me it really does not make very much difference to me what happens to my estate, or to anyone else except those men whom I am to-day employing. I am only a symbol in the social order to-day; because I have position, and all that sort of thing, I am able to pass on to others the advantages to which they are entitled. There is a theory abroad in this land that the world owes a man a living. It does not; but it distinctly owes him a chance to earn a living, and if capital is going to be taken away in this manner, the person from whom the money is taken is not injured, but those left behind, facing responsibilities with which they are not able to cope, are the ones who are going to suffer.

Mr. GERSHAW: I should like to bring to the attention of the minister the situation with regard to one industry, that of ranching, which might well be described as a depressed industry. During the standard years conditions were very bad for those engaged in ranching, so that instead of having any profits at all, they suffered losses. During the last year or so conditions have been somewhat better, but the ranchers are all in debt, and now they will have 100 per cent of their profits taken away, since all their profits will be excess profits because, based on the standard years, they had no profits at all. Is there any likelihood of the board of referees considering such cases?

Mr. ILSLEY: The board of referees under the Excess Profits Tax Act is under the jurisdiction of the Minister of National Revenue, who might have some knowledge of what action if any has been taken in reference to the ranchers of Alberta. I know that when I was in the west a year ago a delegation came to see me, making representations that the ranching industry should be classified as a depressed industry within the meaning of the Excess Profits Tax Act, but I do not know what happened afterwards. There is abundant machinery for dealing with cases of that kind. I assume that they have applied to the board of referees in the usual course and have received the fair and just treatment which business men tell me is the treatment they receive from that board.

Mr. HANSON (York-Sunbury): I wanted to ask something in that connection also. There is no doubt that the setting up of this board has served a useful purpose. I think it is the accepted opinion that it was a very high-class board, that they had skilful and competent auditors and advisers who prepared the docket for them in each case and that once they got into their stride they were able to handle a great many cases quickly. On the assumption that a company was in the depressed industry class, that it was a company that had no standard profits, then the board of referees would have the case referred to it by the minister. I understand that must be done under the law, that a case does not go to the board automatically but must be referred to it by the minister, and that the board deals with a man's case on the basis of the examination that has been made of his position. If he comes within the category of a depressed industry, then under the law he is allowed a return of so much per cent on the capital investment. Is that a correct statement to make?

Mr. ILSLEY: That is right.

Mr. HANSON (York-Sunbury): On that basis, when he begins to earn sufficient to come under the Excess Profits Tax Act, he then pays the ordinary corporation income tax; he pays that in addition to the excess profits tax?

Mr. ILSLEY: Oh, yes, if he has had excess profits.

Mr. HANSON (York-Sunbury): He has a different base. One company which is not in the depressed industry class has a historical base, and the other has a base which is computed by the board. Whatever is earned is then subject to the ordinary operation of the law?

Mr. ILSLEY: Yes.

Mr. STIRLING: What reason has the minister for not paying interest on the returnable portion? The government is making full use of this with intention that it shall go back to the industry, and I think it would be a reasonable thing to pay interest.

Mr. ILSLEY: The first intention of the government was to treat this returnable portion as being something less than the property of the company. I believe they did this for a while in Great Britain. However, after consideration we thought that we should regard it as the company's money to be refunded, but we did not take the final step of making interest payable on it. There is no particular rule which would indicate that we should. When I say that our first intention was to treat it as being something less than the company's money we had in mind providing that the company should put it to a certain use, otherwise they would not have it back.

Mr. HANSON (York-Sunbury): The government held a string on it?

Mr. ILSLEY: Yes. The hon. member for Rosetown-Biggar (Mr. Coldwell) argued most forcibly that that is exactly what we ought to do, but there were many difficulties in the way. To begin with, a condition which the government might feel justified in attaching to the return of the money could be that it be used to furnish employment or be invested in capital investments. That would be impossible for a large number of companies. There are commercial enterprises, insurance companies, and other companies of that type which could not invest money in any employment-giving asset. We thought there would be serious discrimination arising between different types of companies.

To a certain extent we were guided by the experience of Great Britain. I have not a thorough knowledge of their law, but my impression is that the first year the British government levied a tax of 100 per cent on excess profits, they agreed to return 20 per cent. The agreement had certain elements of vagueness about it, and the result was that the companies did not consider the 20 per cent as an asset. The British government found that the incentive to economy and efficiency in management and operation was lacking because from the companies' point of view the whole 100 per cent excess was gone. Why be economical, why try if the whole thing is gone? The government then began to move toward the companies, so to speak. Either the second or the third year, I am not sure of my dates, but certainly this year the British government made it clear that the money was the companies' money. I assume they did so because they felt it was necessary to agree to that in order to provide some incentive for economy and the cutting down of expenses and the running of business as business ought to be run.

Mr. HANSON (York-Sunbury): They created a credit.

Mr. ILSLEY: They created a credit. There was no mistake as to whose money it was. It was money refundable to the companies, and that provided some incentive to carry on in the usual prudent and economical way in which business enterprises conduct their affairs. For one reason or another we felt that if we were to preserve that incentive in this country we should do that. We decided to do it as a matter of policy rather than to rely entirely upon a desire to do the right thing or a willingness to do the right thing on the part of all companies. We felt that we would have to make it clear that this money was the company's money and that this credit would be returned within the period provided, but we did not feel any obligation to go farther and pay interest. The government had every right to take 100 per cent and keep it if they wished to, to take it as a tax, but we decided as a matter of policy, to take the course we have followed.

Mr. HANSON (York-Sunbury): Interest is paid on the compulsory saving portion of the personal income tax.

Mr. ILSLEY: We are treating the individual better than the corporation, and there is an excellent reason for that. The money that we get from the individual is not excess profits. It must be remembered that the money we are taking from these companies is excess profits presumably made out of the war and, morally, the government has every right to take all of it and keep it.

Mr. JACKMAN: Not all of it.

Mr. ILSLEY: Any excess.

Mr. JACKMAN: The difference between 18 and 40 per cent is not money made out of the war. That is how I characterized the so-called excess profits tax when it was imposed two years ago. It is an excess tax on profits in connection with a substantial part of it. Any company which is earning the same amount as it did prior to the war is taxed 40 per cent rather than 18 per cent because of the imposition of the excess profits tax. If it is earning less than it earned in the pre-war years, it is still taxed 40 per cent. This is the only type of activity in the country that is taxed in this manner; farming and other forms of activity are not taxed unless they are in a corporate form. I think we should be fair about the matter.

Mr. ILSLEY: Perhaps I went too far in saying that the government is morally entitled to the whole excess. Opinions differ as to what the government has a moral right to do, but I think it has a moral right to appropriate that part which is war profits. There could be no exception taken even by the most enthusiastic upholder of private initiative to that point of view. It was not on moral grounds that we provided for the return of the 20 per cent; it was on the ground of meeting an expediency and providing an incentive. We felt that we would get a much better result, but we did not feel there was an obligation to pay interest.

When we came to the individual we were not necessarily taking his money out of excess earnings. In most instances we were not. We are providing that if they have certain kinds of savings we will accept those in lieu of the payments made to us. They will

get interest on these other savings, or something equivalent to interest, and therefore it is appropriate to allow the short term rate of interest.

Mr. McCANN: The returnable portion of the excess profits tax is a corporation or company asset, which, however, for the duration of the war and a period thereafter is frozen. In the event of a company having to go into bankruptcy or liquidation, is there any process by which that returnable portion can be returned to the company in order to help liquidate or wind up the estate? Emergencies may arise necessitating the quick winding up of an estate, and yet the company may have this asset which is in the hands of the government. Can these companies get anything to indicate that they have an asset of this kind, and is it transferable or negotiable, or is there any process by which under special circumstances it can be returned at an earlier date than indicated in the resolution?

Mr. ILSLEY: That was considered when the resolution and the legislation were being prepared, but we felt that the liquidator would just have to wait. It is not an unusual thing for liquidators to wait, sometimes for years, but we hope it will not be for many years. There is no provision for paying that money out to bankrupt companies any earlier than we pay it out to solvent companies. It cannot be paid out under this legislation until after the cessation of hostilities, and I do not think we would be justified in providing that if a company went into bankruptcy it could get the money any earlier.

Mr. McCANN: Suppose that death necessitates the winding up of a solvent company. Is there any process by which the returnable portion could be turned over to the estate?

Mr. ILSLEY: No.

Mr. COLDWELL: Mr. Chairman, I should like to say a word on this subject, but I have been waiting until we reach resolution 5, which I think would be the appropriate one.

The CHAIRMAN: I would suggest to the committee that resolutions 1 to 5 be taken together because they are interlocking. If that be agreeable to the committee, we shall proceed accordingly.

Some hon. MEMBERS: Agreed.

2. That in computing the amount of excess profits subject to the tax of 100 per centum, corporations be allowed to deduct such portion of the income tax and the tax payable under the third part of the second schedule to the excess Profits Tax Act as the excess profits bear to the total profits.

3. That the exemption from excess profits tax of corporations with profits not in excess of $5,000 be limited to an exemption from the tax under the first part or the second part of the second schedule but that such corporations be subject to the tax under the third part of the second schedule, namely, a tax, of 12 per centum of profits.

4. That there shall be refunded to the taxpayer in accordance with paragraph five of these resolutions an amount equal to 20 per centum of the profits above the point at which the tax calculated under the first part of the second schedule is equal to the tax calculated under the second part of the second schedule, provided that the said profits have been paid by way of taxes under the Income War Tax Act and the Excess Profits Tax Act, 1940, to the Receiver General of Canada.

5. That the refundable portion of any tax exigible under any enactment founded on these resolutions shall be repaid to the taxpayer or to his legal representatives, after the cessation of hostilities between Canada and Germany, Italy and Japan, and in the following manner: The refundable portion of the tax in respect of the profits of 1942 and fiscal periods ending therein, shall be repaid at such times and in such instalments as the governor in council may determine but not later than the end of the second fiscal period of the government commencing after the said cessation of hostilities; the refundable portion of the tax in respect of the profits of 1943 and fiscal periods ending therein shall be repaid at such times and in such instalments as the governor in council may determine but not later than the end of the third fiscal year of the government commencing after the said cessation of hostilities and so on in respect of the refundable portion of the tax on the profits of successive years or fiscal periods.

The date of the cessation of hostilities shall be deemed to be the date of a proclamation issued under the authority of the governor in council declaring that, for purposes of the said refund, the war no longer exists.

Mr. COLDWELL: I was very sorry to hear the minister say a few moments ago that the point which I had raised in the budget debate had been carefully considered but had been more or less discarded for the time being. As a matter of fact I have drafted an amendment to resolution 5 which I intend to put forward to test the feeling of the committee, and I hope yet that the minister will reconsider this question. After all, we are dealing, not with profits but with excess profits. These excess profits are being made largely out of the distress of the nation, and to my mind they ought never to be considered as an asset of a company, corporation or individual. They ought to be the property of the people of Canada out of whose distress these profits are being made. Therefore I think we should take 100 per cent of all excess profits over and above the base allowed, but the government has decided otherwise.

The minister said a few minutes ago that one of the considerations which had governed in the decision of the department was that it was very difficult to differentiate between what

I might term an industrial corporation operating an industry and a commercial one, such as an insurance company or something of that sort. If we are going to return any part of the excess profits—and the minister proposes under this to return 20 per cent—the only justification for returning any part would be that the profit was to be used for the rehabilitation of the industry in its transition from war-time to peace-time activity, or for the creation of employment during a consequent period of unemployment or during the demobilization period, or to bring some good of some sort to the people of Canada. I would suggest that a commercial organization like an insurance company is not required to rehabilitate itself in the post-war period in the same way as an industrial company, and therefore that consideration should not enter into the decision at all. If such companies make an excess profit, we should take 100 per cent of that excess profit.

I read an article in this morning's Montreal *Gazette* with which I thoroughly agree. It was by Professor Harold Laski, of London. Professor Laski pointed out that we are losing this war to-day because we insist on maintaining a system which makes it impossible for us to conduct this war in the same manner in which our opponents are conducting their war, and the result is that our compromises bring chaos and inefficiency.

I wanted to move something which I thought would be acceptable, and I am going to place it before the committee now so that when we come to resolution 5 it will receive more consideration than it has received up to the present time. My suggestion is this:

That section 5 be amended by the insertion of the words "under such conditions" after the word "times" in the sixth line of the section, and by insertion of the same words "under such conditions" after the word "times" in the tenth line of the section.

Further, that after the word "periods" at the end of the first paragraph, the following words be added:

"Provided, however, that all such refundable portions of the tax in respect of the profits aforementioned, shall not be used for the payment of dividends, bonuses, or otherwise disbursed except for the rehabilitation of the industry, the provision of employment or such other service to the Canadian people as the governor in council may determine."

I am going to pass that to the Chairman so that the amendment may be considered when we reach the appropriate clause. I think it is altogether wrong for us to leave any loophole whatsoever which will allow at the conclusion of the war any corporation or company to defeat the very objective of the excess profits tax and to use the accumulated refundable portion of the tax for dividends and bonuses to their shareholders. I say that no one has the right to make a profit out of the blood and agony of the people of this country in this war, and it is our duty to see to it that nothing of that sort is done now or in the future.

I want to be quite clear about what I have in mind. First of all I do not think any portion of the excess profits tax should be refunded, but since it has been decided to refund 20 per cent, then I would say that if it is to be refunded it should be refunded to be used as the governor in council may determine, for the creation of work or for the transition of industry from war-time to peace-time activity. In other words, we should not regard the refundable excess profits as the property of a company or corporation to do with as they wish, but as a common gift to all the people of Canada to help rehabilitate some of the industrial life of this nation after the war is over. I again urge the minister to give consideration to the point of view I have suggested.

Mr. GRAHAM: I wish to tell the committee a homely story which was given me the other day, and which I think has value and has a bearing on the point raised by the hon. member for Rosetown-Biggar. Out at the western coast the owner of a fishing boat came into a marine depot at the height of a very good fishing season. The owner of the depot asked him if he wished to fill up his tank with oil, and the proprietor of the boat said, "No, I just came in to return an article which I borrowed the other day." "Well", the owner of the marine depot said, "I am very much surprised that that is the case, that you are not filling up. Surely you are not laying up your boat at the height of a good fishing season?" The owner of the boat said, "Yes, that is just what I am doing. I have had a very good season so far, an excellent season. If I take the boat out again I run a certain risk of losing it, and if I make any more money the government will take whatever I earn, and I have decided that my wisest course is to lay up the boat and go down to the prairies and make a visit to some friends which I intended making."

As I say, that is a homely story, but it has an important lesson for us who are attempting to improve methods of taxation and at the same time raise the moneys which necessarily must be raised for our war effort. I have always thought that, while nobody would care to argue against the proposition—it is the natural desire of every hon. member—that no person shall make any profit out of the suffering of the people as a result of the war effort,

we must keep in mind that there must be the incentive to the whole of the people of Canada to produce annually just as much goods and services as is humanly possible. If we remove the natural incentive to produce other than the minimum, we destroy any hope of producing the maximum. I for one would suggest to the Minister of Finance that he see to it that the fact that 20 per cent is taken and kept as a saving for the individual is made well known to the people of Canada, and that a special campaign of advertising is used for that purpose. In the ordinary corporation with legal or accounting advice there will be no misinterpretation of this particular provision in regard to the 20 per cent; but the great majority of individuals is rather of the opinion that when the government takes money without giving in return a bond or some other formal acknowledgment, it intends never to give it back, and the promise contained in a statute which most people do not read leaves them in the unfortunate position of not recognizing that this section does supply the incentive I spoke about, and that by continuing to produce fish, or whatever it may be their task to produce, they add to the annual wealth from which we can take these taxes. I suggest it will be wise economy for the minister to attempt to bring home to the people of Canada that it is both patriotic and profitable to work as hard and produce as much as possible during this war period.

Mr. NOSEWORTHY: Would the minister explain to the committee how he has arrived at the conclusion that you must give a corporation or a company a certain amount of excess profits tax as an incentive to produce, but you can expect the hundreds of thousands of people, the workers, who actually do the production, to produce without any incentive as far as this particular budget is concerned? I fail to see in it any provision where any individual worker is given any incentive to produce. His wages are frozen; his income tax is increased; he apparently needs no incentive. Yet production, in the final analysis, depends upon the multitude of workers as much as it does upon the industrial corporation or company.

Mr. ILSLEY: The ordinary run of mankind does require an incentive, even in time of war, to produce. We have delegations repeatedly from farmers and others who say they cannot be expected to produce farm products unless the price is sufficient to give them some incentive, and we are blamed for not arranging matters so that the price does give them that incentive. We hear in this chamber hon. members who say that if we desire greater production it is a simple thing to get it by increasing the price. For instance, I have heard the hon. member for Lethbridge say that if we were to make the price of farm products high enough we need not worry about getting the farm products.

With regard to labour I am a little bit out of the field. The Minister of Labour would be much better to expound this matter than I am. But I do not think we would get men to work overtime unless we paid them the wages for working overtime. There are some men who work overtime on the ordinary day rate, but I think most workers require time and a half, or in some cases double time, in order to work overtime. That is what I mean by incentive; and they would not work without the incentive, or a great many of them certainly would not.

Then, I understand, there are reclassifications and promotions in industry. An apprentice goes in at a certain wage. If he qualifies himself for a better position, a higher classification, he gets that higher classification. But he does not do the work in the higher classification unless he gets a higher wage. The higher wage he is to get is the incentive which induces him to qualify himself for the higher range of duties, and he gets it. That is a profit, for under our laws that is not denied by any order in council or any law that I know of. Indeed, promotions and reclassifications of labour in industry are continually taking place. We are told that unless we want to disorganize the whole productive machinery of the country we must give labour some monetary incentive. The labourer is given it, and he responds to it.

I wish we did not have to do that. I wish that everybody would, in a time like this, work as a great many do, apparently, without any incentive at all.

Mr. HANSON (York-Sunbury): Service to the state ought to be a good incentive.

Mr. ILSLEY: I know there are executives, boards of directors of companies, and others who, if I am any judge, do not require a monetary incentive to do everything they possibly can, because they believe everything is at stake. Then there are others who have not attained that high state of sacrifice, or perhaps comprehension, and they say, "Well, what is the use? Am I going to run the risk of a loss if, when I make a profit, it is all taken away from me?" That is the way some talk. I did not make people that way. If I were constructing them perhaps I would construct them in a different way, but that is the way they are. It is not confined to business. It is not confined to big corporations. You will find it, I fancy, among

members of this house. You find it among all classes and all callings, high and low, rich and poor. It is what might properly be called human nature. I think that answers the hon. gentleman.

Mr. NOSEWORTHY: I would ask the minister to observe that we have been talking about excess profits, and I fail to see where workers in any classification are likely to get much in the way of excess profits as an incentive to produce. I am glad to hear the minister say that consideration has been given to the incentive motive as far as the worker, the actual producer, is concerned. You will find in the budget later that there are points in it which suggest that the worker would be just as well off if he did not work overtime. I have had a number of instances of that called to my attention which will come up in another connection. But as to the question of getting excess profits as an incentive to produce, I do not think the minister is consistent in his dealings with the companies as compared with his dealings with individuals as workers.

Mr. ILSLEY: Let me say something about these excess profits which it is assumed it will be possible for companies to earn. If a company makes any excess profits whatever; if it makes 100 per cent of its pre-war earnings—exactly 100 per cent—it will be permitted under this taxation to retain 60 per cent. If it makes 116·6 per cent, it will be permitted to retain 70 per cent. If it makes 150 per cent of its pre-war earnings, it will be permitted to retain 76·7 per cent. If it makes 200 per cent of its pre-war earnings, it will be permitted to retain 86·7 per cent. If it makes 250 per cent of its pre-war earnings, it will be permitted to retain 96·7 per cent. If it makes 300 per cent of its pre-war earnings, it will be permitted to retain 106·7 per cent—and when I say retain, I am including the 20 per cent refundable. No company can retain more than 70 per cent of its pre-war earnings leaving out that 20 per cent refundable, so that I have tried to make this taxation such that my hon. friend and his associates will not need to worry about the amount that will be left in the hands of the companies. The figures I have given are rather significant.

Mr. COLDWELL: It is a great improvement.

Mr. QUELCH: I do not think the statement of the Minister of Finance (Mr. Ilsley) with regard to agriculture should be allowed to pass unchallenged. He has said that agriculture has asked for a price that will give some incentive, and he referred to statements made by the hon. member for Lethbridge. The hon. member for Lethbridge has never asked that the farmer should be allowed prices which would return excess profits. All he has asked for is that the farmer shall receive a parity price which will return to him his cost of production; in other words, a price which is commensurate with the price that he has to pay for other commodities. Unless the farmer receives that price, he cannot pay his costs and he is bound to go into debt. To try to draw a comparison between that situation and the situation where the manufacturers want to have refunded to them excess profits is certainly not very fair. The farmers are not even asking for a price that will return a fair profit; as I say, they are simply asking for a parity price that will make it possible for them to pay cost of production. I do not think the minister made a sound argument when he tried to compare agriculture with other industries which made substantial profits before the war and which are now making handsome excess profits.

Mr. GILLIS: I am prompted to say a few words on this matter because of remarks made by the hon. member for Swift Current (Mr. Graham). I know him to be a pretty solid person, and I was surprised at the homely story he told the committee in order to protect those who require excess profits. Evidently he believes in profitable patriotism; if you do not get well paid for fighting the war, you should not fight it. The hon. member for Rosetown-Biggar (Mr. Coldwell) has made our position clear with the amendment with respect to excess profits. The industrialists to-day are doing a job to save their own skins as well as those of the rest of the nation, and they are guaranteed pre-war profits.

Mr. JACKMAN: Oh no; how do you make that out?

Mr. GILLIS: Oh, yes. The normal profits of the last three years are taken as the base, and it is computed from that. If we had facilities at our disposal to probe thoroughly the excess profits question, it would startle some of us. I am not satisfied that the figures we have been getting are correct. The hon. member for Rosedale (Mr. Jackman) may have reason to think they are, but we are not satisfied. The hon. member for Swift Current makes certain statements with regard to fishermen, and I am doubtful whether there are any fishermen in Canada who would take the attitude suggested by that hon. gentleman. I do not think there is any fisherman who would use 25 per cent of the fishing season to make sufficient money to care for his own

needs and then, because of taxation, decline to produce any more, taking a vacation to visit his friends, and contributing nothing to the treasury. Any man who takes that attitude at a time like this should be interned, because he is definitely no asset to the nation. What would the hon. member for Swift Current think of the average industrial worker employed six days a week who took certain time off for similar reasons? He does not wish to work overtime, but in the majority of cases he is forced to do so by circumstances. It is not because he wants to do so. By working six days a week the great majority of them bring themselves within the range of the income tax. The great majority of them contribute the last two days they work by way of taxation. What would the hon. member think if each week they worked for four days and then stayed at home for two days, taking care of their recreational requirements, looking after their health, going on a fishing trip, and so on. What would he think of them if they took that attitude and argued that because they worked two additional days a week they would be contributing to the treasury by way of taxation. He would call them saboteurs, and rightly so. But the industrialist or manufacturer who takes advantage of the war situation to put a gun to the head of the Minister of Finance or anyone else in the country charged with the responsibility of directing that particular phase of our war effort is just as much a saboteur as those who would spend two days a week at home instead of producing because, by producing, they would come within the scope of the income tax. There is no difference. I would advise the hon. member to advise his friend who refused to fish because he might have to pay tax that if he is visiting in Saskatchewan now he should take that boat out and be a Canadian citizen and make his contribution. I rose to say that because the position is absolutely analogous. I have a document showing the contribution some industrial workers are making by way of taxation a large percentage of what they get. What is shown as paid directly is a very small proportion of their tax, direct and indirect, but they are not doing any squawking about it.

The hon. member for Rosetown-Biggar in his remarks and the amendment proposed has made the position clear; there should be no excess profits; no one should make any money out of this war. Our attitude should be that of New Zealand, that no one shall be any richer because he has not gone to the war, that no one who has gone to the war shall be any worse off when he comes back because he went to the war and made his contribution. If that 20 per cent of the excess profits tax is not used in rehabilitation after the war, then I say that those who are charged with the responsibility and have the authority of legislating are failing in their duty to those who have offered their all.

Mr. HANSON (York-Sunbury): Does the hon. member consider that excess profits and war profits are synonymous? I think there is a distinction. One may include part of the other, but they are not synonymous.

Mr. GILLIS: No, they are not.

Mr. HANSON (York-Sunbury): Then the hon. member must make a distinction between the two.

Mr. COLDWELL: I should like to endorse what the hon. member for Acadia said. I was surprised when the minister spoke of the farmer as wanting excess profits.

Mr. ILSLEY: I said nothing of the kind.

Mr. COLDWELL: That was the implication.

Mr. ILSLEY: No, it was not. There was no such implication. The hon. gentleman was asking me why people needed incentives, and I was explaining that every normal person wants incentives. I was not blaming the farmer.

Mr. COLDWELL: Put it this way; the incentive the minister was talking about was the incentive of making a profit.

Mr. ILSLEY: Right.

An hon. MEMBER: Excess profits.

Mr. COLDWELL: Well, the minister says no. I accept his word. The reason why there have been so many delegations of farmers waiting on the government during recent years was not that the farmers were asking for a profit, but that they were asking for a price which would be more nearly commensurate with the cost of production, which they were not getting at that time. Let us not get these things mixed up.

Mr. EVANS: They want a profit over the cost of production.

Mr. COLDWELL: They were not asking for a profit over the cost of production; the figures we have produced from time to time amply show that over a period of years they were not getting cost of production when they were getting 70 cents or even 90 cents a bushel for wheat at Fort William. As long as men and women are able to see life now and security in the future, that is what they ask as a rule. The bulk of our population

never see that at all. We are not discussing that; we are discussing the question of excess profit, and, as I said earlier, if I had my way at this time—and this would be a compromise—I would take 100 per cent of all profit over, say a base profit of 4 per cent.

Mr. EVANS: Would the hon. member take that from the farmer too?

Mr. COLDWELL: The farmer does not get 4 per cent. If he got 4 per cent in addition to the cost of production year in and year out, he would be tickled to death. But let us not get into that. I would take 100 per cent. I say this again, that until we recognize that in this war there ought to be no profit, and get as near as we can to equality of sacrifice in that particular field—of course there can be no real equality of sacrifice when men are giving their lives—we shall not have the kind of war effort that we ought to have. As I said in quoting the article I read to-day by Harold Laski, we are to-day in the position we are in because we have refused to recognize that this is not a war in the sense we have talked about war in the past; it is in effect a world revolution; it is in effect the demand of the plain ordinary man for the right to live decently apart from monopolies and with no one making a profit out of his production and labour.

Mr. MITCHELL: That is what Hitler says.

Mr. COLDWELL: We should take all profits above a minimum amount.

Mr. ROEBUCK: I am glad to hear this discussion on the general principle of the excess profits tax, because I would call into question the fundamentals of this legislation. It is arbitrary in its arrangement; it is based on no sound principle. The excess is what a manufacturer or business man makes over and above what he made in some standard period. What he made in the standard period may itself have been excess.

Mr. JACKMAN: Or less.

Mr. ROEBUCK: Or on the contrary it may have been below what is a normal profit. So the excess profits tax is geared up to allow perhaps more than normal profits to those who were in business and doing well during the standard period, and with almost diabolical ingenuity to exempt from extreme taxation those concerns which are well established as against those which were not doing business, or were making very small profits, or no profits, during the standard period. The great gold mining companies were doing very well during the standard period.

[Mr. Coldwell.]

Mr. JACKMAN: They saved the country during the great depression.

Mr. ROEBUCK: They did very well, they and their employees, in producing gold which helped our exchange position. I am not attacking them. We are now talking about what is fair as between various classes of producers. The gold mining companies were making big money during the standard period, and what they then made is the standard now of normal profits to that industry. It is only profits in excess of the great profits they made in those years that are now considered excess profits. The financial institutions, the thoroughly established ones, were doing well during that period. So were the manufacturers—

Mr. HANSON (York-Sunbury): Not all.

Mr. ROEBUCK: Not all, but the big standard ones were doing well. The fact that some were not doing well does not answer my criticism of the general principle of this taxation.

I submit there is something to be said in favour of the principle laid down by the leader of the Cooperative Commonwealth Federation; that is, that all companies should be treated alike and that whatever your rate of normal tax may be, it should be applied to all, big and small, those who were making profits previously and those who were not. I do not say 4 per cent is sufficient; I do not know, but it would be fairer were we to allow profit at some standard rate upon the investment of the company and call all profits above that rate excess profits.

Mr. JACKMAN: Would you guarantee the profits of those companies that did not make any?

Mr. ROEBUCK: I do not think the question is asked seriously. Of course you will not guarantee profits; if you do you keep in existence unprofitable businesses, which would be a loss to the country. That has been a principle of the Conservative party throughout the ages, to bolster those concerns which did not make a natural, normal profit, to give them, by tariffs and other favours, profits which they could not otherwise make, and to charge the losses up to the paying business of the country. That is abnormal; that is not sound, and I do not believe in it. A business that cannot make profits should close its doors.

Mr. HANSON (York-Sunbury): I suppose the Liberal party never did anything like that?

Mr. ROEBUCK: Why are you trying to bring party politics into this discussion? At all events, the Conservative party has no

reason to complain about the tariff measures of the Liberal party, which have always been very much more moderate than when hon. gentlemen opposite have been in office.

An hon. MEMBER: Are you sure?

Mr. ROEBUCK: I am perfectly satisfied as to that. But that sort of talk is a red herring across this trail.

Mr. HANSON (York-Sunbury): Who started it?

Mr. ROEBUCK: You started it. I was trying to discuss the principles underlying the excess profits tax.

Mr. HANSON (York-Sunbury): And you levelled a charge against the Conservative party.

Mr. ROEBUCK: Well, if I have made any charges against the poor Conservative party I withdraw them. It is in a bad fix now, and I do not want to do it any more damage than has been done.

Some hon. MEMBERS: Oh, oh.

Mr. ROEBUCK: There will be a chance for all of you to make speeches when I get through.

Mr. GRAYDON: I doubt it.

Mr. ROEBUCK: Well, you have made a good many more than I have so far. A good deal of the time of the house is consumed in chit-chat from across the way. Now let me get back to what I was saying, because I was trying to make a point clear.

Mr. HANSON (York-Sunbury): So important you cannot remember.

Mr. ROEBUCK: Will hon. gentlemen please not interrupt?

Mr. MACKENZIE (Vancouver Centre): I object to all this moaning from across the way.

The CHAIRMAN: Order.

Mr. ROEBUCK: Moaning is right; moaning at the bar.

I endorse the general principles, though not the exact amount, stated by the leader of the Cooperative Commonwealth Federation party. I think there is something sound in the principle he has enunciated, that all companies should pay the same; that all companies should be allowed the same rate of normal profits, and that everything in excess of that rate should be considered excess profit. During war time I have no objection to taking all truly excess profits and not paying back anything.

The CHAIRMAN: Shall the resolution carry?

Mr. HANSON (York-Sunbury): Which one is carried?

The CHAIRMAN: We were considering resolutions 1, 2, 3, 4 and 5.

Mr. HANSON (York-Sunbury): Before resolution 5 is carried I want to ask the minister a question with respect to the words "cessation of hostilities". Is the committee to understand that the cessation of hostilities referred to there is to be a special date for the purposes of the refund, or will it be the official date of the cessation of hostilities?

Mr. ILSLEY: It is not intended that it shall be selected for the purpose of determining the date of the refund.

Mr. HANSON (York-Sunbury): That is what I am asking.

Mr. ILSLEY: The only reason for providing that it shall be fixed by the governor in council is that the date of the cessation of hostilities may be difficult to ascertain as a matter of fact. It is impossible to foresee what the condition of affairs will be. Some nations may be fighting on; there may be none fighting; the fighting may stop and then start again. One can hardly tell what sort of world we shall be living in; we are using a term in this measure which is not susceptible of exact determination by evidence, and therefore it must be fixed by the governor in council. I think wherever terms such as "the end of the war" or "the cessation of hostilities" are used in legislation there is always some means provided for making an exact determination of that date. I know under the War Measures Act a proclamation is provided for.

Mr. HANSON (York-Sunbury): That is the proclamation which I assumed to be applicable in this case.

Mr. ILSLEY: That proclamation may not be accurate; the War Measures Act may run for a period after the termination of the war, as it did before.

Mr. HANSON (York-Sunbury): Did it run after the proclamation?

Mr. ILSLEY: No, but the war ceased, I would say, on the date of the armistice in November, 1918. The War Measures Act, however, did not pass out until 1919 or 1920.

Mr. HANSON (York-Sunbury): The armistice was only the cessation of actual fighting; there was a long period in between the armistice and the latter stages, so the war was not over officially until the peace treaty was signed.

Mr. ILSLEY: I do not know whether it was over then, but that is the very point. I would have said the armistice was the date, but my hon. friend thinks it was the date of the peace treaty. Maybe neither was the actual date of the cessation of hostilities; and because that is an ambiguous term provision is made for fixing the date by order in council.

Mr. HANSON (York-Sunbury): But you do not intend to have any date fixed for the purposes of this question of refund? That is not going to be fixed having regard only to that feature; the general date of the cessation of hostilities or of the peace will be the date contemplated here?

Mr. ILSLEY: That is correct.

The CHAIRMAN: The question is on the amendment.

Mr. SHAW: Mr. Chairman, the members of the group of which I am a member intend to support the amendment moved by the hon. member for Rosetown-Biggar. We feel as he does with regard to the matter of excess profits. These excess profits—and I am sorry to say that I believe the minister confused them with ordinary profits—as the hon. member for Rosetown-Biggar has said are obtained as a consequence of the agony of the people of this country. We feel that the 20 per cent which is returnable should be returnable only with the clear-cut understanding that, as the amendment sets out, it is to be used during the transition period, when industries now producing materials of war will revert to the production of peace-time consumer goods. To the extent that this 20 per cent is used for that purpose we would have no objection to its refund, or to the extent that it might be used to assist in the estblishment of workers who of necessity will lose positions in war industries and must be given positions in the peace-time industrial life of this country. Many of the boys who are now overseas fighting will come back to this country maimed, and will find that they have to fight for all they are worth to secure a mere pittance as a pension. We do not feel that there is anything in the way of excess profits being paid to them after the war, and therefore we are of the opinion that the industries have no claim upon excess profits which may be used, as the hon. member for Rosetown-Biggar has said, to pay dividends to shareholders. We are in favour of the amendment and intend to support it.

Mr. PERLEY: I am going to support this amendment. The hon. member for Rosetown-Biggar has put the case very well. This returnable portion of the tax should not be used by the companies to pay dividends; it should be used to provide employment. So far as farmers are concerned, I think the money should be used for rehabilitation purposes and improvements. I do not agree with the hon. member for Northumberland, New Brunswick (Mr. O'Brien) who said that farmers are not business men. I say it requires more brains to make a success of farming than it does to make a success of any other industry.

Mr. O'BRIEN: I meant that farming is generally carried on by the individual and does not provide the same form of employment as industry. Of course, the larger the farming operation, the more like a business it becomes.

Mr. PERLEY: I think it is agreed that the agricultural industry requires brains to make a success of it. It has been said that no one should be better off after this war. The hon. member for Medicine Hat (Mr. Gershaw) has said that the agricultural industry has been a depressed industry, not only since the war but for many years before. This industry provides more new wealth than any other industry in Canada. There are many farms in western Canada where new machinery and improvements are needed, and if any farmers are in a position where 20 per cent will be returned, I think it should be used for that purpose. I am going to support this amendment. As the member for Acadia (Mr. Quelch) says, the farmers have not been unreasonable or have not asked for too much. All they have been asking for is parity so far as production costs are concerned. They have been producing at less than cost without complaining too much.

Mr. CASTLEDEN: I think it should be said at this time that the farm delegations which came here were not asking for profits. The average cost of producing a bushel of wheat in the west before the war was $1, and all the farmer is getting is 70 cents a bushel at the farm. The farmers are continuing to grow wheat—they must grow it to live—and yet they must sell it at 30 per cent below the cost of production. They continue to grow wheat because they know it is needed in the winning of this war. The present indications are that they will grow 400,000,000 bushels this year, but they are doing it at a loss. They feel badly when they hear about companies making excess profits. When they know that a discussion is going on as to how those excess profits will be dealt with and what will be done with the portion to be

returned, they will be looking carefully to find out what the House of Commons thinks of this principle. There is a deep and important principle involved. Large profits are being made out of war industries, out of the making of implements of destruction. The armament makers of the world have created wars in the past for the sake of the profits they might make. What do the members of this House of Commons think should be done with the profits made out of war industry? A member who votes for this amendment is voting that such profits shall be used for the reestablishment of the nation, and a member who votes against the amendment is voting in favour of these companies being permitted to make their profits, being permitted to make what I call blood-money.

Mr. ROSS (Souris): I should like to say a word in support of this amendment. I was rather surprised at the statement of the Minister of Finance (Mr. Ilsley) with regard to agriculture. I know many farmers who would have sold out had they not felt that it was patriotic to keep going during the last year or two, even though they were short of help. As I have pointed out before in this house, I do not know how many farmers are going to be able to pay their way and take care of past obligations. Why should we have, on the one hand, a set-up for industry, and expect, on the other hand, the agriculturist to produce at below cost? If industry is to have this 20 per cent which is to be set aside until after the war—

Mr. JACKMAN: If they earn it.

Mr. ROSS (Souris): If they earn it, all right. If it is set aside, it certainly should be used for rehabilitation purposes. In my part of the country the farmers have been going behind for a number of years, and with the present budget resolutions I do not know how they will be able to take care of past obligations and pay their income taxes, even though they have good crops. They are in a hopeless position. I am going to support this amendment, and I hope the minister will see his way clear to do something for the agriculturists.

Mr. STIRLING: Has the minister stated whether the company to whom this 20 per cent is returnable may use it for any purpose they wish?

Mr. ILSLEY: Yes.

Mr. STIRLING: It is left open to the companies to use it for any purpose they wish?

Mr. ILSLEY: It is just as though they lent the money to the government without interest.

Mr. STIRLING: Surely the minister is riding two horses when he says that. I advanced the opinion a little while ago that since this was the companies' money and the government was making use of it, it should be returned with interest. The minister took the view that excess profits were something it was perfectly proper for the government to take. Then, out of bounty it proposes to return 20 per cent of those profits under certain conditions and at a certain time.

Mr. ILSLEY: I did not say anything about bounty.

Mr. STIRLING: Perhaps I am not repeating the minister's words, but he did say the government had decided to return 20 per cent of the tax it is taking, a tax which he says it is perfectly legitimate for the government of Canada to take and retain, but it has now been decided to return 20 per cent of it. It seems to me that it would be reasonable if the government were to take the view that the main purpose for which that returning was done was for the purpose of rehabilitation, to restore industry to that position in which it can make beneficial use of its opportunities by the provision of work for the people. If the government takes the view that it will exercise no guidance whatever with regard to the use to which this money is put by the companies concerned, I must support the amendment.

Mr. ROEBUCK: Mr. Chairman, I spoke a few moments ago commending some of the general principles expressed by the leader of the Cooperative Commonwealth Federation party. That is one thing, but it is quite another thing to support this amendment. I am going to vote against it, and I am going to tell you why.

I hope that by the time this war is over we shall be done with government interference with private business. An attempt on the part of the government, perhaps, years before this money will be repaid, to regulate its expenditures after it is repaid would be the very extreme of governmental interference. Surely, if this money is in the nature of a loan to the government or is not altogether taxes which are to be kept and never returned, the least that we can do is to allow people who receive the money to use it as their best judgment dictates. Their judgment exercised at the time must be better than ours, exercised long in advance and through a government department. I would hesitate to interfere with private busi-

ness in the handling of its own funds after the war is over, perhaps years from now. We have too much government interference now.

Mr. COLDWELL: I am surprised at the argument made by the hon. member for Trinity. I would be pleased indeed to see excess profits wiped out altogether, and I would like to see my hon. friend introducing an amendment along the lines in which he suggested he was in agreement with me. But I realize that the government has adopted this principle, and therefore what we are trying to do to-night is to see to it that this amount which is to be returned shall not be used by the companies simply as deferred dividends, as post-war bonuses, as melons, if you like, to be cut in the future. In that respect we are trying to safeguard the Canadian people.

I do not agree with the hon. member, of course, when he says that what we should do is to refrain from telling business in the future what it should do. I want to tell him this, that in my opinion the day has gone for good when business can do what it likes. The world will never return to economic anarchy. I once heard an hon. gentleman who sits opposite say to me, "I am an anarchist philosophically and the nearest approach to anarchy that I can find at the present time is the Liberal party". That is fundamentally correct.

On the other hand, we are living in an ordered world, and in my opinion this house, in deciding at this time that we are going to return to industry after the war any portion of its excess profits—and that is the principle which the government has laid down—should also safeguard the nation by seeing that this money shall be used only for the rehabilitation of industry, for the provision of employment, for the good of the nation, and shall not be used simply to pay deferred dividends, bonuses, and so on. I think we should lay down that principle to-night and not wait until some future day when a vested interest will have been acquired in this particular fund.

I am surprised at the argument of the hon. member for Trinity. Someone has said that these industries were not doing any too well to-day. But on June 11 my hon. friend the member for Weyburn put on the record a list of war companies picked at random from the newspapers, and showed that their aggregate profit increase in 1941 over the 1936-39 average was no less than 62 per cent. Take Aluminum Limited, a very prosperous Canadian company in pre-war years. Its average profit in the base period, 1936-39, was $9,454,000, and that had increased in 1941 to $16,015,000; Consolidated Mining and Smelting increased from an average profit in the 1936-39 period of $9,294,000 to $12,199,000 in 1941; Ford of Canada increased from $949,000 in the 1936-39 period to $3,379,000 in 1941, and so on.

Mr. ABBOTT: How much taxes did they pay in those years?

Mr. COLDWELL: These were the profits after the taxes had been paid. It is not a matter of what taxes you pay; it is what you have left after you have paid your taxes that counts. I say that we have a perfect right to make to-night the stipulation the amendment suggests, and not leave it to some future date. I strongly urge the committee to support the amendment I have moved.

Amendment negatived: yeas, 16; nays, 60.

Resolutions 1 to 5 inclusive agreed to.

Resolution 6 agreed to.

7. That the definition of "standard profits" be amended to exclude therefrom dividends deemed to have been received under the provisions of section 19 of the Income War Tax Act.

Mr. JACKMAN: Would the minister explain just what is meant by that? I have not the Income War Tax Act in front of me.

Mr. ILSLEY: Section 19 of the Income War Tax Act relates to the winding up of companies and deems undistributed income to have been distributed as a dividend and taxable in that year in the hands of the recipient. It will be obvious that if a receiving company had received such a dividend in the standard period, it would constitute a very unusual and abnormal profit which should not be allowed to constitute part of the base from which excess profits are measured. The present resolution will exclude from standard profits those items of unusual, non-recurring income.

Mr. JACKMAN: If a company which has established its standard base does receive an appreciable increase in any one fiscal year, will that have to go into the one year's operating account? For instance, take Canadian Car and Foundry.

Mr. ILSLEY: They will be excluded in the taxation year.

Mr. JACKMAN: It will not all be taken away from them in one year?

Mr. ILSLEY: There may be some qualification as to that. I will give some consideration to it. There was an amendment last

year, if I remember correctly, relating to the extent to which that type of profit could be taken into the taxation year. The two situations should be comparable.

Mr. O'BRIEN: Is there any way in which a taxpayer can find out what is considered a fair standard profit in a certain type of industry? For instance, assume that a certain company made $10,000 in the 1936-39 period, and that company considered it a fair profit, but a competitor made 12 per cent which he considered a fair profit. He might even ask to have his standard raised to say, 15 per cent, which the board might consider a fair profit. I wonder how that is governed.

Mr. ILSLEY: As the hon. gentleman knows, the board of referees cannot allow more than 10 per cent when capital is the determining factor. With new companies, my recollection is that the capital standard is not used, that the return is the return which is usual in the industry. It is not strictly accurate to say that the capital standard is not used; what I should have said is that the 10 per cent limit does not apply in the case of a new company. In the case of depressed companies they cannot get a standard from the board of referees which will be greater than 10 per cent on their capital; it may be considerably less. As a matter of fact, I do not know what their standard is. But the new companies are not limited to the 10 per cent, and there it is a matter for the board.

Mr. O'BRIEN: Are bank borrowings considered as capital?

Mr. ILSLEY: It is the earned capital.

Resolution agreed to.

Resolutions 8 and 9 agreed to.

10. That the income of any company derived from the production of base metals or strategic minerals shall be exempt from taxation hereunder if the company first came into production during the period of three years commencing the first day of January, 1943, and such exemption shall extend to the income of the first three fiscal periods of twelve months each of any such company following commencement of such production.

Mr. GREEN: Will the minister explain why the date set is January 1, 1943? It would seem that that would mean that if one of these base metal mines came into production during the present year, the company would not get the benefit of the amendment. Surely that is not the intention.

Mr. ILSLEY: This is a continuation in a different form of the present provision. The legislation on this matter has been in existence since 1936.

Mr. GREEN: Not for base metal mines, has it?

Mr. ILSLEY: Metalliferous mines.

Mr. GREEN: What section of the act?

Mr. ILSLEY: Section 89 of the Income War Tax Act. The present exemption applies to metalliferous mines, and that applies to mines which come into production prior to January 1, 1943. This legislation applies to mines which come into production after January 1, 1943. It widens the number of mines which are eligible, and it changes the exemption from an exemption from income tax to an exemption from excess profits tax, which would be more favourable to the companies. There is perhaps a point in that marginal number; that is, there might be some strategic minerals which will not get any assistance until after January 1, 1943. What I have said would appear to be correct from the section, but it is not correct for this reason, that there is a tuning-up period. That is to say, if a mine were discovered now, it would not be deemed to come into production until six months from now, and therefore it would come within the benefits of the proposed section.

Mr. GREEN: But there are many zinc and lead mines in British Columbia which have been operated off and on for many years, going back as far as fifty years, but have been lying dormant for perhaps the last ten years. They may be brought into production this year, and it seems to me that they should get the benefit of this provision. The resolution reads in this way, that if the company first comes into production before January 1, 1943, then the company will not get the benefit of this amendment, and I suggest to the minister that that is wrong. What we want to do is to encourage these mines to get into production as quickly as possible, and certainly from the way this resolution reads a company would be discouraged from coming into production until after the first of January, 1943. If it is intended to broaden the exemption, surely that should be dated back, say to the first of January, 1942.

Mr. ILSLEY: The hon. gentleman is confused. There is no difference in principle between the two sections. That is, if the old mine cannot qualify now, it cannot qualify after the first of January, 1943, because it is still an old mine. What the hon. gentleman is really asking for is to extend this section from new mines to old mines which have been abandoned and are brought into production again.

Mr. GREEN: No, but the way this resolution reads is, "if the company first came into production during the period of three years"; it does not say, "if 'the mine' first came into production"; it is "the company". The chances are that a mine of this type would be taken over by a new company; it would not be a matter of the old company doing the development work. It is very important that every encouragement should be given to have these mines opened up this summer. If you wait until the late fall or the winter, they cannot start in until next spring, and a whole year will be lost.

Mr. ILSLEY: It may be that the resolution is wrongly worded. It is intended that the wording shall be the same and the principle shall be the same as section 89 of the Income War Tax Act. The two differences are, first, that it will extend to a wider range of mines, and second, that it will be an exemption from excess profits tax, not income tax. I should add a third, that precious metals are out.

Mr. GREEN: Does the minister mean that it will apply only to the new mines?

Mr. ILSLEY: Right.

Mr. GREEN: Well, I suggest that that is ridiculous, because the most likely place from which you will get the zinc and the lead will be from these old mines which have been partly developed. For one new mine where you would be able to get the metal there would be a hundred partly developed mines that could be developed further and from which you could get metal much faster than you could get it from a new mine. What we want here is not new mines developed so much as the ore; we want the zinc and the lead and the copper. It is not so much a matter of going out and finding new mines; it is a matter of getting the ore out where it can be found. Most of these old mines have at least some ore in them, and if encouragement is given to the owners we shall get the metal. I suggest to the minister that this is on a wrong basis entirely, trying to open new mines. Not only does it take time to find new mines, but there are not the men to go prospecting.

Mr. HANSON (York-Sunbury): And no machinery.

Mr. ILSLEY: The commissioner tells me that mines which have been abandoned for more than ten years and started again are ordinarily regarded as new mines. It is a matter of interpretation. The commissioner of income tax, who is administering this section, has kept in touch with the Department of Mines and Resources, but I suppose that interpretation could be changed.

[Mr. Ilsley.]

Mr. HANSON (York-Sunbury): It is just an arbitrary rule?

Mr. ILSLEY: Yes. The ten-year rule is arbitrary. It would not do, however, to give tax exemption for three years to a mine that had just discontinued operations for a short time. Some line would have to be drawn.

Mr. GREEN: The whole purpose of this change is to get minerals for Canada.

Mr. ILSLEY: Yes.

Mr. GREEN: And to get them as quickly as possible. Perhaps if a mine has been shut down only a few months or a year, it should not get the benefit of the exemption, but to insist that it must have been closed for ten years is going too far under present conditions. This section is intended to get out the minerals, and many mines will not be helped if the restrictions are as broad as the minister has mentioned.

Mr. ILSLEY: We are giving assistance all the time to all sorts of enterprises under one act and another and by order in council, and probably these cases could be met without laying down any general rule in an act. The metals controller is certainly doing everything he possibly can to stimulate production of the kind of metals and minerals needed in war production, and he is constantly in touch with the Department of Finance and with the Department of National Revenue to solicit the type of assistance necessary to get the mines into operation. We have constant trouble trying to determine what degree of assistance we can defend and how far we can go. We lay down certain principles, and at times they are assailed by interested parties. One principle we laid down in the Department of Finance is that no arrangement would be made with any mining interests on the basis of which shares or bonds would be offered to the public, and we were certainly attacked for that by those interested. It was regarded as contrary to the best interests of the war effort, and so forth. The only point I am trying to make is that we are in touch with those who are closely connected with these matters, trying to get out of the earth the maximum of minerals and metals required for war production. This will be a general rule that can be applied by any statute applicable to new mines, and it carries on a principle which has been embodied in the statutes since 1936. There are just those modifications I have mentioned, such as leaving out precious metals, switching the exemption from income tax to excess profits tax, and the widening of the

class from metalliferous mines to strategic minerals not metalliferous. That is as far as we should go by legislation.

Mr. GREEN: Has the government been in touch with the departments of mines in the different mining provinces? They have a far keener appreciation of mining requirements than the dominion Department of Mines and Resources. I suggest that the Department of Finance should get in touch with the departments of mines in the different provinces and find out from them what would help most to bring about the opening up of these mines.

Mr. ILSLEY: There are many good mining people in Ottawa. The metals controller, if I may say so, is a first-class official, and there are a great many good men in the Department of Mines and Resources here. We must rely on our own Department of Mines and Resources and on the metals controller and those associated with him. Both they and the national research council are doing remarkable work.

Mr. JACKMAN: While I shall support the resolution, I am wondering whether the minister has gone far enough in granting assistance to new mines. I do not know the particular aspects of the problem, but I should like to say a few words to our friends of the Cooperative Commonwealth Federation in this regard. Here is a resolution at this late stage in the war, when we are nearly three years at war, and we have to resort to the private enterprise system and the profit motive in order to get very necessary basic materials for the war.

Mr. NOSEWORTHY: Because the government would not do it.

Mr. JACKMAN: Because the government is not in a position to do it and has not the organization; nor do I know of any government that would be in a position to do it. They leave it to private enterprise to go ahead and get the metals out of the ground as quickly as possible and they afford some relief from taxation; but while these companies who may find the metals in the ground will be exempt from the excess profits tax, they will be subject to the 40 per cent ordinary corporation income tax and that is a very large tax in a hazardous industry. I am not giving any authoritative opinion on the matter because I have not had the facts before me, but it strikes me that 40 per cent on the profits in a hazardous industry is taking away from the industry, in the form of a tax, something that militates against the chances of that industry amounting to what it should. In the last war when there was necessity for greater production of lead and zinc, the British government negotiated with Consolidated Smelters, which was nothing but a claim at that time. The Sullivan mine had not been successfully worked and was sold for $500,000 by the American Smelting and Refining company, to Canadian interests, because they could not produce the metal commercially. There was a metallurgical problem that to date had not been solved, and the British government said to the owners, "Get out this metal and we will take it off your hands and give you a return". That was finally done, and they got great production which was a material aid in the winning of the last war. Now we have a different situation, because we have price ceilings and limits to what lead and zinc can be sold for, so that there is no incentive. Moreover, we have high taxes so that private enterprise is stifled. I can say to the Co-operative Commonwealth Federation that if they would leave things to private enterprise, which would get things done, we would make a much greater contribution toward the war than we do by trying to change the whole economic fabric of the nation at a time when its very life is at stake.

Mr. GREEN: Will the minister explain what the tax will be, first of all, on a company which comes into production in 1942 and then on a company which comes into production in 1943? As I understand it, a company coming into production in 1942 will be exempt from income tax.

Mr. ILSLEY: That is right.

Mr. GREEN: And one coming into production in 1943 will have to pay income tax but will be exempt from excess profits tax. Is that the position? Will the minister explain the difference?

Mr. ILSLEY: The one that comes into production in 1942 will pay a minimum of 22 per cent, because a company is liable under the Excess Profits Tax Act to 22 per cent of the total profits, or 75 per cent of the excess, whichever is the greater. The minimum which that company will pay is 22 per cent.

Mr. GREEN: That is even with the exemption?

Mr. ILSLEY: That is right. That is only an exemption from the income tax, which is 18 per cent. The company is still liable to the excess profits tax, and the minimum is 22 per cent. The company which comes into production in 1943 will be exempt from excess profits tax, therefore will pay only the income tax, which is 18 per cent.

Mr. HANSON (York-Sunbury): So there is not much difference.

Mr. ESLING: If the government really wants base metals there will have to be more than an exemption from taxation of prospective operations. There are a dozen mines in the Kaslo-Slocan district that have yielded millions of dollars in lead, zinc and silver, but the majority of those properties have been abandoned so far as operations are concerned because it has been unprofitable to operate them, because prices have been so low. The one plant in British Columbia to-day which is treating lead and zinc ores is paying a price so low that the average miner could not possibly operate. Lead and zinc are being supplied to the British empire by the Consolidated Mining and Smelting company at a price lower than has been in force for an average of any ten years, in Canadian history. That lead and zinc is all going to the British government to-day. Before renewed operations can be undertaken, those mines must have the old timbers removed because they are rotten and it would not be safe to operate. There must be more than exemption from taxation. There must be a public mill or government mill which will take care of all the ores and concentrate them. The Reconstruction Finance Corporation in the United States wants Canadian lead and zinc ores, wants them so badly that I think it will be found that within the last month or so there has been a notice that the Metals Reserve Corporation proposes to erect a $100,000 mill to take care of some lead and zinc ores which are so close to the border that there is not a railway there, but apparently they are going to carry them by truck to the United States.

The government should give serious thought to the construction of a public concentration plant. It would be the greatest incentive for the various local mines to resume operations. You cannot get capital—that is all there is to it—to work lead and zinc ores to-day at the prices which now prevail in Canada. There is no capital to take hold of these industries. The incentive would be to secure the operation of a number of these smaller properties by miners who operate largely under lease and royalty, and the only way whereby they can be encouraged to do so is by the construction of a public mill and concentrator.

Mr. JACKMAN: May I revert to resolution 9, the wording of it, "That the revenue losses in any business of the immediately preceding year may be allowed as a deduction". The term "revenue losses" is not familiar to business practice, although it may be to the income tax department.

[Mr. Ilsley.]

Mr. ILSLEY: That observation will be considered when the legislation is drafted. It is merely a matter of wording as I understand; the hon. member does not take any exception to the principle?

Mr. HANSON (York-Sunbury): No; he wants to know what is meant by "revenue losses".

Mr. JACKMAN: Operating losses?

Mr. ILSLEY: Yes, it is designed to exclude capital losses; that is all.

Mr. HANSON (York-Sunbury): As opposed to operating losses?

Mr. ILSLEY: Yes.

Mr. JACKMAN: I am not certain which year it refers to, having regard to section 11, which states:

Resolution No. 9 shall apply to the profits of 1943 and fiscal periods ending therein.

Does it mean the first loss you can take into your calculation is the loss which will occur in 1943, or would it be a loss in 1942 which would be taken into the 1943 calculation, which is the first deficit year?

Mr. ILSLEY: It was intended that 1942 losses would be the first loss to be carried forward.

Resolution agreed to.

Resolution 11 agreed to.

CUSTOMS TARIFF

1. Resolved, that schedule A to the customs tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended, is further amended by striking thereout subdivisions (a), (b), (c) and (d) of tariff item 90, tariff items 152b, 152d, 210, 276, 282b, 316a, 347, 410c, 422a, 435, 438d, 438i, 451b, subdivisions (a) and (b) of 534, 574, 584, 610, 610a, 657, 682a, the several enumerations of goods respectively and the several rates of duties of customs, if any, set opposite each of the said items, and by inserting the following items, enumerations and rates of duty in said schedule A:—

Customs tariff—90a. Vegetables, dried, desiccated or dehydrated, including vegetable flour, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Customs tariff—90b. Vegetables, pickled or preserved in salt, brine, oil or in any other manner, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Customs tariff—90c. Vegetable juices, liquid mustards, soy and vegetable sauces of all kinds: British preferential tariff, 15 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Customs tariff—90d. Vegetable pastes and hash and all similar products composed of vegetables and meat or fish, or both, n.o.p.:

British preferential tariff, 15 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

The CHAIRMAN: Is it the pleasure of the committee to take No. 90a, b, c and d together?

Some hon. MEMBERS: Agreed.

Mr. STIRLING: All these four items appear to me to be identical in present rate and past rate. Why are they inserted?

Mr. ILSLEY: The only change is in item 90c. The words "extracts or" are being dropped. The wording under item 90c was:

Vegetable extracts or juices, liquid mustards, soy and vegetable sauces of all kinds.

The words "extracts or" are deleted. It would appear from the former wording that vegetable extracts might be synonymous with juices, although the rulings of the Department of National Revenue have not been made on this basis, nor is there any information before that department which would indicate that this was the intention. According to dictionary definitions the words "vegetable extracts" could apply to aqueous or alcoholic products extracted from herbs, roots and seeds, such as are used in the manufacture of ginger or herbal beverages. Such extracts, however, have always been rated under tariff item 711 or 220. Ever since the item became effective on May 2, 1930, the wording of item 90c has been more or less contradictory in the fact that the general heading of the item is "vegetables, prepared or preserved", while item 90c covers commodities which, with the exception of vegetable juices and possibly soy, do not appear to come within the category of vegetables.

Mr. HANSON (York-Sunbury): The intention, then, is to clarify a position which heretofore has been rather ambiguous?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): But there is no change?

Mr. ILSLEY: No.

Items agreed to.

Customs tariff—152b. Orange juice, grapefruit juice, and blended orange and grapefruit juice, the product of the British West Indies, when imported direct from the country of production: British preferential tariff, free.

Mr. HANSON (York-Sunbury): What is this? Are you taking off the 15 per cent?

Mr. ILSLEY: This is a new item, to replace tariff items 152b and 152d by a single item, which is enlarged to cover blended orange and grapefruit juice. Blended orange and grapefruit juice was formerly dutiable as "fruit juices, n.o.p.", at rates of 15 per cent, 25 per cent and 25 per cent. This item applies to imports under the British preferential tariff only.

Mr. HANSON (York-Sunbury): And direct importations?

Mr. ILSLEY: Tariff item 152b provided for duty-free entry under the British preferential tariff of orange juice, the product of the British West Indies, when imported direct from the country of production. Item 152d provided for duty-free entry under the British preferential tariff of grapefruit juice, the product of the British West Indies, when imported direct from the country of production. The intermediate and general tariff rates of 25 per cent in item 152, the item covering "fruit juices, n.o.p.", applies to imports of orange juice and grapefruit juice from intermediate and general tariff countries. The United States trade agreement rate on fruit juices, n.o.p., not including lime, orange, lemon or passion fruit juice, of 15 per cent applied since January 1, 1939. Imports of orange juice are not separately recorded. Imports of grapefruit juice during the period from April 1 to December 1, 1939, amounted to 1,038,756 gallons, valued at $390,808. The United States supplied 931,000 gallons, valued at $350,005. Imports from Trinidad amounted to 106,725 gallons, valued at $40,452. In 1941, imports of grapefruit juice from all countries exceeded two and a half million gallons, valued at over $972,000. Over 80 per cent of these imports came from the United States, with about 418,000 gallons valued at $198,000 coming from Trinidad. In the past, imports of blended orange and grapefruit juice have been small, owing to the tariff situation. The object of the item is to provide that blended orange and grapefruit juice will get the same rate that orange juice got and that grapefruit juice got. By blending them they forfeited the privilege of the rate which would have applied to either one unblended.

Mr. STIRLING: Is the subsidy being paid on any of them now?

Mr. ILSLEY: No; the subsidy on grapefruit juice was discontinued, and, if I remember correctly, that is the only juice on which it was paid.

Mr. CRUICKSHANK: What has this to do with the commodities we produce in British Columbia, such as tomato juice?

Mr. ILSLEY: So far as I know it has nothing whatever to do with tomato juice.

Mr. CRUICKSHANK: I am sincere about this; I do not intend to be scoffed at by anyone. This country, and particularly British Columbia, produces a great deal of tomato juice, and I want to know why grapefruit juice should be brought in here when we have tomato juice available.

Mr. ILSLEY: The proposal is to give the same tariff treatment to blended orange and grapefruit juice as is given to orange juice and grapefruit juice coming in unblended. They were both free under the British preferential tariff. Blended orange and grapefruit juice is now to be free under the same tariff.

Mr. HANSON (York-Sunbury): And formerly the blend was not free?

Mr. ILSLEY: That is correct.

Mr. HANSON (York-Sunbury): Then what will be the position with respect to all these items; that is, orange juice, grapefruit juice and blended orange and grapefruit juice, coming from the United States? This item is referable only to these commodities when they are the produce of the British West Indies, when imported direct from the country of origin. Of course now there is no such importation at all; there is no transportation from the countries of origin, because all the ships are gone, so this is meaningless at the moment. What is the position with respect to United States products?

Mr. ILSLEY: There has been, I understand, considerable leniency in the enforcement of the rule that they must come by direct shipment—that is a national revenue matter, not a finance matter—so they may continue to come via the United States and still obtain the benefit of this free preferential rate.

Mr. HANSON (York-Sunbury): Because of present conditions?

Mr. ILSLEY: Yes. The rate against United States products of this kind is 25 per cent.

Mr. STIRLING: Under another item?

Mr. ILSLEY: Yes, another item altogether.

Mr. JACKMAN: I suppose the government has to pay duty on the grapefruit juice and other products imported for use by the army, or is that not done?

Mr. HANSON (York-Sunbury): Does the government itself import grapefruit juice which is supplied to the army, or does it buy it from contractors? I should not suppose the government would be in the business of importing grapefruit juice for anybody. I think the government would buy in the open market, just as I would.

Mr. ILSLEY: I do not know; I suppose they buy it in the open market. I do not know whether or not that grapefruit juice paid duty when it came in. If it came in under these British preferential items, it would not.

Mr. JACKMAN: Of course it might come from the United States.

Mr. ILSLEY: Yes, in which event it must have paid the duty.

Mr. JACKMAN: I think the Minister of Munitions and Supply once told us that everything he imported from the United States paid the duty, where it was dutiable. I was wondering whether the Department of National Revenue or the Department of Finance had even an estimate of the total amount of duty paid by the crown for purchases of grapefruit juice and other fruit juices on behalf of the army, and perhaps for other services as well.

Mr. ILSLEY: I do not think it is separately estimated at all.

Mr. CRUICKSHANK: I understand we brought in 30,000 gallons of grapefruit juice for the Canadian army either last year or last month. Did we pay duty on that?

Mr. ILSLEY: If it was a product of the United States it must have paid duty when it came in; the duty must be included in the price. If it was a product of the British West Indies it probably did not.

Item agreed to.

Customs tariff—210. Peroxide of soda; silicate of soda, dry or in water solution; bichromate of soda; sulphite of sodium; nitrite of soda; arseniate, biarseniate, chlorate, bisulphite and stannate of soda, prussiate of soda and sulphite of soda: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. HANSON (York-Sunbury): What is the change here?

Mr. ILSLEY: The only change made is that the words "silicate of soda in crystals or in solution" are amended to read, "silicate of soda, dry or in water solution".

Mr. HANSON (York-Sunbury): Is there any change in the rate?

Mr. STIRLING: The tariff is changed.

Mr. ILSLEY: There were two rates shown in the column "present rates". The solid material was ruled to be dutiable under item

711, which is the basket item. The amended wording is for the purpose of preventing this. The amended wording takes the old rates of free, 15 per cent and 20 per cent, and makes them apply to the solid material as well as to the material in solution. The Department of National Revenue ruled that the solid material was not covered by the section and therefore it went into the basket item and took the rates shown in the second line in the column, "present rates". There is really no change in rate, it is just a change in wording.

Item agreed to.

Customs tariff—276. Cotton seed oil for canning fish: British preferential, free; intermediate tariff, free; general tariff, free.

Mr. HANSON (York-Sunbury): What are we to gather from the two different rates under the heading "present rates"? I presume that most of this oil comes from the United States.

Mr. ILSLEY: Yes, I think it does.

Mr. HANSON (York-Sunbury): What is the effect of this change?

Mr. ILSLEY: The present tariff item 276 provides for duty-free entry from all countries of refined cotton seed oils, edible, for canning fish. The wording of this item is being widened to cover unrefined cotton seed oil for canning fish.

Mr. HANSON (York-Sunbury): This covers both refined and unrefined?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Have we done any refining of cotton seed oil in Canada? Has it not always been refined abroad?

Mr. ILSLEY: Sometimes they bring it in unrefined and refine it for canning fish.

Item agreed to.

Customs tariff—282b. Saggars, hillers, bats, and plate setters, when used in the manufacture of ceramic products: British preferential tariff, free; intermediate tariff, free: general tariff, free.

Mr. FRASER (Peterborough West): Is this item intended to help the porcelain and china plants in Toronto?

Mr. ILSLEY: I do not know. My recollection is that it allows some equipment to come in free of duty which otherwise would be dutiable. The products allowed to come in free under this item were previously dutiable under item 282a, 12½, 20 and 22½. It is really widening the item to provide for complete parts of saggars.

Item agreed to.

Customs tariff—316a. Incandescent lamp bulbs for use in the manufacture of incandescent lamps; glass tubing for use in the manufacture of incandescent lamps, vials and ampoules; mantle stocking for gas light: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Mr. HANSON (York-Sunbury): What is the effect of this?

Mr. ILSLEY: The present item 316a covering "incandescent lamp bulbs and glass tubing for use in the manufacture of incandescent lamps, and mantle stocking for gas light", with rates of free, 7½ per cent and 10 per cent, is being reworded to include glass tubing for use in the manufacture of vials and ampoules. Glass tubing for the manufacture of vials and ampoules is dutiable at present under tariff item 326a at rates of 10 per cent, 20 per cent and 22½ per cent, with a United States Trade agreement rate of 17½ per cent. The effect of this amendment is to reduce the rate on glass tubing imported from the United States for the manufacture of vials and ampoules from 17½ per cent to 7½ per cent. The manufacture of vials and ampoules is a new industry in Canada, and it is estimated that imports of glass tubing for this use will range from 80,000 to 100,000 pounds annually. The average value of this tubing is about 25 cents a pound.

Item agreed to.

Customs tariff—349c. Magnesium scrap: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Provided, that nothing shall be deemed to be magnesium scrap except waste or refuse magnesium fit only to be remelted.

Mr. MacNICOL: What amount was imported last year?

Mr. ILSLEY: Very little, if any.

Mr. HANSON (York-Sunbury): Is it anticipated that this will bring it in?

Mr. MacNICOL: We are making an effort to manufacture magnesium metal in Canada, and previously there was a substantial duty against scrap coming in.

Mr. ILSLEY: The rate shown under present rates are 15 per cent, 25 per cent and 25 per cent.

Mr. MacNICOL: Those rates are reduced to free. I have no objection because this is needed for war purposes.

Item agreed to.

Progress reported.

Resolutions (Excess Profits Tax Act) read the second time and concurred in.

Resolutions (Special War Revenue Act) read the second time and concurred in.

Resolutions (Dominion Succession Duty Act) read the second time and concurred in.

EXCISE ACT, 1934

Hon. J. L. ILSLEY (Minister of Finance) moved for leave to introduce Bill No. 110, to amend the Excise Act, 1934.

Motion agreed to and bill read the first time.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, July 15, 1942

The house met at three o'clock.

BUSINESS OF THE HOUSE

PRIVATE BILLS—PROCEDURE WITH RESPECT TO FIRST AND SECOND READINGS—SUSPENSION OF STANDING ORDER 105

On the order for motions:

Mr. T. F. DONNELLY (Wood Mountain) moved:

That for the remainder of the session all private bills from the Senate when received from that house be read a first and second time and be referred forthwith and that standing order 105 respecting the posting of bills be suspended in relation thereto.

Motion agreed to.

SATURDAY AND MORNING SITTINGS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Hon. members of the house yesterday were, I think, in general agreement with the arrangement proposed by the several leaders of the house as to the winding up of its business, and, as hon. members will have noticed, I had the following notice inserted in the *Votes and Proceedings* of yesterday:

That on and after Saturday, July 18, 1942, until the end of the session the house shall meet at 11 o'clock in the morning of each sitting day and that in addition to the usual intermission at 6 o'clock p.m., there shall be an intermission every day from 1 to 3 o'clock, p.m., and the order of business and procedure shall be the same on Saturday as on Friday.

With the consent of the house that motion might be put now.

Motion agreed to.

[Mr. MacNicol.]

DEFENCE OF CANADA REGULATIONS

REPORT ON DETENTIONS FOR THE PERIOD JUNE 15 TO JULY 13, 1942

Hon. L. S. ST. LAURENT (Minister of Justice): I lay on the table of the house a report pursuant to paragraph 3 of regulation 21 of the defence of Canada regulations for the period June 15 to July 13, 1942 inclusive.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SUGAR RATIONING—FARMERS

Mr. GRAYDON:

1. Has any provision been made in the regulations of the wartime prices and trade board in relation to the rationing of sugar whereby farmers will be assured of sufficient supplies of sugar for threshings, corn-cuttings and other such occasions?

2. If not, will the matter be given early consideration?

Mr. ILSLEY:

1. Yes. Provision was made at the outset for dealing with thresher gangs. Special purchase permit has been printed and distributed to local offices of the board for use in this connection. The provision for threshing gangs has not been extended to other special farm groups as yet, but these and related matters are being given consideration.

2. Answered by No. 1.

DIRECTOR OF WAR AUXILIARY SERVICES

Mr. CASTLEDEN:

1. Who is the present director of national war auxiliary services?

2. What is his salary?

3. What position did he hold prior to taking his present position with the national war services?

4. What are his duties in his present position?

Mr. THORSON:

1. The present director of voluntary and auxiliary services, also the secretary of the national war services funds advisory board, is George Pifher.

2. $5,000 per annum.

3. Secretary of national war charities funds advisory board, liaison officer to director of auxiliary services, Department of National Defence and assistant to director, war charities division.

4. To administer "The War Charities Act" and the regulations made thereunder, to cooperate with all organizations registered

under "The War Charities Act", including such organizations as are or may become subject to the supervision of the national war services funds advisory board, and, generally, to promote, organize and coordinate different forms of voluntary assistance, with a view to the most effective use of personal services or material contributions for the prosecution of the war and the welfare of the nation; to act as secretary to the national war services funds advisory board, who govern the payment of accountable grants to certain national war services organizations. To examine the budgets of the national war services organizations and recommend in regard thereto to the above advisory board.

TORONTO SHIPBUILDING COMPANY—RENTAL OF EQUIPMENT

Mr. FRASER (Peterborough West):

1. What equipment does the Toronto Ship Building Company rent from other firms in addition to crawler cranes?
2. From whom is it rented?
3. What are the rates of rental on each piece of equipment?

Mr. HOWE:

1. (a) Two only 2-ton dump trucks.
(b) One only surveyor's transit.

2. (a) Danforth Haulage Company, 197 Victor Avenue, Toronto, Ont.
(b) Instruments Limited, Toronto, Ont.

3. (a) $1.75 per hour, inclusive of gas, oil and driver.
(b) $15 per month.

The above two trucks are to be returned to the lessor this week as the Toronto Shipbuilding Company Limited now have their own trucks.

WARTIME PRICES AND TRADE BOARD—FISH ADMINISTRATION

Mr. REID:

1. Who is the administrator on the wartime prices and trade board in connection with fish?
2. When was he appointed?
3. What salary does he receive?
4. What was his business previous to appointment and in what city or place was he located?
5. Has any advisory board been appointed to assist him?
6. If so, what are their names, places of business and business connections?
7. Have any persons from British Columbia been appointed on the advisory board?
8. If so, who are they, and if not, why not?

Mr. ILSLEY:

1. Alexander Neil McLean is the fish products administrator of the wartime prices and trade board. Mr. McLean is assisted by C. J. Morrow of Lunenburg, N.S., as director for Atlantic division, J. S. Eckman, of Vancouver, B.C., as director for Pacific division, and J. R. Langskill of Toronto as director of fresh and frozen fish division.
2. Mr. McLean was appointed on November 22, 1941.
3. Mr. McLean receives no salary.
4. Mr. McLean is President, Connors Brothers, Black's Harbour, New Brunswick.
5. Yes.
6. H. G. Connor, president, Maritime National Fish Ltd., Halifax, Nova Scotia; T. A. MacLean, Jr., managing director, Lockport Co., Ltd., Lockport, Nova Scotia; Fred Magee, Port Elgin, N.B.; W. H. Tidmarsh, Charlottetown, P.E.I.; Achille Raymond, general manager, Quebec United Fishermen, Gaspe, P.Q.; Xavier Lelievre, Little River East, Gaspe Co., Quebec; H. Welham, secretary, Montreal Fish Trades Assn., Montreal, P.Q.; Thos. Steele, St. Lawrence Fish Market, Toronto, Ontario; George Kentner, Booth Fisheries Canadian Co., Ltd., Winnipeg, Manitoba; Capt. J. B. Skaptason, Viking Fisheries, Winnipeg, Man.; N. T. Gardner, Burns and Company, Regina, Sackatchewan; Wm. Schlader, 806 McLeod Building, Edmonton, Alberta; G. Humphreys, London Fish Co., Vancouver, B.C.; S. M. Rosenberg, Nootka-Banfield Co., Vancouver, B.C.
7. Yes.
8. See answers to 1, 6 and 7.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ALAN WILLIAMSON

Mr. CASTLEDEN:

1. What is the present government position held by Alan Williamson?
2. What are his duties in that position?
3. What previous experience has he had since 1932 which would quality him for this position?
4. By whom and for what period was he employed prior to taking his position with the government?
5. Is he in receipt of any pay or allowances from his former employers?

Mr. HOWE: Return tabled.

LIFE INSURANCE

Mr. FAIR:

1. What is the amount of life insurance written in Canada in the calendar years, 1936, 1937, 1938, 1939, 1940 and 1941, by, (a) Canadian companies, (b) British companies, (c) other companies?
2. What is the amount of premiums paid on the above policies during each of these years?
3. How many policies have lapsed or been surrendered for cash surrender value during the above period?
4. What is the value of such lapsed or surrendered policies?

MOTIONS FOR PAPERS

COURT MARTIAL OF MAJOR H. C. SINGER

Mr. BLACKMORE:

For a copy of all documents, letters, telegrams, etc., pertaining to the court martial which, on May 2, 1941, dealt with the charges preferred against Major H. C. Singer, of the 2nd Canadian Anti-Tank Regiment in England, including the following:—

1. The application for Major Singer's court martial.

2. The convening order for his court martial.

3. The subpœna of each of the witnesses who gave evidence in the court martial.

4. The first summary of evidence taken under Major S. McQwirter, April 14 to 18, both dates inclusive.

5. Major-General Victor Odlum's letter, 2 D.C./5-4, April 15, 1941.

6. The complete copy of the proceedings of the court martial.

7. The shorthand notes taken by the court recorder at the trial.

8. All details as they appeared in the application for the court martial, including character, correspondence, court of inquiry, etc., etc.

9. The letter sent to the Secretary of State concerning the dismissal of Major H. C. Singer from the services.

10. Part 1 orders 2nd Cdn. Div., February 20-28, 1941; Part I orders No. 1 Base Depot, February 20-28, 1941; Part I orders 2nd Cdn. A/T Regt. R.C.A., Oct. 30-Nov. 8, 1940, Dec. 15-27, 1941, Dec. 28-Jan. 5, 1941; February 20-28, 1941.

11. Declarations to suspend, (a) Rule 8, officer present at investigation: (b) Rule 14, officer sent to inform accused of charges, etc.; (c) Rule 17, undue delay in convening court martial. Open arrest April 9. Trial May 2, 1941.

Mr. BLACKMORE: Stand.

Mr. RALSTON: Mr. Speaker, I want to ask that the question be put.

Mr. BLACKMORE: I asked that it stand.

Mr. SPEAKER: Objection has been taken according to citation 189, Beauchesne's Parliamentary Rules and Forms:

When an order of the day has been read, it must thereupon be proceeded with, appointed for a future day or discharged.

Since objection has been taken, the sense of the house must be ascertained.

Mr. HANSON (York-Sunbury): Is this motion debatable?

Mr. SPEAKER: No. I must therefore put the motion.

Mr. HANSON (York-Sunbury): What are the grounds of objection to the motion? They may be technical; I do not know.

Mr. RALSTON: The ground of objection is that it is not considered in the public interest to produce the proceedings of courts martial.

[Mr. Fair.]

The officer himself is entitled to a copy of the proceedings of the court martial and will get it under the usual terms. Otherwise, it would mean that parliament would be acting as a court of appeal in connection with courts martial which are held by military officers. The officers act in accordance with their military duties in dealing with courts martial, and this court martial having been dealt with by officers duly appointed, having been confirmed by the divisional commander, and having been confirmed by the corps commander, it is not considered in the public interest to produce the documents.

Mr. SPEAKER: Those in favour of the motion will say "Aye". I declare the motion lost.

PUBLIC SERVICE—DEPARTMENTAL COSTS—NUMBER OF EMPLOYEES, 1938-42

Mr. CHURCH:

For a return showing—1. The cost of operating, during the fiscal periods ending March 31, in each of the years, 1938, 1939, 1940, 1941, 1942, the following departments and branches of government: Agriculture, Auditor General's office, Chief Electoral Officer's office, Civil Service Commission, External Affairs, Finance, Fisheries, Governor General and Lieutenant Governor, Insurance, Justice, Labour, Mines and Resources, National Defence, National Revenue, Pensions and National Health, Post Office, Prime Minister's office, Privy Council office, Public Archives, Public Printing and Stationery, Public Works, Royal Canadian Mounted Police, Secretary of State, and Munitions and Supply, including salaries and wages paid to executives and clerical staffs.

2. The number of employees in each of the above departments, in the years 1938, 1939, 1940, 1941 and 1942, and the total salaries paid.

3. The number of employees engaged by permanent commissions under the federal government, (a) civil—for the above years; (b) war—by years since established.

4. The total number of staff and employees of all departments and commissions in existence in 1938, 1939, 1940, 1941 and 1942.

Mr. ILSLEY: I have written a letter to my hon. friend about this, and I suggest that the matter stand until he has had an opportunity to consider the letter, if he has not already done so.

Mr. CHURCH: I shall confer with the minister; I shall be glad to do so. I think it is in the public interest, though, that the people should know what the costs of these outside commissions are, and they should know before this house closes.

Motion stands.

HONG KONG COMMISSION

REQUEST FOR TABLING OF LETTER FROM COLONEL DREW

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Yesterday I promised my hon. friend the leader of the Cooperative Commonwealth Federation (Mr. Coldwell), that I would table a letter from Mr. Drew, with respect to which he said he would take the responsibility of asking that it be tabled. I wish to have a word with my hon. friend before proceeding further in complying with his request. There had not been an opportunity for that until we met in the house a moment ago, and in the circumstances I would ask if the question of compliance with that request might stand until eight o'clock this evening.

MILITARY CAMPS

FIRE AT BARRIEFIELD—REPORTS AS TO EFFICACY OF FIRE-FIGHTING APPARATUS

On the orders of the day:

Mr. F. D. SHAW (Red Deer): I wish to direct a question to the Minister of National Defence. In view of the fact that a report is now abroad in the land that when the fire broke out in Barriefield military camp on Saturday morning the available fire-fighting apparatus proved useless, would the minister make a statement to the house, either discounting that report or indicating what steps are being taken to provide adequate fire-fighting equipment?

Hon. J. L. RALSTON (Minister of National Defence): I will make inquiries and give the information.

WAYS AND MEANS

CUSTOMS TARIFF

The house in committee of ways and means, Mr. Fournier (Hull) in the chair.

Customs tariff—410c. (i) Machinery and apparatus and complete parts thereof for use exclusively in producing unrefined oil from shales, not to include motive power, of a class or kind not made in Canada: British preferential tariff, free; intermediate tariff, free; general tariff, free.

(ii) Machinery and apparatus for operating oil-sands by mining operations and for extracting oil from the sands so mined; complete parts of the foregoing: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. ROSS (Moose Jaw): Both parts of this item have to do with the importation of machinery for the development of the oil resources of Canada, but one has reference to machinery for producing unrefined oil from shale, while the other has to do with the production of oil from tar sands in western Canada. I notice in this item that the machinery for producing oil from shale is free of duty except for the motive power in the machines. With a war on, and with such dire necessity for oil in this country, I see no reason why there should be any tariff whatever on any machinery that can be used for developing the oil resources of Canada at this time. Even if it is an engine that goes into the machine, we are not going to interfere with anyone making engines in Canada to-day merely because we permit the free importation of an engine for an oil drilling machine of any type. Engines are so hard to obtain now that you must get priorities before you can obtain them. All this oil drilling machinery and all material used for the development of oil, such as pipe, drilling machines, bit stems, bits, refining machinery, and so on, should be allowed in duty free from any country in which we can get them, in order to develop our oil resources.

Much has been said by leaders throughout the democratic part of this world in the last few months about freeing the channels of trade throughout the world when the war is over, in order that all democratic countries may have access to raw materials and may trade with other countries in order that there may be a fuller life throughout this whole world. If we are ever to get at that at all, it is time we were getting at it now. If there is one thing for which I have to criticize the Minister of Finance in connection with this budget it is that in it he has made no move toward that end. If we cannot have some of these restrictive tariffs removed now, when there is no necessity in the world for them, when this war is over it will be even more difficult to do it. To-day we are more and more industrializing one certain part of Canada. By the time the war is over that part of Canada will be so highly industrialized that they will fight every move that is made to reduce tariffs, and the result will be that other parts of Canada will suffer even more than they have suffered in the past.

Mr. REID: They are suffering now.

Mr. ROSS (Moose Jaw): It is therefore about time the government made some real reductions in tariffs in order to start this thing going. It is recognized that the sentiment of the people, in this country, in Great Britain, and in the United States of America, has changed greatly in regard to trade matters. A majority in all these countries is of the opinion that trade between the democratic nations of the world should be unfettered.

I repeat, I do not know how we are going to be able to do anything about it after the war if we are not ready to do it now. Therefore I am sorry that this budget has not provided for drastic reductions in the tariff.

I think something should be said by hon. members with a view to seeing that those changes are made when the next budget comes down. Is it not ridiculous that Canada, a highly industrialized country, which is giving to Great Britain the greater part of a billion dollars in war goods manufactured in this country, for the purpose of helping her and ourselves in this war, and deferring until after the war the repayment of a loan of some $700,000,000, should be sending these goods to Great Britain in that way because it is impossible for Great Britain to pay for them in goods?

Mr. HANSON (York-Sunbury): Is it not part of our contribution to the common effort, not a gift at all?

Mr. ROSS (Moose Jaw): No doubt part of it is.

Mr. MacNICOL: What has it to do with this item?

Mr. ROSS (Moose Jaw): It has this to do with it, that even if Great Britain wanted to pay with goods, we, the Canadian people, through our tariffs, are saying, "No; your goods cannot come into this country, even to help pay your debt to us." That is a ridiculous situation and should be corrected.

I have spoken here before for freer trade, and I intend to keep on doing it. I think this country and the world at large is at last beginning to see the light of that kind of reasoning, and I hope the Minister of Finance will be able to see some more of it before the next budget.

Mr. HANSELL: I am greatly surprised that the minister has seen fit to place such an enormous tax upon "machinery and apparatus for operating oil sands by mining operations and for extracting oil from the sands so mined, and complete parts of the foregoing." Thirty-five per cent is a tremendous tax on that machinery at a time when the people of this country are anxious to develop our oil resources.

Mr. ILSLEY: I am not putting it on; I am taking it off.

Mr. HANSELL: Well, take it completely off—that is what I ask. Perhaps the minister might explain what this is. There seems to be some confusion.

Mr. MacNICOL: The confusion is at your end. It is free. You do not want anything better than that.

[Mr. J. G. Ross.]

Mr. HANSELL: I do not read anything free there.

Mr. ILSLEY: I have before me two columns, on page 16 of the ways and means resolutions. The first column contains the proposals; the second column—which is divided into three parts, as is the first—contains the present rates. The present rates for certain of these articles are, free, 27½ per cent, and 35 per cent; and for others, 10, 27½, and 35 per cent. All these duties are being removed and the articles placed on the free list under all classifications.

Mr. HANSELL: Then I shall have to make the same speech but instead of castigating the minister I shall have to compliment him. The fact of the matter is that we in Canada are anxiously trying to develop our oil resources. This item will apply particularly to the Fort McMurray tar sand development, in which we in this corner of the house are particularly interested. The development of these sands will aid tremendously the building of the Alaska highway, and that highway will aid greatly the defences of that northern territory. In my study of this matter I find that one of the obstacles encountered is that it is difficult to mine those sands and extract the oil in competition with oil obtained from drilled wells. This will help the tar sand producers to compete.

I was pleased to hear the Minister of Munitions and Supply say not long ago that they are sending men in there to review this whole situation and bring about further development of the Fort McMurray tar sands. I urge upon him that he do this speedily. Let the government develop them, or give every possible inducement to their development, without delay.

Mr. ROSS (Calgary East): Will the tariff be removed on rotary drilling rigs such as those used in deep drilling in Turner Valley, for instance?

Mr. ILSLEY: Item 410d, which was inserted last year, provides that the following shall be duty free:

Well-drilling machinery and apparatus, and complete parts thereof, for use exclusively in drilling for water, natural gas or oil, or in prospecting for minerals, not to include motive power; machinery and apparatus of a class or kind not made in Canada for maintenance and testing purposes in connection with gas or oil wells; well-packers and complete parts thereof, for oil or gas wells; seamless iron or steel tubing of a class or kind not made in Canada, for use in casing water, natural gas or oil wells.

Mr. ROSS (Calgary East): That does not exempt the motive power used in drilling.

Mr. ILSLEY: That is correct.

Mr. ROSS (Calgary East): Is there any reason why it should not be exempted?

Mr. ILSLEY: I do not know of any. That is the question that was raised by the hon. member for Moose Jaw. I have made inquiries to ascertain whether there have been any communications or complaints with regard to diesel engines and the like. I find there have not, and it is now a little late to suggest that in connection with this budget.

Mr. ROSS (Calgary East): Then could it be considered for next year's budget?

Mr. ILSLEY: Yes, it can be considered. There may be reasons against it which I do not know, but we have not considered it; that is all.

Mr. HANSON (York-Sunbury): I understand that what is being done in this item is to restore a position which previously obtained, from 1936 to 1938, in connection with the United States trade agreement. In the new agreement of 1938 the arrangement was dropped and is now being revived. It is not a new proposal at all, except with reference to a portion coming under the intermediate and general tariffs. Everything is to be made free. This machinery and apparatus for use exclusively in producing unrefined oil from shale, for instance, is of a class or kind not made in Canada. It is intended, I think, to help in the development of the oil shales of New Brunswick and eastern Canada generally; that is part 1. Part 2 is to help in the development of the oil sands. Part 1 does not include the motive power, which I understand is of a class or kind made in Canada, and the protection heretofore given on that is being continued. I see no great objection to the passing of this item as it is, if we understand the position historically and what is now being sought. I have an idea that previously it was all one item and it is now being separated. In any event all this machinery and apparatus, which is of a class or kind not made in Canada, is being put on the free list. That is in accordance with government policy; I am not objecting to it, and I think we might carry the item.

Mr. JOHNSTON (Bow River): The minister is to be commended for removing the duty on this apparatus, because this may tend to increase the production of oil in areas where oil is contained in the shale and tar sands. But I do not think the results for which we hope will come about simply through the removal of this duty. The government should go further. I realize that the Minister of Finance is not concerned in what I am about to say, but I think our endeavours to develop the present production of oil from all sources, including the tar sands and the shale, should be greatly increased. The government should go much further than merely removing the duty on this equipment, because the situation is becoming exceedingly critical.

I brought up this question in the house over a year ago, but up to the present time practically nothing has been done to develop the production of oil from our tar sands. I am sure the minister recognizes the seriousness of our oil situation just as much as anyone else, probably more so than a great many people in this country. We see now that the oil fields of Iraq and Iran are in a very dangerous position; in fact the entire Persian field is in a most critical situation, and according to information appearing in the public press the United States is becoming acutely aware of an oil shortage in that country. A great deal of our crude oil comes from the United States; and when we see them going to the extent of setting up plants for the production of synthetic oil from coal, it becomes apparent that the situation is serious. We in Canada are favourably situated in that regard; we have the largest potential oil field in the world, bar none. Right now, when the situation is so critical, when the possibility of having our supply of oil from the Persian field cut off is becoming more apparent day by day, the government and the Minister of Finance should insist that the development of these oil fields be hurried along as much as possible.

The minister will remember that when I brought up this question in the early part of 1941 I was ridiculed; I was called a defeatist and an alarmist when I dared to suggest that before this war was over our oil supply from Iraq and Iran might be cut off. I am not satisfied with the progress that has been made, and I want to commend the Minister of Finance on the removal of the duty from this equipment, which may hasten our progress in this direction. Certainly I am not satisfied with the progress that has been made in the development of the tar sands.

Mr. ILSLEY: Operations are going on at the moment, I am told.

Mr. JOHNSTON (Bow River): Just in an experimental way, I think.

Mr. ILSLEY: I do not think so.

Mr. JOHNSTON (Bow River): When I spoke on this matter previously the Minister of Munitions and Supply took me to task and said that the prospect of developing oil from the tar sands was too remote for this war, that perhaps we would have it for the next

war. I am glad to note that once more the Minister of Munitions and Supply has been forced to change his opinion. Perhaps the Minister of Finance has had to sit on him a little; and if that has brought about the good results shown here I hope the minister sits on him good and hard, so that some real action may be taken.

Mr. ILSLEY: I am not sitting on him.

Mr. MacNICOL: Under this item is machinery to be admitted free for the removal from the oil sands of bitumen and other ingredients, or merely the oil?

Mr. MacKINNON (Edmonton West): While my colleague is looking up the information I might just say, for the information of the hon. member for Bow River, that I have ascertained by inquiry that final investigations of the McMurray and Waterways district are in progress at the present time, looking toward the actual production of oil from those sands. I do not know how far the minister concerned may care to go in giving details of arrangements that have been made, but I can assure the hon. member that this work is definitely under way.

Mr. JOHNSTON (Bow River): Then may I ask the minister whether he will consider the advisability of setting up a committee of this house when parliament reassembles to make a thorough investigation of the progress being made in the development of oil from these tar sands, as well as developments in the manufacture of synthetic rubber in Canada. If the minister will give the committee that assurance I think it would be to the advantage of our war effort.

Mr. ILSLEY: If I am the minister to whom the hon. member refers, all I can say is that I will bring what he has said to the attention of my colleague, the Minister of Munitions and Supply.

Replying to the question of the hon. member for Davenport, this item provides for the free entry of "machinery and apparatus for operating oil-sands by mining operations and for extracting oil from the sands so mined." His question was whether machinery for extracting other substances—

Mr. MacNICOL: Such as bitumen and tar.

Mr. ILSLEY: —from the sands so mined will be admitted free. Such machinery is not covered by the item. I do not know enough about machinery to know whether the machinery provided with free entry by this item could be used for both purposes. If not, it is not covered.

[Mr. C. E. Johnston.]

Mr. HANSON (York-Sunbury): I was hoping this item would go through. May I ask the minister whether any machinery is to be imported for the development of the oil shales, and whether there have been any developments with respect to the oil shales in New Brunswick. Months ago I brought to the attention of the oil controller the position in New Brunswick, and I was met with the statement that it was not part of government policy to go into the production business itself. I can understand that. Then I urged that investigations should be made, and I was promised that some investigation would be made. What I am asking now is whether investigations have taken place, how far have they proceeded, and is there any prospect of the development of the oil shales of New Brunswick, which are known to be a substantial natural resource of that part of the country, where we need development if we can possibly get it.

I am not deprecating what the minister is doing by this item. This machinery is not made in Canada, and was admitted free some years ago. I think there is some differentiation, and I was hoping that the minister would give the history of the position, which I attempted to give somewhat inadequately a few moments ago. This item is not a new departure. It simply restores the item to the position which obtained up to 1938, at which time the item was dropped.

Mr. ILSLEY: From 1936 to 1938, yes.

Mr. HOWE: With reference to the point raised by the leader of the opposition, I think I announced to the house that the federal government, in partnership with the provincial government, was making a very thorough investigation of the oil shales of New Brunswick. The investigation is practically completed, but I have not seen the final report. An interim report which I saw indicated not too hopeful a situation. The shales did not have the oil content that it was hoped would be found.

As regards the Alberta tar sands, we are making a very thorough investigation. We are not only checking all available data, but are making a close examination of refinery results in that area. We are having refinery runs made of the product, as well as laboratory tests, and we are drilling to find the extent of the sands with a view to a large scale development. In both cases I think we are taking the steps which are necessary before large expenditures would be warranted.

Mr. PERLEY: Would the Minister of Munitions and Supply enlarge upon the statement he made on May 15 with respect to this

development? The minister said, in connection with the investigation to which he has just referred, that they were studying the Gower system of processing. I wonder if he would enlarge upon that and tell us what the results of investigations into that system of processing have been.

Mr. HOWE: I would not like to discuss the system of processing. That is under study as well, but I am not enough of an oil technician to be able to discuss it, even if I knew the full results of the investigation, which I do not. The whole investigation has been placed in responsible hands, and we hope to have a report within a month or six weeks which will tell us what development is justified and what process is likely to obtain the best results. I am sorry that my information does not allow me to go any further.

Mr. MacNICOL: There were only two plants operating in the oil sand area. There was the bitumen plant, forty or fifty miles north of Fort McMurray, operated by Mr. Fitzsimmons, and they were doing a pretty good job in extracting bitumen. They were shipping thousands of barrels of bitumen and tar. When I was up there last summer I saw two hundred barrels going up the river. The other plant, which was manufacturing oil, was turning out a year ago somewhere between 200 and 250 barrels a day, but unfortunately the plant was burned down in the fall. It has been rebuilt, and the last information I had was that before now the rebuilt plant should be turning out about 600 barrels a day.

I am in accord with this item, which is to admit free the machinery required for the further development of these sands. All the machinery used in the oil plants came from the United States, and there is not a great deal of it even there. This machinery requires constant replacement; so that if this item, which will admit free machinery not made in Canada which is required for extracting the oil from the oil sands, will assist in the development of these sands, I think we should all be in favour of it.

Item agreed to.

Customs tariff—422a. Concrete road-paving machines, self-propelling, end loading type, with a capacity of 21 cubic feet of wet concrete or more; concrete and asphalt road finishing machines; form graders; sub-graders; combination excavating and transporting scraper units; concrete mixers, transit type; dump wagons or trailers, having a capacity of 10 cubic yards or over, not self-propelled; backfilling machines and equipment, mounted on self-propelling wheels or crawling traction, semi- or full-revolving boom and scraper type; steam or air driven pile hammers or extractors; well-points; truck turntables; all the foregoing of a class or kind not made in Canada, and complete parts thereof: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Mr. ILSLEY: The only change being made in this item is that the words "dump wagons or trailers on crawler tracks not self-propelled" are being amended to read "dump wagons or trailers, having a capacity of 10 cubic yards or over, not self-propelled". The new item will admit dump wagons or trailers equipped with rubber tires on the same basis as dump wagons or trailers equipped with caterpillar tread. These dump wagons or trailers cost from $8,000 to $10,000 each. The LeTourneau dump wagons are equipped with rubber tires, while the Athey are equipped with caterpillar tread. Both types are hauled by tractors, and are used in road construction work and in the construction of airports. There is no information available as to the value of the imports of these dump wagons or trailers, but it is estimated that from ten to twenty are imported each year.

Mr. HANSON (York-Sunbury): They are not made in Canada?

Mr. ILSLEY: No.

Mr. MacNICOL: There are two plants in Canada making road making machinery, self-propelled. One is a fine plant in Plessisville, Quebec, and the other is located in Toronto. As this machinery is not made in Canada I do not suppose that either of these plants will be affected?

Mr. ILSLEY: That is right.

Item agreed to.

Customs tariff—428g. Fuel injection pumps and nozzles for diesel and semi-diesel engines: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. HANSON (York-Sunbury): Is this item for purposes of clarification? Are these made in Canada? What is the reason for the change?

Mr. ILSLEY: They are not made in Canada. This is a new item to provide for duty-free entry under all tariffs of fuel injection pumps and nozzles for diesel and semi-diesel engines. Fuel injection pumps and nozzles are not made in Canada and are imported mainly for servicing diesel and semi-diesel engines. Imports of pumps and nozzles are entitled to duty-free entry if they are for internal combustion traction engines or for the construction or equipment of ships, but when imported as replacement parts of diesel or semi-diesel engines used for road building, agricultural, industrial or

logging purposes they are dutiable as complete parts of diesel or semi-diesel engines under tariff item 428e at the United States trade agreement rate of 20 per cent. These pumps are also used for the servicing of diesel and semi-diesel engines used in lighting plants and motor patrol boats. There is no information available as to the value of the imports of these pumps and nozzles, but it is estimated that the value of these imports amounts to about $20,000 annually. Apparently some of these items were not free, being classified as parts, and this item makes them all free.

Item agreed to.

Customs tariff—435. Locomotives and motor cars for railways, of a class or kind not made in Canada, and complete parts thereof, for use exclusively in mining, metallurgical or sawmill operations; diesel switching locomotives of a class or kind not made in Canada: British preferential tariff, free; intermediate tariff, 12½ per cent; general tariff, 20 per cent.

Mr. HANSON (York-Sunbury): The first part of this item is the same as it was heretofore?

Mr. ILSLEY: That is right.

Mr. HANSON (York-Sunbury): Diesel switching locomotives of a class or kind not made in Canada are being included. I assume the railways want to use this type of locomotive. I suppose they cannot be obtained anywhere but in the United States?

Mr. ILSLEY: That is correct.

Item agreed to.

Customs tariff—438d. Front and rear axles; brakes; clutches; internal combustion engines; steering gears; magnetos; rims for pneumatic tires larger than thirty inches by five inches; transmission assemblies; drive shafts; universal joints; steel road wheels; and parts of the foregoing, when of a class or kind not made in Canada, and imported by manufacturers of the goods enumerated in tariff items 424 and 438a for use only in the manufacture of motor trucks, motor buses and electric trackless trolley buses, or for the manufacture of chassis for the same: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 27½ per cent.

(1) Provided that if the above articles are imported for use as original equipment for motor trucks, motor buses and electric trackless trolley buses, or for chassis for the same, by a manufacturer of the goods enumerated in tariff items 424 and 438a, and provided also that during the year during which importation is sought, not less than 40 per centum of the factory cost of production of such motor vehicles and chassis therefor, not to include duties and taxes, is incurred in the British Empire, the rates of duty under this item shall be: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 27½ per cent.

[Mr. Ilsley.]

(2) Provided that the governor in council may make such regulations, if any, as are deemed necessary for carrying out the provisions of this item.

Mr. HANSON (York-Sunbury): I think the minister should explain this change.

Mr. ILSLEY: The only change being made in this item is that the words "complete parts of the foregoing" are being amended to read "parts of the foregoing." The administrative problem in regard to this item arose in connection with imports of axle housings. Front and rear axles are specified in tariff item 438d. It has been the practice to import rear axle housing tubes as complete parts of rear axles, since the tubing manufacturers in Canada are unable to manufacture this particular type of seamless steel tubing. These tubes are of a very heavy type, being formed by forcing a mandrel through a solid bar, giving a very heavy walled seamless tube, which is subsequently swaged at one end. These axle housing tubes require a large number of manufacturing operations after importation before they are adapted for use as complete parts of rear axles. They are not entitled, in condition as usually imported, to entry under tariff item 438d as "complete parts" at the proviso rate of 7½ per cent, but are dutiable under the general item covering parts of motor vehicles at the rate of 25 per cent. Imports under tariff item 438d during the calendar year 1939 amounted to over a million dollars in value. Almost all of these imports came from the United States. Imports under this item during the calendar year 1941 exceeded $6,000,000 in value, almost all of which came from the United States.

Mr. LOCKHART: Is any of this tubing made in Canada?

Mr. ILSLEY: No, not the type for axle housings.

Item agreed to.

Customs tariff—438i. Body bottom cross members and steel shapes for the manufacture thereof; bumpers, front and rear, and parts thereof, including spring steel bumper plates; casket tables or platforms for hearses; destination and route sign assemblies, illuminated or not, and parts thereof; direction signals, illuminated or not; door and step mechanism, hand, vacuum or air operated, and parts thereof; door locks and catches and parts thereof; electric switches, buzzers, bells, push buttons, fuse assemblies and parts thereof; forward drive control conversion assemblies and parts thereof; lamps of all kinds, illuminating and indicating, including sockets, flanges, terminals, glassware, lenses and gaskets therefor, assembled or not, but not to include lamp bulbs; metal stampings, oiled and primed or not, and assemblies thereof; rubber fenders; seat operating mechanisms; ventilators, including motor

driven fan type, and grilles, and parts thereof; window operating mechanisms; all of the foregoing when imported to be used only in the manufacture of motor bus bodies, electric trackless trolley bus bodies, motor ambulances and hearses: British preferential tariff, free; intermediate tariff, free; general tariff, 20 per cent.

Mr. FRASER (Peterborough West): Are the electric switches, buzzers, bells and so on for automobiles, or is this the type of equipment used in houses?

Mr. ILSLEY: The concluding words of the item are, "all of the foregoing when imported to be used only in the manufacture of motor bus bodies, electric trackless trolley bus bodies, motor ambulances and hearses."

Mr. FRASER (Peterborough West): These items are not manufactured in Canada?

Mr. ILSLEY: I do not think so.

Mr. MacNICOL: What is the significance of the 25 per cent under the intermediate tariff in the present rates?

Mr. ILSLEY: The only change being made in regard to this tariff item is that the words:

"all of the foregoing when imported by manufacturers of motor bus bodies, electric trackless trolley bus bodies, motor ambulances and hearses, to be used in the manufacture of such motor bus bodies, electric trackless trolley bus bodies, motor ambulances and hearses, in their own factories"—

—are being amended to read:

"all of the foregoing when imported to be used only in the manufacture of motor bus bodies, electric trackless trolley bus bodies, motor ambulances and hearses".

This change will permit the large automobile concerns manufacturing buses to import duty free from the United States material to be used by the manufacturers building bodies for these buses. Under the present wording of tariff item 438i it is necessary for the body builder to import the parts in his own name, pay the duty and taxes, as well as the vendor for the material. The body builder immediately invoiced the automobile concern with the bill of the material as well as the duty and taxes paid. Under the amended wording the automobile manufacturer can purchase and import the materials, pay the duty and taxes, and consign the goods to the manufacturer who is building the bus body on the chassis produced by the automobile concern.

Mr. HANSON (York-Sunbury): It is a concession to the automobile manufacturers?

Mr. ILSLEY: A convenience more than anything else.

Mr. MacNICOL: I asked the minister the significance of the 25 per cent intermediate rate under the present rates. I should also like this information about the 40 per cent general rate.

Mr. ILSLEY: The rates which these items carried were 25 per cent under the intermediate and 40 per cent under the general tariff unless they were imported by the various classes of manufacturers that I mentioned, to be used in their own factories. If they were to be used in their own factories they were free, from the United States, but if not to be used in their own factories they were 25 per cent from the United States. The change provides that they may be imported free whether they are used in their own factories or not, so long as they are to be used in the manufacture of motor bus bodies and so forth. It is more of a convenience than anything else.

Mr. LOCKHART: Is it changed as a result of a request from the manufacturers of bodies or from the manufacturers of chassis? Did it come as a request from either one of these groups?

Mr. ILSLEY: It came from the manufacturers of the buses.

Item agreed to.

Customs tariff—438j. Semi-finished piston castings of any material: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 35 per cent.

Mr. HANSON (York-Sunbury): This refers to the automobile industry too. This is a reduction in tariff. Are these made in Canada, or is it an administrative item, a distinction between fully finished and semi-finished?

Mr. ILSLEY: This is a new item to provide for the same rates on semi-finished piston castings as on finished piston castings. That is the purpose of it.

Item agreed to.

Customs tariff—451b. Pins manufactured from wire of any metal:

(i) Specially designed for marking systems: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

(ii) N.o.p.: British preferential tariff, 17½ per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent; and, per pound: intermediate tariff, 10 cents; general tariff, 10 cents.

Mr. HANSON (York-Sunbury): These are not the ordinary domestic pins. Are they of a class or kind made in Canada?

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): They are specially for marking systems?

Mr. ILSLEY: Yes; that is right.

Item agreed to.

Customs tariff—534. (a) Wick, with or without core, processed or not, when imported by manufacturers of wax candles or tapers for use in their own factories in the manufacture of wax candles or tapers: British preferential tariff, free; intermediate tariff, free; general tariff, free.

(b) Braided wick, with or without core, processed or not, when imported for use exclusively in oil-burning sanctuary lamps, under such regulations as the minister may prescribe: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. LOCKHART: This material is not made in Canada, is it?

Mr. ILSLEY: No. This is a rewording. In (a) the word "braided" is left out.

Item agreed to.

Customs tariff—574. Woven fabrics, non-elastic, not exceeding three inches in width, imported by manufacturers of suspenders, garters, hose supporters, abdominal supporters and spinal braces for use exclusively in the manufacture of such articles in their own factories: British preferential tariff, 10 per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. HANSON (York-Sunbury): I understand that the words "abdominal supporters and spinal braces" are now included in the term "woven fabrics, non-elastic". It is an extension of the principle, is it not, and nothing more?

Mr. ILSLEY: Yes.

Mr. MacNICOL: What is the significance of dropping the 22½ per cent of the British preference, the 27½ per cent intermediate and the 35 per cent under the general tariff? Is it because of the war? Some of this material is made in Canada.

Mr. ILSLEY: The wording of this item is being amended to cover non-elastic woven fabrics not exceeding three inches in width, when imported by manufacturers of abdominal supporters and spinal braces. These fabrics are at present dutiable under tariff item 542a at rates of 22½ per cent, 27½ per cent and 35 per cent. It just lengthens the list of non-elastic woven fabrics which may be imported at the rates of 10 per cent, 17½ per cent and 20 per cent. It adds a little to the list, that is all.

Item agreed to.

Customs tariff—584. Resin or rosin; bone pitch, crude only: British preferential tariff, free; intermediate tariff, free; general tariff, free.

[Mr. Ilsley.]

Mr. HANSON (York-Sunbury): What is the position with respect to this? It is not indicated what the change is.

Mr. ILSLEY: It drops the words "in packages of not less than 100 pounds".

Mr. HANSON (York-Sunbury): Does that arise out of the shortage of jute?

Mr. ILSLEY: Yes, they are using paper instead.

Mr. HANSON (York-Sunbury): But they cannot put a 100 pound weight in a bag of paper?

Mr. ILSLEY: That is correct.

Mr. HANSON (York-Sunbury): That is the only reason?

Mr. ILSLEY: That is the reason, yes.

Mr. HANSON (York-Sunbury): Is there any change in the tariff?

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): Yes, there is in the intermediate.

Mr. ILSLEY: The main item was free—that is, it was free when it was brought in in packages of not less than 100 pounds. Now it is free in packages of less than 100 pounds.

Mr. HANSON (York-Sunbury): Is there any production of resin in Canada?

Mr. ILSLEY: No.

Item agreed to.

Customs tariff—610. Belting, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Mr. MacNICOL: What particular brand or line of belting has this item reference to? What is it to be used for?

Mr. ILSLEY: It is a long story, and it is a very small matter. Item 610a, the item covering belting of camel's hair for machinery, with rates of 7½ per cent, 27½ per cent and 27½ per cent, is being deleted. The goods covered by this item will now fall under tariff item 610, the item covering belting, n.o.p. The present rates on item 610 are 15 per cent under the British preferential tariff, 25 per cent under the intermediate tariff, and 27½ per cent under the general tariff. The British preferential rate on this item is being reduced from 15 per cent to 7½ per cent. Belting of camel's hair for machinery when imported from countries entitled to intermediate tariff treatment will enjoy a reduction from 27½ per cent to 25 per cent. There is a world shortage of belting of camel's hair. Belting of alpaca hair is being substituted

therefor. Imports of belting of alpaca hair from the United Kingdom are dutiable at 15 per cent, whereas belting of camel's hair for machinery is dutiable at 7½ per cent. Under the new tariff item both of these will be admitted at the rate of 7½ per cent.

Item agreed to.

Customs tariff—657. Mouthpieces in the rough, screws, aluminum pipe fitments and pipe bowls moulded from briarwood dust, and bowls of wood, not further processed than frazed, when imported by manufacturers of tobacco pipes for use in the manufacture of such pipes, in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, 25 per cent.

Mr. HANSON (York-Sunbury): There is a change of wording here. It is a question of rough mouthpieces and pipe bowls. The minister might explain what the change is.

Mr. ILSLEY: The present item is being reworded to provide for mouthpieces in the rough of any material, for screws of brass, bone or any other material, and for pipe bowls of any kind of wood. Most of the mouthpieces in the rough now being imported are made of synthetic resin and are dutiable under 711 at rates of 15 per cent, 25 per cent, and 25 per cent, with the United States trade agreement rate of 20 per cent. Screws if made of bone are dutiable under tariff item 711 at rates of 15, 25 and 25 per cent, with the United States trade agreement rate of 20 per cent. If these screws are made of brass they are dutiable, under tariff item 352, at 20, 27½ and 30 per cent, with the United States trade agreement rate of 25 per cent. The present item, 657, provides for briarwood bowls. The item is being widened to cover bowls of any kind of wood, bowls of wood other than briarwood are at present dutiable under tariff item 506 as manufactures of wood at rates of 17½ per cent, 22½ per cent and 25 per cent, with a United States trade agreement rate of 20 per cent.

Mr. HANSON (York-Sunbury): I suppose briarwood comes from France and Africa and is not available, and this is an attempt to use substitutes.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Are we making any bowls for pipes in Canada out of any woods grown in Canada?

Mr. ILSLEY: Cheap ones, yes.

Mr. HANSON (York-Sunbury): Where?

Mr. ILSLEY: In Montreal.

Mr. HANSON (York-Sunbury): From wood produced where, and of what kind?

Mr. ILSLEY: From wood produced in British Columbia; I do not know what kind.

Item agreed to.

Customs tariff 682a. Net floats of aluminum, glass, convas, cork, rubber or cellulose acetate, for use exclusively in commercial fishing: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. HANSON (York-Sunbury): Do we not make something in Quebec out of cellulose?

Mr. ILSLEY: Not these floats. Some nets are made.

Mr. HANSON (York-Sunbury): They do not make floats but fishermen's nets. They are using cellulose acetate for floats and it must be imported?

Mr. ILSLEY: Yes.

Item agreed to.

2. Resolved, that schedule A to the customs tariff, as amended, be further amended by deleting from the Customs Tariff Amendment Act, 1939, as amended by chapter twenty-nine of the statutes of 1940 and chapter thirteen of the statutes of 1941, the following enumerations of goods and rates of additional duties of customs:

Whiskey, brandy, rum, gin and all other goods specified in customs tariff items 156, 156a, and 156b..... $3 per gallon of the strength of proof.

Ale, beer, porter and stout..... 9 cents per gallon.

Wines of all kinds except sparkling wines, containing not more than 40 per cent of proof spirit..... 32½ cents per gallon.

Champagne and all other sparkling wines.... $1.25 per gallon.

and by substituting therefor the following enumerations of goods and rates of additional duties of customs:

Whiskey, brandy, rum, gin and all other goods specified in customs tariff items 156, 156a, and 156b..... $5 per gallon of the strength of proof.

Ale, beer, porter and stout..... 30 cents per gallon.

Wines of all kinds except sparkling wines, containing not more than 40 per cent of proof spirit..... 42½ cents per gallon.

Champagne and all other sparkling wines.... $1.75 per gallon.

Mrs. CASSELMAN: I was not in the house on Monday when the debate on the excise resolutions took place with regard to the taxing of alcoholic beverages. I was attending a committee meeting. Had I been here I should have liked to say a few words on this important question, and perhaps I may be allowed to say them now; this is a somewhat similar resolution.

I would urge that measures be taken to cut down the further use of such intoxicants, because it seems to me there are no factors that contribute more to the inefficiency, the degradation and the sorrows of individuals and of the nation, than the continued abuse of physical, moral and mental powers through the use of intoxicating liquor. It is a waste of human and material resources. I do not want to reopen the debate that took place on Monday, but I feel bound to say a few words on this subject. I have sometimes thought seriously of introducing a resolution which I might ask any of the hon. gentlemen who spoke on Monday, and who applauded temperance sentiments, to support. It may be that reform in this case is hard to obtain by legislation. The experience of the prohibition years shows the difficulty of attempting to keep men sober by law—or women either—but I think it should be our responsibility to educate our young people in the danger of the use of alcoholic beverages, danger to body, mind and soul. Boys and girls should be told of the misery they are storing up for themselves, how they undercut their God-given abilities and prodigally throw away their opportunities right and left when they give these and similar poisons a chance to do their work. They should know that drinking is the preliminary step along the primrose path that leads to disease, crime and destruction.

I am not going to make a speech; I am simply offering a couple of suggestions that might be valuable to the minister and to temperance societies. It seems to me that the temperance societies are not making much headway towards legislation for absolute prohibition. In Sweden before the war they had a different method of approaching the control of alcohol than by resorting to absolute prohibition. I will not go into that, but you will find it set out in Marquis Child's book, "*Sweden*—The Middle Way," chapter 8, on "Liquor Control That Works." Another suggestion I would make is that in addition to taxes and tariffs we might label every bottle containing alcohol with some such inscription as this; it was written by an eminent physician. May I read it:

Directions for Use

Use moderately and not on successive days. Eat well while drinking. If necessary, supplement food with vitamin tablets while drinking.

Warning

May be habit-forming. Not for use by children. If this beverage is indulged in immoderately it may cause intoxication (drunkenness), later neuralgia and paralysis (neuritis), and serious mental derangement, such as delirium tremens and other curable and incurable mental diseases, as well as kidney and liver damage.

[Mrs. Casselman.]

If this were used as an advertisement in newspapers or on street cars it might serve a more useful purpose than some of the advertisements we have seen, and it might counteract certain advertisements which were spoken of on Monday by some hon. members, put out by different firms that deal in such beverages. We should increase taxes and tariffs and warn all and sundry of the deadly dangers they run.

Mr. HANSON (York-Sunbury): Have the minister and the administration taken cognizance of the public reaction to the debate on Monday in this house, and has the government given consideration to steps which would have the effect of diminishing the huge sums of money now diverted to the liquor trade in this country? I think the minister would find, if he read the press across Canada, that for the most part the expression of opinion from either side of the house on Monday last has been well received. I will not repeat in any measure what I said on that occasion, and I am not inviting another debate on the question, but I should like to know whether the government has considered the reaction of public opinion in regard to this matter. Will the administration make some effort to negotiate with the provincial administrations with respect to the huge increase in the retail sales of liquor? Since we met the other day I have had occasion to review what Mr. MacMillan, the premier of Nova Scotia said, in the legislature, I believe, with reference to the huge increase in sales in that province. He affirmed the position that among the civilian population the increase has not been large, but that the increase, in his view at all events, was due to two factors, namely, the large increase in the sales in the city of Halifax arising from the fact that so many ships were entering and leaving that port, and also the position with respect to sales in the vicinity of the large army camp at Debert. I hope the government will not leave all the responsibility with the provincial governments. There is a responsibility on the federal government to do something in the matter. Various methods have been suggested. I am not going into them now, but I think we ought to cut down this bill with respect to spirits by at least one-third between now and the next budget.

Mr. ILSLEY: I have not had time to read the editorials on the subject since last Monday. In fact the only one I saw was not in accord with what the hon. gentleman has said; it was the other way. But probably the others will come in, and I shall see them sooner or later. I think it would be a most

serious step for this government to be responsible for instituting a system of dual responsibility for the control of the liquor traffic in Canada. The moment we start that we are in for plenty of trouble. Everything that goes wrong is then the fault of the other jurisdiction.

Mr. DIEFENBAKER: Yesterday a return for which I had moved was brought down, in connection with statutes that have been amended, suspended or otherwise interfered with by order in council. Apparently so far as statutes are concerned the government has seen fit to amend them in a great many ways under the powers contained in the War Measures Act. I think that generally speaking all over Canada to-day there is a feeling that something should be done toward reducing the increasing consumption of intoxicating liquors. Apparently the government does not feel disposed to use the powers it has under the War Measures Act to reduce this consumption. If it will not use those powers, does it not think that a national appeal should be made by the government to people all over Canada, in the interests of an increasing war effort, to reduce their private consumption of intoxicating liquors? That I think the government could do. It could prevent the advertising of intoxicating liquors. During part of the period from 1929 to 1934 the government of Saskatchewan refused to permit liquor advertising in that province. It was criticized for interfering with private business. The result of the refusal to permit the advertising of liquor was not apparent until after that ban had been removed, when there was an immediate and very considerable increase in consumption, in no way attributable to increase in population, the process being rather in the other direction.

Having regard to the feeling of people all over this country, will the government give consideration, if not to the use of its powers, to a national appeal to the people of Canada urging upon them, in the interests of the war effort, that they reduce the private consumption of intoxicating liquors?

Mr. COLDWELL: I should like to add a word to what has been said on this subject. I do not know what effect a national appeal would have, but the government has the power, and from all parts of this house expressions of opinion have come from hon. members representing all shades of opinion that the consumption of intoxicating liquor since the war began has increased to an alarming extent. When we are not only asking but conscripting young men to join the armed forces, we ought to see to it at least that the fears which naturally arise among the parents of those boys are allayed so far as we are able to allay them.

I know that we tried prohibition in the last war and the experiment did not work out as many of us who supported the prohibition campaign at that time believed it would, and perhaps we could not enforce a measure of prohibition at this time. But every possible effort should be made in that direction, not only by appealing to the population of the country to reduce the consumption of intoxicating liquor, but by the government restricting the hours of sale, perhaps rationing the amount supplied, and generally endeavouring to cut down the consumption of intoxicating liquor, or at least its widespread sale in places where it is easily accessible to young men who often in their periods of rest have little chance of recreation other than in some sort of beer parlour.

I strongly endorse the sentiments which have been expressed and the requests that have been made of the government. I have sufficient faith in the government to believe that it will consider the matter and take effective steps to remove what has become a real menace to many of our people.

Mr. REID: I have one suggestion to make to the minister. I realize his difficulty and how reluctant he would be to interfere with the trade by way of prohibition. But it is a well-known fact that the greater amount of drinking takes place in the later hours of the evening and on into the small hours of the morning. My suggestion would be that the wartime prices and trade board should restrict the hours of sale. Ten o'clock in the evening is late enough. Those of us who have been in Ottawa many months have witnessed the scenes mentioned by one hon. member the other evening as having occurred on Bank street and other streets in the city between eleven and twelve o'clock at night. A reduction of hours of sale might not stop these incidents, but I believe would curtail consumption to a considerable extent. The wartime prices and trade board are curtailing the liberty of the subject in every other way; why should they hesitate to do it in a matter affecting the moral welfare of the people?

Mr. DIEFENBAKER: I should like to have an answer from the minister as to the attitude of the government towards such a national campaign as I have suggested.

Mr. ILSLEY: All I can do is to bring to the attention of my colleagues the remarks of my hon. friend and of the hon. member for

Vancouver South, who made a similar suggestion the other day. I would not have too much confidence in the result of such an appeal, but it is worthy of consideration.

With regard to the suggestion of the hon. member for New Westminster, I feel sure that the wartime prices and trade board would feel that such action is outside the scope of their activities. They are not looking for new fields to enter.

Mr. HANSON (York-Sunbury): They have grabbed off almost everything.

Mr. ILSLEY: It must be remembered that if we were to take direct curtailment measures, the body being curtailed would be the crown in the right of the province, because the crown in the right of the province, in every province with the exception of Prince Edward Island, I think, controls as a monopoly the sale of liquor. What we are being asked to do in taking such measures is to step right into the field of another jurisdiction being actively exercised at the moment, and say to that jurisdiction: "You are not doing your duty; this is what you shall do hereafter."

I do not think this government is the guardian of the morals of the people to any greater extent than the governments of the provinces, and I have never been able to see why pressure converged upon this government. The people who are in the business, who have a monopoly of the sale, and who are sovereign, under the decisions, within their jurisdiction to the same extent that the federal government is—they have all the powers in the world in this particular matter. If they are exercising them wrongly, why do they not exercise them properly? It is part of the war effort of the provinces; it is something they should do; it is their responsibility; it is their duty, and they should discharge it. Speeches such as we have heard here are all to the good as a manifestation of a very considerable popular sentiment in the country; but do not try to push this government into a position which the provinces now occupy.

Mr. JACKMAN: The federal government put in prohibition during the last war.

Mr. COLDWELL: While it is true that the provincial governments are very largely interested in the liquor business—I think unfortunately, from many points of view—I believe that ultimately the only way to control the entire liquor traffic will be to take it out of private hands altogether and, under rigid government supervision, handle the whole business from the manufacture right down to the sale. The manufacturers and distillers of liquor are the people who are making huge fortunes out of it. I can think of one fortune in this country, for example, which began in a little junk yard in the city of Regina during the last war. Its foundations were laid through one of the most pernicious bootlegging businesses this country has ever seen, with hi-jacking and similar practices of every description. To-day the people who were associated with that little junk yard, who corrupted the morals of a vast number of Canadian citizens, are multi-millionaires, controlling Canadian Distillers, one of the richest groups of people in this country. The making of that fortune, originated in a Regina junk yard, brought about the demoralization of many people both in the province in which I live and across the line in the United States, where they ran liquor successfully for years in violation of every law and every decency. It makes me shudder when I sometimes see those people in honoured places in this country—even sitting at the table of the king and queen when they came to Canada some time ago.

The only way to handle this business is to take it out of the hands of these people. They corrupt everything they touch. I do not speak as a fanatical teetotaller; for I was brought up in a home where we were taught to use liquor moderately, and I have never abused it, perhaps because of my early training. But if a provincial government stands in the way, that provincial government should be exposed and denounced. I think I know one provincial government which will stand in the way, and I will name it: the government of Ontario, under the leadership of the present premier of this province, whose associations with the liquor business are pretty well known all across this country. The time has come when we ought to take a stand as a dominion parliament and say to these people: We are taking these young men into the armed forces; we are sending them here, there and everywhere, away from home, and as a dominion parliament and a dominion government we are going to see that these boys are properly protected against the traffic of people who have piled up huge fortunes out of this business.

Mr. HANSON (York-Sunbury): I regret the minister has taken the attitude that because there is a dual jurisdiction, this government should not take any action and has no responsibility. I do not think that position will be satisfactory to the people of Canada. The responsibility of conducting this war is upon this government, not upon the provincial

governments. Of course I agree that the provincial governments, in their jurisdiction and within their spheres of influence, have a responsibility too in connection with the conduct of the war, but it is a relatively small responsibility as compared with that of the federal government. If this be a great evil, as is suggested and as I personally believe it to be, I do not think it is good enough for this government to take the attitude which has been indicated by the Minister of Finance, that it can do nothing because the crown in the right of the province has a sovereign jurisdiction co-extensive. Actually, that jurisdiction is not quite co-extensive because it has nothing to do with the importation. I imagine the minister has not even had time to take up the matter with his colleagues since Monday last, but I suggest to him that public opinion will continue to press for some action by the dominion government. My suggestion was that a conference be called with these gentlemen with a view to arriving at an amicable arrangement whereby, through mutual action, an accommodation could be reached which would have the effect of reducing the retail sales. At the same time the federal government, within the sphere of its jurisdiction, could make some arrangement whereby importations also would be reduced, as well as the domestic manufacture, which are matters solely within the jurisdiction of the federal authority. This would release materials and labour for other and better purposes.

I am not advocating prohibition in war time. We had it once. I was very hopeful that it would succeed, and I must say that it was a great disappointment to me when it did not succeed. I place my support of prohibition not on ethical but on economic grounds. I saw how it operated in my own city for two years, and I must say that operation was effective. It can be done, but only if you have behind it two factors: first, a fearless enforcement of the law, which is sometimes difficult to obtain; and, second, a preponderance of public opinion in support of it.

Mr. McIVOR: To those who seek reformation along this line I say that before we can do away with one custom we have to replace it with something better, and I would like to ask hon. members what they have offered the minister as a substitute for the drinking that is taking place all over this country.

Mr. ROSS (Souris): More milk.

Mr. McIVOR: If a custom is bad, we should replace it with a better custom, and I think there is a better one. You must change the thinking of those who practice that bad custom. If a boy is bad, or if there is a group of boys meeting in a shack in the back lot, you can overcome the difficulty by keeping those boys busy doing something they will enjoy, something the motive behind which they may not understand. I am convinced that if we are to help in any reformation along these lines we must offer something better in its place, and I think that the senior Protestant chaplain, Bishop Wells, an old college friend of mine, has that. The only cure is for a man's thinking to be changed and for him to become a Christian through and through. That is the only cure for any evil habit.

Mr. GREEN: There is one part of the minister's statement of a few moments ago which should not be allowed to pass without remark, and that was his reference to the provincial governments. The actual fact is that if this matter is left to the provincial governments nothing will be done. That is how it will work out, and the minister, if he will think it over, will come to the same conclusion. You have nine different governments —one province I believe has prohibition— and the urge is different in the different provinces, with different suggestions being made to the different governments. They are not under the same pressure of public opinion as we are here in Ottawa. The public, I am sure, are looking to the government of the nation to take the lead in this matter, because it is a national question at this time. Money is being spent on liquor which should be diverted to the purchase of war savings certificates and war bonds. Men are being employed in the liquor industry who could be employed in war industry. Materials are being used in the liquor industry which could be used in manufacturing war equipment. Then, of course, there is the moral side of the question, and that is of the greatest importance, particularly in war time, when we have to get the right spirit instilled into the people of this country or Canada will not play her part in winning the war. There is a responsibility there which cannot be evaded by the dominion government or by this House of Commons. I do urge upon the minister again, as I did on Monday last, that he make a national appeal to the people, that he put the story before them with the authority of the Canadian government behind the appeal. I think the results would be surprisingly effective. I urge upon him that he take action right away along that line.

Mr. NOSEWORTHY: I wish to support the suggestion which was made by the leader of the opposition. If the government is unwilling to do anything more it should at least institute a programme of education across the

country. Certainly more leadership would be given to the provinces if a convention or conference were called at which this question could be threshed out and a solution found that would be acceptable to the provinces and the dominion. This government owes it to the Canadian people to show at least that degree of leadership in this time of national crisis.

Mr. DIEFENBAKER: I would ask the minister a question arising out of a statement by the hon. member for Rosetown-Biggar. The attitude taken by the minister is that this is a provincial matter, while, in point of fact, having regard to the size of the problem and its effect upon the war effort in general, it is a great national problem. The distribution of intoxicating liquors is a matter for the provinces; but have the provinces been approached by the dominion government with a view to securing their cooperation in a campaign to reduce the sale and consumption of liquor? If so, what has been the result?

Mr. ILSLEY: I have discussed the matter with representatives of more than one province, but in no formal way have we told the provinces what we thought their duty was.

Mr. JACKMAN: Did they tell you?

Mr. ILSLEY: No, and they do not often tell us what our duty is.

Mr. GRAYDON: Sometimes they do.

Mr. ILSLEY: I am temperamentally averse to telling people what their duty is or telling governments what their duty is. The likely answer would be that they are pretty well informed as to what their duty is, that they know the situation. I was thinking when members were speaking that there is nothing to prevent any member from holding meetings in his constituency and asking the people to drink less.

The suggestion is that the government of Canada should advise the people on their personal habits, thereby assisting the churches and other persons whose duty it is to do that. The reason why the dominion government is being urged to do this is that a change in these particular habits would assist in the war effort. There are a great many other habits of the Canadian people that could be changed to the advantage of the war effort. I suppose there is no reason why the dominion government should not point this out from time to time, but the idea of bringing together the provincial governments and telling them, "Here, do better than you are doing," is a suggestion that would not be welcomed by some governments, particularly by those who are doing their level best to curb this evil. I am speaking about the government of Nova Scotia. I know how they have struggled, and the curtailment there, so far as I can see, has not amounted to anything at all. The people have the money, they want the liquor, and they are buying it. Surely the provincial governments, faced with these very local situations that were mentioned this afternoon, are in a better position to deal with them than is the dominion government. I would far rather see people spend their money on war savings certificates or bonds than in buying liquor.

Mr. GREEN: Why not tell them so?

Mr. ILSLEY: I have told them that. I have told them for the last one or two years to curtail their expenditures.

An hon. MEMBER: And the people have been doing it.

Mr. ILSLEY: Some have and some have not. I have probably met with some success, but not by any means with spectacular success, in view of purchases from the liquor stores being about 50 per cent higher than they were the year before the war, despite all our talk about sacrifice. I am just pointing out that it is all very well for hon. gentlemen to say, "Mr. Dominion Government, you are the one to make people drink less liquor"; but it is not as simple as that.

Mr. CHURCH: The onus is on the dominion government to solve this problem. The government of the day cannot treat this simply as a question of prohibition or temperance or a question of morals; it is a war question. The government are approaching it wholly from the point of view of revenue. They have practically abolished provincial and municipal institutions as they have existed under the British North America Act. I should like to have the attention of the hon. member for Moose Jaw and of other members of the committee, who should be interested in what is being said. The fathers of confederation saw fit to design and carve out provinces and municipalities, which were given certain legislative powers under the British North America Act. They were given certain powers with respect to taxation. The government cannot shelter itself behind the idea that this is a provincial and not a federal matter; it is entirely a war problem. Secondly, the municipalities were obliged under the constitution to provide police protection and other necessary services.

They had a reduction of licences campaign many times. The province took the revenues, and all the municipalities had to say about

it was that the owner and the property should be satisfactory in order to get a licence.

I have never been in a new beer parlour since they have been allowed in the province I live in, although I am not by any means a temperance man or prohibitionist. I look for some sanity from the government on this question. During the last war soldiers were placed in camps which were located a long way from any form of transportation; they put up with untold hardships. Soldiers need stimulants in their canteens. This is known by most of the military men, and they feel that nothing should be done to legislate against soldiers in canteens. When I was head of the city and chairman of the police commission of Toronto riots broke out near the close of the last war about foreigners and licences. Foreign people who had only recently come to the country were holding most of the licences for restaurants and other places. While prohibition was on in Ontario, civilians were able to stock their cellars with wet goods of all kinds, and when the soldiers came home they found prohibition in effect and bootlegging going on. When the troops returned they could buy nothing. When we had prohibition in Ontario and other provinces; it was simply an incentive for the bootlegger to flourish like a green bay tree, which he did. The law was not a success.

I have received a good many resolutions regarding this question. If there is one thing that will drive a man to drink, it is the budget of the Minister of Finance. In my opinion, it is acting both as hangman and undertaker for the small retailer and wholesaler alike. Never mind what a whole battalion of hired press experts paid by the government say of the budget. It is confiscation to the small property owner and worker.

As to beer, according to bank statements and returns made by various departments many distillers and brewers were making a lot of money—the brewers especially—and were taxed little. We are compared with the United States. The brewers are violating the law on billboard advertising and pages in papers, and they will violate this new clause of the tariff also. At the present time they advertise on billboards throughout the country and attempt to capitalize on the man in the navy, the army and the air force. In my opinion wisdom and leadership in arriving at a solution of this question is lacking. Full control over this matter has been placed in the hands of the minister and his department by the War Measures Act. The government of Canada has the responsibility to take up this question because of the changed conditions brought about by the war and the fact that the enemy is at both our front and back doors. They have failed in this responsibility. The onus of solving this question is not on this committee, it is on the government of the day as long as they are the government. They should be able to arrive at a sane and reasonable settlement of this question, especially in war time. Because of this budget the price of milk in the canteens has been put up to six cents, and beer, cigarettes, ice cream, sandwiches, coffee, tea and other liquids have gone up a cent or two. The minister should make a national survey and study the policy and come to a decision. He should know what they are doing in Great Britain and by our allies and the other dominions; and also the civil side of it should be gone into.

The minister is always preaching against luxuries; here is a good chance to practice it. There was considerable criticism in a Toronto weekly paper about the amount of money the minister's own department spent in connection with the victory loan and the war savings campaign—cigars, hotel expenses, banquets and refreshments. There has been no statement from the department contradicting what was said about this extravagence or stating their policy. As I say, the onus is on the government to solve this question, to provide a fair, reasonable and just settlement for all classes of the community. The soldier should not be lost sight of and his privileges should not be taken away without his consent.

When in the days of Sir Wilfrid Laurier the clergy came to ask him for prohibition and a vote, the chairman of the delegation, Rev. Mr. Huxtable, found Sir Wilfrid most democratic. In the days of Sir Oliver Mowat and Mr. Ross every licensed victualler had to be a Liberal and help to raise a campaign fund. When Sir James Whitney came into power he introduced wise temperance legislation and the three-fifths clause and aided temperance. It was a sensible law and provided proper control.

The onus is not only on the minister; it rests also upon the other members of the government. There are some from Ontario but we do not see much of them. Ontario is the forgotten province in connection with confederation. The four cabinet ministers from Ontario—Toronto has none—should give heed to the people of that province on this question and aid in a solution. There is no doubt at all that much money is being

wasted. The minister is asking everybody to save, but we should be able to read the handwriting for war reform on the wall. As I say, I believe the onus is on the government and they should solve this question.

Mr. FRASER (Peterborough West): Who is responsible for the runners or agents of the breweries and distilleries? Every session since 1940 I have had men come to my room in the hotel and ask if Mr. So-and-So was in. When I replied, "no," they would say that they wanted to sell him a case of such and such a brand of beer and wondered if I did not want a case. The same thing with liquor. They would intimate they had an order from this fictitious man and then try to sell me a few bottles. That sort of practice is to encourage people to buy. I do not know who is responsible, but these men are going around the hotels. I have had this happen here as well as in Toronto and Hamilton, although I have not bought any yet.

Resolution 2 agreed to.

Resolution 3 agreed to.

Resolutions reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 111, to amend the Customs Tariff.

Motion agreed to and bill read the first time.

INCOME WAR TAX ACT

The house in committee of ways and means, Mr. McCann in the chair.

Resolved, that it is expedient to amend the Income War Tax Act and to provide:—

1. That the rates of tax applicable to persons other than corporations and joint stock companies shall be increased to the rates set forth in the following schedule:—

A. Rates of tax applicable to persons other than corporations and joint stock companies:—

I. Normal tax—

(1) In the case of

(a) a married person,

(b) a widow or widower with a son or daughter under eighteen years of age and wholly dependent upon such taxpayer for support, or a son or daughter eighteen years of age or over and dependent on account of mental or physical infirmity, or a son or daughter under twenty-one years of age who is dependent upon such parent for support on proof that such child is a student at secondary school, university, or other educational institution;

(c) an individual other than a married person, who maintains a self-contained domestic establishment and who actually supports therein a person wholly dependent upon him and connected with him by blood relationship, marriage or adoption;

(d) a minister or clergyman, other than a married person, in charge of a diocese, parish or congregation, whose duties require him to maintain at his own and sole expense, a self-contained domestic establishment and who employs therein on full time a housekeeper or servant;

Provided, in the case of (a), the spouse, and in the case of (b), the said dependent, is resident in Canada or in any other part of the territory of the British commonwealth of nations, or in a country contiguous to Canada, or is a national or citizen of a country allied with Canada in the present war and is prevented from entry into Canada due to the exigencies of the war, or is legally debarred from entry into Canada;

Seven per centum of the income, if the income exceeds $1,200 per year;

And in the case of

(e) a husband and wife having each a separate income,

Seven per centum of the income of each, if the income of each exceeds $660 per year;

And in the case of

(f) a single person, or

(g) a married person whose spouse is not resident in Canada or in any other part of the territory of the British commonwealth of nations, or in a country contiguous to Canada or in a country allied with Canada in the present war, or whose spouse is not legally debarred from entry into Canada.

Seven per centum of the income if the income exceeds $660 but does not exceed $1,800 per year;

Eight per centum of the income, if the income exceeds $1,800 but does not exceed $3,000 per year; and

Nine per centum of the income, if the income exceeds $3,000 per year.

And in the case of

(h) Estates having income taxable as provided by subsections 2 and 4 of section 11 of this act;

Nine per centum of the income.

(2) From the normal tax there shall be allowed a deduction of $28 for the year 1942 and for each year thereafter for each of the following persons who is resident in Canada or in any other part of the territory of the British commonwealth of nations or in a country contiguous to Canada or in a country allied with Canada in the present war or who is legally debarred from entry into Canada and wholly dependent upon the taxpayer for support, namely

(i) a child, grandchild, brother or sister of the taxpayer under eighteen years of age, or if eighteen years of age or over, is wholly dependent on account of mental or physical infirmity, or under twenty-one years of age on proof that such child is a student at a secondary school, university or other educational institution;

(ii) a parent or grandparent of a taxpayer, wholly dependent on account of mental or physical infirmity;

(iii) a child under eighteen years of age maintained by the taxpayer in Canada under a cooperative scheme sponsored by the governments of the United Kingdom and of Canada or any of the provinces of Canada, for children brought from the United Kingdom under a government plan, or under

twenty-one years of age, and likewise maintained, upon proof that such child is a student at a secondary school, university or other educational institution;

except one such dependent provided for in (b) and (c) of subparagraph (1) hereof.

(3) If the tax exigible under the normal tax should cause the income of a single person or a husband or a wife to be reduced below the amount of $660 or in the case of those persons referred to in (a), (b), (c) and (d) of subparagraph (1) hereof, below $1,200, then to the extent that it would so reduce the income of the taxpayer, such tax shall not be payable.

II. Graduated rates of tax—

In addition to the normal tax there shall be imposed in respect of the income above the exemption hereinafter provided, the following:

On the first $500 of income or any portion thereof, 30 per centum per annum, or

$150 upon the income of $500; and 33 per centum upon the amounts by which the income exceeds $500 and does not exceed $1,000; or

$315 upon income of $1,000; and 37 per centum upon the amount by which the income exceeds $1,000 and does not exceed $2,000; or

$685 upon income of $2,000; and 41 per centum upon the amount by which the income exceeds $2,000 and does not exceed $3,500; or

$1,300 upon income of $3,500; and 45 per centum upon the amount by which the income exceeds $3,500 and does not exceed $5,000; or

$1,975 upon income of $5,000; and 50 per centum upon the amount by which the income exceeds $5,000 and does not exceed $8,000; or

$3,475 upon income of $8,000; and 55 per centum upon the amount by which the income exceeds $8,000 and does not exceed $13,000; or

$6,225 upon income of $13,000; and 60 per centum upon the amount by which the income exceeds $13,000 and does not exceed $20,000; or

$10,425 upon income of $20,000; and 65 per centum upon the amount by which the income exceeds $20,000 and does not exceed $30,000; or

$16,925 upon income of $30,000; and 70 per centum upon the amount by which the income exceeds $30,000 and does not exceed $50,000; or

$30,925 upon income of $50,000; and 75 per centum upon the amount by which the income exceeds $50,000 and does not exceed $70,000; or

$45,925 upon the income of $70,000; and 80 per centum upon the amount by which the income exceeds $70,000 and does not exceed $100,000; or

$69,925 upon income of $100,000; and 85 per centum upon the amount by which the income exceeds $100,000.

Mr. HANSON (York-Sunbury): When the budget was under consideration a short time ago, I took occasion to analyse the proposals of the minister in considerable detail. I do not propose to cover the same ground again in the committee stage, but I would recall to his mind that with respect to various matters I asked that careful consideration be given to the representations which I made. I hope that as we reach the appropriate resolution he will indicate his response to the suggestions I then made.

Coming now to the specific proposals in the resolution 1, I desire to make a few observations.

I think the minister should explain directly and first of all why he did not go the whole distance in consolidating the old national defence tax, which is to expire on August 31 of this year, and the graduated income tax, into a single assessment. No doubt the reason is that the old national defence tax and its successor, the new normal tax, differ in some degree, at least, in principle from the graduated income tax, in that they are assessable against the total income of any person whose income exceeds a specified amount. I think we do not have to go very far afield to seek the reason. Because of the non-consolidation of these two taxes, the minister is enabled to strike more heavily at the lower income tax groups. That, I think, is the objective, the very skilfully concealed objective of the major part of this budget. The minister is striking the heaviest blow at recipients of small incomes that this nation has ever witnessed, and in doing so he has, and I think by design, put a crippling tax on a class of our people who will find the very greatest difficulty in meeting the imposition. In that regard there has been gross discrimination, and especially is that true, as I shall point out at a later stage, and as I have already pointed out in the remarks I made on the budget some days ago, between married men in the smaller income tax groups and single men in the same groups.

I would have thought that to combine the two taxes would have led to much greater simplicity for the tax-collecting officials of the Department of National Revenue, and certainly for the individual taxpayer. That is a criticism which I make of the proposals of the minister. Does the minister think it would not have been possible to combine the two taxes, to refrain from bearing so heavily upon a low income tax group, and to achieve a more simplified and logical tax structure? That is the summation of what I have said heretofore, divided into three parts.

I believe that the two taxes should have been combined, that he should have refrained from bearing so heavily upon the lower income tax groups, and should have achieved a more simplified and logical tax structure.

The second point in connection with the normal tax to which I desire to refer is that the proposed rates indicate an apparent and, I believe, a very real discrimination between married and single persons. That is in connection now with the normal tax, because we must bear in mind that there are two taxes, the normal tax and the graduated income

tax. I assert that there is not only an apparent but a real discrimination with respect to the normal tax as between married and single persons. The rate of tax on married persons is 7 per cent if the income exceeds $1,200 per annum. In the case of a single person it is 7 per cent if the income exceeds $660 but does not exceed $1,800. Between $1,800 and $3,000 the tax is 8 per cent, and over $3,000 it is 9 per cent. Consequently, hon. gentlemen will see that in the bracket between $1,200 and $1,800 the normal tax of a married person and the normal tax of a single person are identical.

Mr. ILSLEY: In what range is that?

Mr. HANSON (York-Sunbury): Between $1,200 and $1,800. At least that is my conclusion and, if I am incorrect, I shall be delighted to have the error pointed out. I do not think the minister will contend that this is fair and equitable. Surely a married person in the low income status should be given on the normal tax rate greater consideration than the single person. That is a principle for which I shall contend, and for which I shall invite the cooperation of members on all sides.

Mr. ILSLEY: The hon. gentleman is referring only to the normal tax.

Mr. HANSON (York-Sunbury): Yes; I laid emphasis on that. The point I raise is in connection with the normal tax alone. I am coming to the other; it is bad enough.

Mr. ILSLEY: You have to take both to get the results.

Mr. HANSON (York-Sunbury): You have to take them together to get the real tax bill for the two, but I am trying to analyse this and I hope I am doing so fairly and accurately. I will take the responsibility for doing so fairly; I hope I am accurate and I think I am. I suggest that the married person in the low income status should be given on this normal tax rate greater consideration than the single person, and I shall carry the judgment of the house and the country with me in that proposition. If there is any income status in which the married person should be given consideration, I suggest that it is certainly in this very low status—the married man getting between $1,200 and $1,800. In the larger communities, in the big cities, a salary of between $1,200 and $1,800 is not considered a large salary; but in the smaller communities, in the large towns and small cities, we have no big salaries at all. There is no one, with possibly one exception, in my town with a salary in excess of $15,000 a year. On the average the salaries are low. Take the salaries paid by the provincial government of New Brunswick. They are and always have been meagre; and if you leave out the salaries of judges, which are statutory and paid by this dominion, and look at the salaries of the rank and file of our citizens, occupying various positions, men of good standing in the community, you will find a large number of them who get only between $1,200 and $1,800. But they are the men in the community who support the churches. They are the men who support community effort. They are the men in the community, none of them with large salaries, who are called upon to do jobs through the Rotary club and the other service clubs. They are married men, with children whom they are endeavouring to bring up to be the backbone of the future citizenship of the country. They are the people who have to struggle, even in normal times, to give their children education and to provide life insurance, and who usually die leaving behind them very little but a good name—the most worthy class of citizens we have.

An hon. MEMBER: The salt of the earth.

Mr. HANSON (York-Sunbury): They are the salt of the earth. I could name many of them in my own community who will be terribly hard hit by this budget. These are men who are doing what they can to comply with the appeal of the minister to buy war savings certificates. They have authorized their employers to deduct regularly from their pay envelopes their contributions to the national effort. Then there is the group of men in my community—I mention this class because it illustrates a large proportion of the whole field throughout the country—comprising the artisans. The artisan in good times makes from $100 to $150 a month. He is in the same category as the salaried class, and in my part of the country he is a grand citizen. He is the man who takes an interest and has always been represented in the city council, who makes his contribution to the community, and he is in exactly the same position as the salaried man. These people are being terribly penalized by this budget. Then there is the bachelor, who has no family responsibility at all. I venture to suggest that if you analyse the position of the family man with a wife and two children, as compared with the position of the bachelor, you will find that the family man is given a total advantage of only $400 per annum as against the bachelor, the young unmarried man in the same income tax bracket. That is a gross discrimination. These bachelors are spenders. The married man

spends his money, to be sure, but necessity requires him to do so. He spends it on necessities for the support of his family, in bringing up the future generation, whereas many of the other class fritter away their income on useless expenditures. I make a plea for better treatment of the married man in the income tax groups that I have indicated, as opposed to the other citizens. I hope that is one feature of the budget which the minister will reconsider.

Still dealing with the normal tax—I will confine what I have to say to this resolution 1—so far as deductions from the normal tax are concerned, I suggest to the minister that the allowance of $28 for each child or dependent is very small.

Mr. BLACKMORE: Too small.

An hon. MEMBER: Chicken feed.

Mr. HANSON (York-Sunbury): If I appreciate the minister's position, it is based on the capitalized value of the previous exemption. I do not know how he figures it out. I recall many a debate in this house in days gone by, from 1921 on, in which pleas were made by members for greater consideration to heads of families in respect of exemptions for children and especially to those men who had large families. I remember a most eloquent plea made by an hon. gentleman who now graces the superior court bench of the province of Quebec, Mr. Justice Archambault. I remember having joined with him in his request to a former minister of finance in that regard, and our having convinced the minister of finance of that day of the justice of our plea for consideration for the family man, especially the man with the large family.

There was an old, trite saying that two people could live as cheaply as one, but I found the fallacy of that saying very shortly after I got married. I think we will all agree that it is a fallacy. You cannot do it, especially under modern conditions. I am making a plea on behalf of the family man, especially the family man with a small income. I know what the struggle is. I have gone through it myself, trying to live and keep up a position and be a useful member of the community on a small income. So I appeal to the minister to reconsider the schedules in so far as they affect the men of small income. I especially appeal now for more credit than $28 a year being given for each dependent child. I realize that that is $28 off the tax. But I suggest to the minister that it should be more. I will say this in justice to the minister—I want to be fair in my remarks—that the allowance of $28 per annum for each child or dependent is an increase over the allowance made under the national defence tax during the last two years, and for that I give the minister that much thanks.

The deduction to be allowed under paragraph (iii) of subsection 2 of resolution 1 perpetuates an anomaly and an inequality with respect to guest children against which we have protested for the past two years. Only to-day I had a long distance telephone call from a man in this province who felt the injustice of that. I submit that to limit that deduction to the case of children brought from the United Kingdom under a government-sponsored plan, and to deny it to those brought to Canada voluntarily or under an unsponsored plan, is a discrimination that should be done away with. I know it will be said at once that many of these children are the children of the rich. That, however, is not universally true. I could show you in my city three lovely English boys whose father occupies just a moderate position in an insurance company in the city of London. I had the pleasure of visiting him when over there in order that I might report to him as to the physical well-being of his three boys. Those boys were taken into a good home in Fredericton. The head of that family neither has received nor expects to receive any recompense—although he probably will, I think, receive it when conditions arise making it possible—not only for the cash outlay. Not one cent is being allowed him on his income tax for having taken those children in and perhaps having preserved their lives, because I understand their home on the Thames has been bombed out—fortunately the family had moved—while someone else who brought two or three children out under a government plan is given some consideration.

This is not a plea for the rich man whose children are taken in. Many of the children brought out here were brought just out of the good-will of those who wanted to see them survive. I regret that further use was not made of the plan or system. We should have brought out many more British children to Canadian homes. I think this should have been done by the government itself, but I am not going to find fault with the government because I do not know all the circumstances. The reason given was scarcity of transportation, and that may be an adequate reason; no doubt there are others. An hon. member suggests there was perhaps discrimination in England. I do not know enough about that to discuss it. I realize that it was not possible to take all the children. Many of the children of the poor

did not want to come anyway, did not want to be separated from their families. I confine my criticism to the rigid attitude of the government in not giving more consideration to the question of exemption on account of these children. I would urge the minister to reconsider that position.

Subsection 3 of resolution 1 carries forward the principle of the national defence tax, that the tax shall not be permitted to reduce the income below $660 and $1,200 respectively. This brings to my attention one of the anomalies of our tax structure as it exists in this budget. A married man in receipt of $1,200 annually pays no tax. A married man in receipt of $1,250 pays $50 tax. A married man in receipt of $1,300 pays $100 tax. The result is that the tax reduces the income of a wage-earner or a salaried man receiving $1,300 to the same level as the man receiving $1,200. While it is true that one-half of the tax payable is the minimum savings requirement, eventually refundable to the taxpayer, it does seem to me an anomaly that a man drawing $1,300 actually receives no more than a man with an income of $1,200. I shall stop there. That is just the first instalment.

Mr. ROSS (Calgary East): I rise to urge the minister to grant further exemption to officers of the armed forces who are not now receiving exemption. Under the present law, as I understand it, warrant officers, non-commissioned officers and men of the active service forces—that is, other ranks—are exempt from income tax. That is as it ought to be; I have no quarrel with that. Commissioned officers while on active service beyond Canada are also exempt from the payment of income tax, and that is as it should be. On the other hand, commissioned officers who have volunteered for service, who have been found to be within the required medical category and have been accepted, must pay income tax so long as they are serving in Canada. Exemption should be granted to these men as well. They are holding themselves ready and willing for active service anywhere in the world, and they should not have to pay this tax. At the present time, if we take the tax into consideration, the pay of a warrant officer is higher than that of a lieutenant.

Mr. HANSON (York-Sunbury): Higher than that of a major, is it not?

Mr. ROSS (Calgary East): The pay of a warrant officer is higher than that of a captain and, as I figure it, equal to that of a major. I am not taking any objection to the pay of the warrant officer; he is not paid too much. Nor am I belittling his responsibilities, for they are considerable. But I think it must be admitted that the lieutenant, the captain and the major all have much more responsibility than the warrant officer has, yet under the present set-up their pay is less. The non-commissioned officers, warrant officers and other ranks do not have to pay a cent for clothing or equipment. Commissioned officers have to pay for nearly all their clothing and personal equipment. I submit that this is not right, and I hope the minister will see the injustice and unfairness of it and take the necessary steps to have it corrected.

Mr. GREEN: I should like to endorse the remarks of the hon. member for Calgary East.

The CHAIRMAN: I would point out that military exemptions hardly come within the scope of this resolution. I have been reading the resolutions in an attempt to see where the subject being discussed could be brought up, but I do not see how it can be done.

Mr. GREEN: May I point out that the question has arisen and has become of importance because of the great increase in the rate of income tax. Of course that comes under the first paragraph of this resolution, and I submit that this is the only paragraph under which that subject can be discussed.

Mr. ILSLEY: If I may interrupt for a moment, I intend to present to the committee a recommendation in regard to this matter, by way of an amendment.

Mr. HANSON (York-Sunbury): To what section?

Mr. ILSLEY: It will be an additional resolution, I think, and perhaps the matter can be discussed at that stage. It is not to the effect that the hon. member for Calgary East has recommended, but it will deal with the matter.

Mr. HANSON (York-Sunbury): Could we have it now?

Mr. ILSLEY: No, it is not ready. It is one of those things on which I am working.

Mr. HANSON (York-Sunbury): Is there any section under which a discussion of the topic raised by the hon. member for Calgary East would be relevant or pertinent, if it is not resolution 1? I think we ought to do this in as orderly a manner as possible, with a view to getting through quickly. If we jump from one thing to another we are not likely to get through so quickly.

Mr. ILSLEY: I do not know that there is any resolution here that would cover it.

Mr. HANSON (York-Sunbury): He has to have a chance to make his statement somewhere.

Mr. ILSLEY: I quite agree; and if for any reason I should say the government does not propose to do anything about the matter, I will undertake that it can be discussed on some resolution before we finish, but I expect that a resolution will be added dealing with the matter.

Mr. GREEN: The minister has intimated that he proposes to bring in an amendment. It might be helpful to him in drawing up the amendment if we were permitted to make our statements at this stage instead of waiting until the amendment is brought down.

The CHAIRMAN: My difficulty is that I have allowed the hon. member for Calgary East to make a statement, and I should not like to preclude the hon. member for Vancouver South from the same opportunity, because I want to mete out the same treatment to all hon. members. So, if the hon. gentleman has a few remarks to offer on the subject, I will permit him to do so.

Mr. GREEN: The question has been well covered by the hon. member for Calgary East, but there are one or two other aspects to which I should like to direct the attention of the minister and the committee. These officers are taxed not only on their pay but also on the allowances paid for their wives and children, and in addition, I believe, they are taxed on their rations, calculated at the rate of $1 a day. In other words, for taxation purposes the sum of $365 is added to their pay. With regard to the dependents' allowance, when this is taxed it means that the allowance is paid out with one hand and taken back with the other.

This taxation also hits officers who come back from overseas. Many officers have been brought back this year to train the troops in Canada, and I understand that the moment they arrive in Canada they become subject to income tax, whereas while overseas they were not. It affects the men who come up from the ranks. The policy of the government has been to bring up officers from the ranks. I think that is a sound policy. But if this taxation is to apply to those men who take commissions, looking at it from the monetary point of view a man might be foolish to accept a commission; he might be far wiser to remain in the ranks. After all, we have now only the one army. The men on the Pacific coast may be in action before the men in Great Britain, and it does seem unfair that there should be this distinction. These men are the leaders of the army. I believe they feel that this taxation is most unfair; the fact that it is imposed upon them is causing great uneasiness, and that is bound, in the long run, to affect the army. Looking at the question from the point of view of the defence of Canada and the need to have an efficient army here, I submit to the minister that this tax should be removed.

Then I would point out that at the present time the exemption does not cover merchant seamen, civilian firemen who have gone overseas, or men in the auxiliary services. Men in these groups should be included among those exempt from the payment of income tax. I do not think anyone in this house would suggest for a moment that the merchant seamen are not deserving of the utmost consideration, yet they do not get the benefit of this exemption. I would urge that the minister keep these facts in mind when he is drafting his amendments, so that all the officers in the army may be granted exemption as well as the men in the merchant service, the firemen serving overseas and the men in the auxiliary services.

Mr. FRASER (Peterborough West): And the women.

Mr. ROSS (Souris): I should like to support the remarks made by the two previous speakers. I think this is very unfair legislation, especially to those officers who have been overseas and have been brought back to this country for instructional purposes, and I hope that the minister in drafting the amendments will give this class due consideration.

I should like to endorse the remarks made by my leader. As I pointed out when speaking on another matter yesterday, while I have great sympathy for the minister in his gigantic undertaking, if he is not very careful he will find that this budget will be termed the home-wreckers' budget, and that applies most directly to the personal income tax provisions. One would think that a set of bachelors and bankers had drawn up this budget for the Minister of Finance.

Mr. ILSLEY: Why bankers?

Mr. ROSS (Souris): The moneyed interests are taken care of to a certain extent, and certainly this budget does discriminate against the family man. It is much easier for the bachelor to maintain himself and get along than it is for the man with a large family, and I would not give very much for the future of our nation if we had to depend entirely on the bachelors.

I consider the $80 deduction which the taxpayer can make from his tax as an exemption for a child, instead of being allowed the old $400 exemption, is another direct blow at the family man because it

makes certain that he comes within the higher brackets. Many a family man with a fairly large family will find it almost impossible to raise his family properly and continue as a good citizen of the community. The budget is discriminative in that respect.

With reference to the compulsory savings feature, I do not know whether it is intended that an employee must give his employer a detailed statement of his personal financial affairs, stating what life insurance premiums he is paying, how much principal on a mortgage and matters of that kind, so that the proper deduction may be made. But if that is the intention, I consider it very improper. Employees should not be called upon to lay bare all their private affairs before their employers. It is not clear whether that is required by the legislation.

Further, if a man is buying his home under an agreement of sale, he should be allowed to make a deduction just as if he were buying his home under the mortgage plan. The resolution states nothing about that, although the man who is purchasing his home under an agreement of sale is to all intents and purposes under exactly the same financial set-up as a man with a mortgage on his home, and should be given the same consideration.

Mr. ILSLEY: I agree.

Mr. ROSS (Souris): Thank you. I trust that the minister will give serious thought to the position of the average family man and that he will make the necessary adjustments. The budget works a distinct hardship on the family man, the greatest asset that any nation can have. We shall not have much of a future if we do not encourage and look after the family man.

Mr. FULFORD: I wish to speak on behalf of the men who are taking the officers' training course in the two training centres in Canada, one at Brockville and the other at Gordon Head. I have been most reliably informed that since the introduction of this new schedule of taxes for officers the applications for taking the course have materially decreased in number. In other words, the men who now hold the rank of warrant officer do not wish to be promoted. I have heard it argued: "Surely these men must have some ambition and must want to be promoted from non-commissioned officer to commissioned officer." But I come back to the argument that was made by the minister himself last night, when he spoke of the necessity for some incentive. The incentive in this particular case must be that an officer should receive a little something more than he was getting as a non-commissioned officer, because when he assumes the rank of commissioned officer he immediately assumes greater responsibilities. I am afraid that if the officers who have been returned from England and are destined to remain in Canada are required to pay income taxation under the present schedules, we are going to have a dearth of officers in the Canadian army.

The leader of the opposition has referred to refugee children who were not brought out under a government-sponsored scheme. In Brockville there is a boys' school which, for $400 a year, has been looking after, educating and feeding refugee children, and in some instances actually clothing them. The headmaster of the school told me the other day that the sponsors of no less than three children at the school had notified him that they could no longer continue to keep the children at the school because they were unable to pay for their board and keep.

I have also in mind a school that was opened in Toronto for refugee children who were brought over, not under any government-sponsored scheme, but under a private scheme. The children are placed among various families, and no distinction is made between rich and poor so long as the child gets a good home. That school had at one time between thirty and forty children, but to-day it is closed because the children have all been placed. Those children cost those who have undertaken to look after them just as much as it would cost to look after a child brought out under a government-sponsored scheme, and I plead with the minister to provide the same exemption in both instances. The people who have taken those children into their homes have done so out of the bigness of their hearts, and should receive equal consideration with those who are looking after children brought out under government-sponsored schemes.

Mr. GRAYDON: I was very much interested in the remark made by the leader of the opposition with respect to exemptions for children. Being of an inquisitive mind I looked up the records to see how these exemptions would affect the members of the House of Commons, and I find that one member has thirteen children, two have eleven and two have nine. None of these hon. gentlemen has risen in his seat to protest against the exemptions for children as provided under this budget.

So far as exemptions for men in the armed forces are concerned, I trust that the minister will take cognizance of the powerful arguments that have been put forward this afternoon with respect to officers of units which

are not overseas. No doubt some errors will be made in connection with this income tax, but I know they will not be by design. But if they are made, I think they should be made in favour of the man who is on active service rather than in favour of the civilian. It might be all very well as a technical argument to say that if a man is serving in the armed forces in Canada he is perhaps a brass hat at headquarters who would enjoy this exemption from income tax, but there is more to it than that. Over the week-end I took the opportunity to talk with a number of officers who are on active service in Canada, and I may tell the minister that their voices on this matter were pretty vigorous. One officer told me that it was the subject of acrimonious conversation in practically every mess in Canada. These increased income taxes have placed officers in Canadian units in a position in which they feel they are actually the object of discrimination. I said to one officer that no doubt the government had in mind the fact that some men would never see overseas service, that while they wore the king's uniform they were actually occupying semi-civilian positions. He said that that might be true in an odd instance, but he did not see why the government should discriminate against those who were not in that category. He said there might be only one out of a hundred to whom that could apply. He argued, and I agree with him, that men who have volunteered for active service anywhere should be granted similar exemptions to those granted to others in the service.

I think it will be found that this new tax structure will interfere to no small degree with the morale of our armed forces in Canada. It must be remembered that it is not an easy thing for some of these men to stay here and wait long months for the order to proceed overseas and for some action to occur. It is also not easy for them to see some of their neighbours and their friends in civilian life making greater earnings than they are. In many instances they have been stopped in their tracks, economically and financially speaking, and they are not feeling any too happy over the comparisons they can make. It seems to me that the government might grant these men the same exemption that is granted to others in the armed forces, for the purposes of morale if for no other reason. I am fortified in my argument by comments which have been made in the press from time to time, and I should like to refer particularly to an item which appeared in the Toronto *Daily Star* of June 30. One sentence has particular reference to the subject under debate. It reads:

> Among the "new poor" emerging from the smoke and fumes of the recent budget blast at Ottawa, will be commissioned officers, men who have "gone active" but who have been kept on duty in Canada by order of the higher command.

Then at the end the article quotes some figures. I have not checked them, but I think they are fairly accurate. I quote:

> As against this a warrant officer (class A), with trade pay and a separation allowance for his wife of $40 a month would have a net income of $2,306.75. A promotion for him would be a financial set-back unless he jumped all the way to the rank of major.

This is not a fair way to treat men, whether they are overseas or in Canada. I make a last minute appeal to the minister to reconsider and review the whole position of officers in Canadian units.

Mr. ILSLEY: I should like to suggest an amendment as follows:

> That part I of resolution 1 and resolution 3 be amended by adding the following words to each:
>
> "Provided that in the case of a wife who is in receipt of earned income in excess of $660 per year, the wife may be treated as a single taxpayer and the husband may be treated as a married taxpayer for income tax purposes."

Mr. MACKENZIE (Vancouver Centre): I move accordingly.

Mr. ILSLEY: By way of explanation I may say that we are informed that quite a substantial number of married women are proposing to leave employment because it will pay them to do so as a result of these income tax schedules. This amendment may prove a considerable cost to the treasury, but I am afraid we shall have to make it in order to prevent this exodus from employment. This will be the only amendment to part I.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Progress reported.

HONG KONG COMMISSION

REQUEST FOR TABLING OF LETTER FROM COLONEL DREW—OPINION OF GOVERNMENT COUNSEL

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, may I ask the house to return to motions, to permit me to make a brief statement.

The house having reverted to the order for motions:

Mr. MACKENZIE KING: Mr. Speaker, yesterday, in replying to the request of my hon. friend the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) for a copy of a letter addressed to me by Colonel Drew, I said to my hon. friend that if he would take the responsibility of asking that the letter be tabled, it would be tabled. Subsequently I felt that, having regard to the contents of the letter and having regard to the inquiry to which it referred and the nature of the inquiry, I had better obtain legal opinion in the first instance as to whether it would be proper for me in any case to table the letter. I accordingly, through the Department of Justice, secured an opinion from Mr. George A. Campbell, K.C., who was counsel for the government in the Hong Kong inquiry, and I should like to read to my hon. friend and to the house the opinion which Mr. Campbell has given me.

The communication is as follows:

Ottawa, July 15, 1942.

Right Honourable W. L. Mackenzie King,
P.C., M.P.,
Prime Minister of Canada,
House of Commons,
Ottawa, Ontario.

Dear Prime Minister,

re: Hong Kong inquiry

I have just had an opportunity of reading the communication dated July 11, 1942, addressed to you by Mr. George A. Drew, K.C., who acted as counsel nominated by the Hon. Mr. Hanson, K.C., during the recent Hong Kong inquiry and I have considered the question submitted as to whether or not it would be proper for you to table that communication before the House of Commons.

This document purports to disclose a very considerable number of facts and to refer to the contents of several documents said to have been put in evidence before the commissioner during the recent inquiry. For reasons hereinafter stated, I am not free to discuss the accuracy or inaccuracy of any such references.

At the outset of the inquiry an order in council, P.C. 1639, was passed on March 2, 1942, which had the effect of clothing the commissioner in this and any other investigation concerning the armed forces of Canada with all the powers and authority of a judge of any superior court in Canada while exercising his judicial functions, including specifically the power and authority of making and enforcing any order made by him concerning any inquiry held in camera in order to safeguard the secrecy of such inquiry.

In the exercise of that authority, Sir Lyman P. Duff, Chief Justice of Canada, who sat as commissioner in the Hong Kong inquiry, ruled and directed that the inquiry before him should be held in camera and it was held in camera. In my opinion, all counsel who participated in the inquiry were bound by, and by their continued presence, acquiesced in that ruling. It flows from such ruling that all persons, including counsel were specifically enjoined as to their duty to preserve secrecy as to testimony given, documents produced and all other evidence placed before the commissioner, and that order directed all persons not knowingly to infringe upon such secrecy.

At the conclusion of the hearing for the taking of testimony in this matter, and some days before the date fixed for completion of the hearing of oral argument, all counsel concerned received notice from the commissioner requiring them on the day of the final hearing of oral argument to deliver up to the secretary of the commission any and all transcripts of evidence, exhibits and copies thereof, written arguments and copies thereof, notes of evidence and any and all other writings and documents relating in any way whatsoever to the matters in question.

It appears from page 32 of Mr. Drew's communication that it purports largely to be based upon his written argument to the commissioner, of which presumably therefore he retained a copy in his possession. In his letter he gives a number of verbatim quotations from the transcript of evidence and exhibits.

Mr. Drew's letter purports to give the effect of a number of confidential communications received by the government of Canada from the government of the United Kingdom, the disclosure of which was only consented to by the government of the United Kingdom subject to a specific condition that the disclosure was to be limited to the commissioner and counsel only, and solely for the purpose of the inquiry; and the commissioner was not permitted to reproduce these communications in his report. Any disclosure, therefore, even to the House of Commons, would in my opinion be a violation of the substance of that condition.

If, therefore, Mr. Drew's communication is tabled by you before the House of Commons I am of the opinion that you will be violating a condition under which the government of the United Kingdom consented to the disclosure to the commissioner and counsel of those telegrams.

I am, moreover, of the opinion that Mr. Drew's communication purports to contain a considerable number of extracts from evidence and reference to exhibits which do not appear in the published report of the commissioner and the appendix to it. If, therefore, you should table the document you are, in my opinion, to that extent participating in and thereby condoning a violation of the order of secrecy with which the proceedings in camera were to be and were in fact conducted.

Yours faithfully,

Geo. A. Campbell.

I should, I think, place on record with this communication the copy of the order in council which is referred to in the early portion of it.

At the Government House at Ottawa
Monday, the 2nd day of March, 1942.
His Excellency the Governor General in Council

Whereas the Prime Minister reports that, in his opinion, it is desirable that a commissioner conducting any inquiry under the Inquiries Act,

R.S.C., 1927, Ch. 99, involving investigation into any matter concerning the armed forces of Canada should have certain immunities and powers;

Now, therefore, His Excellency the Governor General in Council, on the recommendation of the Right Hon. W. L. Mackenzie King, the Prime Minister, and under and by virtue of the powers vested in the governor in council by the War Measures Act, Ch. 206 of the Revised Statutes of Canada, 1927, is pleased to order and doth hereby order that, where under any order of the governor in council, heretofore or hereafter made, a commissioner is appointed under the Inquiries Act, Ch. 99 of the Revised Statutes of Canada, 1927, to enquire into any matter concerning the armed forces of Canada, such commissioner shall have all the immunities enjoyed by any judge of any superior court in Canada while exercising his judicial functions, and that any and all powers and authority of any such judge relating to any contempt of court, whether committed in the face of the court or elsewhere, shall be vested in such commissioner in respect of such inquiry; and in particular, but without limiting the generality of the foregoing, that such commissioner shall have all the powers, jurisdiction and authority of any such judge for the purpose of enforcing any order made by him concerning any inquiry held in camera in order to safeguard the secrecy thereof.

A. D. P. Heeney,
Clerk of the Privy Council.

Mr. HANSON (York-Sunbury): What are the dates of the order in council my right hon. friend has just read, and of the order in council authorizing the inquiry?

Mr. MACKENZIE KING: The date of this order in council is Monday, March 2, 1942. I have not the date of the other.

Mr. HANSON (York-Sunbury): Well, that was made subsequently to the original. That is the second order in council, and I never heard of it.

Mr. MACKENZIE KING: I think my hon. friend will find that it was tabled with the other orders in council.

Then I should add the following communication, which relates to what I have just read; a communication from Mr. Campbell to the commissioner, the Chief Justice, written to-day:

Ottawa, July 15, 1942.

Right Honourable Sir Lyman P. Duff,
P.C., G.C.M.G.,
Chief Justice of Canada,
Ottawa, Ontario.

Dear Sir Lyman:

Re—Hong Kong inquiry

May I, as counsel for the government of Canada, ask you who, as royal commissioner, conducted the Hong Kong inquiry that you permit the secretary of the commission to certify and hand to me for the use of the Prime Minister a copy of the order which you verbally gave directing that the proceedings be held in camera?

If you approve, the secretary might also indicate that immediately preceding the making of that order you read order in council P.C. 1639, dated March 2, 1942.

Yours faithfully,
Geo. A. Campbell.

Then the letter from the commissioner, the chief justice, to Mr. Campbell, in reply:

15th July, 1942.

Dear Mr. Campbell:

Re—Hong Kong Inquiry

I have your letter of to-day and as requested I have authorized Mr. W. Kenneth Campbell, the secretary of the commission, to hand you for the use of the Prime Minister, a copy of the order which I made regarding the holding of the inquiry in camera.

The secretary will also indicate that immediately preceding the making of my order I read the operative part of order in council, P.C. 1639, dated March 2, 1942.

Yours faithfully,
L. P. Duff.

Geo. A. Campbell, Esq., K.C.,
Chateau Laurier,
Ottawa.

The enclosure with that letter is as follows:

Ottawa, July 15, 1942.

Re Hong Kong inquiry

I certify that at the session of the inquiry held on March 4, 1942, the commissioner read the operative part of order in council P.C. 1639, dated March 2, 1942, and made the following order:

"I think it desirable, also, to state formally for the purpose of the record that this inquiry has from the beginning been held in camera and is and will henceforth be held in camera. That imports, it is perhaps unnecessary to say, the duty on the part of everybody present to preserve secrecy as to the testimony given, documents produced, and all other evidence placed before the commission, as well as the duty on the part of all persons not knowingly to infringe upon such secrecy."

W. Kenneth Campbell,
Secretary to the Commission.

I have placed on *Hansard* the legal opinion that has been given to me. In the circumstances I hope my hon. friend will not expect me to table the communication, because I should feel that it would not be proper for me to do so in my position as Prime Minister.

Hon. R. B. HANSON (Leader of the Opposition): With the indulgence of the house, and, I think, as a matter of right, I desire to make a few observations. First of all, the inquiry itself should never have been held in camera and the original order in council did not so provide. The order in council dated March 2, which the Prime Minister (Mr. Mackenzie King) has now

read, was never brought to my attention by anybody. The fact that such an order in council was passed by the government was kept a secret as well, and it should never have been passed, because this was intended to be a full public inquiry. That was the promise made in this house. It was not a full public inquiry.

After the inquiry was held and the report was brought down and tabled, I asked that the evidence be laid upon the table so that the members of the house and the public might be in a position to judge as to the accuracy or otherwise of the report.

Let me make it quite clear that the commissioner was not acting as the Chief Justice of Canada. He was a royal commissioner appointed under the Inquiries Act and, as such, his report is not immune from criticism or discussion. There is ample precedent for that; there is ample precedent right in this parliament. If hon. members want any confirmation of that statement, let me say that during the last war there was a shell inquiry presided over by Sir William Meredith, Chief Justice of Ontario, and Mr. Justice Duff, as commissioners, and the Liberal party of that day tried to tear that report to pieces—with what success I do not know; I was not here at the time. Again, during the last war Lord Cromer and his associates made a report in Great Britain, and after a four-hour debate in the British parliament, what was the result? The investigation was with respect to the Gallipoli campaign. An attack was made on the report of that royal commission by Mr. Asquith, who was then Prime Minister of Great Britain, and by no less a person than Mr. Winston Churchill, the present British Prime Minister, and in Mr. Asquith's memoirs will be found this statement. I am not quoting verbatim, but I believe my memory is correct. He said that after four hours' discussion of the Cromer report there was nothing left of it.

Mr. ROSS (Souris): That is correct.

Mr. HANSON (York-Sunbury): Now we come to this report. The report was brought down, and the evidence was refused on the ground that the hearing had been held in secret. That hearing must have been held in secret on the motion of the government, or the government would never have passed the order in council of March 2, the contents of which I never heard of until to-night—

Mr. MACKENZIE KING: It was not.

Mr. HANSON (York-Sunbury): —and which I would have protested against. I did protest in one quarter against the proceedings being in secret. I admitted that there were certain portions of the hearing which probably ought to be in secret, and I referred to intergovernmental communications to which there were two parties, one party being this government, and the other the government of the United Kingdom. Those communications could not be made public without the consent of the British government. However, the inquiry went on in secret. The report was made. A question was raised by the hon. member for Rosetown-Biggar (Mr. Coldwell) as to an opportunity being given to discuss that report in this House of Commons. I had not asked for that because I felt that to discuss that report without the evidence would be perfectly useless, that we could not have an honest, intelligent discussion of the report unless we had the evidence. We have a report which is the interpretation of a commissioner as to the evidence produced before him. On the point of this report being sacrosanct, it is in no other category than the judgment of a court of law from which I as counsel might appeal. I might appeal from the judge's interpretation of the law as applied to the evidence, and that is done in the courts of the country every day, every week, every month. My hon. friend the Minister of National Defence (Mr. Ralston), I myself, and every other lawyer practising at the bar have to do that. It does not mean an attack on the judge. It means an attack on the findings, on the interpretation of the judge, and that is open to any counsel; otherwise, there would never be an appeal. To say that this report cannot be criticized—

Mr. MACKENZIE KING: No one is saying that.

Mr. HANSON (York-Sunbury): Let me develop my argument. To say that this report cannot be criticized is beside the mark. But how can one criticize the report if he has not the evidence upon which it is based? I submit that it is in the public interest, in the national interest, that this evidence should be laid on the table and that the Canadian public should have it. Without that evidence no discussion, no argument, based solely on the report itself, can be complete. It will be wholly unsatisfactory not only to those who make the attempt to discuss the report, but to the Canadian people, because the facts upon which the report is based are not disclosed to the country. It is not in the national interest that this thing should be kept secret. I protest against that decision.

The hon. member for Rosetown-Biggar rose in his place one day this week. He had received from Colonel Drew, as I had, a copy of his letter to the Prime Minister. The

hon. member made a perfectly natural request that the letter be tabled, in order that it might become a public document. Until it is tabled it is not a public document. It is a communication from one individual to another, although the latter may be the Prime Minister, but until it is tabled it is not a public document. That was the position.

Immediately the Prime Minister said he would table the letter, if—and he predicated his statement on this "if"—the hon. member for Rosetown-Biggar would take the responsibility of asking for it. I queried in my own mind at the time why it was predicated on that condition. Was it an attempt to intimidate the hon. member for Rosetown-Biggar, to make him responsible for the contents of the letter? I do not know. But I took occasion to look into the matter later, and I say that in my opinion there was no responsibility resting on the hon. member for Rosetown-Biggar when he asked that the letter, of which he had a copy, be tabled in order that it might become a public document.

Second thoughts have now occasioned a reversal of the position which the Prime Minister took. What has happened in the meantime? I gave out no copy of this letter to any newspaper, but I was informed within the last hour that a press agency in this country has carried a large portion, if not the whole, of this letter to the public press in Canada; that thousands of newspaper employees from one end of this country to the other know the contents of this letter; that it is now in fact, if not *de jure*, in the hands of the public. All that remains is to release the obligation imposed on the press agency which gave the letter to the newspapers that it should not be released until the document had been tabled.

The Prime Minister now refuses to table the document. I think he is within his rights in doing so; it was a letter from one individual to another. But let the public have this letter, let the chips fall where they may; I am not responsible for that. The press got the letter from some source, I do not know where and I do not care. They got it in good faith, in the public interest, in order that the public might know what the communication was. Is there any reason why the public should not know what hundreds of people in this country know, what I know, what the Prime Minister knows, what the hon. member for Rosetown-Biggar and the hon. member for Lethbridge (Mr. Blackmore) know about this matter? If Colonel Drew has transgressed, let Colonel Drew answer. I venture to say he will answer.

Mr. SLAGHT: Will he answer to the British government?

Mr. HANSON (York-Sunbury): Certainly, he takes the responsibility; it is his and his alone. I think he will welcome it.

Mr. HOWE: He will welcome the publicity.

Mr. HANSON (York-Sunbury): Well, he is getting it, and the publicity has made him one of the biggest men in Canada, absolutely. What is the position?

Mr. HOWE: Next leader of the Conservative party.

Mr. HANSON (York-Sunbury): Well, we might go farther and fare worse.

I say, let us get away from this farce of covering up. Let us have a free press in this country. We do not have it. I understand that until the last few minutes there was no censorship on this letter, but I have heard since I came into this chamber to-night that censorship has now been imposed on it. I protest against that in the name of the Canadian people, who want to know the facts and the truth about a great public occurrence. So I ask the Prime Minister to release the censorship, even if he will not table the letter, and let the Canadian people judge. They will judge fairly and truly and accurately, and appraise this incident at its true value. Therefore I ask that the censorship on this letter be released immediately.

Mr. M. J. COLDWELL (Rosetown-Biggar): When I was asked yesterday if I would assume responsibility for the tabling of this letter I immediately said I would, because I had read the letter carefully and in my judgment there was nothing in it which would reveal anything of use to the enemy. It was for that reason that I asked for the tabling of the letter. That letter came to me in the ordinary way through the mail. It was not marked confidential or personal or private. It was a copy of a letter addressed to the Prime Minister criticizing in some detail, it is true, the report of the royal commission inquiring into the Hong Kong matter.

This afternoon the Prime Minister showed me the opinion which he has received from Mr. Campbell, the government counsel engaged in the inquiry, advising the Prime Minister that he should withhold the letter. I am not a lawyer, and therefore am not qualified to dispute a legal opinion, and the Prime Minister must take the responsibility for withholding that letter on the advice of counsel. I have no quarrel with the Prime Minister if he believes it is his duty to withhold the letter, although, as I said, in my opinion there is nothing in the letter which

would be of use to the enemy. On the contrary, I believe that there are matters covered in it which are of interest to the people of Canada and of interest to this parliament. It deals with the dispatch of the expeditionary force to Hong Kong; it makes certain criticisms, criticisms which I believe ought to be known to this parliament in order that this parliament may be guided in the future with regard to the dispatch not of 2,000 men but of many more thousands of men overseas.

One thing that has occurred to me since I was talking to the Prime Minister this afternoon is this. I believe he would have been better advised had he sought an opinion from a counsel who was not interested in this inquiry. I think that obtaining it from a counsel whose integrity is unquestioned but who was engaged in the inquiry was probably a mistake.

As I said before, I am of the opinion that this matter should be gone into. I represent a western constituency, a Saskatchewan constituency. From our prairie constituencies young men went in one of these regiments. Their parents are disturbed by what has occurred; their friends are worried, and those who have sons in other regiments are worried lest repetition of this unfortunate affair should occur. I hold no brief for Colonel Drew or any other person; and since the Prime Minister has stated that it is not in the public interest to produce this letter at this time, not being a lawyer I cannot give a legal opinion upon it. But a great deal has been made of the fact that Sir Lyman P. Duff who made this report is the Chief Justice of Canada.

Sir Lyman P. Duff was not the Chief Justice of Canada when he sat as commissioner. I think the Prime Minister's own statement to-night clearly conveyed that to the house, when he said that the commissioner was vested with the powers of a judge. If he had been sitting as a judge, then manifestly there would have been no need to clothe him further with the powers of a judge. So I think we should keep that aspect entirely out of the discussion.

All I am interested in is endeavouring to bring before parliament in a proper and legitimate manner matters that ought to be discussed here. So I say that as far as I am concerned I asked for the production of the document; I was prepared to ask that it be tabled, as the Prime Minister put it, on my responsibility as a member of this house. Now the Prime Minister, on his responsibility as such, has stated to the house that he is not prepared to submit the document to us, and there, I suppose, unless the house decides otherwise, the matter must rest.

[Mr. Coldwell.]

Mr. J. H. BLACKMORE (Lethbridge): I have been greatly interested in the question of Hong Kong. I have said very little on the floor of this house concerning the matter, because it seemed hardly wise to say much until one knew more. But I will say that after I received a copy of the letter I went into the question far enough to make one or two discoveries which are of such a nature that I think they certainly should be aired fully somewhere. I am not saying that this should be done on the floor of the house; I am not saying that the information contained in that letter should go out to all the people of the country, with the risk that it might do us harm by getting into the hands of the enemy. I am saying, Mr. Speaker, that in that letter revelations are made of which every member of this house should be fully aware.

There is something wrong in this country, something wrong in the conduct of our military affairs. Whoever was responsible for the blunders that were committed in connection with the dispatch of troops to Hong Kong should be made known to members of this house and should be called upon to answer for those blunders. The cause should be made known, why he committed them; that man should be punished; and such reforms should be made in the set-up concerning the whole conduct of our war effort as would render unlikely a repetition of anything so regrettable as what occurred in connection with the dispatch of those troops.

I am not going to say more. I am not saying whether or not this letter should be tabled. I am saying that before this house adjourns it is the just right of every constituency in Canada that at least its member should know the whys and wherefores pertaining to this most tragic event in our history.

Hon. J. L. RALSTON (Minister of National Defence): May I say just a word, Mr. Speaker. I do think some of the remarks that have been made here to-night are, if I may say so, rather premature. There seems to be an assumption that there is to be no opportunity of discussing the Hong Kong expedition. It has been made abundantly clear that there will be ample opportunity for that purpose; and I want to say, as the minister in charge of the department which had to do with the sending of the Hong Kong expedition, that I am perfectly ready to have this house deal with it and consider it as fully as they care to.

Mr. HANSON (York-Sunbury): Without the evidence.

Mr. RALSTON: My hon. friend says, "without the evidence." I want to deal with that for just a moment. The situation was

this. The right hon. chief justice was appointed a commissioner to examine into the sending of the expedition to Hong Kong. As was stated by the Prime Minister (Mr. Mackenzie King) at the time, the commissioner was given absolute power to conduct that inquiry as he saw fit, and no suggestion was made to him in any way by the government with regard to what method he should adopt. He, of his own volition, decided that the inquiry should be held in camera. That decision was not found fault with in the country, because it was realized that there were certain things in connection with the matter which should not be disclosed. Knowing something of the documents and something of the evidence, I can conceive that it would have been hopeless to consider holding a closed session in connection with this document, then an open session in connection with that particular bit of evidence, then going back to a closed session again when a question might be asked later about the first document; it would be absolutely impracticable to conduct the inquiry.

There were two different degrees with regard to secrecy. One was that the general inquiry was held in camera. As I say, the evidence was such that it would be absolutely impossible for a commissioner to deal with it succinctly and properly, and change from time to time from an open session to a closed session as evidence came out on the various points. The whole inquiry was in secret, but there was another point. That was in connection with certain documents which came from the British government. A number of those documents had an additional seal of secrecy on them, to the effect that they could not be even shown or read to those in the courtroom but could be shown only to the commissioner and to counsel. That is the first thing referred to in Mr. Campbell's opinion, which has been read by the Prime Minister. That is all this house is discussing; that is all that has come up so far. What is set out there is this, that the government having requested the British government—and I can assure this house that those requests were in the most unqualified and unreserved terms—to give them permission to produce to the commissioner the communications which passed between the two governments; and having received that permission with certain conditions attached in the case of some documents, namely, that they could be shown only to the commissioner and to counsel, the government now, by tabling a document which has been presented, would be violating that condition and in effect would be saying to the British government, "Although we tendered those documents to be used for that purpose, at the same time this letter has come to us which indicates the effect of those documents, and we are going to table the letter." What would be our situation with respect to the British government if that were done?

Then with regard to the general rule in regard to the inquiry being held in camera, it was understood, as was indicated there, that all the evidence would be given in camera and would be kept secret. What happens is that the document which is referred to contains, it is said, certain portions of the evidence which were not included in the report of the commissioner; and the government, by tendering and tabling that letter, would itself become a participant in a violation of the conditions which were laid down by the commissioner.

Mr. HANSON (York-Sunbury): Is the minister referring to the Drew letter?

Mr. RALSTON: Yes.

Mr. HANSON (York-Sunbury): But in the appendix to the report reference is made to the evidence.

Mr. RALSTON: Certainly reference is made to the evidence; and reference is made to all the evidence, I am sure and satisfied, which the commissioner—I will call him the commissioner, but in any event he is the Chief Justice of Canada, with a reputation second to none among jurists on this continent, and with wide judicial knowledge—thought was relevant or necessary to the report. All that evidence is there, and my hon. friend and anybody else in this house have the fullest opportunity to deal with that evidence, to deal with the recital of facts which are given there, and to deal with the whole question as to whether this expedition was properly sent.

Some suggestion has been made that the Roberts commission in the United States did not publish any evidence. The Roberts report did contain reference to evidence from time to time. It did not contain all the evidence. Nobody in the United States ever asked for the rest of the Roberts evidence. They considered that the report was made by commissioners who knew their business, and the result was that that report was accepted.

I am, of course, interested in this matter, and I realize that my views on this question will be accepted with certain reservations, but I do deprecate the suggestion that somehow or another we should distinguish between a man who is a commissioner at one minute and the Chief Justice of Canada the next

and consider that he is a different man and of a different calibre and integrity because of the fact that he happens to be in this case a commissioner. I say to you, Mr. Speaker, and to members of this house that when you have a gentleman of the standing of Sir Lyman Duff selected to hold this inquiry, a selection that was agreed to and approved by everybody who had anything to do with it as being an admirable selection, a man whose reputation is second to none, a man who has been weighing and considering evidence for years and knows how to appreciate evidence, and who was assisted by two eminent counsel from Toronto who had nothing to do with the government whatever, by Mr. Campbell of Montreal, and by Colonel Drew representing the leader of the opposition, it seems to me that the public of Canada and, I would suggest, even this house have a right to consider that this matter, which was gone into for five or six weeks, has been pretty fully investigated and that the findings can fairly be taken as the findings of disinterested men. However, that will come later. I could not help saying that, when I heard this distinction being made between the chief justice and the commissioner because, after all, it is one and the same individual who made these findings whose findings are now being questioned.

My hon. friend mentioned the order in council of March 2. He says he did not know anything about it.

Mr. HANSON (York-Sunbury): Not at the time it was passed.

Mr. RALSTON: All I have to say is that the extract read from the record to-night indicates that the operative part of the order in council was read to counsel whom my hon. friend nominated on the 4th day of March.

Mr. HANSON (York-Sunbury): I would not dispute that. I never attended the meetings.

Mr. RALSTON: My hon. friend seems to suggest that there was some covering up of this order in council. The order in council was read, and the extract is there indicating that.

I had not intended to take any part in this matter, but I did feel that it was due to me and due to the department I represent that the house should realize that this matter has been investigated and, I think, most thoroughly.

I want to say to my hon. friend the member for Lethbridge (Mr. Blackmore) that he will have full opportunity to deal with the sweeping statements which he made in connection with this matter, and I trust that I shall also have an opportnuity of saying a word or two. I ask him not to get completely out of focus in connection with this matter simply because of the fact that the gentleman who happened to be counsel and who acted as prosecuting counsel and does not appear to be satisfied with the judgment which was rendered in this case, sees fit to write to the Prime Minister a letter, which letter is not being tabled. I am sure that that letter is in the hands of a great many hon. members, and I am sure that they can use the arguments put forward there to their hearts' content, and make them their own. But I do suggest that the government is taking the only course it can take in not tabling the communication, because to do so would be a direct breach of the conditions imposed by the British government, and a direct breach of the conditions imposed by the commissioner at the time he opened the inquiry.

I said a moment ago that it was indicated that the public generally were in favour of this inquiry and saw the necessity of the inquiry being conducted in secret. I happen to have in my hand an editorial from the Toronto *Globe and Mail* of February 26, which states:

> A royal commission to inquire into the circumstances surrounding the debacle at Hong Kong will shortly sit to hear the evidence. The inquiry will be held in camera, and several letters of complaint have been addressed to this newspaper from readers who believe that the proceedings should be open to the public. In view of the nature of the inquiry and the extent to which details of production, organization, transport and kindred matters are likely to be produced in evidence, it is obvious that the public cannot possibly be admitted. In order that the commissioner may write a just account of the episode, placing blame where it is due, exonerating those who have been unreasonably blamed, and attributing to material factors their proper share in producing the final result, it will be necessary for him to hear many things which the enemy would like to know. It is therefore not merely justifiable but imperative that evidence be heard in secret.

Mr. J. S. ROY (Gaspe): Mr. Speaker, my first word will be in answer to this laughter in which some hon. members are indulging. I represent a constituency which furnished a very large number of the young men who were sent with the Royal Rifle Regiment to Hong Kong, and therefore I think I have a right to say a few words on the subject without laughter from some hon. gentlemen. My constituency, up to date, has given to the country the largest number of volunteers of all the constituencies of Canada.

I shall be very brief in my remarks. The decision reached by the Prime Minister (Mr. Mackenzie King) to-night will be a great

disappointment to the families of my constituency who are expecting to hear some explanation of the circumstances of this expedition to Hong Kong. Apparently, however, they will have to accept the decision which has been taken by the government that neither the evidence taken at the inquiry nor Mr. Drew's letter will be made public. That action will surely leave an uneasy feeling throughout the country. I would suggest that there seems to be a very easy way in which to satisfy everybody, at least the people's representatives in this house. It would be to bring up these matters before parliament in a secret session together with the important question of enemy activities in the St. Lawrence river. That course seems to me the best way in which to settle this difficulty of informing the members without risk of anything going abroad.

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend the leader of the opposition (Mr. Hanson) began his remarks by taking exception to an order in council from which I read as one which he said had not previously been presented either to the house or to himself. To be exact, P.C. 1369, the order in council which I read, was tabled in this house on April 21 and has been before the house ever since. But apart from that, as my colleague the Minister of National Defence (Mr. Ralston) has just stated, the effective part of the order in council was read to counsel by the chief justice himself at the time the inquiry was held. Counsel for my hon. friend the leader of the opposition was fully aware of all that was contained in the order, and I should be greatly surprised if he did not communicate the contents of it to my hon. friend.

The leader of the opposition assumes—I think he went even farther—and alleged that the inquiry was held in secret at the instance of the government. My hon. friend knows that that is not the case, because early in this session he himself brought up the subject of secrecy, and I made it very clear at the time that the question of whether the inquiry was to be held in camera would rest entirely with the chief justice; that I had made it abundantly clear to the chief justice that the government wished to place no restriction of any kind upon him or to give him a direction of any kind, and that the reason why he was being selected as commissioner was that as Chief Justice of Canada we believed that there was no man in Canada in whose integrity and sound judgment the people of Canada had more complete faith and confidence.

On February 19, 1942, my hon. friend brought up the question of secrecy. He stated that he had not had any confirmation as to whether the inquiry was to be in secret, but he understood that it was. I quote from page 705 of *Hansard*:

> Mr. Hanson (York-Sunbury): I assume it is; I have not had confirmation from the chief justice.
>
> Mr. Mackenzie King: I assume it is, too. Neither of us apparently is aware of the facts. However, at the time I asked the chief justice if he would undertake the inquiry I gave him the assurance that the government would not wish to restrict him in any particular, and that it would be for him to decide how the proceedings should be conducted, what assistance he would require in connection with the conduct of the proceedings, and in fact all matters with respect to the commission. I assume if the chief justice has decided to hold the sittings of the commission in secret, as was the case with the United States inquiry into conditions at Pearl Harbour, he has evidently had the best of reasons for so doing. I do not know that I can say more than that.

I think that should dispose once and for all of the question as to whether the chief justice acted entirely on his own and in what he believed to be the best interests of the country and of all parties concerned, and as to his not having had any direction, either directly or indirectly, from the government with respect to any part of the proceedings.

In reference to the letter under discussion being tabled, may I say that as the leader of the house I have felt a special responsibility with respect to preventing any attacks or anything in the nature of an attack on or an insinuation about anyone in a judicial position coming directly or indirectly from any part of this house. When I read the letter that came from Mr. Drew I had in mind very much the rules of this house with respect to what was and what was not proper in the course of debate. I leave it to the three hon. gentlemen who have read this letter to say whether they agree or disagree with me when I say that in that letter are statements which could not be construed, as far as I can see, in any way other than as a most serious reflection upon the commissioner, who is the chief justice of this country. I should like to quote citation 305 of Beauchesne's Parliamentary Rules and Forms as follows:

> All references to judges and courts of justice and to personages of high official station, of the nature of personal attack and censure have always been considered unparliamentary, and the Speakers of the British and Canadian houses have always treated them as breaches of order. Members have even been interrupted in committees of the whole by the Chairman when they have cast an imputation upon a judicial proceeding. The proper course for persons who feel called upon to attack the conduct of a judge is to proceed by way of a petition in which all the allegations are specifically stated so that the person accused may have full opportunity to answer the charges presented against him.

I may say to my hon. friend that the worst feature of the letter which I read was the imputation which it seemed to me it cast upon the judgment and, I would equally say, the integrity of the commissioner who is the chief justice of this country. May I add the fact that our chief justice, in the person of Sir Lyman Duff, is not only a member of the privy council of this country; he is a member of the judicial committee of the privy council of the United Kingdom, and no member of that body is held in greater respect in any part of the world. It seems to me that it would be impossible to have this communication tabled without one being a party to imputations upon the integrity and honour and good judgment of the chief justice of this country.

My hon. friend the leader of the opposition spoke about censorship and said that he thought I should take steps immediately to relieve the censors of some ruling which they have given. I have not interfered with the censorship at any time, and I do not intend to do so at this time.

The hon. member for Rosetown-Biggar (Mr. Coldwell) said that one exception he would take to my course in seeking legal opinion was that I had not consulted some counsel other than the particular counsel chosen. There were, among others, two reasons in particular for the choice of Mr. George Campbell. The first was that Mr. Campbell, as counsel for the government on the commission, was in a position to know the conditions under which the evidence was given, communications produced, and all circumstances surrounding the inquiry. If I had sought legal opinion outside of the counsel who had appeared before the commission, no one would have been able to state with definite knowledge what the limitations and the restrictions and the undertakings were. I think that of itself is a sufficient answer. I would say further, I believe this house will agree that few if any counsel in Canada have a higher reputation for integrity and ability than has Mr. Campbell, who was counsel for the government in this inquiry.

Just a word in conclusion as to the withholding of this letter. The hon. member for Rosetown-Biggar spoke of it as being withheld in the public interest. I have never given that as a reason for its not being tabled. I have said I did not wish that this house or anyone connected with it should be a party to violating the conditions under which some of the information in the report was given before the commission. The undertaking by the government to the British government which governed the conditions under which certain communications were placed before the commission and considered by the chief justice and the counsel who appeared before the commission was not an undertaking of one government to another as such; it was an undertaking by Canada to the United Kingdom, the government acting as the representative of this country. I mention that because I feel that this House of Commons, representing the people of Canada, would not wish to be a party or have any of its members a party to the violation of any undertaking or agreements which existed between the governments of the two countries.

Mr. COLDWELL: May I ask the right hon. gentleman a question just to clear up one point, since I read the letter and take the responsibility for asking that it be tabled? The right hon. gentleman has given the impression, I think, that Colonel Drew quoted from documents passing between the government of Canada and the British government. I do not think that is so. My recollection is that he referred to certain matters but that there were no documents given and no quotations from them.

Mr. HANSON (York-Sunbury): Quite right.

Mr. MACKENZIE KING: There is reference in a way which I have every reason to believe the commissioner himself would not regard as proper, or Mr. Campbell would not have given the opinion which he did.

Mr. CHURCH: May I ask the right hon. gentleman a question. Under the public inquiries act must not a commission—

Some hon. MEMBERS: Order.

Mr. CHURCH: —conduct proceedings in public? That is the law, by statute and usage and custom.

Mr. SPEAKER: Order.

Mr. CHURCH: I remember that an opinion was given to me years ago by, I believe, the Department of Justice. An inquiry under the Inquiries Act is a public proceeding. I should like to get an answer, Mr. Speaker. I moved for these papers last Wednesday.

WAYS AND MEANS

INCOME WAR TAX ACT

The house in committee of ways and means, Mr. Vien in the Chair.

The CHAIRMAN: We were considering resolution 1, part I, normal tax.

Mr. SLAGHT: I have not heretofore addressed the house either in the budget debate or in the discussion of any of the resolutions

arising from the budget, and therefore I desire for a moment to pay a high tribute to our Minister of Finance for the manner in which he has conducted the financial affairs of this country during the last fiscal year. He has in my view done a real job in that capacity, and a difficult capacity it has been. When I deal with two or three matters to which I shall confine myself, I desire it to be distinctly understood that there is no criticism of the minister, but merely criticism of some of the methods by which under this budget he proposes to raise revenue. I wish to conclude my tribute to him by pointing out this extraordinary fact, that in his budget of a year ago he estimated for this parliament the sources of revenue and the probable amount of revenue for the fiscal year ahead. Now that that year is ended and we have the reality, we find the actual figures of revenue received were $1,480,000,000, or in round figures almost one and a half billion dollars, or within four and a half million dollars of his estimates made a year in advance. I venture to say that never since confederation has a finance minister shown the vision and the control of finance which is evidenced by the reality as compared with his estimates the year before.

I want to deal with two or three matters. First, apropos of the items under discussion, I suggest to the minister—and I wish it understood that any suggestions I make are not destructive or critical, but are intended to be constructive and helpful, and that alone —that even though it be necessary to increase the burden of these items, or perhaps to adopt another method to which I shall refer later, in order to gain the additional revenue required, he increase his estimates of the amounts required to support the army for the coming year by an item of $4,500,000 in order that our soldiers may be placed upon a minimum payment of $50 a month, the amount that the United States private soldier is receiving.

The second item to which I refer has been touched upon by the leader of the opposition and other hon. members, but I have tried to run it to earth a little farther than they have done. It was suggested to me that this is what might be called a bachelor's budget. We have in this house twenty-two eminent bachelors, and I am sure they would be the first to join me in desiring to have the burden of taxation placed so that it would bear fairly upon the bachelors in Canada as well as upon the married men.

I will take only a moment to illustrate what I believe is a discrimination which operates unfairly against married men, particularly married men with children, and in favour of the bachelors. I remind you, Mr. Chairman, and I deal for illustration first with an income of $3,000 a year, that on that income the bachelor is taxed $1,064 and the married man is taxed $884. In other words, the difference allowed the married man on which to support his wife for a year is $180. I had thought that we desired to discourage bachelorhood and endeavour to bring about unions of marriage in this country in order to become a growing and virile nation. The very opposite result is the effect of the figures I shall give, because a bachelor who might say to himself, "I am tired of this single blessedness; I am going to marry", on looking over this budget will find that it is an expensive process for him to enter upon. The sum of $180 a year to keep a wife means exactly 49 cents a day for everything she requires, upon which to furnish her with food—

An hon. MEMBER: You cannot do it.

Mr. SLAGHT: An hon. member says that you cannot do it. I fancy he is right.

Mr. MacNICOL: As a married man you ought to know.

Mr. SLAGHT: There is something even more spectacularly discriminatory as against the married man with two children. The same income, $3,000, works out in this way for him. He is taxed $668 instead of $1,064. In other words, the state is allowing him $396 with which to maintain a wife, a boy of, let us say, ten, and a growing girl of twelve, or, in other words, $396, as against the bachelor's tax, to maintain those three persons. If we divide this amount by three, it allows him $132 a year on which to maintain each of the three. If we bring that down to a daily quota, he has the magnificent allowance of 36 cents a day on which to maintain the wife, 36 cents a day for the boy of ten, and 36 cents a day for a girl of twelve. If we divide that again, then aside altogether from food, he has practically nothing left to buy clothes, shoes and all these other things—

An hon. MEMBER: Penny candies.

Mr. SLAGHT: "Penny candies" an hon. member reminds me. I am serious in this. What has this married man? 36 cents a day on which to feed his wife. For breakfast he can allow her 6 cents; for luncheon, 10 cents; and opening his heart at dinner time, he can spend 20 cents with which to buy her dinner. That eats up the 36 cents, and he has nothing left for any of those necessities which a man with a wife and family must take care of. Why, in a year's time life would be nothing but a shadow on 36 cents a day. The

children could not be furnished with overshoes or warm clothing in the winter and probably would have to stay in bed. I analyse that situation to endeavour to bring home to the minister in the most friendly way that, if his bachelor tax is fair, he ought to increase the living allowance in favour of, at least, the married man with two children. Somebody says that means loss of revenue under this budget, and of course it does; but if the minister does not see fit to put on the shoulders of bachelors the burden of the loss incurred by treating fairly the married man with children, I have another suggestion to make in that regard. Before I conclude I will show him another method by which he may treat fairly the married men with children and still have just as much money with which to meet the expenditures that are so necessary under this budget.

Let me say at this point that I have no word of criticism of the spending of $3,900,000,000 which the minister proposes to spend. I would go a little farther and increase those expenditures if needs be. But I am going to quarrel in a friendly way with the method by which the minister proposes to raise the money. Just before I pass on to that, may I add a word in support of what was well put this afternoon by a number of hon. members, that we must remove the unfair inequalities which we are permitting if we carry out the budget proposal to tax a lieutenant or captain or officer in the active service forces because he is in Canada and not in England. To my mind that is grievously unfair. Take a young man who gives up his business or whatnot and volunteers for active service anywhere in the world. He lives perhaps in Ottawa or some village outside, and at the moment is on the Pacific coast in the service. He has made a great contribution by entering the active service. As has been pointed out, he has no control over where he goes. Most of the young officers to whom I have spoken are itching to get to England or somewhere where there is active service to be encountered, and that is the experience of probably all hon. members. That being so, how can we tax such an officer on his allowance from the state for his service? Do not misunderstand me. There may be young officers who are serving either in England or in Canada—if they are serving overseas they are exempt, and so they should be—who may have private incomes of their own, quite apart from the amount of money the state pays them. There is no suggestion from anyone, much less from me, that they should be exempt as regards their own private income; but when we come to the amount they are paid for entering into an unusual situation in defence

of the country and of the empire, I want to add the strongest protest I can against this country placing an income tax on the amount they receive.

I have been informed, though I have not checked it up, and military men will correct me if I am wrong, that the slogan used by the Department of National Defence, is, "Join the best paid army in the world." That statement is no longer true, if it was before the United States came into the war, because we are paying our privates $39 a month and they are paying theirs $50.

Mr. GIBSON: What about allowances?

Mr. SLAGHT: All right. Compare the allowances in the United States with those in this country, and you will find that the United States soldier is still better paid than the Canadian.

Mr. GIBSON: Have you the figures?

Mr. SLAGHT: I have not. My hon. friend has, and I challenge him to show that I am wrong.

Let me touch on one or two more factors connected with this matter before I proceed. There is a danger that if we cut these young officers down to the very lowest that they can stand, young men with a clean record may be suddenly brought before a court martial by reason of financial difficulties arising from a low scale of pay. Anyone familiar with the British situation knows that, regrettably, that is happening over there. May I point out that officers in the United States forces not only get better pay but do not pay taxes.

Mr. ILSLEY: That is not correct.

Mr. SLAGHT: I have been informed—

Mr. ILSLEY: We have a dispatch on that.

Mr. SLAGHT: If the minister has a dispatch on that, I eliminate it from my statement.

Mr. HANSON (York-Sunbury): I should like to have the position in the United States and the position in Britain made clear. I have heard that they both tax them.

Mr. ILSLEY: That is correct.

Mr. HANSON (York-Sunbury): In our discussion we ought to know what the position is in these two places. The minister says that my statement is correct. Then our point of view may or may not be altered by that fact.

Mr. ILSLEY: Application for deferment may be made in the United States, but in the United Kingdom, so far as I know, there is nothing even of that kind. They are taxed in both countries.

Mr. HANSON (York-Sunbury): Deferment of payment?

Mr. ILSLEY: Yes. If a man cannot pay and he is in the forces, he has the privilege of applying for deferment.

Mr. SLAGHT: I regret if I have made a statement which my hon. friend has had to correct, and has been good enough to correct. At any rate, we in Canada have to make up our minds in this parliament how we are going to treat our own Canadian officers. Is there anybody who can really justify this parliament taxing the income of a young man, who has no control over where he is sent, because he is in Vancouver island, which was recently bombed, and not in England? I cannot see it at all, and I may say that on information I have—and I know I am right in this—young officers in our Canadian army in this country are greatly upset at the suggestion of their proposed treatment under this budget. Surely it is worth-while to maintain morale, and on that ground alone I suggest that this committee should recognize that these men are making a sacrifice. When we talk about equality of sacrifice, none of us, no civilians, however earnest they may be and however hard they may work in civilian enterprises, can be compared at all, from the point of view of sacrifice, with the officer in the army.

I promised that with regard to the two suggested losses of revenue I would, I hoped, be able to show the minister how to replace them without having to increase taxes by way of the sales tax, or by heavier imposts on the bachelor, or by imposing any direct taxation. I suggest to him that he consider doing it in this way, that he should issue at once a very substantial amount of national currency. I am not a follower of the Social Credit party, but I welcome any view they may hold which supports mine. Let me give, quite independently of anything I have heard from those worthy gentlemen, the reason why I make this suggestion. We are in committee of ways and means, and I make the suggestion as a way and means to get a substantial revenue for this country and not increase the already very heavy burden which falls upon the taxpayers, especially those in the lower brackets. I shall give a few figures which I think will make my suggestion very clear.

In the appendix to the budget, at page 56, it is shown that we borrowed in the two years and five months of war, $3,933,508,690, of which more than $10,000,000 was non-interest bearing certificates. Therefore the net borrowing on which we took on a new interest burden amounted to, roughly, $3,922,000,000, and we used $1,503,000,000 of that to redeem maturing bonds so that we created new interest-bearing debt for spending purposes—and we certainly spent it—amounting to, roughly, $2,418,000,000. It is interesting to note that of those amounts we borrowed from the chartered banks $600,660,000 and they have the bonds with the interest coupons; we borrowed from the Bank of Canada $664,340,000, or a total from those two sources of $1,265,000,000.

Let me give the story for the last fiscal year. We borrowed $2,457,000,000, of which $4,000,000 was by means of non-interest bearing certificates. Therefore we borrowed at interest $2,452,000,000, and of that we used last year $964,000,000 to redeem maturing bonds, so we created new interest-bearing debt and spending money amounting to $1,488,000,000. Our projected budget this year is $3,900,000,000. About half of that, or $2,049,000,000, it is proposed to raise by taxes, and the minister in his summation of the item we are now discussing and other items says that this leaves a budgetary deficit of $1,850,000,000 which will have to be covered by borrowing.

I have examined our maturing obligations for the coming fiscal year for which we are budgeting. They amount to only $595,000,000. I propose to the minister that any additional sum that he has to get to cover the loss under the two or three items I have discussed under item 1 he should get in this way: he should issue at least $1,200,000,000 of national currency.

Mr. HANSON (York-Sunbury): How would the hon. member make that jibe with the policy of the administration against inflation?

Mr. SLAGHT: I will answer that. I expected that some hon. member would rise in a hurry and say that that would create inflation.

Mr. HANSON (York-Sunbury): I am not asking the question in that sense at all. I am asking for information. Before I returned to the house after the election of 1940, I suggested to the deputy minister of finance that we should try that method.

Mr. SLAGHT: Well, the hon. leader of the opposition saw the light; he saw the folly of what we have been doing for several years sooner than I did. I compliment him.

Mr. HANSON (York-Sunbury): Unfortunately, I did not get the slightest encouragement, and I dropped the matter, on the theory that I was wrong. I apologize for interrupting.

Mr. SLAGHT: My hon. friend may change his mind back again. I will try to change it for him. My hon. friend says, "Oh, that will

create inflation". There are others who will probably put it much more severely than my hon. friend is putting it. If by inflation we mean you are going to cheapen our present supply of money because you issue more national currency, let me suggest that that dog won't bark; that is not true at all, and I will tell the committee why. I am saying, let us issue bonds for the $595,000,000 of maturities, because those will be brought to the minister by the insurance companies, trust companies and banks, who represent a large number of clients, and they will expect, not to get cash for them, but to get new bonds, as they have been getting for the last twenty years, which bonds will bear interest; that is the way in which the government will maintain its obligations. So I would not disturb in this year of war time the reissue of $595,000,000.

I shall try to illustrate to my hon. friend by an actual visible illustration that it will not create any inflation at all, the reason being that we now control all expenditure in this country. We control prices against rising. We have a food controller, an oil controller. In fact we control every commodity there is except the air we breathe. We control prices of all commodities, and we control wages. That is something which the minister said in effect in 1939—I can give the page—that if you can control the ceiling of prices so that if you issue more national currency there will not be an immediate spiraling up of prices, then there is not danger of inflation by the issue of further national currency in the same way as there would be otherwise.

Mr. ILSLEY: When did I say that?

Mr. SLAGHT: As reported at page 139 of *Hansard* for 1939, the second session, the first column, the minister put it in this way. He was dealing with this question with which I am dealing, and he said with regard to inflation:

> If it is replied that we should control prices rigidly, then, assuming that all prices under such conditions could be effectively controlled—a very optimistic assumption—we would have to prevent the public from spending its money by some other means such as a drastic system of rationing all commodities.

We are now in the very midst of the most drastic system of rationing all commodities that this country has ever known. It is working. The minister then displayed a lack of optimism, and I think he was perhaps right at the time. That system of rationing has, however, become a reality in this country. Everyone knows that we are rationing certain commodities and preparing to ration more, and the housewives and citizens of Canada are taking it with chins up and obeying the rationing laws, because we are finding no necessity for prosecutions to make people observe them.

Let me now return to the question of inflation. By inflation is meant that you are putting too much cash in the hands of the people of this country, particularly the working people and the farmers, and the 85 per cent that are termed the very modest earners; you are giving them too much money, and they will go and spend it. Will any of my hon. friends tell me, because I have a $100 bill in my hand—

Some hon. MEMBERS: Oh, oh.

Mr. SLAGHT: I had to borrow it, Mr. Chairman, and the public interest would not permit me to table it. The security back of this Bank of Canada currency is the credit and the assets of Canada. Then I have a $100 bond here, with the pretty little coupons attached covering a period of years, with interest at three per cent payable half-yearly. The security behind this bond is the credit and the assets of the Dominion of Canada. There is no difference at all in what is behind either of these securities; and there is not a pennyworth of gold anywhere in the custody of the government to-day, or in the custody of the Bank of Canada, behind either of these securities. Two years ago we gave up the requirement which had obtained up until then of 25 per cent gold before national currency could properly be issued against it. That day has gone, both with Britain and with us. But we have the credit of this country behind both these securities.

If, instead of issuing bonds, taking them to the bank, pushing them through the wicket and getting $100 bills for them, which the Minister of Finance would do if he issued bonds, he issued $100 bills, what does he do with the money? He pays the obligations of Canada. He pays the John Inglis company for Bren guns, and they in turn pay out the money to their workmen. Similarly, if we issue a $100 bill and take it to the bank and deposit it—because we would not want to keep it in a strong box—we hand it to the banker. Then he has the $100 bill and we have the credit. Then we cheque against the same account, to the John Inglis company and everybody else, and we meet the obligations of Canada in exactly the same way. How do the working people in Canada get any more money under the system of issuing bills than they get under the system of issuing bonds? They have to earn every dollar they get from the John Inglis company

or from anyone else. But someone gets a good deal more out of this system that we are going to follow. What does the private banker do, and by that I mean the chartered banks? If my hon. friend issues this bond and takes it to a bank; if that bank has only $5 in its till in money of the Bank of Canada, paper money, the bank then has power, because we have delegated that power to it, to thank him for the bond, take it in, put it away and make a bookkeeping entry in a ledger with pen and ink showing that my hon. friend has a credit of $100 in the bank against which he can cheque the next day, if he wishes, and draw it all out or leave it in. But the bank gets that bond for nothing, except for this. It does just one thing to get that bond; in the first place it has to get a $5 bill of the Bank of Canada, and perhaps it has to keep it there, but it does not even give up that bill. It simply makes a written entry in a book, because we have delegated the power to issue money to the private bank instead of retaining that power in the parliament of Canada, where the British North America Act placed it. I have the sections of that act here, but it will not be gainsaid that the power to create and regulate money is given under section 91 to the parliament of Canada. But we do not use that power. We delegated it years ago to the chartered banks, under our financial system.

Mr. HANSON (York-Sunbury): In 1934 we took it back at so much a year, and it will soon disappear.

Mr. SLAGHT: Oh, no; I will tell my hon. friend what happened in 1934, and he can look it up. All we did was to say to the chartered banks, who had enjoyed much greater freedom in issuing their own bank bills, that each year thereafter they had to decrease the issue of their own bills by 10 per cent. We did nothing else. We never stopped their writing entries in books and creating paper money by credits of that kind. We never stopped their taking these bonds, keeping these interest coupons for ten or twenty years, as the case might be, and fattening on this procedure. My hon. friend may say something about the great debts that are being created. With dominion government bonds outstanding now amounting to $5,866,000,000, according to the budget; with provincial interest-bearing securities amounting to a large figure, and municipal securities, the public debt of Canada to-day amounts to $10,016,000,000. That is a terrible load; and the interest we are paying to-day on bonds of just this kind, which are largely held by banks, trust companies, trust estates and the wealthy people of this country, is shown in the budget as $170,000,000. If we issue the additional $1,850,000,000 of bonds which the minister says we shall have to raise by borrowing this year, we shall add to that amount of interest another $55,000,000, so that next year we shall be paying $225,000,000 in interest on debt created in the way I have indicated. In ten years that yearly interest payment will amount to $2,250,000,000, which we shall have paid on debt-bearing securities of the dominion government alone.

Can we stand that sort of thing, or should we stand it any longer if there is another way of doing it? Surely I have shown that there is no more inflation, and that you have not given the working people of this country any more money to spend, because you give the bank this bond and let it have the interest for nothing, than when you issue this bill. It is nonsense to let anyone tell you otherwise. If that be so, what would be the harm in doing as I have suggested? Where is the evil in it? I should be glad to be shown. I think it is time we called a halt. I have just about concluded if my hon. friend is protesting.

Mr. HANSON (York-Sunbury): No, go ahead; this is most interesting.

Mr. SLAGHT: I am sorry; I thought my hon. friend was protesting. Lest anyone here should have any doubt about my interpretation of the law—though I am sometimes wrong in that—I should like to give an authority that probably will not be questioned; I refer to Mr. Graham Towers. Before the standing committee on banking and commerce in 1939, at page 76 of volume 1 of the proceedings, the hon. member for Vancouver-Burrard was examining Mr. Graham Towers, and I might read half a dozen questions and answers in order to set any doubt at rest:

Mr. McGeer: Am I right in saying that a bank deposit can be created in this way? A banker can purchase a dominion government bond by accepting from the government, we will say, a bond for $1,000 and giving to the government a deposit in the bank of $1,000?

Mr. Towers: Yes.

Mr. McGeer: When a bank takes a bond from the government, what the government receives is a credit entry in the banker's book showing the banker as a debtor to the government to the value of $1,000?

Mr. Towers: Yes.

Mr. McGeer: And in law all that the bank has to hold in the way of cash to issue that deposit liability is 5 per cent?

Mr. Towers: Yes.

Mr. McGeer: You are aware that our banks now hold one billion four hundred odd million dollars of municipal, provincial and dominion securities?

Mr. Towers: Yes.

Does my hon. friend still suggest that that has been altered since 1939? I have made vigilant search, and it has not. I think he was thinking of the issue of notes.

Mr. HANSON (York-Sunbury): I admit that.

Mr. SLAGHT: I have gone on much longer than I intended, Mr. Chairman. But let me show you what we have been doing under this frenzied system since 1910. This picture is a vivid one because I am speaking only of dominion debt, and leaving out provincial and municipal debts. In 1910 our dominion debt amounted to $341,000,000; in 1920, $1,935,000,000; in 1930, $2,261,000,000; in 1940, $4,062,000,000; and in 1942, as set out in the appendix, $5,866,000,000. Where do we go from here?

Someone may suggest, "Oh, if you issue national currency you are going to give the workingman of this country pockets full of money." Does anyone suggest that when the workingman gets through paying his taxes under this budget he is going to have too much money to spend; that he is going to become reckless in his expenditures after paying these taxes? This budget is going to be a financial strain. It is going to be the toughest budget the Canadian workingman or anybody else ever tried to bear up under, and yet they are going to take it, and take it with a cutting down of their expenditures on luxuries and all that sort of thing, which the Minister of Finance is very properly advising us all to cut down on.

I want to say this, that rather than deprive the soldier of the $50 and the married man of a decent allowance to support his wife and children, I would raise the income tax a little higher on incomes in the upper brackets —raise the taxes on the men who have as against the men who have not. I am prepared to support that proposition if needs be. The minister seems to be amused by my language, but I tell him I am sincere in making this suggestion. My hon. friend the leader of the Cooperative Commonwealth Federation group has said more than once that it is not what you tax a man that counts but what he has left after he has paid his taxes, and surely that is good gospel in war time. I would impress upon the minister in the most sincere way, if he feels that to meet the increases I have spoken of, because of the losses that will follow them, he must raise more money by borrowing, not to do so, but to issue national currency instead. We have outstanding now in national currency $515,000,000, and that is all. That works out at $43 per head for every man, woman and child of our eleven and a half million people. That $515,000,000 is made up of $470,000,000 of paper currency and $45,000,000 of silver and copper coins, because we have no gold coins now, and that $515,000,000 is all the national currency we have outstanding. The United States with their tremendous wealth and greater population have outstanding in national currency an amount which works out at $88 per head of their 130,000,000 people. That is the situation in the United States, so there is no parallel whatsoever.

Somebody says, "What is the harm in issuing a lot more debt for Canada to pay out?" I give credit to the Minister of Finance for doing this, that he has got the debt owed by this country into the hands of Canadian people instead of into the hands of people in New York and London. That was a wonderful thing to do; the debt is nearly all now in the hands of Canadian people.

Somebody says, "If the Canadian government collects from the Canadian people $1,850,000,000 by way of bonds, with a yoke of interest to pay for twenty years, then the Canadian people own $1,850,000,000, and all is well. Everything is all right; you have done no harm to anybody." But that dog won't bark, and for this reason. I have some figures dealing with the distribution. I am sorry I do not have them here, but I got them from the authorities. The Minister of Finance recognizes the problem of where the interest-bearing debt obligation is owned and held.

An hon. MEMBER: By the chartered banks.

Mr. SLAGHT: In large part, yes. Out of $3,922,000,000 of bonds issued, the chartered banks bought $1,254,000,000. But there is another way in which they do business. Anybody who wants to buy a bond can go to a bank and pay in $10, and the bank will advance the rest to buy a $100 bond for him.

Mr. HANSON (York-Sunbury): They will go 100 per cent sometimes.

Mr. SLAGHT: That is a very laudable thing to do. But just get the figures of Canadian bonds which the chartered banks are holding to-day. In the last victory loan the Minister of Finance, with the aid of all those men who rushed in to help him, got

a wonderful distribution of the loan. I did not mention, in connection with the $55,000,000 of increased interest, that it will cost us at least eight or ten millions more to get it, because that is the expense of raising victory loan money. Somebody objected last year to $8,000,000 as being too much. I do not think it is. But that is a part of the burden you have to carry if you go on the debt-issuing principle instead of on the currency-issuing principle.

Mr. HANSON (York-Sunbury): Would the hon. member put any limitation on this method? What would he do with foreign obligations if our money became depreciated?

Mr. SLAGHT: If it became depreciated? If the country were blasted to pieces with a volcano, what would any of us do? Let my friend show me how this money will become depreciated. I am suggesting a national currency, which does not mean debt, instead of debt-bearing obligations. Suppose a foreign country is looking at Canada's financial position and Canada's bookkeeping. Do you think that Great Britain or the United States will think less of Canada if she increases her national currency by $1,200,000,000 in one year, instead of increasing her national debt by $1,200,000,000 of bonds, plus $55,000,000 of interest-bearing coupons every year? If you were a country merchant and you were looking at a customer who had an obligation of a straight $100 to pay at some time when his creditor pushed him, would his credit be any worse than if he had an obligation of $100 at 3 per cent interest for twenty years, which would make his total debt $100, plus three times twenty, or a total of $160? There has been a lot of bogeyism about this matter and a lot of well-meant nonsense.

There have been many false premises; there have been many unsupportable statements; but I challenge anyone to show me where there would be inflation by the same issue of national currency, if carefully each year you take care of your maturing bond obligations that mature in that fiscal year. We started off under a foolish policy, and we cannot ruin the insurance companies and the banks by shutting them off and giving them just cash when we require to renew our obligations as we do year after year; I want to protect them. When you have done what I suggest, and if I am right in saying that we have maintained control over prices, that we have maintained rationing of goods, then every proper reason that has ever been advanced before in Canada in support of this debt-increasing burden falls to the ground.

Mr. ILSLEY: I very much regret the speech that has just been made, because I think it will do a great deal of damage. It is made at a time and in an atmosphere when seeds of that kind will, I am afraid, fall on fertile ground. I ask the hon. members of this house to give me a chance to answer this, because I feel a deep responsibility at this moment, and I am going to do the best I can to answer what my hon. friend has said. At a time when we are passing through great disasters we are asking the people of the Dominion of Canada to bear great burdens. We have laid down a basis for our fiscal policy. We did that before the war, and we reasoned these matters out with great care in speech after speech that I and my colleagues made. We examined carefully the proposals that my hon. friend has made—he has not made them, so far as I know, until now, but others have been making them from before the war in practically the same form—we have had committees on them, and we have looked at them from every point of view. We came to the conclusion—in this we were agreed with by the experts of the dominion government, the United Kingdom government, the government of the United States, the governments of the other dominions and, so far as I know, the governments of every democratic country—that by all means the fairest way of financing the war was by taxation and by borrowing. We have given our reasons why that is so.

If a country devotes its assets, devotes its resources, human and material, to the carrying on of a war to the greatest extent to which it is capable, the real costs of that war are not monetary; they are costs in men and property which the country has devoted to the carrying on of the war. The more of their output that they put into war, the less there will be for the people who stay at home. That may become less and less, and the standard of living of the people may go down and down. How will that go down? In what way will that burden be apportioned? There is no escape whatever from the burden. When the country produces as much as it can, if it devotes 40 per cent, then 50 per cent, then 60 per cent of that output to the war, the proportion left for the people at home goes down, and an ever-increasing burden is placed upon the backs of the men, women and children of the country. That is inescapable. We are talking about realities. This is not a question of money at all; it is a question of things and people. It is elemental. We are just confusing it if we think it is a question of money.

Mr. QUELCH: Mr. Chairman—

Mr. ILSLEY: Will my hon. friend please keep his peace? I asked for that courtesy when I rose. I want to make a good job of this, because I feel that it would be a calamity if my hon. friend's views gained any foothold in this country. It is all very well for the group in the corner to be talking. There are not a great many people who take them seriously; but if a powerful speaker such as my hon. friend is going to disseminate this kind of doctrine throughout Canada and it is taken seriously, then of course it upsets the very fundamentals of our whole scheme of financing this war. It destroys it.

Mr. SLAGHT: It does not give you the right.

Mr. ILSLEY: If my hon. friend believes that, then he has no confidence in the financial policies of the administration. He should not be a supporter of the financial policies of the administration, because his attack is upon fundamentals.

Let me come back to what I was saying. The question is how to distribute this burden, because a burden there will be. There are three ways in which to do it. The first is by taxation; the second is by borrowing, and the third is by inflation. We can adopt that policy, and it will be easy for a while. My hon. friend is not the first to suggest it. This is not the first century in which clever men have risen in their places in parliaments and advocated this kind of thing. Let the hon. gentleman read the debates of the constituent assembly at the time of the French revolution. The finest economists of France were advocating this thing. They were advocating the issue of a few million more of money, then a few million more and then a few million more until their currency was entirely destroyed. It has been done time after time.

My hon. friend says to-night that we should finance this war by the issue of a billion dollars of what he calls national currency. I gathered from the latter part of his remarks that by national currency he meant Bank of Canada notes, because he told the committee of the hundreds of millions of dollars of Bank of Canada notes that are outstanding. Let me lead the committee through the three kinds of borrowing that there might be. The most simple way of putting into the currency of this country a billion dollars of Bank of Canada notes would be to borrow a billion dollars from the Bank of Canada. We would be borrowing from our own institution, and the effect would be precisely the same as if we had issued this amount. We cannot issue it because we have not the power, but it would be our bank that would be issuing it for us.

If they issued and lent the money to us, that is an issue of a billion dollars of national currency. That is the most natural thing.

There are three kinds of borrowing. First, we can borrow from the public; second, we can borrow from the chartered banks and, third, we can borrow from the Bank of Canada. That is by far the most inflationary method of the three. If the government borrows $100,000 from my hon. friend, his bank account shrinks by $100,000 and the Minister of Finance's bank account increases by $100,000. There is no difference in the total of the deposits after the transaction from what there was before. I think that is clear. That is the first method of borrowing.

The second method that I mentioned is to borrow from the chartered banks. I go to some bank and ask them to let the government have $100,000. If I followed what the hon. gentleman said, the government would be doing just exactly what the hon. gentleman says they would do. They simply credit the government with $100,000, and the total of the bank deposits of the country have increased by $100,000. In other words, that transaction results in there being in existence $100,000 more new money than there was if I had borrowed from my hon. friend. To that extent it is $100,000 more inflationary in its effect than the other method. That is the reason why we shy off from borrowing from the chartered banks, why we strictly limit our borrowings from the chartered banks, keep them down to the irreducible minimum. That is why we keep on with these campaigns throughout the country and pay millions in advertising. That is why we have 22,000 workers for the national war finance committee all over Canada trying to get the people to lend their money to the country so that the government will not have to borrow it from the chartered banks. That is the second method.

The third method is the method suggested by my hon. friend to-night, borrowing from the Bank of Canada or issuing of more currency. That is several times more inflationary than borrowing from the chartered banks.

Mr. BLACKMORE: What do you mean by inflation?

Mr. ILSLEY: It is more inflationary than if we borrowed from the chartered banks, for this reason. We are borrowing real cash then; we are borrowing something which, when it goes into the chartered banks, serves as cash reserve. Everyone familiar with the working of the banking system knows that, the moment the banks get their hands on additional cash—I mean by that Bank of Canada notes, or deposits by the Bank of Canada which are

convertible into Bank of Canada notes—when the banks get those reserves in their hands, powerful forces are set in motion to get the banks to buy securities themselves, to make loans themselves, so that the deposits of the chartered banks will be seven, eight, nine or ten times as great as their cash reserves. That lies at the base of their whole profit-making activities; the way they make money is by lending more money than they have. What they have is their cash reserves; and unless a bank has out several times—six, seven, eight, nine or ten times—its cash reserves, it is not being profitably or, from a banking point of view, properly conducted. Therefore, if we create, as the hon. gentleman has suggested, a billion dollars of new money, government money, Bank of Canada notes or deposits, and put those into circulation, we have set loose inflationary tendencies of terrific power. That is the reason why we keep away from borrowing from the Bank of Canada. We would borrow from the chartered banks before we would borrow from the Bank of Canada even though we had to pay a little interest to the chartered banks but not to the Bank of Canada, or if we did pay interest to the Bank of Canada we would be paying interest to ourselves. That is the reason for our borrowing from the people of Canada and, if we have to, even from the chartered banks, but not at all from the Bank of Canada if we can avoid it. My hon. friend says that is all right under normal conditions.

Mr. McGEER: I did not say that that was all right at any time.

Mr. ILSLEY: He is advocating the issue of a billion dollars of Bank of Canada notes; that is what he is advocating. He says that, whatever may be the situation normally, you have now a wartime prices and trade board, which will hold prices down, and you can put your money into circulation without forcing prices up because you have the price ceiling on. Well, my hon. friend has the most sublime faith in the price ceiling. I wish I had as much faith in the price ceiling without that billion dollars as he has with that billion dollars.

Mr. HANSON (York-Sunbury): It would just blow up.

Mr. ILSLEY: I want to tell him that if we put into circulation a billion dollars of new money, it would blow the price ceiling to kingdom come before you could say "Jack Robinson". I say this too, that if by some miracle we were able to keep that price ceiling on we would have to keep it on for many, many years, because we would never dare take it off.

You can do only so much by bureaucratic methods. You can do only so much by repression, by policing. Our prosecutions are starting now; I see them in the papers: a prosecution, I think, in Winnipeg, another somewhere else. There was a prosecution in Montreal of a restaurant which charged too much for a meal. Black markets will undoubtedly develop. People will be violating our regulations, and there will be no way in the world to prevent that from happening. The only way we can preserve that price ceiling is to take away from the people by borrowing and taxation just as much as we possibly can, so as to relieve that upward pressure on the price ceiling and on prices. I want to say that anyone who thinks an issue of a billion dollars of new money, national currency, Bank of Canada notes, can be effected without the slightest inflation is simply deluding himself.

An hon. MEMBER: Tommyrot!

Mr. ILSLEY: The Social Credit party, of course, do not agree with that, and I do not expect them to agree with it. But I think it would be a terrible thing if any substantial proportion of the membership of this house espoused those views or were convinced by that argument.

I do not know that I have very much more to say this evening. I do not believe there were many more points made in regard to this method of financing. Let me say that it is as old as the hills; it is as old as the ancient empires. It was done in France; it was done in Germany. But Germany at the present time is not relying on this method of financing. Germany has a tremendously heavy taxation load on its people, and is borrowing from them to relieve the upward pressure on its price ceiling, which is a much better price ceiling, I have no doubt, than ours. But to think that we in this democratic country, with the great freedom there is of expression and the great interest in individual liberty, could, by sheer brute force of pressure on people, maintain a price ceiling if we set loose another billion dollars of national currency at this time, is just not to have a conception of the gravity of the situation, of the might of the inflationary forces which would be set loose.

My hon. friend opened his speech with some remarks on the item, and I want to thank him for his tribute to myself. He says that I have done a good job, but it seems to me that he cannot think so, because I have been wrong all along if he is right. I have been fundamentally wrong if he is right, and I do not think that I have. Why,

Mr. Chairman, rather than do what my hon. friend has suggested I would walk out in a minute.

An hon. MEMBER: It might be a good thing.

Mr. ILSLEY: It might be a good thing, yes, but I would not try. I would not make an attempt to finance or try to conduct the finances of this country if I ran away from the hard way, which is the only way and the only fair way, the way of imposing obligations in accordance with ability to pay, and took this easy, downward, fatal course to the abyss—which it would be.

I want now to come back to the item and say a few words with regard to soldiers and officers. As I told the committee this afternoon, I am going to have some proposal to make about that before these resolutions are through the house. I know there is discrimination there; I know there are several discriminations; and I think I shall have some proposals which may have the effect of ironing out the discriminations, but not, I think, the proposals which have been made in this chamber this afternoon and to-night.

With regard to single and married men, I wish to put a finger on the fallacy in my hon. friend's argument. He seems to think that the difference between the tax which the single man pays and the married man pays is the amount which the married man's wife and children are supposed to live on. No such theory was ever before promulgated. It was the principal amount upon which this is the tax that lies at the basis. My hon. friend has worked out some differences here. For instance, he takes the taxpayer who is in receipt of $3,000. He says that the new tax plus the refundable proportion of money savings required is, for a single person without dependents, $1,064; for a married person without children, $884; and for a married person with two children, $668. The comparison should have been, I submit, between taxes, not between amounts which include refundable taxes or compulsory savings, and there the difference is considerably greater. But even so, the difference in taxes is not sufficient to enable a man to support his wife or his wife and children, and was never intended to be.

Mr. HANSON (York-Sunbury): I think that on the whole we are indebted to the member for Parry Sound (Mr. Slaght) for having stirred up interest in a very important subject matter in this house and for having at least given us some intellectual entertainment, when we have listened to, shall I say, the brilliant reply of the Minister of Finance (Mr. Ilsley). I may have flirted with the idea

of fiat money in the early stages of the war, but I should not like anyone to say that I am a believer in the issue of national currency as a method of financing this war. All history, as the Minister of Finance has said, cries out against it. There is no easy way of financing war, as the minister has also stated.

The speech of the member for Parry Sound to-night was reminiscent of the evidence which the member for Vancouver-Burrard (Mr. McGeer) gave to the Macmillan commission on banking as long ago as 1933, and was also reminiscent of a speech which the same hon. gentleman made before the banking and commerce committee of this House of Commons in 1934, and it is by no means a new suggestion. If we were to adopt the methods advocated by the hon. gentleman, and so ably controverted by the Minister of Finance to-night, this country, sooner or later, notwithstanding all the controls that human ingenuity could devise, would finally blow the lid off, as has happened in every other country in which resort has been had to these methods—that is, so long as you maintain the capitalist system. If you have a system of socialism and are a self-contained nation; if you do not owe foreign debts and do not have to pay for goods you import from outside, then I suppose one might consider that theory. I know this will not please my hon. friends in the corner to my left, but I suggest that their theories can operate only if you are in an air-tight compartment of a nation and do not have to deal with other people, who will not accept money against which there is not a sense of security.

An hon. MEMBER: Give some evidence of what you are saying.

Mr. HANSON (York-Sunbury): My common sense is evidence enough. I do not want to get into a discussion of social credit principles.

An hon. MEMBER: You cannot.

Mr. HANSON (York-Sunbury): I have been listening to these theories since 1923 before any of the present hon. gentlemen ever graced a seat in this house. I remember when Major Douglas first appeared on the scene, and I remember the second time he came. He would not leave until we paid him a fee, to which I was opposed, by the way. I believe there was never a greater monetary faker in the history of this country than that same Major Douglas. I am satisfied on that point.

Mr. BLACKMORE: That is just your opinion.

Mr. HANSON (York-Sunbury): I had some near-hand dealing with that gentleman. He offered to come to Ottawa in 1934 for his expenses, but before we could get rid of him and get him off the expense account he had to have a fee, and against my protest the banking and commerce committee agreed to pay him. But that is by the way. If we were to pursue the course advocated by the member for Parry Sound, on the basis of the monetary theories of the member for Vancouver-Burrard, this country within a short time, at the rate we are spending money in the war, would simply blow the whole lid off. We never could carry on, and the people of the country would hide their wealth and not make it available to the government. I may be old-fashioned—

Some hon. MEMBERS: Hear, hear.

Mr. HANSON (York-Sunbury): It is probably true I am, but my opinions are based on the established theories and practice of decades and decades of public finance, and until it can be demonstrated that Canada can finance the war on the basis of fiat money, then I am going to adhere to the old-fashioned principle which the Minister of Finance advocated here to-night.

The only criticism I have of the minister's war finance method is that in this budget, I fear, he is attempting to tax too highly, when one has regard to the fact that this war may continue for a long time. He may dry up some of the sources. Notwithstanding that, the Canadian people are willing to make the sacrifice, but they would be very distrustful of a government which has proceeded for three years on one basis of war finance if it suddenly switched to another basis. That is a factor which must be given consideration. So that much as one may be attracted by this theory of financing the war by means of national institutions, let us think this matter clear through before we adopt any such theories.

I hope that any remarks I have made are not of such a provocative nature as to cause this debate to go on for a long time, because we are anxious to get back to the resolutions. But I think I should support the minister, believing what I do with respect to orthodox finance, and I do support him.

Mr. ESLING: My sympathy is with the Minister of Finance. He has had an unhappy and difficult task in the preparation of this budget, and has done it well, and it is because of the confidence which the people have in our present Minister of Finance that they accept this budget with less complaint than ordinarily. The proposals in this income tax resolution come home more directly to everybody in Canada than do some of the other resolutions. But I would not slight the taxation measures in the other resolutions, because if any tax which financial ingenuity could suggest has been overlooked in this budget we may be assured that it was not intentional on the part of the minister. I think also that he will welcome any suggestion or reminder of any other tax which he might impose. Therefore, if I may be permitted, I will offer such a suggestion.

Of course there is concern about taxation at this time. But the minister has brought the people of this country to a realization of the fact that we must find ways and means for the conduct of the war. There are some features of the budget requiring correction. One was mentioned by the leader of the opposition, namely, the omission of exemption from the refundable tax on agreements of sale.

Under the national housing plan we have some 23,000 units constructed in Canada and a guarantee on the part of the federal government of some $73,000,000. At least there is $73,000,000 that has gone into this plan. Then many industries are contributing to or assisting in the building of houses for their employees. In my district one company has lent its employees some $2,000,000 for the construction of houses. It makes a substantial community.

Also there is concern about the churches. Naturally we must all retrench and economize, and the first inclination of some people is to cut down their church contributions. It is an easy thing to do, but it is regrettable, because the churches must be maintained, particularly in such critical times as those through which we are now passing.

I should like to refer to the provision in this resolution as to the amount upon which there is total exemption from any tax, namely, $660. That amount I think applies primarily to grade 1 civil servants. For grade 1 civil servants whose homes and parents are in Ottawa the situation is perhaps not so serious, but for grade 1 clerks who come from afar the situation is very serious. My suggestion before I sit down will be that the basic rate of pay for a grade 1 clerk be $70 a month instead of $60, and I propose to show then that the government is not going too far.

What is the situation? The government has some 3,200 stenographers and typists at $60 a month, plus a cost of living bonus of $6.60. They have perhaps three or four thousand more doing clerical work. These girls are war workers just as much as the man or woman in a munitions plant. Without their assistance the Department of Munitions

and Supply could not carry on, nor could the Department of National Defence or the Department of Finance or any other department of the government. The government wants them; it advertises for them; it invites them to come to Ottawa and tells them that if they come, having passed a civil service examination by examiners appointed by the government, they will be paid $60 a month and a cost of living bonus of $6.60. They arrive, from the west, and from the east; they arrive at an expenditure from Vancouver of $69; from Calgary, $49; from Winnipeg, $31; and from Halifax, about $21. This means that they sit up two or three or four nights in the train without a blanket over them and without a dollar for a meal. I would ask any hon. member of the government or any member of this house if he would like his daughters cast adrift in this high-priced, overcrowded city trying to live on—not $66.60 a month, but $55.02 a month, because that is what remains after the normal tax, the graduated tax, unemployment insurance and the retiring allowance are deducted. The retiring allowance of course they will get back some day, but it will not pay their carfares. They are in debt from the time they start.

This one item emphasizes, I think more than anything else, the suggestions which have been repeatedly made by hon. members as to hostels for these girls. The girls are expected to look presentable; they pride themselves on doing so and, if they do not keep presentable, they do not last very long in their positions. The government now proposes to give them an increase of $5 or $10 or $15 a month in addition to the basic rate and the cost-of-living bonus. This is not altogether generosity on the part of the government. I do not know what ministers compose the treasury board, but the treasury board has not a very good reputation for generosity when it comes to paying civil servants, or paying these grade 1 clerks. What does this mean? The government is proposing to give them $5, $10, $15 more, simply because it cannot get a sufficient number of stenographers at $60 plus cost-of-living bonus. The government needs to-day 300 more stenographers, and they are not coming at the rate now paid for grade 1. Let us assume that instead of giving them $60 as a basic rate of pay, they are given $65 as the government proposes. Instead of $55.02 a month after deductions, they will receive $57.97. Give them a basic rate of $70 a month, plus cost-of-living bonus, or, $76.60; after deductions they will receive $60.92. Give them $75 a month plus cost of living bonus, or $81.60, and after deductions they have left $63.87.

[Mr. Esling.]

Anyone concerned with the care of girls will say that a girl cannot possibly get along on less than $60 a month, and if she has any dental or medical expenses she is sunk for the rest of the time she is in Ottawa. The irony of the situation is that war workers, in every industry in Ontario, receive in their envelopes little blue slips from the Department of Pensions and National Health—I hope the minister is here, though I cannot see him—saying, "Help the war effort along. Eat a hearty breakfast before you come to work. Drink plenty of milk daily; it is a great pick-up. Drink plenty of fruit juice", and so on, and all this on $55.02 a month. It cannot be done. I am going to suggest that a fairer way would be to make the basic rate for these grade 1 clerks $70 a month plus the cost-of-living allowance, and even then they would be getting only something like $60.92 a month. The minister can figure it all out, though I am not speaking at random, for I have checked these figures with his own officers.

I should now like to offer a suggestion which may bring in more revenue, and which perhaps will be more graciously received. I may be wrong in my understanding; if so, the minister will correct me, and I will stop and admit my error. Let me go back to 1936, and this has to do with the equality of contribution by everyone, corporations and individuals. In 1936 we had a non-resident tax, often called a remittance tax, of 5 per cent, which applied to all money sent out of Canada for rentals, royalties, dividends, interest and so on. Strange to say, the only item singled out for special consideration from all the remittances sent out of Canada was the item of money paid in connection with moving-picture films. The reason for that was never explained, or at least no one in this house ever understood it. The minister of finance of that day simply said, "We will let everyone else pay the tax of 5 per cent, even if the amount sent out is only $100; but where moving-picture films are concerned, though they send $5,000,000 out of the country, we will cut down the tax to 2 per cent." I presented a brief to the government in this regard. I knew something about this business, or thought I did, and the result was that in 1939 the government put this tax back to 5 per cent. In doing so, and thereby recovering a few hundred thousand dollars, they made an admission that they were wrong in reducing that tax from 5 per cent to 2 per cent in the first place. Again, in the budget of 1941 the same item was singled out from all others and cut down. The minister said, "Well, in this matter of films I think the best I can

do is charge them 10 per cent, instead of making them pay 15 per cent." What does this mean? It means that it will cost the taxpayers of Canada just about $450,000 this year in loss of revenue, and I am giving these figures from government records.

This is just one reason why that tax should be imposed in full, just as it is imposed on smaller remittances. Remember, this money goes to the big picture producers in Hollywood and other parts of the United States. They have made the government believe that they are losing a great deal of money on the plea that these films wear out and are useless and have to be thrown into the ash barrel. That is not exactly the situation. A standard film is 7,000 feet in length. It comes into the country as a negative, and for customs purposes it is valued at 5 cents a foot. Then the duty is 27½ per cent plus 10 per cent, or a total of 37½ per cent. That negative goes to a processing plant in Montreal, and that is as far as the government follows it. The government receives this 37½ per cent, plus 3 per cent excise, on a valuation of $350 for a 7,000 foot film, and the federal government is no longer interested until the film leaves the processing plant. Then copies of that film go to the agents of every picture producer in Canada, for only 3¼ cents a foot. It makes no difference whether the picture is good or bad; the cost to the agent for distribution is 3¼ cents a foot plus the 8 per cent sales tax. So, when you see a film shown on a screen it represents a cost to the agent of only $227. They just make a print for each province in Canada, and if they need more than one print for a province they get it for the same price. Perhaps there is a good reason for this, but if the minister knows it he has never told us, and so he must not take us to task for commenting upon this situation. My purpose here is to show that there is an unequal contribution, and that the same laws should apply to the large producers as to the smaller companies. This year these people will take in $12,600,000; according to the department they will wipe off about 24 per cent for expenses, and then, instead of paying 15 per cent on the remainder, they are required to pay only 10 per cent. That is where the $450,000 comes in, and that would go a long way in the purchase of war savings certificates.

I am going to conclude with just one more illustration. I do not want to tire the committee, but this is another instance of big business getting away with it while the little fellow has to pay. I am directing my remarks now to the Secretary of State, in the hope that next session he will bring in some amendment to the Copyright Act. It is too late for that this session, but it is not too late to direct attention to the fact that there is discrimination as between the individual and this huge monopoly called the Performing Right Society, which exacts tribute from everyone who plays a piece of music in public for profit. I say they should have every dollar that is coming to them; I believe every musician, every author and every composer should receive every dollar that is coming to him, but to me it seems reasonable that first of all we should at least make them show that they have title to that for which they collect royalty. That is just what the government does not do. It simply says to this big concern, "You may go to the copyright office and tell them this is your piece of music." But if an individual wants to assign a piece of music to someone and that second person wants to register it and prove his ownership, he must pay a fee of $1. This large concern just holds a club over the people of Canada. I made it clear a few years ago that there was nothing to prevent half a dozen such societies coming to Canada and collecting tribute from everyone producing music for profit whether it be an individual, an orchestra, a hotel or anyone. They do not collect from the individual; they collect from the premises, because they are afraid the individual would not be there when they came round for the money. So I say let them get every dollar that is coming to them but make them prove title.

I have remarked that there is nothing to prevent half a dozen such companies from collecting a similar tribute. This particular concern is a subsidiary of the American Society of Authors and Composers, which is composed of the moving-picture owners and picture producers. It simply comes in here, collects this money and takes it out of Canada.

The author of a piece of music should be required to register his title, because he has no action except by way of injunction against anybody who infringes upon his composition. This Performing Right Society claims to have control of two and a half million pieces of music, but it has very few registered titles in those two and a half million pieces.

Then there are half a dozen people in the United States who make a business of acquiring titles, and they have acquired repertoires of 300,000 pieces of music. Anybody in Canada can incorporate a company for $200 and buy any one of these repertoires, and then collect the same toll which the Performing Right Society collects. We have

to-day not only the Canadian Performing Right Society, which is a subsidiary of the parent concern in the United States, but also Broadcast Music Incorporated. It is a very small concern at present, but it will grow, and as others see its success more companies will be formed.

So I say to the minister that I hope he will see that the Copyright Act is amended at the next session and that the Performing Right Society be required to register and to pay for every piece of music for which it exacts tribute from the Canadian people.

Mr. McGEER: Mr. Chairman, I had not intended to enter into this discussion, because I believe, and I think the great majority of the members of this house will agree with me, that these are times when even though you disagree with the government the best thing to do, if you are in the minority, is to let the majority which the government represents go forward without interference, because of the enormous responsibility which every government of the united nations is carrying at this time.

However, the leader of the opposition was kind enough to refer to the remarks of the hon. member for Parry Sound as expressing the monetary system of the member for Vancouver-Burrard, and was also kind enough to declare that they recalled memories to him of the time when he sat as chairman of the banking and commerce committee of this parliament in 1934, upon whose recommendations the banking legislation was changed to the five per cent tax reserve basis and the Bank of Canada was established with a 25 per cent reserve gold basis, removable in its entirety by order in council.

I happen to have some pleasure in recalling the representations that I had the honour of making before that banking and commerce committee. They were not welcomed by the chairman, and I did not get much assistance from him in placing my views before the committee. But I was able to place them all before the committee despite him and his prime minister of that day. What was the difference between myself and the Bennett-dominated committee of 1934?

I advocated at the time certain things. One was that the Bank of Canada should be a wholly publicly-owned institution. That idea was scorned and sneered at; and even when we were returned in the election of 1935 pledged, as I believe, to bring about that reform, we had another battle on the floor of this house. That battle was won in two rounds. The first was when we got the Bank of Canada 51 per cent publicly owned, and the next was when it came to be an institution owned and controlled as the greatest public utility service in our nation by the people of Canada. That is a reform which will never be taken away. Yes, I had the privilege of advocating that in 1934, but it was repudiated by my hon. friend's committee and by his government and by the parliament that was dominated by his party.

Another suggestion that we made was that gold had outlived its usefulness as a security for the value of currency, and we advocated that the Bank of Canada should be free to issue currency in terms of public need and national necessity, unrestricted by the amount of gold which the government could buy or secure.

What has happened to gold? Does any member of this house advocate the restoration of the limitation of our money in use by going back to the gold basis? Let me give the committee one illustration of what has happened.

I have the greatest sympathy for the Minister of Finance in the position of responsibility that he holds at the moment; but it is well not to be too dogmatic in one's conclusions because it might be that in this day and generation we might be able to manage currency a little better than they did two hundred years ago in France, or a little better than when they were managing currency to win the continental revolution, or a little better than when they were managing the greenback currency of the United States which Lincoln issued to save the nation from disunion and disaster. We to-day can thank the memory of Lincoln that he did not fear to use the national currency because, if democracy is going to survive this war, it is because the most powerful republic that was ever saved by the issue of national currency, the United States, has joined with the British empire in this war to preserve a world that Lincoln thought ought to be preserved for people to live in of the kind that he established in the United States.

Easy, of course, it is to sneer at the power of a nation to issue currency. There have been terrible tragedies in the abuses of monopoly and privilege by the private owners of money scattered down throughout the pages of history, but there is something more to be said for national currency and its power as a medium of exchange of a nation than

merely to try to dismiss it as something that was tried a few centuries ago and did not happen to get a fair chance.

Let me give another illustration of the absurdity of gold as a basis. The sound money men, these experts, told us that we could not have any money to put the unemployed to work for the decade before the disaster. I remember some of the terrible warnings that we got from other ministers of finance that if we dared to put the unemployed of this nation to work by using national currency we would wreck the credit of the nation. Do not make any mistake about that. What did we do? We decided on this continent to gather gold. We gave away our scrap iron; we gave away our scrap steel at prices disastrously low; we threw away our copper, our nickel, our lead and our zinc; all these useful metals we gave away because we were led to believe that there was some virtue in the accumulation of gold. So we tucked twenty thousand million dollars worth of gold in the hills of Kentucky while the Japanese were building out of our scrap iron a fleet to wipe us out of the Pacific.

Mr. MacNICOL: They will never do it.

Mr. McGEER: They have made a fairly good start, and we certainly have great difficulty in finding any virtue in the gold that we have to stop them. That is quite beside the question. The hon. member knows that I have no doubt about our ultimate capacity to defeat Japan, but what I am pointing out to this committee is that we gave away our useful metals and gathered a useless metal. We found that we could not build any battleships or planes or guns or fighting equipment out of this useless metal called gold. True, by a common arrangement, the United States is still paying us a good deal more than it costs us to take it out of the ground, but just how long they are going to keep on adding to their useless hoard at that price I do not know, and I do not think any reasonable man would care to hazard a guess. I do know, however, that our currency to-day unsecured by gold is just as valuable as it was at any time when it was supposed to have been secured by gold. There were two things proposed which in a short period of a decade have moved from the ridiculous to the sublime.

Some hon. MEMBERS: Oh, oh.

Mr. McGEER: My hon. friends may laugh, but we said other things. We knew that in a managed currency system, unless you took control of the movement of currency and credit and investments internationally you could not stop the flight from your dollar and you could not stop an international manipulation on the international currency markets of the value of any individual currency. We said you could stop the flight from the Canadian dollar, and we advocated a control of international currency movement. We were told that that could not be done, but we pointed out that other nations were actually doing it. Japan was doing it back in the twenties, and so was Germany and so was nearly every other country in the world including Britain. Since we appeared before the banking and commerce committee in 1934, the foreign exchange control board has come to be one of the most valuable of the economic institutions in the Dominion of Canada. Make no mistake about it; that board will never disappear. It has proven its value, and it has vindicated what we advocated in 1934. It has proven that a democratic nation can to its own advantage control the movement of its international currency and avoid the disastrous exploitation of the value of its currency by international currency exploiters.

We advocated something else, if my hon. friend will recall, and we spent a day in placing it before the committee under his chairmanship. We advocated the need for the regulation and management of international trade. We said that one of the great difficulties facing the world was the rapidity of communication, the rapidity of transportation and the capacity to produce and preserve foodstuffs; that these made it important that we recognize that international trade must be maintained on a basis of selling no more than you are able to buy from your neighbours and buying no more than you are able to sell. That could not be done without a proper system of regulating international trade by direct control. We were told that that could not be done. Other nations were doing it, and we are doing it successfully to-day. That is another institution that no Tory reaction will ever drive out of the life of the Dominion of Canada.

Of course those were heresies. I thought the chairman of the committee of that day, now the leader of the opposition, would have apoplexy on one or two occasions. As a matter of fact, we tried to modify our remarks because I thought some of his associate chartered bank managers would suffer the same fate. They were all there.

Mr. HANSON (York-Sunbury): The only difficulty I ever had with the hon. member

was to stop him. Once he is started, you never can get him stopped.

Mr. McGEER: That is exactly what the hon. member was there to do. That was his job, and he made a very good attempt to do it. However, the hon. members supporting him would not support him in his refusal to hear me.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, July 16, 1942

The house met at three o'clock.

WAR EXPENDITURES COMMITTEE

Third and fourth reports of special committee on war expenditures—Mr. Fournier (Hull).

SHIPPING LOSSES

REQUEST FOR SECRET SESSION—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. J. S. ROY (Gaspe): Mr. Speaker, under standing order 31 I wish to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance following further developments of a very grave nature. What I want is an immediate secret session of the house to discuss certain grave events which have occurred within the past few days in the St. Lawrence, about which this house should be fully informed. I cannot give details in open session because it would give information to the enemy, but my information leads me to believe that there is reason to fear that persons responsible for the protection of our coastal waters have been negligent in their duty.

Mr. SPEAKER: There is a degree of urgency in the motion made by the hon. member, and I should prefer that the hon. member have the leave of the house to make the motion. Standing order 31 reads:

(1) Leave to make a motion for the adjournment of the house (when made for the purpose of discussing a definite matter of urgent public importance) must be asked after the ordinary daily routine of business (standing order 15) has been concluded and before notices of motions or orders of the day are entered upon.

(2) The member desiring to make such a motion rises in his place, asks leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, and states the matter.

(3) He then hands a written statement of the matter proposed to be discussed to the Speaker, who, if he thinks it in order and of urgent public importance, reads it out and asks whether the member has the leave of the house. If objection is taken, the Speaker requests those members who support the motion to rise in their places and if more than twenty members rise accordingly, the Speaker calls upon the member who has asked for leave.

Is there any objection on the part of the house?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The government of course is responsible for holding a secret session or for withholding it. The responsibility rests on the government. Therefore the government should in the first instance have the information at its disposal in order that it may be able to decide whether it is in the interests either of the House of Commons or of the country that a secret session should be held at this time. I would ask the hon. member if he has spoken to the Minister of National Defence for Naval Services (Mr. Macdonald), or to the Minister of National Defence (Mr. Ralston) who is acting for him at the moment in his absence, in regard to those matters which he wishes to have discussed in secret session. If he has not, I suggest that it would be preferable for him to make known the nature of the subjects which he wishes to have discussed so that the government may decide, wisely and in the light of the circumstances themselves, whether or not a secret session should be held.

Hon. R. B. HANSON (Leader of the Opposition): I desire to support the request of the hon. member for Gaspé (Mr. Roy). I have heretofore I think observed all the caution that would be expected of one in my position with respect to matters of this kind. But since this matter was adverted to in the house I have received numerous communications of a startling nature from a part of the province of Quebec with relation to what has taken place in that province and in the coastal waters thereof. I have been assured that there is a large measure of authenticity in the statements that have come to me—

Mr. SPEAKER: I am sorry to interrupt the hon. gentleman, but in the first place the motion is not debatable.

Mr. HANSON (York-Sunbury): I do not wish to debate the motion, Mr. Speaker; I was just answering an observation made by the Prime Minister, if I may be permitted.

Mr. SPEAKER: I hesitate to interrupt the hon. leader of the opposition, but in the first place the hon. member for Gaspé is asking leave of the house to discuss the motion for adjournment. Leave to move the adjournment to discuss a matter of urgent public importance must first be obtained from the house, and any remarks subsequent to that would be in order. In the meantime the question before the chair is whether the hon. member has the leave of the house to introduce his motion.

Mr. HANSON (York-Sunbury): With respect, may I just make this statement in answer to an observation made by the Prime Minister. The government should have before it the information which the hon. member has. I was about to say that I had attempted to give the Minister of National Defence for Naval Services on Tuesday last an epitome of the information which had reached me. I wrote him a note asking for an interview, but—through no fault of his, I have no doubt—he did not make that arrangement for me. His secretary telephoned to say that the minister had to go away and would not be back until Friday. Consequently I have not been able to see him, otherwise I would have gone to him personally with a request like this. I make that explanation to indicate to the Prime Minister that there is information which I personally, not through cooperation with the hon. member for Gaspé but on my own account, desired to give to the Minister of National Defence for Naval Services. Therefore I am going to support the request of the hon. member so far as I am able to do so.

Mr. SPEAKER: If objection is taken, as it has been in this case, the Speaker requests those hon. members supporting the motion to rise in their places, and if more than twenty members rise the speaker calls upon the member who has asked for leave. Those supporting the motion will please rise.

And more than twenty members having risen:

Mr. MACKENZIE KING: Before the hon. member speaks, may I make perfectly clear the position I took in addressing His Honour the Speaker. I did not oppose the motion which the hon. member was making, nor did I oppose the idea of a secret session. What I said was that the government would have to assume responsibility either for holding or withholding a secret session, and in order to have the information on which to reach a correct decision I asked the hon. member if he had spoken to the minister concerned and given him the facts which would enable the government to reach a decision. That is as far as I went in what I said.

Mr. HANSON (York-Sunbury): His Honour the Speaker interpreted that as an objection.

Mr. MACKENZIE KING: It was not intended as an objection.

Mr. J. S. ROY (Gaspé): I offer my sincere thanks to the house for its support in these circumstances of my request for a secret session in order to discuss these very important events which have occurred and still are occurring in the lower St. Lawrence. I have asked several times for a secret session, mostly since the torpedoing of three ships that occurred a week ago last Sunday. In each instance the Prime Minister, as he has done to-day, and the Minister of National Defence for Naval Services, asked me to give him the information I have. I understand from the Prime Minister that he needs the information in order to make his decision on my request.

First I should like to recall that I have in the past communicated information to the government in regard to this matter, and many times in the house I have asked for some protection, some defence works at Gaspé and on the coast. Since the first torpedoings on May 11 and 12, at the instance of the Prime Minister, I have written letters to the Minister of National Defence, and copies of those letters were sent to the Minister of National Defence for Naval Services and the Minister of National Defence for Air. In those letters I was saying this—I shall quote only a few parts. This letter was dated Ottawa, May 15, 1942:

> Most of the gasoline and oil stocks are imported down there by boats in ordinary 50-gallon drums. Therefore some measures should be taken to prevent the landing of the submarines for purpose of getting gasoline and supplies. There is no guard whatsoever between Gaspé and Rimouski, a distance of about 250 miles. As it is, it remains a wide open gate for the enemy to perpetrate its depredations.

Mr. MACKENZIE KING: May I interrupt to point out to my hon. friend that the house is not in secret session at the present time. If I understand him aright, he is disclosing alleged information which, if true, it might be quite proper to give in a secret session but which I should think it was wholly improper to make public in the manner in which he is doing at the present time. I would not interrupt my hon. friend except to say to him that I think he should give the government what

information he has or has received, not in a public way, as at present, but in order that we may decide whether or not a secret session should be held. If we refuse the secret session, that would be the time my hon. friend might make his protest.

Mr. ROY: Mr. Speaker, as to the first remark of the Prime Minister, I think this communication could not be of any value to our enemies, but if the Prime Minister thinks it might, I am very willing that it shall not be recorded on *Hansard*. Before sending the Prime Minister the information he desires to have I will say briefly that I have on several occasions given the government information on the situation down there; nevertheless the situation remains as it was. I do not think this is disclosing anything that can be of any help to our enemies: I was saying in this letter that the most urgent need for the time being was to send some bombers to Mont Joli and to Gaspé. I am informed that bombers were sent to those two places only after the last torpedoing. I said at the time that the Germans could make a landing to get gasoline and supplies—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I call the hon. member's attention to what has already been said in regard to statements he is now making on matters which might be the subject of discussion in a secret session but certainly should not be discussed now.

Mr. COLDWELL: On a point of order, I imagine it is very difficult for the hon. member for Gaspé to explain the reasons why he wants a secret session without divulging some of the information he has.

Some hon. MEMBERS: Give it to the minister.

Mr. COLDWELL: Hon. members say "Give it to the minister". I imagine that the object the hon. member has in view is to get the house to understand this information, not the minister. He has already communicated these matters to the minister.

Mr. SPEAKER: I was calling the hon. member's attention to the fact that, as has already been pointed out, the statements he is making as to why he is asking for a secret session are such as should not be stated now but rather in a secret session if there is one.

The debate will proceed in the usual way; the hon. member has the floor and is entitled to make his speech without interruption.

Mr. ROY: Thank you, Mr. Speaker. The reason I was trying to give this explanation to the house is that this is a matter of national urgency. I think it is of great importance that the house be well informed as to the necessity for a secret session. Following the announcement I made last Friday I had to listen to a speech by the Minister of National Defence for Naval Services, which was a rebuke to me. That did not hurt me, but it went out to the house and the country, and might make people believe that I was a sort of traitor. To-day, therefore, I wish to give the reasons why I made that announcement at that time. I was firmly convinced within my soul and conscience that I was performing my duty as a citizen of the country and as a member of this parliament. In his speech, at page 4126 of *Hansard*, the minister said:

> When my hon. friend talks about protecting his constituents, I should like to know what he has ever done to ensure the greater protection of this country, or to add in any way to its defences.

That was why I was trying to place before the house all that I had done in the past. I do not think his statement was fair; it was an insult to me. The minister is not in his seat at the moment, so that I need not say anything more on that point, but I should like to add this. In the course of the same speech, at the same page of *Hansard*, the minister also said:

> I will say this to the hon. member for Gaspe; had I been in the house on Friday I think I should have felt constrained to rise and ask this house to expunge from the record the statement which he made. Thereby it would not have become a public statement. But he having made it and it having been allowed to stand on *Hansard*, it of course became public. . . .

At the time I made my remarks the Prime Minister was in his seat, but he did not deem it necessary to take that action. I am disposed to believe that the Minister of National Defence for Naval Services is as careful in his statements as the Prime Minister, but he did not give any evidence of that when he said, a little further along on the same page:

> I am not ready to change the disposition of one ship of the Canadian navy for him or all the questions he may ask from now until doomsday.

I do not believe that was a particularly wise statement to make, in view of what is occurring in the lower St. Lawrence.

I am asking for a secret session, Mr. Speaker, in order that the house may be informed as to the seriousness of the situation. Many times, as for example in connection with the Hong Kong affair, the government has given as a reason for refusing a secret session, or refusing to give hon. members information as to the mistakes or

circumstances in connection with those matters, that information would be given to the enemy. A secret session does not cost anything, and it is a very easy way to give information to hon. members of this house. If the principle for which we stand in this war to-day is good, and is to be supported, this house should not lose sight of the fact that it represents the people, that parliament is responsible to the people, and that the government is responsible to parliament. This parliament should have the right to know what is going on, even though the government or some political party may suffer through the disclosing of information which would not be of advantage to it. I do not think the government should refuse the contribution that can be made by the representatives of the people in this house toward the winning of this struggle. The matters with which I want to deal in a secret session have a direct bearing, I believe, on the issue of the battles now going on, and even on the final result of this war. I believe these matters are of such importance that the government should grant a secret session, and the information there disclosed will not be made public.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I desire to support the request of the hon. member for Gaspé (Mr. Roy) that some opportunity, at all events, should be afforded to the membership of this house, either in a secret or in a public session, to discuss the position in reference to the St. Lawrence area. I am not asking that it be discussed in public, because I have no idea that the government would assent to any such proposal, having regard to the attitude of the minister and, I assume, of the administration generally in respect to matters of this kind. There are, however, good grounds for asking for a public discussion, and I do not believe a public discussion of this kind would be refused in Britain, having regard to the debates that have taken place in the British parliament with respect to the situation in Libya and elsewhere during the course of this war. Surely this parliament should not divest itself of its privileges and functions, as well as its obligations, any more than the parliament at Westminster does. Since the hon. member for Gaspé has not asked for a public session I shall not stress that point, though I ask the Prime Minister to give consideration to this suggestion when the question is being finally decided.

I now desire to support the hon. member for Gaspé in his request that the government provide an opportunity, by way of secret session, to discuss the situation in the lower St. Lawrence; what has happened there, what may happen there, and the precautions that are being taken to meet the situation. That opportunity should be granted at the earliest possible day. I am not going to reveal to the house and the country at this time the nature of the communications which I have received. I do not think it would be the appropriate thing to do, especially since I have not had the opportunity to discuss the matter with the Minister of National Defence for Naval Services as I had hoped. Naturally I have not been able to verify them personally; one would have to travel down to that part of the country in order to do so. I can say, however, that they come to me well authenticated; the information is vouchsafed by two very loyal and patriotic citizens of the province of Quebec, and that information is of such a character and covers such a field as to make me believe that all is not well. That is putting it mildly, both in relation to what has happened and what will happen, and more particularly with respect to what provision is being made against the recurrence of what we know has already happened and of other things which also have happened and which have not yet been divulged. I think the Prime Minister and members of the government will know to what I am alluding.

Therefore I urge on the government, and I assert as a matter of right, that some opportunity should be given to this house to meet and discuss, and cross-examine the minister on, the disposition of certain armed forces in that area which are under the jurisdiction of his department; furthermore, as to certain irregularities which it is alleged have occurred in connection with the operation of at least one arm of the forces in that area—with which I intend to acquaint the minister. These things are of some national importance, and they are very important to that community. I think it would serve a useful purpose to the population of that community if they could know what the exact situation is, and what steps, if any, have been taken to meet it. If adequate steps have not been taken to meet the situation, then we should be in a position to urge that more adequate measures be taken. Of necessity, without divulging anything I cannot go very much further than that. But the situation has impressed itself upon me as being such that I feel it is my duty as leader of the opposition in this house to ask the government for this facility. It is a duty, I believe, that we owe to the people of that community and to the country at large. I could go along and theorize in a general way with respect to this matter, but perhaps I have

said enough to indicate what is my own point of view and what I think is the duty of the government in the premises.

Of necessity I cannot vouch for any of the information which is in my possession, because these things come to one second-hand. It is difficult to verify them. The government has the facilities to verify the stories that have reached me; I have not. It is enough, I think, that in the performance of my duty, on the proper occasion and at the right time and place, I call the attention of the government to the statements which have reached me and ask that they should be investigated—not with the intent of doing any harm to this government; I want to impress upon the Prime Minister that nothing is further from my thoughts. The purpose is twofold: first, that we should know the truth with regard to our defence facilities in that area, and if they are inadequate, something should be done to improve them; second, that there should be instilled into the hearts and minds of the people of the area, who to-day cannot help but be alarmed at what has happened, some sense of security.

I urge upon the Prime Minister that he accede to this request. I shall be glad to lay before the Minister of National Defence such information as I have received, so that he may know what is being circulated in that area of Canada, and so that he may be able to tell us what has happened, not on two occasions but on three.

I am conscious of the fact, and I want to say here and now that I believe, that the first duty of our naval authorities is to protect the international convoys. I am borne out in that view by the thought that so far during the war none of our nationals on the shores have suffered. But after that first duty there is the secondary duty, the defence of Canada. We had a secret session here once before and we were told something of the nature of defences erected on certain parts of the eastern shores and on the western coast as well. With respect to the area in question we know very little. I do not know what is the nature of the defences or what steps have been taken since a week ago Sunday to repair any deficiencies which there may be. At all events the situation is of sufficient importance to warrant my asking the government to give early and affirmative consideration to the request of the hon. member for Gaspé.

Mr. M. J. COLDWELL (Rosetown-Biggar): I would like to support the suggestion. I have no authentic information as to what has occurred in this region, but I did listen carefully to the hon. member for Gaspé (Mr. Roy), and one thing which struck me as I heard him was this: that there were grave fears, I think he said, that in some particulars there was neglect on the part of somebody. If that be true, it is a matter which deeply concerns us, and the hon. member for Gaspé has probably taken the right method in coming to this house and asking for a secret session instead of relying purely on the judgment of the minister. May I say this to the Prime Minister (Mr. Mackenzie King): the fact that we have all tried to cooperate very closely with the government in communicating to them any information of this description we receive, may, in the light of recent events, lead us into the position where the people of Canada will have some reason for believing that matters of public importance do not receive sufficient airing in this parliament.

I urge upon the government that they grant the request of the hon. member for Gaspé. He has risen in this chamber on a number of occasions in an attempt to put his case before the house. He has been handicapped, perhaps, in the use of the English language—which, if I may say so, he is picking up very rapidly—but that makes it all the more necessary for us to give this matter consideration. I believe from what he says, and from his earnestness in the matter, that he has something he wishes to lay before this house which we ought to hear, and even on a motion for adjournment such as this we should not run the risk in open session of giving information to the enemy.

Mr. E. G. HANSELL (Macleod): This group also favours the suggestion made by the leader of the official opposition (Mr. Hanson) and by the hon. member for Rosetown-Biggar (Mr. Coldwell). While however, the motion is for a secret session to discuss a matter brought up in respect of the St. Lawrence incident, the St. Lawrence territory is not the only territory in Canada which is in extreme danger and which should be discussed in this house. I have in mind the Pacific coast, and particularly the progress which has been made by the Japanese on the northern tip of this continent. I am not so sure that work on the Alaska highway is progressing as it should. These are things that we should know and I join with the other members in urging that the government give careful and complete consideration to the holding of a secret session.

Time and time again people have come to members of parliament with certain information that was complete news to us and which was found afterward to be true. If there are any persons in Canada who should have full knowledge and be informed first of these

things, it is the people's representatives who sit here in parliament. I am not maintaining that this secret session should be thrown open for the discussion of every detail in respect to our war effort, because that would mean that we would be here forever. But there are some matters that should be dealt with. I have in mind the report of the Hong Kong commission. The letter from Colonel Drew was not tabled, and I am not going to criticize the Prime Minister for that. Perhaps he took the right course, but I think it can be said that this letter from Colonel Drew is quite public. The press has been most courteous in not publishing it, but copies have been sent around. If the report is discussed in this house in open session, many of the things in that letter are bound to be brought out.

There is quite a pressure being exerted for the opening up of a second front. It is all very well to say that that is Mr. Churchill's responsibility, but to use the Prime Minister's own words, we are in this war side by side with Great Britain and we must take the responsibility for any victories and also the responsibility for any defeats. The government are not the only ones responsible to the people in this respect. If the worst should come to the worst, the people will ask private members as well as the members of the government what we knew about it and what we did about it. I suggest that the secret session be open for the orderly discussion of certain important matters in respect to our part in the present war. If it is in order, I would move an amendment to the motion, that it should include not only the subject mentioned, the St. Lawrence incidents, but these other subjects. I move:

> And that any matter in respect to our part in the present war be also subject of the discussion at the said secret session.

Mr. MACKENZIE (Vancouver Centre): Such an amendment obviously would be out of order. It is an amendment to a motion to adjourn the house to discuss a matter of urgent public importance. Citation 240 of Beauchesne's parliamentary rules states that a motion of this type must be restricted to a specific matter of recent occurrence. The amendment moved does not have anything to do with a matter of recent occurrence. It is simply an attempt to alter the scope of the secret session.

Mr. FAIR: The amendment is not yet before the house.

Mr. SPEAKER: A motion to adjourn the house is not amendable; therefore I must rule the amendment to the motion out of order.

Mr. T. L. CHURCH (Broadview): I should like to make a few remarks on the question raised by the hon. member for Gaspé (Mr. Roy) and his motion that this house should adjourn under standing order No. 31 for the purpose of discussing a matter of urgent public importance and that a secret sitting be held to inquire into the sinkings in the St. Lawrence. In my opinion there is no necessity for a secret sitting. The house should be told the facts in public. This house was warned by the Prime Minister of Great Britain and by Mr. Menzies, the able former prime minister of Australia a year ago of the grave danger to the dominions, and especially to Canada, because of the failure of the Washington conference. That conference not only got rid of our defences on land, sea and in the air; it got rid of our friends as well. Urged by Canada Britain threw away her fleet and Canada refused to go into an empire shipbuilding plan in 1937.

What are the facts about this situation? The danger in the Atlantic, which culminated in the sinkings that are taking place was pointed out to our representatives at the imperial conference in 1937, and since the war began. They were told of the grave danger to the dominions in case war should come. War always comes like a thief in the night. The stand taken in 1937 by Canada was absolutely inconsistent. What are we to hold a secret session about? There is nothing that should be held from the people or the press. The people of Canada have been given less information about this war up to this hour than the people of any other dominion. Mr. Curtin and Mr. Menzies and Sir Keith Murdock pointed out the grave danger to Canada, New Zealand and South Africa because of the lack of a fleet. You threw away your fleet and you cannot collect another in less than twenty-five years. Canada was one of the dominions that talked pacifism and the league, refused to arm, urged Britain to reduce the number of her capital ships from seventy-five to fifty and to change the definition of capital ships, and to provide for a smaller navy and a reduction of naval estimates to nothing. The result has been that Great Britain is unable to look after the Atlantic or the Pacific as she did on the seven seas.

On March 21, 1939, I urged the government to give the people the facts as to the great peril we were in, and urged rearmament. There is no secrecy about these St. Lawrence sinkings. They are known in Washington. Washington has announced them publicly; the Prime Minister of Great Britain used to

announce them, and the admiralty used to announce the sinkings in the Atlantic from time to time. I pointed out to the house on the date I mentioned that Germany and Italy and also Japan had submarines that could cross the Pacific or the Atlantic without refueling. These submarines could sail up the St. Lawrence and possibly blow up the citadel and cause untold damage because of the lack of defences in this country and our lack of a fleet. The people have been kept in the dark, and this is no time for a secret session. If a secret session is held, I do not intend to attend it. It will amount to nothing, like the last one.

Information as to our grave peril should be given to the people of Quebec and all Canada before it is too late. The people of that province have not been given the facts. I raised this question two months ago. I asked the Minister of National Defence for Naval Services, who should be in his seat to-day because that is the place for him to be in the dying days of the session, to give us some information on our naval defences, if any. The courage and heroism of the men who work and sail on all seas and in the St. Lawrence river and in the gulf is most magnificent. The Canadian navy is upholding the best traditions of the great British navy which has done so much for us and the civilized world. The information which the government has had since 1937 on our need of naval aid has been refused to this house while we have been in session. We are asked to hold a secret session. I asked the Minister of National Defence for Naval Services three months ago about conditions on the St. Lawrence and Atlantic coasts where our brave friend General de Gaulle and his fleet were guarding our shores and the islands off Newfoundland. A leading paper published in New York, the *Nation*, one of the ablest newspapers in the United States, gave all the particulars right after last December, and the minister and the government must have known. The French admiral was here in Ottawa conferring with him and others, and told all he knew about it.

He warned them as others did, and as I did, of the grave danger in the St. Lawrence and on the Atlantic from the present state of the navy and the submarine menace, the merchant marine and the British fleet. Our life lines to Britain are in the Atlantic. They may yet be broken, and they are likely to be broken in the St. Lawrence and all around the maritime provinces. They got the British admiral out of Halifax, and under the empire-wrecking statute of Westminster agreed to look after our shores and three miles out from the shore. We have always been dependent upon the British fleet to protect our shores ever since we have been a country, and that is the case to-day. After Dunkirk, had it not been for Britain, we would have had the enemy all along the Atlantic seaboard and up the St. Lawrence river long ago. But the British fleet stood in the way, to which we contributed before the war practically nothing. Had it not been for the British fleet we would long ago have had to settle with the axis powers.

So far as this motion is concerned, the people want the truth. They are sick and tired of getting their information second-hand about the war from Great Britain and the British Broadcasting Corporation and United States channels, while in Canada the government refuse to tell us anything and if it were not for the activity of the press we would know nothing. There is no censorship in Britain. The newspapers there publish what they like. We have seen the results of censorship in this country within the last few days.

We as a country are to blame for not having taken steps before the war to protect the St. Lawrence and our own country. Our nation borders on the Atlantic and Pacific oceans and we should take steps to protect ourselves. We knew the condition of our navy before the war. Warning was given in 1938 about the danger to the St. Lawrence and the maritimes. But what did Canada do? Canada would not adopt the Jellicoe report or start building ships, depending on Washington, and pacifism and the Monroe doctrine. I admit that the late minister of national defence did bring up the navy question in 1937, 1938 and 1939. At that time Canada's navy, according to a return which the minister brought down, consisted of a total of less than 10,000 tons, about the size of one tramp steamer. It was not his fault.

What a secret session can do, I do not know. It will amount to nothing. What did the Minister of National Defence for Naval Services tell us the other day? He did not tell us a thing that could not have been obtained from the newspapers. He talked about secrets to the enemies when they know it all long ago. If we in the House of Commons are to be treated as an absentee house, let us know it. I warned this house on March 21, 1939, of the grave danger to the St. Lawrence if war came. I urged that the people should be given the facts and the truth. As Mr. Chamberlain said, where the people are not given the facts and the truth, but only as much as their rulers permit them to

know, that nation is in grave danger, and will have to take the consequences for its lack of preparedness.

I see no advantage to be gained by passing this motion. It will accomplish no good. We have had too much secrecy altogether since the war began.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, as a private member of this house and as a member who has the honour to represent a constituency in eastern Canada lying alongside the great St. Lawrence river, I feel that I am bound to-day to congratulatae the hon. member for Gaspe (Mr. Roy) upon the stand that he is again taking for the defence of that part of the country which he represents along with myself.

Some time ago, after the observations made by some of our hon. colleagues from British Columbia, the government agreed that the house should sit in special secret session to discuss war matters. We were all at one in supporting this request made by our colleagues from British Columbia, and now that another part of this country is threatened I hope that members from British Columbia and the other provinces will give to members representing eastern Canada the same opportunity as was given to them some time ago.

A secret sitting is essential, for the very reason that it is impossible to get any information on naval or military matters because the war ministers are always using the pretext that if such information was given it would be of some use to the enemy and therefore, they say, it cannot be disclosed. In a secret sitting the same objection would not exist.

I hope that if we sit in camera there will be no long speeches and no repetitions of what has been said by other members, but that each member will be bound to disclose the information he has in his possession, and it will also be his duty to question the war ministers about the military, naval and air protection that we have in this country.

I am pleased to congratulate all the hon. gentlemen who have spoken before me on this question. The hon. leader of the opposition (Mr. Hanson) has said that the first duty of the navy is to protect international convoys. I admit that that is one of the duties of the navy, meaning by that the British as well as the Canadian navy. But for me, sir, the first duty of all three branches of the armed forces, not only the navy but the air force and the army as well, is to make the waters and shores of the St. Lawrence river safe for navigation. That great river is the artery that carries all the traffic that flows east from western-central Canada and from the American middle-west, and we cannot allow it any longer to be infested with U-boats, which was admitted to be the case by the Minister of National Defence for Naval Services (Mr. Macdonald) himself just the other day. We have to protect our maritime trade. We have to protect the fishermen in the St. Lawrence river and in the gulf of the St. Lawrence as well as those on the Atlantic and Pacific coasts.

I hold in my hand a news item which was published not later than yesterday in the largest French daily in America, *La Presse,* of Montreal. It reads:

(Translation)

TRANSATLANTIC SHIPPING IN THE ST. LAWRENCE RIVER

The recent torpedoings of seagoing vessels in the Gulf of St. Lawrence have sown panic among ship-owners who are wondering if this route is sufficiently protected to ensure in future the security of vessels bound for Great Britain.

It refers to ocean steamers, meaning by that not only vessels that navigate along the river, but vessels that cross the ocean.

Some time ago, the question even arose of rerouting traffic to other eastern ports and of shipping goods by rail. This would entail, it is claimed, additional expenditure and a loss of time. The interests concerned were hesitant about taking such a step.

In shipping circles, it is claimed that if the Gulf of St. Lawrence were more closely watched, our ships could easily evade enemy submarines.

The permanent interruption of transatlantic shipping on the river, it is felt, would prejudice the war effort and completely paralyse this important ocean trade route.

Moreover such a decision would deny employment to thousands of longshoremen.

At all events, it is up to the British Admiralty to study the situation and take whatever measures are deemed necessary.

I understand that most of the transatlantic vessels are registered in London, as were the Canadian Pacific transatlantic ships. On the other hand one must not forget that the St. Lawrence river is an inland waterway and therefore it is exclusively under the control of the Minister of National Defence for Naval Services, so far as naval matters are concerned. The conclusion of the article that I have read could be translated thus: "In any case it belongs to the British Admiralty to study the situation and to take measures considered necessary".

I do not see how the British Admiralty could interfere with the business of this government and assume control of the defence of the St. Lawrence, an inland waterway. I cannot believe that this government has yet given all our rights to any other country with respect to the sort of defence that is to be

organized to protect the St. Lawrence waterway. Of course, in war time there are mutual obligations between allied countries. If this government said, "We are cooperating with the British Admiralty regarding the defence of the St. Lawrence river and its shores", I would agree with them. It is natural that allied countries should help one another and cooperate in protecting and defending themselves. But I find it simply incredible that a decision made by the Admiralty with regard to the defence of the St. Lawrence seaway could possibly for a moment be accepted with closed eyes by this government. I cannot believe it, because that would mean that this government was simply an agent of the government of another country.

We have heard so much about the defence of other countries that it is time for us to think of the defence of our own. At an earlier stage of this session I had the honour to move that the defence of this country should have priority over commitments to any other country, and that is pure common sense. The trouble lies in the fact that the more sensible a thing is the more difficult it is to have it adopted, and there is a reason for that. The reason is that, at the controls in the various branches of the war departments, there are men to whom Canada counts for nothing. That is why we have to take advantage of the rules of parliament to wake up the government, to try to make the members of the government understand that they are not members of any government other than that of Canada. There are some occasions, on St. George's day, on St. Andrew's day, on St. Patrick's day, on St. Jean Baptiste day when we hear speeches about the grandeur of Canada, and what a fine country this is. And we hear a lot about the statute of Westminster, that marvellous instrument through which this country obtained its autonomy. But now we realize that we have gone back to the darkest colonial days and we have to speak louder and louder to awake the government and make them realize that Canada is in danger.

It has been said on the platform many times that Canada was threatened, that the Germans had their eyes on us. What was done for the defence of this country? I am one of those members who have lost no opportunity to try to impress upon the government the importance of defending this country and making it safe for our good citizens, men, women and children who live in it, and now I hope that the day of awakening and reckoning has come, and that the government will realize that it is not yet too late to open their eyes and face the situation as it should be faced. I remember reading once an article written by an eminent member of the press gallery, one of the deans of the gallery, whom I will not name. I do not wish to offend his proverbial modesty, but he said of a politician, who is no longer in the political scene, that the mistake he made was in considering that this war was exactly the same as the last one. It is not the same. Conditions have changed, and with the new methods of warfare and the new facilities of transportation the war is nearer to us now than it has ever been.

But there is a psychological consideration that should not be forgotten. Earlier in this session I said that the veterans of the last war had the right to say that they were in favour of conscription for service overseas. They have that right because they have already been preaching by example. They were recalling their exploits, remembering their accomplishments when they were capturing the enemy, when they were destroying or taking possession of his forts. That is natural. Perhaps they are thinking to-day the same way as they were thinking then. I assume so; it is their memory of their past accomplishments that guides them now. It makes them forget that actually the enemy is very near us. They are not so sure to destroy the enemy far from here, because the enemy has already reached our shores. I betray no secret in saying that; I refer only to the statement of the Minister of National Defence for Naval Services in which he admitted that the facts laid before the house by the hon. member for Gaspé were true. His only complaint was that the statement was untimely.

Well, sir, why should he hide the truth? If there are sinkings in the St. Lawrence it is front page news in United States papers, but the only way for a Canadian citizen to get the information is to buy a United States paper. The censorship of our country is so silly that they prevent our papers from informing the Canadian people of facts that have already been communicated to the people of the United States. If the United States of America were not our allies in this war it might be expected that news of that kind could not be published in this country, on account of our being in a state of war, but could be published in the United States, if the United States were still a neutral country. But since that great country is in a state of war, just as we are here, why do the Canadian people not get the same information about Canada as is given to other countries? There is a very good reason why they should. If the veil of secrecy were lifted from facts that should be commonly

known, there would be more respect for official news, and when the government denied any news statement that was untrue, the people would be more inclined to believe what they say.

However, I shall not go further into that. I only wish to tell hon. members that I have appreciated the way in which this matter has been approached by all those who have spoken about it and all those who have listened to speeches about it. The times are grave; we realize that. But it is not for the government to decide whether we shall have a secret session or not. It is for parliament to decide, it is for the House of Commons to decide. I would remind the Prime Minister that unless we are to revert officially to the régime of Mussolini, Stalin and Hitler, it is not the government that is supreme; it is the House of Commons, of which the government is only a permanent committee. This is why Mr. Churchill, who boasts of being a child of the House of Commons, has so much respect for his colleagues the private members of the parliament of Westminster, and keeps them informed as to what is going on. At the present time there is a debate of capital importance taking place at Westminster about the merchant marine. Nothing is hidden from the members. It would not even be hidden from the British people if there were not a danger that the facts disclosed there might help the enemy.

I would also be very ready to support the suggestion of the leader of the opposition that a public discussion of those facts should be had, to satisfy the minds of his constituents as well as of mine and of all good Canadian people. Before the war there were many German and Japanese merchant vessels in the St. Lawrence river. Even men-of-war of those enemy countries came to Canada, and very credulous would be the one who would contend that the enemy is not already fully informed about the geography of this country.

Another thing which I shall mention briefly is the necessity of a cipher code, not only for the Department of National Defence for Naval Services, if they have one, but also for the merchant marine. No departure of any vessel from any point on the St. Lawrence river or from any point on any inland waterway should be disclosed other than by cipher code to those concerned.

I leave the matter with the house. I make a special appeal to the Prime Minister and to his colleagues, and I do tell them that we are ready to cooperate with them provided they show good will regarding the defence of this country, and that they show results. There is no excuse for a repetition of what has happened recently in the St. Lawrence river.

Mr. LIGUORI LACOMBE (Laval-Two Mountains): I have already supported on a similar occasion the demand made by the hon. member for Gaspé (Mr. Roy) for a secret session, because the information contained in the amendment moved by the hon. member is closely bound up with the defence of Canada. The hon. member has my heartiest support. The representatives of the people who sit in this house are entitled to all possible information in connection with the protection of our shores. Consequently I believe a secret session would be in the public interest, and the government cannot refuse it without assuming an exceedingly serious responsibility. We have taken long hours to discuss the question of one-cent candy. We would be more justified in taking a few minutes to discuss the most important question of the defence of Canada.

Mr. SPEAKER: Does the hon. member for Gaspé wish to withdraw his motion?

Mr. ROY: I will withdraw it, Mr. Speaker, but if there are no more hon. members who wish to speak—

Mr. HANSON (York-Sunbury): Did the Prime Minister say anything?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I was about to say something, but was interrupted at the time. I might remind the house of the exact question before it. As I understood, the hon. member for Gaspé (Mr. Roy) was granted leave to move the adjournment of the house in order to discuss a matter of urgent public importance, which matter was the advisability of having a secret session. I am afraid the discussion that has taken place has far exceeded the purpose for which the adjournment was asked.

Mr. HANSON (York-Sunbury): Not by me.

Mr. MACKENZIE KING: My hon. friend the leader of the opposition says it was not by him, but may I remind him that he was the one who started the discussion, and I think he gave to it a scope that was not intended even by the mover. My hon. friend really presented an entirely different request to the government. If I understood him aright the leader of the opposition requested that there should be a public discussion, while the object of the hon. member for Gaspé is that there should be a private discussion. I am afraid that is only too characteristic of what has taken place at times during this session. Many of the hon. members who to-day are asking us to hold a secret session to discuss a national matter yesterday were condemning

us very strongly for having permitted public matters to be investigated secretly in another place. It seems that no matter what the government does, it is wrong. If we have a secret session we are told that it ought to have been public; if we hold a public session we are condemned for not having held it in secret.

Mr. HOMUTH: Those are not parallel cases at all.

Mr. MACKENZIE KING: If it is not a parallel I am afraid I do not know what a parallel is.

Mr. HOMUTH: I believe that.

Mr. MACKENZIE KING: I am sure my hon. friend does. However, I just wish to point out that sometimes it is a little embarrassing to know just what it is hon. members really mean when they make certain requests and certain professions. I did say to the hon. member for Gaspé that I thought he ought to give the government such information as he has which causes him to believe that a secret session should be held. I would say to him now that if he has any more information than he has already set out in the letters he has sent to the Minister of National Defence for Naval Services or any other minister, I wish he would let me know, and also I wish he would take care to see to it that this further information is imparted to the Minister of National Defence for Naval Services as soon as opportunity permits. I might say the same to the leader of the opposition, who has mentioned that he has certain information. I would ask him if he would give that information to the Minister of National Defence for Naval Services. My colleague is not here at the moment, but if my hon. friend is anxious to furnish the information at once he might give it to the Minister of National Defence.

Mr. HANSON (York-Sunbury): I will try to see the minister to-morrow.

Mr. MACKENZIE KING: In regard to the absence from the house at the moment of the Minister of National Defence for Naval Services, my colleague is to-day visiting shipyards at Collingwood and Midland in connection with some of the work of his department, official business of first importance in relation to problems which are confronting the nation at the present time. That is the reason for his absence to-day, but I am informed that he will be back to-morrow, and perhaps at that time my hon. friend will see him and give him such information as he possesses. I do submit that it is necessary for the government to have that information before we can say whether or not a secret session should be held.

May I point our further that I am not aware of any requests having been made until this afternoon by hon. gentlemen opposite for a public discussion of this particular matter, or any other matter relating to defence, beyond such discussion as we have had already. After listening to what has been said this afternoon it might be thought by someone visiting the house or reading its proceedings, that the government had been seeking to prevent a discussion of the situation in the St. Lawrence, or the situation on the Pacific coast, or the situation in relation to the Alaska highway, or in connection with some other defence matters; but no request for anything of the kind has been made until this afternoon. As hon. members know very well, there are opportunities time and again in connection with the business of the house when these particular matters can be discussed.

Further in regard to the question of holding a secret session may I say that this secret session is requested because certain ships have been torpedoed in the St. Lawrence. May I remind the house that a very large number of ships have been torpedoed off the coast of Nova Scotia. May I also remind the house that this country has been attacked on the Pacific coast. And may I say further that it will be a very great surprise if further occurrences of the kind do not take place at any time, on either coast, and I think our country must expect those possibilities. Indeed, the government has had them in mind all along and has been doing everything it is possible for the administration to do in anticipating situations of the kind and in seeking to meet them. But the question we must ask ourselves is whether each time a ship is torpedoed off one or other coast, or some other act of war takes place, it is to be the duty of the government to hold a secret session of this house in order to discuss that particular situation. It is for this reason that I say the responsibility is upon the government to decide whether the circumstances warrant a secret session, or whether it is better that these events, as they take place from time to time, should be discussed in open session as far as it may be advisable and possible so to discuss them. After all, the government has to ask itself with respect even to secret sessions whether some things can be said or should be said in a secret session that cannot be said or should not be said in an open session. There are certain matters that of course can be discussed better in a secret session than in an open session; but

there are many matters in connection with which any information, if it can be given at all, certainly should be given in an open rather than a secret session.

I have nothing further to say than that the government, when it gets this additional information, will carefully consider it and will advise the house as to what it thinks advisable in the matter. I should not like to conclude, however, without taking very strong exception to a reference made by the hon. member for Témiscouata (Mr. Pouliot) to some of the heads of the war departments of Canada as he described them, who, if I got his words aright, he said were not at all concerned with Canada.

Mr. POULIOT: Hear, hear.

Mr. MACKENZIE KING: I would be ashamed to say, "hear, hear" if I were my hon. friend.

Mr. POULIOT: Opinions are free.

Mr. MACKENZIE KING: Opinions may be free, but I am afraid that the opinion the public will have of my hon. friend for condemning public servants who are doing their utmost to defend this country and defend freedom, will not be such as will meet with his own approval. I say this because, while I do not claim it is necessarily a part of my duty, though I believe it is, certainly it is the part of chivalry that someone should defend public servants who are not here to defend themselves, but whose whole lives and time are being spent in helping to defend those of us who are in this House of Commons, our country and the freedom which we enjoy.

Mr. POULIOT: Why do you not speak in that way to the slackers in uniform who infest militia headquarters?

Mr. HANSON (York-Sunbury): Just a word. The Prime Minister attributed my request as based on the theory of one incident. I tried to put it on a much wider basis than that. The whole position down there, I think, ought to be discussed.

Mr. ROY: I should like to say a few words, if I may, in reply to what the Prime Minister has said.

Mr. SPEAKER: Only with the unanimous consent of the house.

Mr. MACKENZIE (Vancouver Centre): It is withdrawn.

Mr. ROY: No, I have not withdrawn. I understood wrongly at the time. The Prime Minister has said, Mr. Speaker—

Mr. SPEAKER: The hon. member is not entitled to reply, and he cannot speak a second time. Is the motion withdrawn?

Mr. ROY: I ask that it stand.

Mr. SPEAKER: Does the hon. gentleman understand? He is not entitled to reply, nor can he speak a second time. I understood that the hon. gentleman was asking leave of the house to withdraw his motion.

An hon. MEMBER: No.

An hon. MEMBER: He said yes.

Mr. SPEAKER: Perhaps the hon. member who has made the motion does not understand. He is not entitled to reply; therefore he cannot speak a second time.

Mr. BLACK (Yukon): May I suggest that an amendment has been moved?

Mr. SPEAKER: It was ruled out of order. The hon. gentleman is not entitled to reply, or to speak a second time. I am asking him now if he is withdrawing his motion.

Mr. ROY: I say no, Mr. Speaker.

Mr. SPEAKER: Mr. Roy moves, seconded by Mr. Lacombe, the adjournment of the house for the purpose of discussing a definite matter of urgent public importance. Those in favour of the motion will please say "aye".

Some hon. MEMBERS: Aye.

Mr. SPEAKER: Those opposed will please say "nay".

Some hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the nays have it. On division.

Some hon. MEMBERS: No.

An hon. MEMBER: A registered vote.

Mr. SPEAKER: Before putting the motion I think I should say that is a very unusual vote. I am informed that in the history of this house a vote on a motion such as this has very rarely been taken. The motion is for the adjournment of the house and if it should carry the house would adjourn until to-morrow at three o'clock. It is unusual for the Chair to make such a statement, but I think under the circumstances I may be forgiven for having done so.

The house divided on the motion (Mr. Roy) which was negatived on the following division:

YEAS

Messrs:

Anderson	Homuth
Bence	Jackman
Bertrand (Terrebonne)	Johnston (Bow River)
Black (Yukon)	Kuhl
Blackmore	Lacombe
Boucher	Lacroix (Beauce)
Bourget	Lalonde
Bruce	Lockhart
Cardiff	MacInnis
Castleden	MacKinnon (Kootenay East)
Coldwell	MacNicol
Crète	Marshall
d'Anjou	Nicholson
Desmond	Nielsen, Mrs.
Diefenbaker	Noseworthy
Esling	O'Brien
Fair	Perley
Fraser (Peterborough West)	Pouliot
Gauthier	Quelch
Gillis	Raymond
Graydon	Ross (St. Paul's)
Green	Ross (Souris)
Hansell	Roy
Hanson (York-Sunbury)	Shaw
Harris (Danforth)	Stirling
Hatfield	Tustin
Hlynka	White
	Wright—55.

NAYS

Messrs:

Abbott	Howden
Bercovitch	Howe
Bertrand (Prescott)	Hurtubise
Black (Chateauguay-Huntingdon)	Ilsley
Bonnier	Isnor
Cardin	Jean
Casselman, Mrs. (Edmonton East)	King, Mackenzie
Chevrier	Kinley
Claxton	Kirk
Cloutier	Laflamme
Corman	Lafontaine
Coté	Leclerc
Cruickshank	Leger
Donnelly	McCann
Douglas (Queens)	McCuaig
Edwards	McCubbin
Emmerson	McCulloch
Evans	MacDiarmid
Fauteux	Macdonald (Brantford City)
Ferron	Macdonald (Halifax)
Fleming	McDonald (Pontiac)
Fontaine	McGarry
Fournier (Hull)	McGeer
Fournier (Maisonneuve-Rosemont)	McGibbon
Fulford	McIvor
Furniss	MacKenzie (Lambton-Kent)
Gardiner	MacKenzie (Neepawa)
Gershaw	Mackenzie (Vancouver Centre)
Gibson	MacKinnon (Edmonton West)
Gladstone	McKinnon (Kenora-Rainy River)
Golding	McLarty
Graham	MacLean (Cape Breton North-Victoria)
Hanson (Skeena)	McLean (Simcoe East)
Henderson	Macmillan
Hill	McNevin (Victoria, Ont.)
	McNiven (Regina City)
	Matthews
	Maybank
	Michaud
	Mitchell
	Moore
	Mulock
	Neill
	Nixon
	O'Neill
	Pottier
	Power
	Purdy
	Ralston
	Reid
	Rennie
	Rhéaume
	Rickard
	Roebuck
	Ross (Calgary East)
	Ross (Middlesex East)
	Ross (Moose Jaw)
	Ryan
	St. Laurent
	Sanderson
	Sissons
	Slaght
	Soper
	Telford
	Thauvette
	Thorson
	Tripp
	Turgeon
	Turner
	Vien
	Ward
	Warren
	Weir
	Whitman
	Winkler
	Wood—111.

Mr. BLACK (Cumberland): I was paired with the hon. member for Halton (Mr. Cleaver). Had I voted, I would have voted for the motion.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*MUNITIONS AND SUPPLY—CONTRACTS IN MARITIME PROVINCES

Mr. HAZEN:

1. Of the total number of contracts awarded and commitments made by the Department of Munitions and Supply on Canadian and United Kingdom account, from July 14, 1939, to June 30, 1942, how many were made with persons and companies in, (a) the province of New Brunswick; (b) the province of Nova Scotia; and (c) the province of Prince Edward Island?

2. What are the names and addresses of the persons and companies with whom such contracts were made and commitments entered into in New Brunswick, Nova Scotia and Prince Edward Island; what is the nature of the goods and services contracted for in each case; what was the amount involved in each contract or commitment; and how much has each person or company been paid to June 30, 1942?

Mr. HOWE: Mr. Speaker, this question asks for a breakdown between provinces of contracts placed by the Department of Munitions and Supply. I have on two or three occasions explained to the house that it is impossible to do that accurately, due to the fact that orders are often placed in provinces other than where the work is done. I have also stated that it was not the policy of the department to divide the work between provinces, and therefore the question cannot be answered.

Mr. HANSON (York-Sunbury): We can understand that it is not the policy to do what

the question suggests, namely, to divide contracts between provinces on a geographical basis. But the object of this question is to find out how much or how little of war contracts have been placed in the maritime provinces, and we want to know that.

Mr. HOWE: My interest is to get the war materials.

Mr. HANSON (York-Sunbury): We understand that, but we have a duty to our constituents.

Mr. HOWE: Well, you carry on.

Mr. HANSON (York-Sunbury): I shall.

*MUNITIONS AND SUPPLY—ARMOURED VEHICLES

Mr. BRUCE:

1. Are the three types of armoured fighting vehicles, viz: the scout car, the armoured car and the reconnaissance car, in production, and, if not, why not?

2. Have there been any defects in design or performance?

3. Are any or all of them of pre-war design?

4. Is the average thickness of armour the same as found on corresponding German armoured fighting vehicles?

5. If not, what is the comparable thickness?

6. Are the specifications as to, (a) fire power, (b) armament, (c) durability, (d) repairability, equal to the corresponding German A.F.V.'s?

7. Is it the intention of the government to continue the production of these three types of vehicles?

8. Will they be replaced by a more modern type, at least equal to the corresponding German A.F.V.'s?

9. Is the factory producing the "Valentine" at present shut down for changes in the design of this vehicle?

10. If so, when is it expected to be in production again?

11. Is the medium tank (Ram) in full production?

12. If not, why not?

13. Is the armour on these vehicles sufficiently heavy to withstand guns?

14. What is the heaviest gun used in the Valentine and Ram tanks, (a) what size shell does it fire; (b) what size shell does German 75-millimeter fire?

15. What gun is used by our anti-tank artillery?

16. What is our heaviest field gun and what size shell does it fire and at what velocity?

17. What is the size of the comparable German gun—what size of shell does it fire and at what velocity?

18. Are there any guns being currently manufactured in Canada equal to Germany's 88-millimeter gun?

19. If so, what are they?

20. Are these guns issued to the field armies or to tanks?

21. Is the minister responsible for all tank production as well as design?

22. Whose duty is it to determine the policy respecting the types of equipment adopted by the Canadian corps?

Mr. HOWE: Mr. Speaker, this question deals with a number of inquiries that could not be answered without violation of all censorship regulations. It asks for the thickness of armour-plate on tanks, the fire power of guns, and so forth. It makes certain insinuations which are wholly incorrect and with which I should like to deal, but it is quite impossible for me to deal with any of them without violating the censorship regulations.

BRITISH CHILDREN IN CANADA

Mr. GRAYDON:

1. How many British children have immigrated to Canada from Great Britain since war was declared in each of the years 1939, 1940, 1941, and up to July 1, 1942, (a) under governmental evacuation arrangements; (b) under private arrangements?

Mr. CRERAR:

1.	Sept. 1, 1939, to Dec. 31, 1939	1940	1941	Jan. 1, 1942, to July 1, 1942	Totals
(a) British children under government assisted scheme who entered Canada as non-immigrants	nil	1,532	nil	nil	1,532
(b) British children under private arrangement who entered Canada as non-immigrants	89	5,054	344	143	5,630
(c) British children under private arrangement who entered Canada for permanent residence	164	434	114	46	758
					7,920

*HONG KONG COMMISSION—COUNSEL

Mr. BRUCE:

1. Was the Hong Kong inquiry held in secret by order in council at the request of the government?

2. If so, when was said order in council passed?

3. Were each of the counsel engaged in the recent Hong Kong inquiry asked to submit an account for their services and, if so, by whom?

4. Did each of the counsel submit an account and were said accounts submitted to the commissioner either directly by counsel or for approval, by the Department of Justice?

5. Was an account submitted by Colonel Drew? If not, were reasons given by the commissioner or by anyone else why an account was not submitted and, if so, state the reasons?

Mr. MACKENZIE KING: With regard to questions 1 and 2, I answered both these questions in the statement I made last night. The Hong Kong inquiry was not held in secret by order in council at the request of the government. There was no order passed by the government requesting that it should be held in secret.

As to the rest of the question, it would involve, I imagine, a conference with the commissioner and obtaining such information as the commissioner may wish to give. That part of the question had better be made an order for a return.

Mr. SPEAKER: Order for return, subject to the reservations made by the Prime Minister.

*MASTER-GENERAL OF THE ORDNANCE—TANK PRODUCTION

Mr. BRUCE:

1. Was the recent resignation of Colonel Victor Sifton, M.G.O., from the post of Master-General of the Ordnance, due to any difference of opinion between him and the Minister of Munitions and Supply?

2. If so, did it have anything to do with the designs or production of tanks?

Mr. HOWE: Mr. Speaker, this is not really a question but rather a statement of fact. In every newspaper of the country it is stated this morning that the Minister of Munitions and Supply quarrelled with the Master-General of the Ordnance, as a result of which the Master-General of the Ordnance resigned. But the fact of the matter is that the Master-General of the Ordnance and myself have worked together in the greatest harmony since he came to Ottawa. We have visited frequently back and forth. We had a common problem of providing weapons and supplies for the troops. So far as I know there was never anything antagonistic between us, although we had many difficult problems to work out.

[Mr. Crerar.]

Early this week Mr. Sifton called on me in my office to say how much he had enjoyed working with me, and I was able to say the same thing to him. Just why and for what purpose a statement of that kind should be blazoned from one end of Canada to the other is something with which I should like to deal.

Some hon. MEMBERS: Order.

Mr. HOWE: I also suggest to you, sir, with all due deference, that it is not the kind of question that should be allowed on the order paper of this house, because it attempts to state a fact rather than ask a question.

Mr. BRUCE: I think, Mr. Speaker, that this is a matter of considerable public importance, because this man was serving his country as a dollar-a-year man.

Mr. RALSTON: You have got your answer.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GRAHAM SPRY

Mr. CARDIFF:

1. Has the attention of the government been called to the speeches being delivered throughout Canada by Mr. Graham Spry in relation to India, and defence and foreign affairs?

2. On this trip, is he representing the government of Great Britain, and has he the authority to represent them regarding India?

3. With what members of the government has he conferred, and whom does he represent, and by what authority?

4. Was he engaged by the minister in charge of the National Resources Mobilization Act, and was he authorized to visit sections of Canada to make speeches on this and other subjects? If so, on what conditions, and what allowances, travelling and other expenses have been allowed, and who authorized them?

FIRST AND SECOND VICTORY LOANS

Mr. FRASER (Peterborough West):

1. In the (a) first victory loan; (b) second victory loan, what were the office expenses in each of the following cities: Toronto, Hamilton, Ottawa, Montreal, Quebec, Peterborough, Winnipeg, Vancouver?

2. What were the travelling expenses in each city?

3. What was the amount paid to canvassers in each city?

4. What was the amount paid to bond salesmen working in each of the different cities?

5. Who were the organizers in each of these cities?

6. What was the amount paid to the organizers in each of these cities, as, (a) salary and expenses, (b) travelling expenses?

HONG KONG COMMISSION—COUNSEL

Mr. BRUCE:

1. Were each of the counsel engaged in the recent Hong Kong inquiry asked to submit an account for their services and, if so, by whom?

2. Did each of the counsel submit an account and were said accounts submitted to the commissioner either directly by counsel, or for approval, by the Department of Justice?

3. Was an account submitted by Colonel Drew? If not, were reasons given by the commissioner or by anyone else why an account was not submitted and, if so, state the reasons?

HONG KONG

INQUIRY FOR FURTHER INFORMATION WITH RESPECT TO CASUALTIES

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I desire to ask a question either of the Prime Minister in his capacity as Secretary of State for External Affairs, or of the Minister of National Defence. Has the government received any further or recent information with respect to casualties at Hong Kong, and in particular, has the government received any information with regard to those killed, wounded or taken prisoner of war, and those who have died subsequent to the surrender? A report has come to my attention that some such information was received about ten days ago. I should like to have either confirmation or denial of that report.

Hon. J. L. RALSTON (Minister of National Defence): I can say to my hon. friend that no such report has come to my attention, and I am sure that it would have been brought to my attention immediately had it come in. As the house and the country know, Colonel Frank Clarke, who himself had a son with the Royal Rifles, is in charge of matters connected with Hong Kong, and I am sure that any such report would have been brought to his attention.

SUGAR

AVAILABILITY FOR PARCELS TO MEMBERS OF THE FORCES OVERSEAS

On the orders of the day:

Mr. KARL K. HOMUTH (Waterloo South): Has the Minister of Finance inquired as yet into the availability of sugar to put in boxes for overseas?

Hon. J. L. ILSLEY (Minister of Finance): Yes, I did. I was informed that the sugar ration in England is the same as the sugar ration in Canada, and that there is something extra provided. Therefore it was not considered necessary to provide for any increase in the sugar ration in Canada. I had a memorandum about the matter which is not under my hand at the moment, but that is the substance of it.

CARRIER PIGEONS

INQUIRY AS TO USE AS MESSAGE CARRIERS

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, on April 20, 1942, I asked the following question:

1. Has the government purchased any carrier pigeons for use as message carriers?

2. What action, if any, has the government taken to encourage the raising of carrier pigeons?

The question was answered by the Secretary of State (Mr. McLarty) as follows:

It is not considered to be in the public interest to provide answers to these questions.'

On July 14 an article appeared in the press headed "To take pigeons on sea patrols—can be released to bring aid if plane forced down—Found effective". That was the announcement from the air force headquarters. Is the Secretary of State now in a position to answer the questions I put to him on the orders of the day on April 20?

Hon. N. A. McLARTY (Secretary of State): Of course the Secretary of State gives such answers as are supplied to him, and I understood at the time the answer was given, if I recollect aright, that the Department of National Defence for Air objected to giving the information. However, I shall be glad to make inquiries, and if there has been any change in the decision I shall advise the hon. member.

WHEAT

REQUEST FOR TABLING OF AGREEMENT SIGNED AT WASHINGTON

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I desire to direct to the Minister of Trade and Commerce a question based upon two reports, one appearing in the press and the other a report in the *Parliamentary Debates* of the British House of Commons on July 2, indicating that the wheat agreement signed at Washington had been discussed there. I quote from the *Parliamentary Debates* at page 513:

Wheat Discussions, Washington (Agreement)
Mr. Watkins (by Private Notice) asked the President of the Board of Trade whether he is in a position to give any information about the recent discussions at Washington with a view to the conclusion of a wheat agreement?

The President of the Board of Trade (Mr. Dalton): I am glad to be able to say that the wheat discussions in Washington have been satisfactorily concluded and the text of the agreed documents is available in a White Paper which was presented yesterday.

His Majesty's Government in the United Kingdom have agreed with His Majesty's Governments in Canada and Australia, the government of the United States and the government of Argentina, on the outline of a wheat convention which will later be submitted to a larger conference of the countries interested.

He went on to describe the agreement in detail. My question is this: Will the minister to-morrow table this agreement recently made at Washington, to which Canada was a party, and at the same time make a statement similar to that made by the President of the Board of Trade in Great Britain describing the agreement? The report in the press to-day is to the effect that three western provincial pools have called a meeting in Calgary to discuss the agreement, and I think this parliament should have the agreement before it.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I believe the agreement will be available for tabling in the house to-morrow.

Mr. PERLEY: Will the minister make a statement similar to the statement made in the British house?

Mr. MacKINNON (Edmonton West): I shall take that into consideration.

PROVINCIAL DEBT ADJUSTMENT

CONFERENCE OF REPRESENTATIVES OF PRAIRIE PROVINCES WITH DOMINION GOVERNMENT

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I wish to ask a question of the Minister of Justice. During the past few days representatives of the governments of Manitoba, Saskatchewan and Alberta have, I believe, been in Ottawa in connection with securing the assistance of the dominion government to have enacted legislation to take the place of the provincial debt adjustment legislation in the western provinces. To-day there are many thousands of debtor farmers and other residents of western Canada who are in the position of being subjected to threatened action such as they have not been subjected to in recent years. The situation is a very serious one. Can the minister say whether it is the intention of the government to introduce legislation at this session to take the place of the provincial debt adjustment legislation which has been declared ultra vires by some of the courts.

[Mr. Perley.]

Hon. L. S. ST. LAURENT (Minister of Justice): Representatives of the western provinces were informed yesterday that it was not considered possible to have legislation passed before the adjournment of this session, but that any representations they might have to make as to some other method of dealing with the problem, which they submitted as being an acute and urgent one, would be given very careful consideration.

Mr. DIEFENBAKER: Under the War Measures Act?

Mr. ST. LAURENT: It was suggested that they might consider whether or not they could propose some method that would be satisfactory to them to deal with the situation temporarily under the War Measures Act—

Mr. DIEFENBAKER: It is a very serious situation.

Mr. ST. LAURENT: —and my understanding is that the premiers and attorneys general of the provinces retired to discuss the possibility of complying with that suggestion.

WAYS AND MEANS

INCOME WAR TAX ACT

The house in committee of ways and means, Mr. Vien in the chair.

The CHAIRMAN: Resolution 1, part I, normal tax.

Mr. McGEER: When the house rose last night I had pointed out that in 1934, before the banking and commerce committee, certain representations had been made, all of which were opposed by the government majority of the committee of that day. May I recapitulate them. They were:

1. A publicly-owned national central bank.

2. Removal of the gold reserve limitation on the issue of full legal tender national paper currency.

3. The control and regulation of the international movement of currency and credit and investment.

4. The control and regulation of international trade.

5. The control and regulation of production and prices of goods and services.

6. The use of taxation to withdraw from circulation any excess of buying power medium of exchange which, not withdrawn, would cause an inflationary rise in prices of goods and services.

In that day every one of these reforms was looked upon as a dangerous innovation. To-day every one of them has been put into operation and is operating as an essential

part of the economy of the nation. I know what it is to pioneer reforms of this kind, but that was not all of the programme we offered. We suggested at that time that with a publicly-owned national central bank, the use of national currency, the greater control of the use of bank credit, deposit money, not only would offer a means of financing greater progress, but could be employed to alleviate the burden of interest-bearing debt. I know all about the dangers of inflation of currency, but the issue of national currency and the control and regulation of the issue of bank deposit money does not of itself involve any disastrous inflationary results. So long as prices are controlled; so long as the flight from the dollar is prevented by the control and regulation of the movement of currency and credit and investment internationally, the actual volume of money in circulation will not of itself do any harm.

I want to draw the attention of hon. members to the fact that there is more than one form of inflation that can bring a nation to disaster. One of these forms, I believe the most dangerous and insidious of all, is not the inflation of currency but the inflation of interest-bearing debt. Too much money may be a disaster to some nations; it may be a disaster to some individuals; but I know of no individual ever born who was smart enough to weather the storm of too much interest-bearing debt. Do not make any mistake about the result to a nation being the same as the result to an individual, because after all a nation is nothing but the sum total of the individuals of the nation, and what applies to the individual with regard to debt applies in equal disaster to the nation as a whole. There is one chapter in Adam Smith's "Wealth of Nations" that we have not studied as closely as we might. I refer to his chapter on public debt. He pointed out that in the middle of the 18th century every nation in Europe would come to disaster through its programme of national debt and its policy of funding and refunding debt. He also pointed out that no nation, not even England, could follow the pattern of that economy without coming to the same disaster. Of course I know when men talk of the danger of currency inflation they assume that by taxing and borrowing, which is only deferred taxation, they prevent disruption of the economy through a rise in the level of prices.

When I made these recommendations before the banking and commerce committee in 1934 I did not believe that I originated anything. Every proposal I offered was taken from the Macmillan committee's report, which was filed with the British government in 1931. Dealing with the problem of controlling prices, that report to the British government said this at page 94, section 210:

> . . . it should be our object to increase the power to exercise deliberate control over the price level; that there is nothing inherently impracticable in this; that with the gradual growth of knowledge and experience, and particularly with the further development of suitable machinery for regular international cooperation, the possibility of such deliberate control should steadily increase; and that we should forward these ends to the best of our powers by being ready to attempt the task and to gain experience by practice.

That is exactly what this government is doing, and I say to my hon. friends of the Social Credit group and to the monetary reformers who are anxious to proceed more rapidly than this government is doing, that since 1934 under the Liberal administration of the Mackenzie King government this nation has gone further with regard to monetary reform and has established a greater advance in bringing money into the service of the nation than any other nation in the empire.

The Minister of Finance (Mr. Ilsley) says that these proposals to use national currency are not new. Of course they are not new, but let us keep in mind some of the problems that this parliament and this nation cannot escape. Just look at the figures of the issues that have taken place since 1938. I take, first, from the Bank of Canada report the issue of deposits by the chartered banks. In 1938 they amounted to $2,892,000,000. By 1942 this had risen to $3,820,000,000, or an increase of $928,000,000 in that period of time.

Let us now take the issue of national currency. In 1938 we had $105,000,000 of active Bank of Canada circulation. In 1942 this had risen to $403,000,000. During that period we have increased our national currency by $297,000,000.

There is, however, another issue. While bank deposits have risen $928,000,000 and Bank of Canada cash has risen $297,000,000, our unmatured bonded indebtedness has risen from $3,315,000,000 to $5,866,000,000, or an increase of $2,551,000,000.

We are told that at the close of the war we are going to refund or repay war savings certificates. Also we are told that we are going to repay the refundable taxes, also that we are going to repay a portion of the excise taxes. These are promises to pay. What are we going to repay with, if we do not come to the use of something other than the issue of debt in addition to the already appalling burden of interest-bearing debt that this nation is carrying?

There is another interesting figure with which every hon. member should be

acquainted, namely, the total amount of money we have in our savings bank accounts to-day. In 1938 we had $1,630,000,000. In January, 1942, we had $1,720,000,000, or $90,000,000 more than we had the year before the war. Every dollar of that savings money is available to buy goods with. There is no question about that. But we are told on the advice of experts that when the government borrows by issuing interest-bearing bonds it takes money from the control of the people and transfers it to the account of the government, thus reducing the volume of money available for private expenditure. I can hardly agree with that, even when the transfer is from a savings bank account to the government, because the government gives in exchange for that savings bank account a bond of the government carrying interest, and who in this house will say that any man possessed of a dominion government bond has not a liquid asset which has spending value. To accept such a statement as a fact would be to conclude that dominion government bonds are not liquid securities. There is no such situation in existence to-day. Next to an actual savings account, or a current account in a bank, the most liquid of all assets are dominion government promises to pay. In addition, however, the government not only issues a liquid security to the value of the savings taken over, but adds to it the value of the interest which the bond carries.

We are told also that we cannot issue national currency, because national currency, under our Bank Act, is a reserve upon which the chartered banks can issue bank deposits, as loans and as the means of purchasing securities. Well, has the government no control over the use of Bank of Canada cash as reserves? The government has control over everything else. I am satisfied that the merchant banks of the Dominion of Canada would be more than glad to cooperate with the government in finding some less costly and more efficient way of financing the appalling costs of this war than we are adopting at the present time. The Minister of Finance says that if we dared to issue Bank of Canada cash, our merchant banks, coming into the possession of that money, would be desirous of expanding their bank deposits, increasing their loans and setting in motion the spiral of inflation. I do not believe the banks would take any such attitude, because when I look at the bank cash on hand I find that for a great many years they have had a very substantial surplus of cash. We said, "You can use 5 per cent, as a matter of law." They went us one better and said, "Why, we will hold 10 per cent or more." If anyone wants evidence of good faith on the part of our chartered banks, I think it is in their record; but should any such condition arise that they were unwilling to cooperate, this parliament and this government, under the War Measures Act, have no less power to control the chartered banks of this dominion than they have to control every other individual, every other corporation and every other business and industry.

I do not want to raise unnecessarily the question of the advice of experts, but I would draw to the attention of the Minister of Finance the fact that when members of the official opposition start cheering anything done by a Liberal government, it ought to become suspect. You know, Mr. Speaker, these reforms that we have brought into effect were never concurred in by that group.

Mr. MacNICOL: Why, we established the Bank of Canada.

Mr. McGEER: If you listen to them very long I think they will convince you that you ought to start financing this war with 5½ per cent tax free bonds, because that was the method they thought was most efficacious during the last war. We will have none of that kind of nonsense to-day.

Mr. GRAYDON: One of your own ministers was in that government.

Mr. McGEER: Of course; there were many misguided people in that government, and we had to have a good taste of it before we knew what it really meant. But the people of Canada have had their lesson, and they will never again go back to that kind of government.

Mr. GRAYDON: You still have that minister, though.

Mr. McGEER: We have not had any 5½ per cent bonds out since 1937.

Mr. JACKMAN: If I may be permitted a question, it seems to me that when the hon. member makes an imputation such as that, someone should rise to refute it. Interest rates throughout the whole world were on a very much higher basis during the last war than they are during this war. I ask the hon. member if that is not so.

Mr. McGEER: My hon. friend says that in the world at that time interest rates were high all over. Of course they were. That was what brought the whole world to disaster, and that is the lesson that should guide us to continue with our programme of reducing the cost of public finance wherever we can. The experts in the finance department are not always right. I should like to draw the attention of this committee to one historic occasion when a

great chancellor of the British exchequer confessed to the fact that he had been sadly misled by the greatest experts in the world. Speaking in the British House of Commons on April 21, 1932, Mr. Churchill said:

When I was moved by many arguments and forces in 1925 to return to the gold standard I was assured by the highest experts . . . that we were anchoring ourselves to reality and stability; and I accepted their advice. I take for myself and my colleagues of other days whatever degree of blame and burden there may be for having accepted their advice. But what has happened? We have had no reality, no stability.

Continuing, he said:

Is the progress of the human race in this age of almost terrifying expansion to be arbitrarily barred and regulated by fortuitous discoveries of gold mines here and there or by the extent to which we can persuade the existing cornerers and hoarders of gold to put their hoards again into the common stock? Are we to be told that human civilization and society would have been impossible if gold had not happened to be an element in the composition of the globe? These are absurdities, but they are becoming dangerous and deadly absurdities. They have only to be asserted long enough, they have only to be left ungrappled with long enough, to endanger that capitalist and credit system upon which the liberties and enjoyments and prosperity, in my belief, of the vast masses depend. I therefore point to this evil and to the search for the methods of remedying it, as the first, the second and the third of all the problems which should command and rivet our thoughts.

After relegating the gold standard to the place where it properly belongs, and wholly justifying the complete repudiation of the ideas of classical economy and orthodox finance which he formerly championed, Mr. Churchill said that all those rules by which the chancellors of every party, except in war time, were rigidly bound, had now been swept away. How former chancellors would stare! He blandly referred to himself as the last orthodox chancellor of the Victorian epoch, and amidst cheers and laughter appealed to the committee to recognize him as "the last of the Mohicans." Of course we are going to have changes in our economic set-up, and this government will be well advised to pursue the course of reform that it has carried on with remarkable success since 1935. Let not the Minister of Finance or the experts of the treasury board come to the conclusion that the door of human progress in that regard has been closed. We cannot look into the future; but let us go back to the days during the last ten years when some of us were pleading in this house to put the unemployed to work, and when we were told that we had reached the limit of our credit; that to build highways, schools and defence requirements was beyond our ability, that our economy could not stand it. I went across this country pleading that in the state of the world at that time we should be spending not $30,000,000 or $40,000,000 a year on defence, but that if we were to spend proportionately to what Australia and New Zealand and Great Britain were spending we should be spending $400,000,000 a year. Any man to-day knows that the false economy which denied us the right to go to work during the last ten years has brought a deficit which we shall pay for with human lives and human blood. Do not make any mistake about that.

I want to repeat to this government that I believe democracy can and will survive. I am confident that we shall go through this terrible trial with success, because I do not believe that 65,000,000 Germans and 70,000,000 Japanese can bring to defeat 80,000,000 Anglo-Celts in the British empire, 130,000,000 of the people of the United States of America who are united with us as they were never united before, and 170,000,000 Russians who have proved that they can and will fight to the finish. But there can be no continuation of the imposition upon us of the hobbles and fetters which deny to us the use of all the means and all the powers that are at our disposal. I plead with the Minister of Finance and his expert advisers not to close their minds to the value of national currency in this crisis. I believe that Lincoln was right when, in 1839, he declared:

No duty is more imperative on the government than the duty it owes the people of furnishing them with a sound and uniform currency.

Issuing debts is, in my humble opinion, a more dangerous course toward the inflationary conditions which bring disaster than is the issue of a national currency for national service under proper regulation and control.

Twenty-five years after making that statement on the duty of national government to provide the people with a sound and uniform currency, Lincoln wrote a letter on what he thought about national currency in that nation. It reads as follows:

My dear Colonel Dick:

I have long determined to make public the origin of the greenback and tell the world that it is one of Dick Taylor's creations. You have always been friendly to me and when troublous times fell upon us and my shoulders, though broad and willing, were weak, and myself surrounded by such circumstances and such people that I knew not whom to trust; then I said in my extremity, "I will send for Colonel Taylor, he will know what to do." I think it was in January, 1862, on or about the 16th, that I did so. You came and I said to you "What can we do?" Said you: "Why, issue treasury notes, bearing no interest, printed on the best banking paper. Issue enough to pay off the army expenses and declare it legal tender." Chase thought—

Chase was the secretary of the treasury at that time.

Chase thought it a hazardous thing, but we finally accomplished it and gave it to the people of this republic, the greatest blessing they ever had—their own paper to pay their own debts.

I do not want to stress an issue of this kind in the dying days of the session, but I have not pressed my ideas upon the house during the last three years. What I do say is, and I think every hon. member will agree with me, that we have seen some terrific changes in the twentieth century. We are going to see some more, and I venture to offer this suggestion. While I am not being laughed at and sneered at as I was when I advocated the reforms which have come into being in this nation and others, there are still men who doubt the capacity of democratic government in the twentieth century to control the issue of its national currency to the preservation of the nation, to the service of the nation, and for the progress of the people of the nation. Just stop and think to-day. This budget provides for an enormous programme. Does it do anything for the old age pensioner?

Mr. BLACKMORE: No.

Mr. McGEER: Does it do anything for the dependent?

Some hon. MEMBERS: No.

Mr. McGEER: Does it do anything for the removal of discriminatory taxation?

Some hon. MEMBERS: No.

Mr. McGEER: These are some of the things that the nation must carry on if it is going to justify its right to be looked upon as one of the great democratic, progressive nations of this age. I know it probably would be dangerous to issue billions of dollars of national currency, but could we not issue enough to alleviate the tax on one-cent candies? Are we down to the point that we cannot use our power to create and issue money for the purpose of alleviating some of the needs that go alongside of the needs of war? Yes, Mr. Chairman, I believe that we can do these things, and I believe that if we will put our minds to some of these great problems we can not only finance our full and greater share of the war's responsibilities but strengthen ourselves in the progress of the war and come to the victory stronger and more capable of mastering the problems in a manner which will make the peace worth while.

Do not discard too freely some of the great powers which we possess. Let us not be afraid to venture against the danger of the accumulation of too much interest-bearing debt. Let us keep carefully in mind that the issue of debts has brought Europe to disaster. Funding and refunding, piling up and pyramiding, brought some of our provincial governments, some of our cities in Canada, to the doorstep of bankruptcy. There must be some way of keeping, within the limits of all the obligations we must assume, a national, provincial and municipal solvency in our nation.

[Mr. McGeer.]

Mr. LECLERC: It is not very often that I rise to speak in the House of Commons, especially to speak in English. The reason is probably that we French Canadians would be speaking in a language with which we are not familiar. I often think that our English friends speak their language too freely because they make the sessions last much longer than they should. I listened attentively to what was said yesterday, and I agree with those who have said that the Minister of Finance (Mr. Ilsley) has placed as heavy a burden upon the shoulders of the Canadian taxpayer as it is possible to carry. The hon. member for Parry Sound (Mr. Slaght) gave us a good picture of the punishment the people are receiving at the hands of the Minister of Finance. The hon. member demonstrated that the married man, especially the married man with two children, is under a heavy burden. The hon. member did not, however, give us all the picture. I do not consider a family of two children as being a family. If he had multiplied that number by two or three, and made the family four or six, he would have made out a better case.

The Minister of Finance has left children over eighteen years of age out of the picture, but I would remind him that many parents, if they want to give their children a decent education, must support children over that age. More consideration should be given to the man receiving a medium-sized salary who has a family to support. Our war effort is reflected by the taxation imposed upon us. If this taxation makes this clear to the Canadian people in general, especially those who claim that Canada is not making a real war effort, it will have accomplished something. In order to make up for the other speakers, I shall not take up any more of the time of the committee. I urge the minister to give serious consideration to the married man with a medium-sized salary.

Mr. MACDONALD (Brantford City): I do not intend to take part in the discussion on monetary reform, or monetary chaos, depending upon one's point of view, but I should like to revert to the subject we were

discussing when we got into the debate on monetary reform. We were talking about the payment of income tax by officers in our armed forces. At the present time officers in Canada pay an income tax, while officers abroad are relieved of that burden. Other ranks, both at home and abroad, do not pay an income tax. During this last week I have received numerous letters from wives of officers who are overseas. These women are alarmed at reports which are current to the effect that their husbands' incomes are to be taxed. I trust there is no foundation for the rumour. I do not think the people of this country would receive kindly any amendment to the act which would tax the incomes of officers who are now overseas. There is a feeling that the day is drawing close when these officers will be engaged in an offensive action against the enemy, the thing for which they have been preparing all these years, and it would be a deplorable thing to tax them when they are about to enter upon that offensive. I hope the minister will be able to reassure the country and the wives of these men that the salaries of officers who are now abroad will not be subject to income tax.

I should like to refer to the taxation which is imposed at the present time upon the salaries of officers within Canada. Most of these men are anxious to go overseas, and I understand that every commissioned officer has volunteered for overseas service. It is not their wish that they should remain at home; if they had their way they would be outside Canada at the present time. They are now paying the full tax, and I do not think they should be called upon to do this. They are not in as favourable a position as the man in civilian life. The man in civilian life is carrying on his business as usual and, when the war is over, he will continue in the same way he is going now. But what about the officer in the army or in any of the armed forces? He has broken entirely his connection with his business at home. What has he to look forward to when the war is over? He must start anew, for he will have no business to which to return. Is it fair that this officer should have to pay the same income tax as the man in civilian life?

The man in civilian life enjoys the comforts and conveniences of his home. The officers must face many transportation problems. Most of them are practically keeping up two homes. That is, they must pay the expenses of running the homes which they left, and they must pay the dues in the messes to which they belong. Most men in civilian life have had increases in income since the war started. They have enjoyed either a straight increase in income because of increased business, or they have had an increased salary or are in receipt of a cost of living bonus. Practically every man not in the armed forces is making more money to-day than he was when the war broke out. When I say he is making more money I do not mean that his net income after paying taxes is more, but his gross income has increased.

What about the officers in our armed forces? Has there been any increase in their pay since war broke out? There has not. Yet they are being called upon to pay full taxation. I know an officer who before he joined up was getting a large income from professional fees. Of his own free will he left his profession to go into the army where he now holds the rank of captain. Before going into the army he incurred certain obligations in connection with building a home, and he hoped to pay those obligations from his income. With the pay he now receives from the army he is just able to keep up his home, that is, make the payments called for by the agreement with the building company, supply his wife and family with the necessities of life and pay the present income tax. Under the new schedule he will not, after keeping up his home, have sufficient left to pay his income tax.

I would also remind the minister that at the present time an officer pays income tax not only on the amount of his pay but on subsistence as well. Suppose he makes $3 a day. Is his income tax on $3 a day? No; it is said that he gets a living allowance, and therefore the sum of seventy cents is added to his pay—

Mr. GREEN: One dollar in some instances.

Mr. MACDONALD (Brantford City): My hon. friend says "$1 in some instances." The principle is the same, but I am taking the case of the officer to whose pay is added seventy cents a day for living allowance. He pays income tax, not on $3 a day, but on $3 a day plus seventy cents, or on $3.70. I think that is going a little too far.

Mr. GREEN: And on dependents' allowance too.

Mr. MACDONALD (Brantford City): My hon. friend says "on dependents' allowance too"; that that is added to the amount on which the officer pays income tax.

Mr. HANSON (York-Sunbury): Is it not all income, theoretically?

Mr. MACDONALD (Brantford City): The dependents' allowance is actually paid. Somebody gets the allowence in dollars and cents, but subsistence is not paid. Someone—I do

not know whether it is the income tax department or the Department of National Defence —has entertained that an officer's food and other things he gets are worth at least seventy cents a day, and although he does not get that seventy cents, he is taxed on that seventy cents. I think he should, in any event, be relieved of that taxation.

It is not only the officers for whom I would make a special plea. I would also bring to the attention of the minister the men who are acting as instructors in elementary flying schools. As members of the committee know, elementary flying schools are now operated by private companies, the instructors being lent by the Royal Canadian Air Force to the elementary flying school. When they are lent by the Royal Canadian Air Force they lose their rank for the time being. Most of them are sergeant pilots and, as members of the committee know, a sergeant pilot does not pay income tax. As a matter of fact, no sergeant in any branch of the service pays income tax. I was going on to say that officers who fly in Canada and are on the general list are also exempt from income tax in the Royal Canadian Air Force, whereas all men who serve on the ground pay income tax. But let me come back to the point I was making. These sergeants who are lent are freed from paying income tax when they are in the Royal Canadian Air Force, but once they join the civilian school as instructors they pay income tax. The increase in the tax will weigh very heavily upon them. If any relief is to be given to officers, I trust that some consideration will also be given to these instructors at the elementary flying schools.

I want to press with all the force I can the suggestion that officers at home should receive some consideration in respect of the payment of income tax. I do not consider that they should pay the same income tax as a man who is not in the service, a man who has not volunteered to save his country but is carrying on his business to-day, true under difficulties, but nevertheless carrying it on, and who, when the war is over, will be allowed to continue to carry on his business, whereas the men in the armed forces will come back to what? They will come back to starting life all over again. I cannot press too strongly upon the minister the fact that these men are serving their country; they are sacrificing greatly, and therefore they are entitled to some consideration.

At six o'clock the committee took recess.

[Mr. W. R. Macdonald.]

After Recess

The committee resumed at eight o'clock.

Mr. KINLEY: First of all let me express my personal pleasure at having again this afternoon been able to see in this house my esteemed friend the hon. member for Vancouver-Burrard (Mr. McGeer). He has returned to us after a long and critical illness, and I am sure that we are all glad to know that apparently he is in such good health and that he has not lost any of his power of self-expression so ably displayed in his speech this afternoon.

Last night he referred to those who are exponents of sound money. It seems to me that that is almost a geographical term in Canada. I believe it applies especially to the maritime provinces. Why that is, it may be difficult to say. It may be because, being poor, we learned the value of money in our youth. Again, it may be that in what is known as the golden age of Nova Scotia we were great traders. We had a great foreign trade; our ships sailed to all parts of the world and brought back the treasures of many lands. Perhaps that had something to do with our opinion on money matters. However, to be referred to as one of those who believe in sound money is not too bad a compliment for anyone to receive, and I hope that we in the maritime provinces are sound on money matters in their application to progress with respect to the needs of the Canadian people.

In our economy in the days of wooden ships, Nova Scotia had many banks; nearly every town of importance had a bank to serve its people. When the days of wooden ships became a passing show the first places to feel the effect were the banking institutions of that province. Some failed and others survived and had an influence on the banking institutions of Canada. While I have no brief for the banks, I believe that our banking system is an object of admiration not only in this country but abroad. When greater countries had chaos in the days of the depression, so far as their banking and commerce were concerned, the banks of Canada nobly survived that depression and performed the services which we knew they would do because of their stability and strength.

Mr. HANSON (York-Sunbury): It was because the then Prime Minister put the whole resources of Canada behind all our financial institutions.

Mr. KINLEY: That is to his credit.

Mr. HANSON (York-Sunbury): Of course it is, but he never got much credit.

Mr. KINLEY: General Sherman, a great United States soldier, said that "war is hell". This country is at war, and perhaps that is the best reason we can give for this extraordinary budget so ably presented to the house by the Minister of Finance (Mr. Ilsley), who comes from Nova Scotia. The virtues of Nova Scotia in financial matters have long been recognized in the dominion. In my memory there have been five ministers of finance in Canada who came from that province. We had Fielding, Maclean, Rhodes, Ralston, and now we have our present Minister of Finance. Without detracting from the virtues of those who have gone before, may I say this of the present Minister of Finance. His speech last night, together with the work he has done since he became Minister of Finance, has convinced us, and I am sure it has convinced the country, that there are still giants in Israel. He is one of the great ministers of finance.

There was some opposition to this budget, but it was not serious. It is the function of the opposition to criticize, and I say this advisedly. The leader of the opposition (Mr. Hanson) who, I believe, was to-day confirmed in his office—I am glad of the fact, because he is a fellow maritimer—has not only the duty but the privilege of criticizing and finding out the vulnerable points in the government of the country. While hon. gentlemen did criticize, they gave abundant praise to the Minister of Finance. They appreciate the work he has done, and they believe he is the right man for the job at this particular time.

Some of the criticism, I thought, was pretty small, especially that part of it which referred to the candy being taken from the babies. I was taught when I was young that too much sweet stuff in the form of candy was not good for a child, that it caused decay of the teeth and made the child a subject for the dentist.

Mr. HOMUTH: What did you give yours? Porridge?

Mr. KINLEY: Perhaps a little sauerkraut. This whole discussion centred on what hon. gentlemen called the penny piece of candy, and they said that children in the future would not be able to have a piece of candy that would sell for one cent. When I was a boy, if you gave a child a cent to do an errand he thought he was lucky; but who is there here who would offer a boy a cent to-day to do an errand? You would have to give him at least a nickel. The point is that the manufacturers will easily get over the one-cent problem with the 30 per cent tax. They will increase the volume of the bar and sell it for two cents, and that, I think, will be as good for the child as the candy he used to get for a cent.

Hon. members also spoke of the English guest children who have come to Canada, and the leader of the opposition thought there was discrimination because, in the first place, enough was not allowed for dependents, and in the second place, only those who came here under schemes sponsored by the governmnet could come under the deduction. Well, people made their own bargain themselves before there was any law, and if the government afterwards wanted to increase it and amplify it, and made a bargain to that effect, they will stick to their commitments. I want to inform the committee that the English authorities within the last few months authorized the payment of £3 a month for each English child in Canada if the parents were willing to send the money over. The parents of English children should send it over if they can afford to, and in many instances they are doing so. Therefore the position of the guest child is not so bad as we might be led to believe.

We were told that this is a home-wrecker's budget. War is a home-wrecker. This is a war-time budget. It has wrecked no homes in Canada yet, but it seems to me that the need is the thing that justifies and should decide what it is necessary to do in order to pay the bill for the conflict in which we are engaged.

While the opposition's criticism was justified because they are the opposition and that is their duty in the house, there was a criticism which came from our side of the house, a criticism that is more dangerous. Eminent members of this house told us that there is an easy way to finance this war. Well, if there is, why all the worry; why all the anxiety and all the collection of money from the people of this country? But I do not believe there is an easy way. I do not believe it is the best way, I do not believe you can get something for nothing without somebody else paying or without suffering greatly in the future.

This promised easy way is inflation. Inflation means dilution, and I never knew dilution to increase the strength of anything. I do not approach this subject with any degree of assurance, because it is a subject that has been talked of for many years. I recall that Mr. Montagu Norman in the days of the British financial crisis said that international finance approached sometimes the point of

mystery where you did not understand it at all. Under such conditions it would be hard for me, a plain business man and a humble member of this house, to say that I understood all the complex theories and problems of finance to-day. The hon. member for Vancouver-Burrard was not so sure this afternoon; he was willing to admit that there are two sides to the question, but last night the hon. member for Parry Sound (Mr. Slaght) was rather sure that he had an easy way to finance this war.

Since this matter is one of more or less mystery, let us reduce it if we can to the simple things of life, so that he who runs may read. While at present I am addressing members of this house, we must remember that we are here for the purpose of informing the country, and that all the people in the country are not as well informed or as alert as members of the house. In the last few days we have been discussing here ways and means, and we have now Bill No. 110 which gives us a lesson on values for duty. In this bill I read this:

> Spirits: On every gallon of the strength of proof distilled in Canada, except as hereinafter otherwise provided, nine dollars, and so in proportion for any greater or less strength than the strength of proof and for any less quantity than a gallon.

The value for duty is based on the alcoholic content of the strength of proof. Would anybody suggest that by adding to a gallon of these spirits a gallon of water you would have any more spirits? It is true it might make it more palatable, but you have no more of the intoxicating ingredients than when it was of its original strength. Inflating the money is watering the money. Or, take for instance, a farmer. There is little rain and the pastures are getting dry. Suppose this farmer who has milk customers in Ottawa said, "I have not enough milk from the cows to supply my customers; I will put the can under the pump, pump the can full of water and take it to the city." He has no more milk, but he has more quantity and can supply his customers. If, however, he did that he would be committing a criminal offence and would be brought before the courts. He is doing nothing more than diluting the substance which he is selling to the people.

The hon. member for Parry Sound talked inflation. There are different methods of inflation. Take corporations. A corporation that has a stock structure and waters that stock structure for the purpose of making greater profits, without having other assets, is watering the stock. Watering the stock and watering the money are similar things; one is a creation of good times and the other a creation of bad times, but they both want something for nothing, something for which other people must pay.

The hon. member for Parry Sound in what was apparently intended to be an intellectual argument on money reform rather descended I thought to the level of a stump speech, because he said in effect that the government was afraid to put extra money into the hands of the people. This is what he said yesterday, as reported at page 4266 of *Hansard*:

> Let me now return to the question of inflation. By inflation is meant that you are putting too much cash in the hands of the people of this country, particularly the working people and the farmers, and the 85 per cent that are termed the very modest earners; you are giving them too much money, and they will go and spend it. Will any of my hon. friends tell me, . . .

Then he exhibited a $100 bill. Well, we will do nothing of the kind. The workingman will have to work for every dollar he gets notwithstanding that it is inflation. Hon. members of the Social Credit group are more frank about the matter. It will be remembered that they were going to give this money away to the people, $20 a month as a bonus—

Some hon. MEMBERS: Twenty-five dollars.

Mr. KINLEY: Twenty-five dollars a month as a bonus. They never gave it, which is to their credit; but when the hon. member for Parry Sound tries to make a point that the government is afraid that there will be too much money in the hands of the people he is not only doing them an injustice but doing an injustice to himself as a lawyer of great ability. We know that wages are frozen in this country, and he would add to that the indignity of giving the labourers of this country diluted money.

We have heard a great deal about these money schemes that come before us from time to time. Yesterday the hon. member for Parry Sound exhibited a $100 bill, and told us it was a promise to pay. That is true. But if you put that $100 bill in the bank, at the end of the year you can collect a year's interest. Our friends of the Social Credit group issued money too, and I have here—I have had it in my pocket for years—what they call a prosperity certificate, $1. These are the terms upon which this certificate was issued by these money reformers, who would give everyone plenty so that there would be abundance in the country:

> The provincial treasurer will pay to the bearer the sum of one dollar on the expiration of two years from date of issue hereof upon presentation hereof, provided there are then attached to the back hereof one hundred and four one-cent certificate stamps.

In other words, I would have to place 104 one-cent certificate stamps on this certificate in order to redeem it. This certificate was issued August 5, 1936. If I want to spend it to-day I cannot; it will cost me 4 cents in order to give it away. We talk about theories, but this is something that was actually done. Then they come and tell us this is the way to finance this country.

Mr. JOHNSTON (Bow River): You are certainly doing a swell job for the war. Get on with the war.

Mr. KINLEY: The hon. member for Vancouver-Burrard said that we went through days of depression.

Mr. JOHNSTON (Bow River): You are a good example of the whole party.

Mr. KINLEY: I hope my hon. friend is not angry. The hon. member for Vancouver-Burrard said that there was great distress in Canada during the depression days. That is true. He also said that municipal and provincial governments had fallen down, that they had gone into default and were unable to carry on. That disease did not strike the maritimes. We are referred to as the sound money men of this country, but it seems to me that the disease referred to by the hon. member was not so prevalent in eastern Canada. Yet now we are getting advice from those who have the theory, but not the successful practice, of how to run a country without depending on the government.

This question of exchange is an important matter; and, as I said in the beginning, we in Nova Scotia have had an education in foreign trade. I want to remind hon. members that in our reciprocity agreement with the United States this was considered a matter of great concern and was embodied in article XIII of the agreement, which reads:

> If a wide variation should occur in the rate of exchange between the currencies of Canada and the United States of America, and if the government of either country should consider the variation so substantial as to prejudice the industries or commerce of that country, it shall be free to propose negotiations for the modification of this agreement: and if agreement with respect thereto is not reached within thirty days following receipt of such proposal, the government making such proposal shall be free to terminate this agreement in its entirety on thirty days' written notice.

Our financial relations with the United States are most important. We are their best customer. They are our best customer to-day, except for our shipments overseas of war supplies, and it is important that we travel along with the United States and shape our financial policies to conform as far as possible to what they do, so that we may have harmony, so that we may do business together without disrupting our agreements. Last night the hon. member for Parry Sound rather surprised me when he spoke of inflation. Let us see whom it would help. Let us suppose a man had an income of $50,000, and I assume there are people in this country with such incomes. His tax would be about $30,000. It might be better for the temporary preservation of that income if the minister would raise the money he needs through the printing press rather than by taxing it from the people, for naturally and properly the tax falls heaviest upon those who have the largest incomes.

The hon. member's argument was also subtle with regard to single and married men, especially that portion of it having to do with the refundable portion of the tax. If a man is married, has two children and an income of $3,000, his computed tax is $668, of which $334 is refundable or deductible, making a balance of $334 which he must pay. Thus he is left $2,332 to maintain his family, exclusive of his allowance for insurance premiums, superannuation or mortgage payments. On the assumption that he has insurance to pay or similar obligations to meet which will equal the deductible portion of the tax, his tax is increased by $119 over last year. Under the last budget his tax amounted to $215. A bachelor with an income of $3,000 is assessed $1,064, of which $240 is deductible, which means that, under the same conditions, his actual cost would be $824. Under the last budget the bachelor would pay $622, so that his tax is increased by $202. In private life a man does not get a larger salary when he marries. He is supposed to save while he is single, in order to be able to support a wife when he gets married; and the obligations of marriage hardly depend upon the income tax budget. This is severe and drastic taxation, but it is part of the terrible burden of this war. We must not forget that a bachelor, if he is between the ages of twenty and forty, is called to military service, which is not required of the man with a family.

I regard this compulsory saving as a splendid feature of the budget. If, in former days, a man has been doing the good thing by his family, by taking out insurance and buying a home, he is protected to an extent in these obligations, which he may deduct from his income tax. I believe this compulsory saving will do four things. In the first place it will provide funds for the carrying on of this war. In the second place the people will make fewer demands on consumer goods in this country, thereby freeing men and materials for the war effort. In the third place it is saving for a rainy day, which is always a

cardinal principle of those who want to succeed. In the fourth place, the money will be invested in the safest possible place. I recall that in the province of Quebec there is an old saying, that in the course of his lifetime each man must eat a certain amount of black bread, and that he had better eat it while he has his teeth. Therefore those who save in their youth are more likely to have plenty in their old age.

We are not so much concerned with our immediate financial conditon. As yet no one has gone hungry or cold; in fact, the mass of the people are better off than they were during the depression, even with these very heavy taxes. The majority of the people of Canada have more money left for themselves than they had five years ago, except in certain exceptional cases, which in themselves prove the rule. Canada is yet able to pay her bills. The United States is the only country that will to-day redeem its obligations in gold. Canada is a gold-producing country; and while it is true that gold has been discontinued as a basis of finance in most countries, if we are going to have an international basis after the war it must be something of value and something which everybody will accept.

It seems to me that Canada, as a producer of gold, might lean a little toward the gold standard. The United States is the one country in the world that will redeem its obligations to-day. It is the one country in the world which will be a citadel of strength to pay the expenses of the war, and around that citadel Canada will be in the most prominent place. Inflation comes from fear and dire necessity, and it is quite possible that a time might come when dire necessity would drive us to the place where we could tide over the situation for a time and prevent immediate disaster, but we would certainly pay the price in the future. This, as indicated by the Minister of Finance last night, is not even thought of.

Let us get back to fundamentals. Let us think of the parable of the talents, a lesson to everybody which should not be easily forgotten. Let us remember that through the tumult of the ages all these questions were discussed and all these theories brought forward, and that it was only countries in despair and not the strong countries of the world which adopted inflation or other methods of merely temporary advantage. Canada is still a strong country. Let us hope that she will long continue to be strong, to carry on this conflict to the end, and that the people will travel that hard road which is the proper road to success. Then, when the time comes that victory crowns our banners, we shall be sound not only in a monetary sense, but in our body politic, in our ideas, in our constitution, that we shall have preserved them all and go forward to the future with courage and in a spirit of progress, in the way that the people shall direct. Then, I am convinced, this country will be greater in the future than it ever was in the past.

Mr. QUELCH: I am sure that the hon. member who has just resumed his seat will excuse me if I do not follow the line he has taken. I did not hear very much of what he said, and what I did hear did not make sense. It seems to me that he is one of those museum pieces that have been worshipping at the shrine of the golden bull, and as we know to-day, it is mostly "bull". I believe I would do better if I followed the line taken by some other members of his party, such as the hon. member for Vancouver-Burrard (Mr. McGeer) and the hon. member for Parry Sound (Mr. Slaght).

Before passing on, I might make reference to the "prosperity certificates" to which he refers. I could take the hon. member into Alberta and show him many, many miles of good roads which were built with those certificates, and the people who built those roads received a dollar's worth of value for a dollar's worth of work.

I had not intended to speak at this time, but in view of the fact that the Minister of Finance (Mr. Ilsley) made a few references to this group I should like to present some comments on what he said.

In *Hansard*, July 15, at page 4270, the minister is reported as having said:

> It is all very well for the group in the corner to be talking. There are not a great many people who take them seriously. . . .

I shall not take serious exception to that remark, although I would say to the minister that I find to-day a greater number of people taking interest in monetary reform than ever before. Throughout the country people are asking themselves whether a financial system can be sound which compels people to remain unemployed in times of peace and yet can find billions of dollars in times of war. I do not think our men when they return from the war, or those who are discharged from factories, will be willing to remain in the ranks of the unemployed or on relief just because the Minister of Finance says there is no money available to put them to work.

As I have said, I do not take serious exception to his remark because I realize that the press of this country to a very large extent is owned and controlled by large

financial syndicates or by individuals of large financial means, and ever since this group came to this house the press have tried on every possible occasion to discredit us and to misrepresent what we have said. In view of the fact that the people throughout the country depend very largely on the press for their knowledge of financial matters, it is only natural that these people should not be seriously impressed by what the press has said that we have said.

In so far as the members of the Liberal party are concerned, of course they are not faced with that difficulty; other ways and means are found of dealing with them. Members of the Liberal party are dissuaded from criticizing the financial policy of the government in this house. We have had plenty of examples of Liberal members in the past criticizing the financial policy of the government for one year, or two years, and then suddenly becoming silent, so that it was not necessary for the press to criticize those members. No doubt, however, from a high sense of patriotism, the hon. member for Parry Sound and the hon. member for Vancouver-Burrard felt obliged to protest a continuation of the government's present financial policy, because they know very well that in its operation since the beginning of the war it has seriously retarded our war effort in many respects. Therefore, no matter what the consequences might be so far as they are concerned, they felt it necessary to rise in their places and criticize the continuation of that sort of policy.

I recall speeches made by the hon. member for Vancouver-Burrard in this chamber during 1936, 1937 and 1938. I believe that in 1938 he made one short speech, which was the last he made on this question until to-day. A statement of his on that last occasion is well worth remembering. He closed by remarking that members of this house should do all they could to guide the Department of Finance out of that swamp of financial ignorance in which it seemed to be lost. Can we blame the hon. member for having made that statement when we recall that from 1935 to 1939 we allowed industry in this country to remain in a state of stagnation; that we allowed half a million men to remain unemployed, roving across this country looking for work; that our shipyards remained idle, and that the defences of this country were not built up in spite of the fact that we knew that Germany, Italy and Japan were steadily arming? Is it any wonder that people lose confidence in a policy which allows a condition of that kind to remain in existence?

From 1934 to 1939 we maintained in this country a favourable balance of payments averaging $218,000,000 a year. Yet at the same time Germany, Japan and Italy were steadily building up their armaments. In order to maintain that favourable balance of payments we shipped large quantities of war materials to those countries.

The Minister of Finance and his predecessor continually criticized the proposals of this group. I should like to remind the minister that step by step he is having to adopt many of the proposals which we made in the past and which he himself ridiculed. When he becomes so dogmatic in this house he should recall that fact. For instance, I have in mind the matter of price control. I referred to this once before, and the leader of the opposition (Mr. Hanson) has referred to it. When we were urging the greatest development possible of our natural resources and stressing the fact that it would be necessary to have price control in order to prevent inflation, the Minister of Finance ridiculed the idea. He said it would not be practicable to try to put price control into operation; that it could be done only if we had a spy in every grocery store; that we would require a gestapo. To-day we have price control in this country. Therefore I say again that he should not be so dogmatic when he is criticizing our proposals, because it is likely that he will some day be doing the very things he is criticizing to-day.

We have often urged upon the minister the desirability of subsidizing industry so that it might sell below the cost of production. In the years from 1935 to 1939 we found it very hard to maintain an effective demand against our production, and we urged the government to put the unemployed to work and give industry a subsidy so that it could sell below the cost of production in order to balance consumption with production. The minister criticized such a policy as being crude inflation; yet only the other day in this house he stated that the policy of subsidizing industry to sell below the cost of production was an insurance against inflation. Step by step the minister is having to retract his statements and adopt the proposals that we have urged in the past.

This budget imposes a tremendous burden of taxation upon the people of this country. This group has admitted consistently in this house that it is necessary to maintain heavy taxation during war time in order to make more production available for war purposes. On the other hand it is well to realize that taxation should not be so heavy that the standard of living of the people is reduced to such a point that their efficiency is thereby

reduced. I believe that in some regards taxation to-day has approached that point. When we read that certain married women are resigning their jobs because they cannot afford to work under this heavy taxation, it looks as though we have increased taxation to the point where we are decreasing the efficiency of the people.

We have always opposed heavy taxation in peace time, because we realized then, as apparently the government only realizes now, that taxation does curtail consumption, does curtail the demand against goods. In peace time our main problem is to maintain an effective demand against production; our main problem is to find a market for goods so that, naturally, it is not a sound policy to maintain heavy taxation, thereby reducing the demand against goods. But an entirely different situation faces us to-day. When the minister attacks us on the ground that we are opposed to taxation he forgets that there is a war on to-day and that we advocate heavy taxation in times of war.

The minister has stressed the fact that the main purpose of taxation and the sale of bonds is to curtail the spending power of the people, and he has stated that this taxation should be based upon the ability to pay, always keeping in mind the ideal of equality of service and sacrifice. I am of the opinion that this budget definitely defeats that principle. The minister has continually warned this house against the danger of inflation, and yet by this budget he is bringing about inflation in the price of many commodities. The minister has attacked the method of withdrawing purchasing power from circulation by increasing prices, on the ground that that method is not fair, but he is doing that very thing with the war revenue taxes. Not only has he withdrawn purchasing power from the people, but he has imposed a tax of 30 per cent on candies in order to withdraw the purchasing power of our children. I think that must be regarded as a most detestable form of tax.

At the outbreak of this war we stressed the need for equality of service and sacrifice. In September, 1939, we stated that if people could go through this war and maintain their pre-war savings intact, continue to have a decent standard of living and be able to set aside a little for a rainy day, they should consider themselves most fortunate. Mr. Nash, the former minister of finance of New Zealand, expressed similar sentiments when he said that the man who goes overseas should not be any worse off for having gone overseas, and the man who stays home should not be any better off as a result of staying at home. As a result of the minister's financial policy; as a result of this budget, we find that many people who stayed at home are accumulating large holdings of bonds. It is not equality of sacrifice and service when, on the one hand, you have men going overseas and giving up their lives and, on the other hand, men staying at home and accumulating large holdings of bonds which will be a claim against future production. The hoardings we see across the country are positively nauseating. We see placards saying: "We are all in the front line now; buy more war savings certificates." Is it not insulting our front-line men to suggest that the man who stays at home and buys war savings certificates is in the front line?

If the minister is really sincere in his desire to reduce the purchasing power of the people by taxation and the sale of bonds, I would ask him why it is that the chartered banks should be allowed, to create hundreds of millions of dollars in order to lend money to people in order to buy bonds? If the purpose of the sale of bonds is to withdraw purchasing power from circulation, why do we allow the chartered banks to create money to permit people to buy those bonds, thereby defeating the very thing the issue of bonds is supposed to accomplish? In the past two years the chartered banks have lent more than $350,000,000 to the people for that very purpose; and since the declaration of war they have lent directly and indirectly, to the government in the neighbourhood of one billion dollars; around $660,000,000 directly, and $350,000,000 through the people.

Mr. ILSLEY: Has not a lot of that latter amount, the $350,000,000, been paid off?

Mr. QUELCH: Some may have been, but on the other hand the banks are buying bonds from the people which will largely counteract that. I am satisfied that as this taxation increases, and the burden imposed upon the people becomes heavier, more and more people will be taking their bonds to the banks and cashing them, and at the end of the war, the banks will, I am sure, have very large holdings of these bonds. That happened in the last war, and it will happen in this war, because when you impose taxation to a point where it becomes almost impossible for a person to live, then, naturally, if he has in his possession any bonds, he will have to sell them.

The minister talks about the danger of inflation when we utilize the Bank of Canada. Ever since the declaration of war we have consistently taken the stand, that to the extent that the proceeds from taxation and the sale of war savings certificates fail to provide

the money which the government requires to meet its expenditures, the Bank of Canada should be utilized. The minister attacks this proposal on the ground that to utilize the Bank of Canada is more inflationary than to use the chartered banks. He gave that reply to the hon. member for Parry Sound last night, and I was very much surprised that the Minister of Finance should again trot out that hoary old reason which his predecessor, Mr. Dunning, used to give when we made this proposal. All that the Minister of Finance is doing when he makes that declaration is this: He is frankly admitting that we have no effective control of the chartered banks to-day because, if we had, they would not be able to expand their loans on the basis of the money issued by the Bank of Canada.

Mr. ILSLEY: The hon. member knows the answer to that.

Mr. QUELCH: I do not, and I shall be very glad if the minister will give me the answer.

Mr. ILSLEY: The hon. member is suggesting that we insist on a 100 per cent reserve so that the cash reserve cannot be multiplied into a greater volume of bank deposits. That is the suggestion, is it not?

Mr. QUELCH: Yes.

Mr. ILSLEY: Well, if the chartered banks could only lend as much as their cash reserve, it would mean that they would be conducting business at a loss, because the money would go back into the chartered banks and interest would be payable by the chartered banks to the depositors. The banks would have to discontinue paying interest, and therefore what my hon. friend is suggesting is a tax either upon depositors or upon shareholders, or upon both. If we are going to impose a tax upon depositors or upon shareholders, or upon both, we might just as well impose that tax directly. That would be a much fairer and more straightforward way of doing it than the way he suggests. He is merely suggesting, for that is what it amounts to, further taxation of an indirect kind when he suggests that we insist on a 100 per cent reserve.

Mr. QUELCH: In the old days when you deposited your money with a bank, you paid the bank for looking after that money, and the people who get this service are the people who should pay for the service. It would not be taxation but a legitimate service charge.

Mr. ILSLEY: Call it anything you like.

Mr. QUELCH: But the people who do not have any money in the bank would not have to pay any part of that charge.

I might quote to the minister what Irving Fisher says in that regard but no doubt the minister would reply to me as Mr. Dunning did, "Oh, Irving Fisher!" Mr. Dunning was very much interested in Babson's reports and was continually quoting from them. Let me quote what Babson's have to say. In their March 20, 1939, issue, Babson's devote a whole page to advocating the 100 per cent system, and they have this to say:

> Lest anyone may think that the 100 per cent reserve system would be injurious to the banks, it should be emphasized that the banks would gain, quite as truly as the government and the people in general. Government control of the money supply would save the banks from themselves—from the uncoordinated action of some 15,000 independent banks, manufacturing and destroying our checkbook money, in a haphazard way.

I realize that that does not apply to the same extent in Canada because we have not quite the same banking situation, but otherwise the statement would apply quite well here.

Perhaps I should quote what Irving Fisher has to say, because, mind you, his proposal was endorsed by a large number of prominent bankers of the United States. This is what he has to say:

> So far as this change to the 100 per cent system would deprive the bank of earning assets and require it to substitute an increased amount of non-earning cash, the bank would be reimbursed through the service charge made to its depositors.

Apparently the banks themselves do not take any great exception to such a proposal. As I said to the minister on the last occasion on which I spoke on this question, personally I am not overenthusiastic about the 100 per cent system, but I refer to it because the majority of monetary reformers in the country are in favour of the 100 per cent system. While I agree that it can adequately control inflation, I do not believe that it can adequately control deflation. I am of the opinion that the only fair and sound way to deal with the whole question of effective control is to nationalize the chartered banks of Canada.

Mr. HANSON (York-Sunbury): Then what would happen?

Mr. QUELCH: The chartered banks would be under the effective control of the Bank of Canada and would be controlling the finances of the country for the benefit of the people as a whole. In so far as the charge that the

government would be in the lending business is concerned, the chartered banks would be under the control of the Bank of Canada, and the minister has himself stated that the government does not interfere with the internal administration of the Bank of Canada. Therefore we would not be interfering with the administration of the chartered banks.

Mr. HANSON (York-Sunbury): How would that bring paradise?

Mr. QUELCH: The chartered banks have found it profitable to bring about inflation and then deflation, and they have made more money out of that process than out of service charges. It pays them to manipulate prices, and they can make money both ways. When they bring about deflation they can buy stocks at deflated prices, and by bringing about inflation they can sell stocks at inflated prices.

I should just like to quote what Mr. Nash had to say in regard to this question. I asked Mr. Nash, formerly minister of finance of New Zealand, when he appeared before the reconstruction committee, this question:

Mr. Quelch: Mr. Chairman, I wonder if Mr. Nash would tell us what method of financing is used when taxation and public borrowings fail to meet government expenditures?

Mr. Nash replied:

Hon. Mr. Nash: Well, the answer is inside a simple statement I made once in introducing the budget. If in connection with the production of the commodities that are necessary for ordinary human welfare the monetary means are not available to link unused resources with unused labour we, as a government, will find the money. We can do that because we are in control of the reserve bank; we can create our own money.

I should like to commend that statement especially to the hon. member for Vancouver East (Mr. MacInnis), because I remember that some time ago when I was stressing the fact that the Bank of Canada should create money, he took exception and said that in New Zealand they created credit. I pointed out at the time that so far as the Bank of Canada or the Federal Reserve Bank of New Zealand were concerned, it makes no difference whether you use the term "credit" or "money" because they are both legal tender. Mr. Nash in his reply said that in New Zealand they can create their own money; he did not use the term "credit".

Mr. COLDWELL: Money against consumer goods.

Mr. QUELCH: There would be no sense in issuing money unless you had the goods to back it up. In peace time we had half a million men unemployed. We had industry running only at a small percentage of capacity, and we advocated—it was all that we ever advocated—that the Bank of Canada should issue money to put these men to work, so that the money paid out in these public works would create a demand against the goods which our industries could produce but were not producing. In addition to that, we had a favourable balance of payments of $219,000,000, and the only reason why goods were not being imported into the country to balance exports was that the importers knew that if they did bring them in they could not sell them. I asked this question of Mr. Towers when he was before the banking committee: In view of the fact that we had a favourable balance of payments to the extent of $200,000,000, is there any reason why we could not issue $200,000,000 and put people to work so that that money paid out would create a demand for imports that had been paid for but not brought in? He said that was a matter of government policy. There was nothing to prevent it, but apparently it was not considered an ideal policy by government.

The hon. member for Vancouver-Burrard said last night that there had been considerable hoarding of gold. That was not altogether the reason, because we had repatriated a great deal of the debt at that time. About twenty years ago a large percentage of the debt was owned externally, and to-day only a small percentage of the national debt is so owned. That is a worthy course to follow, but no country is justified in trying to repay external debt at such a rate that it causes extreme poverty within the country itself. Under such a policy, if we were to utilize the Bank of Canada at all times when it becomes necessary to have a creation of credit—I am advocating it only to the extent that taxation and the sale of interest-free savings certificates might fail to meet government expenditures—the money so created should be created by the Bank of Canada and not by the chartered banks. Not only would the result of that policy be a reduction in debt, but it would mean that our war effort would no longer be restricted. The minister stated the other day that no other nation has adopted such a policy. I have already quoted the statement by Mr. Nash to the effect that when taxation, and the borrowings of the savings of the people fail to meet government expenditures they do create money. Therefore apparently New Zealand is doing the very thing we are advocating at this time. The Minister of Finance made a specific reference to Germany. To make sure that I quote him fairly I will give his exact words, which will be found at page 4271 of *Hansard*:

But Germany at the present time is not relying on this method of financing. Germany has a tremendous heavy taxation load on its people and is borrowing from them to relieve the upward pressure on its price ceiling.

Some time ago I quoted a statement by Dr. Schacht, president of the Reichsbank, that Germany had had a very happy creation of state money for the purpose of developing the resources of the country. That was up to 1939, and I have often wondered exactly what the situation in Germany is to-day, because, no matter how we may dislike the type of government in that country, we must admit that as a fighting nation they are hard to beat. It is interesting to note what type of financial policy has been evolved in order to develop that fighting machine. Let me quote from the London *Times*. No one will say that is radical. The London *Times* is an orthodox paper. In the April 2, 1942, issue of the *Western Producer* there is a quotation from the London *Times* with reference to Germany, as follows:

"The achievement has been so surprising that for a long time outside critics were inclined to regard it as an optical illusion." So far, it says, Germany "seems to have had no serious difficulty in financing the war. Nothing is ever heard of the necessity for increasing taxation, compulsory saving, or the issue of enormous war loans. Quite the contrary. Recently one important tax was abolished.

"Public savings banks deposits touched new monthly records again and again. Money is so plentiful that the interest on state loans could recently be reduced. . . . Hitler seems to have discovered the secret of making something out of nothing and to have evolved a system based on perpetual motion." These changes, says the *Times*, "may well call for drastic readjustments in our established conventions."

"In military matters," the *Times* goes on, "the French general staff enjoyed a prestige similar to that of our own authorities in finance and business. A hidebound persistence—

I should like the Minister of Finance (Mr. Ilsley) to take particular notice of that expression.

"A hidebound persistence," continues the voice of doom, "in methods and doctrines which were sound fifty years ago may easily prove as costly in the financial and economic field as in the field of actual war. It might not lose the war; it would almost certainly lose the peace."

"We should study the nazis' achievement," concludes the *Times*, "prepared to adopt whatever may be useful in it and to take warning from its mistakes."

The leader of the opposition stated that to adopt such proposals as were mentioned by the member for Parry Sound would blow the lid off. I should like to remind the leader of the opposition that, according to the London *Times*, Germany is using that type of financing and is blowing us off the map foot by foot, step by step, and that unless we change our ways and change them quickly the Germans are likely to blow the top off us.

The budget faces a deficit of $1,850,000,000. I am especially interested in knowing how that deficit is going to be met. There is no doubt in my mind that a very large proportion of it will be met by the creation of money, and I am hoping that when that money is created it will be created by the Bank of Canada instead of by the chartered banks. Let me refer to a rumour that is going around. I know that perhaps the minister will say, "You should not take notice of rumours". Nevertheless, I saw this one in one of the Ottawa papers, and I hope the minister will immediately take steps to refute it. The rumour is that the next issue of bonds will be on the basis of 2 per cent, tax free. Is there any justification for that rumour at all?

Mr. ILSLEY: I never heard the rumour. It is entirely unauthorized.

Mr. QUELCH: I am glad to hear the minister deny that there is any such intention because, if that were done, it would mean that wealthy individuals, in order to evade a very high rate of taxation, could invest their money in 2 per cent, tax-free bonds and escape taxation altogether. It would be a most unjust proposal.

Mr. ILSLEY: The hon. gentleman need not tell me that.

Mr. QUELCH: I am glad to hear the minister deny it because very often these rumours we hear have a strange way of materializing. At any rate it was in one of the Ottawa papers three nights ago, the Ottawa *Citizen*, I believe. The statement was that it came on good authority, but it was not an editorial. It was a letter written to the *Citizen* by a certain individual in Toronto who claimed it was based on good authority.

The Minister of Finance does not seem greatly perturbed over the tremendous increase in debt that is taking place at the present time. It is easy to understand why the minister should adopt this attitude, because the governor of the Bank of Canada, Mr. Graham Towers, has taken the stand that national debt is a national asset. I want to be fair, and therefore I will quote his exact statement. This question was asked Mr. Towers by the hon. member for Vancouver-Burrard (Mr. McGeer):

Q. Is it possible for you to imagine any way by which we are ever going to pay the debt we have got?

Mr. Towers' reply was:

As the debts of the government are an asset of the Canadian people I do not see much point in the thing, except that, to the extent that the government thinks that the distribution of those assets of the Canadian people—which are its debt—is unsatisfactory, it may take steps to remedy that distribution in any way that lies within the legislative power; in fact, in any way, I suppose—by income tax or succession duties or any other action it cares to take.

Generally speaking, I would agree with that statement. So long as we have made up our minds to continue under the debt-creating system, then national debt can be looked upon as a national asset so long as you have an equitable distribution of that debt. If everyone had the same amount, so that he would have an asset to balance the liability, everyone would be taxed to pay a similar amount to that which he received. Exactly the same thing could be accomplished by wiping the whole thing out.

Unfortunately that is not the situation in Canada. A comparatively small number of people own that national debt which is said to be a national asset. Therefore those few people receive the interest on that debt, while the whole of the people of Canada have to be taxed to pay it. In other words, it is a levy on the whole of the people of Canada in order to pay a comparatively few. This budget makes no attempt whatsoever to rectify that condition.

Let me give a few examples of what might be done. People in the low income brackets should, in my opinion, have the total amount of their tax refunded; single people up to, say $1,000; married people up to, say $1,500 should have the total amount of the tax refunded, thereby giving them a share of this national debt. Where wages are frozen at low levels the wages could be increased in the form of deferred savings, thereby giving those people a share of the national debt. When prices of primary products were frozen at a level below cost of production, the difference between the prices received and the parity price could be made up by war savings certificates, thereby giving the farmers of this country a share of the national debt. If we are going to look upon the national debt as a national asset, surely it is high time we did everything in our power to bring about a fairer distribution of that debt which some people refer to as an asset.

The ACTING CHAIRMAN (Mr. Ross, Calgary East): The hon. member's time has expired.

Mr. CHURCH: I rise to say something on behalf of the main income tax paying city in the Dominion of Canada, a city which in the years before the war paid between 28 and 29 per cent of the total income tax payments of this country. I have a great deal of respect for the hon. gentlemen to my left. They are a very sincere body of men; they have a right to express their views as they have done on many occasions, and they present their case with some ability.

Let us look at the facts of this budget. Since this income tax resolution has been reached, there has been nothing but a hymn of praise and a hallelujah chorus for the budget. I am one who believes that criticism of the budget is a wise and sensible course to pursue. I do not believe the present Minister of Finance (Mr. Ilsley) is going to make any cuckoo-land out of this country by his budget. Far from it. I come from a city where I saw the sufferings during the last war and this and the long depression among industrial workers. Toronto sent nearly 56,000 men to the great war, and then along came depression and another war. I represent an industrial riding of an industrial city and a city which stands at the top in the dominion as far as payment of taxation goes.

Let us look at some of the principles on which this budget is founded, particularly the income tax part. The minister made a very strong appeal last night in connection with inflation. I say to him that before the people of Canada get through with this budget and with all the boards of control the government have appointed over parliament's head they will have inflation. What is inflation? The high cost of living in war which affects the working class of the country is popularly called inflation by some, although technically it is not. There are many phases and types of it. Speaking as a citizen I wish to say something about the way in which orthodox principles have been upset, not only in finance but in taxation and everything else, by the present Minister of Finance and by the government since this war started. There is nothing orthodox left in our land or any land in the world to-day, either in military affairs on land, sea, in the air or in anything else. The people of Germany believed might is right, but I believe that is wrong. Might plus right is right in my opinion. If we do not win this war, all our talk on inflation and budgets is unimportant. The war is Canada's only business until it is won.

What is the present policy of the government? Canada is no doubt the highest taxed country in the world. We have overgovernment and overtaxation by different bodies, dominion, provincial and municipal, carved out by the fathers of confederation for political, not economic purposes, with the

result that this country has been suffering an untold burden of taxation without any system of control ever since confederation.

The minister, in his budget, forgets all about it. He forgets that in England the income tax clauses were not raised because they were prohibitive. They have no sales tax there. Sir Kingsley Wood was forced by public opinion unwillingly to admit that other sources and ways of taxation would have to be developed during this war. Therefore he has upset all orthodox doctrines in his budget as a result of all orthodox doctrines being thrown into the waste-paper basket by those who believe that might is right. The United States has no sales tax either. A comparison was made by an evening paper the other night of the income tax levies of Canada, Britain and the United States, and they forgot that. They cannot fool the working class of this country.

The two old parties are on trial at the present time with regard to this budget. I am not going to sit silent here. I am a member of the opposition, but I do not represent the opposition; I express my own views. I believe it is the duty of the opposition to tell the Minister of Finance that he is on the wrong ground, first, last and always, in regard to this system of taxation which, in my opinion, is, for the small man, the retailer, and the wholesale man, nothing but confiscation of property.

The minister has embarked upon a wide campaign and excursion into state socialism and regimentation. Look at the control boards he has appointed here in Ottawa. At a Rotary club luncheon a certain gentleman, Mr. Elliott Little, last Monday announced over the head of this parliament while we are in session a system of control calling up 250,000 men, which has practically abolished parliamentary institutions. The Minister of Labour (Mr. Mitchell) should be interested in that, because he comes from an industrial area himself. The system enunciated by Mr. Little will mean the regimentation of labour all over Canada, with 250,000 men to be found within the next few months. Where will they come from? They will be taken out of industry and trade and made subject to regimentation, with no definition of what is a war industry, with no provision for anyone to replace them, or whether they will help in war work or do a thing to beat Hitler. Then they are going to register the women as well, and we are to have a women's army. Many persons so taken will walk the streets, and with absenteeism in industry will do little. With all these registrations it is no wonder we have a budget like this presented. Since the war began, we have six or eight or nine different registrations and regimentation for everyone from the time he is born until the time he dies. That is inflation of another kind, which is causing untold suffering in this country, and mostly not for war at all.

I believe too much money is being taken from the taxpayer, and the taxpayer wants to know whether or not all this money is being spent for war purposes. I could name thirty instances of large sums of money, ranging from $1,500,000 to $6,000,000, not spent for the winning of the war. We spent $6,000,000 for the League of Nations. We spent $1,500,000 for the taking of a useless plebiscite, pure political manoeuvring, which has occupied the time of this house off and on since last January.

All these control agencies started off in a minor way. When I asked the minister before Easter about this price ceiling he did not know what it would cost. Then during the Easter recess Mr. Gordon went to Winnipeg and announced that the cost of the ceiling would be $2,000,000. Later on, the minister announced for next year the estimated figure of $50,000,000, or $14,000,000 more than the Tupper government spent in 1896, the year it went out of office. The Minister of Finance is spending a mint of money like water, with no adequate control and no attempt at economy. I can find no economy anywhere in the budget. You have to see the cause and effect of it all. The victory loans and war savings certificates campaigns cost from a point to a point and a half too much, and I do not wonder at some of the complaints that have been made by my hon. friends to the left. The cost of those loans was too great; the commissions to brokers were too high—entertainments, dinners, hotel and travelling expenses, and all that sort of thing. Too much money is being taken from the taxpayer. In the budget too much money is being charged to income and not enough to capital. The minister and his advisers forget that this generation is suffering in flesh and blood, as the last generation had to suffer in the last war, and I believe that posterity should be given a chance to pay part of the cost of this huge war effort, because they will reap the benefit of it.

This is purely a Washington budget, Mr. Chairman. Let me give you the seven points in the budget of Mr. Morgenthau and Mr. Roosevelt: first, that corporation earnings must be taxed heavily; second, that ceilings on prices must be maintained; third, that remuneration for work done must be stabilized; fourth, that prices received by farmers must be stabilized; fifth, that all

citizens should buy war bonds and that there shall be compulsory saving—that is where our idea came from, but when these taxes are paid there will be nothing for the people to save—sixth, that scarce commodities must be rationed, and seventh, that buying on credit must be discouraged and repayment of debts and mortgages encouraged. Those are the seven points of the United States budget. They give the objective there for the coming twelve months, in war and in peace, and for civilian workers as well. In our budget, however, I can find no objectives for the coming year. The minister is just spending money right and left, taking too much from those who pay income tax, bringing the low salaried man under it, and creating conditions in industry, trade and commerce, and among retailers and small wholesalers which will bring about wide unemployment in Canada, complete regimentation and the absolute ruin of private retail and wholesale business. Those seem to be the objectives, and that policy also has been announced by the controllers, the sub-controllers, the dreamers and the controllers with schemes, who have been foisted upon the government of this country while parliament was in session, over our heads, and over whom we have no control at all, and who spend what they like.

Who are paying this income tax? It is being paid largely by the industrial workers of the two central provinces. They are the people who are going to be hit again, as they have been hit every time since the war started. First of all you talk about your orthodox methods in the budget, but look at the way in which the government has robbed the municipalities and the provinces of their revenues, by coercion, by seizing the income tax which until 1917 was the exclusive field of the municipalities, and then letting them have part of it back. This government is upsetting the whole basis of confederation. The provinces have had their revenues taken away, and therefore we might as well abolish the basis of confederation itself, and abolish municipal and provincial institutions. There is no such thing as an orthodox method at the present time. A great deal was said yesterday and to-day on the question of money. You would think the battle against Hitler was going to be won in this house by an academic discussion—it is nothing more—about the functions of money and the basis of credit. Such a discussion is regrettable, because I do not believe any drastic economic changes can be made while the war lasts. I am not one of those who believe in a new utopia to come after the war, but I do say that the present banking and economic system of this country has not functioned as it should during the war, which is one reason why it is being criticized so heavily to-day.

I have nothing against the present Minister of Finance. He is a very hard worker and painstaking. I have a great deal of regard and respect for him, though I do not know him very well except as I see him across the floor of the chamber. From what I have seen he has been a very hard working member of the government, though I do not always agree with everything he says. It has seemed to me, however, that a lawyer is not the proper person for a Minister of Finance, and there is no disparagement in that because I made the same statement ten years ago. The whole training of a lawyer is against him when he becomes Minister of Finance, because he studies briefs, and he has to rely on his assistants and advisers almost entirely. A lawyer is not trained for the vexed problems of the functions of money or systems of credit. There was one great Minister of Finance, Mr. Robb, who was a working-class man; who, as he said in one budget speech, went to work in a mill when he was eight years of age. He was a very able and painstaking Minister of Finance; he sympathized with those who paid the taxes and labour and the farmer and industry, and did all he could to remedy conditions in the country with regard to both capital and labour. Lawyers are all right in their way, but I think they are out of their proper sphere when they dabble in finance. That has been made evident by some of the lawyers we have seen in this house. Look at England. During the seven years' war, the great Napoleonic wars and the hundred years' war, the two Pitts were not lawyers. Burke and Fox were not lawyers, and they handled financial matters. George Canning, one of the greatest chancellors of the exchequer, who kept Britain out of Europe's wars for fifty years, was not a lawyer, nor Palmerston. John Bright was not a lawyer, Disraeli was not a lawyer. Gladstone, a chancellor, was not a lawyer. Mr. Neville Chamberlain was not a lawyer but a plain business man, nor Mr. Churchill, nor Baldwin, nor Bonar Law—all chancellors.

The country cannot stand these high taxes much longer. Look at the great upward increases that have been made in the income tax schedules. The government seems to have forgotten all about those who are dependent upon others for a living, those who are physically unfit, the halt, lame and blind, the aged people and soldiers' dependents who cannot go on relief. The municipality will not give them relief; the province will not give them relief,

and it is and always was a federal burden. The dominion should shoulder the whole cost in war time of these people driven to the wall. It should look after the sick and aid the suffering, and not leave that to relatives who have enough to do to pay their own taxes, and who haxe worked hard all their lives.

I am surprised that the present Minister of National Revenue (Mr. Gibson), who represents an Ontario seat, in the Toronto district, does not know these things, and does not protect the toilers and workers of industrial cities like Toronto, Hamilton, London, and Windsor, from this confiscatory budget. I happen to know that when others occupied the office he holds they asserted their rights; they did not allow themselves to be used by a lot of people in another department, that of finance, who are nothing but theorists. That is the trouble with a lawyer in a department like that; he relies too much on his assistants. Here is the budget, and what have we? I doubt if there is one man trained in actual finance in the whole department. There are many men of great ability, like one of the two gentlemen who sit in front of the Mininster of Finance to-night, Mr. Fraser Elliott, a man whom you could not replace for a great deal of money. These men are among the best officials we have, and I doubt whether there is a higher class of civil servants in any other country. If their more moderate economic views were more generally accepted by the minister of the day, who is there to-day and away to-morrow, we would get a better budget altogether and not an income tax beyond all bounds.

When the tumult and the shouting dies; when the captains and the kings of this financial budget depart; when this new-born financial scheme, this budget, has reached its maturity, what will the harvest be? It will mean that the small retailer will have to quit, that the owner of a little property—a small mill, a few cows, a little store—the dealer and the artisan, the men who have borne the heat of the day and worked all their lives, will, through the inequalities of this budget, be put out of business altogether. I have received many letters in the past few days from Toronto. Here is one from a poor working man, who would lose his job if his name were known:

> I am going to lose my home through the new income tax. My boy loses his schooling. Can't you persuade the government to give a larger exemption and to not put the increases in effect till August 1st, instead of making them retroactive to January? I write to you because you are said to be the small fellow's friend.

This is typical of the case of many hard-working men in Toronto who have spent their lives in trying to make a living. During the depression many of them were driven to the wall. Some served in the great war.

I have urged that we should have a fixed date for a budget, as large institutions do; also there should be a committee of ways and means such as they have in Washington. If we had such a committee to consider all these inequalities in the income tax sections of the budget—two pages of them—they would make a better budget, by eliminating inequalities and all that kind of thing, than the budget as presented by the minister. Remember that this war may last seven years. There may be seven war budgets. What are we going to do about it? Is everybody going to work for the government? Is everybody going to have a job at so much a week in the public service by state socialism and complete regimentation? Are all those qualities of thrift, of saving, of initiative which made Canada, those qualities which made this empire great, which raised Britain to the position of the market of the world, which made the United States what it is, which developed Canada in those earlier days when everybody owned some property, the days of Macdonald, Cartier and Laurier, now to be taken away by budgets and controls and sub-controls and all that kind of thing?

There are a great many inequalities, inconsistencies, injustices and cruel wrongs in the income tax and these sky-high resolutions. First, there is the raising of the rates. If you make comparisons with Great Britain and the United States, allowing for overgovernment and its effects on taxation, it will be found that the rates imposed in Canada are the highest that any country has ever paid in the history of mankind. We have a huge sales tax; the other two countries have none. No country can stand it; the taxpayer is going to be driven to the wall and put out of business. I know there has been a great chorus of approval from the press, the paid workers, the victory loan people and others of that ilk, including two or three regiments of paid artillery, cavalry and infantry of control talkers and speakers at luncheons, who are backing up the controls of the present minister and being well paid for it. But in the hearts of the people at home in the constituencies you will find much more knowledge than some of us have who sit here, as to how this budget affects them and will affect their children and their children's children, and the values of property, and property rights which have been rights since the creation of the world. Let me say to the authors of this

budget that the right to possess private property is not derived from man; it is derived from nature, and the state has no right to abolish it, but only to regulate its use.

Look over this budget and where will you find evidence of economy? One-half of the money is supposed to be used for war purposes, but under this budget things are being done in the name of the war which do not amount to war at all, which do not amount to an iota toward the defeat of Hitler. One has to consider cause and effect in relation to the income tax, and the reasons for it are the unpreparedness of Canada and the misjudgment, by some who are the authors of this budget, of the whole world war situation.

What is there in the budget for the relief workers, for the aged, the infirm, the physically unfit? Those who have borne the heat and burden of the day are disregarded; and the soldier is the forgotten man of the whole thing. The minister, as I have read his address and special pleading here, has never had sympathy for the soldier. Since I came to this house I never heard him say one good word about equality of treatment for soldiers as compared with civilians. Is it the theory of the budget that a man who enlists loses his civilian rights, his right to adequate pay, while this country is spending four million dollars a day, and is going to spend ten million dollars a day in the coming year—far more in one week than was spent in the whole year 1896? Soldiers' families have to live, and they cannot live properly without a cost-of-living bonus and removal of the inequalities in the pay of the forces.

The minister has forgotten many things in connection with this budget—the housing question, a national fuel supply, a national moratorium, interest reduction, and many other things which would create work so that the toilers could earn a living.

The minister talks about shooting holes through the budget. I can tell you one agency which is doing a lot of shooting holes in the budget—the very people whom the minister represents in this house. He as a minister of the crown is responsible for all these controls and sub-controls and commissions which have been appointed, and these are the people who are shooting holes in the budget and crippling the ability of the taxpayer to provide money for all the schemes which have been proposed in this connection, and are not doing a snap of the fingers to help win the war.

The application of these exemptions omits all consideration for the sick, for those who are physically incapacitated, and there is no use in their going on relief. The minister has not even considered the ability of the people to pay. Mr. Churchill, not a lawyer, who was himself once chancellor of the exchequer, said on April 13, 1939:

> I know very well the patriotism and sincere desire to act in a manner of perfect rectitude which animates ministers of the crown,—

He was speaking about the preparation of the budget.

> —but I wonder whether there is not some hand which intervenes and filters down or withholds intelligence from ministers.

The people want to know whether all the extra money that is to be raised by these income taxes and the budget is to be spent for war. The people want the money that is raised for the war to go for the war, and not to be diverted to civilian purposes and frittered away so lavishly on price ceilings. They want the war vigorously and effectively carried on, and there would be no objection from a single taxpayer, rich or poor, high or low, if he could be assured that there was going to be an honest dollar expenditure for the prosecution of the war from every honest dollar of taxation raised by this budget.

Talk about the conscription of wealth! This budget will mean that from one-third to one-half of the people who in the last war and in this war have contributed to victory loans and war savings certificates will no longer be able to buy bonds and war savings certificates. The income tax features of the budget will cause widespread unemployment and the utter collapse of many businesses, large and small. It is leading to regimentation and state socialism.

The income tax schedules are unjust and unfair. The whole budget is just a gesture toward state socialism. Talk of the conscription of wealth! I do not know anybody who has any wealth, because the rich man has all his income taken away by this budget, and I do not know where the poor man is going to be after the government has taxed his income as this budget proposes to do. There will be wholesale conscription of the property and income of the small retail merchant. The small retailers and some wholesalers also were told to get out of business by Mr. Little and by Mr. Gordon, when Mr. Gordon was speaking in Montreal and Mr. Little in Ottawa and Toronto. Mr. Gordon warned them that they would have to close up because they could not get the materials, and all that kind of thing. If all this regimentation and control were going to do anything to help beat Hitler, there would not be one word of complaint. But they are not.

Great Britain has passed an act which is contrary to this whole budget. They tried

unsuccessfully to control business over there, but what are they doing now? The House of Lords has passed a bill called the Pre-War Trade Practices Act to put the small retailer and the small wholesaler back to where they were before and give them a chance to live. The legislation was initiated in the British House of Commons and is now law.

I am a Conservative and have never been anything else, but I tell you this, Mr. Chairman, that the financial system of this country has never been tested as it is being tested now. I am a believer in sound money, but there is no such thing as sound money when Hitler is at the gate. Right is might, is the old saying, but might plus right is right. This budget in itself will do quite a bit to shoot holes through the attempt to check inflation, and inflation is a danger; but by using wrong methods we are defeating its uses and objectives.

National currency has been mentioned. I do not believe that the Bank of Canada is doing what it should do in this war. It could handle lots of this control business without any cost to the taxpayer, instead of the prices and other boards opening up offices all over Canada, with a useless duplication of services by a lot of figureheads, because that is what many of them are. I see some of their work in the riding in which I live. You cannot get a prescription refilled at a drug store. I have had throat trouble for three weeks, and I could not get a prescription refilled at a drug store, without a new prescription, simply because of this control policy in connection with the retail trade. I tried to get information in the Toronto district about this from one of the department store chiefs who are serving two spheres and two masters in helping to administer this control system, but he referred me to the chairman who would not even reply. You cannot get goods delivered now by a store unless you buy a dollar's worth, but often you have to spend $2 to $2.25 on goods you do not want, in order to get deliveries, and a large number of children who used to deliver parcels from drug stores have been put out of work. That is the kind of control and inflation that goes on unchecked, and then you talk about control.

If a committee of ways and means went into this budget they would find, on checking it over, that half or a third of the money that is to be raised by it will not amount to a snap of the finger in beating Hitler.

We could not qualify as a country under the lease-lend bill, under which help is being given to Greece, Australia, part of France and many other countries. Is there any reason why we should not qualify? After Dunkirk, for two years the British fleet protected the shores of America, and we could have qualified under the lease-lend bill for a large part of the capital expenditure that is being made. If we were to count up what we are spending to protect America's shores, if she is attacked, the defence board's work was very largely wasted.

Then we have useless embassies, and publicity departments in the United States that are not worth a 5-cent piece. Britain put on a publicity campaign for nearly two hundred years to win over the United States, yet before Pearl Harbour she was the worst hated nation in the world by a section of the people in that country. Had it not been for Pearl Harbour, they would be isolationist yet, and they had the protection of the British fleet for two years, or they, as well as Canada would have had to settle with the axis powers long before this. I have a great admiration for the people of the United States, but I do object to one dollar being spent over there on publicity. It is not necessary. I object to any waste of money on useless publicity and information bureaux in Canada and the United States. No reasonable economy is being practised by the government. On the contrary big-stick methods and scarecrow armaments are being used on the people of this country daily by controllers of all kinds, many of whom talk nonsense with useless duplication and waste.

We in the opposition—I speak for myself—might be better employed if we were offering some constructive criticism of this budget. This budget aims at a socialist state. We over here should show a better understanding of our needs and should tell the country that this is not a budget to win the war but to destroy the present basis of our society. The people of Canada would not object, no matter how heavily they were taxed, if the money was going to the war and to beat Hitler. Our hearts may be sound, but our heads must be weak if we do not criticize this budget. In the long run the whole of Canada will suffer severely from this budget—trade and commerce, the farmer, the retailer, the artisan and everybody else—for years to come.

The income tax schedules are not what they should be, and there are many inequalities. The rich man will be reduced to nothing, and the retailer and the wholesaler will be put out of business. As for the ordinary men like the rest of us we shall have to pay the charges. People will have to get rid of their homes because they will not be able to pay the local taxation, heavy interest charges, insurance premiums and all the rest of it, and the result of it will be ruin in the end unless the

taxes are levied on a man's net income. Is it any wonder that people want to give up their property? This system of socialistic control is all wrong, and it should be carefully reconsidered by the ways and means committee that should be set up to revise our annual budget. As I said the other night, it would be all right if this control system were going to win the war, but it is not. It is not the doubled rate I am objecting to; it is the fact that we have these controllers and regimentation and the nationalization of labour.

Mr. Elliott Little has been appointed director of national selective service. Who is he, and what training has he for such a task? He has predicted the closing down of non-essential industries so as to release workers for the armed services and war plants. The House of Commons was not consulted about this. He made the announcement before the Rotary club here in Ottawa. Is the Rotary club the House of Commons before which he can go and give an opinion, and give directions to 250,000 workers? No definition is given by him of a non-essential industry. Who is going to decide whether these non-essential industries can be dispensed with? How is it going to be done? We are just heading for national bankruptcy, confusion, muddle, delay, duplication and waste, and are only going to bring the war closer to our shores, by such a control policy that no one will be sent overseas.

Is it the war policy of the government to control and administer every walk of life and almost every article or commodity of trade and commerce? If so, it will lead this country to disaster and national bankruptcy and will not help the war effort. It is a funny thing that no one on the government front benches knows how many of these bureaucratic boards there are, what amounts they are spending, the number on their payroll from week to week or month to month, what functions they perform and how it is all working out. If it is necessary to win the war, no one will object, but it is not. I say: beware of this evil, this bureaucracy within our gates, with headquarters at Ottawa. What we are to-day urged to accept as a war necessity, we shall be told tomorrow we must accept it as a necessity of peace days. Therefore the mighty host of bureaucrats at Ottawa, their sisters and cousins and aunts, some in military uniform, if you please, to fight Hitler at home, will be always with us. All I can say of most of their controls is, never were there so many who knew so little about so much. The small independent business man is being faced with ruin and our people are being faced with the loss of their freedom and independence for which the democracies are now fighting. In one year Canada has been converted into a totalitarian socialist state without the knowledge of the people or without any authority from parliament. Restraints are being placed upon thrift and upon business being carried on in the traditional policy of free enterprise and individual responsibility. Unless this is checked, it will lead us to trade and commercial ruin, stagnation and, in the end, insolvency amid all these complex controllers and totalitarian maelstroms, with which business is being hamstrung by their overnight social changes and arbitrary conditions which are altogether impossible and foreign to the temperament of the Canadian people and not at all adapted to their circumstances.

Mr. MAYBANK: I rise chiefly for the purpose of asking one or two questions with relation to matters in the budget, but before doing that I desire to advert to some of the remarks made yesterday evening by the hon. member for Parry Sound (Mr. Slaght). Anything I might say anent the hon. gentleman's remarks will be critical and not laudatory, and for that reason I am glad that he has just come into the chamber.

It seems to be the fashion for members of the opposition when speaking on the budget to say a few words of faint praise for the Minister of Finance (Mr. Ilsley). If you are a member of the same party as the minister, apparently you should go to great lengths to discuss him and possibly make some laudatory remarks about his forbears or any other thing that might be favourable to him. I shall not follow that procedure, because I feel that perhaps enough has been said already. If the minister really believes it—I fancy he pays no attention to it—he must be endeavouring to decide whether to wear his halo with a slant to the right or a slant to the left.

I would, however, say this about the minister. I never witnessed anything which gave me more pleasure than the manner in which he quickly and without hesitation rose in his place and traded punches with the doughty member for Parry Sound. So far as I am concerned—of course, others may differ—were I the referee, the decision would be given unhesitatingly to the Minister of Finance, in respect of style and matter and everything else in connection with that particular little bout. I have never witnessed any person demolished more naturally, more completely, more effectively than the hon. member was demolished by the minister yesterday evening. It partook of the nature of one of those affairs when Joe Louis dealt with one of the white hopes whom he saw in front of him

for only about thirty-nine or forty seconds; thereafter he had to look down to see him. I take pleasure in saying this, but I do not say it with any feeling of animosity toward the hon. member for Parry Sound. I have great friendship for him, but he was so far wrong last night and what he was saying was so dangerous that the only possible course open to the minister was to do what he did.

Mr. JOHNSTON (Bow River): What parts are you referring to?

Mr. MAYBANK: If the hon. member does not understand me fully, I shall have to explain it by drawing a blueprint for him after the session. In the case of most people it will not be necessary for me to draw a blueprint in order to make myself understood.

I consider that what happened yesterday evening was absolutely necessary. A doctrine of that kind should not be introduced at a time like this, at a time which may prove the most harmful in the history of this country. There is nothing more dangerous than to meddle with our money system at this particular time.

Mr. FAIR: The foundation is not very solid, is it?

Mr. MAYBANK: That may be your opinion about that. Surely if a person knows that we are in one war with somebody on the outside, he should realize that it is no time to get another one started on the inside. There are always those who are spoiling for a fight, so much so that they will turn round and hit anybody just to have more rows going. As I say, I felt it was necessary for the Minister of Finance to act as he did, and that is the only reason why I am so pleased that he did so.

Probably I shall not go into the merits of the proposals of the hon. member for Parry Sound, but I do wish to draw this to the attention of the committee. Yesterday evening he followed the accepted canons of oratory. He made two or three remarks in order to attract the attention and sympathy of his audience, he carried them along with him while he discussed the sad position of the officer in the army, the married man as opposed to the single man, and so on. He did that in order to bring the crowd under his spell, and then he enunciated his main doctrine.

Mr. HANSON (York-Sunbury): That is the creation of atmosphere.

Mr. MAYBANK: The creation of atmosphere is, I believe, the name of that particular method. At any rate, it was well done, except that if one thought, as one listened to the hon. member, it became apparent that it was not being so well done. Sometimes one can so lull one's audience that they will not think, and clearly that was the design of last night's performance. This was what struck me, for instance. The hon. gentleman dealt with the cases respectively of a bachelor and a married man, in the $3,000 bracket. He pointed out that the bachelor was taxed $1,064 and the married man $884, and that the difference for the purpose of supporting a wife was $180. He brought it out that what the government evidently intended was that a man should support his wife on $180, the difference between the tax imposed upon the married man and the tax imposed upon the bachelor. That amounts to 49 cents a day, as the hon. member feelingly pointed out, to keep a wife and supply her with everything she requires. I felt that there was something wrong with these figures. After reading the budget, after hearing the minister make his main speech on it, I knew that I was going to have a more difficult time in my life supporting a wife and two or three kids than I had had before. But, good Lord, I never thought it was quite as tough as that, that I had only 49 cents a day for her, and I could not help thinking in consequence, when the hon. member for Parry Sound spoke, that the moment any member of his audience started to think, that hon. member and his argument were lost. He was all right as long as he had a completely thoughtless audience.

In the first place, the bachelor is not taxed $1,064, and in the second place the married man is not taxed $884. Those, of course, are the figures of gross taxation. The married man with two children, he went on to say, is taxed $668, which means that all he is allowed is $396 a year to support his wife and these two children, which is $132 for each of them, and he went on to tell us just what could be purchased with the $132. As I recall, he got it down to the point where it was very doubtful if they could be brought up in the manner in which the Scotch are said to have brought up their children, on porridge and the shorter catechism. Even that was not possible. He did not put it this way, but I felt when he was speaking that he was telling us that we should have to stop giving them even the porridge, and that they would have to get along on the shorter catechism. The shorter catechism is excellent for the intellect, but it does not help the stomach.

The facts of the matter are these. The single man may pay $1,064, but he may pay only $824. If he has life insurance it is easily possible that the man with a salary of

$3,000 a year would be paying $240 in life insurance, whereupon he would not be paying the sum of money which the hon. member for Parry Sound mentioned. Again, in the case of the married man, he would not pay the sum of money mentioned, $884, but $584. The hon. member made no remark about that at all. Obviously, as it seemed to me once I began to think, he was relying on the thoughtlessness of those to whom he was speaking, or possibly relying—I hope this is not true—on the thoughtlessness of people outside this house to whom the doctrine would be retailed.

Take the case of the married man with or without two children. It is altogether probable that a man on a $3,000 salary is putting away by mortgage payments on his home, or by premiums on insurance policies, the sum of $25 a month, and he is therefore not paying the amount of taxation which has been mentioned, namely, $884, but he is probably paying a tax of $584. The same remarks apply to the married man with two children, with the exception that the figures are a little different. In his case the actual tax would be $668 gross; $334 is taxation, and $334 of it is savings, and if he has that amount of insurance premium or mortgage payments he will not have that taken from him by the government. This means that the man does not have to keep his wife on $180; it means that he keeps his wife and himself on $2,116. If he is already saving $240 he keeps himself and his wife on $2,176. He does not keep his wife on $180, as the hon. member suggested, and I do not know whether he had in mind any particular wife or particular man who would do that. He might, of course, have had his reasoning warped regarding some particular individual, but I can assure him that the generality of men who have $2,176 and a wife, use the $2,176 to support themselves with their wives—their wives with themselves—and they do not allow $180 for the wife and gobble up all the rest of the money, roughly $2,000 for themselves. I am sure the hon. member himself, if he were to find any man attempting to treat his wife in that fashion, would be the first to rush forward to support that wife in an application to the courts that she be given decent alimony. I am sure that if he were to support her in her claim for alimony she would get it in any court, and no court would say that the Minister of Finance had laid it down on behalf of the Canadian government that $180 was enough for a wife.

My only purpose in drawing particular attention to this sort of thing is this. I felt that when the member for Parry Sound goes as far astray as that himself, and endeavours to lead all the rest of us equally astray on a matter of this sort, it indicates clearly, if he believes what he was saying, that he has what I might term an economic short-sightedness which completely disqualifies him for giving any evidence at all upon any economic question. Any man who, after reading the income tax resolutions that are before us and hearing the speeches, will come to the conclusion and pronounce the doctrine that they spell $180 to keep the wife of a man who has $3,000 a year, is obviously, in an economic sense, myopic. There can be no doubt about it. That of itself seems sufficient to wash out any argument that came after what the hon. member for Parry Sound said in that regard. I think the minister made it quite clear last night that the proposals which the hon. member made are inflationary. You have the hon. member saying that they are not. You can look at the other judgments of the hon. member and estimate him as an economic expert in the light of the sort of discussion that I have detailed to-night, and take your choice between him and the Minister of Finance as to whether the scheme that he proposes is inflationary. I am convinced that it is.

The hon. member was relying a very great deal upon our control system. I confess that I had some doubts as to whether we could control prices in this country, even before I heard the testimony, given later, of the Minister of Finance. I have always had difficulty in believing that we can, over a long time, hold down prices by any form of control. I fancy we shall be able to do it for about as long as this war lasts. Of course I do not know how long the war will last, but I do not believe you could hold down prices by a control system for a ten-year period. We may succeed in holding them down fairly well during the war only because there is a war, for if it were not for the war we would not submit to these controls; no democratic people would. But I call attention to Italy with all its control. They have a great deal more control in these totalitarian countries than we have. They do not have all the bother of parliament and that sort of thing. They do not have any expressions of opinion, which are always bothersome to any government. We have not got them blockaded as well as we would like. I have some figures before me—I can give authority to anyone who wants it—showing some of the difficulty Italy is experiencing. The price index of some goods purchased by the farmer is in my hand. It would appear that the farmer in Italy has to purchase a great deal of fertilizer and insecticides. The prices for 1929 apparently are taken as the base. Last year the index figure

for those articles was 137·4. This year it is 194·7, or a difference of nearly 60 points. I am not very good at mental arithmetic, but that represents a very high percentage of increase. Seed, which is of course highly important to the farmer, cost last year 163·1, but this year has risen to 192·4. Fodder is an article on which the agriculturist of Italy is best off apparently; the price has risen only about five points, from 135·4 last year to 140·2 this year. On agricultural machinery, something about which we of the west have heard quite a bit in this house, last year the price was 246·4 and this year it has become 287·2. Various industrial goods have risen from 222 to 279.

With all the controls they have in that totalitarian country their experience is that prices have gone up in the manner I have indicated with regard to certain basic goods. That in turn is bound—you cannot stop it—to bring about higher prices for other goods, even with all their controls. We can do a great deal with controls, but I am convinced that we cannot permanently or for any long time keep down prices even under the best of circumstances. Italy is a country in which every circumstance is favourable to keeping down prices, yet I imagine those increases will total up to an average of 30 per cent on certain basic articles, which increases will, in turn, affect a great many other articles within a very short time.

I gather that Germany is having somewhat similar difficulties in spite of all her controls. There they are apparently fearing inflation. They are struggling their utmost to keep it down. I hope they fail; we all hope for that. My point at the moment is that they are having trouble. It takes this form. When they hold down prices, people just will not put the primary products on the market, and even with their controls they cannot force people to do so. Last year some 14,000 tons of cherry harvest came on the market as against 60,000 tons the year before. Only 46 per cent of the strawberry crop reaches the market. They have had a new decree recently trying to force these things on the market and have now named minimum quotas in respect of apples.

These totalitarian countries are having all that kind of trouble. Surely, then, we must realize that we cannot rely entirely on controls in this country to keep down inflation. This is no time to try any kind of a "perhaps" scheme in this country. We can keep down inflation only if all things are favourable. We would be mad deliberately to put into operation in this country any kind of scheme as to the inflationary effect of which there is any doubt. It is all very well for a minority to believe it is not inflationary; they may be right although I am convinced they are wrong, but that does not settle the question.

I wish now to turn to something quite different, chiefly for the purpose of asking a question. I want to ascertain just what the situation is with respect to these compulsory savings. As I recollect, money paid upon a mortgage obviates the need of taking the money from the taxpayer to be refunded to him after the war; that is, payments on capital, not interest. I am concerned to make sure that the instrument which is much in use in western Canada, which operates substantially as a mortgage, namely the agreement of sale, is included in that provision. I know it is not in the wording, but I would draw attention to the desirability of that being done.

I would also call attention to the desirability of not fixing a rigid date for the mortgage, agreement of sale or similar instrument in regard to registration. I think the way in which the minister put this particular doctrine was something like this, that instruments which were registered as of a certain date would be considered. I suggest to him that there might be some revision in that connection, and I will explain the circumstances of certain cases which lead me to make this suggestion. We very often have mortgages arranged for the purpose of building houses. We have not been doing quite so much during the last few months under the housing act, though for a while building in Winnipeg was comparatively brisk under the provisions of that legislation. However, we always do have a certain amount of mortgage building. I know of several instances of people who have proceeded to arrange for the construction of houses, who have made arrangements for their mortgages and who are relying on progress payments from the mortgage company. Those people have everything arranged, but the mortgages may not yet be registered. Of course they will be registered before the mortgage company will give them any progress payments, but they have gone ahead with their building plans, having made all their mortgage arrangements. People like those are probably in the position now of having to pay something like $40 or $50 a month on their mortgages; yet if you insist on a certain date for the registration of those mortgages, those people simply will not be able to pay the mortgage and the income tax, and I do not know which they would let go. Therefore I think it would be well to take that situation into consideration. I am not suggesting that the date should be changed. I am suggesting that the government should

accept evidence to prove the existence of a condition such as I have described as of that particular date. Accept some evidence that the condition existed, in addition to the evidence that you are already willing to take, namely the registration of the mortgage itself.

Mr. BENCE: Would the execution date not be the correct date?

Mr. MAYBANK: The execution date of any document which established the existence of that condition; that is, the fact that the man committed himself, or any evidence which would definitely show that a man had entered into an arrangement such as I have described.

There is only one other point I should like to mention, and that is a minor matter with regard to insurance premiums. Take the case of a man whose insurance falls due in March. A great many men do not pay promptly, nor do they arrange any loans to take care of the premium. They just let it run for two or three months. Almost always their policies contain extended insurance clauses, or whatever they may be called, under which the policies carry on automatically. Then let us say that in June the individual makes the payment that was due in March. His receipt will not show that he paid the premium; it will show that he repaid a loan. If a man repays a loan on his policy, I do not know whether it is intended that this shall be treated as though it were a refundable payment. If it is, all right; but if it is not, I wish to draw to the minister's attention the fact that many people pay their premiums a little late. They do not make any arrangement for loans when the premiums fall due; they just let it ride, knowing the policies to be all right by reason of the deferred payment provisions. But when they pay the premium they do not get a receipt showing payment of the premium itself; the receipt shows repayment of a loan, because automatically, in the bookkeeping of the company, when the premium was not paid on the due date it became a loan, though no special action was taken by the policyholder to obtain that loan. I submit that in such instances these payments should be treated as payments of premiums, which would relieve the individual of the payment of tax on that portion of the refundable deposit.

I think these are the only questions I had in mind. I thought it well to place these various matters on record at the one time rather than speak three or four times during this discussion.

Mr. NOSEWORTHY: Mr. Chairman, when I was called out of bed by a newspaper man at one o'clock on the morning following the introduction of the budget, I unwittingly made the remark that this budget came as close to being a Cooperative Commonwealth Federation budget as anything we could expect from a Liberal government. I think I must have been still asleep when I made that statement, for nothing I have said since coming to Ottawa has brought me so much grief. However, since then I have had an opportunity over two week-ends of discussing the budget with a considerable number of people, with a wide range of incomes, and I am still satisfied that there are several very commendable features in this budget. I am amazed at the spirit of cooperation and stoicism with which the people to whom I have spoken accept this budget. I have heard complaints from very few. Those with whom I have discussed the budget have taken the attitude that we are in this war, that we must win it at any cost, and that we are fortunate if these are the greatest demands that are to be made of us in order to win the war.

I want to commend the minister for the compulsory saving feature, which I think has met with general approbation throughout the country, particularly in view of the deductions which are made possible. There are one or two matters on which, if possible, I would like the minister to give the committee some information. In connection with the deduction that is allowed in regard to repayments of principal under mortgages, it has been called to my attention that a great many people had entered into agreements prior to the date fixed in the regulations, but that these mortgages were not officially registered. I have been asked whether payments made on such mortgages may be deducted. In connection with the returnable portion, or the compulsory saving feature, I have been asked when the deductions that are to be made with regard to insurance, superannuation and so forth, are to be collected. The general impression seems to be that one-third of those amounts will be collected at the source. I have had letters from people complaining that if this portion of their savings is deducted at the source, they are going to be placed in financial difficulties, so that they will be unable to meet their payments. I think there has been a great deal of public confusion over this point, and a public statement should be made at once.

I want to compliment the minister upon fixing a maximum for the returnable compulsory savings part of the tax. I think that maximum might very well have been fixed at $500 instead of $1,000. According to my calculation, a man will need to be in the position of having an income of $10,000 a year before

he will make that maximum contribution of $1,000. I think the maximum might well have been made $500 instead of $1,000.

I have received some complaint from married men with families. This budget has already been called a bachelor's budget. I have thought of it as being uneugenic. Some nights ago the Minister of Finance spoke of the incentive that is required by industrialists to maintain production. I fail to see any incentive in this budget to encourage the production and raising of children. When you consider that according to the *Labour Gazette* the index of wage rates since 1939 has moved up from 105·3 to 118·9, or 13·6 points, which figures out at 12·9 per cent, and that the cost of living according to the same records has risen 15·2 per cent; and when you consider further that wages have been frozen at a level which gives wages a lower increase than the increase in the cost of living—

Mr. ILSLEY: Those are wage rates, not total wages.

Mr. NOSEWORTHY: According to the information in the *Labour Gazette* for May, 1942, at page 633, these wage rates include the cost of living bonus.

Mr. ILSLEY: That is right, but they are still wage rates. That does not take into account the larger number of hours which they have the opportunity to work.

Mr. NOSEWORTHY: The wage rates including the cost of living bonus had risen 12·9 per cent since 1939 as against an increase of 15·2 per cent in the cost of living. When you consider that wages have been frozen at that level and take into account certain other features of this budget, you will see what I mean by the lack of any incentive to raise families.

There are two features of this budget to which I would call the minister's attention and which, I presume, he may have studied already. One is—this may have been intentional on the part of the minister, and it may be good from the point of view of eugenics and from his point of view; I do not know—that there is much more incentive given to the man in the higher-salaried brackets to raise children than there is to the man in the lower-salaried brackets. If you take the difference between what is left to the married man with two children and what is left to the single man, both with the same income, you will find that the married man with two children has, on an income of $1,250, a margin over the single man of $235; on $1,500, a margin of $308; on $1,750, a margin of $366; on $2,000, $386; on $4,000, $446; on $7,500, $516; on $20,000, $766; and if by any chance a man has an income of $1,000,000, a married man with two children has a margin of $10,000 over the single man. In other words, the lower the married man's income, the smaller the difference between what is left to him after his tax has been paid and what is left to the single man.

There is one other feature which I think is worthy of consideration. We have often heard it said that the thing that matters in taxation is the amount that the man has left after the tax has been taken, but I think it is important that we consider the effect of this taxation upon the income left as compared with the income left after the tax had been levied in the previous year. In other words, it is interesting to note just how much of an adjustment an individual will have to make in his standard of living as compared with last year by reason of this budget. A man receiving $1,500 a year or $30 a week, taking into account the returnable portion of the taxes, will have to step down his scale of living by one per cent from his scale of living of last year. A married man with two children receiving an income of $1,750 will have to adjust his standard of living by 3·3; with an income of $2,000, he will have to scale down his standard of living by 8 per cent, and with an income of $2,500 he will have to scale it down by 13·4 per cent. That appears to me to make a considerable demand for adjustment in one's standard of living.

Those are features to which I think the minister might give consideration. I hope that he will let us know whether he has already considered the effect of the budget in that regard and the income taxation increases on the married man with two children or more.

Mr. SLAGHT: I had not intended to take part in the debate to-day, but in view of what was said by the hon. member for Winnipeg South Centre (Mr. Maybank), I feel I should say a few words. The bulk of his time before the committee was occupied in a personal tirade, in personal abuse of myself, in delicately veiled sarcasm. I know that at this stage of the session the committee is not interested in any individual's mode of attack, particularly when I suggest that in nothing I said did I use any personalities. Apparently the hon. member for Winnipeg South Centre had to base his case against me on the grounds, as he said, that there are those who are always so spoiling for a fight that they will turn round and hit anybody at any time. Another choice morsel was, "he had the crowd under his spell". Then followed an expletive, "good Lord", with which he attempted to drive home his

argument. I do not know what the practice is in the Winnipeg police court, but I do not think this is the time to introduce into this court, when you have a bad case, the practice of abusing counsel on the other side.

Mr. MacNICOL: We do not want police court stuff here at all.

Mr. SLAGHT: I hope the hon. member who just interrupted me will bear me out when I say that I did not conduct my share of this debate on any such grounds at all. I think it is a pity that hon. members cannot deal with the problem before us more fairly. My hon. friend undertook to make some reference to a man having insurance and so and so, but he did not answer at all what the hon. member who has just taken his seat emphasized, and he probably missed the point of my remarks, as far as a married man with children was concerned. Let me tell him that any case that I attempted to make out for an alteration was based on the fact that there was discrimination against a married man with two children, having regard to the allowance that was made to him and the allowance made to the bachelor. Surely by this time that has been made pretty clear to everybody else, except the hon. member for Winnipeg South Centre. That is all there is in that criticism; there is nothing more.

We welcome the young Lochinvar from the west, but he should not occupy the time of the committee in abusing another hon. member, in slurring him in that manner. I do not propose to waste the time of the committee in answering such statements. I want to make reference to just one of his bons mots or arguments. I do not know where he got his information, but he took us over to Germany. From what he said I gathered that Germany is having some trouble in holding down prices, and, therefore, because German character, which we have surely found out by this time is filled with selfish trickery and evasion, is not such that they are willing to keep the laws of their country, he is indicating with all that defeatist attitude that the Canadian people are not prepared to keep the laws of Canada with regard to rationing and price control.

Mr. GOLDING: Some have been fined already.

Mr. SLAGHT: Of course they have. In any new law which is as drastic as this there will be some people who will be fined. But if there is another member with a defeatist attitude, as it would appear that there is, let me tell him that I have great faith in the courage, in the honour and in the desire of the people of this country in the main to submit to every law that has been imposed upon them. I do not propose to succumb to any such argument as that which has been advanced, although there seem to be two members of this house who want to advance it. I do not believe we can assume that in the main the people of Canada are not cooperating and will not continue to cooperate in the effort to win this war in accordance with the restrictions that have been placed upon them. I think it is a silly attitude to take to suggest that in the main the people will not cooperate. My hon. friend interrupts to say that somebody has been prosecuted.

Mr. GOLDING: The minister told us that last night.

Mr. SLAGHT: I heard him, and I heard the hon. member speak now. Are you prepared to stand up and condemn the people in your riding? Has anybody in your riding been prosecuted? Nobody in my district has been prosecuted. I am not prepared to argue the wisdom or the lack of wisdom in the method by which we raise our money on the basis that we must assume that a black market will prevail, that the people of Canada are crooks and will be ready to disobey the laws of Canada in war time.

Mr. GOLDING: That is about as sensible as your illustration was.

Mr. SLAGHT: My hon. friend is quite glib with his condemnation of the sensibleness of my illustration, but I have not heard him venture any remarkable expositions as to why a bank with $5 in its strong box should be allowed to write up $100 in credit and take in a bond which will bear 3 per cent interest for twenty years.

Mr. GOLDING: I have not been converted as you have.

Mr. SLAGHT: That is another glib remark. I really cannot get very far in discussing the real facts surrounding this matter if I have to reply to the smart-Aleck interjections that are thrown in in that way. A man will make a greater contribution if I am wrong by rising in his place and discussing the facts and showing wherein I am wrong. I had not intended to say anything until the new Moses appeared on the horizon to lead us out of the wilderness.

Mr. GOLDING: You made a wonderful contribution; you are getting better all the time.

Mr. SLAGHT: That sort of minstrel show end-man business is played out in this House of Commons; it does not get us any-

where; it is not an earnest attempt to contribute to the discussion of a very serious problem.

Mr. HANSON (York-Sunbury): You cannot have a contribution unless you have something to contribute.

Mr. SLAGHT: I leave myself in the judgment of the committee whether the attacks made by the hon. member for Winnipeg South Centre and the hon. member for Huron-Perth (Mr. Golding), whether that kind of interjection and endeavour to destroy the presentation of a problem, is worth-while at this hour of our country's plight. I suggest that it is not. I leave myself, in the light of the personal abuse I have received to-night, in the judgment of the members of this committee, regardless of whether they agree or disagree with the problem that I have seriously endeavoured to present. The minister, whose problem it was to deal with this matter, showed me all the courtesy of debate, and I would have hoped that the side-liners who either got up or were put up to-night to attempt to destroy me would have found it desirable to keep themselves on a similar plane of decency in public discussion.

Mr. MAYBANK: I rise to make only one remark. The hon. member does not do himself justice in being quite so sorry for himself.

Mr. GRAYDON: If the civil war has drawn to a close, perhaps I can make a remark or so. I want to get back to the subject which was under discussion, on the question as to wage-earners whose category is under $2,000. These men and women, of course, have to pay unemployment insurance contributions week by week.

Mr. ILSLEY: Just for accuracy, the limit is not $2,000 now; it is higher than that.

Mr. GRAYDON: It is $2,500, is it?

Mr. ILSLEY: I do not think you can set it at any particular figure. There is an order in council, however, raising it. It does not make any difference to the hon. gentleman's argument.

Mr. GRAYDON: It has no material bearing on my argument, in any event. The point I want to raise is this, and it seems to me important. The government proposes to collect from this wage-earning class that comes within the lower brackets of income, first of all an unemployment insurance contribution, and now, in addition, they have the minimum savings requirement. Does the government intend to combine the procedure by which the contributions and these minimum savings requirements are to be paid? I know there has been some confusion and considerable complaint raised because there are so many different sources and different channels through which tax collections have to be made. Perhaps we are only in the infancy of a developing scale of taxation with respect to many of these classes; but if we are to proceed on this basis we must make it a little less complicated for the man on the street, the average working man, if you like, because he is faced with the necessity of becoming almost a bookkeeper as well as a worker. He has a book for his unemployment insurance; he will now have to have another book, I assume, in connection with these minimum savings requirements; and with the numerous other deductions which the working man has to have taken off his salary and kept in certain specified positions, it seems that the government might very well take into consideration some simplification of the collection of these minimum savings, along with the contributions for unemployment insurance.

There is another angle to this matter. I wonder if we are dealing fairly and without discrimination with the class which comes within the unemployment insurance category. These men, of course, pay into the unemployment insurance fund, and, subject to certain regulations and conditions appearing in the act and the regulations thereunder, no interest is payable on that amount of money, while under the minimum savings requirement plan 2 per cent is actually allowed by the government. I know the question has been raised in one or two quarters as to the propriety of that, as constituting some discrimination so far as that class of worker is concerned.

While I am on my feet, on the question of the refundable part of the income tax, would the minister care to say whether that is to be assignable or transferable, or can it be lent upon or dealt with by the person who leaves it with the government? That point has been raised on two or three occasions.

Mr. ILSLEY: The answer to the last question is no. With regard to the other two, I will take the hon. member's suggestions into account and when we reach resolution 25 they can be discussed.

Mr. HANSON (York-Sunbury): I had hoped that the lengthy discussion, which has now lasted for over six hours, arising out of the speech of the hon. member for Parry Sound, would have ended some hours ago and that we might have made some progress with this resolution. It is now nearly eleven o'clock, and I would ask the committee on both sides of the chamber if we cannot get

away from this speculative exhibition of monetary theories and get down to business to-morrow so that we may make some real progress in regard to this resolution.

Might I just ask the minister, in view of the flow of eloquence and the multiplicity of words to which we have been listening, not to forget that in the course of my budget speech, in the remarks I made on this resolution, No. 1, I asked certain specific questions which I think are of very great importance and which we would like to have elucidated. I hope he will not forget them to-morrow.

Mr. ILSLEY: I wholly agree. I was a little diffident about asking the committee to curtail general discussion, because the budget debate was very short, and leaders of all opposition parties made reservations of the right of members of their parties to discuss matters rather generally on the resolutions; but I am wholly in accord with the appeal of the leader of the opposition to members of the committee that to-morrow, when we start, we take the resolutions up resolution by resolution and apply the rules strictly to the resolutions, and I shall be prepared as best I can to deal with the matters raised by the leader of the opposition.

Mr. COLDWELL: May I say just a word? I think possibly I would have liked to have joined in this general discussion on monetary affairs. We hold very definite views; we believe, of course, that not until you have placed the principal means of production, the economic monopolies, and the financial system under the direct control of the community can you balance purchasing power with production. But we wished to facilitate the business of the committee and refrained from taking part in the discussion. I am sure that to-morrow we shall be very glad to cooperate with the minister, the leader of the opposition and the house generally in trying to get these resolutions through as quickly as proper consideration will permit. We shall have some other opportunity to place our economic and financial policies again before the house.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

END OF VOLUME IV